

PROCUREMENT SUMMARY

TAP GIFT CARD SALES AND RELOAD PROGRAM/PS43741000

1.	Contract Number: PS43741000	
2.	Recommended Vendor: Interactive Communications International, 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: 8/23/2017	
	B. Advertised/Publicized: 8/23/2017	
	C. Pre-Proposal Conference: 9/19/2017	
	D. Proposals Due: 10/13/2017	
	E. Pre-Qualification Completed: 12/20/2017	
	F. Conflict of Interest Form Submitted to Ethics: 12/8/2017	
	G. Protest Period End Date: 2/20/2018	
5.	Solicitations Picked up/Downloaded: 8	Bids/Proposals Received: 1
6.	Contract Administrator: Ana Rodriguez	Telephone Number: (213) 922-1076
7.	Project Manager: Erica Lee	Telephone Number: (213) 922-2418

A. Procurement Background

This Board Action is to approve a five-year revenue generating Contract No. PS43741000 to expand the locations at which patrons may purchase and reload Transit Access Pass (TAP) cards by making the cards available at major retailers within Metro's operating area through a gift card distributor.

RFP No. PS43741 was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed percentage of sales.

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

- Amendment No. 1, issued on September 8, 2017 extended the Pre-Proposal Conference date to September 19, 2017 and extended the proposal due date to October 3, 2017;
- Amendment No. 2, issued on September 27, 2017 provided a revision on the Scope of Services and extended the proposal due date to October 13, 2017.

A pre-proposal conference was held on September 19, 2017 and was attended by two participants representing two firms. There were 13 questions submitted and responses were released prior to the proposal due date.

A total of eight firms downloaded the RFP and were included on the plan holders list. A single proposal was received on the due date of October 13, 2017 from Interactive Communications International, Inc. (InComm). A market survey was conducted of

planholders that did not submit a proposal to ascertain their reasons(s) for non-submittal. One response was received. The reason for not submitting a proposal was that the firm was not willing to assume the risks associated with possible theft of the TAP cards and requests for refunds/complaints from customers due to processing time delays.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from the Metro TAP department and the Information Technology department was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and weights:

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| • Degree of the Proposer's Skills and Experience | 15 percent |
| • Experience and Capabilities of the Proposer's Management Team | 25 percent |
| • Understanding of Work and Appropriateness of Approach for Implementation | 40 percent |
| • Price | 20 percent |

Several factors were considered when developing these weights, giving the greatest importance to Understanding of Work and Appropriateness of Approach for Implementation.

From October 16, 2017 through October 30, 2017, the PET conducted its independent evaluation of the proposal. At the conclusion of the PET's review of the proposal received, it was determined that InComm met Metro's requirements and was determined to be qualified to provide the required services.

Qualifications Summary of Firm:

Interactive Communications International, Inc. (InComm)

InComm is an international firm with over 25 years of experience in the prepaid media industry. The proposal submitted by InComm described not only their experience with prepaid media in general but their specific experience with transit fare products in particular. Some of the agencies that they have worked with are the Utah Transit Authority (UTA), the State Road and Tollway Authority (SRTA) in Georgia, the InterUrban Transit Partnership in Grand Rapids, Michigan, and Edmonton Transit in Canada. InComm's offer of a turnkey, end-to-end solution for the management and distribution of TAP cards to an expansive retail network will increase the accessibility of Metro's TAP cards for customers and facilitate the reloading of fares at many more locations.

Following is a summary of the PET evaluation scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	InComm				
3	Degree of the Proposer's Skills and Experience	84.00	15.00%	12.60	
4	Experience and Capabilities of the Proposer's Management Team	78.00	25.00%	19.50	
5	Understanding of Work and Appropriateness of Approach for Implementation	81.32	40.00%	32.53	
6	Price	100.00	20.00%	20.00	
7	Total		100.00%	84.63	1

C. Cost Analysis

This Contract is a net revenue generating contract. The contractor will cover all costs and shall turn over the net revenue to Metro on a weekly basis after having deducted the expense and commission fees. Under this Contract, if a customer purchases a new TAP card, they will be charged a fee of \$2. The Contractor will retain \$1 of the new card fee and 4% of value loaded onto the card. The Contractor will then remit to Metro the other \$1 of the new card fee along with 96% of the value loaded onto the card.

The recommended expense fee and commission percentage that will be deducted from gross sales has been determined to be fair and reasonable based on an independent cost estimate (ICE), cost analysis, technical analysis, and fact-finding.

	Proposer Name	Proposal Amount	Metro ICE	Commission amount
1.	InComm	4% of value loaded + \$1.00 upon initial purchase	8% of value loaded	4% of value loaded + \$1.00 upon initial purchase

D. Background on Recommended Contractor

InComm was founded in 1992 and is headquartered in Atlanta, Georgia. They have over 2,000 employees, over 500,000 points of distribution in 31 countries that generate approximately \$40 billion in annual transaction volume and activate approximately 300 million cards per year. In addition, they have experience with fare media for various transit agencies and have proposed a thorough solution that will include the expansion of the TAP network in Los Angeles County.