



Item No. 10.1.1
Halifax Regional Council
March 5, 2013

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY: _____

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: February 11, 2013

SUBJECT: Award - RFP No. 12-084 Interior and Exterior Advertising for Metro
Transit

ORIGIN

The current five year agreement for Interior and Exterior Advertising for Metro Transit expires February 18, 2013.

LEGISLATIVE/AUTHORITY

Under the HRM Charter, Section 79, Halifax Regional Council may expend money for municipal purposes. Administrative Order #35, The Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for Tenders and RFP's.

The following report conforms to the above Policy and Charter.

RECOMMENDATION

It is recommended that Halifax Regional Council award RFP No. 12-084, Interior and Exterior Advertising for Metro Transit to the highest scoring proponent, Pattison Outdoor Advertising, to provide Interior and Exterior Advertising for Metro Transit, for a two year period, plus options to extend for an additional three, one year periods. The total minimum guaranteed revenue stream over five years shall be \$2,575,000.00 as outlined in the Budget section of this report.

BACKGROUND

Metro Transit's operations are mainly supported by a combination of user fares and revenues from municipal taxes. Advertising revenues represent an important additional source of funding for the operating budget. Pattison Outdoor Advertising has provided indoor and outdoor advertising services to Metro Transit since 2007; their current contract is set to expire in February 2013.

DISCUSSION

Terms of reference setting out the scope of work for qualified individuals and firms, to submit proposals for exclusive rights to sell advertising on Metro Transit buses, and at Metro Transit bus and ferry terminals were prepared, and a Request for Proposal was issued and posted to NS Tender/Procurement website on November 7, 2012 and closed on December 6, 2012.

Pattison Outdoor Advertising was the sole respondent to RFP #12-084. The term of the agreement is two years, plus options to extend for an additional three, one year periods.

Proponent	Score (Max. 100)
Pattison Outdoor Advertising*	94.5

Recommended*

Another vendor, Daynite, informed HRM that they would not be submitting a bid "purely based on the required minimum guarantee.

A team consisting of staff from Metro Transit, facilitated by Procurement, evaluated the proposal based on the criteria listed in Appendix A - Evaluation Scorecard. The RFP was scored using a two envelope system. Envelope one (1) was the technical component of the RFP (Capability, Understanding of HRM Needs, and technical solution). Envelope two (2) was the financial component (60/100 points) of the RFP. Only those proponents that received seventy-five (75%) or greater (30 points out of 40 points) from envelope one had their revenue envelope opened and evaluated.

The following is the proposed revenue schedule for 5 years and will be the greater of \$515,000.00 per year or 50 % of Gross billings.

Year	Minimum Annual Revenue
1	\$515,000.00
2	\$515,000.00
3	\$515,000.00
4	\$515,000.00
5	\$515,000.00
Total	\$2,575,000.00

BUDGET IMPLICATIONS

Based on the Pattison Outdoor Advertising minimum guarantee payment of \$515,000 per year; the minimum guaranteed payment to Metro Transit, Revenue Account No. R631 5503 shall be \$2,575,000 exclusive of taxes over the next five years.

Revenue Stream

Pattison Outdoor Advertising agrees to provide the Halifax Regional Municipality:

Years One to Five – the greater of \$515,000 per annum or 50% of Gross Billings

Over Five years, the minimum guaranteed payment is \$2,575,000

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

ALTERNATIVES

Council could choose to not accept the Pattison Outdoor proposal to provide Interior and Exterior Advertising for Metro Transit. However this would eliminate an important revenue stream that is utilized in the provision of public transit service.

ATTACHMENT

1. Appendix A – Evaluation Criteria

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.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: Glen Bannon, Manager, Ferry Operations, Metro Transit, 490-1505

Procurement Review: _____
Anne Feist, Manager, Procurement, 490-4200

Report Approved By: _____
Eddie Robar, Director, Metro Transit, 490-6720

Original Signed

Appendix A - Evaluation Criteria			
Request For Proposals # 12-084 Interior and Exterior Advertising for Metro Transit Halifax			
Criteria		Max Score	Pattison *
Communication Skills	Clarity and readability of written proposal	5	4.5
Team composition and experience	<ul style="list-style-type: none"> - Sector specific experience of the Proponent Firm; - Experience of individual team members with projects of similar scope and size; - Team members' appropriate skills and education; - Demonstrated history of proposed team in successfully completing projects of a similar nature on time and on budget; - Balance of level of effort vs. team roles (project mgmt., technical, etc..) 	5	5
Understanding of HRM needs	<ul style="list-style-type: none"> - Understanding of the requirements of the scope of work and HRM organizational structure; - Acceptable proposed schedule and work plan; - Value added propositions and recommendations; - Attention to relevant challenges that the committee has not considered 	20	17
Technical Solution	<ul style="list-style-type: none"> - Solution addresses all technical aspects of the project as identified in the RFP; - Solution draws on proven methodology; - Solution is flexible and scalable; - Solution is cost and time effective 	10	8
Subtotal (Technical Proposal)		40	34.5
Revenue**		60	60
Administrative and Legal Requirements		BUT POINTS MAY BE DEDUCTED	BUT POINTS MAY BE DEDUCTED
Total		100	94.5

Recommended *

Revenue**

Year	Minimum Annual Revenue
1	\$515,000.00
2	\$515,000.00
3	\$515,000.00
4	\$515,000.00
5	\$515,000.00
Total	\$2,575,000.00