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Metropolitan Transportation Authority

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**FINANCE AND BUDGET COMMITTEE
JANUARY 18, 2007**

**SUBJECT: CONTRACT NUMBER PS07542005, REDUCED FARE ID CARDS,
POLAROID COMMERCIAL ID SYSTEMS**

**ACTION: APPROVE CONTRACT AWARD FOR REDUCED FARE ID CARD
PRODUCTION**

RECOMMENDATION

Authorize the Chief Executive Officer to award a five -year unit rate type contract, Contract No.PS07542005, to Polaroid Commercial ID Systems for production and distribution of reduced fare ID cards in an amount not to exceed \$845000, inclusive of two, one-year options.

RATIONALE

Identification cards are necessary for college/vocational and disabled customers to prove that they are eligible to purchase reduced fare media from authorized vendors and Metro customer centers. This proof of eligibility is required because the fares are significantly discounted. The current reduced fare ID card contract expires in December 2006, with a temporary extension until March to accommodate the transition to a new vendor.

The new vendor for this service will provide all necessary materials and supplies including PVC type card material, laminates, secure database operations, printing and distribution of cards, and a Web application accessible to Metro's reduced fare customer service agents.

The college/vocational and disabled reduced fare programs allow eligible full-time college or vocational students and disabled individuals to ride Metro trains and buses at a discounted fare. Student ID cards are valid for an academic term, while the disabled program offers discounted fares for various time periods (3 months to 3 years) based on an individual's disability. The Los Angeles (LA) County Punch Card allows eligible residents of the unincorporated areas of LA County to purchase subsidized monthly bus passes.

The unit cost of an ID card with Polaroid is \$1.95, which compares favorably to the \$3.60 per unit cost of the current vendor. Polaroid's turnaround time to input the application data and turn around the cards is three days or less, which also compares favorably to the current vendor, which takes five days.

Polaroid has over fifty years of experience and know-how in the ID card design, production and distribution business. Further, the company has a great deal of experience working with transit agencies on reduced fare applications. These include Chicago Transit Authority's U-PASS Program and San Bernardino OmniTrans Reduced Fare Program.

FINANCIAL IMPACT

The funding of \$80,000 for this service is included in the FY07 budget in cost center 5420, Customer Programs & Services, under project 300011, task 11.1.04.1.02, line item 50320, Service Contract Services.

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. In FY06, approximately \$195,000 was expended on reduced fare ID card production and distribution.

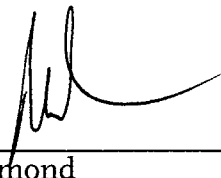
ALTERNATIVES CONSIDERED

One option considered was to process applications and identification cards in-house with Metro staff. This alternative is not recommended because of the need to procure and maintain specialized technical equipment, hardware and software and add staff to perform the data entry and systems work.

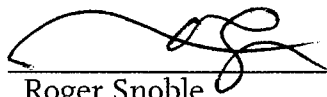
ATTACHMENT(S)

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

Prepared by: April McKay, Director of Customer Programs & Services



Matt Raymond
Chief Communications Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

REDUCED FARE ID CARDS

1.	Contract Number: PS07542005		
2.	Recommended Vendor: Polaroid Commercial ID Systems		
3.	Cost/Price Analysis Information:		
	A. Proposed Price: not to exceed \$845,000	Recommended Price: Not to exceed \$845,000	
	B. Details of Significant Variances are in Attachment A-1.D: N/A		
4.	Contract Type: Unit Rate		
5.	Procurement Dates:		
	A. Issued: September 22, 2006		
	B. Advertised: October 02, 2006		
	C. Pre-proposal Conference: October 10, 2006		
	D. Proposals Due: October 26, 2006		
	E. Pre-Qualification Completed: November 8, 2006		
	F. Conflict of Interest Form Submitted to Ethics: October 26, 2006		
6.	Small Business Participation:		
	A. Proposal Goal: 0%	Date Small Business Evaluation Completed: August 28, 2006	
	B. Small Business Commitment:0% Details are in Attachment A-2		
7.	Request for Proposal Data:		
	Notifications Sent: 21	Proposals Picked up: 1	Proposals Received: 1
8.	Evaluation Information:		
	A. Proposer Name: Polaroid Commercial ID Systems	Proposal Amount: \$711,350 (NTE \$845,000 to allow for sales taxes and contingencies)	Best and Final Offer Amount: N/A
	B. Evaluation Methodology: Contractor successfully met Metro's requirements. See Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Bassar Richardson	Telephone Number: 213.922.4596	
11.	Project Manager: April McKay	Telephone Number: 213.922.2290	

BOARD REPORT ATTACHMENT A-1 PROCUREMENT HISTORY

REDUCED FARE ID CARDS

A. Background on Contractor

Polaroid is located in Waltham, Massachusetts. Polaroid draws on over 50 years of experience in providing imaging solutions to government, customer and commercial markets.

Polaroid has a great deal of experience working with transit agencies on reduced fare applications and projects. Polaroid has developed customer transit applications to each customer's exact requirements which include but not limited to the following areas:

- Web application to connect the reduced fare database
- Customized network design and security to meet the customer's needs
- Customer card designs to meet the specification of card size, layout, data and security
- Secure database design, development and support
- Integrity of data evaluation and entry by following strict guidelines and process flow

Polaroid has not had any prior contracts with Metro. However, Polaroid has provided a wealth of expertise in the technologies and approaches that are critical to a variety of other transit agencies, such as, Chicago Transit Authority, Chicago Regional Authority Transportation Authority, and San Bernardino Transit. Furthermore, Polaroid has provided services to the California Department of Health Services, South Carolina Department of Corrections and the Bluegrass Family Health organization.

B. Procurement Background

Metro conducted a Request for Proposal (RFP) type procurement. Basis of award, as stated in the RFP, was to that firm whose proposal meets the requirements of the RFP and is the highest evaluated proposal in terms of meeting the technical requirements as defined in the statement of work and who offers a justifiable fair and reasonable price.

Polaroid was the only firm that responded. Per Metro's in-house technical evaluation, Polaroid was deemed highly qualified to successfully perform the tasks required outlined in the statement of work. In addition, Polaroid was approved/validated by Metro's Pre-Qualification Department. A cost analysis, in addition to the price analysis which has already been performed, is currently in process.

The Diversity & Economic Opportunity Department (DEOD) did not recommend a Small Business Enterprise (SBE) goal for this procurement. Based on industry practices, the prime contractor is expected to complete the entire scope of work with its own workforce. However, pursuant to the SBE Program, if the contractor utilizes the services of subcontractors, the prime contractor is expected to afford maximum opportunities to the SBE firms in all subcontracting and supply services areas throughout the life of the contract.

C. Evaluation of Proposal

This Request for Proposal (RFP) solicitation is in compliance with Metro's procurement policies and procedures. Based on the minimum requirements established (five years of experience and ability to meet a five-day turn-around schedule) Polaroid passed. Polaroid demonstrated a high degree of skills and experience, an excellent management plan, top of the line anti-counterfeiting capability, and an aggressively priced proposal.

D. Cost/Price Analysis Explanation of Variances

A price analysis was performed and it was determined that Polaroid's proposed price is 21% less than Metro's in-house estimate and 42% less than what Metro is currently paying for these services. A cost analysis is currently underway to comply with Metro policy which requires that a cost analysis be performed when a single proposal is received.

BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS

REDUCED FARE ID CARDS

PRIME CONTRACTOR

Polaroid Commercial ID Systems

Small Business Commitment

Other Subcontractors

No subcontracting opportunities were applicable to this procurement.

N/A

Total Commitment 0%

