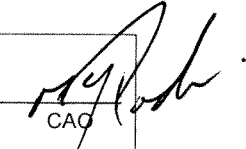


COUNCIL AGENDA/INFORMATION		
Closed	Date: _____	Item # _____
✓ Reg. Council	Date: <u>June 6, 11</u>	Item # <u>20.4</u>
Supplemental	Date: _____	Item # _____

RF Director	 CAO
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20.4

DISTRICT OF WEST VANCOUVER  
750 - 17<sup>TH</sup> STREET, WEST VANCOUVER, BC V7V 3T3

## COUNCIL REPORT

Date: May 27, 2011 File: 3295-01 / 1135-01  
From: Raymond Fung, Director, Engineering and Transportation  
Subject: Proprietary Transit Shelter Management Service - Contract Approval

### RECOMMENDED THAT:

- The report dated May 27, 2011 from the Director, Engineering and Transportation regarding Proprietary Transit Shelter Management Service - Contract Approval, be received for information.

### Purpose

To inform of Council's approval of the Proprietary Transit Shelter Management Service Contract with Pattison Outdoor Advertising.

### 1.0 Prior Resolutions

At the closed Council meeting on January 24, 2011 Council authorized staff to negotiate and enter into a contractual agreement with Pattison Outdoor Advertising for the provision of Proprietary Transit Shelter Management Services in the District on the basis of a 20 Year Term and the greater of a Net Revenue Percentage or Guaranteed Minimum Annual Revenue.

### 2.0 Balanced Scorecard

STRATEGIC INITIATIVES		2010 MILESTONE	2011 MILESTONE
1.3.3	Complete and implement the Strategic Transportation Plan (STP).	Outsourcing the provision of transit shelters is a Year One implementation initiative contained in the STP.	
2.4.1	Develop new partnership opportunities where appropriate.	Although not specifically referenced as a 2010 Milestone, entering into an agreement for the provision of transit shelters is consistent with this Strategic Initiative	

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4.1.1	Identify alternative sources of revenue.	Although not specifically referenced as a 2010 Milestone, entering into an agreement for the provision of transit shelters is consistent with this Strategic Initiative	
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### 3.0 Analysis

#### 3.1 Discussion

In an effort to improve service to West Vancouver transit users, yet mitigate the operational and financial impact to the District, staff investigated the potential for the provision of Proprietary Transit Shelter Management Services at Council's direction. A Request for Proposal (RFP) process was conducted, and upon review, staff recommended award to Pattison Outdoor Advertising.

Highlights of the Pattison proposal are as follows:

- installation of contemporary, custom designed "Cypress" transit shelters, which are flexible and expandable to suit site conditions;
- "environmentally friendly" features, including low energy lighting and recycled plastic seating benches;
- location and installation of transit shelters to be approved by the District;
- a responsive maintenance and replacement plan;
- ability to begin installation of transit shelters within the first year of commencement of the contract; and
- limited, free advertising space to the District.

This arrangement provides Pattison exclusive permission to design, install, operate and maintain transit shelters that contain commercial advertising messages at approximately 30 locations along Marine Drive at Lions Gate Bridge, Park Royal Shopping Centre, Ambleside, Dundarave, and Horseshoe Bay. The District agrees not to grant to any other party permission to place advertising on any type of street furniture along the route where an advertising transit shelter is installed.

#### 3.2 Financial

With Council's authorization, staff negotiated a contractual agreement on the basis of a 20 Year Term and the greater of a Net Revenue Percentage or Guaranteed Minimum Annual Revenue. This arrangement offers the District the highest potential for revenue sharing with the Contractor, while minimizing risk by specifying a guaranteed minimum amount. The exact payment schedule depends on the final number of ad faces and is weighted towards the latter years in the 20 year term. Overall, the total revenue to the District is estimated to range between \$1.1 Million and \$2.3 Million. Further, provision

of transit shelters by a third party allows the municipality to avoid capital expenditures, estimated to be \$700,000. Therefore, the total value of the Pattison agreement is between \$1.8 Million and \$3.0 Million to the District through the 20 year term.

### 3.3 Consultation

Negotiation and execution of the contractual agreement involved staff from Purchasing, Finance, Engineering, Blue Bus, Planning, and Communications Departments. Considerations included addressing the proposed transit shelter from an urban design perspective. The final agreement was reviewed by the Municipal Solicitor, prior execution by the Directors of Engineering and Finance, in accordance with Purchasing/Finance policy on authorized limits.

Author:

A handwritten signature in black ink, appearing to read "Raymond Fung", is written over a horizontal line. The signature is stylized and cursive.

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