



February 13, 2023

To: Members of the Board of Directors

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is positioned to the right of the "From:" line.

Subject: Approval to Release Request for Proposals for the Development and Implementation of a Rider Validation System

Overview

The Orange County Transportation Authority has developed a request for proposals to initiate a competitive procurement process to select a firm for the development and implementation of a new rider validation system for the Orange County Transportation Authority fixed-route bus system.

Recommendations

- A. Approve the release of Request for Proposals 2-2980 to select a firm for the development and implementation of a new rider validation system for the Orange County Transportation Authority fixed-route bus system for a five-year initial term with one, five-year option term.
- B. Approve the proposed evaluation criteria and weightings for Request for Proposals 2-2980 for the development, installation, and implementation of a new rider validation system for the fixed-route bus system.

Background

In 2018, the Orange County Transportation Authority (OCTA) hired CH2M Hill Engineers, Inc., to analyze OCTA's fare collection system and assist OCTA with leveraging its investments in on-board bus validators to develop a new rider validation system (RVS).

The primary goals for the new RVS were to:

- Improve customer convenience and experience
- Facilitate fare policy, equity, and innovation
- Validate ridership for revenue reimbursement for free fare and pass programs and improve data collection for analytical and reporting capabilities

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- Reduce onboard cash usage, bus dwell time, and operator workload
 - Enhance intermodal and regional interoperability

In May 2020, the Board of Directors (Board) approved an agreement with Jacobs Engineering Group, Inc. (Jacobs) to provide technical support for development of the initial design specifications for an RVS. Initial design specifications were developed and included an account-based system, which would improve the customer experience by offering the use of smart cards and mobile wallets while serving banked, underbanked, and unbanked customers. The centralized account-based structure would also provide OCTA the capability to implement different fare policy models and improve fare equity for its customers. This system would improve OCTA's ability to collect information and report required data to external agencies that fund OCTA's reduced fare and pass programs. OCTA would also plan to expand its current retail network throughout the County and incentivize the use of smart cards and mobile ticketing to reduce of use of cash onboard the bus, reduce coach operator workload, and improve travel times. The system would provide OCTA the flexibility to integrate microtransit, paratransit, and the OC Streetcar into the RVS, and would also allow OCTA's validators to read fare media from outside agencies such as Metrolink or the Los Angeles County Metropolitan Transportation Authority.

In May 2022, the Board approved OCTA staff, with the consultation of Jacobs, to proceed with full development of the technical specifications necessary for the procurement of the RVS.

Discussion

OCTA staff, in consultation with Jacobs, has finalized the development of the technical specifications to procure and implement an RVS. The RVS is expected to be an account-based electronic fare collection system with open architecture that will provide flexibility into the future as technology and OCTA's needs change. The RVS will integrate with OCTA's prior investments in mobile ticketing as well as on-board validators. In addition to delivering the RVS, the contractor will be required to provide cloud hosting and software maintenance for the initial five years of system operation as well as recruit and manage the network of retail merchants necessary to distribute fare media and reload customer accounts. Staff is seeking Board approval to release the request for proposals (RFP) as well as approve the proposed evaluation criteria and weightings based on the following procurement approach.

Procurement Approach

OCTA's Board-approved procurement policies and procedures require that the Board approve RFPs over \$1,000,000, as well as approve the evaluation criteria and weightings. Staff is submitting for Board approval the draft RFP and evaluation criteria and weightings, which will be used to evaluate proposals received in response to the RFP.

The proposed evaluation criteria and weightings are as follows:

- Qualifications of the Firm 20 percent
- Staffing and Project Organization 20 percent
- Work Plan 35 percent
- Cost and Price 25 percent

Several factors were considered in developing the evaluation criteria weightings. Qualifications of the firm is weighted at 20 percent as the firm must demonstrate experience implementing a new account-based, open architecture electronic fare payment system. Staffing and project organization is also weighted at 20 percent as the firm must demonstrate the level of expertise, availability, and involvement for the roles of the proposed project team. Work plan is weighted at 35 percent as the firm's proposed implementation plan and solution must be able to meet the functional and technical requirements established for the RVS, as specified in the scope of work. Cost and price is weighted at 25 percent to ensure that OCTA receives value for the services provided.

The contract term for this procurement will be a five-year initial term with one, five-year option term. The total cost for the initial term is anticipated to be approximately \$14,472,028.

This RFP will be released upon Board approval of these recommendations.

Fiscal Impact

This project was approved in OCTA's Fiscal Year 2022-23 Budget, Finance and Administration Division, Account No. 1261-9028-A5105-0U8.

Summary

Board of Directors' approval is requested to release Request for Proposals 2-2980 to select a firm for the development and implementation of a new rider validation system for the Orange County Transportation Authority fixed-route bus system and the approval of the proposed evaluation criteria and weightings.

Attachment

- A. Draft Request for Proposals (RFP) 2-2980, Rider Validation System

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