

Committee Report

Transportation Committee



Committee Meeting Date: June 13, 2022

For the Metropolitan Council: June 22, 2022

Business Item: 2022-150

Transit Advertising Revenue Services - Contract 22R006

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute Contract 22R006 with Intersection Media LLC, for transit advertising revenue services with a minimum annual guaranteed (MAG) revenue of \$59,650,000.

Summary of Transportation Committee Discussion/Questions

Metro Transit's Marketing and Transit Information Director Bruce Howard presented this item. Cummings asked for clarification on the designations of plan holders listed in the business item. Howard responded with a brief explanation.

Cummings asked if the number of RFP proposals met expectations. Howard responded that it was about what was anticipated.

Motion by Cummings, seconded by Fredson. Motion carried. Consent to Council.



Business Item

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Transit Advertising Revenue Services - Contract 22R006

District(s), Member(s): All

Policy/Legal Reference: FM 12-1 Sources of Revenue Policy; and FM 15-1 Income/Grants Policy

Staff Prepared/Presented: Wes Kooistra, General Manager, 612-349-7510
Lesley Kandaras, Chief of Staff, 612-349-7513
Bruce Howard, Director, Marketing and Transit Information, 612-349-7694
Maria Cone, Manager, Market Development 612-349-7534

Division/Department: Metro Transit / Marketing and Transit Information

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute Contract 22R006 with Intersection Media LLC, for transit advertising revenue services with a minimum annual guaranteed (MAG) revenue of \$59,650,000.

Background

Metro Transit contracts to sell advertising space on certain designated transit assets such as buses, trains, and facilities to generate revenue to help fund transit operations. The existing revenue services contract expires on July 31, 2022.

An RFP was issued February 7, 2022, for the purpose of soliciting vendor proposals to provide advertising revenue services over a five-year period with an option to extend for an additional five years. A pre-proposal meeting was hosted by Council staff that outlined the solicitation requirements, discussed project specifications and responded to plan holder inquiries. There were seven registered plan holders, four prime proposers, one consultant, one supplier, and one plan room. The Council received three proposals to be evaluated for the consideration of award.

The following criteria was used in the evaluation of proposals; quality, qualifications, experience and pricing. An evaluation panel from Metro Transit marketing, engineering and facilities, bus operations and finance evaluated the proposals and recommend Intersection Media LLC, as the most advantageous to the Council.

Intersection Media LLC's proposal offers the largest MAG revenue over both the initial five-year period and the optional, additional, five years with a total of \$59,650,000. The proposal also offered the Council the greatest revenue share of 70%. This combination gives the Council the greatest opportunity to generate revenue throughout the contract.

Rationale

The execution of professional services contracts with a cumulative value over \$500,000 requires Council approval.

Thrive Lens Analysis

Revenues generated from this contract go directly to Metro Transit operations that help support the five Thrive desired outcomes and a resilient economy, diverse communities and continued population and job growth.

Funding

This is a revenue generating contract.

Small Business Inclusion

There are no funds being expended in relation to this agreement. Therefore, no small business inclusion goal was considered.

