

StreetsLA STAP RFP – Best and Final Offer Evaluation

Following the selection of the top two bidders, Outfront/Decaux and Tranzito, a STAP Demonstration of Technologies was held from July 19th through the 30, 2021. The demonstration afforded the public, City officials and staff, as well as members of the Evaluation Committee the opportunity to experience and interact with the digital and technological components of the finalists' offerings.

The finalists' submitted Best and Final Offers (BAFOs) on August 6th, 2021. Finalists were instructed to provide a price proposal with only one scenario in which the City pays 100% of the capital expenses; respond to specific requests related to their price proposals; and provide a supporting narrative that clarified areas of their proposed programs or price proposals.

The Evaluation Committee convened and reviewed the Best and Final Offers, weighing the composition of program inventory, the financial merits of each BAFO, and the responses to specific requests or clarifications made of each finalist.

Outfront/Decaux's BAFO included a new Minimum Annual Guarantee (MAG) that would guarantee the City \$110 million over ten years, a 5% increase in base Revenue Share to the City from 30% to 35%, 1500 Sunshades at no cost to the City (\$3 MM value), and one-year of free maintenance of the 14 installed automatic public toilets (APTs), and, handwashing and hydration stations. Additionally, Outfront/Decaux reduced their operating expenses by 13% in response to requests of the BAFO to rationalize these costs.

Tranzito's BAFO decreased the amount of digital advertising by 21% and overall advertising by 6%. As a result, Tranzito reduced its original MAG of \$30 million to \$10 million for a total of \$90 million over ten years but increased the base revenue share to the City from 58% to 60.5%, and added options to increase that share to 64.4%. Additionally, Tranzito reduced its operating expenses by 24% in response to requests of the BAFO to rationalize these costs.

The Evaluation Committee found that the financial outcome of Outfront/Decaux's proposal remained unclear due to the limited quantities of amenities beyond shelters, no pricing for technological features and real-time information, and no estimates for any site construction costs. While its offer for 1500 Sunshades was significant, there was an assumption of the Committee that these structures would need additional design or engineering work that the City may need to pay for.

The Evaluation Committee was able to identify clear and detailed cost estimates in Tranzito's BAFO. Additionally, the Committee was able to assess how the City's capital investment could work in different roll-out scenarios. The Committee found the reduction in Tranzito's original MAG reasonable since it resulted from the reduction of advertising, specifically digital. The increase of the base revenue share was a significant offer for the Committee.

While Outfront Decaux's guarantee to the City was \$20 million greater, the Committee found Tranzito's BAFO superior in that it has the potential to return \$230 million more to the City while

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delivering a complete program. The final decision of the Committee was unanimous in selecting Tranzito as the top proposer.