

Date: April 27, 2016
To: Board of Directors
From: Neil McFarlane *Neil McFarlane*
Subject: **RESOLUTION 16-04-20 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING CONTRACTS WITH ABNOTE USA INC. AND ELECTRONIC DATA MAGNETICS INC. FOR EFARE PROJECT FARE MEDIA**

1. Purpose of Item

The purpose of this item is to request that the TriMet Board of Directors (“Board”) adopt a resolution authorizing the General Manager to execute contracts with ABnote USA Inc. (“ABnote”) and Electronic Data Magnetism Inc. (“EDM”) for the purchase of eFare Project fare media.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Reason for Board Action

Board authorization is required for goods and services contracts obligating TriMet to pay in excess of \$500,000.

4. Type of Action:

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

5. Background

A major element of the regional eFare project is the replacement of paper ticket and pass fare instruments with contactless chip technology in cards and tickets. These new tickets will be suitable for electronic validation on buses and at light rail platform validators. The extensive retail network that will be implemented, as well as institutions, such as high schools, colleges, and employers, will distribute reusable extended use (“EU”) fare media. Ticket vending machines will vend disposable limited use (“LU”) media, which will feature contactless chip technology. In addition to the initial one-time supply of eFare media that will be provided by the System Integrator (INIT Innovations in

Transportation), there is a need for on-going fare media contracts. These contracts will meet the regional demand for the HopFastpass contactless cards and contactless tickets for the next five years.

6. Procurement Process

TriMet issued a Request for Proposal (“RFP”) for these services on January 19, 2016. The RFP set out technical and manufacturing specifications for the media, as well as TriMet’s requirements for media inventory management. The RFP allowed for award to a single proposer for both EU and LU media or for award of separate contracts, depending on qualifications of the proposing firms and pricing submitted for each of the EU and LU media categories. Four proposals were received by the due date of February 17, three of which were deemed to meet minimum requirements. After receipt of Best and Final Offers, the staff and consultant evaluation committee ranked the three proposals as follows:

Extended Use Media

	Possible points	ABnote	ASK-Intag	EDM
Proposal Score	100	90	85	70
Price Proposal		\$2,563,639	\$2,948,198	\$2,557,257
Ranking		1	2	3 – See Note below

Limited Use Media

	Possible points	ABnote	ASK-Intag	EDM
Proposal Score	100	Did not propose	85	85
Price Proposal			\$3,983,833	\$3,644,659
Ranking			2	1

Note: EDM did not propose media packaging nor inventory system for extended use, so was lowest ranked.

7. Diversity

While both ABnote and EDM are very qualified and experienced suppliers of this commodity, they are both relatively small companies who do not outsource elements of their respective manufacturing processes. As such, there are currently no subcontracting opportunities for diversity participation. Regarding workforce diversity, ABnote’s workforce is composed of 64% minority employees. EDM’s workforce is composed of 34% minority employees.

8. Financial/Budget Impact

The proposed contract price of both the EU and LU contracts are within budget estimates for this element of the eFare project. Pricing was solicited for unit prices based on estimated quantities for a five-year contract term. Over the life of the contract, contract costs for years two through five will be programmed in future year operating budgets.

9. Impact if Not Approved

If these (or similar) contracts are not approved, TriMet will not have the necessary inventory of eFare media to distribute throughout the eFare system retail network, nor be able to vend limited use media through its ticket vending machines and transit ticket offices. Because the existing procurement process generated multiple proposals and competitive pricing, a new or revised process is not recommended.

RESOLUTION 16-04-20

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRI-MET) AUTHORIZING CONTRACTS WITH ABNOTE USA INC. AND ELECTRONIC DATA MAGNETICS INC. FOR EFARE PROJECT FARE MEDIA

WHEREAS, Tri-Met has authority under ORS 267.200 to enter into contracts with ABnote USA, Inc., and Electronic Data Magnetics, Inc. for eFare Project fare media (“Contracts”); and

WHEREAS, the total amount of each of the Contracts shall exceed \$500,000; and

WHEREAS, the Tri-Met Board of Directors (Board), by Resolution dated November 25, 2009, adopted a Statement of Policies requiring the Board to approve goods and services contracts in excess of \$500,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contracts shall be in conformance with applicable laws.
2. That the General Manager or his designee is authorized to execute the Contracts.

Dated: _____

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department