



Roadside Advertising: Award of Contract

Committee Strategy & Programmes

Date of meeting 22 November 2019

Date of report 13 November 2019

Report by Assistant Chief Executive

1. Object of report

To recommend for approval the award of a contract for the provision of Roadside Advertising to J C Decaux.

2. Background

SPT provides a range of public transport services directly to the travelling public through its network of Bus Stations, Subway Stations and other related activities.

Historically SPT has held two classic roadside advertising panels at its land located on Edmiston Drive, in both a 96 and 48 sheet size; with the revenue generated approximately £3k per annum. This site no longer has advertising panels in situ. SPT has endeavoured to make further use of its property assets to create roadside advertising space.

SPT is seeking to appoint an innovative and qualified contractor with the required and proven experience to exploit the roadside advertising opportunities within SPT's estate. The successful contractor's prime objective will be to maximise revenues from the sites identified in the tender specification issued. Currently SPT has identified nine sites capable of displaying large format advertising, with planning permission previously agreed for static 48 digital screens. None of these sites currently have any existing roadside advertising infrastructure.

On SPT's behalf, the contractor will be responsible for identifying other potential sites. This market has a primary focus on road users rather than an audience using a mass transit solution.

The successful contractor will be responsible for obtaining planning permission, the selling and management of advertising space, provision of electricity and infrastructure, repairs, maintenance and cleaning, statutory fees, legal fees and software licences.

3. Outline of proposals

This revenue contract was placed within the OJEU (Official Journal of the European Union). A ten-year contract is proposed, with the successful tenderer providing sole capital investment for any and all sites identified and developed.

A tender evaluation model was developed with a weighting of 60%/40%

technical/commercial; with a Health & Safety questionnaire also having a pass/fail criteria applied. The technical evaluation reflected: Capability (capacity and relevant experience); Contract Development; Contract Management (methodology, management and reporting, key issues and risks); and Maintenance.

Two companies expressed an interest in the roadside advertising contract, site visits were conducted across the SPT estate, with compliant tender submissions received from both:

- J C Decaux
- Primesight Ltd

An evaluation panel was formed containing representatives from Customer Services and SPTs Contract Department. The technical, commercial and overall combined scores are detailed in the tables below. Both tenderers met the Health & Safety requirements.

The weighting attributed within the tender to the Quality element was 60%, which reflected the importance which SPT have placed upon service delivery. The maximum available score which could be achieved was therefore 60%, and each question was scored individually, weighted and added to give the total quality score attributed to each bid.

Supplier	Quality score out of 60%
J C Decaux	60
Primesight	46

The price score weighting stated in the ITT was 40%, therefore the highest guaranteed tender value would achieve the full 100 points with other bidders score based on a pro rata basis.

Supplier	Tender value	Price score out of 40%
J C Decaux	£164,246.00	40
Primesight	£60,000.00	15

The overall combined score illustrates the most advantageous tenderer as being J C Decaux, whose technical submission was sufficiently detailed to demonstrate that they have a good knowledge and understanding of SPTs operational requirements:

Evaluation Scores				
Supplier	Technical Score %	Commercial Score		Combined Technical & Commercial Score %
		Tender value (10 Years)	%	
J C Decaux	60	£164,246.00	40	100
Primesight Ltd	46	£60,000.00	15	61

For the basis of the evaluation, a contract term of 10 years was used, for revenue based on one large digital format. Price clarifications were sought from the highest scoring bidder, J C Decaux and the income profile will increment over the ten years of the contract.

4. Conclusions

The most advantageous tender is that submitted by J C Decaux and the term of the contract is for a period of 10 years, with JC Decaux providing sole capital investment and all associated maintenance costs for all advertising estate, with no outlay from SPT. The guaranteed income for one advertising screen, regardless of its location within the SPT estate will be £164,246.00 (over a 10 year contract term).

The contractor will explore other SPT locations over the course of the contract, in order to increase revenue generating opportunities through further roadside advertising. SPT will issue individual licence agreements for each approved advertising location proposed.

5. Committee action

It is recommended that the Committee approve the award for the provision of Roadside Advertising contract to J C Decaux, for a period of ten years.

6. Consequences

Policy consequences	<i>None directly.</i>
Legal consequences	<i>Contract will be awarded subject to the tendered terms and conditions. Further agreements will be required specific to each site.</i>
Financial consequences	<i>Income generated from this contract will help support the revenue budget in future financial years.</i>
Personnel consequences	<i>None directly.</i>
Equalities consequences	<i>None directly.</i>
Risk consequences	<i>None directly.</i>

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