

PROCUREMENT SUMMARY

EXPRESSLANES - ROADSIDE TOLL COLLECTION SYSTEM (RTCS)/PS44478000

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| 1. | Contract Number: PS44478000 | |
| 2. | Recommended Vendor: Conduent State & Local Solutions, Inc. | |
| 3. | Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order | |
| 4. | Procurement Dates: | |
| | A. Issued: August 15, 2017 | |
| | B. Advertised/Publicized: August 15, 2017 | |
| | C. Pre-Proposal Conference: August 30, 2017 | |
| | D. Proposals Due: November 15, 2017 | |
| | E. Pre-Qualification Completed: April 23, 2018 | |
| | F. Conflict of Interest Form Submitted to Ethics: April 30, 2018 | |
| | G. Protest Period End Date: June 22, 2018 | |
| 5. | Solicitations Picked up/Downloaded: 107 | Bids/Proposals Received: 5 |
| 6. | Contract Administrator: David Chia | Telephone Number: (213) 922-1064 |
| 7. | Project Manager: Timothy Lew | Telephone Number: (213) 418-3134 |

A. Procurement Background

This Board Action is to approve Contract No. PS44478000 issued in support of the Roadside Toll Collection System (RTCS) for Metro's ExpressLanes. Board approval of this contract award is subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed price. The RFP was issued with a total SBE/DVBE goal of 23% (SBE 20% and DVBE 3%).

Seven amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on August 23, 2017, updated the RFP Submittal Requirements;
- Amendment No. 2, issued on September 27, 2017, updated the Statement of Work and associated attachments, and Schedule of Quantities and Pricing Instructions;
- Amendment No. 3, issued on September 29, 2017, extended the proposal due date from October 18, 2017 to November 8, 2017;
- Amendment No. 4, issued on October 20, 2017, updated the RFP Submittal Requirements, Statement of Work and associated attachments, Work Completion Deliverable Schedule, Schedule of Quantities and Pricing Instructions;
- Amendment No. 5, issued on October 25, 2017, updated the Statement of Work;

- Amendment No. 6, issued on October 31, 2017, extended the proposal due date from November 8, 2017 to November 15, 2017; and
- Amendment No. 7, issued on November 3, 2017, updated the Statement of Work and attachments, Schedule of Quantities and Pricing Instructions.

A pre-proposal conference was held on August 30, 2017, and was attended by 27 participants representing 19 companies. There were 177 questions asked and responses were released prior to the proposal due date.

A total of 95 firms downloaded the RFP and were included in the planholders' list. A total of five proposals were received on November 15, 2017.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET), consisting of LACMTA staff from the Congestion Reduction department and one external tolling industry expert from the Transportation Corridor Agencies (TCA) Tolling & Customer Information Systems, was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

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|--|------------|
| • Demonstrated Project Experience & Qualifications | 5 percent |
| • Key Project Team Experience | 15 percent |
| • Approach to Statement of Work & Requirements | 30 percent |
| • Approach to Project Plan & Implementation | 20 percent |
| • Approach to Operations & Maintenance | 15 percent |
| • Cost | 15 percent |

The evaluation criteria are deemed appropriate for similar toll lane systems procurements. Several factors were considered when developing these weights, giving the greatest importance to the proposal's approach to the Statement of Work and project requirements.

During the period from November 21, 2017 through January 16, 2018, the PET completed its independent evaluation of the five proposals received. All five proposals received were determined to be within the competitive range and are listed below in alphabetical order:

1. Conduent State & Local Solutions, Inc. (Conduent)
2. Emovis, S.A.S. (Emovis)
3. Kapsch TrafficCom USA, Inc. (Kapsch)
4. Neology, Inc. (Neology)
5. TransCore, LP (TransCore)

On January 16, 2018, oral presentations were conducted. During each firm's interview, project managers and key team members discussed their trip building process, transition process for moving the current legacy toll collection system to the new system, and schedule for completing all project requirements. All firms also responded to the PET's questions.

All firms responded to questions relating to their ability to provide adequate levels for staffing and resources, strategies to detect and troubleshoot systems issues, and methods for developing dynamic pricing algorithms. They responded to questions inquiring about their plans to ensure that the transition go-live date is met, their perceived project challenges, and the frequency and duration of lane closures for preventative maintenance.

A Best and Final Offer (BAFO) was requested from all five firms and the firms submitted their BAFOs by the due date of April 23, 2018.

Qualifications Summary of Firms within the Competitive Range:

Conduent

Conduent is a multinational business services company that specializes in the public transportation and mobility industry. Conduent demonstrated expertise in a number of transportation sectors, including roadside tolling infrastructure, toll collection functions and systems, and tolling systems maintenance and operations.

Conduent addressed all aspects of the Statement of Work, demonstrating a comprehensive understanding of project requirements. A multi-tiered architecture was recommended to address infrastructure needs, functionality needs, transition issues, and maintenance requirements. Conduent showed how different system components would be incorporated, connected, and integrated. These components included the automatic vehicle identification system, automatic vehicle detection system, license plate recognition system, digital video audit system, occupancy detection system, traffic detection system, dynamic message signage, and image review system. Unlike other firms, Conduent detailed the installation process, complete with equipment counts, locations, schedules, and other related information.

Conduent presented a dedicated team of qualified professionals. The project manager and deputy project manager would be available 100%. The proposed deputy project manager would be located locally to oversee project implementation.

TransCore

TransCore, which was recently awarded the contract for the ExpressLanes Back Office Systems, is a national toll and transportation leader with over 80 years of experience. It specializes in toll systems, customer services centers, intelligent transportation solutions, and intelligent transportation systems integration.

TransCore has supported numerous transportation agencies with toll systems installation, integration, and maintenance, including several California agencies. Those agencies include the Santa Clara Valley Transportation Authority, Metropolitan Transit Authority of Harris County, Texas, Texas Department of Transportation, Virginia Department of Transportation, Bay Area Infrastructure Financing Authority, and LACMTA.

TransCore demonstrated a strong understanding of project requirements. Notably, TransCore provided a sophisticated method for dynamically determining toll rates based on real-time traffic conditions. TransCore provided an effective method for identifying and isolating vehicle trips within express lanes and detailed an image review process that reduced the need for manual audits.

TransCore's proposal, however, lacked details of the installation process. It did not address which equipment would be removed and replaced, how installation crews would work in cycles, and how long each cycle would last.

TransCore did not detail maintenance procedures. It did not show how lane closures would be handled to repair equipment or how equipment failures would be reported, handled, and processed.

Neology

Neology is a Southern California based tolling technology company. With over 200 patents and patent applications, Neology offers a spectrum of tolling technology solutions. Neology supports several transportation agencies with their toll system requirements including the Georgia State Road and Tollway Authority (GSTA), Riverside County Transportation Commission, and Orange County Transportation Authority.

Neology demonstrated a good understanding of project requirements. The firm detailed its ability to develop varied toll rates to accommodate different traffic scenarios. Neology highlighted its use of pricing strategies developed from the statistical analysis of traffic data and modeling of traffic patterns.

Neology, however, did not discuss important features of the digital message signage system. It did not detail how charges would be verified against signage displays; how errors would be detected, processed, and repaired; and how transaction issues arising from those errors would be reconciled and resolved. In addition, Neology did not identify which equipment would be removed and replaced.

Kapsch

Kapsch is a provider of intelligent transportation systems across a wide range of transportation sectors that include tolling, urban access and parking, traffic management, road safety enforcement, commercial vehicle operations, and

electronic vehicle registration. Kapsch aids several transportation agencies in their toll system operations. In California, Kapsch supports the Golden Gate Transportation Bridge, Highway and Transportation District and Alameda County Transportation Commission with the transition from their legacy toll systems to the next generation toll system.

Kapsch demonstrated a good understanding of project requirements. The firm provided a comprehensive explanation of the vehicle signature recognition system. It detailed how the system will support trip creation, how it will validate license plates, and how it will correct license plate discrepancies with back-office systems.

Kapsch, however, did not elaborate on the traffic detection system. It did not address how hardware and software components would be integrated, how data would be directly viewed and accessed, and how equipment would be installed on gantry poles. Their proposal lacked sufficient details relating to the transition process.

Emovis

Emovis is an international company that is a recognized industry leader in tolling systems and toll operations. Emovis has provided roadside toll collection systems services to numerous government agencies, including the M50 Toll Road in Ireland, Port Mann Bridge in British Columbia, Dartford Crossings and Mersey Gateway Bridge in the United Kingdom, and the Newport Pell Bridge in Rhode Island.

Emovis demonstrated a good understanding of many project requirements. The firm detailed the need to anticipate technological development and discussed upgrades, identified equipment obsolescence, and system advances.

Emovis, however, did not explain how features of the traffic detection worked, such as how traffic data would be collected, how traffic data would be used to develop toll pricing and travel time, and how frequent traffic data would be collected. Emovis also did not show how the system would detect incidents, display incident messages, and reconcile changes to toll rates and travel times. Details regarding how images would be reconciled, how automation would be implemented, and how analytics would be utilized to facilitate image review were missing.

Summary of Scores of Firms within the Competitive Range

Set forth below is a summary of the scores in order of rank:

| | Firm | Average Score | Factor Weight | Weighted Average Score | Rank |
|----|---|---------------|---------------|------------------------|----------|
| 1 | Conduent State & Local Solutions, Inc. | | | | |
| 2 | Demonstrated Project Experience & Qualifications | 70.83 | 5% | 3.54 | |
| 3 | Key Project Team Experience | 88.33 | 15% | 13.25 | |
| 4 | Approach to Statement of Work & Requirements | 68.25 | 30% | 20.48 | |
| 5 | Approach to Project Plan & Implementation | 75.42 | 20% | 15.08 | |
| 6 | Approach to Operations & Maintenance | 82.08 | 15% | 12.31 | |
| 7 | Cost | 100.00 | 15% | 15.00 | |
| 8 | Total | | 100% | 79.66 | 1 |
| 9 | TransCore, LP | | | | |
| 10 | Demonstrated Project Experience & Qualifications | 88.33 | 5% | 4.42 | |
| 11 | Key Project Team Experience | 85.00 | 15% | 12.75 | |
| 12 | Approach to Statement of Work & Requirements | 69.92 | 30% | 20.98 | |
| 13 | Approach to Project Plan & Implementation | 66.42 | 20% | 13.28 | |
| 14 | Approach to Operations & Maintenance | 70.58 | 15% | 10.59 | |
| 15 | Cost | 89.61 | 15% | 13.44 | |
| 16 | Total | | 100% | 75.46 | 2 |
| 17 | Neology, Inc. | | | | |
| 18 | Demonstrated Project Experience & Qualifications | 65.83 | 5% | 3.29 | |
| 19 | Key Project Team Experience | 61.67 | 15% | 9.25 | |
| 20 | Approach to Statement of Work & Requirements | 66.17 | 30% | 19.85 | |
| 21 | Approach to Project Plan & Implementation | 51.83 | 20% | 10.37 | |
| 22 | Approach to Operations & Maintenance | 62.33 | 15% | 9.35 | |
| 23 | Cost | 83.21 | 15% | 12.48 | |
| 24 | Total | | 100% | 64.59 | 3 |
| 25 | Kapsch TraffiCom USA, Inc. | | | | |
| 26 | Demonstrated Project Experience & Qualifications | 78.33 | 5% | 3.92 | |
| 27 | Key Project Team Experience | 55.00 | 15% | 8.25 | |
| 28 | Approach to Statement of Work & Requirements | 71.92 | 30% | 21.58 | |

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|----|--|-------|------|--------------|----------|
| 29 | Approach to Project Plan & Implementation | 40.50 | 20% | 8.10 | |
| 30 | Approach to Operations & Maintenance | 47.17 | 15% | 7.08 | |
| 31 | Cost | 75.77 | 15% | 11.37 | |
| 32 | Total | | 100% | 60.30 | 4 |
| 33 | Emovis, S.A.S. | | | | |
| 34 | Demonstrated Project Experience & Qualifications | 55.83 | 5% | 2.79 | |
| 35 | Key Project Team Experience | 38.33 | 15% | 5.75 | |
| 36 | Approach to Statement of Work & Requirements | 51.92 | 30% | 15.58 | |
| 37 | Approach to Project Plan & Implementation | 70.58 | 20% | 14.12 | |
| 38 | Approach to Operations & Maintenance | 52.58 | 15% | 7.89 | |
| 39 | Cost | 83.97 | 15% | 12.60 | |
| 40 | Total | | 100% | 58.73 | 5 |

C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), competition, cost analysis, technical analysis, fact finding, negotiations, and best and final offers (BAFOs).

| | Proposer Name | Proposal Amount | Metro ICE | Proposer BAFO |
|----|----------------------|------------------------|------------------|----------------------|
| 1. | Conduent | \$84,203,206.00 | \$56,017,994 | \$58,975,838.13 |
| 2. | TransCore | \$76,582,252.00 | \$56,017,994 | \$65,816,578.58 |
| 3. | Emovis | \$80,770,536.63 | \$56,017,994 | \$70,235,668.80 |
| 4. | Neology | \$77,215,315.00 | \$56,017,994 | \$70,873,636.71 |
| 5. | Kapsch | \$78,849,542.00 | \$56,017,994 | \$77,833,895.00 |

The ICE focused on primary activities necessary for the design and installation of an integrated toll collection system. It excluded ancillary services such as CCTV monitoring, digital message signage monitoring, traffic detection monitoring, toll rate monitoring, and incident reporting. In contrast, BAFOs included all services for an operational toll collection system, including those ancillary services.

D. Background on Recommended Contractor

The recommended firm, Conduent (previously Xerox State & Local Solutions, subcontractor to the current ExpressLanes operator, Atkinson Contractors, LP), is a business services company that specializes in the public transportation and mobility industry. It employs approximately 3,700 professionals and supports more than 1,700 government agency customers across the nation.

Conduent is an electronic toll collection (ETC) leader that is experienced in toll collection planning, design, construction, maintenance and operations, transaction processing, reporting, and reconciliation systems and services. It serves 25 tolling agencies across the country, supports 15 members of the E-ZPass electronic toll collection program, and processes 70% of the E-ZPass network's toll transactions. The proposed project manager is a Professional Engineer (PE) and Project Management Professional (PMP) with 15 years of transportation and tolling experience. He has implemented over 200 tolling lanes. His project experience includes the Los Angeles County Metropolitan Transportation Authority ExpressLanes, North Carolina Turnpike Authority AVI System Deployment, Port Authority of New York and New Jersey Strategic Lane Refresh, and Michigan Toll Bridge Software.

Key personnel possess a combined total experience of over 130 years. Their project experience includes the NCTA AVI Retrofit Implementation, Maryland E-ZPass, Alameda County Transportation Commission I-80 ICM Project, Delaware River Joint Tolls, and New Jersey Turnpike Authority Electronic Toll Collection and Open Road Tolling.