



Brevard County Board of County Commissioners

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Legislation Text

File #: 1955, **Version:** 1

Subject:

Rejection of Request for Proposal P-4-20-15; Advertising on County Traffic Control Cabinets

Fiscal Impact:

None

Dept/Office:

Central Services / Purchasing Services

Requested Action:

It is requested that the Board of County Commissioners accept the recommendation of the Selection Committee and reject the sole proposal received in response to Request for Proposal P-4-20-15, Advertising on County Traffic Control Cabinets.

Summary Explanation and Background:

On May 5, 2020, in regular session, the Board authorized development and advertisement of a Request for Proposal for Advertising on Traffic Signal Control Cabinets within the County. The request for proposal was developed and subsequently released for advertisement on Thursday July 2, 2020. Responses were due no later than Friday July 24, 2020 at 2pm. The County received one response to the request for proposal from On Street Media Inc.

In accordance with BCC-25, Purchasing Services scheduled and held the Selection Committee Meeting on Wednesday August 12, 2020 at 2pm. The meeting was publicly advertised and attended by two staff members of On Street Media along with the three selection committee members, a representative from the County Attorney's Office and two Purchasing Services staff.

The request for proposal included up to 46 Traffic Control Cabinets owned by Brevard County as possible advertising locations as well as up to 50 Traffic Control Cabinets owned by the Florida Department of Transportation and maintained by Brevard County.

The request for proposal included a price sheet that allowed responding contractors to propose either a monthly fee to be paid to the County based on the number of cabinets the contractors were advertising on or a percentage of revenue the contractors received by selling advertising space. On Street Media's proposal response stated they would offer the County 20% of the revenue they received by selling advertising space on the County's traffic control cabinets. On Street Media's estimated annual fee to be paid to the County was just over \$60,000. This was based on all available traffic control cabinets having advertising on them and being sold by On Street Media to businesses for approximately \$400 per ad per month. This estimate did not account for the County not releasing all traffic control cabinets for advertising (some cabinets are currently

used for safety messages while other cabinets may not have the traffic counts to warrant advertising).

The Selection Committee addressed an area of concern during their cost discussion, relative to two other contracts provided by On Street Media in their proposal response. These other contracts (one with an adjacent County and one with a City) showed approximately the same number of County owned cabinets available for advertising. One contract received a payment of approximately \$4,941 as their 20% fee for advertising on thirty-three (33) cabinets for a period of six (6) months. This would equate to an estimated annual revenue of less than \$10,000 for Brevard County. This is far less than the estimated annual revenue proposed by On Street Media in their proposal response. The contract with a City provided by On Street Media showed the revenue paid to the City was even less than that with the County (this contract also had a 20% fee as the agreed upon rate).

The request for proposal required that any respondent submit one (1) copy of the most recently completed financial statement from a licensed certified public accountant. The financial statement provided by On Street Media was completed on July 17, 2020 and for a period of 3 months (January 1, 2020 through March 31, 2020). A financial analysis was completed by County Staff on this financial statement. The financial analysis showed that based on the financial statement provided by On Street Media, the company is reporting a loss for the reported period. This loss then increased the accumulated deficit from the beginning of this year, indicating that the company also reported a net loss last year. The financial analysis also revealed that the company's current liabilities exceed their assets, indicating that the company may not have the liquidity to meet current obligations.

The request for proposal did not require respondents to address the amount of electricity being utilized by these signs, however, it should be noted that the County will incur additional electrical costs, which is estimated at \$1,200 per year for only the County owned cabinets. This is something that may have been negotiated should the committee have recommended entering into negotiations in lieu of a rejection.

The selection committee also expressed other areas of concern, including but not limited to, potential impact to the County's traffic control cabinets, installation of electronic signage to the cabinet doors which may cause unforeseen damages, as well as hole(s) in the cabinet allowing for a power source to energize the signage and potential issues with advertising content.

In accordance with BCC-25, Procurement, the County Purchasing Manual states that:

“If the County elects to reject all bids submitted in response to a competitive solicitation and concurrently provides notice of the intent to reissue the competitive solicitation, the rejected bids remain exempt from Florida Statute 119.07(1) and 24(a), Article I of the State Constitution until such time as the County provides a notice of intended decision concerning the reissued competitive solicitation. A response is not exempt for longer than twelve (12) months after the initial notice rejecting all bids.”

The County only received a single response to this request for proposal and as such, Purchasing Services is not requesting permission to reissue a competitive solicitation and as such, this proposal response would not be exempt from Florida Statute 119.07(1) and 24(a), Article I of the State Constitution.

Based upon the actual revenue being recognized by evaluating other municipalities contracts with this contractor for these services, the financial stability of the contractor, and the other areas of concern related to impacts to the County's cabinets and advertising; the selection committee unanimously voted to recommend a rejection of the proposal for this service to the Board.

Clerk to the Board Instructions:

None