
TO: CITY MANAGER**DATE:** 2018 June 19**FROM:** DIRECTOR FINANCE**FILE:** 5820-20
*RFP 142-08/17***SUBJECT: CONTRACT AWARD – TRANSIT SHELTER ADVERTISING****PURPOSE:** To obtain Council approval to award a contract for the sale, marketing and posting of advertising material in City owned commercial transit shelters.

RECOMMENDATION:

1. **THAT** a revenue-based contract be awarded to Pattison Outdoor Advertising, LP for a term of ten years for the sale, marketing and posting of advertising materials in City owned commercial transit shelters as outlined in this report.

REPORT

In 2011 May, Council authorized staff to pursue a new business model for bus shelter advertising, and the City decided to replace old commercial transit shelters previously owned by Pattison Outdoor Advertising, LP with City owned shelters to enable a more rapid expansion of transit shelters across the City. In 2012 November following a competitive bid process, Council awarded a five year contract to Pattison Outdoor Advertising, LP for the sale, marketing and posting of advertising material in City owned commercial transit shelters.

In the Fall of 2017, a Request for Proposals was again issued publicly to the marketplace. Only one submission from Pattison Outdoor Advertising, LP was received and negotiations were undertaken for a new ten year contract, including an option for an additional five year extension. The submission was evaluated by staff from the Engineering and Purchasing departments on the proponents' overall experience and qualifications in the industry, sales and marketing capabilities, and overall financial offering to the City. The recommended bidder, Pattison Outdoor Advertising, LP has a proven track record in providing transit shelter advertising services. Over the term of the contract, the City can expect to receive a minimum of more than \$6 million in guaranteed revenue. Actual revenues will be contingent upon market conditions and advertising sales volume.

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Pattison Outdoor Advertising, LP has a proven track record in providing advertising services to the City and staff evaluation indicates that the recommended proponent can continue to successfully deliver the program requirements under this contract. The Director Engineering concurs with the above recommendation.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:GC:SC/ew

Copied to: Director Engineering