



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

TO: Operations Committee

DATE: June 6, 2008

FR: Deputy Executive Director, Operations

RE: Change Order – 511 Traffic: Telvent Farradyne (\$5,000,000)

Staff recommends that this Committee authorize the Executive Director to negotiate and enter into a contract change order with Telvent Farradyne for 511 Traffic services to: 1) execute an option to extend the contract term for one additional year to June 30, 2009, and 2) increase contract funding in an amount not to exceed \$5,000,000 for work activities in FY 2008-09.

Recent Project Accomplishments and Performance

MTC entered into a contract with Telvent Farradyne (formerly PB Farradyne) on August 30, 2000 to design, build, operate and maintain the 511 traveler information system. The contract term was six years, with two possible extensions of two years each. In May 2006, this Committee authorized a two-year contract extension through June 2008. There have been a number of noteworthy accomplishments during this time. Key examples are detailed in Attachment A.

During the contract extension term we have also experienced some significant project delivery challenges. Telvent recommended moving the 511 phone service to voice over internet protocol (VoIP) service to take advantage of more cost-effective technology and to reduce the effort required to add more phone capacity. This transition occurred between June 2007 and January 2008 and was part of the overall strategy to locate our primary equipment site in San Diego. However, serious problems with voice sound quality required switching to another telecommunications carrier in March 2008 (see Figure A). Voice quality problems are now almost entirely resolved. It appears call volumes are returning to previous levels (see Figure B). Although costs per call have decreased, costs have increased in other areas.

FY 2008-09 Telvent Farradyne Proposed Contract Scope

To focus the contractor's work and allow MTC staff to work on the new contract procurement, the scope of work of this proposed contract extension is limited to support of 511 traffic operations and maintenance, the continued build-out of the regional real-time transit program, and completion of the MY 511SM feature. Operations and maintenance of the 511 traffic system includes collecting traffic data from various sources, fusing traffic data, and disseminating traffic data on the 511 phone system and website. Our recommended budget for FY 2008/09 exceeds the 511 Strategic Plan budget by \$670,000. Of this amount, nearly 60% (\$395,000) is for on-going costs related to our emergency improvements. The remaining 40% (\$295,000) is attributed

to increased project management and data collection maintenance costs. We propose to cover the bulk of the overage with funding reserved to pay the award fee over the contract term (\$455,000 that was never earned by the contractor). To cover the remaining \$215,000, we recommend using program savings as identified in the 511 Strategic Plan budget.

Rationale for Re-bidding the 511 Traffic Contract

Although two years are allowed under the contract, staff recommends extending this contract term one additional year and proceeding with a new procurement effective July 1, 2009. Several work items this year have exceeded the project budget and schedule and have impacted our ability to deliver quality services to end users. Furthermore, cost savings that we had hoped to achieve in 511 operations and through implementation of more efficient telephony systems have not materialized. Re-bidding this contract will provide an opportunity to review other firms' qualifications, proposed approaches to delivering the 511 program, and pricing. It will also enable us to assess the status of new technologies and what they might offer in terms of more cost-effective program delivery.

Recommendation

Staff recommends that the Committee authorize the Executive Director or his designee to negotiate and enter into a contract change order with Telvent Farradyne for 511 Traffic services in an amount not to exceed \$5,000,000 for work activities in FY 2008-09.

Ann Flemer

SH: CK

Attachment A

2006-08 Contract Extension Accomplishments

Improved Emergency Response

Accomplishments in strengthening 511's emergency capabilities include: 1) 511 phone and web systems have been moved to a secure hosting facility outside the region; 2) capacity for both phone and web has been increased; 3) an alternate phone menu and web-based traffic map were developed to speed usage and free up capacity for additional users during emergencies (these features were successfully tested during the Labor Day Bay Bridge closure in 2007); and 4) emergency operations protocols for 511 Operations and MTC 511 staff were developed, refined, and tested during the November 2007 Golden Guardian emergency response exercise.

MY 511SM Launch

MY 511 was launched on March 25, 2008. MY 511 allows users to enter and save personalized trip information, create a customized web page and reduce the need to navigate phone menus. We currently have over 1,300 MY 511 users. Significant additional functionality, which we had originally hoped to have included in the initial launch, remains to be delivered in the coming months.

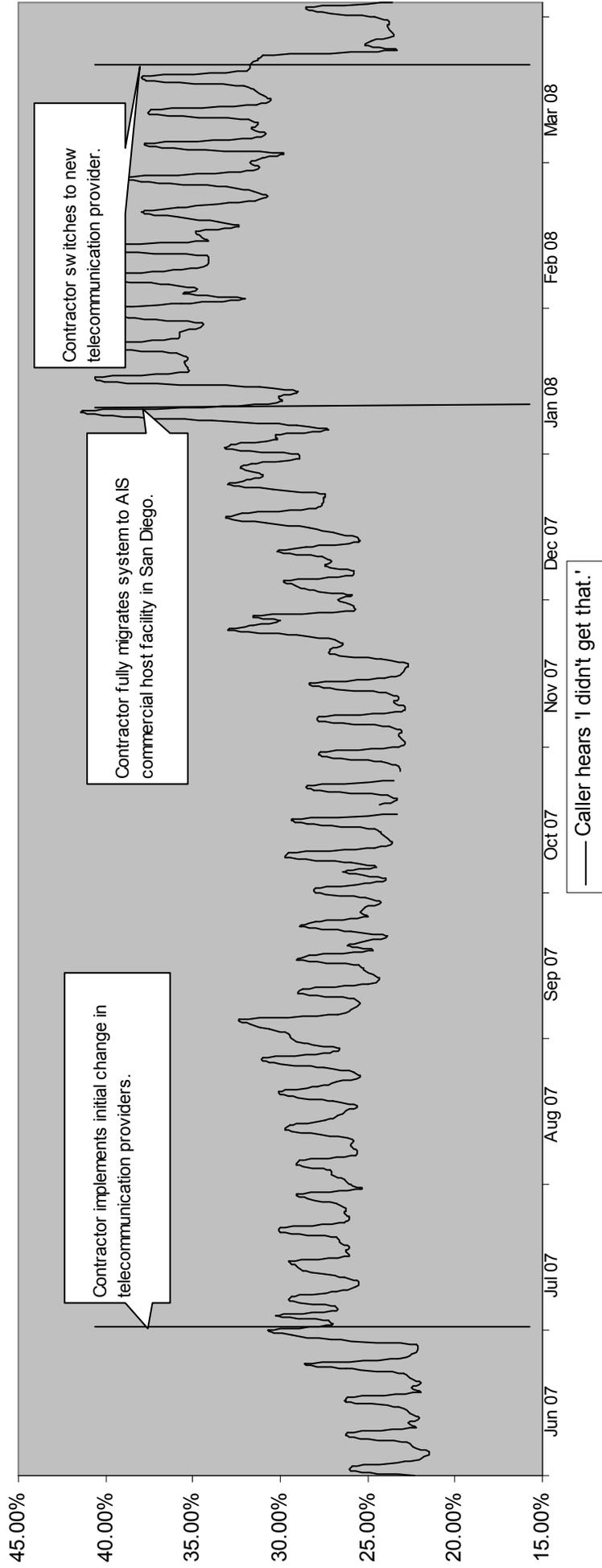
511 Transit Departure Times Development

The regional real-time transit information program data clearinghouse is completed and ready for testing. Development of a new user interface utilizing a regional stop identification system is nearing completion, but is several months behind schedule. Departure time data for all of MUNI will be available this summer with BART to follow shortly thereafter.

Usage Trends and Awareness

Generally, use of the 511 traffic phone and web systems has continued to increase. In the 511 Strategic Plan, completed in April 2006, we predicted that users would increasingly turn to the web rather than the phone for traffic information. This is now the case (see Figure C). Although usage is on the rise, a public poll completed in February of this year concluded that only 38% of Bay Area residents are aware of 511.

Figure A
Decline in Voice Recognition and Calls to 511



NOTE: High percentages represent increases in missed recognitions

Figure B
Annual Comparison
Monthly Call Volumes

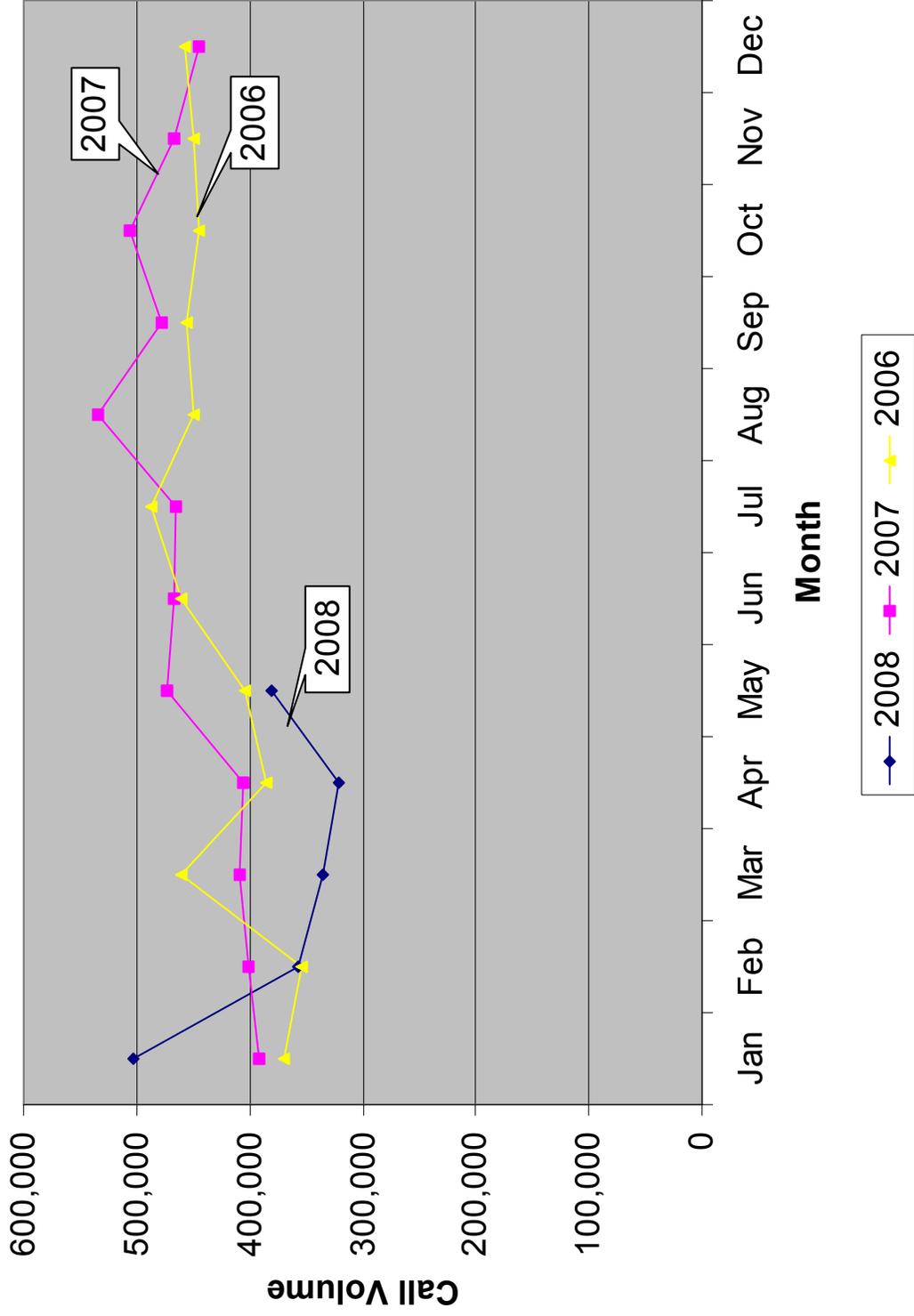
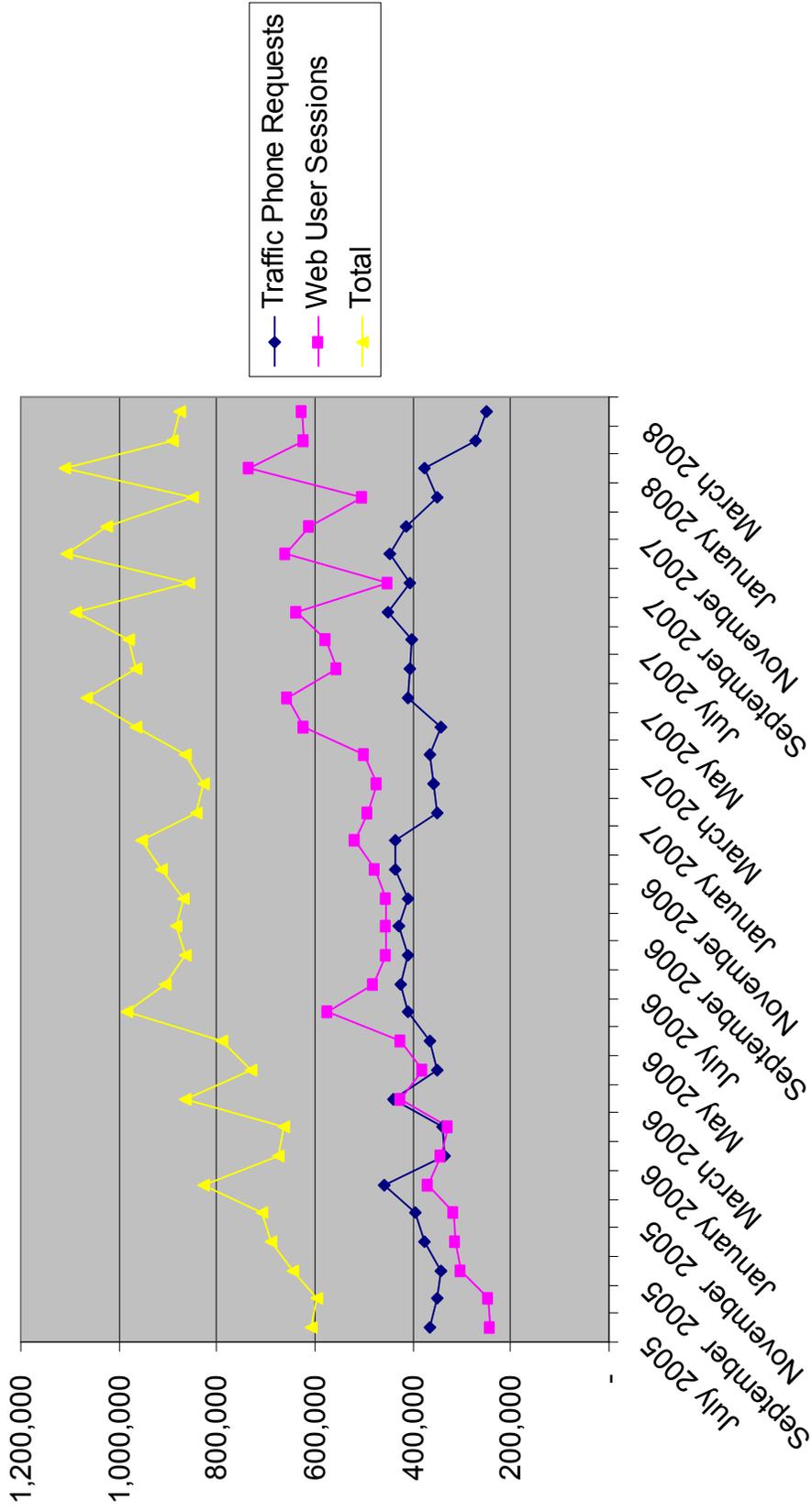


Figure C
511 Usage Trends

Monthly Traffic Usage: Phone/Web Comparison



REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 1223

Consultant: Telvent Farradyne
Rockville, MD

Work Project Title: 511 Traffic

Purpose of Project: Operate and maintain the 511 system.

Brief Scope of Work: Operate and maintain the 511 phone system, traffic data collection system, traffic web site, and real-time transit program for one year (through June 30, 2009). Areas of responsibility include project management, data collection, data fusion, and data dissemination.

Project Cost Not to Exceed: \$5,000,000 (previous contract budget = \$49,740,037)

Funding Source: STP, SAFE, STA

Fiscal Impact: Funds will be available in the FY 08/09 agency budget. Funds identified in the 511 Strategic Plan budget as program savings will be used to cover a \$215,000 need for on-going equipment costs to provide additional capacity in emergencies.

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with Telvent Farradyne for 511 Traffic Services. Staff also requests that the Committee authorize the Chief Financial Officer to set aside \$5,000,000 in funds for such contract amendment.

Operations Committee: _____
Sue Lempert, Chair

Approved: Date: June 13, 2008