



**Bus Advertising
RFB TO-22-02**

Publication Date: August 9, 2021
Proposal Due Date: September 3, 2021
Contract Term: Five Years
Bids Received: One: Houck Transit Advertising

Specifications of Service

This contract will be for advertising on the Metro fixed route and paratransit buses. Our current contract expires October 16, 2021. Houck Transit Advertising is our current contractor. Topeka Metro has received an average of \$52,858 in advertising income each year for the past three years.

Evaluation

Since this is a single-bid procurement, we must perform a Cost Analysis in order to determine that the proposed revenue is fair and reasonable. We also must perform a Responsibility Determination to show that the proposer is able and willing to perform the services in the contract. We performed a cost analysis by comparing the guaranteed annual income and % of estimated revenue to Metro for the prior 5 years to the Houck proposal for the next 5 years. The guaranteed income for the proposed 5 years is \$60,500 higher than the previous 5 years and the % of estimated revenue to Metro is 2% higher than the previous 5 years. Based on these two factors Houck's proposed guaranteed revenue and % of estimate revenue to Metro are fair and reasonable. Based on our prior experience of over 10 years with Houck we determined that Houck has the ability and willingness to complete the contract, and that Houck has the integrity to perform the services within the contract. The evaluation committee also scored the Houck bid with Experience and Qualifications worth 30%, Guaranteed Revenue to Metro worth 30%, Flexibility to Meet Metro Specifications worth 30%, and Required Elements was worth 10%. The total score (10 being best) based on the evaluation committee's individual scores for Houck Transit Advertising was 9.70.

Proposed Revenue – Metro receives 52% of gross revenues:

Year 1 - guaranteed \$75,000 annual income; estimated \$78,000 annual income
Year 2 - guaranteed \$78,000 annual income; estimated \$83,200 annual income
Year 3 - guaranteed \$80,000 annual income; estimated \$88,400 annual income
Year 4 - guaranteed \$82,500 annual income; estimated \$96,200 annual income
Year 5 - guaranteed \$85,000 annual income; estimated \$104,000 annual income

Previous Revenue – Metro receives 50% of gross revenues:

Year 1 - guaranteed \$65,000 annual income; estimated \$70,000 annual income
Year 2 - guaranteed \$65,000 annual income; estimated \$70,000 annual income
Year 3 - guaranteed \$70,000 annual income; estimated \$87,917 annual income
Year 4 - guaranteed \$70,000 annual income; estimated \$87,917 annual income
Year 5 - guaranteed \$70,000 annual income; estimated \$87,917 annual income

Recommendation

Since the proposal was responsive, the contractor is responsible, and the revenue quoted is fair and reasonable, the evaluation committee recommends awarding the contract to Houck Transit Advertising.