

**Bay Area Toll Authority
Oversight Committee**

April 13, 2022

Agenda Item 2f - 22-0493

Purchase Order – FasTrak® Toll Tags: Neology, Inc. (\$6,900,000)

Subject:

A request for approval to issue a purchase order in an amount not to exceed \$6,900,000 to Neology Inc. for 1,240,600 internal FasTrak® toll tags and 23,400 external FasTrak® toll tags through June 30, 2022.

Background:

On November 20, 2019, staff issued an Invitation for Bid (IFB) for FasTrak® toll tags that was awarded to Neology, Inc. This IFB allowed for the standard and optional purchase of the following quantities.

| Purchase Type | Internal (Non-Retail) | Internal (Retail) | External |
|----------------------|------------------------------|--------------------------|-----------------|
| Base | 840,000 | 390,000 | 10,000 |
| Optional | 1,000,000 | 400,000 | 50,000 |

Following BATA Oversight Committee approvals in February 2020 and July 2020, two purchase orders were created for the following tag quantities.

| Purchase Order | Internal (Non-Retail) | Internal (Retail) | External |
|-----------------------|------------------------------|--------------------------|-----------------|
| Purchase Order 1 | 698,750 | 14,400 | 10,000 |
| Purchase Order 2 | 0 | 0 | 26,600 |
| Total Order Quantity | 698,750 | 14,400 | 36,600 |

Due to the impacts of COVID-19, a lower quantity of FasTrak® toll tags were demanded than originally forecasted for 2020 and 2021. Based on a staff forecast for 2022, a change in Bay Area traffic volumes and opening of additional express lanes may result in an increase of FasTrak® toll tag demand. As supply chain issues have extended lead times for production and delivery time frames to an estimated 30 to 40 weeks, staff recommends proactively addressing potential tag demand increases. Neology has produced and stored a supply of tags that would allow BATA to maintain inventories and mitigate supply chain delays.

Staff is seeking Committee approval to exercise the optional IFB tag purchase feature. The table below provides a breakdown of the tags to be ordered under this option.

| Tag Type | Unit Price | Quantity | Total Price including Sales Tax (8.63%) |
|----------------------------|-------------------|-----------------|--|
| Internal tags – non-retail | \$4.68 | 1,000,000 | \$5,083,884.00 |
| Internal tags – retail | \$5.85 | 240,600 | \$1,528,978.11 |
| External tags | \$10.50 | 23,400 | \$266,903.91 |

Approval of this purchase order would promptly address the change in tag demand and mitigate manufacturing delays. The price per tag charged by Neology for these tags would be consistent with the amount agreed upon in 2019. BATA staff expects to issue a new Invitation for Bid (IFB) for the next FasTrak® tag supplier in late 2022.

Neology Inc. is neither a small business nor a disadvantaged business enterprise and currently has no subcontractors.

Recommendations:

Staff recommends that the Committee authorize the Executive Director or designee to issue a purchase order with Neology Inc. in an amount not to exceed \$6,900,000 to provide FasTrak® toll tags.

Attachments:

Attachment A: Request for Committee Approval Sheet



Therese W. McMillan

Request for Committee Approval

Summary of Proposed Purchase Order

Work Item Number: 1253

Vendor: Neology, Inc., San Diego, CA

Work Project Title: Purchase Order - FasTrak® Toll Tags: Neology, Inc.

Purpose of: To acquire toll tags to support FasTrak® toll bridges and express lane customers.

Brief Scope of Work: Neology shall provide Non-Retail, Retail, and External FasTrak® tags.

Project Cost Not to Exceed: This Purchase Order: \$6,900,000

Funding Source: Toll Bridge Rehabilitation Program Funds

Fiscal Impact: Funds to purchase these tags are included in the BATA Toll Bridge Rehabilitation Program budget for FY 2021-2022.

Motion by Committee: That the Executive Director or designee is authorized to issue a purchase order to Neology, Inc. to provide non-retail, retail, and external FasTrak® toll tags as described above and in the BATA Oversight Committee Summary Sheet dated April 13, 2022, and the Chief Financial Officer is directed to set aside funds in the amount of \$6,900,000 for such purchase order.

BATA Oversight Committee:

Amy Worth, Chair

Approved: April 13, 2022