

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	12/08/14	Open	Action	11/18/14

Subject: Approving the Eighth Amendment to the Contract for Bus Shelter and Bench Placement and Advertising Services with Clear Channel Outdoor, Inc.

ISSUE

Whether or not to approve the Eighth Amendment to the Contract for Bus Shelter and Bench Placement and Advertising Services with Clear Channel Outdoor, Inc.

RECOMMENDED ACTION

Adopt Resolution No. 14-12-____, Approving the Eighth Amendment to the Contract for Bus Shelter and Bench Placement and Advertising Services with Clear Channel Outdoor, Inc.

FISCAL IMPACT

There is a fiscal impact to not extending the current Contract. If the Amendment is not approved, resulting in a lapse of service, RT would: 1) lose the revenues it receives under the Contract (estimated at \$25,000 per quarter); 2) have to purchase the inventory of shelters that have current value; and, 3) incur expenses for the maintenance and repair of shelters and non-advertising benches.

DISCUSSION

On July 28, 2014, the RT Board approved the Sixth Amendment to the Contract with Clear Channel Outdoor for Bus Shelter and Bench Placement and Advertising Services. The Sixth Amendment extended the term of the current Contract with Clear Channel to December 31, 2014 to allow adequate time for staff to solicit, award and transition to a new Contract. The Seventh Amendment to the Contract, executed under the General Manager/CEO's authority, was to have Clear Channel Outdoor, Inc. install two RT-owned bus shelters and benches on Capitol Mall for routes relocated due to the downtown Sacramento entertainment and sports center project.

On March 23, 2014, the Board authorized the release of an RFP to solicit for bus shelter, bench and advertising services. There is currently a delay in the procurement. RT received 2 proposals from the solicitation of the RFP but both were deemed nonresponsive. One of the Proposers has filed a protest of RT's determination that its proposal is nonresponsive. Staff is working through the protest and it may take several weeks before the protest is resolved. In the meantime, it is in RT's best interest to extend the existing Contract with Clear Channel through June 30, 2015 to allow sufficient time to secure a new contract for bus shelter, bench and advertising services.

Clear Channel Outdoor has agreed to extend the current contract through June 30, 2015 at the same financial terms agreed upon in the Fifth and Sixth Amendments: Contractor will apply a 13% revenue share for the first \$1.4 million in gross advertising revenue, and a marginal revenue share of 26% for gross advertising revenue exceeding \$1.4 million annually.

Approved:

Presented:

Final 12/2/14

General Manager/CEO

Director, Facilities

J:\Board Meeting Documents\2014\2014\IP.EighthAmendmentClearChannel.Draft.141208.doc

December

8,

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	12/08/14	Open	Action	11/18/14

Subject: Approving the Eighth Amendment to the Contract for Bus Shelter and Bench Placement and Advertising Services with Clear Channel Outdoor, Inc.

Staff recommends approval of the Eighth Amendment to the Contract with Clear Channel Outdoor, Inc. to extend the term through June 30, 2015.

RESOLUTION NO. 14-12-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 8, 2014

**APPROVING THE EIGHTH AMENDMENT TO THE CONTRACT FOR BUS SHELTER
AND BENCH PLACEMENT AND ADVERTISING SERVICES WITH CLEAR CHANNEL
OUTDOOR, INC.**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Eighth Amendment to the Contract for Bus Shelter and Bench Placement and Advertising Services by and between the Sacramento Regional Transit District (therein referred to as "RT") and Clear Channel Outdoor, Inc. (therein referred to as "Contractor"), whereby the term is extended to June 30, 2015, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute the Eighth Amendment.

PHILLIP R. SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary