

PROCUREMENT SUMMARY

METRO SYSTEM ADVERTISING – LICENSE TO SELL AND DISPLAY ADVERTISING ON METRO BUS AND RAIL SYSTEMS/PS41099B and PS41099R

1.	Contract Numbers: A) PS41099B B) PS41099R		
2.	Contractors: A) Outfront Media Group, LLC B) Intersection Parent, Inc.		
3.	Contract Work Description: Advertising Revenue		
4.	Modification Description: Replace monthly Minimum Annual Guarantee (MAG) Payments with monthly payments of 55% of sales revenues for the period May 2020 through December 2020 while Contractors recover from the effects of the COVID-19 pandemic.		
5.	The following data is current as of: April 28, 2020		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	Jan 25, 2018	Original Agreed Upon Revenue (Minimum Annual Guarantee) PS41099B: \$262,250,000 PS41099R: \$42,902,200
	Original Completion Date:	Feb 28, 2028	
	Current Contract Estimated Completion Date:	Feb 28, 2028	
7.	Contract Administrator: Ernesto N. De Guzman		Telephone Number (213) – 922 - 7267
8.	Project Manager: Lan-Chi Lam		Telephone Number (213) – 922 - 2349

Background:

On January 25, 2018, the Board approved the award of Contract Nos. PS41099B and PS41099R to Outfront Media Group, LLC and Intersection Parent, Inc., respectively, for license to sell and display advertising on Metro's bus and rail assets. The contracts' terms were for ten (10) years, from March 1, 2018 through February 28, 2028, and included minimum annual guarantee (MAG) payments that would yield to Metro revenues of \$262,250,000 for advertising on bus assets, and \$42,902,200 for advertising on rail assets during the life of the contract. Two modifications were issued for PS41099B previously. Modification No. 1, issued on March 28, 2018, added the Minimum Annual Guarantee payment schedule and provided clarifications to the contents of the Scope of Work. Modification 2, issued on April 25, 2018, provided a revised schedule of payments for the Minimum Annual Guarantee. No modifications have been previously issued for PS41099R.

Due to significant loss of advertising sales revenues due to COVID-19, the advertising industry has experienced significant losses of revenue. Both bus and rail revenue advertising contractors have requested a temporary relief from the Minimum Annual Guarantee requirements of the Contract, paying instead a share of 55% of monthly sales to Metro from May 2020 through December 2020, while they recover from the economic effects of the COVID-19 pandemic.