



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

SUBJECT: FARE MEDIA PRODUCTION SERVICES

**ACTION: AUTHORIZE AMENDMENT TO IMAGES IN FOIL, INC.
CONTRACT NO. PS-5420-0653**

RECOMMENDATION

Authorize the Chief Executive Officer to execute Amendment Number 3 to Contract No. PS-5420-0653 with Images in Foil, Inc. for Additional Fare Media Production Services for Day Passes in the amount of \$1,566,853 revising the Total Contract Value from \$3,875,284 to \$5,442,137.

RATIONALE

This contract amendment is required to provide day pass fare media for bus and rail service customers using MTA services. The day passes will provide MTA with a distinctive fare media, which is resistant to counterfeiting and durable enough to withstand customer handling over the course of one day.

This Amendment will cover the duration of the existing contract through June 2005. It is being sought because we want to maintain continuity with fare media that has already been issued and retain anti-counterfeiting elements that are necessary to deter fraudulent MTA fare media.

The fare restructuring which was passed by the Board in May 2003 includes the issuance of a new fare media, the Day Pass, which would provide unlimited rides on Metro Bus and Metro Rail for a full day. This fare media will allow riders to transfer from one MTA line to another without the worry of transfer payments and tickets, and is a significant step towards increasing pass users as well as providing seamless transit service to our customers.

In the Fare Restructuring Board Report, it stated that existing funds for producing transfers will be used for the printing, distribution and process of day passes. The current contract with our vendor, Images in Foil, Inc. allows us to add the additional services to design, produce and print required day pass fare media.

FINANCIAL IMPACT

The funding of \$546,843 for this service is included in the FY04 budget in cost center 3240/ project 300011/ task 11.1.05.1.01/acct 50320, in Transit Operations. Since this is a multi-year contract, the cost center Manager and Executive Officer will be accountable for budgeting the cost in future years, including any option exercised. Although Customer and Vendor Services (cost center 5420) is responsible for the contract, Transit Operations (cost center 3240) is responsible for and will provide the funds for this service.

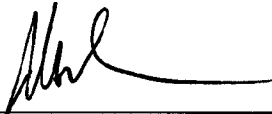
ALTERNATIVES CONSIDERED

The alternative is to produce fare media in house. This would require the hiring of additional staff and procurement of new equipment. This alternative is not acceptable because of the highly technical nature of the work.

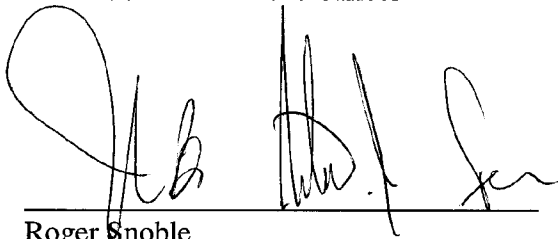
ATTACHMENT(S)

- A Procurement Summary
- B. Procurement History
- C. List of Subcontractors

Prepared by: April McKay, Executive Manager
Gail M. Harvey, Executive Manager



Matt Raymond
Chief Communications Officer



Roger Snoble
Chief Executive

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

FARE MEDIA PASS AND STAMP PRODUCTION SERVICES

1.	Contract Number: PS 5420-0653		
2.	Recommended Vendor: Images In Foil		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$1,566,852.18	Recommended Price: \$1,566,852.18	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Price, Indefinite Quantity		
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: 10/2000		
	F. Conflict of Interest Form Submitted to Ethics: 8/21/03		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 10% DBE	Date Small Business Evaluation Completed: 6/8/2000	
	B. Small Business Commitment: 10% 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: IMAGES IN FOIL	Total Amount: \$1,566,852.18	Best and Final Offer Amount: \$1,566,852.18
	B. Evaluation Methodology: Sole Source		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Linda C. Wasley	Telephone Number: 922-4186	
11.	Project Manager: Gail Harvey	Telephone Number: 922-7030	

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

FARE MEDIA PASS AND STAMP PRODUCTION SERVICES

A. Background on Contractor

Images in Foil, in Costa Mesa, California for 15 years, has been more than satisfactorily producing fare media and stamps for the MTA for more than 5 years. Prior to that, Images In Foil served as a sub-contractor for the MTA contract providing anti-counterfeit technology for the fare media and stamps. Images and Foil is a high tech printing/graphics firm for specialty graphics required in such efforts as ticketing and passes. Images In Foil has issued fare media for Long Beach and Foothill. Images in Foil is capable of producing the Day Passes by the strict deadline, on the delivery schedule required and in the quantities necessary with MTA preferred anti-counterfeiting technology.

B. Procurement Background

This amendment to the originally competed contract with Images in Foil, Inc., for Fare Media Pass and Stamp Production Services, was originally approved by the Board in August 2000 with a performance period from November 1, 2000 – June 30, 2003, with Two (2) One-Year Renewal Options. The MTA issues approximately 344,000 monthly, semi-monthly and weekly passes and 198,000 stamps monthly for bus and rail services to MTA and interagency customers. Fare media sales generate an average of \$7 million per month in revenue.

The existing contract with Images In Foil includes section 11.0 Changes in Scope of Work which states in part “MTA may, from time to time, make changes in the Article entitled SCOPE OF WORK, under this contract through a written amendment...At any time during the term of this contract, MTA may order Additional Services by an amendment to be performed by the Contractor.” This clause was invoked when the MTA introduced and implemented the EZ Transit Pass Program several months ago which resulted in initial set up and delivery of EZ Transit passes for the roll-out by Images In Foil and is evoked now for the introduction of the Day Passes.

An important consideration in the evaluation process was the vendor’s ability to provide a high level of counterfeit resistant fare media and this vendor has demonstrated such expertise and knowledge with anti-counterfeit technology. Current passes and stamps include various anti-counterfeit elements and the same technology is applicable on the Regional Passes and Stamps.

The Diversity & Economic Opportunity Department (DEOD) recommended a Disadvantaged Business Enterprise (DBE) goal of 10% for the total contract value. Images In Foil committed to 10% DBE participation.

C. Evaluation of Proposals

Images In Foil was requested to submit a proposal for the production of Day Passes for the duration of the existing contract. The proposal was reviewed and determined to be acceptable.

The anti-counterfeiting technology proposed is consistent with the current technology being utilized by the MTA. Images In Foil also has demonstrated the ability to perform the services and to meet deadlines.

D. Cost/Price Analysis Explanation of Variances

The recommended unit rates have been determined to be fair and reasonable based upon market studies and the requirement for counterfeit resistant technology that controls revenue losses to fraud.

Bid/Proposal Amount	MTA Estimate	Recommended/Negotiated Amount
\$1,566,852.18	\$1,500,000.00	\$1,566,852.18

