



**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
Transit Division

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	January 13, 2020
<b>SUBJECT/REPORT NO:</b>	Transit Passenger Shelter Advertising Agreement (PW15071(c)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Tanya Detmar (905) 546-2424 Ext. 1855
<b>SUBMITTED BY:</b>	Debbie Dalle Vedove Director, Transit Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That the General Manager of Public Works, or their designate, be authorized and directed to negotiate a one-year contract extension (new expiration date of December 31, 2020) with a single source, Outfront Media, for the Hamilton Street Railway (HSR) Transit Passenger Shelter Advertising Agreement and to execute any required agreement(s) and ancillary documents, with such terms and conditions in a form satisfactory to the City Solicitor.

**EXECUTIVE SUMMARY**

The purpose of this report is to obtain Council Approval to negotiate with a single source, Outfront Media, for a contract extension for advertising rights on transit shelters including the provision of cleaning and maintenance services. The current contract between the City of Hamilton and Outfront Media for advertising rights on transit shelters will expire on December 31, 2019.

**Alternatives for Consideration – See Page 3**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The 2010 Transit Shelter Amending Agreement provides 25% of net revenue to be paid monthly. The revenue generated for the City during the term(s) of

---

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Transit Passenger Shelter Advertising Agreement (PW15071(c)) (City Wide) – Page 2 of 4**

---

this contract is shown below. Staff expects a similar revenue approach will be maintained during the one-year extension.

2011	\$183,359
2012	\$186,726
2013	\$159,633
2014	\$186,116
2015	\$171,993
2016	\$176,268
2017	\$202,106
2018	\$218,111
2019	\$116,337 (to date)

Staffing: N/A

Legal: N/A

### **HISTORICAL BACKGROUND**

In 2010, the original Transit Shelter Advertising Agreement (2001) was amended to address concerns from the proponent regarding revenue generation and rising maintenance costs. The amended agreement reduced the City's annual revenue and transferred costs for specific glass vandalism to the City. Cleaning and maintenance would continue to be the responsibility of the proponent. The Agreement was extended in 2015 and 2016 due to significant staff vacancies (at the time) which precluded the ability to issue a new RFP.

In 2017 an RFP for transit shelter advertising was released to the industry. Four bidders picked up the RFP document however no proposals were submitted. This was due to changes in the shelter advertising business wherein advertising vendors were becoming increasingly unwilling to undertake the responsibility of cleaning and maintenance of transit shelters. The City was advised to remove cleaning and maintenance obligations from future shelter advertising RFP solicitations. Given that the feedback from the industry would require a re-draft of the RFP and change operational responsibilities for the City, Council approved a contract extension to December 31, 2019.

Over the course of the past year, HSR staff has been exploring options related to advertising and maintenance of shelter assets. HSR staff consulted with Revenue Generation staff who worked to identify potential strategies for alternative advertising revenue streams. Additionally, HSR staff has considered transferring shelter cleanings from the Shelter Advertising Contract to a non-media related vendor and has been working with Procurement to explore potential social procurement opportunities. While early engagement has occurred, due to the uniqueness of the advertising strategy and complexity of the procurement model, as well as the large operational demand to clean the shelter inventory, there has not been adequate time to allow staff to work through

---

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

scenarios that would capitalize on the benefits of a new advertising and maintenance delivery model.

Despite the great progress that has been achieved to date, the contract deadline is rapidly approaching such that a one-year contract extension is required. A one-year extension will ensure the shelter inventory remains in a state of good repair as well as maintain current levels of revenue generation while providing the necessary time for on-going discussions.

### **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Procurement Policy - Section 4.11-1(c) where a City Contract has expired or will shortly expire, and unforeseeable circumstances have caused a delay in issuing a new RFT or RFP so that a contract extension is required.

### **RELEVANT CONSULTATION**

The following City Departments/Divisions have been consulted on the Transit Passenger Shelter Agreement extension and agree with the recommendation:

- Corporate Services Department: Procurement
- Corporate Services Department: Revenue Generation

### **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Outfront Media has conducted business with the City in a mutually co-operative and professional manner since 2002. They have honoured their contractual obligations in terms of providing the City with annual revenue and maintenance and cleaning of transit shelters.

A one-year extension will ensure the shelter inventory remains in a state of good repair as well as maintain current levels of revenue generation while providing the necessary time to prepare a Request for Proposal in 2020.

A one-year extension will also allow the City the continued opportunity to explore cleaning and maintenance options that will ensure the most cost-effective and responsible delivery of these services while maintaining existing revenues.

### **ALTERNATIVES FOR CONSIDERATION**

The alternative to the recommendation in this report is for the City assume day to day cleaning and maintenance responsibilities related to approximately 700 transit shelters.

**SUBJECT: Transit Passenger Shelter Advertising Agreement (PW15071(c)) (City Wide) – Page 4 of 4**

---

This would result in loss of revenue from the expiration date of the existing contract until the effective date that a new Transit Shelter Advertising Agreement can be procured and awarded.

It would also result in new costs to the City for maintenance (i.e. – broken glass) and the bi-weekly cleaning of transit shelters. These costs are currently borne by the Advertising vendor under the existing Agreement. Estimated annual maintenance and cleaning costs could exceed \$600,000 and require 2 additional FTE.

The lag time to hire, train and equip maintenance staff could result in unsafe and unsanitary conditions at shelters due to the potential exposure to broken glass and lack of regular cleaning.

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

**Community Engagement and Participation**

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

**Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

**Built Environment and Infrastructure**

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

**APPENDICES AND SCHEDULES ATTACHED**

None