


Date: September 27, 2023

To: Board of Directors

From: Sam Desue, Jr. 

Subject: **RESOLUTION NO. 23-09-47 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH LECIP, INC. (LECIP) FOR TRIMET’S FAREBOX REPLACEMENT PROJECT**

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a contract with LECIP, Inc. (LECIP) for TriMet’s Farebox Replacement Project (Contract).

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Type of Contract Procurement

- Low Bid / Invitation to Bid (ITB)
- Request for Proposals (RFP) (inc. CM/GC)
- Request for Qualifications (RFQ) (Personal Services)
- Other (inc. sole source) _____

4. Reason for Board Action

Board authorization is required for all contracts obligating TriMet to pay in excess of \$1,000,000.

5. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

6. Background

In FY2023, TriMet collected \$7.4 million in fares from bus riders paying cash fares. Revenue from cash on buses has rebounded to 70% of pre-pandemic levels, and cash continues to be a common method to pay fares for many riders. Retaining a cash payment option also is an important way to provide equitable fare collection to riders who do not or cannot rely on the Hop Fastpass® system.

In order to allow riders to pay their fares in cash, TriMet has installed and maintained the CENTSaBILL farebox system, manufactured by Genfare, in each of its buses since 1989.

Although these fareboxes were refurbished in 2012, TriMet can no longer readily purchase parts to support this farebox model and it no longer is available for sale.

TriMet's current bus fleet consists of 752 vehicles, including vehicles assigned to the contingency fleet and new vehicles expected to be delivered in late 2023. As the bus fleet continues to grow and farebox parts become harder to find, it has become increasingly difficult to install CENTSaBILL fareboxes in new buses or maintain those in the existing fleet. Therefore, TriMet staff initiated a Farebox Replacement Project and a procurement to identify a new farebox solution.

The preferred farebox system includes the following components:

- **Validating Farebox** – Installed on every vehicle where cash is collected, it must analyze the bills and coins inserted to reduce the use of counterfeit bills or coin slugs as fare. The farebox must maintain a record of each transaction and store that as data for subsequent transmission to the central computer.
- **Operator Interface** – The operator interface display must provide various features for the vehicle operator, including: registering full fare payment and underpayment, providing the ability to override certain default conditions of the fare collection equipment, and displaying farebox maintenance codes. Operator Single Sign-On to the farebox must be supported and integrated with the Computer-Aided Dispatch/Automatic Vehicle Location system.
- **Garage Equipment** – Probing equipment, receivers/vaults and mobile cash bins must be installed in bus garages, along with cashbox and receiver vault IDs used to track which cashboxes and receiver vaults move cash fares from the point of payment to the cash processing room.
- **Central System** – The farebox computer system must collect and store cash and transaction data, generate reports and data exchanges to a secure file portal, manage system operation, and provide alarm functionality.

TriMet stakeholders identified several goals and objectives for the Farebox Replacement Project:

- **Good Customer Experience:** From a customer perspective, the farebox system must be easy to use and operate safely by riders and TriMet operators. The fareboxes must be ergonomic, require limited special training for riders, and be compliant with the Americans with Disabilities Act (ADA).
- **Straightforward Maintenance:** The farebox must allow easy access for maintenance and administrative personnel to perform preventive maintenance and repairs, and have a standard commercial off-the-shelf solution that minimizes custom development and work.
- **Reliable:** The farebox system must be service-proven, designed and constructed to be operated in a rugged and repetitive environment, and shown to perform reliably and accurately.
- **Financial Controls:** The fareboxes must provide full auditing, financial controls, and accuracy of all cash transactions to support revenue collection, assure adequate financial controls and security of fares.

- **Cost Effective:** The farebox system must be cost-effective and have a low operating overhead cost.

7. **Description of Procurement Process**

TriMet utilized a competitive Request for Proposals (RFP) process to select a contractor to provide the fareboxes. The RFP was issued on June 23, 2023, with a proposal due date of July 21, 2023. A total of 61 vendors were notified of the RFP via TriMet’s eProcurement System (TriPS) website and three firms submitted proposals. The proposals of all three firms were deemed responsive and forwarded to the Source Evaluation Committee (SEC) for review and scoring.

The SEC, comprised of staff from TriMet’s Fare Revenue, Procurement and Supply Chain Management, Bus Maintenance, and IT departments, reviewed and evaluated the proposals. The evaluation criteria included: (1) overview of the proposed solution, (2) project management, (3) common design requirements, (4) system security, (5) farebox system requirements, (6) system integration, (7) back-end and central control, (8) design review/system configuration, (9) testing, (10) installation, (11) training, (12) systems operations, (13) system performance, and (14) price.

After evaluating the proposals, the SEC shortlisted Genfare and LECIP, Inc. (LECIP) to the competitive range, and eliminated Scheidt & Bachmann from competition. The SEC then opened the price proposals of the remaining two competitive vendors.

Scores of the responsive vendors are summarized below:

	Possible Points	Genfare	LECIP	Scheidt & Bachmann
Evaluation Criteria				
Overview of Proposed Solution	80	68.2	70.4	61.0
Project Management	30	26.4	25.6	25.4
Common Design Requirements	30	27.4	25.6	26.6
System Security	70	56.4	63.8	51.6
Farebox System Requirements	100	85.0	84.0	72.8
System Integration	20	13.4	20.0	16.8
Backend and Central Control	100	75.2	79.0	67.8
Design Review/System Configuration	40	35.0	33.0	32.0
Testing	80	70.0	61.0	73.0
Installation	80	71.0	66.0	71.4
Training	50	45.6	44.4	43.6
Systems Operations	60	57.0	50.0	58.0
System Performance	60	48.0	47.0	36.0
Technical Proposal Total Points . . .	800	678.6	669.8	636.0
Initial Price Proposal Pricing . . .		\$12,172,012	\$11,779,960	N/A
Price Proposal Total Points . . .	200	193.6	200.0	N/A
Total Points (Score) . . .	1000	872.2	869.8	636.0

The SEC asked both Genfare and LECIP to attend an Interview, then submit a Best and Final Offer (BAFO) to revise pricing. Interviews were held on August 23, 2023 with BAFOs due on August 30, 2023.

The overall scores after BAFO submission are summarized below:

	Possible Points	Genfare	LECIP
<i>Evaluation Criteria</i>			
Overview of Proposed Solution	80	68.2	71.4
Project Management	30	26.4	26.0
Common Design Requirements	30	27.4	25.6
System Security	70	55.4	64.8
Farebox System Requirements	100	85.0	84.0
System Integration	20	13.4	20.0
Backend and Central Control	100	72.2	83.0
Design Review/System Configuration	40	35.0	35.0
Testing	80	69.0	61.0
Installation	80	71.0	66.0
Training	50	45.6	44.8
Systems Operations	60	57.0	50.0
System Performance	60	48.0	50.0
Technical Proposal Total Points . . .	800	673.6	681.6
BAFO Price Proposal Pricing . . .		\$12,167,049	\$11,107,665
Price Proposal Total Points . . .	200	182.6	200.0
Total Points (Score) . . .	1000	856.2	881.6

After the interviews and BAFO submissions, LECIP’s proposal was the highest scored and represented the overall best value to TriMet. The SEC also felt that LECIP thoroughly demonstrated its ability to respond to TriMet’s needs and represent TriMet’s interests effectively. In addition, LECIP’s proposal was found to be fair and reasonable based on its pricing being less than TriMet’s Independent Cost Estimate (ICE) of \$14,700,000 for the five-year Contract term. Accordingly, staff recommends award of the Contract to LECIP.

The proposed Contract with LECIP will be for a five-year term, with TriMet retaining the unilateral option to terminate for convenience for any reason during that period. At TriMet’s discretion, price adjustments will be permitted on an annual basis and capped at the Consumer Price Index for all Urban Wage Earners and Clerical Workers (CPI-W) for the Portland-Salem area Western Region. The total amount ultimately paid will be based on TriMet’s actual requirements and the goods and services needed during the Contract term.

8. Diversity

LICEP’s U.S. employee count is 12, and its workforce is 41.6% minority and 41.6% female. LECIP will subcontract with ESP Enterprises, LIN Industries, and EXO Fabricator for installation and assembly at approximately 9.3% of the overall contract value. ESP Enterprises is certified as a Minority-owned Business Enterprise (MBE) and both LIN Industries and EXO Fabricator intend to apply for Disadvantaged Business Enterprise (DBE) certification with the State of Oregon.

9. Financial/Budget Impact

The Contract previously was approved by TriMet's Capital Program Committee (CPC) and its amount is accounted for in the FY2024 through FY2027 capital budgets for the Finance and Administrative Services Division.

10. Impact if Not Approved

If this Contract is not approved, TriMet could resolicit the RFP. This option is not recommended because LECIP is a well-qualified firm and resoliciting is unlikely to result in additional competition, a superior contractor, or a lower price. Approval of this Resolution is strongly recommended.

RESOLUTION NO. 23-09-47

**RESOLUTION NO. 23-09-47 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT WITH LECIP INC. (LECIP) FOR TRIMET'S FAREBOX
REPLACEMENT PROJECT**

WHEREAS, TriMet has authority under ORS 267.200 to execute a contract with LECIP, Inc. (LECIP) for TriMet's Farebox Replacement Project (Contract); and

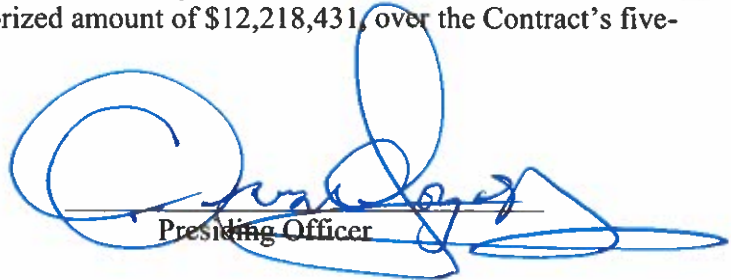
WHEREAS, by Resolution No. 22-05-35, dated May 25, 2022, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to authorize contracts obligating TriMet to pay in excess of \$1,000,000; and

WHEREAS, the total amount of the Contract exceeds \$1,000,000.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the Contract in an amount of \$11,107,665.
3. That the General Manager or his designee is authorized to execute modifications to the Contract to pay for unanticipated additional expenditures in an amount not to exceed 10% of \$11,107,665, for a total authorized amount of \$12,218,431, over the Contract's five-year term.

Dated: September 27, 2023



Presiding Officer

Attest:



Recording Secretary

Approved as to Legal Sufficiency:



Legal Department