

1 [Transit Advertising Contract with Viacom Outdoor Inc.]

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3 **Resolution authorizing the Municipal Transportation Agency to execute a transit**
4 **advertising contract with Viacom Outdoor Inc., for a term commencing July 1, 2004 and**
5 **ending June 30, 2009, which offers a minimum total aggregate of revenue and services**
6 **of \$16,425,000 during the five-year term of the contract.**

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8 WHEREAS, The San Francisco Municipal Transportation Agency ("MTA") currently has
9 a five-year Transit Advertising Agreement providing the Municipal Railway ("MUNI") with a
10 significant amount of advertising revenue each year; and

11 WHEREAS, This Agreement will expire on June 30, 2004; and,

12 WHEREAS, It is in the best interests of the City to seek competitive proposals to
13 ensure that the company representing MUNI's advertising program will achieve the highest
14 possible performance standards; and

15 WHEREAS, The MTA Board of Directors authorized the solicitation of proposals from
16 companies specializing in the management of transit advertising programs for a new five-year
17 contract; and

18 WHEREAS, A selection process was established to fairly and objectively evaluate
19 proposals, with the intent of selecting the most qualified company to represent the Municipal
20 Railway's interests; and

21 WHEREAS, A specially appointed selection committee evaluated written responses
22 from three proposers to the solicitation; on the basis of the scores of the written proposals, the
23 selection committee determined that two of the firms – Viacom Outdoor Inc. ("Viacom"), and
24 Obie Media Company – were in the competitive range and qualified to be short-listed for the

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1 oral interview phase of the process, but determined that the technical scores for the third
2 proposer were not high enough to be within the competitive range; and

3 WHEREAS, After the selection committee scored the two short-listed proposers based
4 on their performance during the oral interviews, MUNI combined the scores for the written
5 proposals and the oral interviews and determined that Viacom was the higher of the two
6 proposers; and

7 WHEREAS, A contract has been negotiated with Viacom which offers a minimum total
8 aggregate of revenue and services of \$16,425,000 during the five-year term of the contract,
9 including total minimum guarantees of \$13,620,000 for exterior advertising on MUNI revenue
10 transit vehicles, \$125,000 for interior advertising in MUNI revenue transit vehicles, \$5,000 for
11 advertising on the MUNI Metro Platform Display Sign System, \$500,000 for MUNI advertising
12 on Bay Area electronic or print media, \$250,000 for services of its creative staff to assist
13 MUNI in developing and producing advertising copy for the advertising space and time
14 provided, \$175,000 for the MUNI employee recognition program, and \$1,750,000 of broadcast
15 for MUNI on premier San Francisco radio and television media; and

16 WHEREAS, On May 18, 2004, the MTA Board of Directors adopted Resolution No.
17 _____, which authorizes the Director of Transportation to execute a transit advertising
18 contract with Viacom Outdoor Inc., for a period from July 1, 2004 through June 30, 2009, with
19 a minimum total aggregate of revenue and services of \$16,175,000; now, therefore, be it

20 RESOLVED, That the Board of Supervisors authorizes the Municipal Transportation
21 Agency to execute a transit advertising contract with Viacom Outdoor Inc., for a term
22 commencing July 1, 2004 and ending June 30, 2009, which offers a minimum total aggregate
23 of revenue and services of \$16,425,000 during the five-year term of the contract.

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