

ORDINANCE NO. 019-119

AN ORDINANCE AUTHORIZING  
AWARD OF A CONTRACT TO  
INTERSECTION MEDIA, LLC FOR  
ADVERTISING SERVICES

WHEREAS, The Chicago Transit Authority ("Authority") seeks to generate revenue through the sale of advertising on the Authority's buses and trains as well as at rail stations and other designated Authority locations; and

WHEREAS, The Authority issued a Request for Proposals under Requisition No. B19OP01781 seeking proposals from qualified firms to provide the advertising services, and Intersection Media, LLC's ("Intersection") proposal was determined to be the most advantageous to the Authority; and

WHEREAS, Under Intersection's proposal, the Authority will receive minimum guaranteed revenue of \$187 million for the initial five-year term of the contract, additional minimum guaranteed revenue of \$238 million for the five-year option period, and 72% of all revenue exceeding the minimum guarantee; and

WHEREAS, Intersection will provide \$30.3 million in capital investment, a portion of which Intersection can recoup if revenues exceed the minimum guarantee, as well as \$12.6 million in software upgrades over the initial five-year term; and

WHEREAS, Intersection will provide a letter of credit guarantee or other approved contract security equal to 33% of the applicable minimum annual guarantee for each contract year; and

WHEREAS, Intersection is required to indemnify the Authority, and the Authority may terminate the contract upon 30 days' written notice; and

WHEREAS, Staff recommends award of a revenue-generating contract to Intersection Media, LLC for advertising services for a term of five years with one five-year option, which shall be exercised at the Authority's sole discretion; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD  
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chairman of the Chicago Transit Board, or his designee, is hereby authorized to execute a revenue-generating contract with Intersection Media, LLC for advertising services for a term of five (5) years with one five (5) year option.

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SECTION 2. The contract provides minimum guaranteed revenue of One Hundred Eighty-Seven Million Dollars (\$187,000,000.00) to the Authority for the initial five (5) year term and additional minimum guaranteed revenue of Two Hundred Thirty-Eight Million Dollars (\$238,000,000.00) to the Authority for the five (5) year option period.

SECTION 3. The Chairman, or his designee, is further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

SECTION 4. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

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Chairman

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Assistant Secretary

December 11, 2019

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