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Withdrawn

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Los Angeles County
Metropolitan
Transportation
Authority

October 28, 1996

One Gateway Plaza
Los Angeles, CA
90012

TO: BOARD OF DIRECTORS
FROM: JOSEPH E. DREW, CHIEF EXECUTIVE OFFICER
SUBJECT: EXTEND CONTRACT FOR INTERIOR/EXTERIOR
BUS ADVERTISING

213.922.6000

RECOMMENDATION

Authorize staff to negotiate and execute an extension of the current revenue contract with Transportation Displays Inc. (TDI) covering interior and exterior advertising on the MTA's fleet of buses.

Mailing Address:
P.O. Box 194
Los Angeles, CA 90053

ORGANIZATIONAL IMPACT

Extension of contract will result in a positive impact to the MTA in terms of ensuring a continuous source of revenue.

BUDGET IMPACT

Positive. The estimated revenue that will be generated is approximately \$5,000,000 per year.

ALTERNATIVES CONSIDERED

The existing contract with TDI is scheduled to expire on December 31, 1997. The alternative considered would be to reissue a formal solicitation. However, this action is not recommended for the following reasons:

1. TDI will be contractually eligible for a refund at the end of 1996 because MTA has reduced the total number of buses in service during peak fleet hours. This will amount to 10% of the amount paid to MTA since March 1996, or approximately \$398,000. TDI has offered to assimilate this variance by extending the contract over a longer period of time.
2. The total number of buses in service during peak fleet hours is projected to remain below TDI's contractual minimum until June 1997. This will result in an additional revenue loss from January-June 1997 of approximately \$45,300 per month or \$271,800. Again, TDI has offered to assimilate this variance by extending the contract.