

Sidewalk & Transit Amenities Program (STAP)

Evaluation Committee BAFO Review

August 18, 2021

- Demonstration of Technologies Feedback
- Overview of BAFOs
- Furniture Design Comments
- Deliberation
- Next Steps



Demonstration of Technologies

- Demonstration took place over 12 days at six locations throughout Los Angeles
- 336 people provided feedback in person and through the survey site
- 53% of respondents were weekly transit riders
- Respondents were asked how comfortable, accessible and safe they felt the shelters were as well as how they liked the technologies demonstrated.
- Just over 50% responded that both shelters were comfortable and safe with the remaining 50% being near equally divided between both finalists
- Just under 50% responded that both shelters were accessible and had technologies that they liked; the remaining 50% was divided with Outfront Decaux ahead for accessibility and Tranzito slightly ahead for technologies
- What people would have liked to have seen most were hydration stations and emergency call or security features



BAFO Strategy

- Rationalize operating expenses
 - Reduced maintenance and administrative costs
- Maximize program revenues
 - Significant Minimum Annual Guarantees
 - Increased Revenue Share percentages



Outfront Decaux BAFO Program Overview

- 3000 new shelters
 - 2236 have no advertising
 - 764 with advertising; 664 digital and 100 static
 - Digital Ad Shelters have one digital panel that shares public/real time information with advertising and a reverse panel with static advertising
 - 664 Refreshed shelters will be used to expand shade in rollout years, but ultimately replaced with new shelters by Year 5
- Expansion of shade to 4500 locations with addition of 1500 Sunshades at no cost to City
- 3000 Trash/Recycle Receptacles
- 146 Urban Panels with shared digital advertising and public/real time information
- Interactive Kiosks (non-advertising), Vending Kiosks and eLockers remain proposed at 5 units each, leaving additional quantities at City's discretion to negotiate
- No proposal for SMART, 5G, WiFi, ePaper features; these are also left to the City's discretion to negotiate
- Public and real time information is proposed as shared space with single digital panels in 664 shelters and 146 urban panels, and on 5 non-advertising interactive kiosks
- Additional digital screens or ePaper units to expand a digital information network (with or without advertising) can be negotiated





Outfront Decaux Proposed Inventory

	Outfront/Decaux	
Program Element	Original Proposal	BAFO
Non-Ad Shelters	2236	2236
Static Shelters	100	100
Digital Shelters	664	664
Total New Shelters	3000	3000
Shade Structures	50	1500
Refreshed Shelters	664	664
Total Shelters & Shade Structures	3050	4500
Int. Kiosks	5	5
Vending Kiosks	5	5
Urban Panels	146	146
Smart, 5G, WiFi	Proposed as Option	Proposed as Option
eLockers	5	5
Trash Receptacles	3000	3000
Scooter Docks	0	0
Total Inventory	6,211	7,661

Tranzito BAFO Program Overview

- 3000 new shelters (includes 3000 trash/recycle receptacles)
 - All shelters have ePaper displays dedicated to public/real time information
 - All shelters have advertising; 709 digital and 2291 static
 - Digital Ad Shelters share flips with community announcements and campaigns
 - Proposed option for non-ad shelters; no quantities provided
 - 480 Refreshed shelters will be used to expand shade in rollout years, but ultimately replaced with new shelters by Year 4
- 3000 Pillar shelters can include a narrow design (Pillar) if the City selects this option for site constrained locations
- Additional Pillar shade structures would need to be negotiated
- 152 Interactive Kiosks; shared advertising and public info
- 50 Urban Panels; shared advertising and public info
- 44 eLockers and 93 Scooter Docks installed with shelters
- SMART, 5G, WiFi has been proposed in different scenarios and quantities; City's discretion to negotiate
- Digital advertising reduced by 21%; Overall amount of advertising reduced by 6%





Tranzito Proposed Inventory

	Tranzito	
Program Element	Original Proposal	BAFO
Non-Ad Shelters	0	Proposed as Option
Static Shelters	2250	2291
Digital Shelters	750	709
Total New Shelters	3000	3000
Shade Structures	0	Proposed as Option
Refreshed Shelters	450	480
Total Shelters & Shade Structures	3000	3000
Int. Kiosks	215	152
Vending Kiosks	0	0
Urban Panels	208	50
Smart, 5G, WiFi	Proposed as Option	Proposed as Option
eLockers	43	44
Trash Receptacles	3000	3000
Scooter Docks	49	93
Total Inventory	6515	6339



Outfront Decaux BAFO CAPEX & OpEx

- Assumes first contract year starts when 90% of digital assets are installed
- Advertising inventory is limited
- Low revenue projections and high revenue tiers undercut potential to make program self-sustaining within a 10-year term period
- 1500 Sunshades at no cost to City; \$3 MM value
- One-year no-cost maintenance of 14 APTs, handwashing and hydration stations; \$1.4 MM value
- Existing, experienced national and regional sales; limited emphasis on local
- Reduced CAPEX by 1.7% and OpEx by 13%
- Missing Costs:
 - Expanded amenities; units of 5 in most instances and no proposal for SMART, 5G, WiFi, ePaper features
 - Community Outreach
 - Itemized Administrative Costs, particularly Ad commissions and fees
- Site costs are an estimated addition of \$75 MM



Outfront Decaux BAFO Revenue Share

- City Share is a flat rate; 35% in first tier of revenues and 50% in second tier
- While Minimum Annual Guarantees (MAGs) are optional, now offering a guarantee of \$100+ MM over 10-year term; MAGs of \$1.6 MM in Year 1 escalating to \$15.3 MM in Year 10





Outfront Decaux Financials

	Outfront/Decaux	
	Original Proposal	BAFO
Total Ad Faces Static	864	864
Total Ad Faces Digital (Shared Public/Real Time Information)	810	810
Total Non-Ad Digital (Interactive Kiosks)	5	5
Revenue Estimates	\$446.6 MM	\$446.6 MM
CAPEX Costs (City)	\$112.5 MM	\$111.5 MM
CAPEX Offsets (Paid by O/D)	n/a	\$4.4 MM
OpEx Costs (annual)	\$21.7 MM	\$18.8 MM
City Revenue Share	0% to 30%	35% to 50%
MAG Option (annual)	\$0	\$1.6 MM to \$15.3 MM
Overall Guarantee	\$0	≈ \$110 MM

Tranzito BAFO CAPEX & OpEx

- CAPEX and OpEx work within the contract term
- Transparent costs for CAPEX and OpEx; Flexible scenarios provide built in options to balance capital investment and revenue return as well as STAP goals
- Decreases in digital advertising (21%) and overall advertising (6%) reduce revenue projections by 26.5%; however, potential for a self-sustaining program and reinvestment into program remain
- CAPEX investments in uniform amenities and equitable disbursement (ex. availability of public and real time information at all shelters)
- Reduced CAPEX by 14.5% and OpEx by 24.8%
- Site costs are an estimated addition of \$43.5 MM; some costs that offset the total site costs estimated by StreetsLA were already included in proposal



Tranzito BAFO Revenue Share

- City share 60.5% as a base rate with multiple opportunities to increase to 64.4%
- Minimum Annual Guarantees (MAGs) are optional
 - Reduced original MAG from \$30 MM to \$10 MM per year
 - MAG begins Year 2 for overall 10-year total of \$90 MM





Tranzito Financials

	Tranzito	
	Original Proposal	BAFO
Total Ad Faces Static	4500	4592
Total Ad Faces Digital	2485	1952
Total Non-Ad e-Paper/Digital	6000	6100
Revenue Estimates	\$869.5 MM	\$638.8 MM
CAPEX Costs	\$277 MM	\$236.7 MM
OpEx Costs (annual)	\$33.5 MM	\$25.2 MM
City Revenue Share	15% to 61%	60.5% base
MAG Option (annual)	\$30 MM	\$10 MM
Overall Guarantee	\$300 MM	\$90 MM

Furniture Design Comments



Deliberation Considerations

- The City can negotiate any aspect of the program
 - Level of advertising
 - Availability of public/real time information
 - Additional amenities, such as highly desired hydration stations and emergency call features
 - Revenue shares



Next Steps

- Negotiate with selected bidder
- Transmit proposed contract to Board of Public Works and City Council

