To: Chairman Skinner and the VRE Operations Board
From: Rich Dalton
Date: July 17, 2020
Re: Authorization to Execute a Contract for Mobile Ticketing Services

Recommendation:
The VRE Operations Board is asked to authorize the Acting Chief Executive Officer to execute a contract with Svanaco, Inc. (DBA Americaneagle.com) of Des Plaines, Illinois for Mobile Ticketing Services in the amount of $988,630, plus a 10 percent contingency of $98,863, for a total amount not to exceed $1,087,493, for a base year and five option years, with the Chief Executive Officer exercising the option years at his discretion.

Summary:
This contract will replace the current mobile ticketing provider, moovel, for the ticketing component of VRE Mobile. The total authorization sought includes design/development, licensing and hosting of the solution, as well as a commission rate of 0.5% of VRE Mobile sales.

Background:
VRE launched VRE Mobile on May 15, 2015 as a mobile ticketing solution provided by GlobeSherpa of Portland, Oregon, now known as moovel. VRE Mobile has proven to be a popular alternative to paper tickets, accounting for more than 30% of fare revenue. On January 28, 2020, VRE was notified of moovel’s intention to leave the North American fare payment market in 12-18 months.

VRE made the decision to procure a new provider for the mobile ticketing component of VRE Mobile and in the process position VRE Mobile for additional technology-based
 enhancements like trip planning and other system integrations to improve the passenger experience. In addition, a key consideration was the ability to expand the solution to a regional platform. VRE staff worked with other regional transit providers to ensure the scope of work would incorporate the needs of the other individual providers. VRE also invited a representative from DASH to participate on the Technical Evaluation Team (TET) and a representative from OmniRide participated in the interviews conducted by the TET.

VRE issued a Request for Proposals (RFP) for a VRE Mobile Ticketing System. 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 will be 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 nine prospective Offerors was established for the solicitation to ensure access to adequate sources of services. On April 6, 2020, an RFP was issued, and proposals were due on May 20, 2020. Nine responses were received.

Evaluation of the proposals received was performed by the TET, which consisted of four VRE staff members and one DASH staff member.

The TET met to discuss and evaluate the proposals using the following criteria:

- Understanding of the scope of work and technical requirements
- Ability to launch Phase 1 functionality within two months of receiving Notice-To-Proceed
- Visual/electronic verification capabilities and ability to deploy fare product customizations
- Cost
- Capability and expertise of the Offeror
- Knowledge, qualifications and relevant experience of the proposed Project Manager and Key Personnel

Interviews were conducted with the three top-ranked firms. It was determined the proposal from Svanaco, Inc. was technically compliant and was selected to be best value for the project.
Below is the final ranking of firms who submitted a proposal for Mobile Ticketing Services:

<table>
<thead>
<tr>
<th>OFFERORS</th>
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<tr>
<td>1. Svanaco, Inc. (DBA Americaneagle.com)</td>
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<td>2. Masabi LLC</td>
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<td>3. moovel North America</td>
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<td>4. Unwire Payments &amp; Mobility Apps</td>
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<td>5. Bytemark, Inc.</td>
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<td>6. Conduent Transport Solutions, Inc.</td>
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<td>7. Token Transit</td>
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<td>8. Kontron Transportation North America, Inc.</td>
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<td>9. Paragon ID</td>
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The Offerors’ proposed pricing was in the range of $988,630 to $7,074,085. Complete pricing information for all offerors may not be publicly disclosed until after execution of a contract. VRE staff has certified the highest ranked Offeror’s price, provided below, is fair and reasonable based on the cost estimate for this project.

The contract will be for a base year and five option years, with the CEO exercising the option years at his discretion. This authorization allows work to begin.

**Fiscal Impact:**

The FY 2021 operating budget for ‘Rail Operations - Repairs and Maintenance - Fare Collection’ includes sufficient funding for the first year of this activity, including design and development. Funding for future years will be included in each proposed annual budget.
WHEREAS, VRE launched VRE Mobile on May 15, 2015 as a mobile ticketing solution provided by GlobeSherpa of Portland, Oregon, now known as moovel; and,

WHEREAS, VRE Mobile has proven to be a popular alternative to paper tickets, accounting for more than 30% of fare revenue; and,

WHEREAS, in January 2020, VRE was notified of moovel's intention to leave the North American fare payment market in 12-18 months; and,

WHEREAS, a Request for Proposals was issued to find a replacement for the mobile ticketing component of VRE Mobile; and,

WHEREAS, nine proposals were received in response to the RFP and evaluated by the Technical Evaluation Team; and,

WHEREAS, Svanaco, Inc. was determined to be the highest ranked offeror, and their proposed commission rate of 0.5% of VRE Mobile sales is determined to be fair and reasonable; 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, that the process used by the staff was in accordance with law and that the staff recommendation appears to be reasonable;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby find that, in accordance with amendments adopted on April 22, 2020 to budget bills HB 29 and 30, meeting by electronic means is authorized because the nature of the declared emergency makes it both impracticable and unsafe for the Operations Board to assemble in a single location on July 17, 2020, and that meeting by electronic means is authorized because the items on the July 17, 2020 Operations Board Meeting Agenda are statutorily required or necessary to continue operations of the Operations Board and the discharge of the Operations Board’s lawful purposes, duties, and responsibilities; and further find that
meeting by electronic means is authorized because the items on the July 17, 2020 Operations Board Meeting Agenda are encompassed within the continuity of operations ordinances adopted by member localities of the Virginia Railway Express Operations Board to assure the continued operation of the government during the disaster posed by the public health emergency resulting from COVID-19; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board does hereby authorize the Acting Chief Executive Officer to execute a contract with Svanaco, Inc. DBA Americaneagle.com of Des Plaines, Illinois for Mobile Ticketing Services in the amount of $988,630, plus a 10 percent contingency of $98,863, for a total amount not to exceed $1,087,493. The contract will be for a base year and five option years, with the Chief Executive Officer exercising the option years at his discretion.

Approved this 17th day of July 2020

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Gary Skinner
Chairman

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Jeanine Lawson
Secretary