

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	03/24/14	Open	Action	03/13/14

Subject: Authorizing Release of a Request for Proposals for Bus Shelter and Bus Bench Advertising and Approving Fifth Amendment to the Contract for Bus Shelter and Bench Placement and Advertising Services with Clear Channel Outdoor, Inc.

ISSUE

Whether or not to Authorize release of a Request for Proposals for Bus Shelter and Bus Bench Acquisition, Installation and Maintenance, and Advertising Services, and Approve the Fifth Amendment to the Contract for Bus Shelter and Bench Placement and Advertising Services with Clear Channel Outdoor, Inc.

RECOMMENDED ACTION

- A. Adopt Resolution No. 14-03-____, Authorizing Release of a Request for Proposals for Bus Shelter and Bus Bench Acquisition, Installation and Maintenance, and Advertising Services; and
- B. Adopt Resolution No. 14-03-____, Approving the Fifth Amendment to the Contract for Bus Shelter and Bench Placement and Advertising Services with Clear Channel Outdoor, Inc.

FISCAL IMPACT

None as a result of the release of the RFP. The fiscal impact of the new Contract will be identified when the Contract is brought to the RT Board of Directors for award.

There is a fiscal impact to extending the current Contract. If it is not extended, RT would lose the revenues it receives under the Contract and have to assume maintenance duties, which have a cost.

DISCUSSION

In May 1994, the RT Board awarded a 10-year contract with a 5-year renewal option to Patrick Media Group, Inc. for the placement and maintenance of 1500 bus benches and 500 bus shelters, of which 350 would include advertising and 150 would be non-advertising shelters. The contract was amended in 1999 to extend the initial contract term to April 30, 2009. Clear Channel Outdoor is the current successor to Patrick Media. In September 2008, the RT Board approved the Fourth Amendment to the Clear Channel Outdoor contract, which included a 5-year extension, one time payment of \$125,000 cash to RT, 15 additional shelters (increasing the number of shelters to 515), and manufacture and installation of 140 additional non-advertising blue bus benches. To date, Clear Channel Outdoor has installed 490 bus shelters, 600 advertising benches, and 345 non-ad blue bus benches throughout RT's service area.

Approved:

Presented:

Final 03/19/14

General Manager/CEO

Director, Facilities

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Subject: Authorizing Release of a Request for Proposals for Bus Shelter and Bus Bench Advertising and Approving Fifth Amendment to the Contract for Bus Shelter and Bench Placement and Advertising Services with Clear Channel Outdoor, Inc.

The existing contract expires April 30, 2014. To ensure there is no gap in shelter providers and allow adequate time for contract award and transition, staff is seeking a Fifth Amendment to the Clear Channel Outdoor contract extending the term to August 31, 2014.

RT staff is proposing to solicit a 10-year contract with a 5-year extension option. Staff is seeking one contractor to administer both bus shelters and bus benches because of the interrelationship between the placement of benches and shelters. With the capital investment required of the successful proposer, a 10-year contract is standard. The successful proposer will also be required to buy out Clear Channel’s interest in any existing shelters with remaining value designated by RT or replace the current inventory with new inventory. RT will retain shelters that are completely depreciated (over 10 years old) under the terms of the current agreement.

The RFP for Bus Shelter and Bus Bench Advertising will seek the integration of real-time arrival displays (“Next Bus”) in shelters for enhanced passenger information. The new contract will retain reservation of unused advertising space (when and if available) for RT or Public Service Announcements (PSAs) as previously adopted by the RT Board of Directors. PSA space is reserved for display ads placed by a public entity or non-profit 501(c)(3) corporation under the conditions set out in RT’s Advertising Policy. The advertising space available for PSAs will be measured based on the total amount of advertising space available to Contractor, immediately prior to the receipt of a request to place a PSA. The entity requesting the PSA must provide Contractor with all advertising displays (bench panels or shelter posters) ready for the Contractor to install.

The focus on this contract will continue to be increased customer amenities at bus stops throughout RT’s service area. In the first year of the contract, the successful proposer will focus on the removal and relocation of existing bus shelter and bus bench inventory at locations no longer served by RT. The RFP will require the installation of a minimum of 300 non-ad blue benches, 600 ad benches and an additional 135 shelters (combination of ad and non-ad). The non-ad blue benches have been well received by RT’s customers. Only 135 additional shelters are being requested due to challenges selecting viable shelter locations in established areas and complying with setbacks in accordance with ADA regulations.

Staff recommends the release of this RFP and approval of the Fifth Amendment to the contract with Clear Channel Outdoor, Inc.

RESOLUTION NO. 14-03-_____

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

March 24, 2014

**AUTHORIZING RELEASE OF A REQUEST FOR PROPOSALS FOR BUS SHELTER
AND BUS BENCH ACQUISITION, INSTALLATION AND MAINTENANCE, AND
ADVERTISING SERVICES**

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

THAT, the Request for Proposals for Bus Shelter and Bus Bench Acquisition,
Installation and Maintenance, and Advertising Services, is hereby approved and authorized
for release.

THAT, the Request for Proposals for Bus Shelter and Bus Bench Acquisition,
Installation and Maintenance, and Advertising Services be advertised pursuant to the
provisions of the Sacramento Regional Transit District Procurement Ordinance.

PHILLIP R. SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 14-03-_____

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

March 24, 2014

**APPROVING THE FIFTH 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 Fifth Amendment to the Contract for Bus Shelter and Bench Placement and Advertising Services by and between the Sacramento Regional Transit District (therein "RT") and Clear Channel Outdoor, Inc (therein "Contractor"), whereby the term is extended to August 31, 2014, is hereby approved.

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

PHILLIP R. SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary