Memorandum

MIAMI-DADE COUNTY

Agenda Item No. 8(O)(1)(F)

Date: May 6, 2008

To: Honorable Chairman Bruno A. Barriero
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Rejection of Proposals received for RFP 8481-2/22: Automated Fare Collection System and Award of a contract to Cubic Transportation Systems, Inc.

RECOMMENDATION

The April 8, 2008 recommendation to award Request for Proposals (RFP) No. 8481-2/22 is hereby rescinded. It is recommended that the Board of County Commissioners (Board) reject all proposals received for the referenced solicitation to provide Miami-Dade Transit an automated fare collection system. It is also recommended the Board waive competitive bids and bid protest procedures, and approve the award of a contract to Cubic Transportation Systems, Inc. (Cubic) for County's Automated Fare Collection System.

Pursuant to the April 22, 2008 Board meeting, updated proposals were requested from the two highest ranked proposers (Scheidt & Bachmann (S&B) and Cubic) from the original Request for Proposals process, RFP No. 8481-2/22. Negotiations were held with both companies (report attached) and I am recommending award of the contract to Cubic.

CONTRACT NO:	8481-2/22
CONTRACT TITLE:	Automated Fare Collection System for Miami-Dade Transit
DESCRIPTION:	The County is purchasing an Automated Fare Collection System that is intended to be a regional fare vending and collection system that will provide residents and visitors to the South Florida region, encompassing Broward, Miami-Dade, and Palm Beach counties, the ability to use a single fare instrument on public transportation facilities. The Contractor will be required to design, furnish, deliver and install the system. The system shall include all hardware, software and support services to accomplish integration of all fare vending and collection devices.
PROJECT MANAGER:	Hugh Chen, Miami-Dade Transit
APPROVAL TO ADVERTISE:	September 14, 2007
TERM:	Five years with two (2) five-year options to renew which will allow for purchases of equipment and services related to the expansion projects.
CONTRACT AMOUNT:	$41,999,739 for the initial five year term

FUNDING SOURCE:	100% PTP Funds
METHOD OF AWARD:	Bid waiver
VENDOR RECOMMENDED FOR AWARD:	Cubic Transportation Systems, Inc. 5650 Kearny Mesa Road San Diego, California 92111
USING/MANAGING AGENCY:	Miami-Dade Transit
CONTRACT MEASURES:	Community Small Business Enterprise (CSBE) measure is applied to this contract.
LIVING WAGE:	The services required are not covered under the Living Wage Ordinance.
UAP:	The RFP contains the 2% User Access Program provision.
LOCAL PREFERENCE:	Applied in accordance with the ordinance.
ESTIMATED CONTRACT COMMENCEMENT DATE:	Ten days after date adopted by the Board of County Commissioners, unless vetoed by the Mayor.

BACKGROUND

On February 28, 2008, I recommended that the Board of County Commissioners enter into a contract with Cubic Transportation Systems, Inc. (Cubic) to provide an automated fare collection system (see attached). That recommendation was protested on March 4, 2008, by Scheidt & Bachmann USA, Inc. (S&B). Former Chief Judge Leonard Rivkind was assigned as the hearing Examiner to hear the protest.

In his findings, filed with the Clerk of the Board on March 31, 2008, Judge Rivkind recommended that the Miami-Dade County Board of County Commissioners deny the bid protest and accept the County Manager's recommendation to award the contract to Cubic Transportation Systems, Inc. In accordance with County Administrative Order 3-21, the County Manager's recommendation along with the Hearing Examiner's report was forwarded to the Board on April 8, 2008. The Board forwarded the recommendation to the Transportation Committee for further review. On April 16, 2008, the Transportation Committee reviewed the Manager's award recommendation and unanimously, forwarded the contract for Board approval.

At the April 22, 2008 Board meeting, after lengthy discussion, the Board directed the County Manager to negotiate with the two highest ranked proposers; Cubic and S&B.

On April 24, 2008, I submitted to the Board a memorandum (see attached) that outlined my direction in light of its discussions at the April 22, 2008 Board meeting. I convened executive level staff to comprise a negotiations committee that would evaluate and negotiate with Cubic and S&B in efforts

to reduce the County's price while obtaining best value. A copy of the Negotiation Committee report is attached.

THE AUTOMATED FARE COLLECTION SYSTEM PURCHASE

The County's Automated Fare Collection System will be provided by Cubic. The system being provided is fully UTFS Part 2 compliant. It meets the required APTA standard as required by the RFP. Cubic is an industry leader with over 30 years experience in providing Automated Fare Collection Systems to transit agencies throughout the United States and Europe. Most recently, Cubic provided similar fully automated regional fare collection systems in Australia (2007), Atlanta (2006), London (2004), Los Angeles (2002), Washington DC/Baltimore/Virginia region (2001), and New York (1997). In addition, Cubic has implemented similar systems in Sweden, Norway, Denmark, Rotterdam, Chicago, San Francisco, Hong Kong, Guanzhou, Shanghai, and Singapore.

The County's fare collection system purchase includes:

- Central and garage computer systems which will track patron usage and revenue
- One thousand Fareboxes for Metrobus
- One thousand Automatic Passenger Counters for Metrobus
- Four (4) new garage revenue collection systems for Metrobus
- Two hundred forty-nine fare gates to be installed at existing Metrorail stations
- Sixty-two full service and thirty-four cashless Ticket Vending Machines for the Metrorail stations
- Parking payment software for the Ticket Vending Machines
- New station barriers for the Metrorail stations
- Twenty-two Automatic Passenger Systems for the Metromover stations.
- Four Ticket Office Machines that will be used by MDT at a customer service center (like Government Center) to perform service functions related to the Smart Cards; issuing and registering cards, placing values on cards, checking card balances, and history of lost and stolen cards and replacements.
- One hundred Point of Sales devices that will be installed at retail outlets to provide MDT patrons the ability to load fare (add value or replenish the Smart Card) onto their Smart Card without visiting a Metrorail station or MDT service center.

In addition to the list of equipment above, the new contract includes additional long term and limited use smartcards, and Quality Assurance software that were not included in the initial contract recommended.

The County projected the Automated Fare Collection System to cost $45,500,000 for the base system. The cost projection did not include six options which were included in the solicitation for this project. The negotiated fixed price contract for the base system is $41,999,739. Option prices negotiated with Cubic total $19,200,499. Regarding contract options, the County may exercise up to six options including; purchase of additional spare parts and services, implement a parking garage system as part of the AFS, implement a system for Special Transportation services, purchase

extended warranties, meet UTFS Part 3 compliance for regional AFS and later, implement Payment Card Industry Data Security Standards for point of sale debit and credit card payments. The chart below shows a comparison the negotiated pricing offered by the competing companies.

Proposers	Negotiated Price for Base System	Negotiated Option Pricing	Total Negotiated Price Including Base and All Options
Cubic	$41,999,739	$19,200,499	$61,200,238
S&B	$42,997,304	$18,784,250	$61,781,554

The County negotiated $4,402,261 in reductions to Cubic's previously negotiated base contract price. The previously negotiated contract price of $47,002,000 included the parking services option initially priced at $600,000, however under the new agreement, parking services can be purchased as an option for $600,000. Further, the price negotiated for the additional equipment option includes all the requirements for equipment replacement, repair and installation. Additionally, title to all equipment procured by the contractor will be transferred to the County. The contract also includes a three year warranty; including software maintenance and depot repair services for equipment at each facility once each phase of the work becomes operational and the work is accepted by the County.

Liquidated damages will be imposed by the County in accordance with the contract documents for work that does not meet the contract schedule. A surety performance bond, surety payment bond, and warranty bond as specified in the contract documents, is posted by Cubic to further protect the County's investment and to help ensure that the project is completed. Agreements for computer software licenses support and maintenance, and escrow of software codes are also included.

The contract being recommended represents the result of the directive by the Board at the April 22, 2008 meeting to negotiate with both Cubic and S&B. The contract being recommended represents best value after consideration of the companies' qualifications, experience, technical offers and price.

Attachment

Memorandum

MIAMI-DADE COUNTY

Date: May 2, 2008

To: George M. Burgess
County Manager

From: Howard Piper
Chairperson, Negotiation Committee

Subject: RFP No. 8481-2/22: Automated Fare Collection System for Miami Dade Transit Department (MDT)

As directed, the Negotiation Committee (Committee) completed competitive negotiations with Cubic Transportation Systems Inc. and Scheidt & Bachmann USA and recommends that the County Manager award the contract for a turnkey automated fare collection system to Cubic Transportation Systems, Inc. (Cubic). While both competing firms clearly demonstrated the experience and capability to deliver the fare collection system, the Committee concluded that Cubic offers the best value for the County. Cubic offered and committed to a more accelerated delivery and implementation schedule, has significantly more experience with installation and maintenance of systems compliant with Part 2 of the Universal Transit Farecard Standards (UTFS), offers a lower base contract price, and will provide more training to County staff to operate and maintain the new fare collection system.

BACKGROUND

Request for Proposals (RFP) No. 8481-2/22 was issued to solicit proposals for a contract to supply a turnkey Automated Fare Collection System (AFS) for Miarni-Dade County's multimodal transit system. The AFS is intended to allow passengers to use a single fare instrument on the County's transportation system. The base AFS, which is required to also be compliant to UTFS Part 2, is also intended to have regional application in order to allow passengers from the tri-county area to use a seamless fare media to travel within and between counties. Additionally, the County requires that the system monitor transit usage, capture patron counts, and enhance the transit system revenue stream by reducing fare evasion.

On April 22, 2008, the Board of County Commissioners (Board) rejected the recommendation to enter into a contract with Cubic to provide an automated fare collection system for Miami Dade Transit. The Board recommended that the County Manager enter into negotiations with both Cubic and Scheidt & Bachmann USA (S&B) and forward a recommendation for Board consideration at the next meeting of the Board of County Commissioners.

The County Manager subsequently issued a set of updated criteria for the fare collection RFP to the competing firms along with instructions for submittal of updated proposals. On April 24, 2008 the County Manager issued the attached memorandum appointing a Negotiation Committee comprising executive level staff to evaluate the new submissions and to negotiate a best value contract for the fare collection system for the County Manager's approval.

As directed, the Committee was guided by the criteria set forth in the existing RFP No. 8481-2/22 and the updated instructions to proposers. The Committee convened structured negotiation sessions with both proposers and considered the clarifications and terms offered by each proposer. Once the contract terms were negotiated, both firms were instructed to propose their best and final prices for the negotiated contracts. Upon receipt of the final price offers, the

Committee completed its evaluation and made a recommendation to the County Manager for award.

RECOMMENDATION

Final negotiations were held with both Cubic and S&B. The Committee decisions were based on the best value to the County with regards to price and technical criteria. Both competing firms clearly demonstrated the experience and capability to deliver the fare collection system and committed to furnishing a UTFS compliant system on an accelerated schedule. The Committee concluded that Cubic offers the best value for the County and recommends that the County Manager recommend award of the contract to Cubic Transportation Systems Inc.

S&B proposed to complete the rail system within 602 days and the bus system within 401 days while Cubic committed to completing these phases within 362 and 205 days respectively. Cubic also has significantly more experience in implementing large integrated AFC systems nationally and has previously installed UTFS compliant equipment. While both companies offer acceptable training programs, Cubic offers significantly more training classes and training hours to more employees. Lastly, regarding pricing, Cubic offered a base contract price of $41,999,739 which is $997,565 less than the $42,997,304 offered by S&B. Taken together, the Committee recommends that the contract be awarded to Cubic.

The recommended contract is for a base price of $41,999,739. The bus system is to be completed within 205 days of the notice to proceed and the rail system is expected to be completed within 362 days. The base contract also includes fixed prices for supply and installation of all spare parts over the 3-year warranty period, 2 million smart cards compared to the 450,000 contemplated in the initial solicitation and a Quality Assurance software suite for test management and functional testing to the AFS.

Regarding contract options, the County may exercise up to six options including; purchase additional spare parts and services, implement a parking garage system as part of the AFS, implement a system for Special Transportation services, purchase extended warranties, meet UTFS Part 3 compliance for regional AFS and later, implement Payment Card Industry Data Security Standards for point of sale debit and credit card payment options.

c: Miriam Singer, Department of Procurement Management
Harpal Kapoor, Director, Miami-Dade Transit Department
Amos Roundtree, Department of Procurement Management

Attachment

Miami-Dade County
Automatic Fare Collection Systems
Request for Proposals (RFP) RFP No. 8481-2/22 Contract Negotiation Timeline

Tuesday April 22, 2008:	Board of County Commissioners (Board) directs the County enter into negotiations with both Cubic Transportation Systems Inc. and Scheidt & Bachmann USA.
Thursday, April 24, 2008:	Updated Criteria were issued to the competing firms with a deadline to submit new proposals no later than April 29, 2008.
Tuesday, April 29, 2008:	A public meeting was held to brief the Negotiating Committee prior to the proposal submission deadline.
Wednesday, April 30, 2008:	The Committee held negotiations with both firms and contract terms and conditions, schedules, training, support and services were finalized. Having finalized agreed terms, proposers were instructed to submit best and final prices for the contracts negotiated.
Thursday, May 1, 2008:	The County received final price offers. The Committee completed contract evaluations and selected the proposer to be recommended for the contract.

Memorandum

MIAMI-DADE COUNTY

Date: April 24, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Fare Collection Negotiations

In light of the Board's discussion regarding Fare Collection, I and my top staff have developed a process for the accelerated best value among the two responsive vendors for the Miami-Dade Transit (MDT) Fare Collection system. Per the Board's direction, this will be done on a bid waiver basis. In order to do this, I am convening a Negotiation Committee comprised of Howard Piper, Special Assistant; Harpal Kapoor, Miami-Dade Transit (MDT) Director; and Amos Roundtree, Department of Procurement Management (DPM). This group will be tasked with arriving at a best value recommendation for my approval. The Committee will receive staff support from DPM, MDT and such other technical support from County staff as it may require.

The criteria for making the recommendation shall be those set forth in the existing Request for Proposals (RFP). I am requesting that the Negotiation Committee preserve the relative weight of the criteria set forth in the RFP but not conduct a strictly numerical evaluation. Rather than a numerical evaluation, I am requesting an explanation of the Committee's recommendation in narrative form as more particularly set forth below.

All pertinent documents will be updated and delivered to proposers by the end of this week. A response will be due from each of the proposers not later than Tuesday, April 29, 2008. This response will be in the form of an updated price and proposal strictly adhering to the updated requirements document. Given the expedited schedule for bringing a revised recommendation to the Board on May 6 and to facilitate the completion of a future contract, I am requesting that, as part of the response, the proposers provide an executed marked up version of the contract that was attached to the RFP, as modified by the updated requirements. I am also requesting that the proposers provide a cover sheet outlining any deviations from the updated published documents and the reasons for such deviations. Any exception to the published contract will be taken by the proposers at their sole risk and will be evaluated by the Committee accordingly.

The Committee will convene a structured negotiation session with either one, or both of the proposers who offer a written submittal. At the session, the County may, but shall not be obligated to, consider any clarifications or better terms offered by the proposer, and may, but shall not be obligated to, negotiate any of the contract terms deemed to be in the County's best interest. Following the negotiation sessions which must be completed by the end of next week, the Committee will be directed to express to me in writing its recommendation for award along with an explanation of its reason for recommendation, including the negotiated price.

After evaluation of the Committee's report, I will be making the appropriate recommendation to this Board in time for the May 6 meeting together with a recommendation to reject bids on the current procurement.

c: Honorable Mayor Carlos Alvarez
Denis Morales, Chief of Staff, Office of the Mayor
Ysela Llort, Assistant County Manager
Howard Piper, Special Assistant
Miriam Singer, Director, DPM
Harpal Kapoor, Director, MDT
Amos Roundtree, DPM

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: May 6, 2008

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 8(O)(1)(F)

Please note any items checked.

_____	"4-Day Rule" ("3-Day Rule" for committees) applicable if raised
_____	6 weeks required between first reading and public hearing
_____	4 weeks notification to municipal officials required prior to public hearing
_____	Decreases revenues or increases expenditures without balancing budget
_____	Budget required
_____	Statement of fiscal impact required
✓	Bid waiver requiring County Manager's written recommendation
_____	Ordinance creating a new board requires detailed County Manager's report for public hearing
_____	Housekeeping item (no policy decision required)
✓	No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(O)(1)(F)
5-6-08

RESOLUTION NO.

RESOLUTION REJECTING ALL BIDS FOR CONTRACT NO. 8481-2/22, WAIVING COMPETITIVE BIDS, WAIVING BID PROTEST PROCEDURES, AUTHORIZING AWARD OF CONTRACT TO CUBIC TRANSPORTATION SYSTEM, INC. FOR FARE COLLECTION SYSTEM, AUTHORIZING MAYOR OR HIS DESIGNEE TO EXECUTE AN AGREEMENT FOR AND ON BEHALF OF MIAMI-DADE COUNTY AND TO EXERCISE ANY CANCELLATION, OPTIONS AND RENEWAL PROVISIONS, AND TO EXERCISE ALL OTHER RIGHTS CONTAINED THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the award of a contract to Cubic Transportation System, Inc., to provide an Automated Fare Collection System for the Transit Department in substantially the form attached hereto and made a part hereof, and authorizes the County Mayor or designee to execute same for and on behalf of Miami-Dade County and to exercise any cancellation, options and renewal provisions and any other rights contained therein.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman
Barbara J. Jordan, Vice-Chairwoman

Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of May, 2008. This resolution shall become effective as follows: (1) ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board, and (2) either i) the Citizens' Independent Transportation Trust (CITT) has approved same, or ii) in response to the CITT's disapproval, the County Commission re-affirms its award by two-thirds (2/3) vote of the Commission's membership and such reaffirmation becomes final.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency.

By:_____
Deputy Clerk

Bruce Libhaber

Contract No. 8481-2/22

THIS AGREEMENT made and entered into as of this _____ day of _____, 2008 by and between Cubic Transportation Systems, Inc., a corporation organized and existing under the laws of the State of California, having its principal office at 5650 Kearny Mesa Road, San Diego, California 92111 (hereinafter referred to as the "Contractor"), and Miami-Dade County, a political subdivision of the State of Florida, having its principal office at 111 N.W. 1st Street, Miami, Florida 33128 (hereinafter referred to as the "County"),

WITNESSETH:

WHEREAS, the Contractor has offered to provide Automated Fare Collection Systems, that shall conform to the Contract Documents; and,

WHEREAS, the Contractor has submitted a written proposal dated April 29, 2008, hereinafter referred to as the "Contractor's Proposal" which is incorporated herein; and,

WHEREAS, the Contractor shall deliver all Automated Fare Collection System and related equipment; to be delivered per the delivery schedule in the general provisions documents herein, after the Notice to Proceed, including Manuals and Training, Spare Parts, Test Equipment, and Special Tools, and all bonding required. The Contractor may provide either Bonds or Letters of Credit (LOC) for performance, payment, and warranty guarantees for the Automated Fare Collection System, and

WHEREAS, the County and the Contractor have mutually agreed to these contract documents, hereinafter referred to as the "Contract Documents", which are incorporated herein. Payments will be made as provided for in the Payment Schedule of the Contract Documents, and,

WHEREAS, the County desires to procure from the Contractor such Work for the County, in accordance with the Contract Documents.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

County hereby agrees to pay to the Contractor for said Work, the total fixed price sum of FORTY-ONE MILLION NINE HUNDRED NINETY-NINE THOUSAND SEVEN HUNDRED THIRTY-NINE DOLLARS ($41,999,739) which includes the costs of all Bonds or LOC.

Total compensation, including the allowance account and the cost of Bonds or letters of Credit for _____, shall not exceed _____DOLLARS AND NO CENTS ( ).

Signed by and on behalf of Miami-Dade County:

By: _____
(Signature)

_____
(Name and Title)

By: _____
(Signature)

_____
(Name and Title)

Signed by and on behalf of (Contractor):

By: Richard Wunderle
(Signature)

Richard Wunderle, Sr VP
(Name and Title)

By: Walter C. Zable
(Signature)

WALTER C. ZABLE CHAIRMAN
(Name and Title)

Approved as to Form and Legal Sufficiency

By: _____
(Signature)

_____
(Name and Title)

Corporate Seal

Corporate Seal