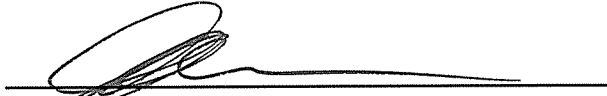
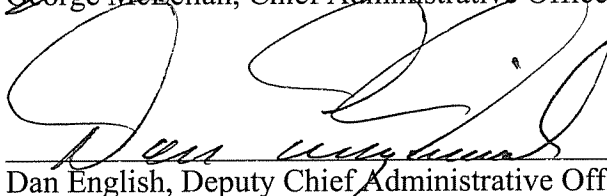


**Halifax Regional Council**  
**September 3, 2002**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
George McLellan, Chief Administrative Officer

  
Dan English, Deputy Chief Administrative Officer

**DATE:** August 29, 2002

**SUBJECT:** **RFP #02-054-Interior and Exterior Bus & Ferry Terminal Poster Advertising Contract**

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### SUPPLEMENTARY REPORT

#### ORIGIN

At their Meeting of August 20, 2002, Regional Council requested that staff prepare a supplementary report to address issues regarding the award of RFP #02-054, Interior and Exterior Bus & Ferry Terminal Poster Advertising Contract.

#### RECOMMENDATION

It is recommended that Council:

Award RFP #02-054 to DayNite Neon Limited and staff be authorized to enter into a new one year-term contract, effective September 2002 or earliest possible date, renewable on an annual basis up to five (5) years maximum, on terms and conditions outlined in the Report for the exclusive rights to provide interior and exterior poster advertising on Metro Transit buses and at the Halifax and Dartmouth Ferry Terminals.

## **DISCUSSION**

The issues raised by Council from the July 24, 2002 staff report were as follows:

1) The Proposal Evaluation Criteria circulated to Council contained a typographical error. The possible number of points available for award within the category for "Expertise of the Firm" was erroneously listed as 30 points, rather than 25 points. The actual points awarded to the proponents and the total cumulative scores were properly recorded. A corrected Proposal Evaluation Criteria is attached to this report as Appendix A.

2) Prior to preparing the original report, staff completed a Reference Check on DayNite's advertising performance with another transit agency to determine their past performance on services similar to those now under consideration by HRM. This agency had a contractual arrangement for transit advertising with DayNite over the past ten years with a similar minimum fee guarantee and experienced no difficulties in receiving regular payments for the advertising fees. As a result of the reference check and subsequent clarification from the proponent, staff is satisfied that DayNite has the ability to provide the service as proposed in the RFP. Staff believed it was not necessary to conduct reference checks for Viacom Outdoor, as they are the existing contractor providing bus advertising sales for HRM.

In their financial proposal each proponent offered a minimum payment and a payment based on percentage of sales, should sales exceed the minimum guarantee. DayNite's minimum guaranteed payment and percentage of sales in excess of this minimum were higher than Viacom. Based on this and Viacom's negative assessment of the advertising market, staff felt that the higher guarantee in the DayNite proposal was important to providing secure revenue. Also, should the advertising market improve, the higher percentage on any excess sales would further enhance the fiscal benefit of the DayNite proposal.

Staff is still of the opinion that the proposal presented by DayNite Neon Ltd. offers a better opportunity to maximize advertising revenues, the primary benefit HRM receives from contracting for bus advertising services.

## **BUDGET IMPLICATIONS**

The recommendation is consistent with the 2002/2003 Transit Services budget which identifies bus advertising as a revenue source.

## **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


There are no feasible alternatives. Staff has followed an evaluation process established within the terms of reference of the RFP and makes a recommendation based upon the results of this evaluation.

ATTACHMENTS

Appendix A (Revised ) - Proposal Evaluation Criteria

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Lori Patterson, Manager, Public Affairs, 490-6609

Report Approved by:   
Brian R. Taylor, Director of Transit Services, 490-6608

APPENDIX A (Revised)  
PROPOSAL EVALUATION CRITERIA

| Criteria  | Daynite | ViaCom |
|---|---------|--------|
| <b>1. Expertise of Firm</b><br>a. Experience and activity in other markets<br>b. Overall credibility/ reliability of firm<br>c. Resources of firm<br><b>Possible 25 Points</b>  | 18      | 23     |
| <b>2. Expertise/Structure of Sales Team</b><br>a. Management Team<br>b. Sales Manager's Experience<br>c. Local Set-Up<br>d. Identification and adequacy of local and national representatives and sub-consultants.<br><b>Possible 25 Points</b> | 19      | 23     |
| <b>3. Understanding Scope of Work</b><br>a. Proposal follows logical process<br>b. Stated methodology meets RFP objectives<br>c. Demonstrated innovative approach.<br><b>Possible 20 Points</b>   | 17      | 17     |
| <b>4. Fee Proposal</b><br>a. Percentage of billings*<br>b. Minimum guarantee*<br>c. Method of payment*<br><b>Possible 30 Points</b>   | 27      | 17     |
| <b>Total Score (Possible 100 Points)</b>  | 81      | 80     |

\* These categories were not specifically identified in the evaluation criteria accompanying the terms of reference for the RFP but were specifically identified in the fee proposal requirements and verified by the evaluation team as categories of evaluation criteria prior to the commencement of the evaluation of the proposals.