

Memorandum

TO: Fox Cities Transit Commission & City of Appleton Common Council

FROM: Ron McDonald, General Manager

DATE: May 13, 2026

RE: Award Recommendation for Bus Advertising Services

BACKGROUND

Valley Transit sells exterior and interior advertising space on its bus fleet to augment system revenues. Bus advertising sales are currently managed with in-house staff. To increase ad revenue and more efficiently use staff resources, Valley Transit has decided to procure a contractor to manage bus advertising.

In preparation for this procurement, staff drafted a request for proposal (RFP) document to solicit proposals from advertising vendors. The final RFP document was posted to the public on March 10, 2026. It was sent directly to known vendors, listed on Valley Transit's website, and posted on the State of Wisconsin's VendorNet system. Proposals were due on March 31, 2026. Three proposals were received: Fuel Media Holdings (Jacksonville, FL); Mesmerize (New York, NY); and Houck Transit Advertising (St. Paul, MN).

All three proposals were responsive, met the mandatory requirements, and moved forward in the evaluation process.

ANALYSIS

An evaluation team was assembled to review the written proposal responses and proposed revenue payments. Each proposal was evaluated based on the vendor's experience/qualifications, sales methodology, and revenue provided to Valley Transit.

After considering all factors, the evaluation team unanimously concluded that Houck Transit Advertising (St. Paul, MN) had proposed the best service and revenue proposal for Valley Transit.

Houck Transit Advertising has experience providing bus advertising services for 40 transit system clients, located mainly in the Midwest. Houck is a current purchaser of many ads currently installed on Valley Transit buses. Under the existing relationship, Valley Transit has found Houck to be a responsible contractor and ad installer. Houck's guaranteed minimum monthly revenue payment to Valley Transit was the highest of the proposals submitted.

FISCAL IMPACT

The guaranteed minimum annual revenue for Valley Transit will be \$49,992 in 2027, \$49,992 in 2028, \$60,000 in 2029 and \$60,000 in 2030. If sales are higher than the minimum annual amounts above in 2027-2029, Houck will provide Valley Transit 57% (2027), 55% (2028), 52% (2029) and 52% (2030) of gross sales. Since the contract's first year will begin in June, the revenue for 2026 will be based on 60% of gross sales.

RECOMMENDATION

Staff recommend authorization for Valley Transit to enter into a 5-year contract with Houck Transit Advertising for bus advertising services.