Communication from Public

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VIA EMAIL

Councilmember Eunisses Hernandez, Chair
Los Angeles City Council - Public Works Committee
200 N. Spring St. Los Angeles, CA 90012

August 25, 2026

RE: Public Comment – Item 2, Council File 22-1154-S2: Recommendation for an Interactive Kiosk Program RFP

Dear Chair Hernandez and Public Works Committee Members,

As the Los Angeles City Council evaluates the future of the Interactive Kiosk Program, IKE Smart City respectfully submits this formal comment in response to the recent reports from the Convention and Tourism Department (CTD) and the Office of the City Administrative Officer (CAO).

As the nation-wide leader in smart city kiosk technology, we encourage the Committee to recommend a standalone Request for Proposals (RFP) process that is separate from the Street Furniture and Transit Amenities Program (STAP). The IKE kiosk program is presently deployed in over 25 cities across the country, including Houston, Baltimore, Miami, Atlanta, Denver, Seattle, San Diego and Culver City. In each of these cities, IKE pays for the entire capital cost of the program, from deployment through operations and maintenance, and delivers significant revenue to its city partners.

In Los Angeles, if fortunate enough to be selected through an RFP process, we would deliver a kiosk program to the City at no cost, and based on our real-world experience, we predict that such a kiosk program could generate tens of millions of dollars for the City each year, far in excess of the revenue estimates provided in the staff reports.

We applaud the City's exploration of this program and request the opportunity to participate in a formal bidding process for an interactive kiosk program, which, in addition to revenue benefits, would provide extensive social service, transit, social equity, business development and other benefits for residents and visitors alike. A new program would also generate new local jobs, including work for local union trades. An RFP is the only mechanism that allows the City to gather hard data, invite competitive innovation, and ensure that Los Angeles does not forego millions of dollars in guaranteed revenue by folding a specialized tourism platform into an existing bus shelter program. Conducting an RFP will allow the City to evaluate options without the obligation of selecting a vendor and enable decision making with better data.

We urge the City to issue an RFP for digital interactive kiosks for the following reasons:

I. Fundamental Differences Between Interactive Digital Kiosks and Bus Shelters

Interactive digital wayfinding kiosks and transit shelters serve distinct public needs and should be managed as specialized programs.

- **Specialized Utilization Model:** Kiosks are interactive, high-tech devices featuring touchscreens, with the capability to provide free public Wi-Fi, emergency calling, and a software suite designed for local resource discovery. Conversely, bus shelters (under STAP) primarily provide shade and seating for transit riders as their primary purpose.
- **User Experience:** A standalone RFP allows the City to prioritize the experience of visitors and residents, as well as calling upon vendors to commit to the delivery of social service resources in a way that the current STAP program does not. Specialization via an RFP ensures transit riders and pedestrians receive both the best-in-class shelters and a best-in-class dedicated wayfinding platform.

II. Mitigation of Possible Revenue Impacts and Program Harmony

The CAO report cites a potential $1–1.5 million reduction in STAP revenue based on a study prepared by Gobis & Co. IKE has been implemented in over 25 cities nationwide, and none have seen consistent reduction in street-furniture revenues, such as bus shelter revenues. A standalone RFP will also demonstrate that these concerns would be outweighed by new revenue generated by an interactive kiosk program.

- **Offsetting Revenue:** IKE estimates indicate that a 500-unit network could generate an average of $30–40 million per year, with a **minimum annual guarantee (MAG) to the City exceeding $10 million**. Under the Gobis & Co. modeling, this MAG alone would more than offsets any projected net loss to STAP, with even more potential upside to the City through a revenue share model.
- **Siting Compatibility:** Conflict can be mitigated through strategic placement. Kiosks are most effective in high-traffic plazas, entertainment districts, shopping and retail areas, museum corridors and other tourism-focused areas, while bus shelters need to more strictly follow transit corridors.
- **Contractual Compliance:** In parts of the City where both amenities may be desirable, kiosks can be sited in accordance with a distancing buffer that protects STAP elements. The City can explicitly require RFP bidders to respect a specified buffer from STAP elements to ensure compliance with existing Tranzito-Vector contract terms.

III. No Capital Costs or Financial Risk to the City

The CAO report expresses concern over the capital costs associated with an interactive kiosk program. However, under a standalone kiosk model, in contrast to the current STAP contract structure, the City would bear **zero financial risk**.

- **Vendor-Funded Infrastructure:** Virtually all modern kiosk programs are funded entirely by the vendor. IKE Smart City's proposal is **completely free to the City**—IKE would be responsible for initial capital costs associated with entitlement, deployment, operation and maintenance of the program. These costs would include staff time and consultant fees for CEQA analysis, building permit processing and fees, and any other regulatory actions needed to effectuate the program.

- **STAP Capital Costs:** Under STAP, the City pays for program costs and bears the risk. In a standalone RFP for kiosks, the City offloads infrastructure costs and secures a MAG, ensuring a higher and more stable return for the City. The kiosk MAG helps the City diversify revenue sources and offload risk, which could free up funding for more city-funded bus shelters.

IV. The Multi-Vendor Success Model

Los Angeles should follow the lead of other major U.S. cities that successfully manage multiple sidewalk amenity programs through different vendors.

- **Example Cities:** New York City, which has the most sophisticated public transit regime in the country, utilizes JCDecaux for bus shelters, LinkNYC for digital kiosks, and OutFront for subway advertising. Other cities that follow a similar approach of multiple vendors operating advertising-funded programs in the right-of-way include Chicago, Atlanta, Miami, San Francisco, Phoenix and others.
- **Vendor Diversification Benefits the City:** This approach avoids the single-vendor "monopoly model," allowing the City to receive multiple specialized amenities rather than relying on a single vendor to be a "jack of all trades." The Council record surrounding the end of the JCDecaux contract and the City's election to bid out the STAP program indicates the clear intention of Council and staff to depart from this single-vendor-monopoly model in favor of a street furniture regime that could support multiple vendors.[1] Ultimately, this principle was enshrined in the STAP RFP and contract documents with specific carve-outs for the tourism kiosk program (as well as other follow on programs that may contain advertising).

V. Competitive Bidding Ensures the Best Deal for the City

The assumptions made by the CAO and Bureau of Street Services (BSS) are based on research and hypothetical scenarios, but these assumptions lack direct market data that can only come from an RFP process.

- **Unique Market Dynamics**: Los Angeles is the second largest city in the country and possibly the largest market in the country for out-of-home advertising, with some estimates predicting more than $1 billion being spent annually within L.A. While other cities may provide useful reference points for the Los Angeles market, the market itself is unique and a competitive bidding process is the only way to obtain clear, binding offers from the industry itself.

[1] Council file 00-1073 S1 City Coordinated Street Furniture Program: Public Works and Gang Reduction Committee Report, dated as of November 19, 2019 and Inter-departmental correspondence, dated October 29, 2019, to City Council from Bureau of Street Services

- **Global Standards:** As Los Angeles prepares for the 2028 Olympics, a competitive process is necessary to identify the "best-in-class" technology required for a world-class city—kiosks are a largely software-driven amenity, and under an RFP, vendors compete to provide software that is customizable, local and adaptable for unique city purposes.

VI. Collaborative Governance

While BSS manages the right-of-way, the City Tourism Department (CTD) should lead or at least be heavily involved in the RFP for digital tourism kiosks.

- **Tourism Focus:** Kiosk content is heavily tourism centric. The kiosks display local businesses, events, and resources, and can be equipped with pedestrian engagement features like selfie-cameras, free wi-fi and translation services. CTD is best positioned to ensure that the selected program advances the City's tourism objectives and that content is regularly updated with Los Angeles Tourism information.
- **Funding Capacity:** Revenue generated from the kiosk program can be used to fund the necessary staffing across CTD and BSS, or vendors could offer a pre-payment of a portion of the MAG to cover these administrative costs.

CONCLUSION

Los Angeles stands at a crossroads. **By folding an interactive kiosk program into the STAP program, the City risks receiving inferior technology and hardware, leaving tens or even hundreds of millions of dollars 'on the table,' while assuming significant capital costs and risk.** By contrast, a standalone kiosk RFP invites the private sector to bear all the risk and cost while providing the City with a guaranteed revenue stream and a superior public amenity.

IKE's own proposal would deliver a completely free kiosk program to the City, while guaranteeing over $10 million in new revenue annually to the City.

On behalf of IKE Smart City, we urge the Committee to recommend the release of an RFP for digital interactive kiosk technology. At a minimum, an RFP process would enable the City to evaluate the merits and potential revenue guarantees of a kiosk program, without binding the City to take any action that would be harmful to STAP.

Sincerely,

Pete Scantland, CEO

IKE Smart City