Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.7848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Memorandum

TO: BATA Oversight Committee

DATE: January 2, 2013

FR: Executive Director

W. I. 1252

RE: Contract: FasTrak® Regional Customer Service Center: Xerox State and Local Solutions, Inc. ($117,520,000)

Under this item, the Committee will be requested to forward to the Authority for approval staff's recommendation to award a contract to Xerox State and Local Solutions, Inc. (Xerox) for the design, implementation and operation of the FasTrak® Regional Customer Service Center (RCSC) for a five-year term in an amount not to exceed $117,520,000, with an option to extend up to an additional ten years, in annual increments, subject to the approval of future BATA and Golden Gate Bridge Highway and Transportation District (Golden Gate) budgets.

The content in this memorandum was presented for information at your meeting last month and has not changed.

Background

In December 2003, BATA entered into a contract with ACS State and Local Solutions, Inc. (ACS) for the design and operation of the FasTrak® Regional Customer Service Center. ACS subsequently was acquired by Xerox. The performance period was for five years with an option to extend the contract for an additional 4-year period. After BATA exercised the extensions, it became necessary to extend the contract for one more year to accommodate the toll plaza accounting system upgrade. The current contract will expire on June 30, 2014.

The RCSC supports electronic toll collection for the seven State-owned toll bridges in the San Francisco Bay Area, the Golden Gate Bridge including the upcoming all electronic toll project, existing and future Express Lanes, and San Francisco Airport FasTrak® parking. It handles approximately 250,000 transactions on an average daily basis.

Procurement Process

On May 25, 2012, BATA issued a Request for Proposal (RFP) for the design, implementation and operation of the RCSC. The scope includes design, development, testing and data migration to a new RCSC accounting and customer account management system and operations. The contract is for a 5-year period with options to annually extend up to an additional 10 years. The services are similar to the current RCSC contract and include processing FasTrak® and violation transactions, call answering, payment processing, mailing customer statements and correspondence, issuing violation notices, developing and managing the website and e-services and issuing toll tags.

Shortly after issuing the RFP, BATA held a Proposer's Conference to answer questions and to tour the future Regional Headquarters Facility at 390 Main Street, San Francisco, where the RCSC will be located. Proposers were allowed to submit written questions and to request changes to the contract terms. Responses to all questions were posted on our contract website. In response to questions and requested changes, BATA issued five addenda to provide additional clarifications or to modify the RFP requirements.

By the proposal due date of September 7, 2012, BATA had received four proposals from the following teams: Xerox; TransCore, LLP; Municipal Service Bureau; and Federal Signal Technologies, LLC (FSTech). FSTech submitted its proposal early by letter dated August 31, 2012. At that time, FSTech was in the process of being purchased by the 3M Company. On September 4, 2012, the 3M Company completed its acquisition of FSTech and subsequently became the proposing entity.

The RFP included a number of minimum qualifications, including that the Proposer have experience with system design and operating a CSC of comparable size and volume and that certain key personnel proposed, i.e. the Project Manager, Software Design Manager, Customer Service Operations Manager, and Finance Manager, have a minimum years of experience in specified relevant areas. All four proposers met the minimum qualifications.

Evaluation Process

The proposals were evaluated by a panel of five members made up of staff from BATA and Golden Gate. The panel was supported by technical advisors consisting of agency staff from BATA (Golden Gate as well as consultant staff from Jacobs Engineering, Inc. Proposals were scored based on the following evaluation criteria as listed in the RFP. The detailed description of each criterion is shown in Attachment A:

- Price: 35 points
- Approach to Performance (Technical Approach, Schedule and Work Plan): 30 points
- Team and Key Personnel Experience and Qualifications: 25 points
- Past Performance: 10 points

The panel members preliminarily scored each of the proposals individually and then met as a panel to discuss the proposals and receive input from technical advisors. Following the panel's discussion, members revised their scores as they deemed appropriate. Based on the initial scores, the panel entered into further discussions with three proposers: Xerox, 3M, and TransCore, LLP. Discussions were held the week of October 8, 2012.

The purpose of discussions with each proposer was to identify to that proposer specific deficiencies and weaknesses in its proposal and to provide them with the opportunity to consider possible approaches to alleviating or eliminating them in its Best and Final Offer (BAFO). These deficiencies or weaknesses could include such things as technical issues, management approach, cost, or team composition. Discussions took place through face-to-face meetings and follow-up written correspondence.

Following discussions, BATA issued a Request for BAFO to the three proposers on the short list. In their BAFOs, those proposers were given the opportunity to revise their written proposals to address the concerns raised during discussions or to make any other changes. Following receipt of the BAFOs on November 5, 2012, the evaluation panel, with the assistance of technical advisors, evaluated the BAFOs against the evaluation criteria.

Evaluation Results

The following table shows the final scores of the three short listed proposers based on their proposals and BAFOs.

Proposer	**Xerox**	**3M**	**TransCore**
Price (max 35 points)	35.0	32.6	25.8
Approach (max 30 points)	25.6	24.2	21.2
Team (max 25 points)	21.0	22.4	18.6
Past Performance (max 10 points)	7.0	7.4	6.0
Total (max 100 points)	**88.6**	**86.6**	**71.6**

The price proposal for each team is shown in the table below.

Team	**Xerox**	**3M**	**TransCore**
Price	$ 117,520,000	$ 126,356,979	$ 159,735,716

The panel recommends Xerox as the proposer most advantageous to BATA based on the evaluation criteria stated in the RFP. Xerox has a demonstrated and proven accounting and account management system which is in operation at many CSC's similar in size and scope to this project. Xerox also has a strong technical team. They also are experienced with data migration and have migrated several CSC's, have a strong project management team and had the lowest price proposal, which was $8.8 million less than the next scoring proposal.

3M teamed with Faneuil, Inc. 3M as the prime contractor would have been responsible for providing overall project management and back-end systems. Faneuil was to provide call center and related operations services. While the 3M proposal was also highly-rated, the price was higher than the recommended team. In addition, after the acquisition by 3M and during the course of the procurement several key FSTech managers included in the original proposal left and are now no longer part of the company.

TransCore teamed with Cubic Transportation Systems, Inc., which was its major subcontractor. As you know, Cubic is MTC's prime conractor on the Clipper tTransit fare card program. TransCore as the prime was responsible for providing the system and intended to share responsibility with Cubic for providing operations services. TransCore, while qualified, had the highest price and the lowest overall score.

Recommendation

The content in this memorandum was presented for information at your meeting last month and has not changed. Staff is now recommendings that the Committee refer to the Authority for approval the authorization for the Executive Director or his designee to negotiate and enter into a contract with Xerox State and Local Solutions, Inc. in an amount not to exceed $117,520,000 to design, implement and operate the FasTrak Regional Customer Service Center for a period of five years with options to extend up to an additional ten years, in annual increments, subject to the approval of future BATA and Golden Gate budgets.

Steve Heminger

SH: bz

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Attachment A

Evaluation Criteria

Proposals were evaluated on the basis of the following evaluation factors, listed in descending order of relative importance. Per the RFP, sub-factors are not inclusive and are not weighted; they are provided to illustrate some of the considerations that affect factor evaluations.

1. Price: 35 Points

- Total price as listed on last line of *Appendix B*, Price Form incorporating Implementation Price, 5-year Operations and Maintenance Price and Transition to Successor Price.

2. Approach to Performance (Technical Approach, Schedule and Work Plan): 30 Points

- Specificity, logic, and completeness of the work plan by task and subtask.
- Compliance with the requirements in the Scope of Work.
- Ability of the system to accomplish program goals and objectives and meet performance standards.
- Sufficiency, feasibility, appropriateness, thoroughness and clarity of proposed technical approach.
- The ease of installation and the maintainability of the proposed solution.
- Accuracy and reliability of the proposed system.
- Appropriateness and logic of the project schedule.
- Sufficiency of the resources to meet the schedule.
- Flexibility of the proposed system for future changes.
- Sufficiency, feasibility, appropriateness, thoroughness and continuing quality of the Proposers operations and maintenance solution.
- Stringency and effectiveness of technical, business, and internal controls to safeguard personally identifiable information.
- Reasonable resource rates and pricing for optional Toll Tag Replacement (T1).

3. Team and Key Personnel Experience and Qualifications: 25 Points

- Proposer, Subcontractor and key project staff experience and qualifications related to *Appendix A,* Scope of Work, including, but not limited to, experience in system design, development, installation, testing, and operations and maintenance and specific experience with electronic toll operations, customer service management, revenue collection and financial systems.
- Proposer, Subcontractor and key project staff experience in project management.
- Proposer, Subcontractor and key project staff experience with public agencies.

4. Past Performance: 10 Points

- Past Performance demonstrating a commitment to quality, client satisfaction, cooperative working relationships, and timely completion of work within budget. Past performance will be assessed based on client/project references. References will be contacted for all proposers.