

MASSACHUSETTS PORT AUTHORITY

TOBIN BRIDGE ADVERTISING REVENUE PROGRAM

REQUEST FOR PROPOSALS

1.0 Background

The Massachusetts Port Authority (Massport) is an independent public agency that provides for the growing transportation needs of Massachusetts and New England by:

- developing, promoting and managing airports, the seaport, the Tobin Memorial Bridge ("Bridge"), and other regional transportation infrastructure as customer-oriented gateways to New England, while maximizing safety and sustainability.
- anticipating and accommodating changes in the region's economy to ensure that businesses have the transportation facilities they need to compete successfully in the global marketplace of the twenty-first century.

The Bridge is a vital link to the state's road network, serving over 11 million vehicles annually. As such, the Bridge comprises a large, captive audience and as a high visibility venue, holds significant untapped revenue potential. Massport is seeking a company that will help Massport optimize the Bridge's non-toll revenue opportunities and advance the Authority's objectives of increased revenue generation.

The Authority invites proposals from qualified companies interested in providing services that will identify and negotiate non-toll revenue generating contracts with organizations that are : a) interested in advertising opportunities on the Bridge, or b) interested in sponsorship opportunities to benefit motorists who use the Bridge.

The company will be required to design and implement innovative marketing-based revenue programs for the Bridge. Specifically, the selected company will be responsible for: a) product design, b) development, c) sales and promotion, d) sign design, production, delivery, installation and maintenance e) billing, collection, and reporting. The company must additionally agree to bear all labor costs, cost of sales, materials and overhead expenses associated with managing this marketing program.

Through this competitive bid process, Massport will select one or more companies to enter into a contract to provide these services for a period of one year with two one year options, at the discretion of Massport.

2.0 Scope of Services

Massport shall grant to the selected company(s) the right to place and display advertising and/or communications of a sponsorship at the Bridge.

2.1 Program Objectives

Massport's goal in seeking proposals under this RFP is to:

- Maximize potential non-toll revenue through innovative marketing programs
- Develop new business opportunities through programs, services, and other creative uses of the physical asset and visibility offered by the Bridge.
- Utilize non-toll programs, which enhance the long-term viability and operations of the Bridge.
- Ensure that these non-operational activities support the efficient operation of the Bridge and enhance the motorists' experience.

3.0 Advertising Space

The Bridge's toll plaza consists of seven tollbooths. Visibility locations will include but is not limited to:

- toll booths
- receipts
- gates
- roadway poles
- other visibility points

Companies may bid on any or all of the above listed spaces. All advertisements must comply with M. G. L. c. 93D§2. Any space that interferes with the efficient operation of the Bridge and/or the use of the tollbooths may not be used for advertising purposes.

Companies may also propose a "sponsorship" package that uses or excludes any of the above listed spaces. Massport will select the proposal(s), which offer the maximum financial return to the Authority.

3.1 Maintenance and Appearance

The selected company will maintain all advertisements at their own cost. The company shall also perform periodic inspections of each advertisement. The company will be responsible for the installation, maintenance and repair of all advertisements covered by the contract. The contractor will cover the cost of all labor and maintenance needed to repair an advertisement.

3.2 Service Hours

The placement, maintenance, and removal of advertisements shall not disrupt the service of the toll plaza, the flow of traffic on the bridge during peak traffic hours, nor adversely impact the community during installation and removal of materials. Peak traffic hours are 5:30-10:30 AM and 3:30-7:30 PM Monday-Friday. Installation procedures and times for installation and/or removal of materials must be approved in advance by Massport (no less than forty-eight hours).

3.3 Appearance and Character of Advertisements

All advertisements shall be of a reputable character, and the appearance of all advertisements shall be acceptable and in accordance with the Massport standards for character and appearance of advertisements. No libelous, slanderous, or obscene advertisements may be accepted by the company for display on the Bridge. Massport will not accept advertisements containing violent criminal content, firearms, profane content, promotional material that is harmful to juveniles, and items that denigrate groups based on gender, religion, race, age, ethnic, or political affiliation for display. Advertisements shall be submitted in advance to Massport for review and approval in writing before display. If, at any time, Massport determines an advertisement unacceptable, the

company must then remove the advertisement within 24 hours of notification of such determination. If the company shall fail to do so, Massport, at the company's expense, may immediately remove the advertisement without liability for such removal.

3.4 No Advertisements for Tobacco and Alcohol Products

The company shall not display or accept for display advertisements for tobacco or alcohol products. This prohibition for such products is in effect for the entire term of the contract.

3.5 Indemnification of Massport and Insurance

The company(s) agree to indemnify, defend and hold harmless Massport, its' Board, officers and employees against and from any and all claims, causes of action, suits, losses, damages, and expenses (including attorneys' fees and costs of investigation and litigation) of whatever nature to any person or property based upon or arising out of the actions or operations of the Company in connection with this agreement. The company(s) will further indemnify, defend and hold harmless Massport from any and all claims, causes of action, damages, and suits and losses arising or asserted from any breach or default on the part of the company in the performance of any covenant or agreement which the company must perform under the term of the contract.

The company's obligation to indemnify, defend and hold harmless Massport shall include but is not limited to the following claims, causes of action, suits and losses and damages:

- Libelous or controversial advertisements, notices or publications, and all actions or decisions pertaining thereto, whether actual or alleged, arising out of or in any manner connected with the exercise of the rights, powers and privileges granted to the company.
- Injunctions as well as damages for infringement of any copyrights, trademarks, or patents by the use of any advertisement, notice publication, device, process or equipment in connection with the exercise of the rights, powers and privileges granted to the company.
- Failure of the company to comply with any requirement of any public authority or with any provision of any state, federal or local statute, ordinance, or regulation applicable to the company or to its use of the Bridge's advertising space.

The company(s) shall maintain the following insurance coverage:

- Commercial General Liability and Commercial Automobile Liability insurance for claims for property damage, bodily injury or death, arising out of or in connection with the company's operations under this agreement, in the combined single limit of one million dollars per occurrence. Such insurance shall include an endorsement covering advertising injury and a contractual liability endorsement covering indemnities and shall name the Authority as an additional insured and shall be primary over any other policy owned by the Authority.
- Worker's Compensation insurance as may be required by law, including Employers' Liability insurance with a minimum limit of \$1,000,000.

4.0 Contract Term

The term of the contract shall be one year, with two one year options, at the discretion of Massport. A contract start date of October 1, 2003 is anticipated for contract year 1.

4.1 Assignment Transfers of Contracts for Advertising

Upon expiration of the term of the contract, or upon earlier termination, the company(s) shall immediately assign and transfer to Massport all contracts for advertising on the Bridge which are in effect, and such contracts shall then become the property of Massport without any fee or

payment to be paid to Contractor arising from such assignments or transfer. All advertising contracts written by the company(s) shall expressly permit such assignments. The company(s) shall not enter into any contracts with advertisers that extend more than twelve months beyond the expiration date of this contract, or which provide for other than quarterly payments.

4.2 Default and Termination

Each of the following events shall constitute an Event of Default:

1. The Company fails to keep or perform any other of the covenants, conditions, or provisions of the Agreement to be performed by the Company and such default is not cured within five days after written notice thereof;
2. A federal, state or local governmental authority, board, agency or officer with competent jurisdiction, terminates or suspends any certificate, license, permit or authority held by the Company without which the Company shall not be lawfully empowered to perform all or any part of the Agreement.
3. Company files a voluntary petition in bankruptcy or proceedings in bankruptcy are instituted against it.

Additionally, Massport shall have the right to terminate this agreement at any time, in its sole and absolute discretion, by providing written notice thereof to the Company, if the advertising placed under this agreement is determined to present a hazard to the traveling public by the state police or some other public safety department having jurisdiction.

5.0 Project Financials

5.1 Annual Fee and Definition of Gross Billings

Gross billing shall mean the total dollar amount of all invoices issued to advertisers and/or their agents by the company during a specified period for Bridge advertising sales, prior to commissions or sales allowances of any kind.

Massport wishes to maximize the net revenue potential of the advertising and/or sponsorship opportunity at the Bridge. Companies are encouraged to creatively structure their financial proposal to meet this objective. At a minimum, companies should anticipate a financial structure that provides for a minimum annual guarantee. All payments under the contract will be due on a monthly basis.

The company shall not have the right to accept payment from advertisers in the form of goods, service, or other non-cash reimbursements.

5.2 Annual Accounting

At the close of each contract year, there shall be an annual accounting, the purpose of which shall be to verify the total money due to Massport in the contract year.

The company shall bear the cost of and provide to Massport a certified, audited financial statement of Gross Revenue. Such statement shall be prepared in conformance with generally accepted audited standards and accompanied by an opinion rendered by a Certified Public Accountant, for each contract year.

The company shall maintain in a true and accurate manner and in accordance with Generally Accepted Accounting Principles (GAAP) and with generally accepted auditing standards, such accounts, books, records and data as would reasonably be expected to be examined by an independent certified public accountant in performing an audit or examination of the Company's Revenue. This includes, but is not limited to: General Ledgers, subsidiary books of record, sales

journals, daily or periodic summary reports, inventory and purchasing records, cash register or computer terminal tapes, POS records, bank deposit slips, bank statements, tax report files with federal, state, county, city, or other agencies, discount or rebate agreements, and records of refunds, contractual agreements with other Massport tenants, subtenants or third parties relating to this Agreement. Such books and records shall contain records of all of the Company's pertinent activity under this contract in a form consistent with good accounting practice (which may include, without limitation, electronic media compatible with the computers available to the Authority, computer generated hard copies or legible microfiche or microfilm copies).

The Company shall retain and keep available all documents and records relating to this agreement for not less than seven (7) years after each Contract Year of the contract term or any extension thereof. Retention shall extend seven (7) years after the expiration/termination of the Agreement or extension, or the date on which the Company ceases to operate on Massport property, whichever is later, or (in the event of litigation or claims arising out of or relating to this Agreement) until such litigation or claims are completely disposed of and all time limits for appeal are expired.

The Company's books and records relating to its operations under this Agreement (including, without limitation, the books and records required to be maintained above) shall be available for inspection by the Authority or its duly authorized representative upon 72 hours advance notice and during normal business hours (9:00 a.m. to 5:00 p.m.). The Authority shall have the right, upon such notice and during such business hours, to cause an audit to be made of such books and records. **Failure to provide the Authority with accounts, books, records and data as the Authority determines in its reasonable discretion to be necessary or convenient in connection with its review or audit thereof may be deemed to be a default of the Agreement.**

The inspection and audit rights set forth in this Section shall include the right to photocopy those accounts, books, records and data as the Authority determines in its reasonable discretion to be necessary or convenient in connection with its review or audit thereof. If Company's books and records have been generated from computerized data, the Company agrees to provide Massport or its representative with extracts of the data files in a computer readable format on data disks, E-mail with attached files or suitable alternative computer data exchange formats. The Company shall not charge Massport for the reasonable use of the Company's photocopy machine while conducting the audit, nor for any cost of retrieving, downloading to diskette, and/or printing any records or transactions stored in magnetic, optical, microform or other media. The Company shall provide all records and retrievals requested, within seven (7) calendar days. If such records are not received within fourteen (14) calendar days, the Company shall pay Massport as liquidated damages the sum of one hundred dollars (\$100) per day for each record/retrieval not provided. The liquidated damages shall be owed beginning on the fifteenth (15th) day following the date the request was made.

Massport's right to inspect and audit extends to the books and records of all subcontractors under this agreement as well as to the work papers of the Company's Certified Public Accountant as they relate to this agreement.

If such audit discloses any willful and intentional inaccuracies, this agreement, at the option of Massport, may be thereupon canceled and terminated.

Company agrees to keep such records as required to be maintained on the premises or at another location within the metropolitan Boston area. If the Company maintains the books, accounts, and records in another location outside the metropolitan Boston area, the Company shall make these documents available at the Company's local office or at an agreed-upon site (i.e. the Logan Office Center) upon reasonable notice from Massport. If the necessary books, records and original source documents are not in or cannot be provided for examination at the Company's local office in the Boston metropolitan area, and if agreed to in advance by the

Director of Massport Internal Audit, the audit can be conducted outside the metropolitan Boston area at the Company's Headquarters or other appropriate location, in which event the Company shall reimburse Massport for reasonable air and ground transportation, mileage, food, lodging and other miscellaneous costs associated with the audit. After the audit is completed, Massport will bill the Company for the costs incurred.

If, as a result of the audit, it is established that the amount of Gross Revenue was understated, or the amount of any expense(s) and/or adjustments was overstated, so that Massport shall have been paid less than it was entitled to receive under the Agreement, the Company shall pay to Massport the difference between the amount that should have been paid, including late charges, and the amount that was paid, plus a penalty of 10 percent (10%) of that difference.

Such payment shall be made within 30 days of receipt of written notice from Massport. Further, if the amount that was underpaid exceeds by one percent (1%) or more the amount that should have been paid, or if the audit reveals that the records of the Company are in such a state that the revenue due to Massport cannot be properly determined, the entire expense of said audit shall be borne by the Company.

Failure to pay an amount due as determined by said audit, along with the interest thereon and the expense of the audit may be deemed a breach of this Agreement.

If the audit establishes that the Company has overpaid Massport, then such overpayment shall be credited to the Company within thirty (30) days of the approval of such credit by the appropriate Massport representative

5.3 Advertising Rates

During the term of the contract, the company shall furnish the most current advertising rate card, which must be approved in advance by Massport.

The company shall not give additional advertisements to advertisers (outside of the established rate card) as an incentive for long-term advertising contracts.

Any "make good" advertisements in consideration for any errors, omissions, or mistakes shall be the sole responsibility of the company and shall not limit in any way the revenue due to Massport for the period or periods of time that advertising is displayed on the Bridge.

6.0 Qualifications

In order to be eligible for consideration under this RFP, your company must complete all questions to the Questionnaire (6.1) and provide a Financial Proposal (6.2). Only Bidders that show demonstrated experience in performing the scope of services will be considered.

6.1 Questionnaire

1) Please describe your company and include information about your business including: the location of your business, whether licensed to do business in Massachusetts, number of employees, date of incorporation, and a list of key commercial clients and dates including dates of each client relationship.

2) Provide names, titles, qualifications and experience of key company personnel.

3) Provide at least two references from past clients utilizing your services, including name, address and phone. Please also state the nature of the service you provided, as well as the revenue your company generated for that client. Please include at least two reference contracts for the commercial accounts listed below in number five (5).

4) Describe your agency's qualifications and experience in fulfilling the scope of services.

5) Describe three commercial accounts your company currently services. These accounts should be similar to those services anticipated by Massport. Please identify:

- Client (or general description of company)
- Scope of services
- Length of time as a client
- Subcontract work, if any
- Annual value of contract

6) State whether or not you intend to subcontract any of your services. If yes, describe the nature of such a subcontract.

7) Specify whether your company or any sub-contractors are a minority or women-owned business enterprise. Please specify how you would intend to use minority or women-owned businesses for services related to your work on the advertising contract

8) Identify the location of the primary office from which the majority of the services will be provided.

6.2 Financial Proposal

1) Describe your company's proposed payment and Financial Structure for this contract.

2) Detail all unit costs, if any, and any fee by unit, if any for each proposed service or opportunity.

3) Describe your company's policy for rush charges and any additional fees and/or charges, which may be imposed under the scope of services. Please itemize any additional charges and costs.

4) Complete a Financial Proposal including a Financial Proposal Summary Sheet. (Attachment 1).

7.0 Non-Discrimination And Diversity Policy

Massport prohibits discrimination in employment on the basis of race, color, religious creed, national origin, ancestry, gender, sexual orientation, age, Vietnam era veteran status, or disability. Massport is strongly committed to developing and maintaining a diverse workforce, and highly values the perspectives and varied experiences that are found only in a diverse workforce. Massport believes that promoting diversity is important to the success of its overall mission.

Accordingly, Massport requires its contractors, vendors, and tenants, to comply with nondiscrimination laws and encourages them to promote diversity within their workplace. To assist Massport in its selection process, Proposers may provide evidence of their policies and practices relating to diversity.

7.2 Business Diversity

Massport is committed to ensure full participation of diverse businesses in all of Massport's economic activities including its purchases of goods and services. Massport encourages its

contractors, vendors, and tenants to promote business diversity in all of their business activities by providing Minority and Woman-Owned Business Enterprises (M/WBEs) with the maximum opportunity to participate in contracts, and to provide Massport with information regarding their proposed utilization of M/WBEs under this contract. (Upon request by Massport, the successful Company shall complete and submit Massport's MBE/WBE Quarterly Expenditure Report Form.) The terms "Minority Business Enterprise" and "Women Business Enterprise" refer to businesses that meet the certification criteria of the Massachusetts State Office of Minority and Women Business Assistance ("SOMWBA") as set forth in 425 CMR section 2.2 et.seq.

7.3 Impacted Community Business Participation

Massport encourages and supports economic opportunities for residents and businesses located within those communities most directly impacted by the operation of Massport's facilities. Those communities are Charlestown, Chelsea, East Boston, Revere, South Boston, and Winthrop (ICBs). Massport encourages Companies to use ICBs in the award of subcontracts and in the procurement of materials, equipment, and services and to provide Massport with information regarding their voluntary efforts to contact and to use ICBs.

8.0 Selection Criteria

Massport will apply the criteria listed below to evaluate the proposals. Massport will select the proposal which is most advantageous to Massport based on a combination of these criteria in the sole and absolute discretion of Massport.

Responses to this RFP will be evaluated based primarily upon your company's qualifications, relevant experience and capabilities to fulfill the Scope of Services.

- Experience. A major selection criteria will be your company's relevant experience related to the design, sale and implementation of innovative marketing-related revenue programs. Previous experience and performance in marketing/advertising for the transportation industry will also be considered.
- Knowledge and Experience. Your company will be evaluated by its past experience in developing transit and/or outdoor advertising programs for public agencies; placement in greater Boston markets and/or business-to-business markets in advertising and transportation industries.
- Qualifications of Agency and Account Team. Massport will focus on the capability, experience and qualifications of your company as a whole and the account team in particular. Massport will also consider the availability and commitment of the proposed account team and their continuity with the company.
- Understanding of the Authority. Your company will be evaluated on its knowledge and familiarity of the Authority, its mission, operations, and customers.
- Capabilities. The ability of your company to develop innovative, cost-efficient solutions to marketing/advertising objectives will also be considered.
- Cost. Massport will consider your company's ability to deliver a financial structure that maximizes the revenue potential of the program.
- Non-discrimination and Diversity. Proposers are invited but not required to submit information regarding their workforce diversity and/or utilization of MBE/WBE and ICBE's.

9.0 Submission Requirements

All submissions must be received by **5:00 pm on Monday, August 25th, 2003**. Any submissions received after the specified time will not be considered. Responses received by facsimile will not be considered.

Each response to this RFP must include: a completed Qualifications Questionnaire, a Financial Proposal, a signed copy of the Acknowledgements & Conditions (Attachment 2), and a signed copy of the Certificate of Compliance with Laws (Attachment 3). The Qualifications Questionnaire must include responses to each and every question. The Financial Proposal must include a Summary of Financial Proposal Cover Sheet (Attachment 1). The Acknowledgements & Conditions (Attachment 2) and the Certificate of Compliance with Laws (attachment 3) will be considered integral parts of the submission, and must be signed by an individual who is authorized to bind your company contractually. Responses to this RFP must contain one original and five copies of your company's submission and must be delivered by: **5:00 pm on Monday, August 25th, 2003** to:

Michael A. Grieco
Assistant Secretary Treasurer
Administration and Finance
Massachusetts Port Authority
One Harborside Drive, Suite 200S
East Boston, MA 02128-2909

9.1 Clarifications to Request for Proposals

Proposers will have an opportunity to submit written questions to clarify any portion of this RFP. All questions and requests for clarification or interpretation of any part of this RFP, must be submitted in writing, and submitted to the attention of Nicole M. Pelosi, Massport Communications, via fax at 617.568.3119. To be given consideration, all questions must be received by Wednesday, August 6, 2003. All questions submitted and the answers thereto will be distributed to all companies who have received this RFP, by close of business, Friday August 8, 2003.

Any communication concerning the content of this RFP by a Company, or anyone on its behalf, with any Massport employee or Board member other than Nicole Pelosi, in the manner specified above, will result in the rejection of that Company's proposal unless, in the reasonable judgment of Massport, the communication could not reasonably be believed to have given the Company a competitive advantage or have impaired the fair and even competitive environment on this RFP.

******* List of Attachments *******

1. Summary of Financial Proposal
2. Acknowledgements and Conditions
3. Certificate of Compliance with Laws

