Transit Authority of River City

MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: November 20, 2024

Re: Resolution 2024-42 Transit Bus Advertising Program and Services Revenue Sharing (20231829)

TARC has contracted out the management and selling of transit advertising for many years, which has been a continual source of revenue and shared-value for the agency. At this time, advertising on available vehicles is under contract with Lamar Advertising. Their five-year plus three optional years contract expires on January 31, 2025.

It is TARC's intent to continue to generate the maximum additional revenue that it can get through transit advertising and the shared-value for agency promotions, which will assist the agency to offset costs associated with the provision of public transit service.

For this contract award, TARC is granting to the contractor the advertising space made available on its fleet of fixed-route buses, an additional number of paratransit vehicles and considering the possibility of its transit shelters.

In August 2024, the Procurement Department issued a Request for Proposals (RFP) 20231829 for Transit Bus Advertising Program and Services Revenue Sharing. Proposals were received from four (4) responsive proposers and three (3) proposers scored the highest and within range. The following short-listed proposers, Adsposure, Lamar and Mesmerize, continued to the next step of the evaluation process.

An evaluation committee completed a two-step evaluation process including in-person meeting presentations and interviews. Allowing the evaluation committee members to clarify questions during the interviews, presenters were able to respond effectively to those questions and clarifications.

After scoring and careful consideration, the evaluation committee determined that an award to Adsposure would result in the greatest and best value to TARC. Adsposure has agreed to provide a value add of $125K towards bus productions and an annual guarantee revenue share of equal or greater than $750K, which will be paid monthly or quarterly. In addition, a 60% revenue share for any excess revenue produced at the end of every year.

This Resolution requests that the Board of Directors authorize the Executive Director to enter into a negotiation and agreement with Adsposure to include an initial term of five (5) years with three (3) one-year optional terms for a total of eight (8) years. Please call me at 561-5100 if you have any questions. Thank you.

Transit Authority of River City

RESOLUTION 2024-42
TRANSIT BUS ADVERTISING PROGRAM AND SERVICES REVENUE SHARING

A Resolution authorizing the Executive Director to negotiate and enter into a contract with Adsposure for a Transit Bus Advertising Program and Services Revenue Sharing for an initial term of five (5) years with an option to renew an additional annual one-year term up to three (3) years for a total of eight (8) years.

WHEREAS, Transit Authority of River City (TARC) intends to implement Transit Bus Advertising Program and Services Revenue Sharing that will support agency's long-term advertising goal and efforts; and

WHEREAS, TARC conducted a formal competitive solicitation; and

WHEREAS, TARC received four (4) responses, but only three (3) were shortlisted to proceed to the next phase of the evaluation process; and

WHEREAS, TARC evaluated and compared each of the proposers offerings and approaches to transit bus advertising against the other proposers; and

WHEREAS, the evaluation committee determined that Adsposure offered TARC the greatest and best value with guarantees of $125K annually towards bus productions and revenue sharing equal or greater than $750K, including a 60% revenue share for any excess revenue produced at the end of every year about the 750K; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Transit Authority of River City that:

The Executive Director is hereby authorized to negotiate and enter into a contract with Adsposure for the Transit Bus Advertising Program and Services for an initial term of five (5) years with three (3) one-year optional terms for a total of eight (8) years.

ADOPTED THIS 20TH DAY OF NOVEMBER 2024

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Ted Smith, Chair of the TARC Board of Directors