


0150-11660-0001

**TRANSMITTAL**

TO The Council	DATE 03/18/2022	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT All	

**Proposed First Amendment to Contract No. C-129151 with Outfront Media LLC for Transit Vehicle Advertising**

Approval for the Los Angeles Department of Transportation to execute the above amendment.  
Transmitted for your consideration.  
See the City Administrative Officer report attached.



MAYOR  
(Andre Herndon for)

**Report From**  
**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**  
**Analysis of Proposed Contract**  
(\$25,000 or Greater and Longer than Three Months)

To: Mayor	Date: 03-18-22	C.D. No. All	CAO File No.: 0150-11660-0001
Contracting Department/Bureau: Department of Transportation		Contact: Ricardo Estrada (213) 473-9193	
Reference: Department of Transportation transmittal dated February 10, 2022, referred for report by the Mayor on March 14, 2022.			
Purpose of Contract: To provide transit vehicle advertising services.			
Type of Contract: ( ) New contract (X) Amendment, Contract No. C-129151		Contract Term Dates: March 1, 2017 through March 31, 2023 with an option to extend for a maximum of six months through September 30, 2033 on a month-to-month basis	
Contract/Amendment Amount:  The contract and proposed amendment have no cost to the City. Net revenue from the sale of advertising on City transit vehicles is shared between the contractor and the City with a minimum amount of \$950,000 in City revenue for the term of the proposed contract extension from April 2022 through March 2023 and prorated for any monthly extensions thereafter.			
Source of funds: None. Revenue received will be placed in the Proposition A Local Transit Assistance Fund			
Name of Contractor: Outfront Media Group, LLC			
Address: 405 Lexington Avenue, New York NY 10174			
	Yes	No	N/A
			Contractor has complied with:
1. Council has approved the purpose		X	8. Business Inclusion Program
2. Appropriated funds are available			9. Equal Benefits & First Source Hiring Ordinances
3. Charter Section 1022 findings completed	X		10. Contractor Responsibility Ordinance
4. Proposals have been requested	X		11. Disclosure Ordinances
5. Risk Management review completed	X		12. Bidder Certification CEC Form 50
6. Standard Provisions for City Contracts included	X		13. Prohibited Contributors (Bidders) CEC Form 55
7. Workforce that resides in the City: %			14. California Iran Contracting Act of 2010
			Yes
			No
			N/A


**RECOMMENDATION**

That the Council and Mayor authorize the General Manager of the Los Angeles Department of Transportation (LADOT), or designee, to execute a First Amendment to Contract No. C-129151 with Outfront Media, LLC, for transit vehicle advertising services, to:

A) extend the term of the Contract for a sixth year through March 31, 2023 with the option to extend on a month-to-month basis for a period not to exceed six additional months from April 2023 through September 2023;

B) provide the compensation rate for the proposed contract term extension as a minimum of \$950,000 in City revenue from April 2022 through March 2023 (Year Six of the Contract) and prorated for any monthly extensions thereafter; and,

C) update the City's Standard Provisions for City Contract (Rev 10/21 [v.4]), and contracting language as required by ordinance of all City contracts, and incorporation of Attachments and Exhibits.

Shafia Mir	
[Initials] Analyst 0622053	for City Administrative Officer

## **SUMMARY**

The Los Angeles Department of Transportation (LADOT) requests approval to execute a First Amendment to the contract with Outfront Media LLC (Contract No. C-129151) for transit vehicle advertising services that will do the following:

- Extend the term for an additional year through March 2023 with an option to extend on a month-to-month basis for no more than six additional months through September 2023;
- Provide a compensation rate to the City during the proposed contract extension term of at least \$950,000 in City revenue from April 2022 through March 2023 (Year Six of the Contract) and prorated for any monthly extensions thereafter; and,
- Update the Standard Provisions for City Contracts and other City contract requirements language.

In March 2017, following a Request for Proposals (RFP) process, the City Council authorized LADOT to execute a contract with Outfront Media Group LLC for a five-year term for the provision of transit vehicle advertising Services (C.F. 11-2007). The current contract expires on March 31, 2022. LADOT is in the process of preparing an RFP to procure the services and states that it requires an extension of the current contract for additional time before a new contractor can be selected.

In accordance with Los Angeles Administrative Code Section 10.5(a), Council approval is required as the term of the contract exceeds three years.

## **BACKGROUND**

The scope of work is the sale and display of advertising on the exterior and interior of 387 LADOT transit Commuter Express buses, Community DASH buses and Cityride Paratransit service vehicles. The contractor designs, develops, sells and places advertising signs and displays in, on and upon the City owned vehicles, both on exterior and interior locations. LADOT retains up to five percent of the right to display exterior advertisements on the buses for their own promotional use and up to 50 percent of interior space. The contractor is required to work closely with the fleet operators for the installation and removal of advertising materials to avoid service disruption.

There is no cost to the City for the contract and proposed amendment. The proposed First Amendment provided by DOT requires the contractor to pay the City either a minimum annual guarantee of \$950,000 or a percentage of net revenue earned by the Contractor from the sale of advertising revenue, whichever is greater, during the proposed term extension.

## **FISCAL IMPACT STATEMENT**

There is no General Fund impact associated with this proposed contract amendment. Execution of the proposed amendment will result in a minimum revenue to the City of \$950,000 for the term of the proposed contract extension from April 2022 through March 2023 and prorated for any monthly extensions thereafter. Revenue generated through this contract is deposited into the City's Proposition A Local Transit Assistance Fund which supports City transit services.

## **FINANCIAL POLICIES STATEMENT**

The recommendation in this Report complies with the City Financial Policies. There is no cost to the City for the proposed contract amendment and the contract agreement provides for revenue to the City.

Attachment

*MWS:SAM:06220053*

**FIRST AMENDMENT  
TO AGREEMENT C-129151  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
OUTFRONT MEDIA GROUP LLC  
FOR  
TRANSIT VEHICLE ADVERTISING SERVICES**

**FIRST AMENDMENT TO AGREEMENT C-129151  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
OUTFRONT MEDIA GROUP LLC  
FOR TRANSIT VEHICLE ADVERTISING SERVICES**

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**THIS FIRST AMENDMENT** to Agreement C-129151 is made and entered into by and between the City of Los Angeles, a municipal corporation (hereinafter referred to as “City”), acting by and through the Department of Transportation (hereinafter referred to as “LADOT”), and Outfront Media Group LLC (hereinafter referred to as “Contractor”), referred to collectively as “Parties” and individually as “Party,” is entered into with reference to the following:

**WITNESSETH**

**WHEREAS**, the City desires to continue contracting with an out-of-home advertising organization to develop and manage a revenue-generating transit advertising program for the City’s transit services; and

**WHEREAS**, the City performed a Charter 1022 review and determined that services can be performed more economically or feasibly by an independent contractor than by City employees; and

**WHEREAS**, on October 24, 2016, the City issued a Request for Proposal (RFP) for companies, both locally and nationally, interested in providing transit advertising services, which said RFP is on file in the office of the City and is incorporated herein by reference; and

**WHEREAS**, the Contractor submitted a proposal in response to the RFP, dated November 22, 2016, which is incorporated herein by reference (collectively hereinafter referred to as the “Proposal”); and

**WHEREAS**, the Parties entered into Agreement C-129151 on April 11, 2017, wherein the Contractor agreed to develop and manage a revenue-generating transit advertising program for the City’s transit services; and

**WHEREAS**, LADOT is in the process of preparing a new RFP for these services, but requires continuation of the current Agreement until the new contract award; and

**WHEREAS**, LADOT desires in this First Amendment to Agreement C-129151 to a) extend the term of the Agreement for a period of twelve (12) months, followed by a month-to-month option for an additional six (6) months, b) update the City’s Standard Provisions for City Contract (Rev 10/21 [v.4]), c) adjust the compensation rate, and d) add contracting language as required by ordinance of all City contracts, and incorporation of Attachments and Exhibits.

**NOW, THEREFORE**, in consideration of the above premises, and the mutual covenants and agreements herein contained, the Parties agree as follows:

1. **Section I. INTRODUCTION AND CONDITIONS PRECEDENT**, Subsection B.1.a Representatives of the Parties and Service of Notices is hereby amended in its entirety read as follows:

Seleta J. Reynolds, General Manager  
 Los Angeles Department of Transportation  
 100 South Main Street, 10th Floor  
 Los Angeles, California, 90012

With copies to:

Mariana Valdivia, Chief of Transit Programs  
 Los Angeles Department of Transportation  
 100 South Main Street, 10<sup>th</sup> Floor  
 Los Angeles, California, 90012

2. **Section II, TERMS OF CONTRACT**, Subsection A, Contract Period, Paragraph 1 is hereby amended in its entirety and Subsection A.4, "Termination during the Month-to-Month Extension" is hereby added immediately following A.3 to read as follows:

1. This Agreement shall be in effect for six (6) years from April 1, 2017 through March 31, 2023. Thereafter, the City shall have the right to extend the Agreement on a month-to-month basis up to an additional six (6) months, from April 1, 2023 to September 30, 2023, provided that the City provides a written notice to the Contractor of the City's intent to exercise the month-to-month extension no less than sixty days (60) prior to April 1, 2023.
4. **Termination during the Month-to-Month Extension.** If the City exercises its right to extend the Agreement on a month-to-month basis beyond March 31, 2023, pursuant to Section II A.1, the City may terminate the month-to-month extension prior to September 30, 2023, provided the City provides the Contractor with a written notice of its intent to terminate the Agreement no less than sixty (60) days prior to the actual termination date.

3. **Section V, COMPENSATION**, Paragraph B is hereby to read as follows:

B. The Contractor shall pay the City based on the following payment schedule for each year of the Agreement:

Year	Minimum Annual Guarantee	Share Percentage
One (4/1/17 - 3/31/18)	\$850,000	60% of Net Revenues
Two (4/1/18 - 3/31/19)	\$875,000	60% of Net Revenues
Three (4/1/19 - 3/31/20)	\$900,000	60% of Net Revenues
Four (4/1/20 - 3/31/21)	\$925,000	60% of Net Revenues
Five (4/1/21 - 3/31/22)	\$950,000	60% of Net Revenues
Six (4/1/22 - 3/31/23)	\$950,000	60% of Net Revenues

\*If the City exercises its right to extend the Agreement on a month-to-month basis beyond March 31, 2023, the Minimum annual Guarantee will be prorated on a monthly basis.

4. Effective the date of attestation by the City Clerk of this First Amendment, all references to Standard Provisions for City Contracts or Standard Provisions for City Contracts (Rev. 03/09) throughout the Agreement are hereby deleted and replaced with the following: Standard Provisions for City Contracts (Rev 10/21) [v.4].
5. **Section VII, STANDARD CONTRACT PROVISIONS**, First Paragraph, is hereby amended to read as follows:  
  
By entering into this Agreement with the City, the Contractor agrees to abide by the Standard Provisions for City Contracts (Rev 10/21) [v.4], attached hereto and incorporated herein as Attachment A.
6. **Attachment A, Standard Provisions for City Contracts**, is hereby replaced in its entirety by the Standard Provisions for City Contracts (Rev 10/21) [v.4] attached hereto and incorporated herein as Attachment A.
7. **Section VII, STANDARD CONTRACT PROVISIONS**, is hereby amended by adding a new Section C- Additional Requirements, with Subsections C.1 Municipal Lobbying Ordinance, C.2 Disclosure of Border Wall Contracting Ordinance, C.3 Contractor Evaluation Ordinance, and C.4 COVID-19 Vaccination immediately following Subsection B.5 to read as follows:

#### C. Additional Requirements

##### 1. **Municipal Lobbying Ordinance**

The Contractor is required to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if Contractor qualifies as a lobbying entity under Los Angeles Municipal Code §48.02. Agreements submitted without a completed CEC Form 50 by contractors that qualify as a lobbying entity under Los Angeles Municipal Code §48.02 may be subject to penalties, termination of contract, and debarment.

##### 2. **Disclosure of Border Wall Contracting Ordinance**

The Contractor shall comply with Los Angeles Administrative Code Section 10.50 *et seq.*, 'Disclosure of Border Wall Contracting.' The City may terminate this Agreement at any time if City determines that Contractor failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in Los Angeles Administrative Code Section 10.50.1.

##### 3. **Contractor Evaluation Ordinance**



At the end of this Agreement, the City will conduct an evaluation of the Contractor's performance. The City may also conduct evaluations of the Contractor's performance during the term of the Agreement. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on a number of criteria, including the quality of the work product or service performed, the timeliness of performance, financial issues, and the expertise of personnel that the Contractor assigns to the contract. A Contractor who receives a "Marginal" or "Unsatisfactory" rating will be provided with a copy of the final City evaluation and allowed 14 calendar days to respond. The City will use the final City evaluation, and any response from the Contractor, to evaluate proposals and to conduct reference checks when awarding other personal services contracts.

#### 4. COVID-19 Vaccination

Employees of Contractor and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, "Contractor Personnel"), while performing services under this Agreement and prior to interacting in person with City employees, contractors, volunteers, or members of the public (collectively, "In-Person Services") must be fully vaccinated against the novel coronavirus 2019 ("COVID-19"). "Fully vaccinated" means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention.

Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated. Contractor shall retain such proof for the document retention period set forth in this Agreement. Contractor shall grant medical or religious exemptions ("Exemptions") to Contractor Personnel as required by law. If Contractor wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, Contractor shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by Contractor. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments.

Furthermore, Contractor shall immediately notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

8. The Agreement is hereby amended by adding a new **SECTION VIII, ORDER OF PRECEDENCE**, immediately following SECTION VII, STANDARD CONTRACT PROVISIONS, to read as follows: This Agreement, and any exhibits, attachments, or documents incorporated herein by inclusion or by reference, constitutes the complete and entire Agreement between the City and the Contractor. In the event of any inconsistencies between the bodies of this Agreement and attachments, the order of precedence will be as follows:

1. This Agreement between the City of Los Angeles and Outfront Media Group LLC and its Amendments
  2. Standard Provision for City Contracts (Rev 10/21) [v.4] - Attachment A
  3. Transit Marketing - Customer Outreach and Support RFP and its Addenda (Attachments B and C)
  4. Proposal (Attachment D)
9. Effective the date of attestation by the City Clerk of this First Amendment, all references to “RFP”, “Addenda” and “Proposal” are replaced with the following
- RFP (Attachment B)
  - Addenda (Attachment C)
  - Proposal (Attachment D)

These Attachments are attached hereto and incorporated herein.

10. Except as herein amended, all other terms and conditions of this Agreement shall remain remain in full force and effect.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGE FOLLOWS**

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

**THE CITY OF LOS ANGELES**

**Outfront Media Group LLC, a California Limited Liability Company**

By: \_\_\_\_\_  
Seleta J. Reynolds  
General Manager  
Department of Transportation

By\*: \_\_\_\_\_  
  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**  
MICHAEL N. FEUER, City Attorney

By: \_\_\_\_\_  
Michael Nagle  
Deputy City Attorney

By\*\*: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTEST:**  
HOLLY L. WOLCOTT, City Clerk

NOTE: If Contractor is a corporation, two signatures are required.

By: \_\_\_\_\_

Date: \_\_\_\_\_

\* The signature of President, Chairman of the Board, or Vice President is required here; and  
  
\*\* an additional signature of Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer is also required for the Corporation.

City Agreement Number: C-129151-1  
Council File Number: 11-2007