



FINANCE AND BUDGET COMMITTEE
FEBRUARY 17, 2000

Los Angeles County
Metropolitan
Transportation
Authority

SUBJECT: PHOTO IDENTIFICATION CARD PRODUCTION SERVICES

**ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO
NEGOTIATE AND EXECUTE A CHANGE ORDER WITH U.S.
DATA SOURCE FOR PHOTO IDENTIFICATION CARD
PRODUCTION SERVICES**

One Gateway Plaza
Los Angeles, CA
90012

213.922.6000

RECOMMENDATION

- A. Ratify expenditures in the amount of \$49,555.13 above the contract authorized amount to U.S. Data Source for photo identification card production services rendered during fiscal year 1996.
- B. Authorize the Chief Executive Officer to negotiate and execute a change order with U.S. Data Source to continue providing photo identification card production services through April 2000 in an amount not to exceed \$45,000.

Mailing Address:
P.O. Box 194
Los Angeles, CA 90053

Total recommended amount is \$94,555.13, for a revised contract amount of \$557,555.13.

RATIONALE

This change order will allow the MTA to continue to process applications for photo ID cards for students, seniors and disabled patrons, to enable them to purchase MTA fare media at a discount, while the procurement for a new contract is completed.

FINANCIAL IMPACT

Ratification of \$49,555.13 has no financial impact, as it involves funds paid in FY 1996 but the information was not captured in the current Financial Information System (FIS) records. Funding for the remaining \$45,000 is included in the FY 00 budget in cost center 5420 - Fare Media Sales, Project 300011, Task 01.001, Line Item 50315. The MTA charges the applicants a fee for processing based on the category of the card. Approximately \$150,000 in fees are collected annually.

ALTERNATIVES CONSIDERED

Bring the processing of identification cards in-house and have the staff produce and mail out all cards. Approximately 250,000 photo identification cards are processed annually through this program. This is not considered a cost effective solution since it requires an increase of staff and the procurement of specialized equipment.

BACKGROUND

The MTA’s Reduced Fare Program provides seniors, disabled, and student customers with discounts on the purchase of fare media, based on qualifying criteria. Eligible customers are issued a security laminated card with their picture, name and card expiration date. The process requires capturing the data from the applications and inputting it into a database, generating and mailing the card to the customer. Over 250,000 identification cards are processed annually.

The original contract was approved by the Board of Directors to produce identification cards for the period November 1, 1995 through October 31, 1998, for an amount not to exceed \$363,000. Extensions for an additional \$100,000 were approved, for a total authorization of \$463,000, while staff attempted to develop a new identification card system. A desk audit revealed that the authorized contract amount had been exceeded by \$49,555.13 since the payments, made in FY 96, were not picked up in the current financial (FIS) reporting system. The payment information was not recorded against this contract history when the LACMTA migrated its financial database to the new Oracle Financial Information System (FIS). The additional \$45,000 is for a contract extension of current services. An award recommendation for a new contract is being finalized and is scheduled to be presented at the March 2000 Board Meeting.

COST PRICE ANALYSIS

	PROPOSED UNIT RATES	CURRENT MARKET UNIT RATES (Including Laminates)	UNIT RATE VARIANCES
Student ID Card	.99	.97	.02
Reduced Fare ID Card	1.37	1.30	.07
Senior Citizen ID Card	1.37	.97	.40
County Punch Card	1.37	.77	.60
Rejection Letter	.55	.55	-0-


The recommended unit rates appear fair and reasonable with the exception of Senior Citizen ID and punch cards. The exceptions result from lack of competition and are the best attainable rates for the short term to keep the services going until a new contract is in place.

SMALL BUSINESS PARTICIPATION

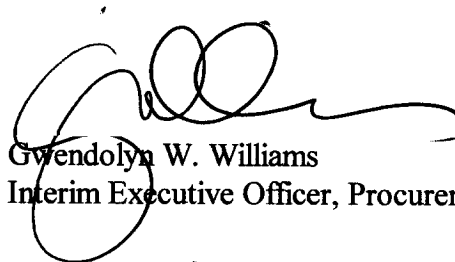
The Contract Compliance Unit waived the DBE goal for this procurement based on the lack of subcontracting opportunities. Based on industry practices, it was expected that the Prime would perform all services with minimal, if any, subcontracting. However, pursuant to the DBE Program, if the awardee had proposed to use the services of subcontractors, the awardee would have been expected to afford maximum opportunities to DBEs in all subcontractor and supply service areas. Upon the MTA’s request, the awardee could have been required to submit documentation to satisfy MTA that good faith efforts were made to utilize DBEs throughout the life of the contract.

Prepared by: Gail Harvey
Acting Manager, Fare Media Sales


Ken Takahashi
Senior Contract Administrator



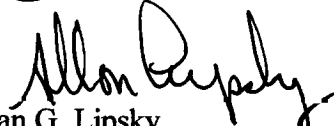
Terry Matsumoto
Executive Officer, Finance



Gwendolyn W. Williams
Interim Executive Officer, Procurement



Richard Brumbaugh
Chief Financial Officer



Allan G. Lipsky
Office of the Chief Executive Officer