



MEMORANDUM

Date: June 4, 2025

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso
City Manager

From: Rogelio Hernandez
Director of Transportation

Subject: 25-3895 Approving amended Master Service Agreement (MSA) and Service Level Agreement (SLA) between City of Key West and Message Point Media (MPM).

Introduction

Approving amended Master Service Agreement (MSA) and Service Level Agreement (SLA) between City of Key West and Message Point Media to reflect Fully Managed Advertising Add-On Service.

Background

On August 3rd, 2021, the Commission approved resolution 21-157 for the purchase and installation of sixteen (16) transit bus Onboard Display Information Systems (Infotransit) with accessories from Message Point Media on a Brand Name, Sole Source Basis, and in the Best Interests of the City, pursuant to Sections 2-797 (1), 2-797(4)(b), 2-843 and 2-844 of the Code of Ordinances to provide better standardized onboard communication for the riding public. The use of Information Systems on the transit vehicles will improve transit service delivery in accordance with Title VI of the Civil Rights Act of 1964 to include better visual communication for hearing impaired passengers, more trip information such as route ladders, delays/weather, and potential increases in advertising revenue.

The Transit department currently lacks an advertising division and dedicated personnel to solicit advertising, resulting in zero revenue from onboard displays. Implementing a revised structure will generate new revenue streams; our current vendor will manage programmatic, direct mail, and email campaigns to fill advertising inventory at no cost to the city. The department will retain 60% of net profits, with MPM receiving 40%.

Procurement

The 411 Transit Cost Center is an enterprise fund whose operating expenditure is typically subsidized by the federal and/or State Government at 50%. The remaining 50% City Cost share is generated from revenues sources such as fare collection, Park N Ride fees, and advertising. Total expenditure for the FY- 24/25 Transit Cost Center is \$7,200,000.

Current advertising revenue was limited to static signage on-board buses as well as contractor bus shelter advertising. Approving the amended MSA and SLA will allow City of Key West to expand its current advertising sales and explore new sources of advertising revenue. This strategy increases transit revenue potential, thus keeping transit financially sustainable. Moreover, approving this item will not require additional funding; rather, it will generate annual savings of \$5,000 by eliminating the \$299 per bus annual proof-of-play reporting fees.

Recommendation

The City Manager's Office recommends the Mayor and Commission approve the amended Master Service Agreement (MSA) and Service Level Agreement (SLA) between City of Key West and Message Point Media to reflect Fully Managed Advertising Add-On Service.