

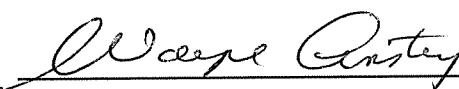
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PO Box 1749
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Halifax Regional Council
April 4, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Wayne Anstey, Acting Chief Administrative Officer

DATE: March 3, 2006

SUBJECT: Transit Shelter Advertising

ORIGIN:

Request for Proposals #05-018, Transit Shelter Advertising

RECOMMENDATION

It is recommended that staff be authorized to negotiate a new shelter advertising agreement with ViaCom Outdoor based on Option #2 of their response to RFP 05-018, Transit Shelter Advertising in accordance with this staff report.

BACKGROUND

Metro Transit's agreement for Bus Shelter Advertising with ViaCom Outdoor expired May 31, 2005. Metro Transit has continued with a month-to-month extension of this agreement until a new shelter advertising vendor is selected.

An RFP was developed to allow proponents to respond with a basic package of benefit, which included shelter maintenance cleaning and the replacement of all shelters and the option of offering other packages that the proponent felt would provide higher value to HRM/Metro Transit.

DISCUSSION

An RFP was issued on October 26, 2005 and closed on December 2, 2005. HRM received responses from ViaCom Outdoor and Pattison Outdoor Advertising. Both Proponents responded with the basic package of benefits but ViaCom Outdoor also submitted two alternate proposals.

The responses were assessed by a staff team comprised of representatives from Transportation and Public Works - Metro Transit, and Finance-Procurement, Financial Analysis.

Because ViaCom Outdoor owned the existing Advertising Shelters and our legal advice concluded this would give them an advantage over other firms, the RFP required that all options should include the replacement of the old advertising shelters. The alternative options submitted by ViaCom Outdoor proposed to replace 50 of the 100 advertising shelters currently owned by ViaCom Outdoor. Because these alternatives did not meet the terms of the RFP, staff used the basic package of benefits to assess the relative merits of each proponent. This assessment looked at both the firms expertise and experience and the benefits provided. The scores of this process were as follows:

Score (Max 100)

ViaCom Outdoor	94.0
Pattison Outdoor Advertising	74.5

A detailed evaluation is attached to this report.

Based upon this evaluation, staff recommends that ViaCom Outdoor be selected for Transit Shelter Advertising as requested by the RFP.

In reviewing the proposals, staff concluded that one of the alternative options presented by ViaCom Outdoor would increase the benefits Metro Transit/HRM would receive over the benefits they offered in their basic package. Because ViaCom Outdoor's basic package proposal scored significantly higher than Pattison's proposal, replacing all the advertising shelters is no longer an issue. Legal Services concluded that staff can negotiate the terms of the agreement based on Option #2 submitted by ViaCom Outdoor to receive added benefits. These benefits included:

- six added shelters in new locations each year,
- shelter cleaning and glass repair as set out in the basic package of benefits, and
- replace 50 of the 100 advertising shelters,
- increased annual payment.

The anticipated annual payment schedule is as follows:

Years 1 - 5 \$100,000
Years 6 - 10 \$125,000
Years 11 - 15 \$150,000.

It is therefore recommended that staff negotiate with ViaCom Outdoor to finalize the terms of an agreement substantially in accordance with these terms.

BUDGET IMPLICATIONS

It is anticipated that negotiations with ViaCom Outdoor would provide HRM with a benefit package of \$1,922,900 over the 15 year term of the agreement. Annual revenue from this agreement be deposited in Account No. R631 5600, General Transit Miscellaneous Revenue.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

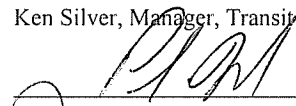
Regional Council could award the RFP to ViaCom Outdoor based on their original response. This is not the recommended action as it would provide HRM with a reduced benefit package.

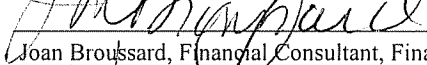
ATTACHMENTS


Evaluation RFP #05-018

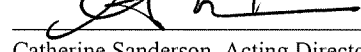
A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Ken Silver, Manager, Transit Planning and Development (490-6689)

Business Unit Reviewed: 
Paul McDaniel, General Manager, Metro Transit (490-6608)

Financial Review: 
Joan Broussard, Financial Consultant, Finance Services (490-6267)

Report Approved by: 
for Mike Labrecque, Director, Transportation & Public Works (490-4855)

Procurement Process Review: 
Catherine Sanderson, Acting Director, Financial Services (490-1562)

HALIFAX REGIONAL MUNICIPALITY

TRANSIT SHELTER ADVERTISING PROPOSAL EVALUATION RFP # 05-018

PROPOSAL: Transit Shelter Advertising			
CRITERIA	MAX. SCORE	SUBMISSION SCORE	
		Pattison	ViaCom
1. Expertise of Firm - Experience with transit properties in other Canadian markets - Overall credibility/reliability of firm - Performance in providing service in other markets	20	18	18
2. Expertise/Local Team - Management Team - Sales Manager's experience - Local Office to provide support - Local contact to address ongoing concerns	20	16	18
3. Benefits - Committed financial payments, infrastructure and services - added services conditional on sales, etc	60	40.5	58
Total benefits to HRM *		\$1,077,717.20	\$1,561,775.33
TOTAL	100	74.5	94
RANKING		2	1

* Total Benefits (quantifiable) excluding added value.