Item # 24 (2)

ADDITIONAL MATERIAL

10:00 a.m. Regular Meeting OCTOBER 10, 2017

SUBMITTED AT THE REQUEST OF

MAYOR BARBARA SHARIEF



October 6, 2017

Hon. Barbara Sharief, Mayor Vice Mayor Beam Furr County Commissioners Broward County 115 South Andrews Avenue Fort Lauderdale, FL 33301

Re: RLI # 20160425-0-AV-01: Advertising and Display Concession at Fort Lauderdale Hollywood International Airport ("RLI")

Dear Mayor Sharief, Vice Mayor Furr and Commissioners:

Our firm represents In-Ter Space Services, Inc., d/b/a Clear Channel Airports ("CCA"), a proposer on the referenced RLI and the current incumbent provider of these services at FLL.

We are writing in response to recent letters (and contacts) sent or made by Shauna Forsythe, Director of Airport Business Development for Lamar Airport Advertising Company ("Lamar"). Lamar is a competitor of CCA and has been involved in this RLI procurement process since its approval by this County Commission on April 25, 2017.

This is a competitive RLI procurement with stringent requirements which have been flagrantly ignored by Lamar.

By email dated September 25, 2017, Lamar sent a letter to each of you with copies to a number of people including County Administrator Bertha Henry and Aviation Director Mark Gale.

The RLI contains a Cone of Silence (effective 7/7/2017) which expressly and directly prohibits communication with affected persons such as the County Administrator or Aviation Director:

"At the time of the SNC appointment in this RLI process, a Cone of Silence will be imposed. Section 1-266 of the Broward County Code of Ordinances as revised provides that after the SNC appointment, <u>potential Respondents</u> and their representatives are substantially restricted from communicating regarding the RLI with the County Administrator, Deputy and Assistants to the County Administrator and their respective

support staff, or any person appointed to evaluate or recommend selection in this RLI process. (Emphasis added)

At all times since July 7, 2017, the Cone of Silence has been in effect and Lamar was a "potential Respondent." The Cone of Silence prohibits communication with the County Administrator or the Aviation Director. Lamar's blatant violation of the Cone of Silence is shocking and should not be tolerated by this Commission which adopted the Cone of Silence ordinance and approved the RLI.

Lamar complains in its September 25, 2017 letter that it did not submit a response to the RLI because the RLI gave the incumbent an unfair advantage. Yet, once again, Lamar has directly ignored the express requirements of the RLI which states (p. 9) that:

(a) Any protest concerning the bid or other solicitation specifications or requirements must be made and received by the County within seven (7) business days from the posting of the solicitation or addendum on the Purchasing Division's website. Such protest must be made in writing to the Director of Purchasing. Failure to timely protest RLI specifications or requirements is a waiver of the ability to protest the specifications or requirements.

Lamar failed to timely object to specifications or requirements of the RLI even though Lamar was heavily involved in the procurement process. This requirement has a seven (7) day timeframe to avoid undue delays in the procurement process. This is a provision which appears in and applies to every RLI or RFP issued by Broward County. By failing to timely protest specific provisions of the RLI, Lamar waived its right to now object or protest the contents of the RLI.

As a result of numerous questions posed by Lamar and several preproposal meetings as well as requests by Lamar, the submittal date for the RLI was delayed several months until it finally closed on September 22, 2017. All of Lamar's questions on the RLI were answered by staff and added opportunities were created for Lamar and other potential respondents to personally tour the airport with the Project Manager.

This RLI was carefully and thoughtfully drafted by BCAD staff and attorneys. Both Lamar and CCA had met with staff to give input on issues of concern to them. As issued, the RLI requires a Privilege Fee be paid to BCAD equal to an annual guarantee ("MAG") of at least \$1 million dollars or a minimum percentage payment of 60% of the gross receipts from advertising sales. CCA proposed a MAG in excess of \$1 million dollars or 61% of the gross sales, whichever is greater.

The RLI did not have a required minimum capital improvement budget but required that each proposer detail the proposed location and value of capital improvements. It is absurd for Lamar to claim that such an open-ended specification put them at a competitive disadvantage.

In recent weeks, this Commission has had conversations from the dais relative to a different procurement process where a competitor tried to convince the Commission to ignore the law, ignore the solicitation documents, ignore your professional staff and to override a procurement process. To your credit, you did not do that.

In this instance, Lamar has delayed the RLI procurement process, violated County law and the requirements of the RLI and made an effort to get you to overturn the process. And all of this on top of Lamar's failure to timely raise issues as required by the RLI.

At this stage, the CCA proposal is an open public record including its submittal of the MAG, the percentage of the gross and the proposed capital improvements and related budget. Moreover, CCA's proposal contains proprietary information and intellectual property which has now been publicly revealed. Nothing would be more unfair than now asking them to re-compete on a new RLI.

What kind of a statement would the County Commission be making if it rewarded Lamar's bad behavior in a competitive procurement process. Such a precedent would seriously undermine the integrity of your procurement process and encourage others to take this route in the future.

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Trulv Yours.

Cc: Brenda J. Billingsley, Director of Purchasing Andrew Meyers, Esq., County Attorney Alex Williams, Assistant County Attorney Leanne Andress, Project Manager Jon Abeln, Vice President, CCA Ade Galloway, Operations Counsel, CCA Yvonne Garth, CEO, Garth Solutions Bernie Friedman, Esq. Seth Platt