



Agenda Item No. (8)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of May 20, 2021

From: Jennifer Mennucci, Director of Budget and Electronic Revenue
Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **APPROVE ACTIONS RELATIVE TO THE AWARD OF CONTRACT NO. 2021-B-041, GOLDEN GATE BRIDGE INTERIM TOLL COLLECTION SYSTEM, TO P SQUARE SOLUTIONS, LLC**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize the General Manager, or his designee, to approve the following actions relative to Contract No. 2021-B-041, *Golden Gate Bridge Interim Toll Collection System*:

1. Authorize the award of a contract to P Square Solutions, LLC (P Square) of Mount Laurel, NJ, in the not-to-exceed amount of:
 - a. \$3,456,937 for software, hardware, one-year warranty, and implementation of the interim toll collection system; and,
 - b. \$4,754,372 for maintenance and support services for a three-year base term of \$2,482,517, with three additional one-year option terms to be exercised at the General Manager's discretion.
2. Authorize the General Manager, or designee, to pay from the project budget for work already performed as part of the original interim solution that supports the new interim solution to current subcontractor;
3. Establish a contract contingency in the amount of \$345,693 to address unanticipated items that may be discovered once work commences,
4. Authorize a budget increase in the amount of \$3,000,000 for the *Toll System Upgrade Project (Project #1525)* in the FY 20/21 Bridge Division Capital Budget to be funded with toll revenues.

This matter will be presented to the Board of Directors at its May 21, 2021, meeting for appropriate action.

Summary

On March 24, 2017, the Board authorized the award of Contract No. 2017-B-04, Replacement Toll Collection System, for the implementation of a new, gantry-based, toll collection system. While the gantry-based system is being developed, the Golden Gate Bridge, Highway and Transportation District's (District) existing toll equipment is quite old, predating the first iPhone, and needs to be replaced. In order to ensure that the District can continue to efficiently collect tolls, the District requires an interim toll collection system that would improve the toll collection process by using modernized equipment and technology to more effectively capture required transaction information.

The District initially executed an amendment to its Replacement Toll Collection System contract to add the delivery and maintenance of the interim toll collection system with the District's current toll collection system contractor. It has now become evident that the contractor will not be able to meet the critical project schedule and that its proposed system will have less operational functionality than the District's current toll collection system. To prevent further delays and to secure its toll collection system, the District has determined that a different solution is required in order to ensure continued toll collection.

To implement a new toll interim toll collection system the District has turned to P Square Solutions LLC (P Square) and Transport Data Systems (TDS). The District solicited a proposal from P Square, a company that has used TDS as subcontractor in prior projects to expedite the project by utilizing design work that is already complete. The choice to find a toll systems solution provider that had a history of working with TDS was important because the current interim solution uses TDS and they have already completed a lot of the essential design work. TDS specializes in designing and producing a variety of sensor-based systems including, in particular, manual and automatic lane toll collection systems. In addition, TDS provides the District's cameras in the current system, and they work on many projects providing roadway solutions to toll agencies.

P Square was selected because it is a toll system solutions provider with over 10 years of experience in the implementation of toll systems using latest enterprise class technologies. Its expertise is in providing software solutions, system integration, and consulting services for the development, implementation, testing, and maintenance of toll systems. While its original specialty was assisting toll integrators with their software issues, P Square has evolved and now implements and maintains comprehensive toll systems, such as the Port of Hood River, Oregon toll system. P Square's smaller size allows for the flexibility to provide innovative toll solution options, especially in taking over existing systems. The District is confident that P Square has the subject matter expertise and commitment to deliver the interim toll system on schedule. P Square has a record of timely performance and responsiveness to problem solving. P Square's schedule anticipates the implementation and full transition to the interim toll system by May 2022.

In restarting the procurement of the interim toll system, the District may forgo the competitive process when services are available from a single source or when full and open competition in connection with a particular acquisition would be unavailing and is not in the public interest. The District has already sustained substantial delays to the project schedule and the need for the interim toll system only grows more urgent as it is increasingly difficult to procure or build the necessary hardware to keep the toll system functioning. The District has determined that the public interest

is best served by a single source procurement and a competitive process would be unavailing and serve no useful purpose here.

After considerable research of the industry, the District determined that P Square was well situated to provide an interim solution under these difficult conditions. Accordingly, the District solicited a proposal from P Square. Staff has analyzed P Square's proposal and level of effort and determined that its costs are fair and reasonable and consistent with industry standards.

The District's Disadvantaged Business Enterprise (DBE) Program Administrator has determined P Square is a certified DBE firm. Approximately, 43% DBE participation is anticipated during the performance of this contract.

The additional resources are necessary to cover the difference in the additional scope not currently in the interim solution that P Square will provide, to replace the current contractor's host, to design additional functionality, to perform additional required testing and to fund additional technical support to manage this contract due to its extended length of time.

Fiscal Impact

The Toll System Upgrade Project (Project #1525) is included in the FY 20/21 Bridge Division Capital Budget in the amount of \$8,480,848 and is 100% District funded. This capital project will fund both the interim toll collections system and the final gantry based toll collection system.

The proposed budget amendment would result in a \$3,000,000 increase to the total project budget. The revised total project budget of \$11,480,848 will be 100% District funded. That additional funding will be used for software, hardware, a one-year warranty in implementing the interim toll collection system, a contingency fund, and first-year maintenance to P Square Solutions LLC in an amount of \$4,537,644. Future annual maintenance costs will be included in the Bridge Division operating budget.

TABLE 1: CAPITAL PROJECT BUDGET - #1525, Toll System Upgrade

DESCRIPTION	CURRENT TOTAL PROJECT BUDGET	PROPOSED BUDGET ADJUSTMENT	PROPOSED TOTAL PROJECT BUDGET
Prime Contract	\$5,414,384	\$3,000,000	\$8,414,384
Prime Contract Contingency	385,316		385,316
Consultants & General Expenditures	2,606,065		2,606,065
Computer Hardware/Licenses	74,497		74,497
Miscellaneous/Incidentals	586		586
Grand Total (Capital Budget)	8,480,848	\$3,000,000	\$11,480,848

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