

14677

**TO:** Board of Acquisition and Contract

**FROM:** John J. Hsu, P.E.  
Acting Commissioner of Transportation

**DATE:** October 15, 2010

**RE:** Authority to enter into a license agreement with Titan Outdoor, LLC for advertising on designated County of Westchester's Transit Vehicles for a term commencing January 1, 2011 through December 31, 2013 with a County option to renew for an additional three (3) year period

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In August, 2010, the County of Westchester (the "County"), acting by and through the Department of Transportation ("WCDOT") issued a Request for Proposals ("RFP") seeking a vendor to develop and implement a marketing and management program for advertising on the Bee-Line Bus System. The RFP was sent to nine (9) potential proposers, posted on the County's webpage "*Getting and Doing Business*" and advertised in a transit trade magazine. The County received five (5) proposals. (See attached summary of the proposals.)

A selection committee was formed to evaluate the five (5) proposals and was composed of:

1. Richard L. Stiller, DOT Director of Surface Transportation Services
2. Robert Essick, DOT Program Administrator
3. Michael Swee, DOT Planner
4. Robert Notargiacomo, DOT Program Administrator, Finance

Using a point system, the selection committee evaluated on the following criteria: Experience and Performance; Organization and Staffing; Marketing Plan; Compensation to the County. After meeting on October 4th, it was found that each member of the selection committee ranked Titan Outdoor first and therefore the committee was unanimous in its selection. (See summary of Evaluation Committee's rankings attached.) Titan Outdoor's proposal guaranteed the most money for the length of the license agreement.

Following a review of the proposals, determination that Titan was the first-ranked proposal, subsequent negotiations with Titan on the details of the proposal and the evaluation committee's analysis, it is recommended that a contract be awarded to Titan Outdoor, LLC ("Titan"). The guaranteed license fee offered by Titan to the County over the three (3) year term is significantly greater than the amounts offered by the other proposers. The evaluation committee believes that the list of clients/advertisers that Titan has in other markets will engender a positive image for the County, and further that Titan's market plan most clearly identifies a commitment to creating a successful sales program. All of the references were satisfied with Titan's handling of their transit advertising.

The following is the list of each company that submitted a proposal with the total guaranteed revenue amounts. Only two companies, Titan Outdoor and Gateway Outdoor submitted guaranteed revenues for the three year period as required per the RFP. As such, the evaluation of highest net revenue proposal required under Section 6 of the Procurement Policy was based on the RFP criteria of

guaranteed revenues and Titan Outdoor's proposal was determined to be the highest net revenue proposal. The other companies offered either a minimum guarantee with revenue sharing or just revenue sharing:

1. Titan Outdoor LLC  
850 Third Avenue  
New York, NY 10022  
\$2,550,000
  
2. Gateway Outdoor Advertising  
433 Sand Shore Road  
Hackettstown, NJ 07840  
\$625,000
  
3. Clear Channel Outdoor  
99 Park Avenue, 2<sup>nd</sup> Floor  
New York, New York 10016  
\$90,000
  
4. Transit Treasure, Inc  
410 Park Avenue, Suite 1720  
New York, New York 10022  
\$60,000
  
5. Commuter Advertising  
714 E. Monument, Suite 215  
Dayton, OH 45402  
No guarantee

Authorization is therefore requested for the County to enter into an agreement with Titan Outdoor, LLC to develop and implement their marketing and management program for advertising on the Bee-Line Bus System, both the interior and exterior, for a term commencing January 1, 2011 and terminating December 31, 2013 with a County option to renew the agreement for an additional three (3) year period with the same terms and conditions. Titan Outdoor, LLC will pay the County a license fee of Eight Hundred Fifty Thousand (\$850,000.00) Dollars per year for a total of Two Million Five Hundred and Fifty Thousand (\$2,550,000.00) Dollars over the three (3) year term. Should the County choose to renew the agreement with Titan, the license fee will be Nine Hundred Thousand (\$900,000.00) per year for a total of Two Million Seven Hundred Thousand (\$2,700,000.00) Dollars for such subsequent three (3) year term.

A resolution for your consideration is annexed hereto.

# RESOLUTION

Upon communication from the Acting Commissioner of Transportation, be it hereby

**RESOLVED**, that the County of Westchester (the "County") is authorized to enter into a license agreement with Titan Outdoor, LLC ("Titan") to develop and implement a marketing and management program for advertising on the Bee-Line Bus System, both the interior and exterior; and be it further

**RESOLVED**, that the agreement will have a term of three (3) years commencing January 1, 2011 through December 31, 2013 with the County having the option to renew for an additional three (3) year term; and be it further

**RESOLVED**, that Titan will pay the County a license fee of Eight Hundred Fifty Thousand (\$850,000.00) Dollars per year for a total of Two Million Five Hundred and Fifty Thousand (\$2,550,000.00) Dollars over the term of the agreement, and if the County exercises its option to renew the agreement, the license fee will be Nine Hundred Thousand (\$900,000.00) per year for a total of Two Million Seven Hundred Thousand (\$2,700,000.00) Dollars.

**RESOLVED**, that the County Executive or his authorized designee is hereby authorized and empowered to execute and deliver all instruments and take all actions necessary or appropriate to effectuate the purposes of this Resolution.

Account to be Charged/Credited

Fund	Dept.	Major Program, Program & Phase or Unit	Object/ Sub Object	Trust Account	Dollars
101	44	2100	9289		\$850,000.00 Year 2011
101	44	2100	9289		\$850,000.00 Year 2012
101	44	2100	9289		\$850,000.00 Year 2013

Budget Funding Year(s) 2011-2013 Start Date January 1, 2011 End Date: December 31, 2013  
 (must match resolution)

Funding Source: Tax Dollars \_\_\_\_\_  
 State Aid \_\_\_\_\_  
\$2,550,000.00 Federal Aid \_\_\_\_\_  
 (must match resolution) Other Revenue \_\_\_\_\_

<b>Selection Committee for Bee-Line Transit Advertising</b>	<b>Titan Outdoor</b>	<b>Gateway Outdoor</b>	<b>Clear Channel Outdoor</b>	<b>Transit Treasure</b>	<b>Commuter Advertising</b>	
<b>Rich Stiller</b>	<b>77</b>	<b>53</b>	<b>56</b>	<b>40</b>	<b>21</b>	
<b>Rob Essick</b>	<b>88</b>	<b>86</b>	<b>47</b>	<b>8</b>	<b>9</b>	
<b>Michael Swee</b>	<b>87</b>	<b>80</b>	<b>82</b>	<b>0</b>	<b>0</b>	
<b>Bob Notargiacomo</b>	<b>84</b>	<b>38</b>	<b>70</b>	<b>38</b>	<b>51</b>	
<b>Total Scoring</b>	<b>336</b>	<b>257</b>	<b>255</b>	<b>86</b>	<b>81</b>	
<b>Ranking</b>	<b>1</b>	<b>2</b>	<b>3</b>			
<b>First = blue, Second = green, Third = red</b>						

APPROVED BOARD OF ACQUISITION & CONTRACT - 11-4-2010 - JOMARY VIEIRA, SECRETARY