



OPERATIONS COMMITTEE
JUNE 15, 2006

SUBJECT: DRIVECAM VIDEO SYSTEMS

ACTION: AUTHORITY TO AWARD

RECOMMENDATION

A. The Board finds that procurement under Public Utilities Code § 130232 does not constitute a method of procurement adequate to meet Metro's needs and that the procurement of the DriveCam units qualify under Public Utilities Code (PUC) § 130236 for prototype equipment in an amount sufficient to conduct and evaluate operational testing without further observance of any provisions in this article regarding contracts, bids, advertisements, or notice.

Requires Two-Thirds Vote

B. Authorize the Chief Executive Officer to execute a firm fixed price contract to DriveCam, Inc. for purchase of 220 DriveCam Video Systems with associated spares for a total price not to exceed \$281,000, inclusive of sales tax.

ISSUE

San Gabriel Valley Sector staff has a high interest in implementing new and innovative projects that promote driver safety, decrease accident rates and reduce Workers' Compensation and Public Liability/Property Damage costs. At an American Public Transportation Association exhibit last year, staff attended a demonstration of the DriveCam video incident data recorder (Video IDR). This is a system that attempts to mitigate risk by improving driving behavior through the use of proprietary video incident data recorders. The Video IDR integrates video technology and management software to identify high-risk driving habits.

The DriveCam palm-sized video recorder is mounted on the front windshield, behind the rearview mirror. DriveCam records images and sounds into a digital looping memory buffer, capturing what the operator sees and hears with a wide-angle lens facing forward and another lens showing the interior. The system can be triggered either by forward or lateral g-forces, caused by an accident, hard acceleration, sudden stop or sharp turn, or manually by

the Operator, using a remotely located “panic” button. When the device is triggered, a red light on the camera blinks, informing the operator that the preceding ten seconds and the subsequent ten seconds have been saved to memory – a twenty second video which shows what happened, what led up to it and how the operator responded.

The video event files are downloaded nightly to a computer. DriveCam’s HindSight 20/20 proprietary software collects and helps organize these driving events, allowing management to view driving events, log them to specific drivers and view events frame by frame. The reviewing Supervisor can also enter other information such as road conditions, weather and other observations, assign severity levels to events, and use a point-based grading system to assess driving skills. The information can be used to identify habits that require driver retraining or counseling. Operator performance may be positively impacted by learning to anticipate and avoid triggering events. In addition, DriveCam images can also be used to assist Risk Management in determining liability for accidents and is a form of evidence in legal proceedings, e.g. to defend against lawsuits or to recover costs of collision repairs.

In August 2005, Metro and DriveCam executed a Memorandum of Understanding to allow Metro to test DriveCam Video Event Data Recorder with Hindsight 20/20 software on all buses at Division 3. This division was selected because it has many congested urban routes, a high accident rate and a supportive management team. DriveCam installed the systems at no cost to Metro. UTU was briefed prior to implementation and during the test period, and was assured that the emphasis would be on protecting, improving and counseling Operators.

The DriveCam system has provided invaluable management feedback never before available, such as the ability to review and analyze near misses and dangerous stops or turns, as well as the chance to document the tremendous skill of our Operators in avoiding accidents. It also offers our Operators the protection of initiating recordings of verbal or physical assaults by manually triggering the system. The test has been successful in that the system has performed as advertised and Division 3 has begun to see a downward trend in both accidents and accident severity. Staff recommends an extended program period to demonstrate long-term improvement and cost savings, as well as develop a thorough implementation protocol for Metro bus divisions, before considering fleet wide implementation of this or a similar type of system. It should be noted that the viewing of recordings generated by DriveCam takes time and staff resources. Staff will review the option of a managed contract as part of any fleet wide implementation.

POLICY IMPLICATIONS

Initial results suggest the use of the DriveCam Video IDR system may be beneficial in reducing accident costs and improving driving safety. Additionally, the ability to physically show liability for accidents should result in savings and cost recovery for accident repairs. However, further testing is required to determine if the full capability of a video IDR will accomplish these objectives.

ALTERNATIVES CONSIDERED

The first alternative considered is to take no action and to simply extend the test program. Since DriveCam has already extended the test program through June 30, 2006, it is unlikely that the company will agree to a further extension and this option is not recommended.

A second alternative is to discontinue the test program and to have DriveCam, Inc. remove its equipment. During the test period, Metro San Gabriel Valley Sector noted several accidents where the DriveCam video was instrumental in confirming that Metro was not at fault for the accident. The system was also used to proactively identify safe and unsafe driving habits and provide feedback to operators. Because the video IDR has the potential ability to reduce accident costs & increase recovery for accident repairs and improve driver training, this option is not recommended.

A third alternative would be to develop a specification and compete this procurement. This is not recommended at this time. More testing is needed to determine the long-term benefits of a video IDR. Additionally, more time would be needed to identify and potentially specify a comprehensive IDR solution.

FINANCIAL IMPACT

This procurement is valued at approximately \$281,000, including sales tax. Funds for this action are included in the FY06 budget under Cost Center 3503, Project 302008, Account 50441, Parts, Revenue Vehicles.

NEXT STEPS

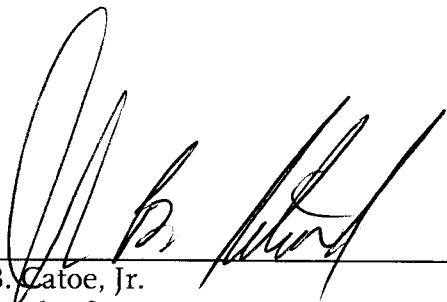
The Metro San Gabriel Valley Sector will continue to use and study of the results of the DriveCam video IDR to determine long-term driver training implications and to identify potential cost savings of the system.

ATTACHMENT(S)

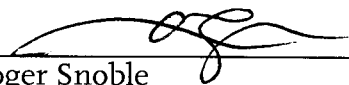
- A. Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors

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Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

DRIVECAM VIDEO SYSTEMS

1.	Contract Number: OP68101885		
2.	Recommended Vendor: DriveCam, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$305,543 (est.)	Recommended Price: \$280,119 (est.)	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: FFP		
5.	Procurement Dates:		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-proposal Conference: N/A		
	D. Proposals Due: N/A		
	E. Pre-Qualification Completed: May 26, 2006		
	F. Conflict of Interest Form Submitted to Ethics: May 26, 2006		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: N/A	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: No SBE Goal Recommended Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names: DriveCam, Inc.	<u>Bid/Proposal Amount:</u> \$305,543	<u>Best and Final Offer Amount:</u> \$280,119
	B. Evaluation Methodology: N/A Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date:		
	C. Disposition of Protest Date:		
10.	Contract Administrator: Bob Webb	Telephone Number: (213) 922-6382	
11.	Project Manager: Mike Greenwood	Telephone Number: (323) 441-0801	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

DRIVECAM VIDEO SYSTEMS

A. Background on Contractor

Founded in 1998, DriveCam, Inc. is located in San Diego California. The firm develops fleet safety technology that improves driving performance and lowers operating costs for commercial fleets. The company markets driving behavior management systems and services that integrate in-vehicle video technology, driving performance management software, and driver counseling to reduce the cost of poor driving.

By changing driving behavior, DriveCam's customers have documented dramatic reductions in collisions. When collisions occur, DriveCam recordings provide unbiased evidence to determine fault and expose fraudulent insurance claims. While many other commercial vehicles including private transit fleets such as ACT and Laidlaw are using DriveCam's Video Driving Feedback System, no other transit agencies have currently installed the Video IDR system.

B. Procurement Background

This is a sole source procurement under Public Utilities Code (PUC) § 130236 for prototype equipment in an amount sufficient to conduct and evaluate operational testing. While staff identified several other event data recorders that provide vehicle operating information, DriveCam, Inc. has a patent on its video data technology and currently, the firm is only company offering this type of system.

C. Evaluation of Proposals

The DriveCam systems are standard commercial items sold in substantial quantities to various transportation businesses and governmental agencies. The firm has a printed price list with discounts based on the quantity of units being sold. In this instance, the firm provided its standard discount for 220 units. However, they agreed to provide 20 additional systems to be used as spares at no cost. Additionally, the firm will provide a two-year hardware and software warranty at no additional cost.

D. Cost/Price Analysis Explanation of Variances

The price Metro is paying is no greater than that paid by DriveCam's most favored customer(s) for orders of similar size when placed under similar terms and market conditions.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS
DRIVECAM VIDEO SYSTEMS**

PRIME CONTRACTOR - DriveCam, Inc.

No SBE goal was recommended for this contract.

Small Business Commitment	Other Subcontractors
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N/A	N/A
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Total Commitment 0%

