

Source: Public Works

Agenda Item No: REP 169-13

To: City Council
From: City Manager and Staff

Council Meeting Date: Dec 16, 2013

Re: Renewal of Transit Advertising Contract

EXECUTIVE SUMMARY:

Staff has prepared for Council consideration a report concerning a contract with Transit Advertising, Inc. awarded on January 1, 2010 for bus advertising. The contract is for a 4-year term with an additional one year renewal option. The additional one year option is to be renewed January 1, 2014. Prior to renewal the contract allows for "evaluation based on past vendor performance, scope of project changes, contractor availability, percentage decreases, and other factors that affect the contract."

DISCUSSION:

Staff evaluation of the vendor's performance, based on the measures described in the contract, is as follows:

Vendor Performance: Staff from Transit Advertising, Inc have been very responsive and easy to work with. They have made necessary changes to contracts with advertisers, provided staff with all artwork for approval, and provided contracts, reports and payments in a timely fashion. They have adhered to all stipulations of the contract. In 2011, they allowed for an independent audit of their processes which resulted in a positive report.

Scope of Project Changes: Currently, all types of advertising sizes and formats are allowed via the scope. There have been a small number of public complaints about full wraps, primarily related to the difficulty in seeing through windows covered by these types of advertisements. Transit Advertising, Inc has provided options, that they have used in other markets, that restrict coverage of windows to approximately 50% of all passenger windows. Photos of these type of wraps are attached to this report. If we should remove full wraps from the mix of possible options, we would likely see some decline in revenue. In the current year, full wraps account for 40% of all revenues. Some advertisers might decline to use this medium without full wraps as an option, but it is unknown what percentage decrease in revenue would be incurred. However, there would inevitably be some decrease in revenue.

Contractor Availability: Transit Advertising, Inc is pleased with sales in our market and is eager to renew. Based on current sales and new contracts coming in, they believe 2014 revenue will be significantly higher.

Percentage Decreases: There have only been increases in sales over the 4-year term. See attached chart of revenues received.

FISCAL IMPACT:

See attached chart of revenues for historical data. Projected revenue for 2014 is \$127,000. If changes are made to the allowed advertising sizes, an unknown decrease in revenue is expected.

VISION IMPACT:

<http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php>

None

SUGGESTED COUNCIL ACTIONS:

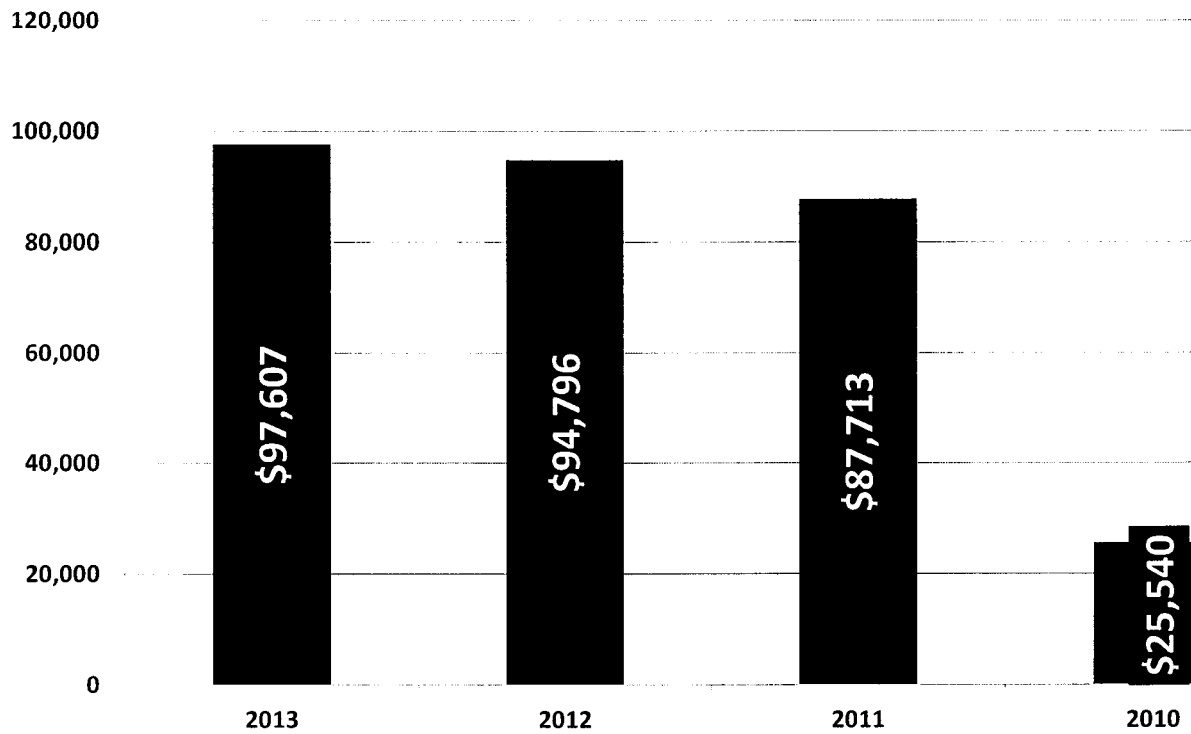
If Council wishes to change the project scope as to the sizes and formats allowed, staff is requesting direction.

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost	\$0.00	New Program/ Agency?	No	Federal or State mandated?	No
Amount of funds already appropriated	\$0.00	Duplicates/Expands an existing program?	No	Vision Implementation impact	
Amount of budget amendment needed	\$0.00	Fiscal Impact on any local political subdivision?	No	Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	No
One Time	\$0.00	Requires add'l FTE Personnel?	No	Primary Vision, Strategy and/or Goal Item #	
Operating/ Ongoing	\$0.00	Requires add'l facilities?	No	Secondary Vision, Strategy and/or Goal Item #	
		Requires add'l capital equipment?	No	Fiscal year implementation Task #	

Transit Advertising

Fiscal Year	Revenue	Expense	Amount Received
2013	172232	74625.2	97606.8
2012	152650.24	57854.6	94795.64
2011	128900.72	41188.2	87712.53
2010	25540	0	25540

Revenue received from Transit Advertising each Fiscal Year



THE ULTIMATE FAMILY NIGHT OUT BOK CENTER DECEMBER 19-23, 2012

5 NIGHTS ONLY



BATMAN LIVE
WORLD ARENA TOUR

batmanlive.com | bokcenter.com



TM & © DC Comics



WWW.TULSATRANSIT.ORG

TWS driving you to
SUCCESS!
Train in just 7 months.

Welding • Pipefitting

www.Go-TWS.com

**TULSA
WELDING
SCHOOL**

2545 E. 11th Street, Tulsa

Accredited School, AISC. Licensed by OSPI and ASBPC. For more information about our
graduation rates, the number of students who complete our programs, and other important
information, please visit our website at: <http://www.weldingschool.com/100Success>.

105 WIL-MART



0408

\$1.59
small

frozen
strawberry
lemonade

new

From sweet to tart
and back again.

McCafé

McDonald's
i'm lovin' it

The Christian College Experts!



Online

& On-Ground

**OKLAHOMA WESLEYAN
U·N·I·V·E·R·S·I·T·Y**

918•576•7388

CollegeOnMyTime.com

OKWU

