

PROCUREMENT SUMMARY

TAP CARD MANUFACTURING AND FULFILLMENT SERVICES

1.	Contract Number: ASK-intTag, LLC - PS29117000, PS29117001 Oberthur Technologies of America Corp. - PS29117002, PS29117003, PS29117004 Giesecke & Devrient Mobile Security America, Inc. - PS29117005	
2.	Recommended Vendor: ASK-intTag, LLC - Card Manufacturing and Adhesive Stickers; Oberthur Technologies of America Corp – Adhesive Stickers, Card Manufacturing and Fulfillment Services; Giesecke & Devrient Mobile Security America, Inc. - Fulfillment Services	
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: September 6, 2016	
	B. Advertised/Publicized: September 7, 2016	
	C. Pre-Proposal Conference: September 14, 2016	
	D. Proposals Due: November 30, 2016	
	E. Pre-Qualification Completed: March 22, 2017	
	F. Conflict of Interest Form Submitted to Ethics: December 9, 2016	
	G. Protest Period End Date: April 22, 2017	
5.	Solicitations Picked up/Downloaded: 18	Bids/Proposals Received: 5
6.	Contract Administrator: Anush Beglaryan	Telephone Number: (213) 418-3047
7.	Project Manager: Cary Stevens	Telephone Number: (213) 922-2401

A. Procurement Background

This Board Action is to approve contract awards in support of regional TAP cards manufacturing and personalization/fulfillment services for Metro and municipal operators. The Universal Fare System designed by Metro created the concept and specifications for a region-wide smart card system using a single TAP smart card that could be used for multimodal transportation, product purchases, and other future uses. TAP cards are required to support the expansion of the TAP program and for the replacements for expiring cards. Metro is responsible for ensuring that all TAP enabled municipal operators in the region have an adequate supply of cards. Board approval of contract awards are subject to resolution of any properly submitted protest.

Request for Proposal (RFP) PS29117 was issued in accordance with Metro's Acquisition Policy and the contract type is an indefinite delivery/indefinite quantity (IDIQ), firm fixed unit price.

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

- Amendment No. 1, issued on September 30, 2016, updated the link provided for the list of Current Projects;
- Amendment No. 2, issued on November 2, 2016, extended samples and proposal due date from November 21, 2016 to November 28, 2016;
- Amendment No. 3, issued on November 14, 2016, extended samples and proposal due date from November 28, 2016 to November 30, 2016;

A total of 5 proposals were received on November 30, 2016.

The Scope of Work for the RFP was divided into the three following functions. As stated in the Statement of Work Consideration Form of the RFP, proposers were requested to submit separate proposals for each function they would like to be considered for award.

1. Smart Card Manufacturing
2. Card Fulfillment and Distribution
3. Adhesive Stickers

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from the TAP technical team was convened and conducted a comprehensive technical evaluation of the proposals received and testing of samples which were requested as part of the RFP.

As stated in the RFP, proposals were initially evaluated by using the minimum qualifications requirements on a pass/fail basis. Proposers who met the minimum qualification requirements were then evaluated further on the weighted criteria described herein. All five proposing firms passed the minimum qualifications requirements.

The proposals for Smart Card Manufacturing were evaluated based on the following evaluation criteria and weights:

- | | |
|---|------------|
| • Experience & Skills | 10% |
| • Program Management Team Experience | 10% |
| • Supply Chain Management | 10% |
| • Physical & Electrical Smart card Characteristic | 35% |
| • Printing (Graphics)/Packaging | 10% |
| • Cost Proposal | <u>25%</u> |
| Total: | 100% |

The proposals for Card Fulfillment & Distribution were evaluated based on the following evaluation criteria and weights:

- Experience & Skills 15%
 - Program Management Team Experience 15%
 - Card Fulfillment/Personalization 20%
 - Card Order Reporting & Processing 25%
 - Cost Proposal 25%
- Total: 100%

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

- Experience & Skills 10%
 - Physical & Electrical Characteristics 35%
 - Printing (Graphics)/Packaging 15%
 - Durability 15%
 - Cost Proposal 25%
- Total: 100%

The five proposals that were received met all of the Minimum Qualifications Requirements and were evaluated based on the evaluation criteria set forth in the RFP. The firms are listed below in alphabetical order and the functions they proposed:

1. Ask-intTag, LLC (Smart Card Manufacturing and Adhesive Stickers)
2. Gemalto, Inc. (Smart Card Manufacturing)
3. Giesecke & Devrient Mobile Security America, Inc. (Smart Card Manufacturing and Card Fulfillment and Distribution)
4. Oberthur Technologies of America Corp. (Smart Card Manufacturing, Card Fulfillment and Distribution, and Adhesive Stickers)
5. Valid USA, Inc. (Smart Card Manufacturing)

During the months of December, January, and February, the PET reviewed and scored each of the proposals and tested sample cards. Proposers provided various sample cards and adhesive stickers that were tested to ensure they met the required specifications. All five proposers passed the physical and electrical smart card characteristics testing.

Qualifications Summary of Firms

ASK-intTag, LLC.

ASK-intTag, LLC (ASK) designs and manufactures contactless smart cards, contactless tickets, labels, stickers, and related products. ASK is an international

company, headquartered in Mougins, France. The company was founded in 1997 by 4 senior managers, all from the smart card industry. ASK currently employs over 250 people with 3 manufacturing locations in: Mougins, France, Beijing, China, and Essex Junction, VT. ASK provides contactless cards for mass transit applications, and has the unique ability to adapt its contactless technology expertise to both paper and plastic. ASK can support transit agencies' requirements for both extended use and limited use of fare collection media.

ASK is a fully integrated contactless card and ticket manufacturer. All manufacturing steps and sub-components are produced by ASK, thus providing optimized turnaround time as well as a quality control that measures and analyzes all components. Moreover, ASK offers a unique sticker encoding site located at their highly secured site in Vermont.

ASK's project management team has over 50 years of experience in the industry. ASK has also proposed to put together an entire team dedicated to Metro to assist in all aspects of the project. ASK has also worked with Metro to provide adhesives stickers for the Metro U-Pass program.

Gemalto, Inc.

Gemalto, Inc. (Gemalto) has more than 15 years of experience in providing transport solutions and is a leader in digital security. Gemalto to date has had over 140 million transit cards delivered and has been serving transit authorities for over 2 decades. Its leadership has facilitated ambitious transit programs around the world in such places as Paris, London, Netherlands, Santiago de Chile, Portugal, Malaysia, Italy, Sao Paulo, and China.

Gemalto's qualified staff has a combined experience over ninety years in the payment card industry. Their experience encompasses program and product development, industrialization of innovative card bodies, manufacturing techniques, sales management, and operations.

Giesecke & Devrient Mobile Security America, Inc.

Giesecke & Devrient Mobile Security America, Inc. (G&D) is a globally operating technology company that specializes in security and advanced card solutions. G&D facilities with contactless smart card production and personalization capability include Ohio, Canada, Mexico City, Brazil, Spain, China, and Slovakia. To date, G&D has supplied over 300 million contactless cards for transit customers across the globe. G&D also holds the earliest patents for smart card technology and has developed the Eurocheque system together with the Deutsche Bundesbank in 1968 which fathered the credit and debit card systems we have today. In addition, G&D also holds certification for manufacturing and personalization services for Visa, Mastercard, Discover and American Express.

G&D has been working with Metro since 2005 when they began delivering cards and providing services such as card stock and inventory management, card initialization and personalization, card testing, card fulfillment, and card issuance. G&D's qualified staff combined has over 96 years of experience in the smart card and services industry.

Oberthur Technologies of America Corp.

Oberthur Technologies of America Corp. (OT), the M Company, is a leader in digital security solutions for the mobility space. OT has been at the heart of mobility, from the first smart cards to the latest contactless payment technologies which equip millions of smartphones. Present in the payment, telecommunications and identity markets, OT offers end-to-end solutions in the smart transactions, mobile financial services, machine-to-machine, digital identity and transport and access control fields.

OT has been in the smart card industry for more than 20 years. The company employs 6,500 people worldwide and has a presence with facilities including seven manufacturing plants in the US, Latin America, Europe, Middle-East and Asia, 39 personalization and fulfillment centers, 12 research and development centers and 50 sales offices.

OT developed a market leading setup to support customers with one manufacturing hub in Exton, PA, two service centers in Los Angeles, CA and Chantilly, VA and two R&D centers in Los Angeles and Boston. The project management team at OT has a cumulative experience of 262 years in the smart card industry. OT has set up a dedicated project team which will oversee all aspects of the project.

Valid USA, Inc.

Valid USA, Inc. (Valid) is a publicly traded Brazilian company with over 5,000 employees worldwide. Valid has been providing security printing and card solutions for over 59 years and is expanding operations around the world. Valid has developed strong smart card manufacturing capacities in North America, Brazil, Latin America, and Europe. Over the last three years, Valid has shipped more than 16.9 million contactless smart cards. Valid's qualified staff has a combined experience of over 90 years in the smart card industry.

Contract award is recommended to the two highest scoring firms for the various functions. The following is the summary of scores for each function and firm:

Smart Card Manufacturing

Firm	Average Score	Factor Weight	Weighted Average Score	Rank
Oberthur Technologies				

Experience & Skills	100.00	10%	10.00	
Program Management Team Experience	100.00	10%	10.00	
Supply Chain Management	100.00	10%	10.00	
Physical & Electrical Smart card Characteristic	100.00	35%	35.00	
Printing (Graphics)/Packaging	100.00	10%	10.00	
Cost Proposal	89.60	25%	22.40	
Total		100%	97.40	1
ASK-intTag, LLC				
Experience & Skills	100.00	10%	10.00	
Program Management Team Experience	93.30	10%	9.33	
Supply Chain Management	73.33	10%	7.33	
Physical & Electrical Smart card Characteristic	100.00	35%	35.00	
Printing (Graphics)/Packaging	66.60	10%	6.66	
Cost Proposal	100.00	25%	25.00	
Total		100%	93.32	2
Valid USA, Inc.				
Experience & Skills	93.33	10%	9.33	
Program Management Team Experience	100.00	10%	10.00	
Supply Chain Management	80.00	10%	8.00	
Physical & Electrical Smart card Characteristic	100.00	35%	35.00	
Printing (Graphics)/Packaging	93.33	10%	9.33	
Cost Proposal	81.52	25%	20.38	
Total		100%	92.04	3
Giesecke & Devrient Mobile Security America, Inc.				
Experience & Skills	96.66	10%	9.66	
Program Management Team Experience	96.66	10%	9.66	
Supply Chain Management	83.33	10%	8.33	
Physical & Electrical Smart card Characteristic	100.00	35%	35.00	
Printing (Graphics)/Packaging	100.00	10%	10.00	
Cost Proposal	67.96	25%	16.99	
Total		100%	89.64	4
Gemalto, Inc.				

Experience & Skills	90.00	10%	9.00	
Program Management Team Experience	80.00	10%	8.00	
Supply Chain Management	40.00	10%	4.00	
Physical & Electrical Smart card Characteristic	100.00	35%	35.00	
Printing (Graphics)/Packaging	93.33	10%	9.33	
Cost Proposal	85.08	25%	21.27	
Total		100%	86.60	5

The two firms recommended for Smart Card Manufacturing proposed the lowest prices for the various TAP cards included in the Statement of Work.

Card Fulfillment and Distribution

Firm	Average Score	Factor Weight	Weighted Average Score	Rank
Oberthur Technologies				
Experience & Skills	96.67	15%	14.50	
Program Management Team Experience	100.00	15%	15.00	
Card Fulfillment/Personalization	80.00	20%	16.00	
Card Order Reporting & Processing	93.32	25%	23.33	
Cost Proposal	100.00	25%	25.00	
Total		100%	93.83	1
Giesecke & Devrient Mobile Security America, Inc.				
Experience & Skills	100.00	15%	15.00	
Program Management Team Experience	100.00	15%	15.00	
Card Fulfillment/Personalization	80.00	20%	16.00	
Card Order Reporting & Processing	93.32	25%	23.33	
Cost Proposal	35.44	25%	8.86	
Total		100%	78.19	2

Adhesive Stickers

Firm	Average Score	Factor Weight	Weighted Average Score	Rank
Oberthur Technologies				
Experience & Skills	100.00	10%	10.00	
Physical & Electrical Characteristics	93.34	35%	32.67	
Printing (Graphics)/Packaging	86.67	15%	13.00	
Durability	93.33	15%	14.00	
Cost Proposal	100.00	25%	25.00	
Total		100%	94.67	1
ASK-intTag, LLC				
Experience & Skills	100.00	10%	10.00	
Physical & Electrical Characteristics	86.66	35%	30.33	

Printing (Graphics)/Packaging	86.67	15%	13.00	
Durability	76.67	15%	11.50	
Cost Proposal	69.44	25%	17.36	
Total		100%	82.19	2

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon price analysis, technical evaluation, and adequate price competition. The recommended not-to-exceed amount of \$26,915,910 for 5 years is based on the highest NTE amount for each of the services below. The NTE amount for 3 base years with two one-year options as identified below:

- Card Manufacturing – Base: \$9,272,563, Option 1: \$3,090,854, Option 2: \$3,090,854 in the total NTE amount of \$15,454,271
- Fulfillment & Distribution- Base: \$6,858,983, Option 1: \$2,286,328, Option 2: \$2,286,328 in the total NTE amount of \$11,431,639
- Adhesive Stickers – Base: \$18,000 Option 1: \$6,000, Option 2: \$6,000 in the total NTE amount of \$30,000

As these are indefinite delivery/indefinite quantity contracts, Metro will place orders based on need for the various services.

Card Manufacturing

	Proposer Name	Proposal Amount	Metro ICE	NTE Amount*
1.	Oberthur Technologies	\$15,454,271.00	\$22,120,500.00	\$15,454,271.00
2.	ASK-intTag, LLC	\$13,846,050.00	\$22,120,500.00	\$13,846,050.00

*Prices received are for evaluation purposes and are based on estimated quantities provided by Metro

Fulfillment & Distribution

	Proposer Name	Proposal Amount	Metro ICE	NTE Amount*
1.	Oberthur Technologies	\$10,569,300.00	\$9,619,513.00	\$4,437,300.00
2.	Giesecke & Devrient Mobile Security America, Inc.	\$12,516,324.00	\$9,619,513.00	\$11,431,639.00

*Prices received are for evaluation purposes and are based on estimated quantities provided by Metro

Adhesive Stickers

	Proposer Name	Proposal Amount	Metro ICE	NTE Amount*
1.	Oberthur Technologies	\$20,835.00	\$42,400.00	\$20,835.00

2.	ASK-intTag, LLC	\$30,000.00	\$42,400.00	\$30,000.00
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*Prices received are for evaluation purposes and are based on estimated quantities provided by Metro

D. Background on Recommended Contractors

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