



METROPOLITAN  
TRANSPORTATION  
COMMISSION

**Agenda Item 5a**  
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## *Memorandum*

TO: Operations Committee

DATE: April 7, 2017

FR: Executive Director

W. I. 1221

RE: Contract – Clipper® In-Person Customer Service Center at the Embarcadero BART/Muni Station: Faneuil, Inc. (\$900,000)

This memorandum requests the Committee's approval to award a contract to Faneuil, Inc. (Faneuil) in an amount not to exceed \$900,000 to operate a Clipper® In-Person Customer Service Center (IPCSC) at the Embarcadero BART/Muni Station in San Francisco.

### **Background**

MTC has operated a Clipper® IPCSC at the Embarcadero BART/Muni Station since 2011. This location is, by far, the most heavily patronized Clipper® IPCSC because of its visibility and proximity to transit. The contract with the current supplier of services, Nematode Holdings, LLC, expires June 30, 2017. MTC anticipates continued operation of the IPCSC for at least two (2) more years, pending development of the next-generation Clipper® (C2) system, during which period the need and methodology for in-person customer service will be re-evaluated.

### **Procurement Process**

On November 21, 2016, MTC issued a Request for Proposals (RFP) for operation of the above-described project. An email advertising the availability of the RFP on MTC's website was sent to more than 1,100 firms, including to over 100 other firms registered through MTC's contact database and to 300 services providers certified as a disadvantaged business enterprise through the California Unified Certification Program. MTC received four responsive proposals, which were evaluated by a panel of representatives from MTC, Soltrans, and AC Transit, with the advice of additional technical advisors from MTC.

The evaluation criteria, listed in order of importance, included:

1. Individual project staff and firm expertise and experience in similar types of projects involving: performing multilingual retail sales/operations, information dissemination projects and/or in-person customer service projects; and maintaining electronic displays and equipment (30%);
2. Approach to conducting and completing the project, including but not limited to: understanding of the purpose and requirements of the project; proposed work plan; strategy for managing all resources, including personnel coordination with contract manager and partners; and dealing with project challenges or obstacles (30%);
3. Price and Cost Effectiveness: The cost proposal (task budget and line item budget) was evaluated for reasonableness and effectiveness in relation to value received, using the combined total of the fees and hourly rates for IPCSC services (30%); and

4. Written/Oral Communications: As evidenced in the submitted proposal and through oral interviews (if held) (10%).

The evaluation panel decided to seek additional information from three (3) of the four (4) proposing firms scoring highest in the initial evaluation through a Request for Best and Final Offer (BAFO), and a second evaluation of the BAFOs was conducted on March 2, 2017.

The three firms that participated in the BAFO process and their final scores, are shown below:

Firm	Final Score
Faneuil	83.5
Nematode Holdings, LLC (d/b/a Bay Crossings)	68.75
WSP/Parsons-Brinkerhoff	66.25

All proposers participating in the BAFO process had relevant experience, and the panel was pleased with the quality of all three firms' experience and approach. After a thorough review of the proposals, references, and cost proposals, the evaluation panel recommended the selection of Faneuil.

The evaluation panel determined the Faneuil proposal to be most advantageous to MTC based on the evaluation criteria stated in the RFP, particularly with regard to cost effectiveness. Scores among the three firms were fairly evenly distributed across the other three evaluation criteria.

However Faneuil's cost proposal was 30% lower than the closest competitor. Faneuil is neither a disadvantaged business enterprise (DBE) nor a small business enterprise (SBE) and currently has no subcontractors.

The proposed contract would be for two years of operation commencing July 1, 2017, plus a pre-operations period of transition. Under the RFP, MTC reserves the option to renew for up to five additional years in increments of MTC's choosing.

This item was approved by the Clipper® Executive Board on March 20, 2017.

#### **Recommendation**

Staff recommends that the Committee authorize the Executive Director or his designated representative to negotiate and enter into a contract with Faneuil for Clipper® IPCSC services as described in this memorandum, in an amount not to exceed \$900,000, subject to approval of the FY 2017-18 MTC Budget. Should staff be unable to enter into a contract with Faneuil then staff requests the Committee's approval to negotiate and enter into a contract with the second ranking firm, Nematode Holdings, LLC.

  
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Steve Heminger

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## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Contract

Work Item No.:	320-1221
Contractor:	Faneuil, Inc. Hampton, VA
Work Project Title:	In-Person Customer Service Center Operations at Embarcadero BART/ Muni Station
Purpose of Project:	Provide Clipper® in-person customer service, such as issuance of new and replacement cards
Brief Scope of Work:	Contractor shall provide trained staff to support a range of Clipper® customer services
Project Cost:	\$900,000
Funding Source:	Regional Measure 2 Marketing and Operations, STA, STP
Fiscal Impact:	Funds dependent on the approval of the FY 2017-18 agency budget
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a contract with Faneuil, Inc. for the purposes described herein and in the Executive Director's memorandum dated April 7, 2017; provided that, should staff be unable to enter into a contract with Faneuil, Inc., the Executive Director or his designee is authorized to negotiate and enter into a contract with Nematode Holdings, LLC; and that the Chief Financial Officer is authorized to set aside \$900,000 for such contract, subject to adoption of the FY 2017-18 agency budget.

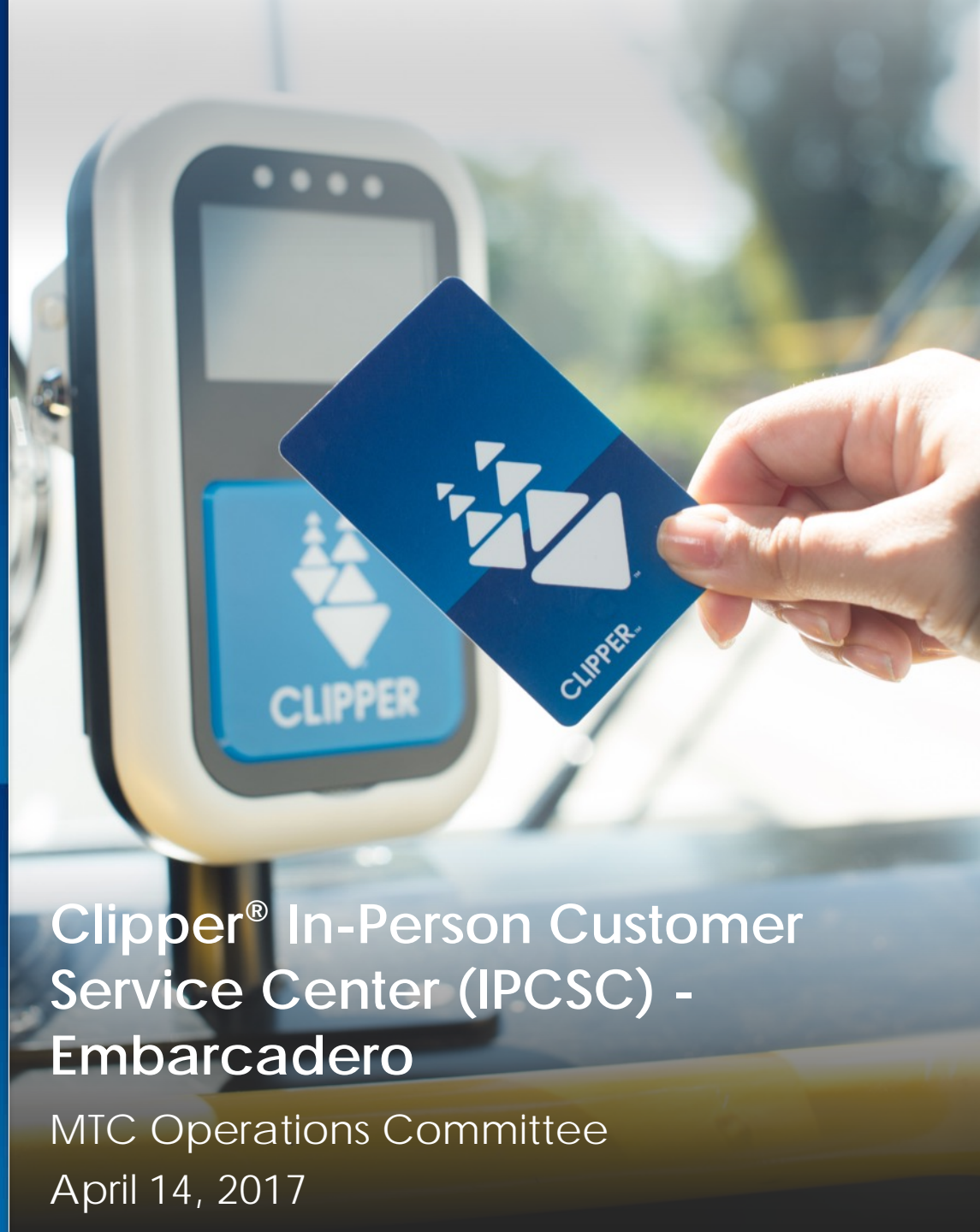
Operations Committee:

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Dave Cortese, Chair

Approved:

Date: April 14, 2017



## Clipper® In-Person Customer Service Center (IPCSC) - Embarcadero

MTC Operations Committee  
April 14, 2017

# Clipper® IPCSC – Embarcadero location

- In service since 2011
- Heavily patronized – handles 40% of all sales that are done at customer service centers or transit agency ticket offices
- Services provided include:
  - Adult, youth and senior Clipper® card issuance
  - Product and value sales
  - Card replacement



# Feb 2017 - Moved to New Location in Station



- Larger workspace
- Better security



# Procurement for Staffing and Operation

- Current contract expires June 30, 2017
- RFP issued November 2016
- Notified over 1,100 firms including 300 DBEs
- Four responsive proposals evaluated for:
  - Project staff and firm expertise and experience
  - Approach
  - Price and cost effectiveness
  - Written/oral communications
- Request for BAFO from three of the four
- Recommended firm separated itself in the area of price and cost effectiveness
- Proposed contract for two years commencing on July 1, 2017, with options for up to five additional years.
- Staff recommends selection of Faneuil