STAFF REPORT

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: 2020 Transit Shelter Advertising Contract Request for Proposals

ACTION ITEM

RECOMMENDED ACTION(S):
Consider authorizing the release of a solicitation for a qualified company to provide transit shelter and advertising services beginning in 2020, throughout the AC Transit service area.

BUDGETARY/FISCAL IMPACT:
There are no fiscal impacts associated with a Transit Shelter Advertising Contract. A future contract is a nonmonetary asset, meaning advertising bus shelters is intended to generate sufficient revenue for a contractor to install and maintain the bus shelters. In addition, the advertising revenue provides enough funds for the District to collect an administrative fee that will be the equivalent of the cost for a program administrator position. The Request For Proposals (RFP) will require bidders to submit a financial revenue plan that will include the above components and potential revenue-sharing model with the local jurisdictions.

BACKGROUND/RATIONALE:
The Alameda Contra-Costa Transit District’s (District) transit shelters are currently installed, owned and maintained by Clear Channel Outdoor (CCO). In exchange for these services, CCO manages shelter advertising sales and receives revenue for the ads. Currently, there are approximately 250 CCO transit shelters total throughout the District’s service area excluding the City of Oakland. The CCO owns and maintains 150 transit shelters in the City of Oakland through a separate contract. The RFP will include the 150 CCO transit shelters in the City of Oakland bringing the total to 400 existing CCO shelters in the District service area.

The existing five-year extension to the Joint Powers Agreement (JPA) CCO contract for 250 transit shelters expires on December 31, 2019 and a new contract is required to ensure the maintenance and upkeep of existing transit shelters. In response, staff would like to issue an RFP for qualified firms to supply and install new advertising and non-advertising shelters and/or maintain current advertising and non-advertising shelters.

There are several opportunities associated with a new contract. These may include:
- Replace and update old shelters: Many of the District’s shelters date back to 1999, when the first JPA CCO contract went into effect, and are in need of repairs and fixes. The new contract could require the contractor to gradually replace current bus shelters with new bus shelters over multiple years. Alternatively, the new contract could also require the contractor to update current bus shelters.
- Add additional shelters: Staff have received multiple requests from JPA city staff, council members, the public, and new developments for bus shelters. Most JPA cities have installed the maximum number of shelters off of the original contract list. The new contract would allow the District, in partnership with the JPA, to add new bus shelters to locations where shelters currently do not exist and are needed, and thus increase the total bus shelter inventory and available advertising panels.

- Improve shelter maintenance requirements: Since the second amendment’s execution, CCO has consistently maintained the District’s transit shelters. A new contract would further improve maintenance by, but not limited to:
  a. Maintenance performance penalties
  b. Digital documentation of routine maintenance
  c. Photo documentation
  d. Use of the 511 stop ID # in the shelter inventory and maintenance logs
  e. Maintenance of new shelter locations
  f. Additional maintenance of high-maintenance shelter locations, identified by the District in partnership with the JPA

- Improved transit shelter design: If the District and the JPA choose to replace existing shelters, the District would require updated transit shelter designs including, but not limited to, LED lighting and weather-protective design elements.

- Option for additional service opportunities: The District would evaluate opportunities for, but not limited to, digital advertising, future Bus Rapid Transit or Rapid corridor stops, transit centers, and solar lighting.

- Revenue sharing – As with the current contract, the new contract should include terms for revenue sharing with the local jurisdictions and a fee to AC Transit equivalent to the salary and benefits of an Assistant Transportation Planner to administer the contract and manage the program.

- Oversight of advertising content - The new contract will require the vendor to comply with Board Policy 404, Advertising on District Property.

District staff are collaborating with the JPA through every step in the process. The JPA includes the following county and cities: the County of Alameda and the cities of Albany, Berkeley, El Cerrito, Fremont, Hayward, Newark, Richmond, San Leandro, and San Pablo, and the new JPA member, the City of Oakland. The RFP is expected to proceed according to the timeline in Table 1:

<table>
<thead>
<tr>
<th>Proposed Action</th>
<th>Date Planned</th>
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<tbody>
<tr>
<td>Board Authorization to Solicit</td>
<td>October 24, 2018</td>
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<tr>
<td>Develop RFP with JPA</td>
<td>October 2018 – December 2018</td>
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<tr>
<td>Request for Proposals Issued</td>
<td>January 11, 2019</td>
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<tr>
<td>Request for Proposals Due</td>
<td>February 10, 2019</td>
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<tr>
<td>RFP Evaluation and selection</td>
<td>February 11, 2019 – March 15, 2019</td>
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<tr>
<td>Joint Powers Agreement Amendment Approval</td>
<td>April 2019 – May 2019</td>
</tr>
<tr>
<td>Board Approval of Contract</td>
<td>July 2019</td>
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<tr>
<td>New Contract Begins</td>
<td>January 1, 2020</td>
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Table 1: Transit Shelter Advertising Contract RFP Timeline
Originally, the second five-year amendment on the original contract was set to expire on November 9, 2019. CCO and District staff have worked to extend the end date to December 31, 2019, which lines up with most advertising agency’s fiscal year start date and extends the timeline to procure a new contract.

A Selection Committee comprised of representative(s) from the District and members of the JPA will assess the proposals based on the evaluation criteria listed in the solicitation and shown in Table 2:

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weight</th>
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<tr>
<td>Understanding Scope of Work</td>
<td>10</td>
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<tr>
<td>Qualifications of firm, staffing, project management, and organization</td>
<td>20</td>
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<tr>
<td>Work Plan, including plan to grow revenue</td>
<td>30</td>
</tr>
<tr>
<td>Shelter Specifications and Design Elements</td>
<td>30</td>
</tr>
<tr>
<td>Revenue/Financial Proposal</td>
<td>10</td>
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<td>TOTAL WEIGHT</td>
<td>100</td>
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Table 2: Evaluation Criteria and Scoring

ADVANTAGES/DISADVANTAGES:
There are several advantages associated with replacing old shelters with new shelters. Among these are:

- Improved shelter covering can improve comfort level and provide protection for passengers during inclement weather.
- Improved shelter lighting can increase safety and comfort of passengers waiting for the bus at night.

One disadvantage associated with replacing old shelters with new shelters is:
- Replacing shelters may incur capital costs, detract bidders and will take years to replace.

ALTERNATIVES ANALYSIS:
There are no practical alternatives to the course of action provided in this report.

PRIOR RELEVANT BOARD ACTION/POLICIES:
GM 15-071: Clear Channel Outdoor Bus Shelter Contract Maintenance Compliance
GM 14-210: Transit Shelter Agreement Option with Clear Channel Outdoor
None.

**Approved by:** Ramakrishna Pochiraju, Executive Director of Planning and Engineering

**Reviewed by:** Robert del Rosario, Director of Service Development and Planning
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