



City of Santa Barbara
Airport Department

DATE: February 18, 2015
TO: Airport Commission
FROM: Hazel Johns, Airport Director 
SUBJECT: Airport Advertising Request For Qualifications

RECOMMENDATION:

That Airport Commission receive a progress report on the Advertising Request For Qualifications seeking an experienced firm or individual to develop and operate an advertising program at the Airline Terminal.

DISCUSSION:

Background

Prior to the construction of the new Airline Terminal, the Airport chose JCDecaux as its advertising concessionaire. The scope of the advertising program was limited, due to space constraints in the Ovington Terminal. The Airport wanted to make sure the space was not overwhelmed by advertising media and was very particular about the type of displays allowed. The primary source of advertising revenue were the hotel/motel courtesy boards which were located in the baggage claim pavilions and provided direct phone service to the hotels and off airport rental cars. At the end of the contract, the Airport published a Request For Proposals (RFP) for a new concessionaire. Only one advertising firm replied. The proposal would have resulted in very little revenue for the Airport. It was decided that staff would take over the operation of the Courtesy Board and do a new RFP after the opening of the new Terminal Building. During staff's administration of the Hotel/Motel Courtesy Board, the frequency of use and revenue decreased as the use of cell phones increased.

ProDIGIQ

A new start-up company, ProDIGIQ, Inc. approached the Airport in 2008 with a request that Santa Barbara serve as a beta-testing site for a new system to display advertising on monitors positioned in the passenger holdrooms. The Airport entered into a month-to-month agreement with ProDIGIQ on January 1, 2009, to provide advertising for each flight's destination City or area. The Airport receives 10% of gross revenue from these advertisements.

In addition, the airport had received many complaints about flight information for the individual airlines not being updated promptly and entered into a five-year Permit with ProDIGIQ, Inc. May 11, 2011 to provide up to the minute flight information data for all airlines on one monitor.

The total cost of the program was \$59,900 including software licensing, installation of the system, seven FIDS, two BIDS, one backup server and one BIDS input station. ProDIGIQ was also given permission to run advertising along the bottom of the FIDS and BIDS screens, with the Airport receiving 15% of any revenue generated.

The total percentage rent paid to the Airport in 2014 from both sources was \$1,809.

Request for Qualifications

The Airline Terminal project has focused first and foremost on the construction of the building, including the build out of the operations, public, and concessions spaces. The ambassador program and the visitor information center have been established. The Airport is proposing to reestablish an advertising concession. The concession would have responsibility for selling and producing advertising on the new state of the art interactive hotel/motel courtesy board and the existing passenger holdroom monitors, in addition to any other appropriate locations proposed by the concessionaire and acceptable to the Airport.

Airport staff chose a competitive Request for Qualifications (RFQ) format rather than an RFP, because it prefers to actively guide the development of the program rather than accept a program as proposed. There are a number of aesthetic constraints in the Terminal, including leaving adequate space for the development of the revolving public art program, which must be taken into consideration when allotting space for advertising. The selected agency must also take into consideration the unique architecture of the building. Selecting the agency based on past experience, as demonstrated in other airport locations, then jointly developing the program, will be most likely to produce enhanced advertising revenue, while keeping the displays complementary to the overall ambience of the Terminal.

The Airport Director will appoint an evaluation panel to review the qualifications submitted. The proposals will be scored in accordance with the following criteria:

	<u>Points</u>
1. Organizational Summary and Background	15
2. Proposed Advertising Program Elements	30
3. Available Staff Resources	15
4. Available Financial/Capital Resources	20
5. Current Client and Relevant Experience	20

A mandatory Pre-Submission meeting will be held, followed by a period of time for the submission of written questions to a designated staff member. All questions will be answered by issuing an addendum to the RFQ. Once the submissions have been received, they will be evaluated by the panel. A short list of agencies will be invited to give presentations to the panel, prior to final selection. The Airport proposes to have a selection made and an agreement in place by summer 2015. The Term of the agreement will be three years with one additional two-year option. The Airport will receive a 10% share of all gross receipts produced by the advertising concession.

The Marketing and Public Relations Subcommittee received a report on the status of the Advertising RFP on February 9, 2015. Subcommittee members comments and suggestions will be incorporated into the final RFP prior to distribution.