Date: June 22, 2016

To: Board of Directors

From: Neil McFarlane

Subject: RESOLUTION 16-06-43 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH DKS ASSOCIATES FOR DEVELOPMENT OF A REQUEST FOR PROPOSALS FOR PURCHASE AND INSTALLATION OF INTERNET OF THINGS GATEWAYS ON LIGHT RAIL VEHICLES, AND TECHNICAL PROJECT ASSISTANCE

1. **Purpose of Item**

   The purpose of this item is to request that the TriMet Board of Directors ("Board") authorize the General Manager to execute a contract with DKS Associates ("DKS") for consulting services for development of a Request for Proposals ("RFP") for the purchase and installation of an Internet of Things ("IoT") gateway on light rail vehicles, and technical project assistance.

2. **Type of Agenda Item**

   - [x] Initial Contract
   - [ ] Contract Modification
   - [ ] Other ____________

3. **Reason for Board Action**

   Board approval is required for personal services contracts obligating TriMet to pay in excess of $150,000.

4. **Type of Action:**

   - [x] Resolution
   - [ ] Ordinance 1st Reading
   - [ ] Ordinance 2nd Reading
   - [ ] Other ____________

5. **Background**

   In the early 1990’s TriMet was one of the first transit agencies in the United States to successfully deploy an advanced Computer Aided Dispatch/Automatic Vehicle Location ("CAD/AVL") system. The CAD/AVL system allowed TriMet to deploy Transit Tracker, one of the first real time bus arrival systems in the country. The proposed contract would assist TriMet’s continued efforts to pursue innovative, cost effective solutions to improve transit operations with new tools for improved on-time performance and customer
information through procurement of an IoT gateway for TriMet’s light rail vehicles. The IoT gateway will provide an open systems hardware and software platform that will enable real time schedule adherence, enhanced customer service information, improved operator communication, and vehicle health diagnostics.

TriMet plans to issue a formal RFP for the purchase, installation, and testing of the IoT gateway hardware, software and functionality in fall 2016. This contract includes services to assist TriMet staff in developing the RFP for the purchase, installation, and testing of the IoT gateway hardware, software and functionality, selecting a vendor, coordinating functionality packages, and testing the hardware and software following installation.

6. **Procurement Process**

This contract was competitively procured pursuant to a RFP process. TriMet received five proposals in response to the RFP. An Evaluation Committee ("EC") consisting of staff from TriMet’s Information Technology Division was appointed to review and score proposals. The EC evaluated the technical proposals received based on the criteria set forth in the RFP, including experience and capability of the firm, workforce diversity, past experience and success providing subcontracting opportunities for certified firms, a subcontracting plan for this project, experience and qualifications of key staff, and project understanding and implementation approach.

After evaluating technical proposals, the EC determined that only two of the five proposers, IBI and DKS, were technically qualified to perform the work; therefore only the IBI and DKS price proposals were opened. Interviews were then conducted with the two proposers to seek clarifications and to meet the key staff members from each firm. TriMet then requested Best and Final Offers ("BAFOs") seeking additional information related to each firm’s technical proposal, as well as a revised price proposal. BAFOs were received on June 1, 2016, and subsequently evaluated and scored by the EC as set forth below:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Possible Points</th>
<th>IBI</th>
<th>DKS</th>
</tr>
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<tbody>
<tr>
<td>Firm Experience/Capability</td>
<td>15</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Experience and Qualifications of Key Staff</td>
<td>35</td>
<td>30</td>
<td>34</td>
</tr>
<tr>
<td>Project Understanding and Implementation Approach</td>
<td>30</td>
<td>25</td>
<td>27</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td><strong>80</strong></td>
<td><strong>68</strong></td>
<td><strong>76</strong></td>
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<tr>
<td>Total Price</td>
<td><strong>$214,790.00</strong></td>
<td><strong>$279,800.00</strong></td>
<td></td>
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<tr>
<td>Total Price Score</td>
<td>20</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total Score</strong></td>
<td><strong>100</strong></td>
<td><strong>88</strong></td>
<td><strong>91</strong></td>
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</table>
Based on the BAF\O scores, the EC selected DKS for contract award. Although DKS’s price is higher than IBI’s, the EC believes that DKS demonstrated a stronger technical proposal and, therefore, offers a better value to TriMet for this innovative, highly technical project. TriMet staff performed a price analysis of DKS’s BAF\O price and determined that the proposed costs are fair and reasonable. The contract term will be one year with TriMet’s unilateral option to extend for two additional one year terms. The estimated cost for the three-year contract is $279,800, with total contract costs to be based upon TriMet’s actual requirements to successfully perform and complete the project. The contract will be structured with negotiated, not-to-exceed, lump sum amounts for each task and DKS will invoice for work performed and accepted on an ongoing basis up to the agreed upon amount for each task. The contract allows for an annual adjustment in the rates, and if increased, shall not be allowed to exceed the Portland area Consumer Price Index from the previous six month period.

7. **Diversity**

TriMet’s RFP required proposers to include a summary of the workforce diversity of the firm as well as a Disadvantaged Business Enterprise (“DBE”) subcontracting plan.

DKS is a large, national firm that is committed to workforce diversity. Nationally, approximately 33% of its employees are women and 25% are minorities. DKS has identified two firms that they intend to subcontract portions of the work to throughout the project. Those firms are CH2M and Four Nines. Four Nines is a certified Small Business Enterprise in the State of California with 55% of its employees being women and 10% minorities. DKS intends to subcontract approximately 19% of the work under the contract to Four Nines.

8. **Financial/Budget Impact**

These contract services are included in the Information Technology budget.

9. **Impact if Not Approved**

TriMet could re-procure the contract. However, this option is not recommended because DKS is well qualified to perform this work, and it is unlikely that TriMet would receive additional proposals through a re-procurement.
RESOLUTION 16-06-43

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH DKS ASSOCIATES FOR DEVELOPMENT OF A REQUEST FOR PROPOSALS FOR PURCHASE AND INSTALLATION OF INTERNET OF THINGS GATEWAYS ON LIGHT RAIL VEHICLES AND TECHNICAL PROJECT ASSISTANCE

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with DKS Associates for development of a Request for Proposals for purchase and installation of Internet of Things ("IoT") gateways on light rail vehicles, and technical project assistance ("Contract"); and

WHEREAS, the total amount of the Contract shall exceed $150,000; and

WHEREAS, the TriMet Board of Directors ("Board"), by Resolution dated November 25, 2009, adopted a Statement of Policies requiring the Board to approve personal services contracts obligating TriMet to pay in excess of $150,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract shall be in conformance with applicable laws.

2. That the General Manager is authorized to execute the Contract.

Dated: June 22, 2016

Attest:

Presiding Officer

Recording Secretary

Approved as to Legal Sufficiency:

Legal Department