

RailCorp invites suitably qualified organisations (“Proponents”) to submit proposals (“Proposals”) in response to the requirements set out in this Request for Proposal (“RFP”) document.

RailCorp, officially formed on 1 January 2004, is a new state-owned corporation that has as its main focus the provision of a safe, clean, secure, reliable and financially responsible passenger rail network throughout NSW. RailCorp merges the State Rail Authority of NSW (StateRail) and the metropolitan functions of the Rail Infrastructure Corporation (RIC).

RailCorp is currently undertaking the “Clearways” project (due for completion by 2010), pursuant to which RailCorp intends to clearly brand each of the 5 independent metropolitan rail routes (clearways) in distinct colours which establishes a consistent RailCorp branding throughout the network.

RailCorp intends to enter into one or more contracts for the development and management of its out of home advertising which currently includes 12 sheet posters, 24 sheet posters, supersites, portraits, metrolites of various miscellaneous sizes, painted signs, audiovisual equipment and station events. It is intended that such contract(s) will encompass the refurbishment, redevelopment and maintenance of out of home advertising structures including better utilisation of the network for out of home advertising together with the sale of advertising space on those structures. The use of RailCorp stations for promotional events will also be covered under such contract(s).

This RFP seeks innovative and attractive proposals from experienced and capable organisations in respect of the following matters:

- renewal, redevelopment and consolidation of RailCorp's out of home advertising base; and
- maximisation of the value of the out of home advertising located within the rail corridor through a steady revenue stream whilst concurrently redeveloping and renewing the assets; and
- promotion of a consistent station/network presentation and corporate identity in a manner that supports the ‘Clearways’ project.

## **Structure of this Document**

This RFP consists of the following sections:

**Part A** – RFP Conditions;

**Part B** – Schedules

**Part C** – RailCorp's Requirements for the Contract. Proponents should refer to this document in preparing their Proposals.

**Part D** – Form of Contract

## **Objective for this RFP**

RailCorp is seeking to select one or more Contractors who, in the opinion of RailCorp, will:

- ensure that the out of home advertising assets are used, managed, operated and maintained in a safe, clean and reliable manner;
- maximise the value of the out of home advertising assets through:
  - the rationalisation, refurbishment and redevelopment of the existing out of home advertising asset base; and
  - the ongoing development of the out of home advertising base to take into account new technologies and advertising opportunities;

- provide innovative and proactive marketing of advertising space to promote the occupancy rate of advertising space available on the out of home advertising assets; and
- promote a consistent station/network image and corporate identity.

The key objective for this project is the safe and effective refurbishment, redevelopment and management of the out of home advertising assets. Accordingly, Proponents must demonstrate their ability to deliver such an outcome, including detailing their relevant experience in undertaking similar projects.

## **Upgrade funding**

Part D of this RFP (the Contract) contains two alternative capital funding models. Proponents must submit Proposals based upon both revenue models. Option 1 requires the Proponent to fund the redevelopment of the out of home advertising assets. Option 2 requires RailCorp to fund the redevelopment of the out of home advertising assets, which funds will be sourced from the gross revenue produced by the licensed Assets.

## **Overview of the current out of home advertising system**

RailCorp's out of home advertising includes supersites, 24 sheet posters, 12 sheet posters, portraits, metrolites, various miscellaneous sizes, painted signs and station events.

Out of home advertising is a secondary business activity for RailCorp that utilizes existing railway infrastructure to mount advertising media. Since 1991, out of home advertising firms have been engaged to manage the assets and to interface with advertisers.

The existing advertising structures have been in place in for considerable time. As such, RailCorp is seeking to improve the management, use and maintenance of such structures to ensure that their value is maximised and that the condition of the structures is maintained in accordance with industry best practice and current engineering standards.

Space exists at many stations and other locations along the corridor that may be available for advertising. Accordingly, RailCorp is interested in increasing the utilisation of such available space for advertising purposes provided such advertising does not impact upon RailCorp's railway operations and is not inconsistent with RailCorp's proposed branding of the network.

## **Location of Out of Home Advertising**

RailCorp owns a substantial out of home advertising structure base located at operational stations (including underground stations) in the metropolitan area.

The metropolitan area is bounded by the following locations:

North – Islington Junction

South – Bomaderry

West – Lithgow

South West – Macarthur

East – Bondi Junction

as shown in the maps at Part D, Annexure T.

Space exists for the installation of assets on operational country stations (ie those stations to which RailCorp continues to run its services) and will form part of the proposed contract for the development and management of out of home advertising.

Out of home advertising assets located on the following lines or in the following areas will not form part of the Contract:

- all surfaces on the inside and outside of trains, locomotives and rolling stock;
- the internal surfaces of any office or non-public building owned by RailCorp;
- RailCorp's timetables, notices and literature in relation to RailCorp's operation of the Network;
- RailCorp's tickets, ticket barriers and ticket vending machines;
- any signage on RailCorp property leased at the date of this document to a third party including any signage on the lease stratum of an air space over a station;
- the Airport Link, being the Rail Corridor from the platform at Turrella Station to the platforms at Central station, including but not limited to the stations at Mascot, Green Square, International Terminal and Domestic Terminal;
- vending machines, payphones, turnstiles and barriers on RailCorp property either owned by RailCorp or obtained under contract with a third party;
- community based, non commercial and non profit advertising in segment 1 and 2 approved by RailCorp for which RailCorp makes no charge and for which there is a community reason or public awareness basis;
- Parramatta and Chatswood stations;
- light rail corridor other than RailCorp designated areas;
- Olympic Park Station;
- assets which are located on the Botany Goods Line other than those assets specifically identified on the Assets Register (exhibit 1); and
- the surfaces of any property the subject of a lease or licence by RailCorp to a third party.

Other stations may undergo major redevelopment during the life of the contract and may not be available during the construction period. Proponents should also note that access to existing and new sites, for the purpose of carrying out work under the Contract will be subject to RailCorp's access procedures.

### **Asset Segments**

This RFP has broken the assets up into four (4) segments. These 4 segments are described below. RailCorp may enter a single contract for all 4 segments, or alternatively enter multiple contracts encompassing one, two or three segments.

### **Segment 1 - Roadside/Cross track out of home advertising**

Roadside/Cross track Assets are Assets which are located outside the station confines and are generally viewed across a rail track or from the roadside. Any Asset which has its foundations located outside the public areas of a station and does not form part of the fence structure of the station is classified as a Roadside/Cross track Asset regardless of the need to access the Asset from the station

## **Segment 2 - Stations and platforms out of home advertising**

Station and Platform Assets are Assets located in the public (paid and non paid) area of the stations. Any Asset which forms part of the fence structure of the station is classified as Station and Platform Asset.

## **Segment 3 - Audio Visual/Cross track out of home advertising**

Audiovisual assets are assets located where the existing audiovisual equipment is located in the City Underground stations. The existing audiovisual equipment is not owned by RailCorp and does not form part of the Assets. The existing audiovisual equipment will be removed by the incumbent contractor within 4 months of the commencement of the Contract. RailCorp is not committed to installing audiovisual equipment. Proponents have the right to utilise current audiovisual locations as Roadside/Cross track locations. Any audiovisual equipment provided for use for Segment 3 Assets will remain the property of the Proponent at all times.

## **Segment 4 - Station Events**

Station Events includes the management of sampling activities, charity collections and designated station events on RailCorp stations.