

Metropolitan Transportation Commission Operations Committee

May 14, 2021

Agenda Item 5b

Clipper® Contract: Next-Generation Clipper (C2) Customer Service Center: WSP USA Services, Inc. (WSP) (\$20,709,014)

Subject: Approval to enter into a contract with WSP USA Services, Inc. (WSP) in the amount of \$20,709,014 as the customer service center vendor for the Next Generation Clipper (C2) regional fare payment system.

Background: The Clipper system today is delivered by a single vendor. In the summer of 2016, with direction from the Clipper Executive Board, staff moved forward with a disaggregated approach to delivering the C2 system and eventually there will be four contracts:

- C2 System Integrator contract awarded in September 2018;
- C2 Payment Services contract awarded in February 2021;
- C2 Fare Media procurement which will post for bid later this year; and
- C2 Customer Service Center contract recommended for award today.

The C2 Customer Service Center RFP was issued on August 31, 2020. The RFP was posted on MTC's website and an email advertising the opportunity was sent to 2,875 firms and individuals. On September 16, 2020, MTC hosted a virtual Proposers' Conference that was attended by over fifty firms and individuals. On November 19, 2020, the deadline for submission of proposals, two firms--Cubic Transportation Systems, Inc. (Cubic) and WSP--submitted proposals in response to the RFP. Both firms were determined to be responsive and met the minimum qualifications for the RFP. An RFP evaluation panel made up of representatives from MTC, BART, Caltrain/SamTrans, the Central Contra Costa Transit Authority (CCCTA), and the Santa Clara Valley Transportation Authority (VTA), supported by technical advisors from MTC's consultant, IBI Group, reviewed the proposals against the evaluation criteria as indicated in Attachment B.

After initial evaluation, the evaluation panel shortlisted both firms. Discussions were held with each proposer on December 8, 2020, followed by further discussion sessions with each in January and February 2021. During the discussions, MTC responded to proposer questions and requested feedback on potential revisions to the scope of work and contract.

On March 10, 2021, MTC issued Requests for Best and Final Offers ("BAFOs") to both proposers. In an addendum to the RFP that accompanied the Requests for BAFOs, MTC modified the scope of work and contract in four areas to better reflect the evolving transit demand patterns related to the COVID-19 pandemic: (1) reduced the assumed base contact volumes from 40,000 to 12,000, and reduced customer service center hours; (2) specified that the first nine months of the C2 Customer Service Center Operations and Maintenance term (representing the transition period from the current Clipper system to the C2 system) will be paid on a time and materials basis; (3) removed key performance indicator (KPI) incentives and disincentives for contact channels that are expected to have low demand; and (4) added a contract provision to allow for renegotiation of the base contact amount if actual monthly contact volume significantly exceeds the base assumption of 12,000 contacts per month.

Each firm timely submitted its BAFO by the March 31, 2021 due date. The RFP evaluation panel met again to review the BAFOs on April 9, 2021. Proposals were again scored based on the evaluation criteria as listed in the RFP (Attachment B). Both proposers submitted strong BAFOs, but ultimately WSP garnered the highest average score among the evaluators. Although Cubic demonstrated stronger experience with the Clipper® fare payment system, WSP's proposal scored higher on several criteria due to its approach in the following areas:

- Technical proposal (applying a robust omnichannel and interactive voice recognition (IVR) system);
- Customer transition from the current Clipper® card-based system to the C2 account-based system;
- Flexibility and scalability of operations and maintenance; and
- Cost effectiveness.

WSP was awarded an additional five points by participating in the MTC Small Business Enterprise (SBE) Program. WSP proposed 27.3 percent SBE participation on the Project. Cubic did not apply for the SBE preference program. Proposal evaluation scoring is shown in Attachment C.

If the staff recommendation is approved by this Committee, staff would seek to enter into a contract with WSP as soon as practicable, so that WSP can participate in the C2 system design and implementation process. The contract would be for an initial term through June 30, 2027, with options to extend for up to three renewal periods of two years each.

The contract will be funded with capital and operating funds. This request seeks the authorization of \$2,729,118 in capital funds for the development of the C2 customer service center and \$17,979,896 in operating and maintenance funds for the initial four-year and nine-month term. The FY 2021/22 Clipper Capital Budget approved by the Clipper Executive Board includes \$2,000,000 of the capital costs for the Customer Service Center. The \$729,118 balance of the capital expenditures will be budgeted in FY 2022/23 and funding sources have already been identified. Once the transition to the C2 system begins, operating costs will be allocated among the participating transit operators and MTC in proportions to be determined in a future update to the Clipper Memorandum of Understanding.

WSP's and its subcontractors' small business enterprise and disadvantaged business enterprise status are shown in Attachment A.

The Clipper Executive Board approved this recommendation of WSP at its April 19, 2021 meeting.

Issues: None.

Recommendation: Staff recommends that the Operations Committee approve award of a contract to WSP to serve as the customer service center vendor for the C2 regional fare payment system and authorize the Executive Director or designee to negotiate and enter into such contract in an amount not to exceed \$20,709,014, as described above.

Attachments: **Attachment A:** Contractor DBE and SBE Status
 Attachment B: Proposal Evaluation Criteria
 Attachment C: Proposal Evaluation Scoring



Therese W. McMillan

Contractor DBE and SBE Status

	Firm Name	Role on Project	DBE* Firm			SBE** Firm		
			Yes	If Yes, List #	No	Yes	If Yes, List #	No
Prime Contractor	WSP USA Services, Inc.	Call center operations and maintenance			X			X
Subcontractor	ViaSource Solutions	Customer service representatives, business process			X			X
	Voxai Solutions	Omni-Channel Telephony, Subject Matter Expert			X			X
	Transight LLC	Technology, managed services, business analysis and data integration, fare collection	X	42484		X	2004682	
	Virginkar & Associates, Inc.	Customer service representatives, business process	X	46132		X	2014070	

*Denotes certification by the California Unified Certification Program (CUCP).

**Denotes certification by the State of California.

Proposal Evaluation Criteria

The proposals were scored based on the following criteria:

1. Proposer Qualifications and Experience (20%) – including customer service center experience, government and transit experience, references, and experience of proposed project team;
2. Technical Proposal (20%) – including ability of technical solution to enable high-quality customer service operations and scalability of solution;
3. Training and Transition Proposal (5%) – including training, and approach to transition planning from an existing customer service center;
4. Operations and Maintenance (O/M) Proposal (30%) – proposed ongoing operations and maintenance plan for the C2 CSC Operations Center, including sufficiency and flexibility of the resources to respond to varying demand and safeguarding PII and other confidential data;
5. Price Proposal - Cost Effectiveness (5%) – including reasonableness of hourly rates, schedule of fees, and overall costs; and
6. Price Proposal - Operations and Maintenance (20%) – allocated based on the relative difference between the lowest overall Proposed Total Price for O/M and each other Proposal.

The MTC's Small Business Enterprise (SBE) program was also applied to the RFP. SBE scoring is as follows:

- If the Proposer commits to having SBE firms participate in a minimum of twenty-five percent (25%) to a maximum of forty percent (40%) of the Project, five percent (5%) or five (5) points will be added to the total evaluation percentage or points.
- If the Proposer commits to having SBE firms participate in more than forty percent (>40%) of the Project, ten percent (10%) or ten (10) points will be added to the total evaluation percentage or points.

Proposal Evaluation Scoring

Evaluation Criteria	<i>Available</i>	WSP	Cubic
Proposer Qualifications and Experience	<i>20</i>	15.9	18.3
Technical Proposal	<i>20</i>	17.0	14.6
Training and Transition Proposal	<i>5</i>	3.9	3.6
Operations and Maintenance (O/M) Proposal	<i>30</i>	23.3	20.9
Price Proposal - Cost Effectiveness	<i>5</i>	4.1	2.7
Price Proposal - Operations and Maintenance Price Proposal (4 years)	<i>20</i>	20.0	19.9
SBE Program	<i>10</i>	5.0	0.0
Total*	<i>110</i>	89.1	79.9

*rounding errors corrected in total

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract

Contractor:	WSP USA Services, Inc. (WSP) San Francisco, CA
Project Title:	Next-Generation Clipper® (C2) Customer Service Center Contract
Purpose of Contract:	Design, implement and operate a new Customer Service Center for the C2 System
Brief Scope of Work:	Design, installation, training and transition to an omnichannel C2 customer service center that provides a seamless transition for current Clipper customers and provides customer service using more channels, to match changing customer preferences.
Project Cost Not to Exceed:	Capital: \$2,729,118 O&M: \$17,979,896 for four years and nine months (to June 30, 2027) Total contract amount: \$20,709,014
Funding Source:	Regional Measure 2 Capital and Regional Measure 2 Operating, Regional Measure 3, OBAG, SB1 State of Good Repair, Inactive Card Funds, Float Account Interest, Transit Agencies
Fiscal Impact:	Funds are included in the FY 2021-22 Clipper budget for \$2 million of capital expenditures. Funding for future years' capital and operating expenses dependent on Commission approval of annual MTC operating budgets.
Motion by Committee:	That the Executive Director or designee is authorized to negotiate and enter into a contract with WSP USA Services, Inc. for the purposes described above and in the Summary Sheet dated May 14, 2021, and that the Chief Financial Officer is authorized to set aside \$21,709,014 for such contract, subject to the approval of future MTC budgets.
Operations Committee:	<hr/> Carol Dutra-Vernaci, Chair
Approved:	May 14, 2021

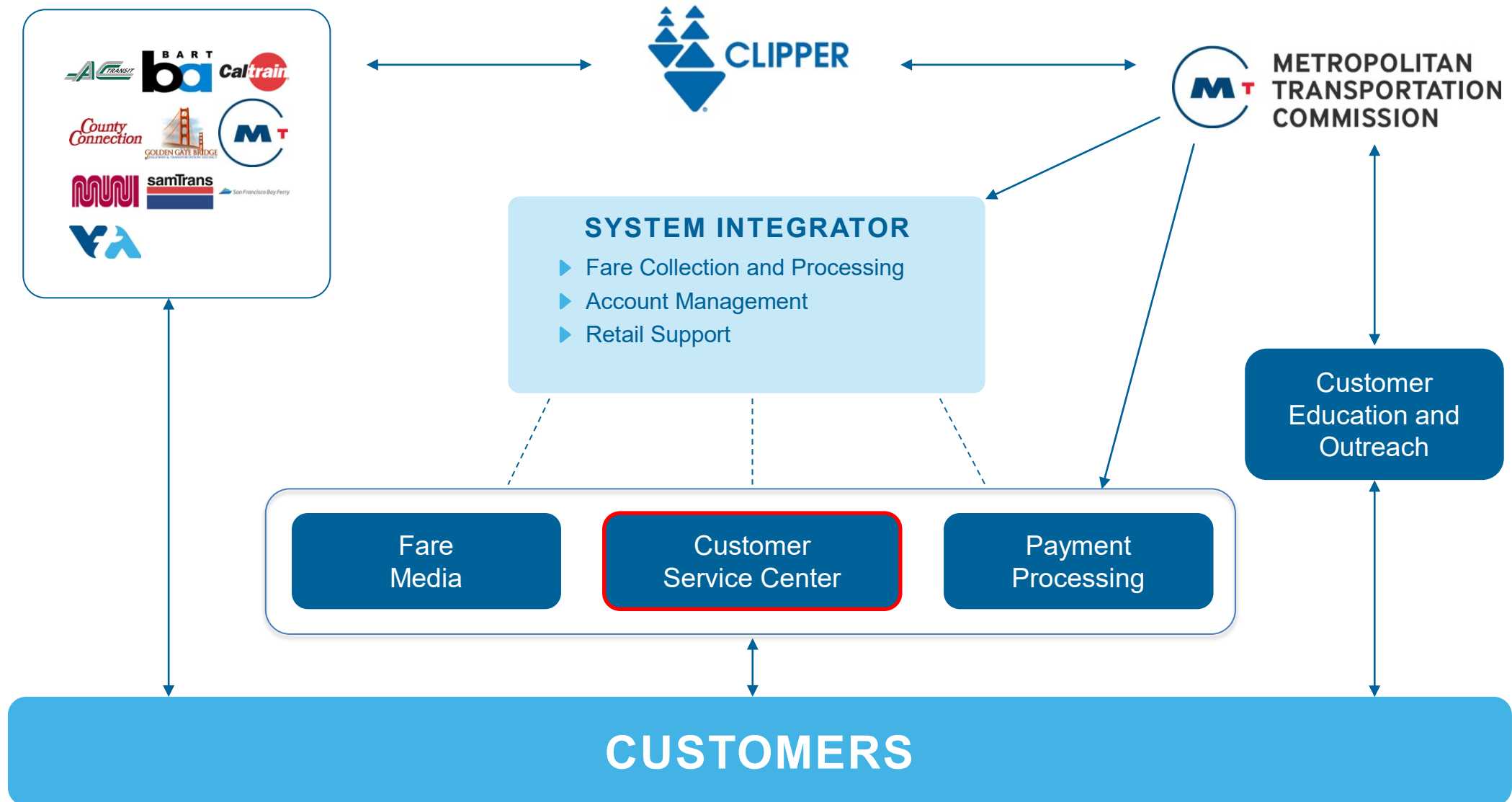


Next-Generation Clipper® Customer Service Center Procurement

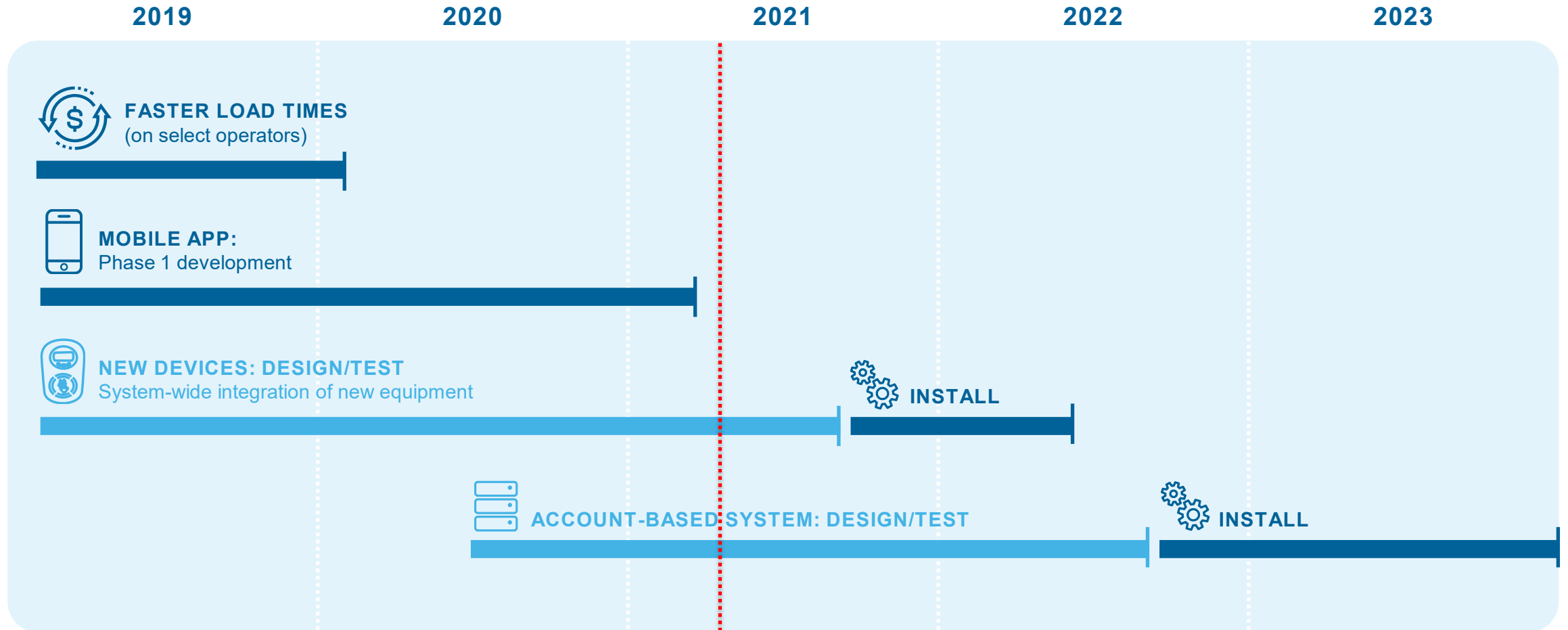
Presentation to MTC Operations Committee

May 12, 2021

Clipper is Delivered by Transit Operators & MTC



Schedule



Procurements and Procurement Process

FOUR PROCUREMENTS

- ▶ System Integrator (Awarded September 2018)
- ▶ Payment Gateway (Awarded February 2021)
- ▶ Fare Media – Preparing for bid later this year
- ▶ **Customer Service Center – Recommending award today**

CUSTOMER SERVICE CENTER PROCUREMENT PROCESS

- ▶ Request for Information released (Early 2020)
- ▶ Request for Proposals released (August 2020)
- ▶ Bidders' Conference (September 2020)
- ▶ Two firms (Cubic and WSP) submitted proposals (November 2020)
- ▶ Request for Best and Final Offers (BAFOs) released (March 2021)
- ▶ BAFOs received (March 2021)
- ▶ Selection made (April 2021)

Best and Final Offers

EVALUATION

- ▶ Both firms met MTC's needs
- ▶ WSP's proposal scored well in the following areas:
 - ▶ Technical proposal
 - ▶ Customer transition
 - ▶ Flexibility and scalability of operations
 - ▶ Cost effectiveness
- ▶ WSP is partnering with several firms, including two Small Business Enterprises

Recommendation

- ▶ Award contract not to exceed \$20,709,014
- ▶ Contract term begins July 2021 and runs through June 2027
- ▶ WSP will participate in design, development, training and transition to next-generation Customer Service Center
- ▶ The customer service center will be operational in October 2022, with full operations expected in July 2023



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