

Memorandum



Date: May 8, 2014

To: Honorable Chairwoman Rebeca Sosa and Members
Board of County Commissioners

From: Carlos A. Gimenez
Mayor

A handwritten signature in black ink, appearing to read "Carlos A. Gimenez", written over the name in the "From:" field.

Subject: Permit Agreement for CBS Outdoor Group LLC to Temporarily Assume Responsibility for Cleaning, Maintenance and Repair of the County-owned Bus Passenger Shelters

On March 5, 2014, the County terminated Bus Passenger Shelter Program Contract No. 784 with Urban Advertising of America, Inc. (Urban), which became effective immediately. Urban failed to make the required \$140,000 monthly minimum guarantee payments to MDT, resulting in MDT having to make monthly drawdowns from Urban's Letter of Credit (LOC) over a six month period until funds in the LOC were exhausted; failed to partially or fully replenish its \$840,000 Letter of Credit; and failed to properly clean, maintain and repair the 1,050 County-owned bus passenger shelters, resulting in continual instances of overflowing trash receptacles at the bus shelters, unmaintained/ unrepaired bus shelters, and a deterioration of bus shelter illumination.

As a stop-gap plan, Miami-Dade Transit (MDT) and Public Works/Waste Management (PWWM) entered into an Interdepartmental Agreement on March 10, 2014, wherein temporary responsibility for trash/vandalized glass removal and other maintenance at the 1,050 County-owned bus shelters is being handled by PWWM at a monthly cost to MDT of \$68,000.

In addition to the Interdepartmental Agreement with PWWM, and pursuant to Administrative Order 8-5 (see enclosed), on March 14, 2014, MDT also began the process of interviewing outdoor advertising companies with substantial experience in the Miami market which could assume temporary responsibility for the cleaning, maintenance and repair of the County-owned bus shelters; including repairs for bus shelter illumination, through a Permit Agreement, while development of the RFP and execution of a new permanent bus shelter contract take place. Execution of this Permit Agreement would effectively end the Interdepartmental Agreement with PWWM.

On April 8, 2014, proposals were received from three (3) outdoor advertising companies: CBS Outdoor, Van Wagner and Signal Outdoor; MDT determined that CBS Outdoor best met MDT's needs regarding all requirements and provisions of the Permit Agreement.

In its Proposal (see enclosed), CBS Outdoor offered the County the following:

- Effective immediately upon receipt of Notice to Proceed (NTP), regularly-scheduled cleaning, trash/vandalized glass removal, maintenance and repairs at the bus shelters
- Illumination repairs using a new LED lighting system at 485 bus shelters, to be completed within 10 months, by March 2, 2015
- The LED lighting upgrades at the bus shelters will begin on July 7, 2014
- 242 shelters will receive the new LED lighting upgrade by October 27, 2014

The CBS Outdoor's proposal best met the County's needs because, in addition to the maintenance of the bus shelters, CBS committed to installing more bus shelter LED lighting upgrades and committed to the installation within the shortest timeframe. The other potential vendors offered to install fewer LED lighting upgrades and insisted on a contract term in excess of two years.

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In this Permit Agreement, CBS Outdoor will not have the obligation of making monetary payments to the County. That is because there are considerable costs related to maintaining the 1,050 County-owned bus shelters, and more significantly to installing the LED lighting upgrade at the bus shelters during the one year term of the Permit Agreement. As a result of the considerable capital and maintenance costs to the Permittee (a cost not paid for by the County) and due to the fact that the Permittee would only be entitled to one or at the most 2 years of advertising revenue under this Permit, the County made clear that revenue payments to the County would not be required as part of this Permit Agreement.

The approximate monetary benefit to the County for the above work, which will be completed by CBS Outdoor during the one (1) year duration of this Permit Agreement is \$1,100,000, including approximately \$700,000 for the cost of the LED lighting upgrade and approximately \$400,000 for bus shelter maintenance and repair.

A Notice to Proceed (NTP) letter, with an effective of May 1, 2014, was sent to CBS Outdoor on April 24, 2014.

MDT will be coordinating with ISD Procurement to develop and advertise the RFP for a new permanent bus passenger shelter program contract during the Permit Agreement term.

The Permit Agreement with CBS Outdoor has been reviewed and approved by the County Attorney's Office as to form and legal sufficiency. This Permit Agreement will allow CBS Outdoor permission to effectuate immediate bus shelter maintenance and repairs, and also begin the LED lighting upgrade.

c: R. A. Cuevas, Jr., County Attorney
Alina T. Hudak, Deputy Mayor and Interim Director of Public Works and Waste Management
Ysela Llort, Director, Miami-Dade Transit
Albert Hernandez, P.E., Assistant Director, Miami-Dade Transit
Christopher Agrippa, Director, Clerk of the Board