

Dr. Robert B. Ingram, Vice Chair

SUBJECT: AUTHORIZATION FOR SUPERINTENDENT TO EXECUTE A CONTRACT WITH SCHOOL BUS ADVERTISING, INC., d/b/a/ SCHOOL BUS MEDIA, PURSUANT TO FLORIDA LAW AND SCHOOL BOARD RULE 6GX13-3C-1.10 1(G), CREATING A PROGRAM FOR PUBLIC SERVICE ANNOUNCEMENTS/ADVERTISING IN THE INTERIOR OF SCHOOL BUSES OPERATED BY MIAMI-DADE COUNTY PUBLIC SCHOOLS, SUBJECT TO THE SCHOOL BOARD OF PUTNAM COUNTY, FLORIDA'S AGREEMENT TO AND INCORPORATION OF THE CHANGES TO ITS CONTRACT

COMMITTEE: BUSINESS AND FINANCIAL SERVICES

At the March 14, 2001 School Board meeting, after discussion of Agenda Item B-11 by Ms. Manty Sabates-Morse, the School Board directed the Superintendent to investigate the feasibility of placing public service announcements inside school buses operated by Miami-Dade County Public Schools. The information included a fiscal impact analysis. As a result of this action, the Superintendent appointed the Public Service Announcement Ad Hoc Committee. This committee developed a Request for Proposal (RFP). The RFP was issued in July 2001; no responses were received.

At the August 22, 2001 School Board meeting, after discussion of Agenda Item K-11 by Dr. Robert Ingram, the School Board again directed the Superintendent to investigate the feasibility of piloting the sale of commercial advertising space on the interior of Miami-Dade County Public Schools buses. During discussion, the School Board agreed to consolidate both issues into one feasibility study. In September 2001, the Committee reconvened as the Public Service Announcement/Advertising Ad Hoc Committee.

As a result of the committee review process and in light of the lack of response to the RFP, it was determined that the Committee would require the expertise of a professional consultant. It was requested that the consultant assist the Committee in the development of the feasibility study, which was to be presented to the Board at its regularly scheduled meeting of January 16, 2002.

On January 7, 2003, Jerry Klein, Administrative Director, Department of Transportation, sent a memorandum to Larry W. Stanart, Chief Business Officer, Business Operations, recommending the following:

"It is our conclusion that the revenue generated from this program will not outweigh the operational costs, legal constraints, and logistical difficulties associated with its implementation. It is therefore staff's recommendation that placement of advertising/public service announcements on the interior school buses not be piloted at this time."

Certain ethical, legal, technical, and business issues were raised. Since this recommendation, a great deal has occurred on this issue.

1. Agenda Item D-12 was discussed at the Board meeting of August 20, 2003.
2. At a Board Workshop on November 14, 2003, several Board Members suggested possible revisions to the Putnam County contract.
3. On February 19, 2004, the School Board Attorney, in a memorandum to the Chair and Members of the School Board, outlined four options for the Board.
4. On March 31, 2004, School Bus Media provided the School Board Attorney with amendments to the Putnam County contract addressing all of the substantive issues raised by the School Board Attorney in his February 19, 2004, memorandum.

It is my belief that all of the issues raised now have been satisfactorily answered.

First, and foremost, it has been determined that advertising in the interior of a school bus is legal. Second, a Miami-Dade-based corporation, School Bus Media., has created a program combining public service announcements and advertising in the interior of school buses. This program includes the following components:

1. the Private Partner Commitment (School Bus Media.) to provide:
 - all the working capital
 - all of the work force (sales/installation/accounting)
 - all of the sponsorship contacts
 - all of the marketing know how
 - two public service announcements per bus
 - all of the public service announcements creative
 - all of the public service announcements production
 - twenty-five percent (25%) of all revenues received

2. the Public Partner Commitment (Miami-Dade County Public Schools) to provide:
 - its entire fleet of public school buses
3. the Safety, Security, and Accountability provisions for the School Board, its employees and students

Third, the School Board of Putnam County, Florida issued an RFQ and on February 24, 2003 entered into a contract with School Bus Media.

Pursuant to Florida law and School Board Rule 6Gx13-3C-1.10 1(G), the School Board of Miami-Dade County, Florida is empowered to make purchases “under contracts awarded by other... school boards... when the awardee(s) of said bids will permit purchases by a school board at the same terms, conditions, and unit prices awarded in the contract, and such purchases are to the economic advantage of the school board as authorized by State Board of Education Rule 6A-1.012(5).”

This method of procurement would provide an economic advantage to the School Board and avoid the unnecessary expense and lengthy process of other procurement methods.

The contract provisions approved by the School Board Attorney should be forwarded to the Putnam School Board by School Bus Advertising, Inc., with a request for them to amend the Putnam County contract to include these provisions.

Revised

The benefits of the program include having the means of providing public service announcements to students at no cost to the Board and giving the Board the opportunity to obtain additional revenue. This will be a true public-private partnership.

The program will assure that the School Board has creative control of the public service announcements and will set standards and guidelines for the commercial sponsors that will be approved.

This fiscal year, 2003-04, Miami-Dade County Public Schools has received approximately \$29 million in transportation funds from the state. This is \$72 million less than the district’s budgeted cost of \$101 million for school bus transportation. That difference comes out of resources that could be utilized in the classrooms for the direct instruction of students. This is an example of a mandated program that is under-funded by the state transportation formula.

It is projected that the Board’s annual revenue for placing public service and commercial advertisements inside its approximately 1800 buses would be between \$400,000 to \$2.3 million. This would be unrestricted revenue to the Board. We have studied and restudied this policy. This program will not cost taxpayers money but will actually produce substantial non-tax revenues for the Board.

Miami-Dade County Public Schools, like the other 66 school boards, has serious budget issues. It is time for us to be creative and more businesslike. While this is not a total answer, it will be significant step toward a mutually beneficial public-private partnership.

It will:

1. create a program for public service announcements at no cost to the Board;
2. provide a new source of non-tax revenue for the Board; and,
3. provide all the necessary safety, security, and accountability provisions for the Board while allowing it to control the material content of the advertisements and to receive compensation for it.

The School Board is the proper governing body to determine whether the installation of public service and commercial messages inside school buses is a violation of law or public policy.

ACTION PROPOSED BY
DR. ROBERT B. INGRAM:

That The School Board of Miami-Dade County, Florida authorize the Superintendent to execute a contract with School Bus Advertising, Inc., d/b/a/ School Bus Media, pursuant to Florida Law and School Board Rule 6Gx13-3C-1.10 1(G), creating a program for public service announcements/ advertising in the interior of School Busses operated by Miami-Dade County Public Schools, subject to The School Board of Putnam County, Florida's agreement to amend their contract to include the provisions as recommended in the School Board Attorney's February 19, 2004 memorandum.

Revised