**Agenda Item # 8.b.1.**

**To:** Board of Directors **Date:** 06/07/2017

**From:** Anne Muzzini, Director of Planning & Marketing **Reviewed by**:

**SUBJECT: Bus Advertising Services – Contract Extension**

**Summary of Issues:**

The contract with Lamar Transit to provide bus advertising services allows for two (2) one-year extensions. The current contract expires on December 31, 2017 if the option years are not authorized. Currently we are receiving more revenue under the minimum annual guarantee than under the 62% revenue share arrangement. This is due to the fact that they are not selling as much advertising as anticipated when the contract was signed. It is likely that we would receive a lower guarantee and or a lower percentage of the revenue, if we sought competitive bids at this time.

Lamar representatives have been good partners; carefully reviewing advertising content, diligently removing expired ads, and addressing maintenance concerns regarding to paint damage.

Staff recommended that the Marketing Planning & Legislative Committee support exercising the option years as it is better financially than going out to bid at this time.

**Financial Implication:**

County Connection will receive a minimum annual guarantee of $590,000 in calendar year 2018, and $595,000 in calendar year 2019. The current minimum annual guarantee is $585,000.

**Recommendation:**

The MP&L Committee recommends the Board of Directors approve exercising the two (2) one-year extensions.