

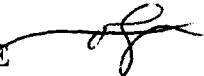



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FEBRUARY 22, 2008

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE 
EXECUTIVE OFFICER

FROM: MICHAEL GREENWOOD 
DEPUTY EXECUTIVE OFFICER, OPERATIONS

**SUBJECT: MOTORIST AID AND TRAVELER INFORMATION SYSTEM (MATIS)
UPDATE**

ISSUE

At the January 2008 Board meeting, staff presented a recommendation to award a contract for the development, deployment and operation of MATIS. During the discussion on this item, Board members posed questions and deferred the item until the February 2008 Board meeting. This Board Box is being distributed to provide additional information and clarification to enable the Board to make a final determination on MATIS. The Board Box will focus on 1) the protest, including all subsequent letters from MyTransitPlus, and 2) the regional coordination of 511. In addition, the February 2008 Board Report will be amended to include additional clarification language in the "Alternatives Considered" section should the Board choose to not authorize the award of the MATIS contract.

BACKGROUND

Protest

A protest from MyTransitPlus, a subcontractor on a proposal submitted by TI Ventures, was received on November 23, 2007. The protest was denied on the grounds that MyTransitPlus was not an interested party. On December 3, 2007, MyTransitPlus submitted an appeal to the CEO as provided for in the protest procedure. After reviewing the appeal and consulting with County Counsel, a response upholding the protest denial was issued on December 13, 2007. MyTransitPlus then submitted a letter on January 2, 2008 in response to the CEO's denial of the appeal. The agency's protest procedure states that the CEO's decision is final, therefore, no further action was taken on MyTransitPlus's post appeal letter. On February 14, 2008 another letter on behalf of MyTransitPlus was submitted to the Board. The letter generally addressed the same claims as the original protest and contained additional language with respect to the discussions at the January Board regarding the MATIS Contract Award recommendation. A timeline of the Procurement and Protest is provided as Attachment A.

Despite the protest being denied due to what may be viewed as procedural grounds, MyTransitPlus not being an interested party, staff did review the substantive items addressed in MyTransitPlus's protest and found that the items of protest themselves had no merit.

Specifically, MyTransitPlus took exception to or noted the following items of concern:

- Procurement Process – Revised Evaluation Criteria

The protest claims that the revision to the RFP evaluation criteria caused a shift in the focus of the procurement from quality to cost. In addition, the protest claims that the change caused prejudice to bidders who followed the RFP instructions and submitted a proposal for a high quality system.

The protestor has chosen to challenge the integrity of the procurement process, rather than acknowledging that it did not submit a competitive proposal. In its effort to avoid the consequences of its non-competitive proposal, the protestor has mischaracterized staff's effort to obtain a contract at a fair and reasonable price. The protestor has inaccurately and misleadingly characterized the change in the evaluation criteria weights as a reduction in quality, thereby creating a false impression that staff is accepting a lower quality system. This allegation is absolutely false and without merit. The procurement process required each proposer to submit revised technical and cost proposals as a result of the changed evaluation criteria. This allowed each proposer the ability to revise their proposal so as to reduce costs yet still meet the quality and performance benchmarks and requirements established under the RFP and statement of work. These benchmarks and requirements did not change, thus the quality required by SAFE under the RFP did not change.

The RFP was issued on September 26, 2006 with evaluation criteria that consisted of 70% technical and 30% cost. During the evaluation process staff determined that the current evaluation criteria could not yield a contract award at a fair and reasonable price and further determined that a different weighting scheme would yield a sound contract award recommendation. Staff reviewed options on how to proceed and determined that the best solution, in accordance with procurement policy, was to issue an amendment to the current RFP thereby allowing all three existing proposers to continue to equally participate in the process. An amendment was issued on May 1, 2007, which formally provided new instructions to all proposers, and informed them that the evaluation criteria was revised to 50% technical and 50% cost. No protest or request for additional time from any party was received in response to this amendment. Furthermore, there was no substantive change to the statement of work, which establishes the quality and performance requirements.

The source selection committee fully evaluated each revised technical proposal and arrived at a consensus regarding the capabilities of each proposer to meet the requirements as delineated in the statement of work. All three proposers were found to be technically qualified to perform the required work. Attachment B provides a summary of the recommended contractor, IBI Group, and their relevant experience. In addition, Attachment C provides a summary of the experience for each proposer on the key technical areas of MATIS.

In addition to the evaluation criteria, the RFP established minimum qualifications that proposers must meet to be eligible for contract award. The source selection committee determined that all

three proposers met the minimum qualifications. The minimum qualifications were not revised at any time during the procurement process and consisted of the following elements:

1. Ten years of professional experience in application of Information Systems Development Methodology to enterprise software development projects.
2. Ten years of professional experience in information systems development project management.
3. Five years of professional experience in web-based application development and implementation for large enterprises.
4. Seven years of professional telephony experience in large call center enterprises that combine the latest in voice response telephony systems, advanced custom telephony applications, and extensive knowledge of technology tools and applications for efficient call center management.
5. Five years professional experience in the design, development and implementation of data extraction and reporting systems in a client/server environment.
6. Knowledge and understanding of the national Intelligent Transportation Systems (ITS) Architecture and ability to apply the Systems Engineering V Model for ITS Projects
7. Experience and knowledge in horizontal information systems design, development, and implementation that combine telephony systems, relational database management systems, and customized software applications.
8. Excellent verbal and written communication skills, and experience in communicating and working with multiple departments, government agencies, consultants and subcontractors.
9. Experience and knowledge in the preparation of training materials and conducting formal training for system administrators and end-users.

- Procurement Process – Revenue Generation

The protest claims that the inclusion, via an amendment, of revenue generating offsets violates the custom and practice of every other 511 system and the instructions to the bidders during the proposal preparation process and as a result should have resulted in a the re-issuance of the RFP.

Initially, the RFP was released without any requirements for revenue generation. In order to ensure a consistent evaluation of each proposal this required that each proposer submit complete proposals without the impact of any potential revenue; however, proposers were given the option of submitting a secondary alternate proposal that included revenue offsets. On June 13, 2007 an amendment was issued requesting an alternative price proposal that included guaranteed price incentives for revenue generating opportunities. A request for a time extension of the proposal due date was received and granted. On July 16, 2007 alternative price proposals with guaranteed revenue generating opportunities were received from all three proposers; no questions or protests regarding this amendment were received from any party. As with previous amendments all three parties continued to fully participate in the procurement process.

With regards to the practice of obtaining revenue from MATIS/511, since the initial release of the RFP in September 2006, there have been a couple of developments that have highlighted the ability of a 511 system to generate some level of revenue. In St. Louis, a new 511 system was deployed by Traffic.com at no direct cost to the state of Missouri or the City of St. Louis. The

service is funded by Traffic.com through the use of revenue generated by the 511 system. In addition, there has been some discussion with the state of Illinois to incorporate a revenue option for their 511 system. The San Diego County 511 system is currently pursuing a business plan with their contractor that allows for the generation of revenue in support of their 511 system. Therefore, it is evident that the opportunity to use the 511 system to generate revenue is not unique to MATIS. However, there is one unique aspect with MATIS and that is the guarantee. The contract, as structured, incorporates a guaranteed level of revenue generation which in turn has been integrated into the recommended contract value. In addition, the MATIS contract also requires the sharing of any revenues generated above the guaranteed amount; thereby providing for additional future revenues depending upon the viability of the system.

- 10% Contingency

The protest claims that only one bidder was advised of the 10% contingency allowance. The assumption is that this allowed the bidder to lower their cost proposal by 10% thereby prejudicing the other proposers.

The 10% contingency was not discussed at any time with any of the proposers, including the recommended contractor. The cost proposals that were evaluated were received as a result of the RFP and subsequent amendments and all proposers were provided with the same information and requirements.

The 10% contingency was incorporated into the final recommendation by staff in order to provide a level of flexibility to meet unanticipated and/or unforeseen conditions that may arise during the term of the contract. This contingency was not used as a factor in the final cost evaluations and would have been consistently applied to any recommended contractor. The authorized contingency will be held in reserve pending such time as there is a need to allocate additional funds. No proposer was prejudiced in any way through the application of the contingency.

- Public Safety Implications

While not a direct protest claim, the protest makes statements regarding the public safety nature of MATIS, in particular 511. The protest claims that the scope of the program is crucially important as a source of information in emergency situations.

MATIS does contain some elements relevant to public safety. However, the core purpose and goal of MATIS is to provide motorist services and traveler information. MATIS, in particular 511, is not an emergency or public safety program, and should not be confused with 911. The call center does carry some public safety implications through the handling of call box and #399 mobile call box calls; however, there are existing proven and established procedures on how to handle call box and #399 calls that will be implemented by any call center that handles call box and #399 calls. With regards to 511, there is no nationally established protocol on the role of 511 in an emergency situation. It is understood that MATIS/511 may have a role in the event of an emergency by providing information on travel conditions to the public; however, the final resolution on what information and how to provide that information will be coordinated with various first responder agencies, including but not limited to CHP, Caltrans, local police and fire departments.

MATIS currently has requirements that will enable the prompt and customized widespread distribution of information through the use of floodgate messages via the phone and alert banners and scrolling messages through the web. In addition, there is a requirement that MATIS provide general emergency information. All three proposers, including the recommended contractor, were found to have the requisite experience and qualifications to support all MATIS requirements with respect to emergencies and/or major incidents. Attachment B provides a summary of the type of emergency and major incident experience the recommended contractor possesses.

511 Regional Coordination

MATIS will be developed to support a five-county region consisting of the counties of Orange, Riverside, San Bernardino, Ventura and Los Angeles. Representatives from the counties supported and participated in the development of the statement of work, the RFP and the technical evaluations of the MATIS proposals. MATIS is currently funded 100% by LA SAFE, and there is no agreement, earmarks or other funding from any other county or agency, federal, state or local, for the development and/or operation of MATIS. However, there is a general understanding that if a county wishes to use MATIS to provide services for their county, that specific county would be responsible for the costs incurred to provide the services to their residents. MATIS will be developed utilizing an open architecture and modular approach; thereby, allowing the system to be easily scalable and allow for the inclusion and integration of other agencies and systems. The exact nature of the services to be provided and/or the level of integration will be dependent upon agreement between the parties; nevertheless, MATIS will be capable of support a variety of integration solutions.

At the appropriate time, agreements will be negotiated and executed with each participating county to confirm any cost sharing for any MATIS services provided to their county. Each county has the ability to participate in MATIS from the beginning, participate at a later date or develop and implement their own 511 system. To date Orange and Ventura counties have expressed their desire to continue working on the development of MATIS. Riverside has stated that they are taking a “wait and see” approach; however, they also wish to continue actively participating in the development of MATIS. San Bernardino has stated that they are not willing to participate in the development of MATIS at this time and will continue to pursue the use of 800-Commute for 511 services within San Bernardino County. Despite their stand, staff will continue to be inclusive with our neighbors and will welcome their participation in the future.

As with San Diego County, which already has an operating 511 system, staff will work with San Bernardino County to coordinate with whatever system they choose to implement. System to system integration, the transfer of data and operational procedures will be discussed to ensure that the user experience is as transparent as possible. In addition to San Diego and San Bernardino counties, similar coordination discussions may need to be conducted with the state of Arizona, which also has an active 511 system that may adjoin MATIS, depending upon the final decision of Riverside County to utilize MATIS.

In addition to the coordination between the counties, there will also be various efforts to ensure coordination amongst other data and service providers. This includes coordinating with Caltrans, CHP, local municipalities, local transit agencies, Metrolink, County of Los Angeles 211

operations, City of Los Angeles 311 operations and other interested parties. Among others, LADOT has already expressed a strong interest in working with SAFE on 511.

Finally, while SAFE's proposed 511 system is scoped to be a regional system, there is no requirement that it include the five regional counties. Many national 511 systems are statewide. Others, such as San Diego's, are single county systems. While SAFE is not excluding participations from our neighboring counties, the choice of other counties to not participate should not halt the development and implementation of the project and its benefits to Los Angeles area residents.

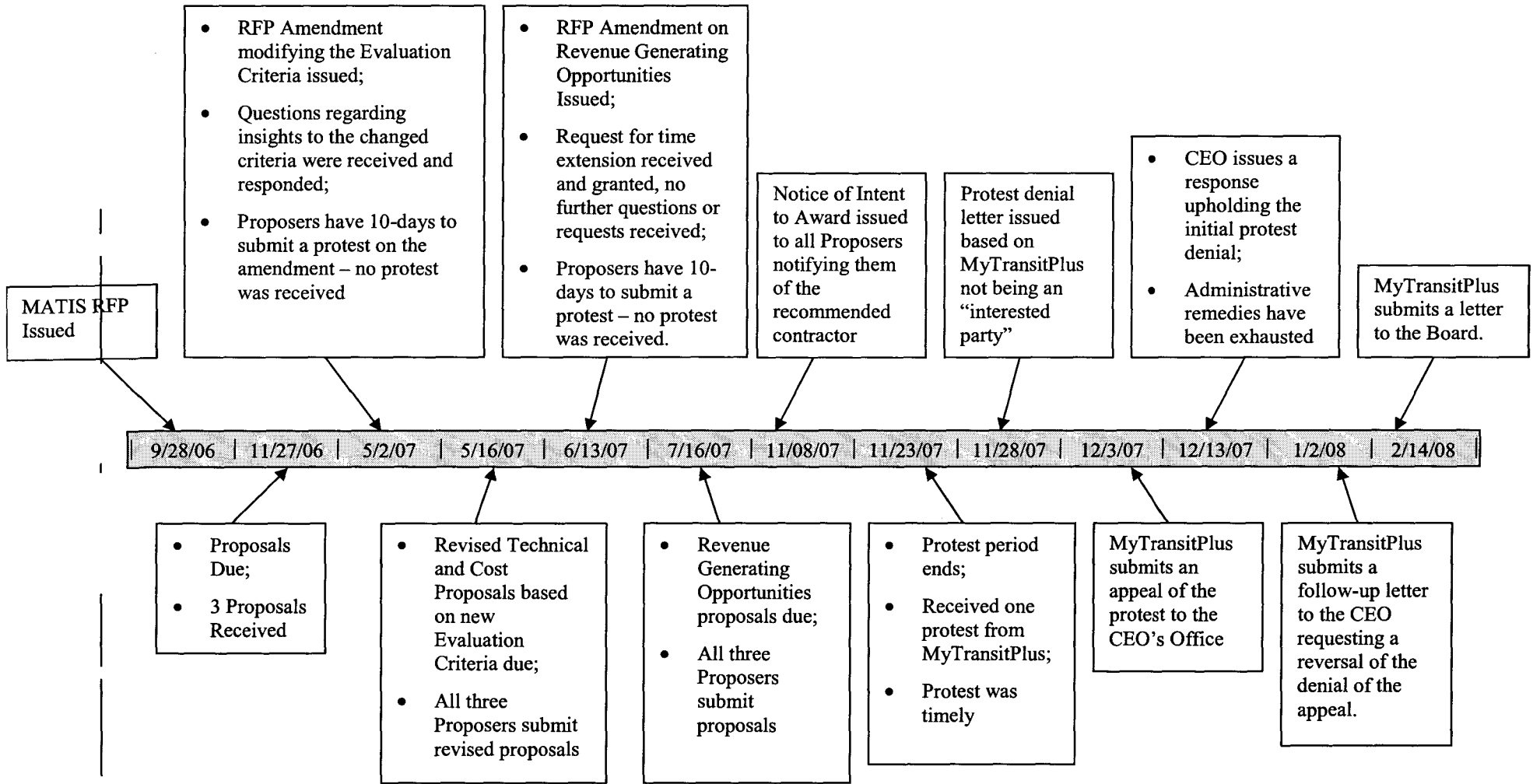
NEXT STEPS

Staff will present a recommendation to the Board in February for the award of the MATIS contract to the IBI Group. If approved, staff will work on the development of MATIS and begin coordination efforts with various interested parties with a goal of implementing a baseline system within six months from contract award.

The revised Board report will also include additional information in the "Alternatives Considered" section in the event that the Board chooses to not authorize the award of the MATIS contract and directs staff to cancel the procurement. In this case, as the ability to successfully conduct a subsequent procurement for MATIS may be compromised, due to the disclosure of pricing and other information, staff will recommend not moving forward with MATIS. As this procurement process has taken over one-year to complete and there have been a number of individuals involved in the evaluation and handling of the proposals, staff cannot be certain that technical solutions or information have not been disclosed; thereby further jeopardizing the success of any subsequent procurement. If this occurs, staff will return to the Board at a later date to request that the Board authorize the execution of an extension to the existing contract with AAMCOM, the current call box and #399 mobile call box call center. The current contract with AAMCOM is set to expire on March 31, 2008 and without the MATIS contract, SAFE will have no contract call center to handle call box and #399 calls. The time frame required to secure a new call center to handle call box and #399 calls requires that the current contract with AAMCOM be extended to ensure a continuity of service to the public. The request will also include the implementation of the Freeway Service Patrol (FSP) fleet monitoring services by AAMCOM to again ensure that there are sufficient services to support current motorist services activities. It is projected that a two year extension, inclusive of a one-year option, will be requested to ensure sufficient time to incorporate FSP fleet monitoring services, develop a new procurement to select a new contractor and transition the services to the new contractor.

Attachment A

MATIS Procurement & Protest Timeline



Attachment B

IBI Group Relevant Experience

Contractor/Sub-Contractor	General Experience	Emergency/Major Incident Experience
IBI Group	<ul style="list-style-type: none"> • Deployed over 25 traveler information web-sites, including sites for Massachusetts, Connecticut, British Columbia, Scotland, and England; • Provides technical deployment and planning support for 511 programs in Massachusetts, Maryland, Canada and Ontario; • In conjunction with Logic Tree is responsible for the deployment and operation of the statewide Florida and Wisconsin 511 systems 	<ul style="list-style-type: none"> • Provides technical and planning expertise in support of 511 programs that include the handling of emergency events; • Statewide Florida 511 is developed to support evacuation information in the event of a Category 4 or 5 hurricane; • Statewide Florida and Wisconsin 511 supports or will support the widespread distribution of emergency and major incident traveler information
Logic Tree (sub-contractor)	<ul style="list-style-type: none"> • Provides IVR services for the New Jersey, Virginia and North Carolina statewide 511 systems; • Provides IVR services for 4 separate regional Florida 511 systems; • In conjunction with IBI is responsible for the deployment and operation the statewide Florida and Wisconsin 511 systems; • Provides automated transit trip planner services for Valley Metro (Phoenix) and WMATA (Washington D.C.) 	<ul style="list-style-type: none"> • Statewide Florida 511 system is developed to support evacuation information in the event of a Category 4 or 5 hurricane; • Provides traveler information in support of major incidents and emergencies via the IVR for New Jersey, Virginia and North Carolina statewide 511 systems as well as the regional Florida 511 systems
Alta Resources (sub-contractor)	<ul style="list-style-type: none"> • Provides call center services for OCTA, Metrolink, Disney, Sony, Warner Bros, WellPoint and Apria Healthcare; • Handles over 1,000,000 annual calls for Metrolink and 700,000 annual calls for OCTA • Operates 2 (two) additional sites, beyond the identified local call center, which can provide services as needed. 	<ul style="list-style-type: none"> • Supported Metrolink during 1/05 Glendale train derailment and handled a 217% increase in call volume on the day of the incident; • Supported OCTA during 2007 bus operator strike and was able to handle a one-month 56% increase in call volume during the strike; • Experience in handling call volume spikes after the I-5 freeway tunnel fire and several other natural disasters and local incidents

Attachment C

Summary of Proposers Experience

Area	IBI Group (IBI Group, LogicTree & Alta Resources)	TI Ventures (ICx Transportation Group; Televent Faradyne; Iteris; & MyTransitPlus)	Traffic.com (Traffic.com; Delcan & AAMCOM)
511	<ul style="list-style-type: none"> • Development and operation of the statewide Florida and Wisconsin 511 systems; • Supports 511 phone operations for North Carolina, Virginia and New Jersey as well as 4 regional Florida 511 systems; • Provides automated transit trip planner via the phone in Washington D.C. and Phoenix 	<ul style="list-style-type: none"> • Development and operation of the Bay Area and San Diego 511 systems; • Supports the data collection and dissemination for the Georgia 511 system; 	<ul style="list-style-type: none"> • Operates private sector Traffic.com service; • Operates the Tampa Bay and St. Louis 511 systems; • Developed and operates the Los Angeles County Regional Integration of ITS systems; • Developed traffic information systems and traffic management centers in Chicago, San Diego and various local Caltrans' Districts.
Call Center	<ul style="list-style-type: none"> • Provides call center services for OCTA and Metrolink; • Provides call center services for Disney, Sony, Warner Bros, WellPoint and Apria Healthcare 	<ul style="list-style-type: none"> • Provides call center services for the San Diego, Santa Barbara and Sacramento region call box systems; • Past provider of OCTA and Metrolink services 	<ul style="list-style-type: none"> • Provided call center services for the Los Angeles County call box system since April 2003; • Provides call center services for the UCLA Medical Center
Fleet Monitoring	<ul style="list-style-type: none"> • Developed and deployed a fleet monitoring system for the Florida DOT Road Ranger Service Patrol 	<ul style="list-style-type: none"> • Limited direct experience would provide custom solution to support fleet monitoring. 	<ul style="list-style-type: none"> • Uses an in-house fleet monitoring and reporting system to provide fleet monitoring services to organizations in San Diego, Oregon, Illinois and Missouri