

RESPONSE OF
**OUTFRONT DECAUX
STREET FURNITURE, LLC**

Request for Proposal
Sidewalk and Transit Amenities Program (STAP)

StreetsLA
Department of Public Works
February 19, 2021

PRICE PROPOSAL

LOS ANGELES



THIS PAGE IS INTENTIONALLY LEFT BLANK

OUTFRONT Decaux Street Furniture, LLC - STAP Price Proposal

Outfront Decaux Street Furniture, LLC

Confidential and Proprietary Information

Revenue Projections Worksheet

Estimate your total number of Revenue Ready Units for each year and make your revenue projections for each category of Program Element.

Areas shaded in PINK will be locked.

New Program Inventory		Anticipated Gross Revenue by Program Element											
Year	TOTAL Revenue Ready Units at Beginning of Year	New Shelters w Digital	New Shelters w Static	Interactive Kiosks	Vending Kiosks	Urban Panels	eLockers	Trash and Recycling	Sunshade for Outdoor Public Space	Other (List Item)	Other (List Item)	Other (List Item)	Anticipated Annual Gross Revenue
Year 1	-	\$ 5,220,150	\$ 790,353	\$ -	\$ 17,801	\$ 354,900	\$ -	\$ -	\$ -				\$ 6,383,203
Year 2	1,439	\$ 17,171,765	\$ 2,438,523	\$ -	\$ 36,670	\$ 1,426,698	\$ -	\$ -	\$ -				\$ 21,073,655
Year 3	1,649	\$ 24,595,689	\$ 4,181,095	\$ -	\$ 37,770	\$ 2,558,829	\$ -	\$ -	\$ -				\$ 31,373,383
Year 4	1,659	\$ 30,917,930	\$ 5,944,331	\$ -	\$ 38,903	\$ 3,617,039	\$ -	\$ -	\$ -				\$ 40,518,202
Year 5	1,669	\$ 41,357,750	\$ 6,924,056	\$ -	\$ 40,070	\$ 5,207,718	\$ -	\$ -	\$ -				\$ 53,529,594
Year 6	1,679	\$ 42,598,483	\$ 7,131,778	\$ -	\$ 41,272	\$ 5,554,161	\$ -	\$ -	\$ -				\$ 55,325,693
Year 7	1,679	\$ 43,876,437	\$ 7,345,731	\$ -	\$ 42,510	\$ 5,720,786	\$ -	\$ -	\$ -				\$ 56,985,464
Year 8	1,679	\$ 45,192,730	\$ 7,566,103	\$ -	\$ 43,785	\$ 5,892,409	\$ -	\$ -	\$ -				\$ 58,695,028
Year 9	1,679	\$ 46,548,512	\$ 7,793,086	\$ -	\$ 45,099	\$ 6,069,182	\$ -	\$ -	\$ -				\$ 60,455,879
Year 10	1,679	\$ 47,944,967	\$ 8,026,879	\$ -	\$ 46,452	\$ 6,251,257	\$ -	\$ -	\$ -				\$ 62,269,555
TOTAL												\$446,609,655.71	

*Total Units is Total Ad Faces at the beginning of the Contract Year.

OUTFRONT Decaux Street Furniture, LLC - STAP Price Proposal

Outfront Decaux Street Furniture, LLC

Confidential and Proprietary Information

CAPEX Scenarios

Firms must complete Scenarios 1 through 3.

An Alternative Scenario may be proposed, but is not required.

Scenario 1 Sourced from Revenue Projections Tab

Year	100% Bidder CAPEX	0% City CAPEX	New Inventory Units	Projected Gross Revenue	% CAPEX Recovery from Gross Revenue	Maximum Recapture	CAPEX Balance EOY
1	\$ 61,983,264	\$ -	-	\$ 6,383,203	0%	\$ -	\$ -
2	\$ 16,405,780	\$ -	1,439	\$ 21,073,655	0%	\$ -	\$ -
3	\$ 13,731,347	\$ -	1,649	\$ 31,373,383	0%	\$ -	\$ -
4	\$ 11,783,424	\$ -	1,659	\$ 40,518,202	0%	\$ -	\$ -
5	\$ 6,519,773	\$ -	1,669	\$ 53,529,594	0%	\$ -	\$ -
6	\$ 394,153	\$ -	1,679	\$ 55,325,693	0%	\$ -	\$ -
7	\$ 405,978	\$ -	1,679	\$ 56,985,464	0%	\$ -	\$ -
8	\$ 418,157	\$ -	1,679	\$ 58,695,028	0%	\$ -	\$ -
9	\$ 430,702	\$ -	1,679	\$ 60,455,879	0%	\$ -	\$ -
10	\$ 443,623	\$ -	1,679	\$ 62,269,555	0%	\$ -	\$ -

Scenario 2 Sourced from Revenue Projections Tab

Year	50% Bidder CAPEX	50% City CAPEX	New Inventory Units	Projected Gross Revenue	% CAPEX Recovery from Gross Revenue	Maximum Recapture	CAPEX Balance EOY
1	\$ 30,991,632	\$ 30,991,632	-	\$ 6,383,203	0%	\$ -	\$ -
2	\$ 8,202,890	\$ 8,202,890	1,439	\$ 21,073,655	0%	\$ -	\$ -
3	\$ 6,865,674	\$ 6,865,674	1,649	\$ 31,373,383	0%	\$ -	\$ -
4	\$ 5,891,712	\$ 5,891,712	1,659	\$ 40,518,202	0%	\$ -	\$ -
5	\$ 3,259,887	\$ 3,259,887	1,669	\$ 53,529,594	0%	\$ -	\$ -
6	\$ 197,077	\$ 197,077	1,679	\$ 55,325,693	0%	\$ -	\$ -
7	\$ 202,989	\$ 202,989	1,679	\$ 56,985,464	0%	\$ -	\$ -
8	\$ 209,079	\$ 209,079	1,679	\$ 58,695,028	0%	\$ -	\$ -
9	\$ 215,351	\$ 215,351	1,679	\$ 60,455,879	0%	\$ -	\$ -
10	\$ 221,811	\$ 221,811	1,679	\$ 62,269,555	0%	\$ -	\$ -

Scenario 3 Sourced from Revenue Projections Tab

Year	0% Bidder CAPEX	100% City CAPEX	New Inventory Units	Projected Gross Revenue	% CAPEX Recovery from Gross Revenue	Maximum Recapture	CAPEX Balance EOY
1	\$ -	\$ 61,983,264	-	\$ 6,383,203	0%	\$ -	\$ -
2	\$ -	\$ 16,405,780	1,439	\$ 21,073,655	0%	\$ -	\$ -
3	\$ -	\$ 13,731,347	1,649	\$ 31,373,383	0%	\$ -	\$ -
4	\$ -	\$ 11,783,424	1,659	\$ 40,518,202	0%	\$ -	\$ -
5	\$ -	\$ 6,519,773	1,669	\$ 53,529,594	0%	\$ -	\$ -
6	\$ -	\$ 394,153	1,679	\$ 55,325,693	0%	\$ -	\$ -
7	\$ -	\$ 405,978	1,679	\$ 56,985,464	0%	\$ -	\$ -
8	\$ -	\$ 418,157	1,679	\$ 58,695,028	0%	\$ -	\$ -
9	\$ -	\$ 430,702	1,679	\$ 60,455,879	0%	\$ -	\$ -
10	\$ -	\$ 443,623	1,679	\$ 62,269,555	0%	\$ -	\$ -

Alternative Scenario Sourced from Revenue Projections Tab

Year	% Bidder CAPEX	% City CAPEX	New Inventory Units	Projected Gross Revenue	% CAPEX Recovery from Gross Revenue	Maximum Recapture	CAPEX Balance EOY
1	\$ -	\$ -	-	\$ 6,383,203	0%	\$ -	\$ -
2	\$ -	\$ -	1,439	\$ 21,073,655	0%	\$ -	\$ -
3	\$ -	\$ -	1,649	\$ 31,373,383	0%	\$ -	\$ -
4	\$ -	\$ -	1,659	\$ 40,518,202	0%	\$ -	\$ -
5	\$ -	\$ -	1,669	\$ 53,529,594	0%	\$ -	\$ -
6	\$ -	\$ -	1,679	\$ 55,325,693	0%	\$ -	\$ -
7	\$ -	\$ -	1,679	\$ 56,985,464	0%	\$ -	\$ -
8	\$ -	\$ -	1,679	\$ 58,695,028	0%	\$ -	\$ -
9	\$ -	\$ -	1,679	\$ 60,455,879	0%	\$ -	\$ -
10	\$ -	\$ -	1,679	\$ 62,269,555	0%	\$ -	\$ -

OUTFRONT Decaux Street Furniture, LLC - STAP Price Proposal

Outfront Decaux Street Furniture, LLC
REVENUE SHARE

Confidential and Proprietary Information

Firms may propose scenarios with or without Minimum Annual Guarantees (MAGs).
If your firm will not propose a MAG, fill in Gross Revenue Tiers and associated City Share percentages. The Partner Shares will calculate automatically.
Percentages displayed are placeholders only.

Scenario 1: 100% Partner CAPEx

	MAG (Optional)	Use if No MAG		
		Bottom of Tier (\$mil)	Top of Tier (\$mil)	Partner Share
Year 1		\$ -	\$ 50.0	100.0%
		\$ 50.0		50.0%
Year 2		\$ -	\$ 52.0	100.0%
		\$ 52.0		50.0%
Year 3		\$ -	\$ 55.0	100.0%
		\$ 55.0		50.0%
Year 4		\$ -	\$ 57.0	100.0%
		\$ 57.0		50.0%
Year 5		\$ -	\$ 59.0	100.0%
		\$ 59.0		50.0%
Year 6		\$ -	\$ 61.0	100.0%
		\$ 61.0		50.0%
Year 7		\$ -	\$ 63.0	100.0%
		\$ 63.0		50.0%
Year 8		\$ -	\$ 65.0	100.0%
		\$ 65.0		50.0%
Year 9		\$ -	\$ 67.0	100.0%
		\$ 67.0		50.0%
Year 10		\$ -	\$ 69.0	100.0%
		\$ 69.0		50.0%

Scenario 2: 50% Partner CAPEx

	MAG (Optional)	Use if No MAG		
		Bottom of Tier (\$mil)	Top of Tier (\$mil)	Partner Share
Year 1		\$ -	\$ 50.0	85.0%
		\$ 50.0		50.0%
Year 2		\$ -	\$ 52.0	85.0%
		\$ 52.0		50.0%
Year 3		\$ -	\$ 55.0	85.0%
		\$ 55.0		50.0%
Year 4		\$ -	\$ 57.0	85.0%
		\$ 57.0		50.0%
Year 5		\$ -	\$ 59.0	85.0%
		\$ 59.0		50.0%
Year 6		\$ -	\$ 61.0	85.0%
		\$ 61.0		50.0%
Year 7		\$ -	\$ 63.0	85.0%
		\$ 63.0		50.0%
Year 8		\$ -	\$ 65.0	85.0%
		\$ 65.0		50.0%
Year 9		\$ -	\$ 67.0	85.0%
		\$ 67.0		50.0%
Year 10		\$ -	\$ 69.0	85.0%
		\$ 69.0		50.0%

Scenario 3: 0% Partner CAPEx

	MAG (Optional)	Use if No MAG		
		Bottom of Tier (\$mil)	Top of Tier (\$mil)	Partner Share
Year 1		\$ -	\$ 50.0	70.0%
		\$ 50.0		50.0%
Year 2		\$ -	\$ 52.0	70.0%
		\$ 52.0		50.0%
Year 3		\$ -	\$ 55.0	70.0%
		\$ 55.0		50.0%
Year 4		\$ -	\$ 57.0	70.0%
		\$ 57.0		50.0%
Year 5		\$ -	\$ 59.0	70.0%
		\$ 59.0		50.0%
Year 6		\$ -	\$ 61.0	70.0%
		\$ 61.0		50.0%
Year 7		\$ -	\$ 63.0	70.0%
		\$ 63.0		50.0%
Year 8		\$ -	\$ 65.0	70.0%
		\$ 65.0		50.0%
Year 9		\$ -	\$ 67.0	70.0%
		\$ 67.0		50.0%
Year 10		\$ -	\$ 69.0	70.0%
		\$ 69.0		50.0%

Alternative Scenario - Insert Partner CAPEx

	MAG (Optional)	Use if No MAG		
		Bottom of Tier (\$mil)	Top of Tier (\$mil)	Partner Share
Year 1				
Year 2				
Year 3				
Year 4				
Year 5				
Year 6				
Year 7				
Year 8				
Year 9				
Year 10				

Outfront Decaux Street Furniture, LLC

Confidential and Proprietary Information

Price Proposal Explanation

Please provide a rationale for your Price Proposal in 500 words or less.

You may provide this on a separate sheet as an attachment to the Price Proposal Forms.

General Details

Our proposal is compliant with, and dependent upon, the RFP requirements. Constrained within certain parameters the revenue share possibilities are impacted. For example, the length of the concession term combined with the one-year rollout schedule materially impacts expenses, while the program prohibits the sale of advertising on the existing structures and therefore, no revenue can be generated at the start. Nonetheless, our proposal provides a revenue share in all three capital expenditure scenarios and it increases as the costs are shared between the parties. We have not included a guaranteed fee to the City, however, should that be an important element for the City, we are happy to develop the program with such a term, deliverable once the program produces an adequate level of sales.

In pricing the program, our proposal applied the cost of the "Classic design" of the bus shelter collections. Angelenos have prioritized shade equity, and we have listened by structuring our proposal with inventory that can provide shade – bus shelters and the Sunshade for Outdoor Spaces – along with the digital displays which can produce the revenue underlying the program investment. We have, of course, also provided prototype units for the other required elements – the Interactive Kiosks, the Vending Kiosks and eLockers.

The amenities detailed in the Technical Proposal, including the larger elevated digital urban panels signage depicted in each shelter collection, are not included in the Price Proposal nor are third party integrations. We are well-versed in providing each and every element included in our Technical Proposal as well as public toilets and any other amenity desired by the City. We would be delighted to partner with the City to develop under terms and conditions that are reasonable for both parties any such products and services, the details of which would be determined at the time. All services and products created would include a project management fee as well as the actual costs of producing, installing, and maintaining the product.

Capital & Operating Costs Tab

Our digital advertising panels pricing details screens that are approximately 86". The pricing for the Interactive Kiosks includes all components, but for all other items the digital panel is included under the category "Digital Displays".

Our proposal includes 50 Sunshades for Outdoor Spaces, however, if the City desired a volume of 1,000 basic units or more, it would result in the substantially lower price of less than \$1,500 per unit.

The Content Management System (which alongside the Smart, 5G & Public WiFi Components was not a Required Program Element) requires licensing per unit, and together with the items listed under the section "Operating Costs" have quantities and costs which will ramp up over time as the inventory is installed. These elements are specified with a full build-out.

Revenue Projections Tab

The annual revenue amounts include aggressive growth projections in the early years as the term begins with no revenue generation and occurs in the Covid-19 recovery market environment.

THIS PAGE IS INTENTIONALLY LEFT BLANK

