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Memorandum

TO: BATA Oversight Committee

DATE: September 2, 2015

FR: Executive Director

W.I. 1253

RE: Purchase Orders – Electronic Toll Collection FasTrak® Standard and Retail Toll Tags: TransCore LP (\$19,122,500)

This item would authorize the Executive Director or his designee to issue a purchase order to TransCore, LP, in an amount of \$19,122,500, to provide FasTrak® standard and retail toll tags, subject to the approval of future BATA budgets.

At the July meeting, staff requested the Committee forward to the Authority authorization to award a purchase order to 3M Company (3M) for one-year's supply of standard and retail toll tags. The award was contingent on staff determining that the prices were fair and reasonable, due to significant price increases by both bidders. The award was also contingent upon staff determining that the bid met the minimum qualifications in response to a letter received after the July Committee meeting.

Staff determined the best course of action was to cancel the procurement and reissue the Invitation for Bids (IFB) for a three year supply, significantly increasing the quantity to be ordered to achieve the benefits of volume pricing, and refining the IFB requirements.

Background

In order to replenish the current supply and maintain a sufficient continuous supply of FasTrak® toll tags to fulfill new account enrollments for the next three calendar years, staff issued an IFB on August 3, 2015 for 770,000 standard (non-retail) toll tags, 448,000 retail toll tags and 30,000 external license plate mounted tags. Based on projected FasTrak® enrollments, staff expects this supply of toll tags to last through the end of June 2018. The IFB also includes provisions to purchase additional tags at BATA's option, as needed, during that three year period.

There are only two U.S. toll tag vendors that supply tags compliant with the required California Title 21 specifications: 3M and TransCore LP (TransCore). Both vendors submitted a bid in response to the IFB by the deadline of August 18, 2015. The IFB provided that a contract, if awarded, would be to the responsible bidder submitting the lowest total bid. The lowest total bid was submitted by TransCore. The bids submitted by both firms are shown in the tables in Attachment A. TransCore is neither a small business nor a disadvantaged business enterprise and currently has no subcontractors.

Although TransCore's bid prices for the three tag types decreased between 2 and 18% compared to bids received in July 2015, TransCore's tag prices remain 30% higher than those received from 2011 through 2014. In April, the California Toll Operators Committee, of which BATA is a member, agreed to transition to another tolling communications protocol (known as 6C) to address some of the current Title 21 protocol's limitations, such as limited number of compliant vendors. In addition to multiple vendors of 6C-compliant equipment and transponders, the 6C protocol also allows for less expensive formats (such as sticker tags). BATA and the other California toll operators are currently working with Caltrans to modify the Title 21 regulations to incorporate the new protocol, with a target date of acceptance of the new protocol by all California operators in 2018. This procurement will supply the Title 21 tags until the transition to the new 6C protocol. The 6C tags will be obtained through a separate procurement in the future.

Recommendation

Staff recommends that the Committee authorize the Executive Director or his designee to issue a purchase order to TransCore in an amount not to exceed \$19,122,500 to furnish 1,248,000 FasTrak[®] toll tags as described herein with an option to purchase additional tags through June 2018, subject to the approval of future BATA budgets.



Steve Heminger

Attachment A
Bid Detail

TransCore: Lowest Bidder

Toll Tag Type	Unit Price	Tag Quantity	Total by Item (excluding sales tax)	Total by Item (including 8.75% sales tax)
Non-Retail Toll Tag	\$12.83	270,000	\$9,879,100	\$1,074,352
Retail Toll Tag: • Costco • Walgreens	\$15.68	372,000	\$5,832,960	\$6,343,344
Retail Toll Tag: • Safeway	\$15.68	76,000	\$1,191,680	\$1,295,952
External Toll Tag	\$22.67	30,000	\$680,100	\$739,609
TOTAL		1,248,000	\$17,583,840	\$19,122,500

3M

Toll Tag Type	Unit Price	Tag Quantity	Total by Item (excluding sales tax)	Total by Item (including 8.75% sales tax)
Non-Retail Toll Tag	\$13.15	770,000	\$10,125,500	\$11,011,481
Retail Toll Tag: • Costco • Walgreens	\$16.50 \$16.75	372,000	\$6,172,000	\$6,712,050
Retail Toll Tag: • Safeway	\$17.10	76,000	\$1,299,600	\$1,413,315
External Toll Tag	\$39.00	30,000	\$1,170,000	\$1,272,375
TOTAL		1,248,000	\$18,767,100	\$20,409,221

REQUEST FOR COMMITTEE APPROVAL

Summary of Purchase Order

Work Item No.: 1253

Vendor: TransCore LP

Work Project Title: Electronic Toll Collection FasTrak® Toll Tag Procurement

Purpose of Project: To provide standard and retail toll tags for the FasTrak® Regional Customer Service Center (RCSC) project.

Brief Scope of Work: Provide 770,000 standard toll tags, 448,000 retail toll tags and 30,000 external toll tags between December 2015 and June 2018 for the FasTrak® RCSC project.

Project Cost Not to Exceed: \$19,122,500

Funding Source: Toll Bridge Rehabilitation Program Budget

Fiscal Impact: \$5,855,361 in funds are included in the FY 2015-16 Toll Bridge Rehabilitation Program Budget; funds in the amount of \$6,633,532 will be included in each of the FY 2016-17 and FY 2017-18 Toll Bridge Rehabilitation Program Budgets.

Motion by Committee: That the Executive Director or his designee is authorized to issue a purchase order to TransCore LP to provide toll tags for the FasTrak® RCSC project, as described above and in the Executive Director's memorandum dated September 2, 2015, and the Chief Financial Officer is authorized to set aside funds in the amount of \$19,122,500 for such purchase order, subject to the approval of future BATA budgets.

BATA Oversight Committee:

Amy Rein Worth, Chair

Approved: September 9, 2015