



City of Huntington Beach

File #: 22-398

MEETING DATE: 9/6/2022

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Al Zelinka, City Manager

VIA: Sean Crumby, Director of Public Works

PREPARED BY: Chau Vu, Deputy Director of Public Works

Subject:

Approve for Introduction Ordinance No. 4261 authorizing the assignment of a Franchise Agreement with Focus Media Group for Transit Shelter Services

Statement of Issue:

The City's franchise agreement with Clear Channel Outdoor for the installation, operation and maintenance of transit advertising services expired on September 8, 2019. Staff solicited proposals through a competitive Request for Proposal (RFP) process and determined that Focus Media Group is the highest ranked firm based upon evaluation criteria and effective maintenance program via GPS based tracking. Staff is recommending a franchise agreement with Focus Media Group to implement a comprehensive street furniture program that includes enhanced maintenance services on City-owned street furniture and an advertising program within limits of Huntington Beach.

Financial Impact:

The City will receive a minimum annual guarantee payment of \$120,000 plus 25% revenue share on any wrapped advertisement. No minimum expenditures are required with this franchise. As such, no additional funding is required by this action.

Recommended Action:

- A) Approve and authorize the Mayor and City Clerk to execute a "Franchise Agreement Between City of Huntington Beach and Focus Media Group Inc., for Transit Shelter Services;" and,
- B) Approve for introduction Ordinance No. 4261, "A Non-Codified Ordinance of the City of Huntington Beach Providing Consent to the Assignment of the Transit Shelter Services Franchise to Focus Media Group, Inc."

Alternative Action(s):

Do not authorize the franchise agreement, and direct staff accordingly. Inaction will result in a loss of potential revenue.

Analysis:

There are 409 Orange County Transportation Authority (OCTA) bus stops located throughout the arterial streets in the City of Huntington Beach. These bus stops have either a bus shelter or bus bench, which serve as spaces for various advertisements. Of these bus stops, there are 183 benches and 150 bus shelters with trash cans. These shelters provide the public with protection from the environment while waiting for the OCTA bus system.

On February 15, 2022, the City advertised a Request for Proposals (RFP) for management and operations of bus shelters/bus bench advertisements and its facilities. The contractor is required to implement a comprehensive street furniture program that includes enhanced maintenance services on City-owned street furniture and an advertising program within limits of Huntington Beach. The scope of services include providing day-to-day operational supervision and personnel management, project management, and maintenance expertise necessary to operate the program; providing knowledgeable staff capable of selling advertising at all bus benches and bus shelter kiosks; providing adequate numbers of street furniture to meet the needs of bus patrons and residents and to ensure that all street furniture and access abides by State and Federal American with Disabilities Act (ADA) requirements; and providing cleaning and maintenance of the street furniture.

On March 30, 2022, the City received three (3) proposals from the following firms:

1. Focus Media Group, Inc.
2. Clear Channel Outdoor
3. Creative Outdoor Advertising

Proposals were then evaluated and ranked by a review board, which identified the top firm. Focus Media Group (FMG) was the highest ranked firm based upon the company's commitment to beautifying and enhancing transit furniture, effectively meeting the City's maintenance and rehabilitation needs which includes a GPS maintenance tracking software, positive work history and past performance. FMG has active contracts with the cities of Fountain Valley, Westminster, Garden Grove, Stanton, Santa Ana and Huntington Beach. They have in-house crews located in Fullerton and are quick to respond to any service requests. Their proposal will include 124 bus shelters and 233 bus benches, which is a net increase of 24 fixtures. In addition to being the highest ranked firm, FMG proposed the best value to the City by offering a guaranteed minimum revenue of \$120,000 per year, plus 25% revenue share on wrapped advertisement, an initial capital investment of \$533,000 and annual maintenance value of \$258,700. Finally, FMG has proposed a community benefit that sets them apart from the competition by offering job opportunities for the homeless in Huntington Beach through the Navigation Center.

Public Works Commission Action:

Not applicable.

Environmental Status:

Not applicable.

Strategic Plan Goal:

Infrastructure & Parks

Attachment(s):

1. Ordinance No. 4261
2. Franchise Agreement Between the City of Huntington Beach and Focus Media Group for Bus Shelter and Bus Benches Program
3. Award Analysis - Bus shelter and bus benches services
4. Certificate of Insurance - Focus Media Group