

**Metropolitan Transportation Commission
Operations Committee**

July 8, 2022

Agenda Item 4g

**Purchase Order – Next Generation Clipper® Extended-Use Smart Cards (C2 Fare Cards):
ASK-intTag, LLC dba Paragon ID (Paragon ID) (\$8,000,000)**

Subject:

A request for approval to issue one or more purchase orders in an amount not to exceed \$8,000,000 to Paragon ID for C2 Fare Cards during a two-year term.

Background:

On May 27, 2022, staff issued an Invitation for Bid (IFB) for C2 Fare Cards to support the transition to the Next Generation Clipper system beginning in summer 2023. The IFB is for a two-year term with an option to extend for up to two one-year terms. This IFB provided that a contract, if awarded, would be executed with the responsible bidder that submitted the lowest bid for C2 Fare Cards, the specifications for which were prepared by Cubic Transportation Systems, Inc. for MTC under the Next Generation Clipper Regional Transit Fare Payment System Integrator Contract. The IFB also provided that under the Small Business Enterprise (SBE) Program, MTC would allow an evaluation preference to be applied as a percentage discount to the total amount of a bid submitted by a bidder for a contract solely for the purpose of bid comparisons when determining the lowest and best bid, or lowest responsible bid.

This procurement is expected to provide sufficient C2 Fare Cards for distribution to Clipper customers. Following the initial two-year contract term, MTC may, at its discretion, continue to obtain C2 Fare Cards by extending the contract for up to two more one-year terms.

Staff received three responsive bids by the deadline of June 27, 2022.

The IFB asked for unit prices for Standard Fare Cards and small quantities of other types of Fare Cards (Senior, Regional Transit Discount, Blank, Custom and Custom with magnetic stripe). A minimum order amount for each type of Card was specified, to facilitate the bidders' calculation of price, but the Evaluation Bid Price for purposes of determining the low bid was to be based on a specified quantity of each type of Fare Card, which could be equal to or greater than the minimum order quantity. The table below identifies the aggregate bid prices received from the three bidders:

Ranking	Bidder	Unit Price	Quantity of Cards for Bid Evaluation	Evaluation Bid Price
1	Paragon ID	\$1.40 for Standard Fare Cards; \$1.50-\$1.60 for other Cards	5,145,000	\$1,621,000.00
2	Custom Plastic Card Company	\$1.54 for Standard Fare Cards; \$1.55-\$1.68 for other Cards	5,145,000	\$7,932,050.00
3	Giesecke+Devrient Mobile Security America, Inc.	\$1.70 for Standard Fare Cards; \$1.73-\$2.11 for other Cards	5,145,000	\$8,766,350.00

After review of the bids, staff determined that Paragon ID had erroneously used the incorrect quantity of Standard Fare Cards for bid evaluation purposes and multiplied the per unit card cost against the minimum order quantity of 1,000,000 cards, rather than the hypothetical evaluation quantity of 5,000,000 cards for bid evaluation purposes. When staff multiplied the per unit card costs submitted by Paragon ID by the correct Quantity of Cards for Bid Evaluation, Paragon ID's Evaluation Bid Price was \$7,221,000, still the lowest total bid price of the three bidders. The IFB permits MTC to waive informalities and minor irregularities in bids. Since Paragon ID's Bid Form exhibited definite unit pricing, staff recommends an award to Paragon ID, based on a recalculation of the Total Bid Price. Paragon ID is neither a Small Business Enterprise or a Disadvantaged Business Enterprise, and currently has no subcontractors.

Issues:

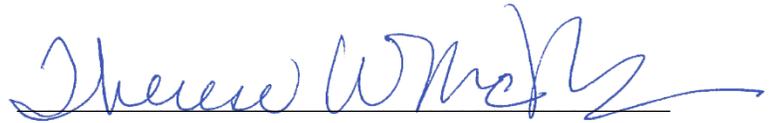
None identified.

Recommendations:

Staff recommends the Operations Committee authorize the Executive Director or designee to issue one or more purchase orders to Paragon ID in an amount not to exceed \$8,000,000 to supply C2 Fare Cards, subject to the approval of the Clipper Executive Board at its July 18, 2022 meeting.

Attachments:

- None



Therese W. McMillan

Request for Committee Approval

Summary of Proposed Purchase Order

Work Item No.: 310-2780

Consultant: ASK-intTag, LLC dba Paragon ID
Essex Junction, VT

Work Project Title: Next Generation Clipper Extended-Use Smart Cards (C2 Fare Cards)

Purpose of Project: Supply C2 Fare Cards for a two-year term with an option to extend for up to two one-year terms

Brief Scope of Work: Supplier shall provide C2 Fare Cards

Project Cost Not to Exceed: \$8,000,000

Funding Source: Clipper Card Fee Account, Regional Measure 2 Capital, Regional Measure 3, Inactive Card Funds, Float Account Interest

Fiscal Impact: Funds included in the FY 2022-23 MTC agency budget

Motion by Committee: That the Executive Director or designee is authorized to issue one or more purchase orders to ASK-intTag, LLC dba Paragon ID to supply C2 Fare Cards as described above and in the Operations Committee Summary Sheet dated July 8, 2022 and that the Chief Financial Officer is authorized to set aside \$8,000,000 for such purchase order, subject to the approval of the Clipper Executive Board at its July 18, 2022 meeting.

Operations Committee:

Carol Dutra-Vernaci, Chair

Approved: July 8, 2022