



Agenda Item No. 6

To: Finance-Auditing Committee/Committee of the Whole
Meeting of July 13, 2006

From: Joseph M. Wire, Auditor-Controller
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE AWARD OF CONTRACT TO THE REVENUE MARKETS, INC., DBA TRMI SYSTEMS INTEGRATION, RELATIVE TO RFP NO. 2006-B-19, REPLACEMENT OF FASTRAK[®] LANE AND PLAZA/HOST EQUIPMENT**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize award of a contract with The Revenue Markets, Inc., dba TRMI Systems Integration, to replace the FasTrak[®] lane and plaza/host equipment, at a cost of \$4,457,959, including three years of maintenance, and authorize two additional two-year maintenance options, at a cost of \$386,889 and \$451,469 respectively, to be exercised at the discretion of the General Manager or her designee.

In order to meet project timelines, this matter will be presented to the Board of Directors at its meeting of July 14, 2006.

Summary

The original FasTrak contract was awarded in 1998 and the lane and plaza/host equipment installed in 1999. The toll lanes include various pieces of technical equipment such as treadles, light curtains, receipt printers, touch screens, card readers, changeable message signs, driver feedback displays, tag readers, surveillance cameras, violation enforcement cameras, lane controller hardware and software and the data concentrator. The plaza/host includes hardware and software to exchange toll transaction and violation files with the customer service center, manage the databases, support the vault and Revenue-Audit Department processes and generate traffic and revenue reports. Many of the original toll system components have reached the end of their estimated seven-year life cycle and are becoming less reliable and more expensive to maintain.

In April of this year, the District issued RFP 2006-B-19, to replace the aging lane and plaza/host equipment. The RFP called for a system with off-the-shelf, readily available parts in order to reduce the long-term costs associated with maintenance. The RFP also called for revisions to the

plaza/host system to streamline reports and reduce the staff time devoted to transaction reconciliation.

The District received two proposals, as follows:

- (1) InTranS Group, Inc. (InTranS), of Carle Place, New York.
InTranS installed the original Golden Gate Bridge electronic toll collection system and currently provides maintenance for the lane hardware and software.
- (2) TRMI Systems Integration (TRMI), of Accord, New York.
TRMI installed the District's manual toll system in the early 1980's.

Both proposers met the minimum qualifications, which included experience in the development, installation and support of at least one electronic toll collection system in the United States in the past ten years.

Under state law, technological equipment and services may be procured using a competitive negotiation process that permits qualitative factors in addition to price to be considered. For this contract, the following criteria for evaluation of proposals were established and weighted:

20%	Company experience and qualifications, including financial stability and references
20%	Relevant qualifications and experience of team assigned to this project
30%	Project Approach and Understanding
30%	Cost

The evaluation committee was comprised of the Budget and Program Analysis Manager, Electrical Superintendent, Bridge Captain and FasTrak Coordinator. In addition, technical assistance was provided by Stan Weiss of Traffic Technologies, Inc. who has been a consultant to the District for the current lane and plaza/host replacement project and provided oversight for the original installation of the FasTrak system by InTranS in 1999. Mr. Weiss also worked for TRMI on the installation of the manual toll system at the Golden Gate Bridge in the 1980's. Following oral interviews and review of additional written submissions from both proposers, that the District requested to clarify their proposals, the evaluation committee scored the proposals and determined that TRMI was the highest-ranked proposer. TRMI received a significantly higher score for a number of reasons (described below), notwithstanding InTranS' lower price.

Company Experience and Qualifications: TRMI was ranked significantly higher than InTranS in this category. The RFP asked proposers to submit references from three recent similar projects. TRMI submitted three references, each of which provided positive feedback, with special emphasis on toll system reliability, staff responsiveness and consistent good relations. InTranS provided four references (plus the District). Of these four references, one provided positive feedback, while the other three reported various degrees of dissatisfaction. Over the years, District staff has also experienced significant problems with inadequate maintenance

services and inconsistent corporate support, resulting in performance assessments against InTranS.

No contract-specific DBE goal was established for this contract. However, proposers were urged to obtain DBE participation and were required to document their activities in the solicitation and selection of subcontractors and suppliers to ensure that this process was carried out in a nondiscriminatory manner. The DBE Program Administrator has determined that TRMI has complied with the DBE requirements applicable to the contract. At this time, a 7% DBE participation is anticipated during the performance of this project.

Team Qualifications and Experience: TRMI was ranked significantly higher in the category of team qualifications and experience. The InTranS staffing proposal, using a bi-coastal team with strong reliance on subcontractors, requires a project manager with strong leadership skills to ensure team cohesiveness and meet project schedules. At the oral interview the panel asked InTranS to describe the level of commitment (hours per month) that their designated project manager would devote to the Golden Gate Bridge project. InTranS revealed that the project manager they named in their proposal would not be assigned to the Golden Gate Bridge project, and that a project manager had not yet been hired. The evaluation committee determined that this was a serious weakness in the InTranS management team. TRMI, on the other hand, proposed a predominantly in-house team with a very experienced project manager. The TRMI team members bring significant experience working together on other projects. The committee was impressed by their cohesiveness and flexibility and felt that the TRMI team would be more likely to deliver a quality, on-time product.

Project Approach and Understanding: The two proposers received similar scores for project approach and understanding. InTranS, as the incumbent, demonstrated a greater understanding of the District's business rules and more familiarity with staff requirements. TRMI, on the other hand, proposed higher-quality materials and a robust system which the panel felt would have a longer life and be easier to maintain. The higher-quality solution leads to lower short-term and long-term maintenance costs.

Cost: InTranS submitted the lowest cost proposal and received the maximum points for this category. Proposers were asked to submit prices not only for the purchase of the new system and three years of maintenance support, but also for two optional maintenance periods. Staff wanted to avoid a situation where once the system is in place, vendor maintenance costs could increase.

Conclusion: The unanimous view of the evaluation committee is that TRMI should be ranked highest despite the price difference for qualitative reasons described above.

After the selection committee determined that TRMI was the highest-ranked proposer, staff, following the procedure set forth in the Request for Proposals, entered into negotiations with TRMI and secured a final proposal of \$4,457,959 including three years of software warranty and maintenance. Two additional two-year option periods will be at the price of \$838,358 for a grand total over seven years of \$5,296,318. TRMI's proposed annual maintenance costs are roughly \$100,000 per year less than those proposed by InTranS. The final cost comparison is shown in the following table.

Award Action	InTranS	TRMI
Toll Collection System	\$2,675,888	\$3,958,490
3-yr Software Warranty and Maintenance	\$815,226	\$499,469
	\$3,491,114	\$4,457,959
Maintenance Options		
1st Option Period (2 yrs)	\$583,530	\$386,889
2nd Option Period (2 yrs)	\$617,850	\$451,469
	\$1,201,380	\$838,358
GRAND TOTAL	\$4,692,494	\$5,296,318

In summary, staff is recommending award to TRMI in recognition of the following:

- positive references and track record of delivering reliable maintenance services,
- the quality of proposed materials,
- their flexible and cooperative approach, and,
- their dedicated project team who will be working from a single location under the leadership of an experienced project manager.

Fiscal Impact

Funds for the \$3,958,490 toll collection system are included in the FY 06/07 Bridge Division Capital Budget and the District's Ten-Year Capital Improvement Program. Funds for the maintenance portion of the contract, scheduled to begin on July 1, 2007, will be included in future Bridge Division operating budgets.