
Interior/Exterior Bus and Bus Shelter Advertising – Award of Contract

Recommendation

1. That the proposal submitted by Pattison Outdoor Advertising for Contract No. 18-0681, Transit Advertising for provision of interior/exterior advertising on Saskatoon Transit buses and bus shelters for a minimum total revenue of \$4,150,000 over five years be approved; and
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

Topic and Purpose

The purpose of this report is to request City Council approval to award Contract No. 18-0681, Transit Advertising to Pattison Outdoor Advertising for the provision of advertising on the interior/exterior of Saskatoon Transit buses and bus shelters.

Report Highlights

1. A Request for Proposal (RFP) was advertised on August 8, 2018 and one proposal was received from Pattison Outdoor Advertising which met the criteria and specifications, and therefore was compliant.
2. The estimated revenue associated with this contract is \$4,150,000 over five years.

Strategic Goal

This report supports the Strategic Goal of Asset and Financial Sustainability by providing a strategy to maximize the useful life of City assets and maintain infrastructure, and to work towards an asset management philosophy. This report also supports the long-term strategy to increase revenue sources and reduce reliance on residential property taxes.

Background

The City of Saskatoon (City) receives revenue through agreements for the exclusive right to sell and install advertising to third parties to be used on the interior/exterior of Saskatoon Transit buses and bus shelters. The current contracts with Rawlco Radio Ltd. and Pattison Outdoor Advertising expired September 30, 2018, and a new contract is required.

Report

The conventional Saskatoon Transit fleet is comprised of 8, 30-foot buses; 129, 40-foot buses; and 10, 60-foot buses with interior/exterior space available to place advertising. The interior advertising space available in all conventional buses is located above the windows.

Conventional Bus Interior/Exterior Advertising

As with the previous bus advertising agreement, no changes will be required to the current placement of advertising on Saskatoon Transit's conventional fleet or for compliance with Policy No. C02-037, Transit Advertising. Some of those placement requirements are as follows:

- No more than 50% of windows will be covered on the side the wrap is installed.
- The street window on the driver's side, the window behind the driver's door, the curb-side door, the window right behind the front door and the rear window when installed by the manufacturer will not be covered.
- No advertising will be allowed on the front of the bus or the roof battery pack of a Hybrid style bus.
- Perforated vinyl will be replaced every 6 months, or as needed, to ensure it remains in perforated condition and designs will be managed in order to minimize the impact on visibility.
- The vinyl wrap cannot cover any Saskatoon Transit related signage, bus number, destination sign, lights, licence plate, or block the view of any security camera.
- The Saskatoon Transit Maintenance Manager will approve the design of a total vinyl wrapped bus.

Access Transit Bus Advertising

Also, as part of the RFP, Saskatoon Transit added the Access Transit fleet which consists of 27, 26-foot buses. Advertising will be permitted as follows:

- Newly decaled buses will remain advertising free for the first year.
- Following the first year, advertising will only be permitted on the sides (kings) and backs (tails). Windows cannot be covered and full wraps will not be allowed.
- There will be no interior advertising on the Access Transit bus fleet.

Bus Shelter Advertising

Transit currently has 240 shelters located throughout the City which are available for advertising. Some of the advertising placement requirements are as follows:

- Advertising shall be placed so that the Bus Operator can see if anyone is in the shelter and most of the shelter must remain transparent so people can see into the shelter, view the oncoming bus, and advertising must comply with the traffic safety act.
- The Contractor will be responsible for the cleaning, maintenance and repair of all advertising shelters covered under this agreement.
- The Contractor may elect to install a new advertising shelter subject to specifications from Saskatoon Transit.

Request for Proposal

A Terms of Reference was developed and an RFP was advertised August 8, 2018 on SaskTenders website. The tender closed September 19, 2018 and one proposal was received from the following firm:

- Pattison Outdoor Advertising, (Edmonton, AB)

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The Evaluation Committee was comprised of four Saskatoon Transit staff members and the evaluation was based on the following matrix, outlined in the RFP:

Rated Criteria Evaluation	Maximum Available Points
1. Response to Scope of Services and Requirements	15
2. Experience, Qualifications and References	15
3. Value Added Benefits	25
4. Pricing	45
Total Maximum Available Points	100

A check for compliance was conducted and confirmed that the single proposal from Pattison Outdoor Advertising was successful in meeting the specifications defined in the RFP.

Pattison Outdoor Advertising, owned by the Jim Pattison Group, is headquartered in Mississauga, ON, has a regional office in Edmonton, AB and a local office in Saskatoon, SK. Pattison Outdoor Advertising traces its advertising experience to 1908 and currently provides Transit Vehicle Advertising in 19 other municipalities in Canada and Street Furniture Advertising in 100 markets, 70 of which are Transit specific.

An extension was granted to the RFP submission due date at the request of the proponent. As a result, the timeline for award moved past the September 30, 2018 end date of the current advertising contracts. Pattison Outdoor Advertising, who previously held the contract for shelter advertising, has agreed to a contract extension until the new RFP is awarded or December 31, 2018. Rawlco Radio Ltd., who previously held the contract for conventional bus interior/exterior advertising, and Saskatoon Transit have agreed to work with the new proponent and allow the current advertising to remain on the buses until October 31, 2018.

Options to the Recommendation

There are no options, as the recommended proponent provided the only proposal received and met all specifications described in the RFP.

Financial Implications

The total estimated revenue associated with the contract is \$830,000 per year (or 50% of gross annual revenues whichever is greater) for a minimum total revenue of \$4,150,000 over five years. For November and December 2018, the City will receive a 50% revenue share, with any incremental cost to reach the minimum monthly guaranteed amount paid in the final two months of the contract (September and October 2023).

Other Considerations/Implications

There are no public and/or stakeholder involvement, communication, policy, environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

There will be a requirement for a new contract five years from the contract start date.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Report Approval

Written by: Allison Gray, Marketing Consultant II
Reviewed by: James McDonald, Director of Saskatoon Transit
Bev Stanley, Accounting Coordinator II
Approved by: Angela Gardiner, Acting General Manager, Transportation & Utilities Department

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