

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

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| <input checked="" type="radio"/> Action <input type="radio"/> Information | MEAD Number: 100354 | Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No |
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TITLE:

Approval of Retail Services Demonstration Program

PURPOSE:

Request approval to issue a Request for Proposals (RFP) for a Demonstration Program to procure retail services at a minimum of twelve Metrorail stations.

DESCRIPTION:

This RFP would seek a master licensee or individual proposals for:

- Fixed retail services locations/structures, which could include automated kiosk vendors that sell non-food items.
- Fixed retail services locations/structures that also sell food items packaged to discourage consumption in the Metrorail system.
- Mobile retail services vehicles that sell non-food items.
- Mobile retail services vehicles that sell food items packaged to discourage consumption in the Metrorail system, e.g., take-home dinners.

Language for the RFP has been drafted based on Metro's policies, consultation with other transit agencies, and assessment of operational considerations.

The RFP would clearly state that the current Metro Use Regulation prohibits the sale of food and beverages, but that proposals including packaged food and beverages will be considered. The sale of tobacco and alcohol products would be prohibited. Proposers would be required to provide food packaging concepts (including signage) which would mitigate potential trash problems and discourage food consumption within the Metrorail system.

The license term would be three years with five one-year renewal options. The Demonstration Program would be reviewed after the third year to determine if Metro's and the vendor(s) goals are being met.

Station locations not included in the original Demonstration Program could be added, and would be offered to all licensees participating in the Demonstration Program.

Master Licensee proposers would be required to submit proposals for a minimum of one site at each of the twelve Metrorail stations identified in this RFP.

Proposals for any Metrorail stations not awarded through a master license including the remaining seventy-six would be accepted. Master Licensee proposers would be requested to identify potential opportunities for small, local businesses to participate.

In order to provide the most financially-viable locations for retailers, staff selected stations with available space and a minimum ridership of at least 6,000 weekday average entries. Selected sites are located in paid areas, free areas of station buildings, and outside of the stations on Metro-owned sidewalks near the bus stops, in short-term parking areas, and in Kiss & Ride spaces. These outdoor sites would be offered to increase the number of potential responses and to capture additional retail patrons (e.g., bus-to-bus transfers) who might not otherwise enter the Metrorail system.

Fixed retail services locations/structures would be located both inside and outside of Metrorail stations. Mobile retail vehicles would be located in the short-term parking and Kiss & Ride sites. Mobile retail operations offer a less expensive alternative compared to fixed structures and would be viable for services such as dry cleaning drop-off and pick-up, florists, and gourmet packaged take home dinners. Other types of mobile retail concepts may be proposed through this process.

Sites selected are equally divided among the District of Columbia, Maryland and Virginia.

Staff intends to return to the Board in July 2009 with the responses to the RFP together with a recommendation for further action.

FUNDING IMPACT:

This is a revenue-generating project with proceeds to be deposited in the Operating Budget. The RFP would be issued in order to identify the revenue raising potential of retail concessions. Operational considerations that might reduce the total final benefit to Metro would be assessed after receipt of proposals.

RECOMMENDATION:

Approve the issuance of an RPP for a retail demonstration program to procure retail services in a minimum of twelve Metrorail stations.