



To: Public Works & Transportation Committee **Date:** September 30, 2009
From: Victor Wei, P. Eng. **File:** 10-6360-03-01/2009-Vol
Director, Transportation 01
Re: **CITY-WIDE STREET FURNITURE PROGRAM PROPOSAL EVALUATION –
RECOMMENDED ALTERNATIVE STRATEGY**

Staff Recommendation

1. That the proposed new short-term contract with Pattison Outdoor Advertising, with the major terms as outlined in the attached report, be endorsed.
2. That the General Manager, Planning & Development Department, be authorized to execute the above contract.
3. That staff be directed to bring forth a bylaw to regulate the placement and maintenance of individual paid and unpaid newspaper boxes.

Victor Wei, P. Eng.
Director, Transportation
(604-276-4131)

Att. 1

FOR ORIGINATING DEPARTMENT USE ONLY					
ROUTED TO:	CONCURRENCE		CONCURRENCE OF GENERAL MANAGER		
Purchasing.....	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>			
Budgets & Accounting.....	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>			
Environmental Programs	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>			
Roads & Construction.....	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>			
Community Bylaws	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>			
RCMP.....	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>			
Law.....	Y	<input checked="" type="checkbox"/> N <input type="checkbox"/>			
REVIEWED BY TAG	YES	NO	REVIEWED BY CAO	YES	NO
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Staff Report

Origin

At the February 9, 2009 regular Council meeting, Council endorsed the issuance of a Request for Proposals (RFP) for the supply, installation and maintenance of a citywide co-ordinated suite of street furniture. This report summarizes the responses received and recommends an alternative approach to seeking third-party provision of street furniture in the short term.

Analysis

1. Responses to RFP for New Street Furniture Contract

Nine firms responded to the City's Expressions of Interest (EOI) issued in October 2008 and, of these, staff short-listed five of these respondents as qualified bidders for the RFP. The RFP was subsequently issued February 12, 2009 and closed April 20, 2009. Consequently, only one firm, Pattison Outdoor Advertising (Pattison), submitted a proposal. Prevailing poor economic conditions, the relatively limited advertising market potential of the city and the magnitude of the City's requested elements were cited by the remaining firms as reasons for declining to submit a proposal.

Pattison currently has 43 bus shelters with advertising in Richmond and its contract with the City for the provision of bus shelters with advertising expired on June 30, 2009.¹ The main elements of its new proposal (over a 20-year term) included:

- the provision of bus shelters with and without advertising but no other requested street furniture elements such as stand-alone benches, litter receptacles and bike racks;
- significantly fewer bus shelters over the 20-year term of the contract than requested (i.e., a total of 98 shelters with a net increase of 51 new shelters proposed versus a total of 400 or 600 as requested by the City);
- opportunity for the City to purchase a shelter without advertising;
- guaranteed annual payment to the City and annual net advertising revenue share payment (the current contract does not include this latter item); and
- \$1 million advertising media space credit (at \$100,000 per year for the first 10 years of the contract) for the City to use in Pattison's advertising media network, which includes radio and television stations in BC and Alberta, for the sole purpose of promoting tourism to the city or business/economic development initiatives that directly benefit the city.

2. Alternative Short-Term Extension and Enhancement of Existing Bus Shelter Contract

Upon assessment of the above proposal, staff do not recommend entering a 20-year contract with Pattison at this time for the provision of bus shelters only given that:

- the proposal does not provide the full suite of furnishings and quantities in the RFP; and
- existing poor economic conditions are not conducive to the City committing to a long-term arrangement, as these conditions are likely to materially improve over the next few years.

¹ The terms of the expired contract are being extended on a month-to-month basis until finalization of any new contract.

Following further discussion with Pattison regarding an alternative new/extended short-term enhanced contract for the supply, installation and maintenance of selected street furniture elements, the following major terms (see **Table 1** below for details) are proposed with the objective of meeting some of the immediate pedestrian amenity needs:

- a) maximum of a 5-year term, at which time a new RFP may be issued when economic conditions are favourable or the existing contract extended and/or renegotiated if necessary;
- b) installation of nine new bus stop shelters² (see **Attachment 1** for a rendering of the shelter) by February 2010 with eight of the shelters to be placed at selected sites on No. 3 Road;
- c) refurbishment³ of eight existing bus stop shelters near the Oval, O Zone and Canada Line by February 2010 with the refurbishment of a further two existing bus stop shelters in Year 1;
- d) repainting⁴ of 29 existing bus stop shelters at locations to be determined with 15 to be completed in Year 1 and 14 to be completed in Year 2;
- e) all existing Pattison bus shelters throughout the city to include a litter receptacle that incorporates a cage for the placement of recyclable containers (see **Attachment 1**);
- f) three multiple publication newsracks (each with 5 individual boxes and one recycling box, see **Attachment 1**) with one each to be placed at the three Canada Line station on No. 3 Road (Aberdeen, Lansdowne and Richmond-Brighouse Stations) by February 2010;
- g) opportunity for the City to purchase a bus stop shelter without advertising, a litter receptacle or a multiple publication newsrack;
- h) ten percent of all advertising panels per month available for use by the City at no advertising cost⁵;
- i) first consideration to participate in any expansion of the City's program of advertising on Street Furniture⁶ in the Public Realm⁷; and
- j) guaranteed annual payment to the City plus a percentage of net advertising revenue.

Table 1: Proposed Quantities & Locations of Street Furniture Elements

Element	Proposed Locations	Timing or Installation/Work	Total
New Bus Stop Shelter	<ul style="list-style-type: none"> • NB No. 3 Road at N/S Saba Road • NB No. 3 Road at N/S Cambie Road • NB No. 3 Road at F/S Lansdowne Road • SB No. 3 Road at City Hall • SB No. 3 Road at F/S Alderbridge Way • NB No. 3 Road at F/S Ackroyd Road • SB No. 3 Road at F/S Yaohan Entrance • SB No. 3 Road at F/S Leslie Road • NB Garden City Rd at F/S Westminster Hwy 	<ul style="list-style-type: none"> • By February 2010 	9

² Five of the shelters would be placed in locations where no shelter is currently sited; four of the shelters would replace existing shelters.

³ Refurbishment would involve the physical replacement of the oldest shelters with the refurbished shelters featuring new paint applied in a shop, new roof domes and new bench slats.

⁴ Repainting would not involve physical removal and would comprise repainting on site with replacement of the roof domes and bench slats where necessary.

⁵ The City's costs would include production of the material and a posting fee to Pattison for installation.

⁶ Street Furniture is defined as elements provided by Pattison including modular bus shelters, litter and recycling receptacles, and multiple publication newsracks.

⁷ Public Realm is defined as all public streets from property line to property line inclusive of sidewalks and roadways but excluding transit station walls, guideway and columns, etc.

Element	Proposed Locations	Timing of Installation/Work	Total
Refurbish Existing Pattison Shelter	<ul style="list-style-type: none"> • SB No. 3 Road at F/S Lansdowne Road • SB No. 3 Rd at F/S Ackroyd Road • WB Cook Rd 100 ft east of No. 3 Road • EB Granville Ave at F/S Moffat Road • WB Granville Ave at F/S Minoru Blvd • NB Gilbert Rd at F/S Azure Rd North • EB Westminster Hwy at F/S Gilbert Road • WB Westminster Hwy at F/S Gilbert Road 	<ul style="list-style-type: none"> • By February 2010 	8
	<ul style="list-style-type: none"> • WB Lansdowne Rd at F/S Cooney Road • NB Garden City Rd at F/S Lansdowne Rd 	<ul style="list-style-type: none"> • By end of Year 1 	2
Repaint Existing Pattison Shelter	<ul style="list-style-type: none"> • 29 locations to be determined 	<ul style="list-style-type: none"> • 15 in Year 1 • 14 in Year 2 	29
New Litter Receptacle	<ul style="list-style-type: none"> • at all existing Pattison shelters 	<ul style="list-style-type: none"> • By end of Year 2 	48
New Multiple Publication Newsrack	<ul style="list-style-type: none"> • 1 at Aberdeen Canada Line Station • 1 at Lansdowne Canada Line Station • 1 at Richmond-Brighthouse Canada Line Stn 	<ul style="list-style-type: none"> • By February 2010 	3

Note: NB = northbound; SB = southbound; EB = eastbound; WB = westbound; F/S = far side.

3. Option to VANOC for Advertising during 2010 Winter Olympics Games

The City has signed an agreement with VANOC that allows the agency to exercise an option⁸ to acquire all outdoor advertising space during the period of the 2010 Winter Olympic Games, including billboards, street furniture and public transit shelters, located on City property in the following limited areas:

- immediately surrounding and in the vicinity of the Richmond Olympic Oval; and
- on main access roads, including bridges serving the Oval, between the airport, rapid transit stations, bus exchanges and the Oval, between the airport and the City Centre, and between Richmond and Vancouver.

This condition was noted in the RFP and will be included in the proposed contract with Pattison.

4. Management of Individual Newspaper Boxes

With respect to the multiple publication newsracks (MPNs), existing individual newspaper boxes at each of the three Canada Line stations would be replaced with an MPN. For other locations across the city, staff propose to bring forth a new bylaw to regulate the placement and maintenance of individual newspaper boxes to address the litter, liability and aesthetic issues generated by free publications, based on the following principles:

- *Equitable Licence Fee*: both free and paid publications to be levied a licence fee, as currently only paid publications are required to pay a licence fee;
- *Permit Requirement*: per the existing policy for paid publications, a publication would be issued an annual permit to occupy City property upon payment of a licence fee and proof of public liability insurance;

⁸ The option is exercisable by VANOC at any time up to and including January 10, 2009 with respect to outdoor advertising space existing as of that date, and up to 60 days following the availability of any new outdoor advertising space established after January 10, 2009.

- Cost Recovery of City Resources: the licence fee would be used to fully off-set any additional City resources used to provide litter control and recycling services for the publications;
- Placement Criteria: the number and placement of newspaper boxes would be regulated to ensure that pedestrian access and sightlines are not obstructed;
- Container Aesthetics: the form and material of the newspaper boxes would be specified with proponents responsible for all upkeep (e.g., graffiti removal, damage repair, etc.); and
- Penalty Clauses: companies that violate the provisions of the bylaw would be subject to penalties including, where warranted, the removal of the boxes.

Staff intend to present a follow-up report on the proposed new bylaw within the next two months in recognition of the high priority of this issue.

5. Other Street Furniture Elements

There are a total of 316 stand-alone benches with advertising in the city (266 with Goodwill Advertising and 50 with Key Bench). Staff approached Goodwill Advertising regarding the potential for replacing its benches with newer models within a new five-year contract but were unable to identify a significantly improved design of the benches within the five-year term. Both existing contracts will therefore be maintained for the next five years.

With the exception of the limited quantities of litter receptacles and MPNs to be provided as outlined in Section 2, no other street furniture elements as originally requested in the RFP would be provided under the proposed contract (i.e., stand-alone benches with no advertising, bike racks, recycling receptacles, and bike lockers).

Financial Impact

All of the street furniture elements identified in Table 1 would be supplied, installed and maintained by Pattison with the exception of the MPNs, which will be supplied and installed by Pattison and maintained by the City. Annual maintenance costs for the MPNs (e.g., damage repair, graffiti removal, etc) are estimated to be \$300 per location (i.e., 5% of the total capital cost), which would be recovered from all publications occupying public street space via a proposed new city-wide licence fee. The publications would be responsible for servicing their individual slots (i.e., removing old papers and restocking with new papers) while the City would be responsible for servicing the recycling slot and controlling any litter (e.g., discarded newspapers) around the MPNs. The City's associated costs for these services are estimated to be \$1,000 annually per location and are intended to be fully recovered from the same proposed new licence fee for all publications occupying public street space city-wide, including those in MPNs. Thus, the total estimated annual cost of \$1,300 per location to service and maintain the MPNs is not anticipated to have any negative financial impact.

The proposed new street furniture contract for bus stop shelters would provide a guaranteed annual payment to the City from Pattison of \$60,000 plus 14% of net advertising revenue over the 5-year term; this combined amount is estimated at \$72,000 per year, which would be 10% greater than current annual revenues. As a minimum of five additional bus stop shelters with advertising (two advertising panels per shelter) would be installed over the five-year period, there is the potential for increased annual revenue to the City under the new contract as the City currently does not receive any share of net advertising revenue. The existing contracts for benches with advertising would be maintained.

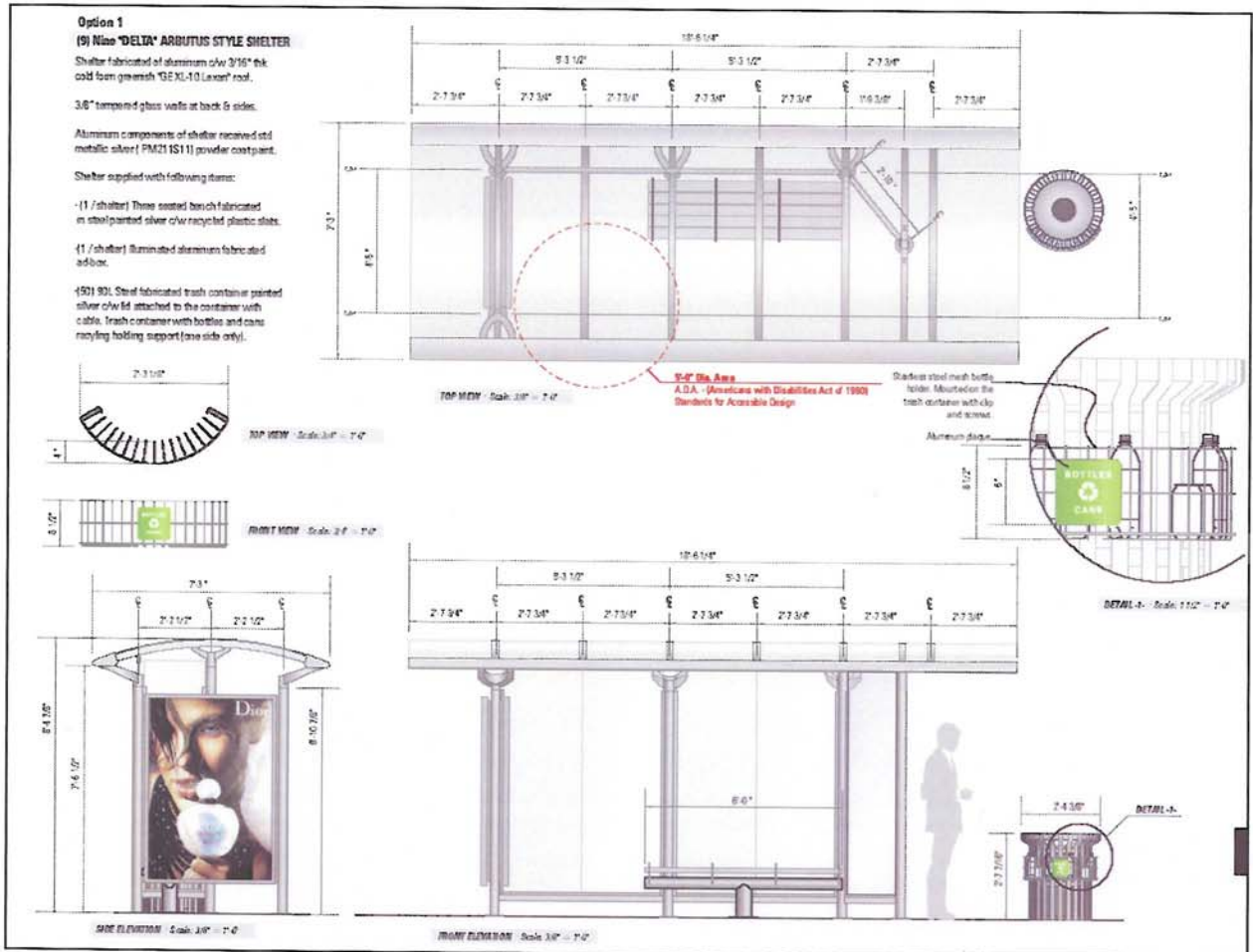
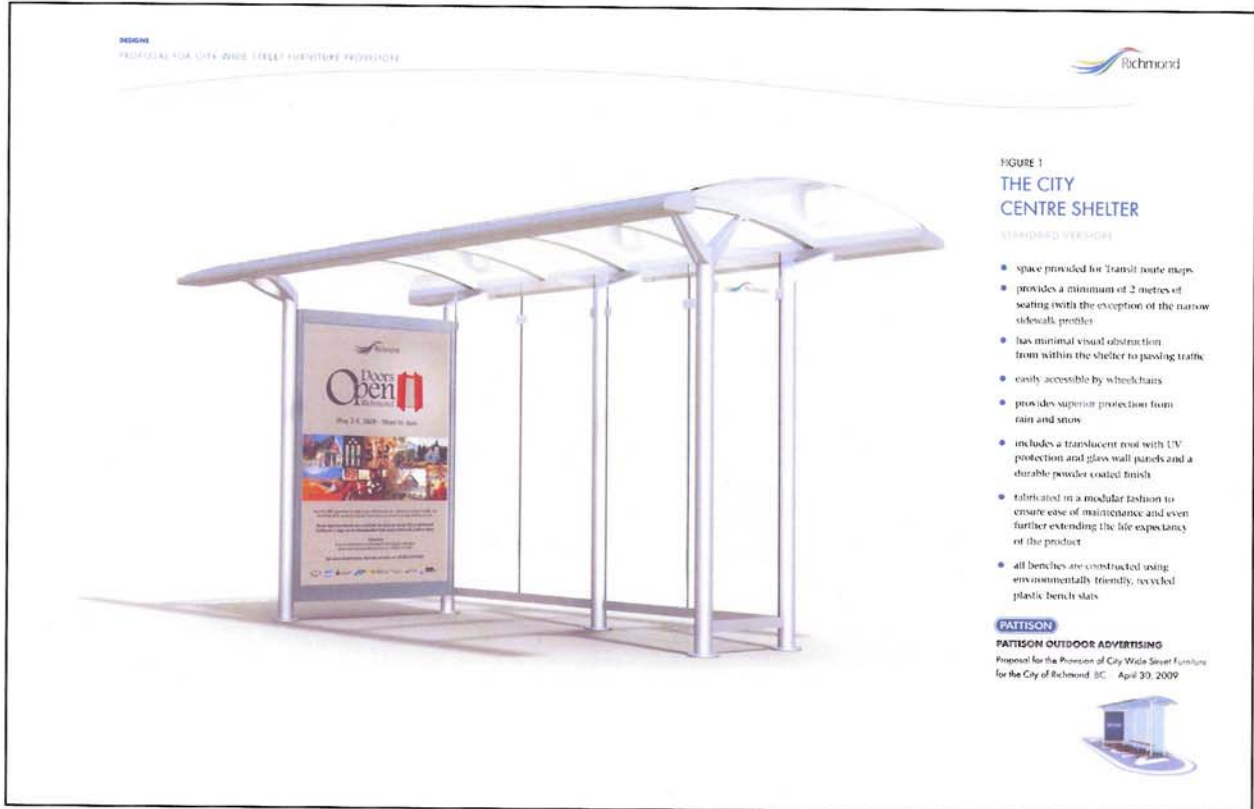
Conclusion

A Request for Proposals for the supply, installation and maintenance of a city-wide co-ordinated suite of street furniture was issued in February 2009. Only one firm, Pattison Outdoor Advertising, submitted a proposal. Staff recommend that the submitted proposal not be accepted and that a proposed 5-year contract that addresses immediate pedestrian and transit passenger amenity needs be endorsed in order to allow economic conditions to improve and present a more favourable environment for the re-issuance of a new Request for Proposal. The proposed shorter term contract would provide the City with attractive and improved transit shelters near the No. 3 Road corridor as well as other key bus stop locations throughout the City over the next five years.

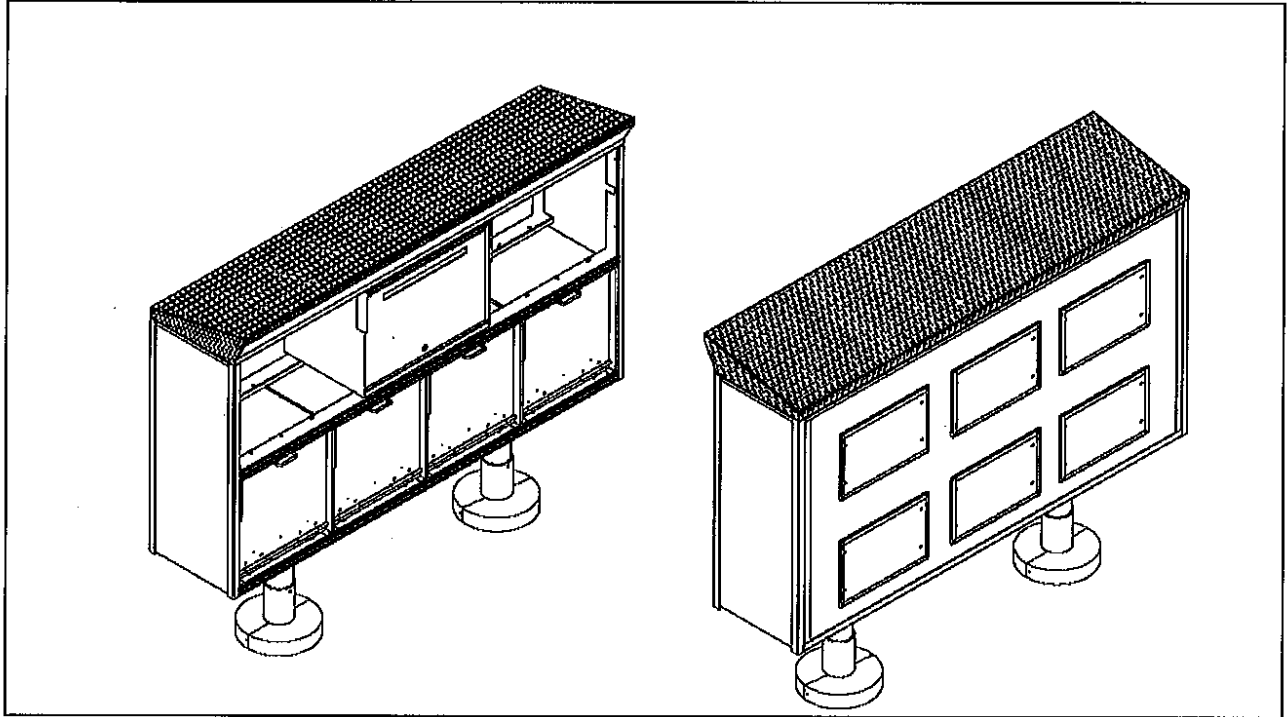


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Proposed Pattison Designs for Selected Street Furniture Elements



Proposed Pattison Designs for Selected Street Furniture Elements



Multiple Publication Newsrack