



Agenda Item No. (3)

To: Governmental Affairs and Public Information Committee/Committee of the Whole Meeting of January 23, 2025

From: Dana Fehler, Marketing and Communications Director  
Kellee J. Hopper, Deputy General Manager, Administration and Development  
Denis J. Mulligan, General Manager

Subject: **APPROVE AWARD OF CONTRACT NO. 2024-MD-009, ADVERTISING SERVICES, TO LAMAR TRANSIT, LLC**

### **Recommendation**

The Governmental Affairs and Public Information Committee recommends that the Board of Directors approve award of Contract No. 2024-MD-009, *Advertising Services*, to Lamar Transit, LLC (Lamar) to provide the Golden Gate Bridge, Highway and Transportation District (District) with District-wide advertising services for a period of three (3) base years, with three (3) one-year options exercisable at the District's discretion.

This matter will be presented to the Board of Directors at its January 24, 2025, meeting for appropriate action.

### **Summary**

Advertising services are currently provided by three (3) vendors and split between the exterior of buses, interior of ferries and kiosks/bus shelters. To provide a more consistent and robust advertisement program, the District decided to consolidate services to one vendor.

On September 26, 2024, the District issued Request for Proposal (RFP) No. 2024-MD-009, *Advertising Services*. The solicitation was advertised in the Marin County Independent Journal and San Francisco Examiner and posted on the District's procurement website. Notifications were sent directly to six (6) vendors, including the three (3) incumbent providers of services and all registered firms that selected the relevant North American Industry Classification System.

A Selection Committee comprised of District staff was assembled to review and evaluate proposals received based upon the following criteria that were specified in the RFP:

- Proposer's Qualifications and Experience – 0-40 Points
- Approach to Scope of Services – 0-40 Points
- Social Equity – 0-10 Points
- Compensation Structure – 0-10 Points

As of the RFP due date of Friday, October 25, 2024, the District received one comprehensive proposal from Lamar. Reports from the District's procurement website indicated over 15 firms showed interest and accessed the solicitation documents. Non-responding firms provided various reasons why they did not respond, including "Our company has downsized since the pandemic, and we would be unable to take on a project at this time"; and "I am a smaller company and could not provide the support needed."

Lamar's proposal was deemed to be responsive to the solicitation and they adequately demonstrated their understanding of the District's needs and the ability to meet our requirements. Lamar is currently the advertising contractor for the District's bus fleet and has been for 12 years, proving to be a competent, fair and responsive vendor.

The compensation package offered by Lamar is 45% more than the current annual guarantee received by the District for all three advertising venues (exterior of buses, interior of ferries and kiosks/bus shelters). The details are as follows:

- The District will receive an escalating minimum guarantee from Lamar every year, which will guarantee a minimum of \$2,370,000 to the District over six years.
- Lamar will provide the District with an additional \$10,000 annually of production credits for the District's promotional or community messaging.
- The District will receive the greater of (1) the minimum guarantee, or (2) 55% net advertising revenue.

The District's Disadvantaged Business Enterprise (DBE) Program Office has determined that at this time, Lamar Transit LLC is not certified as a DBE or Small Business Enterprise.

### **Fiscal Impact**

The District is guaranteed a minimum annual revenue of \$370,000 for the first year. For reference, the District's current annual revenue share for bus exterior advertising is approximately \$95,000.

CONTRACT YEAR	ANNUAL GUARANTEE	OR	REVENUE SHARE	PRODUCTION CREDIT
1	\$370,000		55%	\$10,000
2	\$380,000		55%	\$10,000
3	\$390,000		55%	\$10,000
4	\$400,000		55%	\$10,000
5	\$410,000		55%	\$10,000
6	\$420,000		55%	\$10,000
<b>SIX YEAR TOTAL</b>	<b>\$2,370,000</b>			<b>\$60,000</b>