

Item # 24

ADDITIONAL MATERIAL

10:00 a.m. Regular Meeting

OCTOBER 10, 2017

SUBMITTED AT THE REQUEST OF

AVIATION DEPARTMENT



AVIATION DEPARTMENT - Fort Lauderdale-Hollywood International Airport
2200 SW 45th Street, Suite 101 • Dania Beach, Florida 33312 • 954-359-6100

MEMORANDUM

DATE: October 6, 2017
TO: Broward County Board of Broward County Commissioners
FROM: Mark Gale, CEO/Director of Aviation *MG*
SUBJECT: Letter from Lamar Airport Advertising dated September 22, 2017

Recently, the Mayor and County Commissioners received a letter from Lamar Airport Advertising (Lamar), a potential respondent to a Request for Letters of Interest (RLI) for Advertising and Display Services at the Fort Lauderdale-Hollywood International Airport (FLL). In this letter, Lamar asserts there were certain elements associated with this solicitation that favored the incumbent provider and did not provide for a fair and "level playing field". As such, and after a lengthy process, Lamar elected not to submit a proposal. The Broward County Aviation Department (BCAD) strongly disagrees with Lamar's assertions, and this memo shall serve to advise the Board on the actions taken by BCAD in connection with the solicitation.

RLI #20160425-0-AV-01 was published on May 9, 2017 in accordance with concession policy mandated in Chapter 26 of the Broward County Administrative Code. The RLI included a pre-response meeting and a tour of Broward County's Fort-Lauderdale Hollywood International Airport, both conducted on May 22, 2017, as well as an inquiry period to address questions posed in writing by potential respondents.

Addendum No. 1 to the RLI was published on June 14, 2017 and answered questions submitted by interested respondents during the inquiry period. Both during and after the inquiry period set forth in the RLI, Lamar sent correspondence to various parties including the project manager for BCAD, to the Mayor and the County Commissioners, the CEO/Director of Aviation and the Purchasing Division. A number of subsequent Addenda were issued to the RLI to respond to the inquiries and questions raised. Additionally, a subsequent tour of areas of FLL that had not been open due to ongoing construction during the initial tour was conducted for all interested parties. The subsequent tour and additional Addenda were issued to ensure that the solicitation process was being conducted fairly. Preparation and review of the responses provided in the Addenda to the RLI involved BCAD management staff, the County Attorney's Office and the CEO/Director of Aviation.

One of Lamar's main criticisms regarding the RLI referenced two existing digital displays in the Terminal facility. Lamar claims the displays will give the incumbent an estimated \$600,000 advantage (\$300,000 per sign) in the capital investment required to operate at FLL. The digital displays in question were installed in 2015 by the incumbent as a capital investment requirement of their 2 year contract extension awarded in 2014. The total cost for purchase and installation of these two displays was \$200,000. The displays have an estimated useful life of 11 years, and now have approximately 8 years of useful life remaining.

In multiple letters to BCAD and the County Commission, Lamar insisted that the incumbent remove the relatively new signs and replace with brand new signs if they were the successful proposer. BCAD maintains it is free to negotiate with the selected respondent in the best interest of the Airport/County, which would include a discussion on potential capital investment, number and types of appurtenances, as well as location for said devices. Prematurely mandating that the incumbent remove existing display devices without the appropriate negotiation or discussion does not make good business sense, and would also be an unnecessary disruption to the airport terminals.

It is important to note that the RLI does not contain a minimum capital investment requirement, nor does it specify the manner or content of the advertising program to be used in FLL. This RLI format was intentionally used to attract vendors that could develop a high quality advertising program, utilizing the latest technologies and techniques. The RLI was intended to solicit creativity by respondents in order to obtain the overall best advertising program for the County at FLL.

A respondent was free to utilize the areas in question for other types of media aside from the digital display screens. There is no specific requirement for the type of equipment to be utilized, respondents may propose as they see fit. Also, as BCAD stated in Addendum No.5 to a related question, the successful respondent was free to negotiate with the owner of the existing equipment if they so desired.

To summarize, BCAD has responded to all questions posed by Lamar, and two extensions to the due date for responses to the RLI were also granted, adding six weeks to the solicitation process. BCAD maintains the solicitation was fair, unbiased and conducted with transparency and adherence to the County's procurement process.

MG/ml

C: Bertha Henry, County Administrator