

ADDENDUM NO. 2

Kansas City Area Transportation Authority
1350 E. 17th Street
Kansas City, Missouri 64108

RFP # 16-7019-34 Bus Advertisement Program Management

Issue Date: September 26, 2016

This Addendum is hereby made a part of the Bidding Documents to the same extent as if it was originally included therein and is intended to modify and/or interpret the bidding documents by additions, deletions, clarifications or corrections. The Contractor shall acknowledge in the proposal the receipt of this Addendum.

GENERAL INFORMATION

The closing date for proposal closing and submission has changed to: **October 6, 2016, at 2:00 p.m. Central Time.**

CLARIFICATIONS, CORRECTIONS AND ADDITIONS

Section 2, "Scope of Work," **Section C** "TERM" is hereby amended to **ADD** the following paragraph:

The contractor agrees to transfer and assign active advertising agreements that are in place at the conclusion of this contract to KCATA or its designated representatives. Regardless of any contractual extensions that may be pending, the contractor agrees to provide an inventory of active transit advertising agreements to the KCATA upon request, but at least 30 days prior to the expiration of this contract. The active files will be transferred, assigned and delivered to the KCATA as soon as practical, but not later than 48 hours after the conclusion of the contract.

- NOTE: The current contractor of the existing Advertising Agreements shall be compensated with a 20% commission rate as provided for in that contract agreement with KCATA.

Section 2, "Scope of Work," **Section F** "PAYMENT; PROCEDURE FOR INVOICING" subparagraph 1, subparagraph a., is hereby deleted and **REPLACED** with:

- a. By the 15th day of each month, the Contractor shall pay KCATA 1/12 of the annual Guaranteed Minimum Payment (GMP) contract amount *or the Revenue Share Percentage, whichever is the greater amount based on gross billings*, plus any other amounts due KCATA and the Transit Partners. Each payment shall include:

Section 2, "Scope of Work," **Section F** "PAYMENT; PROCEDURE FOR INVOICING" subparagraph 1, subparagraph a. item 2), is hereby deleted and **REPLACED** with:

- 2) ***An itemized*** monthly and annual accounting of total sales and revenue collections for each Transit Partner. ***The itemized details of this report shall be mutually agreed to between the Transit Partners and the contractor.***

Section 2, “Scope of Work,” **Section F** “PAYMENT; PROCEDURE FOR INVOICING” subparagraph 1, subparagraph e., is hereby deleted and **REPLACED** with:

- e. The Contractor shall be responsible for billing and collecting funds from all advertisers. ***Any uncollected amounts may be deducted from the annual gross billings so long as the Minimum Guaranteed Payment amount per month has been met and satisfied. In all other circumstances,*** the Contractor expressly understands and agrees that the Contractor solely bears the loss if a billing of a Contractor billed client is uncollectible, except in the case of legally filed bankruptcies.

Section 2, “Scope of Work,” **Section F** “PAYMENT; PROCEDURE FOR INVOICING” subparagraph 3, is hereby **DELETED**:

3. ~~**Letter of Credit:** The Contractor shall supply an irrevocable, unconditional Letter of Credit each year in the amount of the annual minimum guaranteed payment amounts set forth in the proposal. The Letter of Credit shall be maintained and effective through October 31st of each year of the Contract, and shall be presentable at a bank satisfactory to KCATA. In lieu of providing a letter of credit, the Contractor may pay the amount of annual minimum guaranty in advance.~~

Section 2, “Scope of Work,” **Section H** “SCOPE OF SERVICES / GENERAL REQUIREMENTS APPLICABLE TO BOTH PRINT & AUDIO ADVERTISING PROGRAM MANAGEMENT” subparagraph 1 subparagraph a. is hereby deleted and **REPLACED** with (some text deleted):

- a. Advertising to be displayed or played under the terms of this contract shall be of a reputable character, shall conform to recognized business standards and shall not conflict with the laws or regulations of the United States, States of Missouri or Kansas and shall comply with Advertising Policies described herein (refer to Attachment N). ***The Transit Partners reserve the right to amend or add to the Advertising Policies at their sole discretion as needed, if needed and it shall be the contractor’s responsibility to adhere to any changes made in the Advertising Policies within thirty (30) days of notification of updated Advertising Policies.*** ~~Transit Partners reserve the right to screen and approve any advertisement prior to its production and installation.~~ KCATA shall specifically review and approve (i) PSAs, (iii) donated advertising. KCATA shall have the right to require the removal of any advertising which brings disrepute upon the agencies, or public transportation in general. The Contractor shall remove such advertising within a reasonable time of receiving notice from KCATA.

Section 2, “Scope of Work,” **Section H** “SCOPE OF SERVICES / GENERAL REQUIREMENTS APPLICABLE TO BOTH PRINT & AUDIO ADVERTISING PROGRAM MANAGEMENT” subparagraph 2 is hereby deleted and **REPLACED** with (some text deleted):

Contractor shall keep the KCATA informed of all contracts executed or pending. Copies of all bus advertising contracts and agreements entered into by Contractor shall be provided to the KCATA within ***thirty (30) days*** of the date the contract is executed.

Section 2, "Scope of Work," Section H "SCOPE OF SERVICES / GENERAL REQUIREMENTS APPLICABLE TO BOTH PRINT & AUDIO ADVERTISING PROGRAM MANAGEMENT" subparagraph 9 is hereby deleted and **REPLACED** with (some text deleted):

9. **Special Advertising Situations:** Special advertising situations are those situations where Transit Partners display advertising that does not generate revenue, but meets other objectives. Special advertising situations may be placed as a Print Advertisement, Audio Advertisement or both. *The installation and removal of any "special advertising situations" shall be performed at the costs stipulated in the Bid Response Form Attachment K* and do not entitle the contractor to any revenue share *or other additional* payment under this agreement. *Production and the associated costs of the "special advertisement situations" shall be handled under a separate procurement or existing other contract arrangement.* Generally, these special advertising situations shall be displayed or played in available advertising space. In the event that available advertising space becomes limited, Transit Partners reserve the right to set aside up to fifteen percent (15%) of available print advertising space for displaying special advertising situation ads. All forms of advertising which fall under special advertising situations may be removed if space is needed to place paid advertisements.

Section 2, "Scope of Work," Section I "PRINT ADVERTISING ADDITIONAL SCOPE OF SERVICES," subparagraph 1, is hereby **DELETED**:

- ~~1. Advertisement sales shall not be specific to a bus route or a particular Transit Partner. Advertisements shall be distributed on all transit partner fleets.~~

Section 2, "Scope of Work," Section I "PRINT ADVERTISING ADDITIONAL SCOPE OF SERVICES," subparagraph 2, is hereby **DELETED**:

- ~~2. The Print Advertising Contractor will not offer free space or discounts from rate card prices in excess of 15% without approval of the KCATA. Discounts for frequency or quantity may be offered to advertisers, but must be indicated on the contract. Any trade-outs made shall be deemed to have economic value to the Transit Partners and must be approved in writing by the KCATA. The value will be calculated as part of the gross revenue.~~

Section 2, "Scope of Work," Section I "PRINT ADVERTISING ADDITIONAL SCOPE OF SERVICES," subparagraph 3, is hereby deleted and **REPLACED** with:

3. Contractor(s) shall be responsible for production of materials and the actual installation of the materials as well as managing the work of installers of exterior vinyl and interior signage. *All advertising formats, including large format displays, shall be allowed on all sides of the buses.*

Section 2, "Scope of Work," Section I "PRINT ADVERTISING ADDITIONAL SCOPE OF SERVICES," subparagraph 5, is hereby **DELETED**:

- ~~5. Contractor shall provide ad copy prior to installation of the signs. This should be provided for every contract, regardless of message content.~~

Section 2, "Scope of Work," Section I "PRINT ADVERTISING ADDITIONAL SCOPE OF SERVICES," subparagraph 19, is hereby deleted and **REPLACED** with:

19. The Transit Partner staff shall *periodically inspect* installed/removed advertising. Any work that does not pass inspection *due to substantial damage or failure to fulfill contract requirements* must be corrected by the contractor, at no additional cost to the Transit Partners, within seven (7) calendar days of being notified of substandard work.

Section 2, “Scope of Work,” Section I “PRINT ADVERTISING ADDITIONAL SCOPE OF SERVICES,” subparagraph 22, is hereby **DELETED**:

- ~~22. The contractor shall take a picture of the completed installation/removal and submit pictures to the appropriate Transit Partner’s Maintenance Manager and/or the Maintenance Supervisor on Duty.~~

Section 2, “Scope of Work,” Section I “PRINT ADVERTISING ADDITIONAL SCOPE OF SERVICES,” subparagraph 24, is hereby deleted and **REPLACED** with:

24. Damage to the paint surface caused by the application or removal of advertisements is not considered reasonable wear and tear. The contractor shall be responsible for the cost of any damages to the transit bus, resulting from their installation and/or removal work. *The KCATA shall take into consideration that the utilization of pre-approved materials on buses may still result in some damages to the buses, and therefore shall work in partnership with the contractor to rectify potential problems thereby reducing the cost liability to the contractor by a mutually agreed to amount.*
 - a. *The contractor shall be responsible for documenting any pre-existing paint damage seen prior to ad placement and alert the Transit Partner of the pre-existing damage (i.e., such as inspection sheet with acknowledgement /agreement from the Transit Partner that the damage was there prior to ad placement). The methodology for this documentation will be mutually agreed to after contract award with the goal to make it an easy, efficient process.*

Section 2, “Scope of Work,” Section I “PRINT ADVERTISING ADDITIONAL SCOPE OF SERVICES,” subparagraph 26, is hereby **DELETED**:

- ~~26. Hiding paint shall be grounds for termination of services.~~

Section 2, “Scope of Work,” Section J, “AUDIO ADVERTISING ADDITIONAL SCOPE OF SERVICES,” subparagraph 3, is hereby deleted and **REPLACED** with:

3. Uploading of audio commercials is the responsibility of the contractor. *The contractor may arrange for Transit Partner staff to handle the uploading of audio commercials upon mutual agreement with the Transit Partner and proper compensation to the Transit Partner as mutually agreed to prior to performance of services.*

Section 2, “Scope of Work,” Section J, “AUDIO ADVERTISING ADDITIONAL SCOPE OF SERVICES,” subparagraph 13, is hereby deleted and **REPLACED** with:

13. **Additional Requirements and Restrictions:** KCATA has approximately 5,000 bus stops available for location-based advertising. The following are specific requirements concerning location based advertising:

- a. Audio advertising may only be done on KCATA’s fixed route vehicles.
- b. ~~Availability for time based advertising shall be as follows:~~
 - 1) ~~Morning prime time 6:00 a.m. to 9:00 a.m.~~
 - 2) ~~Evening prime time 4:00 p.m. to 7:00 p.m.~~
- c. The number of ads that can be played on KCATA vehicles and spacing of those ads shall be determined in consultation with KCATA’s Chief Communications Officer.

ATTACHMENT J, “SAMPLE CONTRACT AGREEMENT” is hereby deleted and **REPLACED** with the Attachment J included herein this Addendum #2.

ATTACHMENT K, “REVENUE PROPOSAL RESPONSE FORM” is hereby deleted and **REPLACED** with the Attachment K included herein this Addendum #2.

QUESTIONS / ANSWERS:

Following is a list of questions, submitted by potential proposers, and the answers:

Proposal Reference	Questions and Answers
General Questions	<p>Q: Will KCATA extend the proposal submission deadline by 30 days? A: The submission deadline will be extended to Oct. 6. See Addendum changes noted above herein this document.</p> <p>Q: Will KCATA revise the RFP to allow all advertising formats, including large format displays, on all sides of the buses? A: Yes. Advertising will be allowed on all sides. MAX buses will still be proposed as an option.</p> <p>Q: Approximately when was curb side advertising disallowed? Will the KCTA allow curb side ads moving forward? A: Approximately 2003. Yes, curbside advertising will be allowed.</p> <p>Q: How many MAX buses are there? How many sellable MAX specific Shelters are there? A: There are 28 MAX BRT buses. Currently, shelter advertising is not allowed.</p> <p>Q: Would KCATA be open to Naming Rights Sponsorship to MAX for right amount of revenue? A: Yes. There is no guarantee that it will be approved, but KCATA will be open to discussing. Any changes to the awarded contract would require a formal written contract amendment to allow such “Naming Rights Sponsorship.”</p> <p>Q: Please provide a list of potential respondents that were either present or on the teleconference at the pre bid meeting. A: See Attachment P included herein for this listing.</p>

Q: Why are “Ad Installation Revenue/Expenses” shown in historical numbers if that is not part of this RFP? Why are in most cases the expenses higher than the revenue for this?

A: **This is simply the way the previous contracts were structured. They do not apply for this RFP. Expenses may be higher than revenue because they include production and installs for non-revenue jobs.**

Q: Is page 36, 44 official attachments for the proposal?

A: **Refer to Section 7 “Attachments” for official attachments unless otherwise included in a subsequent Addendum, such as Attachment P “Pre-Proposal Conference Attendee Listing.”**

Q: Can the start date be moved to 2017 - December can't be influenced when we find out mid-November?

A: **No. The contractor should take such into account when proposing their Guaranteed Payment Minimum for the initial contract year. There are existing contracts that are expiring that cannot be extended further that would be affected by this newly awarded contract that will take over those responsibilities of the expiring contracts.**

Q: Can you explain further contractor needing to be licensed to do business in the state as opposed to having a Federal Tax ID number?

A: **Award of contract, if any, will be made to the responsive and responsible Proposer whose offer conforming to the solicitation is judged by an integrated assessment of the evaluation criteria to be the most advantageous to the Authority, revenue amount and other factors considered. At the time of contract award, the ability to perform successfully and a willingness to comply with the terms and conditions of a proposed contract, the bidder is considered responsible. *One of the elements in determining whether a vendor is considered “responsible” is compliance with applicable licensing and tax laws and regulations is required prior to contract award. It is anticipated that the contract will be awarded and finalized prior to November 30, 2016.***

Q: We request that the required license to do business in Kansas and Missouri be provided after selection of the winning proposer and prior to contract signing.

A: **See response above concerning licensing prior to contract award.**

Q: Please provide a sales and revenue report for 2016.

A: **Year-to-date sales through September 1, 2016 \$407,497.13
Collected revenue through September 1, 2016 \$322,891.24**

Q: Is Johnson County going to smaller buses in the future? Are all new bus purchases going to be 29ft size or will there be a mix of larger size buses?

A: **There will definitely be a mix that includes larger sizes.**

Q: Please provide a list of Buses that have been re branded with paint and or Vinyl.

A: **KCATA has a total of 194 rebranded buses. 12 Johnson County Transit units have been rebranded. There are still 42 units identified to be rebranded. Unified Government has approximately 10 buses rebranded.**

	<p>Q: Will the current advertising contracts be assignable to the newly awarded contractor? A: It is KCATA’s intent to transfer the existing advertising contracts to whomever receives the RFP contract award.</p>
<p>Page 7, Section B “DESCRIPTION OF REGIONAL RIDEKC TRANSIT OPERATIONS”</p>	<p>Q: Will KCATA revise the RFP to allow advertising products on the MAX Bus Rapid Transit vehicles and remove the Optional Revenue table? A: MAX buses should be provided as an option.</p>
<p>Page 8, Section C, “TERM”</p>	<p>Q: Would you consider a five-year extension? A: No. It is KCATA’s new procurement policy to only have a contract duration of five years or less.</p>
<p>Page 9, Section F “PAYMENT; PROCEDURE FOR INVOICING”</p>	<p>Q: Will KCATA revise the RFP to allow the Contractor to pay the difference between the GMP and the Shared Revenue Percentage annually instead of quarterly? A: See revisions to the Scope of Work Section F as indicated in this Addendum.</p> <p>Q: Payment Invoicing Section- Says the revenue and exact ad type on each bus needs to be reported monthly. This will be very labor intensive and virtually impossible. Will you consider alternative? A: See revisions to the Scope of Work Section F as indicated in this Addendum.</p> <p>Q: Why is there a monthly minimum guarantee payment for Print and not for Audio Contract? A: It has been an accepted practice with many transit agencies.</p> <p>Q: Audits: Will auditor be third party or representative of KCATA? A: KCATA will generally conduct an audit; however, reserves the right to utilize a third party representative.</p> <p>Q: Are there other ways besides pre-pay or letter of credit that KCATA will accept to show Financial strength and security of their next advertising partner? These practices can impede a firm's ability to invest heavily into people and infrastructure and maximize revenue for the Transit Authority. A: See revisions to the Scope of Work Section F as indicated in this Addendum.</p> <p>Q: Would an annual guarantee normally settled up with a 13th payment be considered instead of quarterly? (Quarterly does not allow the vendor to catch up on lower demand times of the year) Again, annual is the industry standard. A: See revisions to the Scope of Work Section F as indicated in this Addendum.</p> <p>Q: We request that any uncollected amounts be deducted from the annual gross billings as long as the Minimum Payment Guarantee (MPG) has been satisfied. A: See revisions to the Scope of Work Section F as indicated in this Addendum.</p>

<p>Page 11, Section H “SCOPE OF SERVICES / GENERAL REQUIREMENTS APPLICABLE TO BOTH PRINT & AUDIO ADVERTISING PROGRAM MANAGEMENT”</p>	<p>Q: Will KCATA consider a revised ad approval process? Reviewing each ad before it goes up will slow down the sales process and perhaps inhibit revenue. We have never seen this as a requirement. A: See revisions to the Scope of Work Section H as indicated in this Addendum.</p> <p>Q: Will KCATA consider being copied on contracts at the end of the month instead of within 7 days of signing? (better for both parties) This is industry standard. A: See revisions to the Scope of Work Section H as indicated in this Addendum.</p> <p>Q: Can ad approval be reserved for what would be considered ‘questionable content’ rather than each individual ad? (saving time, using our years of experience and best judgment possessed by any reputable firm vying for this contract) A: See revisions to the Scope of Work Section H as indicated in this Addendum.</p> <p>Q: You note that in “Special Advertising Situations” there will be no cost to Transit partners to advertise when space is available. Will transit partners pay for any production and installation of ads? A: KCATA will pay for production via other procurement efforts/existing contracts. See revisions to the Scope of Work Section H as indicated in this Addendum. Please provide pricing in Attachment K “REVENUE PROPOSAL RESPONSE FORM” as amended herein for installation and removal charges for the KCATA.</p> <p>Q: We request that a reasonable posting fee be allowed for special advertising for the KCTA. This would be accomplished through a credit toward the annual payment. A: See response above.</p> <p>Q: Will you consider changing policy on bad debt? (typically, this is removed from revenue figures and except in the case of a guarantee it is like the revenue never happened for either party – By only taking the people with the best credit we are going to miss a lot of other possible money that would still likely be paid) A: See revisions to the Scope of Work Section H as well as Attachment J as indicated in this Addendum.</p>
<p>Page 12, Section I “PRINT ADVERTISING ADDITIONAL SCOPE OF SERVICES”</p>	<p>Q: Will KCATA revise the RFP to allow advertising campaigns to be placed on the vehicles of a specific Transit Partner at the Contractor’s discretion? A: Yes. See revisions to the Scope of Work Section I as indicated in this Addendum.</p> <p>Q: We request that the requirement to distribute advertising for all three partners be eliminated. The advertiser must be able to choose where there advertising should run. A: See revisions to the Scope of Work Section I as indicated in this Addendum.</p>

	<p>Q: Will you consider eliminating ‘Discounting of rate card’? Experience in selling transit media has shown us that sometimes it is in the interest of higher revenue to discount rate cards. Rate cards are only strictly used for national deals.</p> <p>A: See revisions to the Scope of Work Section I as indicated in this Addendum.</p> <p>Q: Will KCATA do a test of paint, or document which buses have new paint? Paint damage can occur from non-factory paint or where damage has been scratched, damaged or compromised before an ad has ever been applied. Every bus and paint would need to be inspected and recorded for this to be done fairly. Covering paint damage with ads to be repaired at a later time is customary practice so buses look good and not to slow the flow of revenue.</p> <p>A: See revisions to the Scope of Work Section I as indicated in this Addendum.</p> <p>Q: Who will estimate or evaluate damage to KCATA buses?</p> <p>A: KCATA Body Shop Supervisor</p> <p>Q: In regard to reasonable wear and tear for removals - if paint has integrity issues, the best bond wins...paint may come off in areas that are damaged. When this happens, would you consider having promotional material on hand to cover those areas rather than cause for termination of contract?</p> <p>A: See revisions to the Scope of Work Section I as indicated in this Addendum.</p> <p>Q: If the contractor uses pre-approved vinyl materials it should not be held solely responsible for any damage to rebranded buses but rather work in partnership with the KCTA to rectify potential problems.</p> <p>A: See revisions to the Scope of Work Section I as indicated in this Addendum.</p> <p>Q: Will you consider proof of performance per copy rather than each install? Example: 40 buses with the exact same copy, 1 picture of installed ad rather than each individual installation (x40). National clients typically only require no more than 2 or 3 POP pictures of a campaign.</p> <p>A: See revisions to the Scope of Work Section I as indicated in this Addendum.</p> <p>Q: Will KCATA consider curb side advertising like other major markets?</p> <p>A: Yes.</p> <p>Q: Please eliminate item 5, 19, 22, and 26 from Section I Print Advertising Additional Scope of Services.</p> <p>A: See revisions to the Scope of Work Section I as indicated in this Addendum.</p>
<p>Section J, “AUDIO ADVERTISING ADDITIONAL SCOPE OF SERVICES”</p>	<p>Q: For the uploading of audio commercials, can this be done via a VPN (remote) upload? Can the KCATA do the upload work and just bill the work to the contractor?</p> <p>A: See revisions to the Scope of Work Section J as indicated in this Addendum.</p>

	<p>Q: The bid states that availability for time-based advertising shall be as follows:</p> <ul style="list-style-type: none"> 3) Morning prime time: 6:00 a.m. to 9:00 a.m. 4) Evening prime time 4:00 p.m. to 7:00 p.m. <ul style="list-style-type: none"> • Can Non-Peak hours be added? <p>A: See revisions to the Scope of Work Section J as indicated in this Addendum.</p>
<p>On page 70, ATTACHMENT K – REVENUE PROPOSAL RESPONSE FORM</p>	<p>Q: The Bid form for the payment structure for this contract should be the higher amount of the ANNUAL Sales % revenue share or the Minimum Payment Guarantee whichever is greater. This is the absolute standard for the Industry.</p> <p>A: See revisions to the Scope of Work Section F and Attachment K as indicated in this Addendum.</p>
<p>Page 76, ATTACHMENT O, “KCATA’S CURRENT ADVERTISING INVENTORY AS OF AUGUST 22, 2016”</p>	<p>Q: Will KCATA provide the dollar amounts of the pre-existing advertising commitments under KCATA's current advertising contract as referenced in Attachment O?</p> <p>A: Year-to-date sales through September 1, 2016 \$407,497.13 Collected revenue through September 1, 2016 \$322,891.24</p>
<p>Page 25, in Section 4, “SECTION 4 - PROPOSAL SUBMISSION, EVALUATION AND AWARD” subsection 4 “Basis for Contract Award”</p>	<p>Q: Which is applicable? Pg 25. D “Proposals will not be publicly opened and will be kept strictly confidential” vs. Pg. 17 9-B “the proposals will be considered public records open for inspection” and “KCATA reserves the right to release any documents if the KCATA determines that such information is a public record pursuant to the Missouri Sunshine Law.”</p> <p>A: During the evaluation phase of the proposals, they will be held in strict confidence. However, after either a contract is executed pursuant to this RFP, or all proposals are rejected, the proposals will be considered public records open for inspection.</p> <p>Q: Volume II – Contractual “Financial Condition of the Firm.” – As a private company there is concern about submitting financial statements and them inadvertently being disclosed to the public. Are there other financial information that can be submitted in lieu of financial statements?</p> <p>A: It is mandatory that the proposer provide the firm’s most recent <u>unaudited</u> financial statements and include profit/loss reports from January 1, 2016 through June 30, 2016. Any additional information requested in the RFP regarding the Financial Condition of the Firm is considered desirable but not required. The proposer is highly encouraged to submit additional information demonstrating that it is financially sound and has the necessary financial resources to perform the contract in a satisfactory manner.</p> <p><u>It is permissible, for your firm, if selected for an Interview (e.g., your firm was ranked in the top proposals based on technical evaluation scores to be further considered for contract award), to just bring the firm’s financial statements in person for an on-site inspection/review at KCATA by KCATA’s financial staff and no copies would be kept by KCATA. This would require the vendor to arrange an onsite visit at KCATA for the review to happen.</u></p>

Attachment P
Pre-Proposal Conference Attendee Listing

COMPANY NAME	REPRESENTATIVE NAME
Houck Advertising (attendance via conference call)	Justin Houck
Zuva Advertising (attendance via conference call)	Maria Clark
Direct Media (attendance via conference call)	Michael Geden & Peter Brown
LAMAR	Bob Fessler & Liam Campbell
Advertising Vehicles	Ken Black
Commuter Ads	Nate Brinkman
Roundtown Media	Stacy Rudd
Outfront Media	Dave Hyatt

**ATTACHMENT J
SAMPLE CONTRACT AGREEMENT**

**Contract Agreement #16-7019-34
Transit Bus Advertisement Program Management**

THIS CONTRACT (the “Contract”), made and entered into as of the _____ day of _____, 2016, by and between the **Kansas City Area Transportation Authority (“KCATA”)**, a body corporate and politic, and a political subdivision of the States of Missouri and Kansas, with offices at 1350 East 17th Street, Kansas City, Missouri, and _____ (“**Contractor**”), with offices at _____.

WHEREAS, KCATA desires to retain the services of a contractor to provide transit advertising and placement services in and on buses; and

WHEREAS, the Contractor is qualified, willing, and able to provide and perform said services; and

WHEREAS, said services are temporary in duration;

NOW, THEREFORE, in consideration of the mutual promises and conditions herein contained, to be kept, performed and fulfilled by the respective parties hereto, and other good considerations, it is mutually agreed as follows:

1. **DOCUMENTS INCORPORATED IN THIS AGREEMENT:** The Contractor shall comply with the terms and conditions of this Agreement and with the terms and conditions of the documents listed below, which are attached hereto and by reference made a part hereof. The Agreement and the documents incorporated herein constitute the entire contract between KCATA and the Contractor, and any amendments issued hereafter, and in case of dispute shall govern in the following order of precedence:

Appendix A. Contract Terms and Conditions; and
Appendix B. Scope of Work; and
Appendix C. Revenue Proposal Page Submitted by Contractor; and
Appendix D. Contractor’s Original Bid Response; and
Appendix E. Original RFP 16-7019-34 and any addendums thereto.

2. **EMPLOYMENT OF CONTRACTOR.**

This Contract is entered into for the purpose of engaging the Contractor as an independent contractor by KCATA in accordance with that certain proposal submitted by the Contractor dated _____, a copy of which is attached hereto as Appendix D and incorporated herein by reference (“Proposal”).

3. **SCOPE OF CONTRACT.**

The Contractor shall provide the products, equipment, materials and/or work services consistent with the Request for Proposals (RFP) solicited by the KCATA, dated _____ entitled “_____” (sometimes referred to as the “Project” or the “Work”), which is attached hereto as Appendix E and incorporated herein by reference.

**ATTACHMENT J
SAMPLE CONTRACT AGREEMENT ~ Continued**

4. TERM.

The term of this contract agreement shall be for a period of ____ () year(s) beginning _____, **2016 and expiring on _____**. The products/services to be provided and performed shall commence upon receipt of a notice to proceed from the KCATA. Work in process prior to expiration of the contact agreement shall be completed and as construed by KCATA to be within the “contract term”.

5. REVENUE COMPENSATION PAYMENTS

In return for said rights, the Contractor shall compensate the KCATA under the following conditions:

1. Revenue Compensation Payment Schedule: The Payment Schedule under the Contract will require monthly payments, due to the KCATA by the 15th calendar day of each month. ***The contractor shall pay the Minimum Guaranteed Payment (MGP) amount or the Revenue Share Percentage amount whichever is greater based on gross billings.***

Contract Year	Annual Minimum Guaranteed Payment (MGP)	Monthly Payment (1/12 th of the MGP)	Revenue Share Percentage
December 1, 2016 through November 30, 2017			
December 1, 2017 through November 30, 2018			
December 1, 2018 through November 30, 2019			
December 1, 2019 through November 30, 2020			
December 1, 2020 through November 30, 2021			
CONTRACT TERM			
TOTAL GUARANTEE			

Payment: By the fifteenth (15th) day of each month, the Contractor shall pay to KCATA 1/12th the Annual Minimum Guaranteed Payment amount ***or the Revenue Share Percentage, whichever is the greater amount based on gross billings***, plus any other amounts due KCATA and the Transit Partners. Under no circumstances shall the Contractor pay KCATA less than the MGP for the periods set forth above. By way of example, the payment made on January 15, 2017 will be for December, 2016.

2. Late Revenue Compensation Payments: Any late payment shall be subject to a penalty of 1.5 percent per month. A delinquency in payment of 30 days beyond the due date may be basis for immediate termination of the agreement, without any right cure.
3. Submitting Revenue Payments: All revenue compensation payments shall be submitted to the KCATA’s Finance Department as follows:
 The Kansas City Area Transportation Authority
 Mr. Michael Graham, Chief Financial Officer
 1350 E. 17th Street
 Kansas City, MO 64108
 RE: Contract Agreement 16-7019-34

**ATTACHMENT J
SAMPLE CONTRACT AGREEMENT ~ Continued**

4. **Corrections:** Revenue compensation payments requiring correction will be returned with a written description of the correction. Contractor shall make the necessary change(s) and resubmit. The KCATA and the Contractor must mutually agree upon any adjustments in revenue compensation.
5. **Monthly Sales Report:** Contractor shall also submit to the KCATA's Finance Department the necessary sales reports in accordance with the reporting requirements described in Appendix B.
6. **Reconciliation Payment:** On *December 30th* of each Contract Year (except *12/30/2016*), the Contractor shall provide a Reconciliation Report consisting of a reconciliation of the Annual Minimum Guarantee Payment and the Revenue Share Percentage amounts for the prior Contract Year together with a check for any overage due to the Transit Partners.
7. **Gross Billings:** Gross Billings shall mean all revenue generated from the sale of space on Transit Partners vehicles less (i) any commission, not to exceed sixteen and two-thirds (16.67%) percent deducted by or paid or payable to advertising agencies or sales representatives other than the Contractor with respect to advertising placed by the Contractor through such agencies and (ii) labor charges for special services insofar as these charges represent only the recovery of costs. The Contractor shall provide KCATA with a monthly, detailed accounting of all such deductions.
8. **Uncollectible Accounts:** Uncollectible accounts shall be the responsibility of the Contractor. *Any uncollected amounts may be deducted from the annual gross billings so long as long as the Minimum Guaranteed Payment amount per month has been met and satisfied.*
9. **Guarantee Adjustment:** The Annual Minimum Guaranteed Payment is based on the fleet size existing at the date of execution of the agreement and will apply to all media forms and/or sign types. The Annual Guaranteed Payment may be adjusted down annually if and when the number of vehicles differs from the prior Contract Year's inventory number by fifteen percent (15%) or more, as long as the variance affects the available sign inventory (a "Fleet Decrease"). If an adjustment is to be made due to a Fleet Decrease, KCATA and the Contractor will reach agreement on the guarantee amount within fifteen (15) days of the beginning of a new contract year. That is, by November 15 of the affected year, the guarantee shall be agreed upon.

IN WITNESS WHEREOF, the parties hereto for themselves, their successors and permitted assigns, executed this Contract Agreement as of the day and year first above written.

(CONTRACTOR'S NAME)

**KANSAS CITY AREA TRANSPORTATION
AUTHORITY**

By _____

By _____

Steven C. Klika, Chairman of the Board

By _____

Dennis Bixby, Secretary of the Board

ATTACHMENT K – REVENUE PROPOSAL RESPONSE FORM

PRICING TABLE 1: REQUIRED PRICING

The proposer shall complete the following pricing table(s) and provide revenue amounts and/or percentage rates necessary to meet the requirements of the RFP. Proposal responses submitted on any other form may be considered non-responsive and therefore rejected. The authorized person signing the bid shall initial any erasures, corrections or other changes appearing on the Proposal Cost Response Form. *No written comments, modifications or interlineations to the Proposal Cost Response Form will be accepted.*

NOTE: By the 15th day of each month, the Contractor shall pay KCATA 1/12 of the annual Guaranteed Minimum Payment (GMP) contract amount or the Revenue Share Percentage, whichever is the greater amount based on gross billings, plus any other amounts due KCATA and the Transit Partners.

A. Print Advertising Revenue:

YEAR	ANNUAL GUARANTEED MINIMUM PAYMENT (GMP)	REVENUE SHARE PERCENTAGE (RSP)
1	\$	_____ %
2	\$	_____ %
3	\$	_____ %
4	\$	_____ %
5	\$	_____ %

B. Audio Advertising Revenue:

NOTE: Audio advertising is not yet possible for Johnson County and Unified Government Transit.

YEAR	DESCRIPTION	FOR KCATA
1	Revenue Share Percentage	_____ %
2	Revenue Share Percentage	_____ %
3	Revenue Share Percentage	_____ %
4	Revenue Share Percentage	_____ %
5	Revenue Share Percentage	_____ %

Company Name (Type / Print):	Date:
Authorized Signature: X	Title:

ATTACHMENT K ~ Continued

PRICING TABLE 2: OPTIONAL REVENUE CONSIDERATIONS

The proposer may provide firm, fixed revenue generating optional features/services, expansion options and/or enhancements for the proposed Bus Advertisement Management Program solution. Optional revenue generating components are not a guaranteed part of the final contract and shall only be accepted at the discretion of KCATA as need for such optional components permits.

Description/Comments	YEAR	ADDITIONAL REVENUE ADDED TO THE GMP
Allowing the MAX Bus Rapid Transit (BRT) vehicles to include advertising space. Please clearly show how the addition of the MAX BRTs effects the Guaranteed Minimum Payment amount for each year of the contract. EXPLANATION/COMMENTS:	1	\$
	2	\$
	3	\$
	4	\$
	5	\$
(Other revenue generating transit advertising features/services/expansion options. Please describe and where appropriate provide pictures/graphics to illustrate the ad revenue component).		

PRICING TABLE 3: OTHER COSTS

The proposer must state below all other applicable costs necessary to satisfy the requirements of the RFP. Unless stated in this Pricing Section, the KCATA shall assume that absolutely no other fees or charges, will be assessed to the KCATA whatsoever in connection with the provision of servicers stated herein and to satisfy the RFP requirements.

Description/Comments	Unit Of Measure	Unit Price
Special Advertising: Installation and Removal Charges		

Company Name (Type / Print):	Date:
Authorized Signature: X	Title:

ATTACHMENT K ~ Continued

The undersigned, acting as an authorized agent or officer for the Offeror, does hereby agree to the following:

1. The offer submitted is complete and accurate, including all forms required for submission in accordance with the terms and conditions listed in this Request for Proposals and any subsequent Addenda. The Offeror shall immediately notify the KCATA in the event of any change.
2. The undersigned agrees to furnish and deliver the items or perform services as described herein for the consideration stated in accordance with the terms and conditions listed in the KCATA RFP. The rights and obligations of the parties to any resultant purchase order/contract shall be subject to and governed by this document and any documents attached or incorporated herein by reference.

Company Name (Type/Print) _____ Date _____

Address/City/State/Zip _____

Authorized Signature _____ Title _____

Name (Type/Print) _____ Telephone # _____ Fax # _____

E-mail address _____

