



City of Waukesha
 201 Delafield St. Waukesha, WI 53188
 Tel: 262.542.3700
 waukesha-wi.gov

Committee: Transit Commission	Date: 11/9/2023
Common Council Item Number: ID#23-7934	Date: 11/21/2023
Submitted By: Alex Damien, Director of Public Works	City Administrator Approval: Gina Kozlik, Interim City Administrator GK
Finance Department Review: Joseph Ciurro, Finance Director	City Attorney's Office Review: Brian Running, City Attorney BR
Subject: Review and Act on Proposed Bus Advertising Sales Agreement with Houck Transit Advertising	

Details:
 This item is to review and act on a proposed Bus Advertising Sales Agreement with Houck Transit Advertising to allow them to sell ads on and inside the Waukesha Metro buses and make revenue payments to the City for a share of the revenue generated from these activities.

The current agreement with Houck expires March 31, 2024 and the Transit Commission staff released a Request for Proposals for the next contract in September. Houck was the only firm to submit a proposal. Our previous vendor prior to Houck was interested but stated they could not submit a proposal at this time as they did not know if they would be continuing in the Milwaukee market. Houck has done a quality job for the City for the past 5 years.

The Bus Ad Revenue contract is set up for a City to receive the higher of a monthly guarantee or 50%(or more) of the revenue collected per month. Over the course of the five years contract (including option years) Houck will guarantee revenue in \$52,500 in Year 1 up to \$55,992 in Year 5 and project total annual payments to the City should range from \$80,000 in Year 1 to nearly \$95,000 in Year 5.

Houck Transit Advertising specializes in smaller to medium Midwestern bus systems including other 10 systems in Wisconsin. Houck has a solid reputation in the bus advertising sales market in Wisconsin and the Upper Midwest. In addition, Houck will provide up to \$2,000 in printing and design services for Waukesha Metro to use on our own campaigns on the buses. Given all of these factors, the Evaluation Committee recommends awarding the next Bus Advertising Sales contract to Houck Transit Advertising effective April 1, 2024 for three years and two one year options.

Options & Alternatives:

The only possible alternative would be to bring the bus advertising sales back in house but would require allocating staff time and create quite an administrative burden with needing approval of all the advertising contracts. In addition, it is highly unlikely that staff could generate the kind of revenue Houck will provide as there is no one on staff with bus ad sales expertise and staff have limited time to dedicate to the process.

Financial Remarks:

The Houck proposal will pay the City a guaranteed \$52,500 in Year 1 of the contract or 50% of gross revenue collected whichever is higher. By Year 5, guarantee payments will be \$55,992. Houck is projecting to exceed the guaranteed payments and forecasting revenue payments to the City of \$80,000 in Year 1 to \$94,992 in Year 5. The revenue payments received from bus advertising sales offset City tax levy.

Executive Recommendation:

Recommend approval.