



Agenda Item No. 2

To Building and Operating Committee/Committee of the Whole
Meeting of August 23, 2007

From: Alan R. Zahradnik, Planning Director
Kary H. Witt, Deputy General Manager, Bridge Division
Susan C. Chiaroni, Deputy General Manager, Bus Division
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE COMPETITIVE NEGOTIATION PROCESS FOR THE
PROCUREMENT OF CONTRACT NO. 2008-MD-1, ADVANCED
COMMUNICATION AND INFORMATION SYSTEM**

Recommendation

The Building and Operating Committee recommends that the Board of Directors find that a sealed low-bid process for the purchase of the replacement radio communications system and new Intelligent Transportation Systems (ITS) is not adequate for the District's needs, and that the Board authorize a competitive negotiation process for the procurement of Contract No. 2008-MD-1, *Advanced Communication and Information System*, in accordance with the District's Procurement Manual and state law.

Summary

In November 2006, the District retained Booz Allen Hamilton (BAH) to design and assist the District in procuring a comprehensive communications and information system to replace the District's aging radio and dispatch communications equipment and add new capabilities for improving fleet and service management. Functional and performance specifications have been developed for a replacement communications and new information system necessary to support existing voice and data traffic and proposed new ITS applications, such as Computer-Assisted Dispatch/Automatic Vehicle Location (CAD/AVL), Automatic Passenger Counters (APC), Automatic Voice Annunciation (AVA), and Automatic Vehicle Monitoring (AVM). The amount budgeted for this project, including equipment, computer hardware and software, ITS applications, and vendor installation and support is \$10 million, of which \$8 million (80%) is federally funded and \$2 million (20%) is District funded.

In accordance with the District's Procurement Manual, Section V.O., "Competitive Negotiations for Technology Equipment and Rolling Stock," the District may purchase computers, telecommunications equipment, radio and microwave equipment, and other related electronic equipment and apparatus used in transit operations through competitive negotiations in lieu of

formal competitive bidding pursuant to Public Code Sections 20216 and 20217. A competitive negotiation permits the consideration of price, technical experience, past performance, management or other factors in selecting the most cost-effective proposal. The process includes negotiations with proposers during which performance, technical standards, or other criteria may be revised to secure proposals most advantageous to the District. However, prior to using the competitive negotiation process, two-thirds of all members of the Board of Directors must adopt a finding that other procurement methods, such as sealed low bids, are not adequate to meet the District's needs.

Staff has determined that the competitive negotiation process is necessary in order to permit the District greater flexibility to consider qualitative differences in proposers' experience and qualifications, the appropriateness of proposed technical solutions and performance reliability, as well as to maximize the District's ability to obtain the most advantageous cost proposals in the negotiation process. It is anticipated that the evaluation factors to be used to select the successful proposer will be as follows:

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| Technical Proposal | 40 points |
| Qualifications and References | 40 points |
| Price Proposal | 20 points |

The District has successfully used a competitive negotiation process for its FasTrak, IFAS, and other advanced technology systems. In view of this success, and the encouragement and support for this method by APTA, FHWA and FTA, the trend has been for transportation agencies to convert to this method. Other transit agencies that have successfully procured similar advanced technology systems using the competitive negotiation method include AC Transit, Livermore-Amador Valley Transit Authority, and the Santa Clara Valley Transportation Authority.

Fiscal Impact

There is no fiscal impact associated with this item at this time. This project is included in the FY 07/08 Capital Budget at a total cost of \$10 million and is funded with 80% federal funds and 20% District funds. This item establishes use of an alternative procurement process that may result in the best combination of performance and value.