

# County Of Sonoma Agenda Item Summary Report

**Clerk of the Board Use Only**  
**Meeting Date**                      **Held Until**  
 /   /    /   /  
**Agenda Item No:**                      **Agenda Item No:**  
 \_\_\_\_\_                                      \_\_\_\_\_

**Department:** Transportation and Public Works - Transit

**4/5 Vote Not Required**

**Contact:**  
Bryan Albee

**Phone:**  
(707) 585-7516

**Board Date:**  
10/27/2009

**Deadline for Board Action:**  
10/27/2009

**AGENDA SHORT TITLE:** Sale of Advertising on Sonoma County Transit Buses.

**REQUESTED BOARD ACTION:** Approve Agreement with Transit Ads to sell and display advertising media on Sonoma County Transit buses for the period of July 1, 2009, through June 30, 2010.

### CURRENT FISCAL YEAR FINANCIAL IMPACT

**EXPENDITURES:**

**ADDITIONAL FUNDS REQUIRING BOARD APPROVAL:**

<b>Estimated Cost</b>	<b>\$-revenue-</b>	<b>Contingencies</b>	<b>\$0</b>
		<b>(Fund Name:)</b>	
<b>Amount Budgeted</b>	<b>\$0</b>	<b>Unanticipated Revenue</b>	<b>\$0</b>
		<b>(Source:)</b>	
<b>Other Available Appropriations</b>	<b>\$0</b>	<b>Other Transfers</b>	<b>\$0</b>
<b>(Explain Below)</b>		<b>(Source:)</b>	
<b>Additional Requested</b>	<b>\$0</b>	<b>Additional Funds Requested</b>	<b>\$0</b>

**Explanation (if required):** None.

**Prior Board Action:** 06/19/07: Board approved agreement with Transit Ads/RES to sell and display advertising media on Sonoma County Transit. 07/09/02: Board approved agreement with Transit Ads/RES to sell and display advertising media on Sonoma County Transit buses. 06/05/01: Board exercised option with Transit Ads to provide advertising on Sonoma County Transit from July 1, 2001, to June 30, 2002. 06/03/97: Board approved four year agreement with Transit Ads to provide advertising on Sonoma County Transit buses effective July 1, 1997, through June 30, 2001. 01/24/95: Board approved placement of exterior advertising on the sides of Sonoma County Transit buses. 06/05/92: Board approved a five-year agreement with Transit Ads to provide advertising on Sonoma County Transit buses effective July 1, 1992. Transit Ads provided bus advertising services to Sonoma County Transit from 1984 through 1998.

**Alternatives – Results of Non-Approval:** Anticipated revenues from advertising sales will be lost.

**Background:** Since 1984, Sonoma County Transit (SCT) has generated revenue from the sale of exterior advertising space on its heavy-duty bus fleet. Sonoma County Transit's fixed-route fleet consists of 49 buses. Forty-five buses are powered by natural gas (CNG) and range in size between 30' and 40' in length, have a 12 to 15 year service life, and are considered "heavy-duty" buses. The remaining four buses are small minibuses that are typically deployed on SCT's most rural routes.

On June 19, 2007, the Board approved a two-year agreement with Transit Ads/RES for the period of 7/1/07 through 6/30/09. During FY 08/09, the Agreement provided a total of \$64,800 to Sonoma County Transit, based on a fixed-monthly payment of \$5,400.

Under the previous contract, 126 ad spaces were available to the Contractor each month. In FY 09/10, the number of available ad spaces will decrease to 107 and in FY 10/11, the number of ad spaces will decrease to 87. The reduction in the number of ad spaces involves the transition of the fleet from older standard-floor buses to new low-floor buses. Low-floor buses are shorter in height and do not have the same vertical space on their sides (for ad placement) as do the older standard-floor buses.

While Sonoma County Transit's older Orion V (standard-floor) buses will continue to have side advertising for the remainder of their service life, existing and new low-floor buses (expected to arrive in May 2010) will no longer have side ads. This move away from side ads on the low-floor buses will provide for a cleaner appearance of the fleet and enable placement of larger "Sonoma County Transit" logos. The new larger logos now appear on five new buses that went into service in July.

This transition occurs at a time when demand for bus advertising is low, fewer buses are operated during peak times due to service reductions introduced in June, and the number of available ad spaces will decrease due to a changed fleet (new, low-floor buses vs. older, high floor buses).

The proposed Agreement calls for Sonoma County Transit to receive 40% of Transit Ads' revenue generated from the sale of advertising on the Sonoma County Transit fleet. Unlike previous fixed-rate agreements, a percent-based agreement provides Sonoma County Transit a reasonable share of the advertising proceeds, yet incentivizes the Contractor to promote and sell Sonoma County Transit bus advertising space during an economically challenging time and a time when the fleet's characteristics are changing. The short (one-year) term of the Agreement allows Sonoma County Transit to evaluate in 2010 whether continuation of the advertising program is economically beneficial given current market conditions, if it should be renegotiated, or other options should be explored. The FY 2009/10 transit budget estimates revenue from ad sales at \$30,000. The changing conditions described above have delayed this item from coming to the board earlier in the fiscal year. Transit Ads was selected through a competitive proposal process in March 2002. At the time, a Request for Proposals was sent to twenty advertising and media companies throughout the Bay Area. Transit Ads was the only proposer. If Sonoma County Transit elects to continue the advertising program, staff will complete a competitive process to select the next service provider.

As with prior agreements, the proposed Agreement with Transit Ads permits the County Transit Systems Manager to pre-approve all ads for appropriateness and reject any ads deemed unsuitable for display on a public bus. The proposed agreement does not permit advertising for liquor, tobacco, political, or non-family orientated businesses.

**Recommendation:** Approve Agreement with Transit Ads to sell and display advertising media on Sonoma County Transit buses for the period of July 1, 2009, through June 30, 2010.

**Attachments:** None.

**On File With Clerk:** Agreement.

**CLERK OF THE BOARD USE ONLY**

**Board Action (If other than "Requested")**

**Vote:**