



Request for Proposals (RFP) Transit Advertising and Marketing

1. Purpose

The purpose of this Request for Proposals (RFP) is to secure a qualified contractor to provide revenue-generating transit advertising and marketing services for the Lower Rio Grande Valley's transit department, Valley Metro. The contractor will be responsible for coordinating all advertising activities in order to generate revenue on transit revenue vehicles, bus shelters, kiosks, and other locations. The contractor will manage sales and placement of advertising, production of advertising materials, and other duties as described in a final contract.

2. Description of Service

Valley Metro currently operates 13 bus routes in the following areas of the Rio Grande Valley: Edinburg, Mission, McAllen, Sullivan City, La Joya, Palmview, Peñitas, Pharr, San Juan, Alamo, Donna, Weslaco, Mercedes, Edcouch, Elsa, Hargill, La Feria, Santa Rosa, Primera, Harlingen, San Benito, Los Indios, Brownsville, Raymondville, and Port Isabel. Service is provided Monday through Saturday from approximately 7:00 AM to 7:00 PM. For fiscal year 2010, 20,698 vehicle revenue hours of service were provided over an area of 405,033 miles.

3. Essential Contractor Qualifications

- a. Contractor must demonstrate that it has experience in the advertising business and that Contractor has the capability of providing the necessary staff to conduct business in the lower Rio Grande Valley, including Cameron, Hidalgo, and Willacy Counties. Contractor must presently operate and, for at least the last five years, have operated an advertising business. At least three (3) references must be provided.
- b. Contractor must demonstrate that, throughout the term of its contract with Valley Metro, it will be represented by a national sales organization.
- c. Contractor must demonstrate that it has the financial capacity and ability to conduct a sales program designated to produce maximum advertising income. Contractor must provide photographs of successful installations.

4. Essential Proposal Elements

In addition to those elements normally required in any transit contract for services, the following elements must be included.

- a. Statement of qualifications and relevant experience in conducting business similar to that which is required herein within the last five (5) years.
- b. Names, experience and professional qualifications for key personnel to be assigned to this contract. Resumes should be included.

- c. Detailed work plan
- d. Quality control program
- e. Any value-added services to be provided.
- f. Proposed use of area or national advertising agencies.
- g. Proposed compensation: Specify a percentage of gross advertising revenue and a minimum monthly guarantee for each year of the base term of the contract and for each option year of the contract.
- h. Rate cards from the contractor showing estimated rates for advertisements on shelters, benches, and including all applicable discounts for increased showing, frequency or length of posting special packages/programs, etc.

5. General Contractor Requirements

- a. The contractor will have the exclusive right to place Valley Metro-approved advertising upon Valley Metro buses (interior and exterior), shelters, benches, and kiosks. The contractor will be responsible for securing all contracts, managing placement of advertisements, and coordinating with Valley Metro staff. All ads, except where noted below, will be obtained for the sole purpose of generating revenue.
- b. The contractor will give its best effort to sell advertising space and will operate a fully-staffed business office to manage this effort. Contractor must be available to travel to Weslaco within three (3) days if needed.
- c. The contractor must be familiar with the lower Rio Grande Valley area, local ordinances of municipalities in the area, and be capable of acquiring both local and national advertising contracts.
- d. The contractor must have a work force capable of insuring proper installation, maintenance, and removal of advertising displays.
- e. The Contractor will comply with generally accepted industry principles with respect to good taste and all applicable laws and regulations including but not limited to truth in advertising, copyrights and trademarks. All advertising must be approved by the LRGVDC Executive Director and/or the Director of Valley Metro or his designee prior to installation, with at least a two work day notice. The LRGVDC Executive Director will be the sole arbiter of acceptable content and will designate approval/disapproval through an email or other written communication. Determinations are final and not appealable.
- f. The Contractor will remove unapproved or damaged ads within 24 hours of written notice given by Valley Metro. It will remove all dated advertising materials within five (5) calendar days from their expiration date. (Dated materials refers to advertising materials that are relevant to a specific time period or relevant to an event that has been completed.)

g. Any unsold spaces will become available to Valley Metro for the purpose of inserting public service announcements or for publicity of other LRGVDC activities. With at least a 24-hour notice, the contractor may remove these announcements if the space is sold. The contractor will keep the advertising material and will not alter or damage the material. The contractor may place its own advertisements in empty spaces only with the prior written approval of Valley Metro.

h. Advertising generated from other departments of the Lower Rio Grande Valley Development Council will not be part of the contract – Valley Metro staff will coordinate placement of such advertising.

i. The contractor will indemnify and hold harmless Valley Metro from and against all damages and claims resulting from the contractor's action and against all damages and claims arising on behalf of or asserted by any employee, agent or subcontractor of the contractor. All insurance policies shall contain an agreement on the part of the insurer waiving the right to subrogation.

j. The contractor will indemnify and hold harmless Valley Metro in the event that the contractor's ads are destroyed, defaced, or otherwise affected in any way by vandalism, accidents and other acts. Valley Metro will agree to report criminal activities to the police and to the contractor as soon as feasible.

k. The contractor will be required to purchase and install a maximum of twenty-five (25) new benches, with accompanying bus stop signs, each year in locations determined by Valley Metro staff. Valley Metro will determine the style and technical specifications of these benches. The contractor will be secure and pay for the necessary permits and clearances.

l. The Contractor assumes all responsibility for all of the materials and services provided under this contract, whether those materials and services are provided by the contractor, purchased ready-made, or provided by a subcontractor. The contractor warrants that all products and/or processes utilized in production, installation, maintenance, repair and removal of all advertisement during the term of the contract shall not damage any of the display areas. In the event that damage occurs, the contractor shall reimburse Valley Metro for its actual costs of repairs (labor burden, parts and materials) plus a 25% administration overhead fee. Prior to undertaking any repairs, Valley Metro will provide 72 hours notice to enable the contractor time to inspect the subject damage if so desired.

m. The contractor agrees to keep complete, accurate and up-to-date records of all advertising business conducted by it under the contract, to maintain such records and to include such records as may be necessary with its regular payments to Valley Metro.

n. Valley Metro will have the right to audit contractor's books and accounts relevant to the contract only. If Valley Metro elects to make such an audit, contractor shall make all appropriate books, records and accounts, including records maintained for payments made to Valley Metro, available within thirty (30) days of Valley Metro's written request. The contractor must preserve all appropriate books, records, and accounts generated during the entire term of this agreement for the current year plus three (3) years.

o. The contractor will make monthly payments, due no later than ten (10) days after the first day of each month, to Valley Metro for any revenue received according to the compensation structure in the contract. Monthly payments shall be accompanied by a schedule which shows the advertisements which were displayed, the gross revenue earned for the advertisements, and the amount of revenues to be earned in the future under existing contracts. Payments received after the 10th day will be subject to a 10% penalty if paid within the same month as the due date, and a 100% penalty (all revenue generated during the time period) if paid thereafter. Arrears of ninety (90) days shall be grounds for termination of the contract and removal of and advertising materials from Valley Metro facilities.

6. Specific Advertising Requirements

a. Locations for shelter and bench advertisements: Advertising will be permitted only on the buses, shelters, benches, and kiosks listed in Attachment A. Valley Metro reserves the right to change this inventory list with a ten (10) day notice to the contractor.

b. Material and Appearance of Advertisement: Valley Metro requires that all advertising installed as part of the proposal be of a non-permanent type, i.e., "direct application." The contractor shall ensure that all advertisements are manufactured, installed and removed in accordance with current industry standards and in such a way as to preserve the original appearance and condition of the surface on which the advertisement is placed. Additionally, each ad shall present a sharp, clear, high-quality appearance at all times, regardless of the duration of the advertisement. No layering of one ad upon another will be permitted. Valley Metro will be the sole determinant for judging whether an ad is in an acceptable condition.

c. Dimensions of Advertisement: The dimensions of any advertising material will not exceed the surface area of the bus, shelter, bench, or kiosk. Ads will not protrude beyond the available space.

d. Limitation on advertisements: Contractor shall not display or maintain any advertisement that includes one or more of the following categories:

- i. The advertisement proposes a commercial transaction, and the advertisement or information contained in the advertisement is false, misleading or deceptive.
- ii. The advertisement or information promotes unlawful or illegal goods, services, or activities.
- iii. The advertisement or information implies or declares an endorsement by Valley Metro of any service, product or point of view without prior written authorization from Valley Metro.
- iv. The advertisement contains an image of a person, who appears to be a minor, in sexually suggestive dress, pose or context.
- v. The advertisement or any information is directly adverse to the commercial or administrative interests of Valley Metro, or is harmful to the morale of Valley Metro employees.
- vi. The advertisement contains images or information that demean an individual or group of individuals on account of race, color, religion, national origin, ancestry, gender, age, veteran's status, disability, or sexual orientation.

- vii. The advertisement contains images or information that are violent, frightening or otherwise disturbing as to be harmful to minors.
- viii. The advertisement promotes escort service, dating service, or sexually oriented business.
- ix. The advertisement contains images or information that would be deemed by a significant segment of the local public to be offensive, improper, or in bad taste.
- x. The advertisement promotes the use of alcohol and/or tobacco products.
- xi. The advertisement contains political information on local or national controversial subject or subjects not in accordance with the statutes, ordinances and court decisions pertaining to Valley Metro's service area.

7. Contract Term

a. The contract will be for a three (3) year base term with options, exercisable by Valley Metro, for an additional (1) year term and then for another additional one (1) year term thereafter. Should Valley Metro determine to exercise each option, it will notify the contractor of its determination, in writing, at least ninety (90) days prior to the end of the base term or option term.

b. Prior to contract expiration, termination may be made by mutual agreement or immediately upon the breach of this agreement by the contractor. Either party may give the other party ninety (90) days written notice, and upon the expiration of the ninety (90) day time period, the agreement will be terminated. A breach of the contract may include, but is not limited to, a violation of the policies and rules of Valley Metro, non-performance of contractual duties, failure to pay, death of contractor, the occurrence of a conflict of interest between the contractor and Valley Metro, or the making of a misrepresentation or false statement by the contractor.

8. Compensation Structure

a. The contractor shall pay Valley Metro a percentage of gross advertising revenue generated on Valley Metro buses, benches, shelters, and kiosks computed against a minimum annual guarantee, whichever is greater, for each year of the contract. The respondent shall specify, in its proposal, the annual percentage of gross advertising revenue to be paid and the minimum monthly guarantee applicable during each year of the contract. The term "gross advertising revenue" means all monies, remuneration, and considerations of every kind received from the sale of advertising space by the contractor in its operations as permitted under the contract. Gross advertising revenue shall be calculated on the accrual basis (i.e., amounts are prorated on time periods which correlate to the time periods during which the advertising is displayed).

9. Selection Criteria:

Proposals will be ranked by a committee composed of transit agency staff and a minimum of one member appointed by the LRGVDC Board along the following criteria:

Criteria	Max Points
1. References	5
2. Professional ability/qualifications of the firm/team and their financial capacity and capability to satisfactorily perform the required services.	10
3. Adequacy and completeness of the proposal with regard to the information specified, i.e., compliance with terms, conditions and other provisions contained in the R.F.P.	5
4. Past performances and experience by firm/team with similar work.	5
5. Detailed work plan.	7
6. Quality control program.	3
7. Value-added services to be provided.	15
8. Proposed compensation package.	45
9. Acknowledgement of minimum new bench installation requirement.	5
Total Points	100

RFP Timeline

RFP issued by	June 26, 2011
Deadline for submittal of questions by potential consultants	July 5, 2011
Deadline for procurement to answer questions	July 8, 2011
Due date for proposals	July 15, 2011 @ 2:00 PM
Committee will review and rank the proposals by	July 18, 2011
Presentations to committee (if multiple firms chosen) by	July 20, 2011
LRGVDC Board meeting to approve entering into contract on	July 21, 2011
Contract begins	August 1, 2011 (tentative)

*The LRGVDC and Valley Transit reserve the right, in its sole discretion, to change the above dates. Notices of changes to items directly impacting the Original RFP or proposal process will be submitted to each consultant of record as having received an RFP.

SUBMISSION OF PROPOSALS:

Five (5) original **Proposals** and one Electronic CD shall be sealed and submitted as the offeror's response, subject to the terms and conditions of this Request for Proposals ("RFP"), to:

(If hand delivered) Mr. Victor Morales, Procurement Director
LRGVDC
311 North 15th
McAllen, Texas 78501-4705

RFP Title: Transit Advertising and Marketing

(If Mailed) Mr. Victor Morales, Procurement Director
LRGVDC
311 North 15th
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RFP Title: Transit Advertising and Marketing

ALL PROPOSALS MUST BE RECEIVED IN THE OFFICES OF THE LRGVDC NO LATER THAN 2:00 P.M. CENTRAL TIME, FRIDAY, JULY 15TH, 2011. The LRGVDC/Valley Transit is not responsible for lateness or non-delivery of mail, carrier, etc., and the date/time stamp at the receptionist area of the LRGVDC shall be the official time of receipt. Proposals received late will not be returned.

Proposal contents considered confidential/proprietary by the Offeror, shall be clearly identified and subject to confirmation by the LRGVDC and Valley Transit. Should the material not be deemed confidential/proprietary, the Offeror may withdraw the designated materials from consideration prior to review and the evaluation process.

Attachment A – Current Space Available for Advertising

1. Shelter & Bench Locations

La Placita @ 9th St and Business 83 – Alamo
University of Texas – Pan American @ University Dr. – Edinburg
University Shopping Plaza @ University Dr. – Edinburg
Stripes @ North Closner – Edinburg
Post Office @ New Combes Hwy – Harlingen
Sun Valley Mall @ 13th St – Harlingen
Bonita Park @ Knox St – Harlingen
HEB @ Morgan St – Harlingen
Texas State Technical College @ Ed Carey (north side) – Harlingen
Texas State Technical College @ Ed Carey (south side) – Harlingen
Canal St west of Dollar General – La Feria
Sports Complex @ Pancho Maples Drive – La Feria
El Centro Foods @ FM 506 – La Feria
City Parking Lot @ Oleander St – La Feria
Fire Station @ Las Milpas – Pharr
Public Library @ Cherokee St – Pharr
City Hall @ Stuart Place Rd – Primera
Mr G Food Store @ Primera Rd – Primera
Rio Grande St (southeast corner) @ 4th St – San Benito
Alamo St (southeast corner) @ 4th St (street end) – San Benito
Jay St (southeast corner) @ Herminia St (street end) – San Benito
Ballenger St (northeast corner) @ Hidalgo St – San Benito
Turner St (northeast corner) @ Fannin St (street end) – San Benito
Combes St (northeast corner) @ Encino St – San Benito
La Palma St (northeast corner) @ Lolita St (street end) – San Benito
City Hall @ Hwy 107 – Santa Rosa
Hwy 107 @ Las Flores (west side) – Santa Rosa

* Please note that this is not an exhaustive list. It is expected that the contractor will perform an inventory along each route to determine a definitive list.

*Thirty-seven (37) additional shelters will be placed in various cities of Hidalgo County on a gradual basis starting in April, 2011.

2. Kiosk Locations (5-panel display, each display approximately 11" x 17" in size)

- i. University of Texas – Pan American @ University Dr. – Edinburg
- ii. University Shopping Plaza @ University Dr. – Edinburg
- iii. Stripes @ North Closner – Edinburg
- iv. Fire Station @ Las Milpas – Pharr
- v. Public Library @ Cherokee - Pharr
- vi. La Placita @ 9th St and Business 83 – Alamo

3. Bus Vehicles

a. Current Fleet

- i. Twenty-five (25) medium or light-duty buses
 - ii. Two (2) type XI medium-duty buses
- * Vehicles will be available for inspection by appointment.

b. New Fleet (in place on a gradual basis starting in April, 2011)

- i. Fourteen (14) type III light-duty buses
 - ii. Seven (7) type XI medium-duty buses
- * These buses will replace an equivalent amount in the current fleet that will be retired.