

REGIONAL TRANSIT ISSUE PAPER

| Agenda Item No. | Board Meeting Date | Open/Closed Session | Information/Action Item | Issue Date |
|-----------------|--------------------|---------------------|-------------------------|------------|
| 5 | 07/28/14 | Open | Action | 07/15/14 |

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

RECOMMENDED ACTION

Adopt Resolution No. 14-07-____, Approving the Sixth 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). The shelters are owned by Clear Channel (and not RT) making maintenance difficult absent an agreement with Clear Channel for RT or its designated contractor to maintain the shelters.

DISCUSSION

On March 24, 2014, the RT Board approved the Fifth Amendment to the Contract with Clear Channel Outdoor. The Fifth Amendment extended the term of the Contract to August 31, 2014 to allow adequate time to solicit, award and transition to a new Contract. The procurement process is taking longer than expected. The prospective proposers have requested an extension to the proposal due date and staff needs more time to respond to the large number of questions posed by the potential proposers. Staff intends to return to the Board for award of a new contract in the fall of 2014 and work through closing out the current contract and transition to the new contract effective January 1, 2015.

Clear Channel Outdoor has agreed to extend the current contract through the end of this calendar year at the same financial terms agreed upon in the Fifth Amendment: 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.

Staff recommends the approval of the Sixth Amendment to the Contract with Clear Channel Outdoor, Inc. to extend the term through December 31, 2014.

Approved:

Presented:

Final 07/16/14

General Manager/CEO

Director, Facilities

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2014\IssuePaper.SixthAmendmentClearChannel.Draft.140707.doc

July

28,

RESOLUTION NO. 14-07-_____

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

July 28, 2014

**APPROVING THE SIXTH 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 Sixth 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 December 30, 2014, is hereby approved.

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

PHILLIP R. SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary