To: Chair Cristol and the VRE Operations Board

From: Doug Allen

Date: April 12, 2019

Re: Authorization to Execute a Contract for Mail Order Ticketing Services

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer (CEO) to execute a contract with The Convention Store, Inc. (TCS) of Millersville, Maryland for the sale of VRE fare media through a ticket-by-mail program at a commission rate of 7.25% of sales, plus a fixed fee of $15 for each Transit Link Card sold. The term of this contract will be two base years and three option years, with the CEO exercising the option years at his discretion.

Summary:

Authorization to execute a contract with TCS to be responsible for the sale and delivery of VRE fare media to passengers by mail.

Background:

On July 21, 2017, the VRE Operations Board authorized the CEO to issue a Request for Proposals (RFP) for the Sale of VRE Fare Media. An RFP is the preferred method of procurement for this solicitation because there are different approaches to the desired service and an evaluation of technical merit is required. Upon completion of evaluation of proposals, negotiations are conducted with the highest ranked firms deemed to be fully qualified and best suited among those submitting proposals, based on the factors specified.
in the evaluation criteria. Price is considered in context of technical performance for this service to achieve a best value determination. After receipt of the best and final offer from the top-ranked firm, a cost analysis is performed to compare the proposed cost with the independent cost estimate to determine the proposed cost is fair and reasonable.

A mailing list of five prospective Offerors was established for the solicitation to ensure access to adequate sources of service. On August 17, 2017, an RFP was issued, and proposals were due on September 13, 2017. Only one response was received. VRE staff conducted a survey to determine why only a single proposal was received and is satisfied with the result.

The following reasons were given for why prospective Offerors did not respond to the solicitation:

- Offerors could only provide “print at home” technology rather than administer a ticket-by-mail program.
- Offerors lacked the resources necessary to fully perform the scope of services and meet the requirements of the RFP.

Evaluation of the proposal received was performed by the Technical Evaluation Team (TET), which consisted of four VRE staff members. The TET met to discuss and evaluate the proposal using the following criteria:

- Overall project approach and management plan.
- Capability and expertise of the proposed company.
- Knowledge and qualifications of the proposed key personnel.
- Cost for services.

As the current provider of this service, the qualifications and capabilities of TCS are well known and meet the requirements of the solicitation.

The contract will be for two base years and three option years, with the VRE CEO exercising the option years at his discretion.

**Fiscal Impact:**

The estimated annual cost of sales commissions under this contract is approximately $1.3 million, given current overall ridership as well as passenger utilization of various ticket vending options (mail order, VRE Mobile, ticket vending machines, etc.). The approved FY 2019 and FY 2020 operating budgets for ‘Finance and Human Resources - Retail Sales Commissions’ and ‘Finance and Human Resources - TLC Sales Commissions’ include sufficient funding for this activity. Funding for future years will be included in each proposed annual budget.
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WHEREAS, on July 21, 2017, the VRE Operations Board authorized the Chief Executive Officer to issue a Request for Proposals for the Sale of VRE Fare Media; and,

WHEREAS, on August 17, 2017, an RFP was issued, and proposals were due on September 13, 2017; and,

WHEREAS, evaluation of the proposal received was performed by the Technical Evaluation Team, and was found to meet the requirements of the solicitation; and,

WHEREAS, the Operations Board’s approval of this procurement does not represent its independent assessment of the candidate’s responses to the solicitation or of each step in the procurement process followed by staff; rather, the Operations Board’s action is premised upon its conclusion, after review of the information before it, the process used by the staff was in accordance with law and the staff recommendation appears to be reasonable;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a contract with The Convention Store, Inc. (TCS) of Millersville, Maryland for the sale of VRE fare media through a ticket-by-mail program at a commission rate of 7.25% of sales, plus a fixed fee of $15 for each Transit Link Card sold. The contract will be for a base of two years and three option years, with the VRE CEO exercising the option years at his discretion.

Approved this 12th day of April 2019

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Katie Cristol
Chair

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John Cook
Secretary