



***April 24, 2019***

**To:** Finance and Administration Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Agreement for Magnetic Bus Passes

***Overview***

In February 2019, the Orange County Transportation Authority issued an invitation for bids for the production, printing, and encoding of magnetic bus passes. Bids were received in accordance with procurement procedures for materials and equipment. Board of Directors' approval is requested to execute the new Blanket Purchase Order.

***Recommendation***

Authorize the Chief Executive Officer to negotiate and execute Blanket Purchase Order No. C-9-1017 between the Orange County Transportation Authority and Electronic Data Magnetix, Inc., in the amount of \$414,906, to provide magnetic bus passes from July 1, 2019 through June 30, 2023.

***Discussion***

As part of the local and express fixed-route bus service, the Orange County Transportation Authority (OCTA) utilizes multiple types of prepaid encoded and unencoded magnetic bus passes that are validated by the GFI Genfare Odyssey Farebox (farebox) on the bus.

OCTA outsources the production, printing, and encoding of the various encoded and unencoded magnetic bus passes. The encoded bus passes are produced, printed, and magnetically programmed by the contractor according to OCTA specifications. This allows the farebox to distinguish encoded bus passes, such as the various bus pass types for regular, senior, or youth. Unencoded bus passes are passes that have not been programmed by the contractor, but are produced and printed with OCTA branding. Unencoded passes are stored on the bus. When a customer requests a day pass, the coach operator inserts the unencoded pass into the farebox where it is magnetically encoded as a day pass.

Annually, OCTA sells approximately 800,400 prepaid encoded magnetic bus passes and distributes an average of 4,300,000 unencoded magnetic bus passes amongst the various bases.

***Procurement Approach***

This procurement was handled in accordance with OCTA's Board of Directors (Board)-approved procedures for materials and equipment greater than \$50,000. These procedures, which conform to both federal and state requirements, are used when minimum requirements can be clearly specified and, therefore, the lowest price is the only criterion for choosing among the bidders who are responsive and responsible after a sealed bid process.

On February 19, 2019, Invitation for Bids (IFB) 9-1017 was issued electronically on CAMM NET. The project was advertised on February 19 and 26, 2019, in a newspaper of general circulation. One addendum was issued to answer various bidders' questions that were received. On March 20, 2019, three bids were received and publicly opened.

All bids were reviewed by staff from the Contracts Administration and Materials Management and General Services departments to ensure compliance with the contract terms and conditions, as well as technical specifications. The list of bidders and bid amounts, which include delivery and sales tax, are presented below:

<u>Firm and Location</u>	<u>Bid Amount</u>
Electronic Data Magnetix, Inc. High Point, North Carolina	\$414,906
Paragon Magnadata, Inc. Toms River, New Jersey	\$428,710
Magnetic Ticket & Label Corporation Dallas, Texas	\$554,769

The independent cost estimate for the project was \$382,452. The recommended firm's bid is \$414,906. Electronic Data Magnetix, Inc., met the requirements of the IFB, and staff considers the bid based on current market conditions to be fair and reasonable.

State law requires award to the lowest responsive, responsible bidder. As such, staff recommends award to Electronic Data Magnetix, Inc., the lowest

responsive, responsible bidder, in the amount of \$414,906, for magnetic bus passes.

**Fiscal Impact**

The project is included in OCTA's proposed Fiscal Year 2019-20 Budget, Finance and Administration Division/General Services Department under account 1241-A5104-DU9-7661.

**Summary**

Based on the information provided, staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Blanket Purchase Order No. C-9-1017 with Electronic Data Magnetics, Inc., in the amount of \$414,906, for the purchase of magnetic bus passes.

**Attachment**

None.

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