

Date: March 20, 2008

Committee Meeting Date: March 20, 2008

Board Meeting Date: April 3, 2008

**BOARD MEMORANDUM**

**ACTION ITEM**

**TO:** Santa Clara Valley Transportation Authority  
Board of Directors

**THROUGH:** Michael T. Burns  
General Manager

**FROM:** Joseph T. Smith  
Chief Financial Officer

**SUBJECT:** Advanced Farebox System Consultant Services

---

**Policy-Related Action: No**

**Government Code Section 84308 Applies: Yes**

**RECOMMENDATION:**

Authorize the General Manager to execute a fixed fee contract with Booz Allen Hamilton, Inc. (BAH) for the amount of \$108,010 to perform a needs assessment and develop functional requirements for the replacement or potentially, remanufacturing and upgrading of VTA's bus fare collection system (Phase I). Additionally, to authorize an option in the amount of \$265,390 to provide engineering services in support of procurement, installation, and testing of such equipment (Phase II) for a maximum amount not to exceed \$373,400.

**BACKGROUND:**

VTA's current bus fare collection system was procured in 1988. These fareboxes are obsolete, and the software as well as the hardware has exceeded its useful life. VTA has experienced great difficulty in procuring spare parts for some system components. The fare boxes do not properly account for currency greater than \$1.00 bills, do not support electronic payments, and do not provide needed management information on fare programs such as the Eco Pass program or special promotions. VTA needs to either replace these fareboxes or refurbish and upgrade them to meet current fare collection requirements.

VTA's fare structure is fully integrated between bus and light rail so any changes to bus fare collection need also to consider impacts on light rail. With the increasing prevalence of electronic payments in all areas of the economy, VTA needs to prepare for accepting such payments throughout its transit system. As VTA moves towards acceptance of electronic payments, it has

the opportunity to increase the quantity and quality of information with respect to fare payments, thereby improving revenue control and enhancing its ability to design fare programs that are responsive to rider needs.

**DISCUSSION:**

A Request for Proposals (RFP) for Advanced Farebox System Consultant Services was issued on December 14, 2007. The RFP was advertised in Passenger Transport magazine and the San Jose Post Record, listed on the VTA website, and notices of the RFP were sent directly to 85 firms. A pre-proposal meeting was held on January 7, 2008 and attended by representatives of four firms. On January 24, 2008 the VTA received proposals from the following five firms (in alphabetical order).

- Acumen Building Enterprise, Inc.
- Auriga Corporation
- Booz Allen Hamilton
- LTK Engineering Services
- RNR Consulting

A review panel composed of the VTA’s Deputy Director of Accounting, Deputy Director of Maintenance, Revenue Services Manager, an Information Services Supervisor, and a Contract Administrator reviewed and scored the written proposals according to pre-determined selection criteria. The evaluation criteria included qualifications of the firm (25 points), staffing and project organization( 25 points), demonstrated understanding of project requirements(20 points), and cost (30 points). Based on review of the written proposals, Acumen Building Enterprise, Auriga, Booz Allen Hamilton, and LTK Engineering Services were invited for interviews.

Of the four firms interviewed, Booz Allen Hamilton received the highest score on every selection criterion, and was ranked first overall by every review panel member. The scoring summary was as follows:

<b>Criteria</b>	<b>Booz Allen Hamilton</b>	<b>Auriga Corporation</b>	<b>LTK Engineering</b>	<b>Acumen Building Enterprise</b>
Qualifications of Firm (25 points max)	23.5	18.5	23.25	18.0
Staffing (25 points max)	22.5	17.5	16.25	16.0
Work Plan (20 points max)	18.25	14.0	17.0	11.75
Pricing (30 points max)	26.25	20.0	7.5	11.75
Totals (100 points max)	90.5	70.0	64.0	57.5

Booz Allen Hamilton offers a focused team with a high level of expertise and experience in all aspects of fare collection and payment technology. Booz Allen Hamilton was the lowest cost

proposal and the only one within VTA's independent cost estimate for the Phase I needs assessment and development of functional requirements. Their extensive national experience with similar projects, combined with their local office and staffing, contributes to Booz Allen Hamilton's ability to provide cost-effective services to VTA.

The initial contract will commit funds for Phase I work in the amount of \$108,010, with an option for Phase II activities in the amount of \$265,390.

**ALTERNATIVES:**

The Board could direct staff to issue another Request for Proposals. This alternative is not recommended because VTA has conducted an open selection process the original Request for Proposals solicited good responses from the known firms in the industry. Delay in awarding this contract would adversely impact the schedule for the farebox replacement project.

**FISCAL IMPACT:**

Funds for the Phase I needs assessment and development of functional requirements are included in the FY 2008 VTA Enterprise Capital Budget. Funds for Phase II activities are included in the FY 2009 VTA Enterprise Capital Budget as part of the Advanced Farebox System procurement and installation project.

**SMALL BUSINESS ENTERPRISE (SBE)/DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:**

There was no specific SBE/DBE goal established for this RFP. The Booz Allen Hamilton proposal included 4% participation by an SBE subcontractor in Phase I.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

The Administration & Finance committee considered this item on March 20, 2008 and approved it unanimously. Director Casas recommended that the scoring summary be incorporated in the Board Memorandum.

Prepared by: David Sausjord, Revenue Services Manager

Reviewed and verified by: \_\_\_\_\_  
Ali Hudda, Deputy Director of Accounting

**ATTACHMENT - Prime and Subcontractor List  
Advanced Farebox System Consultant Services**

<b>Contractor Firm</b>	<b>Contractor Role</b>	<b>Name</b>	<b>Location</b>
Booz Allen Hamilton, Inc.	Prime Contractor	Willy Dommen, Principal	101 California Street, Suite 3300 San Francisco, CA 94111
Robert T. Kuo Consulting, LLP	Sub-Consultant	Robert T. Kuo, Principal	760 Market Street, Suite 753 San Francisco, CA 94102