



**Regional Municipality  
of Waterloo**

**TRANSPORTATION AND ENVIRONMENTAL SERVICES  
TRANSIT SERVICES**

**To:** Chair Fred Kent and Members of the  
Planning and Works Committee

**Report No:** E-02-064  
**File Code:**

**Date:** September 3, 2002

**Subject: GRT BUS AND BENCH ADVERTISING PROGRAM AND REGIONAL  
ADVERTISING CONTENT STANDARDS**

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**RECOMMENDATION:**

THAT the Regional Municipality of Waterloo accept the proposal of the Bench Press Ltd., operating as Creative Outdoor Advertising (COA) for the Grand River Transit (GRT) Kitchener and Waterloo service area bus stop bench program with revenues totaling approximately \$83,250 over the next 5 years.

And that the Regional Municipality of Waterloo approve the Regional Advertising Content Standards attached as Appendix A to report E-02-064 dated September 3, 2002.

And that the Regional Municipality of Waterloo authorize staff to re-issue a Request for Proposal for the bus advertising program only.

**SUMMARY:**

A Request for Proposal (RFP P2002-21) for the bus stop bench program in the Kitchener and Waterloo area and the bus advertising program on all GRT buses was advertised in May 2002.

According to the terms of the Request for Proposal, the bidders were invited to bid on the bus stop bench, bus advertising or both programs. The Region reserved the right to award the programs separately or together.

A Regional staff team evaluated the proposals according to the criteria as itemized in the RFP and are recommending that the bus stop bench advertising program be awarded to Creative Outdoor Advertising which would generate approximately \$83,250 over the 5 year term of the agreement.

The team also determined that none of the bidder's were able to supply the work of the contract as specified in the RFP for the bus advertising program, therefore, the bus advertising program bids are being rejected, and this portion of the RFP is not to be awarded at this time. It is being recommended that the RFP for the bus advertising program only be re-issued in September, 2002.

It is also being recommended that the attached Regional Advertising Content Standards (Appendix A) be approved as submitted and implemented accordingly.

## **REPORT:**

### **1.0 Background**

In April, 2002 Regional Council authorized staff to proceed with a Request for Proposal (RFP) for the purpose of selling bus stop bench advertising in the Kitchener and Waterloo area and also for the selling of bus advertising space on all Grand River Transit (GRT) vehicles.

An RFP invited qualified advertising firms to submit proposals for the sale of advertising display space that maximized the revenue generating opportunities of available transit advertising space on either Kitchener/Waterloo area bus stop benches, GRT buses or both for a 5 year period and the Region reserved the right to award the programs separately or together. It also included the ongoing service and maintenance of the advertising mediums and that the Regional guidelines and policies for acceptable advertising and all applicable Municipal, Provincial and Federal laws and regulations governing advertising were met.

Currently the Cambridge service area bus and bench advertising programs will generate approximately \$84,000 in revenue income for 2002. OBIE Media the contractor for bus advertising in the Cambridge area agreed that in the event the Region entered into a new bus advertising program with OBIE or another competitor, OBIE would relinquish its advertising rights and terminate its agreement with the Region prior to the existing agreement expiry date of May, 2004. Our agreement with Creative Outdoor Advertising for the supply and maintenance of bus stop benches in the Cambridge does not expire until 2004. As outlined in the contract we would be able to negotiate an extension of their agreement for a period of time, such that it coincides with the new Kitchener Waterloo agreement expiry date of 2007.

Within the Kitchener Waterloo service area, GRT does not have a contract in place for the bus stop bench advertising and as a result, no bench advertising revenues are guaranteed. A small annual provision of \$10,000 is budgeted for bench advertising as part of the overall "bench and shelter" advertising revenue (2002 - \$130,000) in the GRT operating budget.

The purpose of the RFP was to consolidate our bus advertising programs with the expectation that by providing a more attractive regional sales market for the contractor and the advertiser, it would generate higher revenues.

### **2.0 Evaluation and Selection Results**

The RFP generated 4 proposals for the bus stop bench program, 5 for the bus advertising program and 3 for the bus stop bench and bus advertising programs combined.

A staff team was formed with representation from purchasing, finance and GRT to evaluate the proposals based on the following criteria; implementation timetable, contractor experience and references, guaranteed revenues, terms of maintenance and ongoing support and the degree to which the proposal meets the Regional systems specifications.

### **Bench Advertising Program**

As a result of the evaluation, the team agreed that the Kitchener Waterloo service area bench program be awarded to Creative Outdoor Advertising for a 5 year term valued at a total of approximately \$83,250 for the term of the agreement. There were varying amounts of revenue proposed, some bid no guarantees and/or just a percentage of gross sales. The other proposals were limited or had no sales experience with this product and submitted minimal or no maintenance program. The Creative Outdoor Advertising proposal met all of the requirements with respect to a guaranteed revenue program, supplied a strong maintenance program and their program is supported by an experienced sales team. They also offered to supply additional advertising and non advertising bus stop benches.

This program is to commence approximately November, 1, 2002 subject to the execution of an agreement.

### **Bus Advertising Program**

The evaluation team determined that none of the bidder's were able to meet all of the requirements with respect to the criteria as specified in the RFP for the bus advertising program. Some proposals presented offered little or no experience with this product, no distinct implementation program and the estimated guaranteed revenue was less than anticipated. One company submitted a bid that did not adhere to the guaranteed revenue requirement of the program. The team is not recommending that the bus advertising program be awarded however, propose to re-issue an RFP for the Bus Advertising portion in September, 2002.

### **3.0 Advertising Content Standards**

The Advertising Contractor traditionally ensures that advertising materials meets Regional and accepted advertising standards and when required, will work with clients to modify advertising materials.

In addition to the advertising laws and Canadian advertising standards already in place, the proposed Regional Advertising Content Standard is included as Appendix A. These standards were developed in cooperation with the Region's Legal Department and are based on a thorough review of other transit system advertising guidelines. Staff is recommending that these guidelines be approved by Council to ensure acceptable advertising content as it relates to all Regional advertising programs. (e.g. recently approved roadside advertising on Hespeler Rd.)

### **CORPORATE STRATEGIC PLAN:**

This recommendation supports the corporate strategic plan to ensure that we maintain a healthy corporate financial position.

**FINANCIAL IMPLICATIONS:**

Bench advertising revenues of \$10,000 are currently budgeted as part of the overall bench and shelter advertising revenue (\$130,000) included in the GRT operating budget.

The award of this contract will generate advertising revenue of approximately \$83,250 over the 5 year term of the agreement and this revenue will be included in future GRT operating budgets.

**OTHER DEPARTMENT CONSIDERATIONS:**

The RFP process was done in collaboration with the Purchasing Division of the Finance Department. The Finance and Corporate Resources (Legal Services) Departments have been and will continue to be involved in this matter.

**PREPARED BY:** *Sandy Roberts*, Manager, Marketing and Communications

**APPROVED BY:** *Michael Murray*, Commissioner of Transportation and Environmental Services

**APPENDIX A**

**REGION OF WATERLOO**

**ADVERTISING CONTENT STANDARDS**

This policy will be applied to govern the content and placement of all advertising - paid or otherwise - on any bus, building, shelter, bench or other property of the Regional Municipality of Waterloo.

**1. GENERAL:**

In this policy, "advertising" includes paid, unpaid, charitable, commercial, political, public service, Regional advertising in any medium.

Unless otherwise specified herein,

- (a) All advertising must comply with the Canadian Code of Advertising Standards, as amended from time to time.
- (b) All advertising must comply with all applicable Federal, Provincial and Municipal laws and by-laws with respect to nature of content and physical characteristics.
- (c) All advertising must fit and conform aesthetically to the environment in which it is placed. All advertising will be accessible to the general public at all times. Accordingly, content which draws attention to, relies upon or emphasizes inflammatory, shocking or graphic words and images will not be accepted.
- (d) The Region will not accept any tobacco product advertising.
- (e) The Region will not accept advertising when, in its sole discretion, it determines same not to be in the Region's best interests.

**2. ADVERTISING SHALL NOT:**

- (a) condone any form of personal discrimination, including that based upon race, national origin, religion, sex or age;
- (b) appear to exploit, condone or incite violence; nor directly encourage or exhibit indifference to, unlawful or reprehensible behavior;

- (c) demean, denigrate or disparage any identifiable person, group of persons, firm, organization, industrial or commercial activity, profession, product or service or attempt to bring them into public contempt or ridicule;
  - (d) undermine human dignity, or appear to encourage or be indifferent to conduct or attitudes that offend the standards of public decency prevailing among a significant segment of the population;
  - (e) violate any Regional policies or the goals, directions and values of any Regional program area.
3. Notwithstanding any prior approval, the Region reserves the absolute right to order the immediate removal or, if necessary, remove any advertising on its property at any time.
  4. This policy shall be administered by the designated Regional staff with the final appeal to the Policies and Priorities Committee or delegate thereof.