

**Meeting Date:** January 20, 2026

**Consent Agenda:** Change Order for Advertising and Promotional Wrap Installation Services

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## BACKGROUND

GRTC's advertising program continues to expand, and wrap installations remain essential to fulfilling advertiser contracts and generating revenue. The current contract with Focal Point, initiated in July 2023, does not include sufficient funding to meet installation demand for both the advertising program and GRTC's own promotional campaigns. This is a five-year contract and GRTC is in year three. The original contract was for \$250,000.00 over five years and the board approved a change order in December 2024 for \$300,000.00 as the original contract did not include advertising program projections.

As advertising sales increase and GRTC expands its public information and community engagement efforts, additional installation capacity is required to maintain service levels and meet revenue expectations.

## FINANCIAL OVERVIEW

Below is the updated revenue and cost projection table with corrected fiscal year alignment:

Description	FY25	FY26	FY27	FY28
<b>Revenue Projection (Budget)</b>	—	\$600,000	\$800,000	\$1,200,000
<b>YTD/Actuals</b>	\$351,107.50	\$255,297.60	—	—
<b>End of Year Projection (Updated)</b>	—	\$755,297.60	—	—
<b>Wrap Cost Projection (11%)</b>	—	\$75,529.76	\$88,000	\$132,000
<b>Net</b>	—	\$671,297.60	\$712,000	\$1,068,000

### Key Highlights from the Chart

- Updated FY26 revenue is projected to exceed the original budget.
- Revenue is expected to continue growing each fiscal year.
- Wrap installation costs remain stable at approximately **11% of revenue**.
- Net revenue remains strong across all projected years, supporting the sustainability of the advertising program.

These trends demonstrate that the advertising program can continue to **self-fund** the portion of the change order tied to advertiser funded wraps.

## Need for the Change Order

### 1. Advertising Program – \$125,000 annually

The advertising program requires additional installation capacity to meet growing advertiser demand. Without this increase, GRTC risks delays in fulfilling wrap installations, which could impact revenue and advertiser satisfaction. These expenses will be **incurred only as installations occur** and will be **fully self-funded** through advertising revenue.

### 2. GRTC Funded Promotions – \$125,000 annually

GRTC regularly deploys wraps for agency funded initiatives such as service awareness, safety messaging, and community partnerships. These installations are not funded by advertisers and must be supported through GRTC's operating budget. Current contract capacity is insufficient to meet these needs.

## Total Change Order Request

- **\$250,000 per year**
- **Two-year total: \$500,000**

## Financial Impact

- **\$125,000 annually** will be covered by advertising revenue.
- **\$125,000 annually** will be funded through GRTC's approved operating budget.
- No additional state or federal funds are required.
- The advertising program's projected net revenue remains strong even with increased installation costs.

## RECOMMENDATION

Staff recommend that the Board authorize the CEO to execute a two-year change order increasing the contract amount with Focal Point by **\$250,000 annually**. This adjustment ensures GRTC can meet advertiser demand, support agency funded promotional initiatives and sustain projected revenue growth.

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Ellen Robertson, Secretary  
GRTC Board of Directors

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Date