

## Correspondence – BATA Agenda Item 6b

**From:** [Greg](#) Hayes

**Date:** January 23, 2019

I'm sending this to staff now as well.

Following is a counterpoint to the information in the staff recommendation:

### **Retail Package Points**

1. Retail packaging could easily be added to the RCTC contract – If the RCTC piggy back option is used, Neology would be happy to use the same pricing provided in BATA's RFQ.
2. By the way, Neology's retail packaging price for BATA is \$10.71/transponder, which is lower than Kapsch's pricing of \$11.18/transponder.

*Since RCTC is not planning on selling transponders at Walgreens and Costco, it's accurate to note that RCTC's contract did not include a retail packing option. However, a retail packaging product could be added to the RCTC contract. In the event that BATA is able to use the RCTC "piggy back" option, Neology would extend the same retail packaging pricing provided in BATA's RFQ. By the way, Neology's retail packaging price for BATA is \$10.71/transponder, which is lower than Kapsch's pricing of \$11.18/transponder.*

### **The \$1M difference Points**

Current pricing for each agency

<b>Internal Non-Retail Tags</b>	<b>BATA Nov 2018</b>	<b>Transportation Corridor Agencies (TCA) Aug 2018</b>	<b>Riverside County Transportation Commission (RCTC) July 2018</b>
Kapsch TrafficCom USA, Inc.	\$8.26	\$10.00	\$11.55
Neology, Inc.	\$9.20	\$14.54	\$9.21
TransCore, LP	\$9.97	n/a	n/a
Star Systems International, Ltd.	n/a	n/a	n/a

1. The \$1 million difference is accurate if BATA were to use Neology's pricing (\$9.21)
2. Please note that the pricing above is for non-retail pricing. For retail packaging, Neology's pricing is lower than Kapsch – Neology: \$10.71/transponder vs. Kapsch: \$11.18/transponder.

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3. Also note that Neology's RCTC pricing of \$9.21/transponder was for volumes of 300,000 to 400,000 transponders. For volumes higher than 400,000 transponders, Neology would be happy to negotiate a lower pricing.
4. There is a value to our economy to keep these jobs in California as is the intention of the Standardized Regulatory Impact Assessment law.

*The \$1M difference is accurate if BATA were to use the RCTC pricing of \$9.21 which represents pricing based on specific volumes of 300,000 to 400,000 transponders. For volumes higher than 400,000 transponders, Neology would be happy to negotiate a price structure representing those volumes.*

Please let me know if you need anything further.

Thanks,

Greg