



A program of the Arizona Department of Transportation (ADOT)

Auction Process & Bidding Procedures

General

GCSLS manages the blue logo signs on highways located in urbanized areas in Arizona including Phoenix, Tucson, Flagstaff, and Yuma. These signs provide quality travel-related businesses with a leased advertising opportunity for their business logo at the highway exit associated with their business.

Auction Information & Qualifications for Bidding

When demand for logo signs exceeds the available supply that ADOT can construct based on regulatory highway safety limitations, GCSLS will conduct **Sealed Second-Price Auctions** to determine participants.

There are six service categories that qualify for logo signs: Food, Gas, Lodging, Camping, Attractions, and 24-hour Pharmacy. Each blue sign accommodates six logos and can feature one to three service categories on a sign. The maximum number of customers allowed in any one service category is 12.

Qualified businesses¹ will be sent a bid packet from GCSLS containing the following information for a specific highway location including:

- Auction start and end date/time (when bids may be submitted and accepted)
- Number of leases available (bi-directional² and/or uni-directional³). In some locations, leases may only be available in one direction (uni-directional)
- Traffic interchange, highway, or state route number and exit
- Reserve price (minimum starting bid amount)
- Average Annual Daily Traffic (AADT)
- Lease start date and lease length
- Number of potential qualified businesses at the interchange
- GCSLS bid submission form

Winning Bid Definitions

The Sealed Second-Price Auction applies to all bids and Re-Bids⁴. A Sealed Second-Price Auction is identical to a sealed first-price auction except the highest winning bidder pays the rate of the second highest bidder rather than his or her own. The second highest winning bidder pays the rate of the third highest bid rate, etc. This procedure is followed until

¹ A qualified business is described as 1) a business in one of the six service categories, 2) a location that is currently open and serving the public at the time of bid, and 3) a business that has been reviewed by GCSLS to ensure the location qualifies based on federal and state laws and regulations.

² The majority of our auctions are bi-directional.

³ In some locations, leases may only be available in one direction (uni-directional). Highest bids will be assigned initially to bi-directional leasing locations and then the remaining uni-directional signs will be assigned to remaining bidders in order of descending bid amounts. Winners assigned to uni-directional signs will pay one-half of the bid amount submitted per the Second-Price Auction or next lower bidder and so on for all available uni-directional spaces.

⁴ When two or more businesses submit the same bid amount for the last remaining logo space at a location.



all of the available leases are assigned to the winning bidders. Sealed Second-Price Auctions allow participants to submit a bid that is seen only by program administrators. The bidder does not know the other bids submitted until the auction results are determined. Bidders will be contacted and results will be posted for public review on <https://grandcanyonstatelogosigns.com/bids> within seven business days following the Auction End Date.

Bid Submissions

1. Bids must be submitted on an authorized GCSLS Bid Submission Form. Any incomplete information or modified language will result in a rejected bid.
2. Bids must be submitted at the designated location on or before the end date and time. Postal or carrier delays, electronic transmission delays, or other problems not related to GCSLS bid administration that result in incomplete or late bids will result in a rejected bid.
3. Bids shall be submitted via hand delivery, carrier, email, or fax.
4. Only one bid from each qualified business may be accepted. If a business submits multiple bids, only the highest bid will be accepted.
5. Bid Submission Forms must include: Bid amount, name of qualified business, bidder name (individual representing qualified business) authorized to bid and accept other terms of lease, email address, and phone number.

Auction Results

Auction results are based on highest bids within the space available in each category. Winners will be contacted within seven business days of the Auction End Date by the program administrator(s) to begin the leasing preparation process.

All logo signs are installed by GCSLS. Winning bidders are responsible for pre-paying a one-time additional fee for logo fabrication/installation in addition to their lease. GCSLS will determine the number of logo signs needed for the winning Auction location. GCSLS provides fabrication services (that include the installation charge) if desired by the winning bidder. Fabrication and installation rates are available on the GCSLS website:

<https://grandcanyonstatelogosigns.com/programs/fabrication>.

- In the case of a tie, a bidder may be required to pay the amount equal to their bid, otherwise the amount paid by the bidder is equal to the next sequentially lower bid.
- When two or more businesses submit the same amount for the last remaining logo space at a location, a **Re-bid** is required. Businesses required to Re-bid will be sent a new bid packet. The Re-bid Submission Form must be completed and returned by the Re-bid end date/time.

GCSLS will send the following items to winning bidders: a copy of the lease agreement, logo for approval, and invoice for logo fabrication/installation. Bidders that do not complete the leasing process within 45 days will be rejected and additional bids will be considered based on the original bid ranking at the time of the original Auction End Date⁵. Winning bidders are required to return the following to GCSLS within 45 days: all pages of the signed lease agreement, approval of the logo, and payment for fabrication/installation and lease rent.

⁵ This does not apply to rejected bids



Sample Auction & Results

Example: Bid Packet states signs are bi-directional with 12 leases available at interchange X with a reserve price of \$4440.00.

The following 15 bids were received:

Bidder	Bid Amount	Bid Award
1	\$6,440	\$6,200
2	\$6,200	\$6,000
3	\$6,000	\$5,800
4	\$5,800	\$5,700
5	\$5,700	\$5,500
6	\$5,700	\$5,500
7	\$5,500	\$5,300
8	\$5,300	\$5,100
9	\$5,100	\$4,800
10	\$4,800	\$4,700
11	\$4,700	\$4,600
12	\$4,600	\$4,500
13	\$4,500	\$0
14	\$4,440	\$0
15	\$4,440	\$0

Auction Results:

In this example, the first 12 bidders will receive bi-directional leases as their bids were high enough to win. Bidders 13, 14, and 15 will not receive leases as they did not bid high enough to secure one of the 12 available spots.