



Meeting of the Operations and Oversight Committee

Thursday, February 8, 2018 • 10:00 a.m.
2nd Floor Board Room • 509 E. 18th Street, Norfolk, VA

A meeting of the Operations and Oversight Committee will be held on Thursday, February 8, 2018 at 10:00 a.m. in the 2nd Floor Board Room at 509 E. 18th Street, Norfolk, VA.

The agenda and supporting materials are included in this package for your review.



Meeting of the Operations and Oversight Committee

Thursday, February 8, 2018 • 10:00 a.m.
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AGENDA

1. Approval of the January 2018 Operations and Oversight Committee Meeting Minutes
2. Procurement Recommendations to the Committee:
 - a. Request for approval of Contract 17-74638, Electronic Fare Payment System-Mobile Ticketing System Pilot Program
 - b. Request for approval of Contract 17-76509, Waste Collection and Disposal Services
 - c. Informational item only-Contract 17-73942, Task Order No. 3, Financial Planning for Hampton Roads Transit's Light Rail State of Good Repair (\$20,000), WSP USA, Inc. No action required.
3. Internal Audit Update
4. Operations Update
5. Old and New Business
6. Adjournment

The next Operations & Oversight Committee Meeting will be held on Thursday, March 8, 2018 at 10:00 a.m. at 3400 Victoria Blvd., Hampton, VA



Meeting of the Operations and Oversight Committee

Thursday, January 11, 2018 • 10:00 a.m.
2nd Floor Board Room • 3400 Victoria Blvd., Hampton, VA

MEETING MINUTES

Call to order

Commissioner Fuller of Chesapeake called the meeting to order at 10:00 a.m.

Commissioners in attendance:

Commissioner Fuller, Chesapeake
Commissioner Hennessee, DRPT
Commissioner McClellan, Norfolk
Commissioner Parnell, Norfolk
Commissioner Woodbury, Newport News
Commissioner Rowe, Portsmouth
Commissioner Amelia Ross-Hammond, Virginia Beach

Hampton Roads Transit Staff in attendance:

Ray Amoruso, Chief Planning and Development Officer
Amy Braziel, Sr. Executive Assistant
Alesia Cain, Chief Information Technology Officer
Gene Cavazos, Director of Marketing & Communications
Margaret Denoncourt, Internal Auditor
William Harrell, President and CEO
Tom Holden, Media Relations Specialist
Sonya Luther, Assistant Director of Procurement
Maryann Martin, Operations Analyst
Sybil Pappas, Chief Engineering and Facilities Officer
Michael Perez, Director of Rolling Stock
Jim Price, Chief Operating Officer
Silvia Shanahan, Interim Chief Finance Officer
Benjamin Simms, Director of Bus and Rail Transportation
Derrick Snowden, Chief Safety & Security Officer
Mark Stemple, Director of Technical Services
Brittany Sumpter, DBE and Grants Coordinator
Alex Touzov, Director of Technology Services
Robert Travers, Counsel

The January Operations and Oversight meeting package was distributed electronically to committee members and the media in advance of the meeting. The meeting package consisted of:

- Agenda
- Minutes from the December Meeting
- Procurement Items for Approval
- Internal Audit Schedule for Approval

Mr. Jim Price introduced the 2017 Hampton Roads Transit Roadeo winners.

Commissioner Hennessey stated that the State Roadeo meeting is in Lynchburg, VA tomorrow, January 12th and the State Roadeo Competition will be held in March.

Approval of the December 2017 Minutes

A motion to approve the December 2017 Meeting Minutes was made by Commissioner Hennessey and properly seconded by Commissioner Parnell.

The December 2017 Meeting Minutes were approved by a unanimous vote.

Request for approval of Contract 17-75499, Wide Area Network, Internet and Telephone Service.

Ms. Sonya Luther formally presented Contract 17-75499, Wide Area Network, Internet and Telephone Service.

Concerns were discussed regarding the lack of competition for this solicitation.

There was a discussion regarding the additional costs added to the contract and why Verizon was dropped from the list of bidders.

Mr. Alex Touzov provided details of why Verizon was not interested in bidding on the contract.

There was a discussion regarding the type of system was discussed as well as the security of the system.

There was some discussion regarding the term of the contract and the concerns due to rapid changing technology. It was requested that the contract options after the base year not be exercised without further discussion with the Operations and Oversight Committee.

ACTION ITEM: Contract 17-75499, Wide Area Network Internet and Telephone Services, is to be brought back before the Committee prior to the execution of the first option year.

There was a discussion regarding the need of this service and how it relates to other services that have been procured recently.

A motion to recommend approval of Contract 17-75499, Wide Area Network, Internet and Telephone Service was made by Commissioner Woodbury and was properly seconded by Commissioner Rowe.

Contract 17-75499, Wide Area Network, Internet and Telephone Services was approved by a unanimous vote.

Internal Audit

Ms. Margaret Denoncourt requested approval of the 2018 Audit Schedule.

There was a discussion regarding the audit items that were carried over from 2017.

Ms. Denoncourt stated that results from the Budget Audit recently conducted will likely be presented to the February Operations and Oversight Committee.

A motion to approve the 2018 Audit Schedule was made by Commissioner Rowe and properly seconded by Commissioner Parnell.

The 2018 Audit Schedule was approved by a unanimous vote.

Operations Update

Mr. Jim Price gave an update on the recent inclement weather event and the effects it had on bus and rail service.

There was some discussion regarding ridership during the limited service that was provided during the inclement weather.

ACTION ITEM: HRT staff to provide a cost analysis to the Operations and Oversight Committee to show ridership/farebox recovery v. running limited service for inclement weather events.

Mr. Mark Stemple gave a presentation which provided an overview of Paratransit Services.

There was some discussion regarding Paratransit subcontractors that are utilized by HRT.

There was some discussion regarding improvements to bus stops making them ADA compliant.

There was some discussion regarding the cities possibly getting grant funding for bus stops as well as the potential savings that could be had by making fixed route bus stops compliant.

There was a discussion regarding service animals being allowed to ride on the taxis that are currently being contracted by MV Transportation.

HRT is currently looking at other options for paratransit services to include ride hailing services.

There was a discussion regarding a pilot program that was supposed to take place which incorporated ride sharing with paratransit services. Mr. William Harrell stated that the program was hindered by taxi service and that HRT is looking at developing a comprehensive plan.

There was a discussion regarding the advancements that HRT has made related to paratransit services.

There was a discussion regarding the current use of taxis. It was noted that the early stages of taxi implementation did not go well but HRT is pleased with the recent services provided by the taxi companies.

New and Old Business

There was no new or old business discussed.

Adjournment

The meeting was adjourned at 11:02 a.m.

Respectfully submitted by:
Amy Braziel, Sr. Executive Assistant

Contract No:	17-74638	Title:	Electronic Fare Payment System – Mobile Ticketing System Pilot Program	Price: Term:	\$248,510 1 yr. pilot with 5 1-yr. options
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Acquisition Description: Enter into a contract with a qualified firm to implement an Electronic Fare Payment System based upon the initial pilot roll-out of a Mobile Ticketing System.

Background: A mobile ticketing system is the first element of HRT’s long term Electronic Fare Payment System vision. Through this project, HRT envisions implementing a system that increases convenience for its customers, enhances the image of HRT and reduces inconveniences encountered with the current magnetic stripe farecards. Based on this vision, the customer-driven system shall enable users to purchase mobile tickets via an application on their smartphone, and efficiently validate them on transit vehicles as payment for their ride. The system shall also provide HRT with better data on passengers, trips (route, direction, and jurisdiction) and ticket sales. As part of this project, HRT is also interested in piloting the enhanced fare payment features of these systems in order to evaluate the transition towards a future system-wide electronic fare collection system. The project is intended to initially pilot the system on the Virginia Beach Wave Trolley service as a relatively self-contained service in order to minimize the impact on the operations of the rest of the HRT fleet until the solutions and processes have been fully evaluated.

Contract Approach: A Request for Proposals (RFP) was issued on February 13, 2017. Seven (7) proposals were received on April 21, 2017 from the following firms:

- SmartGroup-US, LLC (dba CardTek)
- moovel North America (moovel)
- Passport Parking, Inc. (Passport)
- Conduent Transport Solutions, Inc.
- Bytemark, Inc. (Bytemark)
- Corethree, Ltd.
- Genfare, a division of SPX Corporation

After a detailed review and analysis of the technical proposals received, three (3) firms, Bytemark, moovel, and Passport were rated best to meet the requirements of the Scope of Work (SOW). On August 11, 2017, the firms were invited to provide demonstrations of their proposed software and clarification in regard to their technical qualifications and approach to the SOW. At the conclusion of demonstrations and discussions, and upon review of the price proposals, HRT staff determined that the proposed pricing did not accurately reflect what the cost to HRT would be to implement these services. While the pricing was indicative of the relative cost for each proposal, the firms had made different and incomplete assumptions that impacted pricing and prevented reasonable comparison without further clarification and normalization of the pricing proposals. The initial pricing proposals also included different option pricing scenarios from different firms that did not lend themselves to a clear price evaluation.

On September 12, 2017, in an effort to clarify the pricing proposals, a Request for Interim Proposals was issued to Bytemark, moovel and Passport requesting pricing clarification under various pricing scenarios with constrained scope, usage rates and options to define costs with respect to implementation, purchase and installation of equipment and ongoing operations, maintenance and support. These scenarios constrained system options and allowed for more specific cost estimates from the Contractors. Upon review and extensive evaluation of the interim proposals received, HRT staff invited the three (3) firms for additional discussion and clarification, which were conducted on October 9, 2017. Based upon the responses received, HRT considered the long-term path for the electronic fare system, and the options that would best be needed to be demonstrated as part of this pilot. This allowed for further refinement of the scope of the mobile

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ticketing system to be implemented for the pilot as HRT staff decided that onboard validation was essential for the pilot in order to lead the way for a future account-based system. At the conclusion of the additional discussion and clarification meetings, HRT staff decided to enter into final negotiations with Passport and moovel for the purpose of a possible award.

Negotiations, conducted on December 12, 2017, focused on the proposed price schedule, to include installation and any potential additional costs; opportunities for revenue generation; and, exceptions taken to HRT’s contractual Terms and Conditions. At the conclusion of negotiations, Best and Final Offers (BAFOs) were requested.

The BAFO requests were based on a specific deployment scenario with an annual ridership projection of 66,000 mobile tickets at an average of \$2.50 per ticket plus several constrained expansion/enhancement options. The pricing received was calculated for the base year and one initial option year to enable a full trolley season to be part of the pilot. The BAFO also sought costs for options covering a validating mobile application for fare inspectors, retail cash payment demonstration and account-based fare collection using the mobile ticketing platform. The BAFO evaluations were therefore based on a common projection of potential ridership and penetration of the mobile ticketing payment option.

After an analysis of the BAFO received, HRT Staff determined that moovel provided the best overall value to HRT based on a combination of their technical capability, proposed mobile ticketing solution and price. Based on the results of the negotiations and a price analysis conducted, moovel’s BAFO is deemed fair and reasonable. Additionally, the pricing was obtained in a competitive environment. A contractor responsibility review confirmed that moovel is both technically and financially capable to perform the work.

moovel is located in Portland, OR and provided similar services to TriMet in Portland, OR; San Francisco Municipal Transportation Agency in San Francisco, CA; Metro Transit in Minneapolis, MN; and, Virginia Railway Express in Alexandria, VA.

The period of performance for this contract is a one (1) year pilot, with an option to extend the contract for up to five (5) additional one-year options following the expiration of the pilot.

No DBE Goal is assigned for this solicitation.

Cost/Funding: This contract will be funded with grant funds.

Project Manager: Alesia Cain, Chief Information Officer/Chief Technology Officer

Contracting Officer: Sonya Luther, Interim Director of Procurement

Recommendation: It is respectfully recommended that the Commission approve the award of a contract to moovel North America to implement an Electronic Fare Payment System based upon the initial roll-out of a Mobile Ticketing System in the estimated amount of \$248,510 to cover a 1-year pilot plus one additional year of operation and including the option to pilot account-based fare collection capabilities of the system.

Contract No:	17-74638	Title:	Electronic Fare Payment System – Mobile Ticketing System Pilot Program	Price: Term:	\$248,510 1 yr. pilot with 5 1-yr. options
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SOLICITATION RESULTS

OFFEROR	INITIAL OFFER	INTERIM OFFER	BEST AND FINAL OFFER
Conduent Transport Solutions, Inc.	N/A ¹	N/A	N/A
Corethree, Ltd.	N/A ¹	N/A	N/A
Genfare, a division of SPX Corporation	N/A ¹	N/A	N/A
SmartGroup-US, LLC (dba CardTek)	N/A ¹	N/A	N/A
moovel North America	N/A	\$285,438²	\$248,510³
Passport Parking, Inc.	N/A	\$294,454 ²	\$265,975 ³
Bytemark, Inc.	N/A	\$394,098 ²	N/A

¹ Initial pricing cannot be compared between Contractors due to lack of consistency and clarity of initial pricing and the wide variety of options offered.

² Interim offer included deployment on both trolley and ferry.

³ These costs are for the base pilot system and two (2) years of operation without options and are based on the following assumptions:

- Total number of fare transactions per year = 330,000
- Assumed mobile ticketing transactions per year = 66,000
- Average fare cost to customers per mobile ticketing transaction = \$2.50
- Total number of onboard validators = 14 + 3 spares

moovel North America, Price Summary						
Pilot Year	Option Year 1	Option Year 2	Option Year 3	Option Year 4	Option Year 5	Total
\$194,055	\$54,455	TBD	TBD	TBD	TBD	\$248,510

Contract No:	17-76509	Title:	Waste Collection and Disposal Services	Price: Term:	\$140,322 2 Yrs. w/3-1 Yr. options
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Acquisition Description: Enter into a contract with a qualified contractor to provide waste collection and disposal services.

Background: Hampton Roads Transit (HRT) is seeking a qualified Contractor to provide waste collection and disposal services at its various facilities located throughout Hampton Roads. Under the terms of this agreement, the Contractor is required to pickup, transport and properly dispose of all materials placed in appropriate waste collection bins (i.e. dry waste, recycling, bulk waste, and scrap metal) at specified HRT facilities. The successful Contractor shall provide all personnel, supervision, management, transportation, computerized tracking capabilities, tools, equipment (including, but not limited to, dollies and hand trucks) and other supplies necessary to provide solid waste removal and disposal services.

Contract Approach: An Invitation for Bids was issued November 21, 2017. Two (2) bids were received on January 24, 2018 from the following firms:

- Selective Recycling Waste Services (SRWS)
- Waste Management

After an evaluation of the bids received, HRT staff determined that SRWS was the lowest responsive (in compliance with submittal requirements) and responsible (capable to perform) bidder. As part of HRT's due diligence, a post-bid survey of firms solicited concluded that most firms were unable to fully meet the requirements of the Scope of Work. Additionally, the incumbent did not submit a bid due to the fact that the firm's Project Manager was preoccupied with an internal project and therefore missed the submittal deadline.

SRWS's bid price, in the amount of \$140,322 is deemed fair and reasonable based on a price analysis performed, and the fact that the pricing was obtained in a competitive environment. A contractor responsibility review confirmed that SRWS is technically and financially capable to perform the work.

SRWS is located in Chesapeake, VA and provides similar services for The Port of Virginia, Old Dominion University and VDOT.

The period of performance for this Contract is two (2) base years, with three (3) additional one-year options.

A DBE goal of 10% was established for this solicitation. SRWS is unable to meet the goal; however, the firm submitted a written statement documenting its good faith efforts.

Cost/Funding: This Contract will be funded with Operating Funds.
Project Manager: Scott Demharter, Director of Facilities Maintenance
Contracting Officer: Jason Petruska, Contracts Specialist

Contract No:	17-76509	Title:	Waste Collection and Disposal Services	Price: Term:	\$140,322 2 Yrs. w/3-1 Yr. options
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Recommendation: It is respectfully recommended that the Commission approve the award of a renewal contract to Selective Recycling Waste Services. for waste collection and disposal services in the not-to-exceed amount of \$140,322 over a five-year period.

SOLICITATION RESULTS

FIRM	TOTAL BID PRICE
Selective Recycling Waste Services	\$140,322.00
Waste Management	\$177,112.48

Selective Recycling Waste Services, Bid Summary				
Base Years (1&2)	Option Year 1	Option Year 2	Option Year 3	Total
\$56,128 (\$28,064/yr.)	\$28,064	\$28,064	\$28,064	\$140,322