

**Texas Department of Transportation**

**Texas Turnpike Authority**

**Volume I**

**Instructions to Proposers for**

**Toll Operations and Customer Service Center  
Operator**

**Draft Issue - January 21, 2011**

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## INSTRUCTIONS TO PROPOSERS

### (Request for Proposals: Toll Operations and Customer Service Center Operator)

## SECTION 1.0 INTRODUCTION AND GENERAL PROVISIONS

### 1.1 Introduction

This document comprises the Instructions to Proposers (“ITP”), Volume I of the Request for Proposals (“RFP”), dated \_\_\_\_\_, issued by the Texas Department of Transportation (“TxDOT”), an agency of the State of Texas (“State”). This RFP solicits competitive detailed proposals (individually “Proposal” and collectively “Proposals”) for a comprehensive Customer Service Center back office system, and an operator of TxDOT’s toll operations and customer service center as further described below.

The form of the proposed contract is included in Volume II of the RFP. The form of contract is subject to change at TxDOT's discretion based on final negotiations with the selected Proposer.

Proposers must comply with this ITP during the procurement and in their responses to the RFP. Proposers shall also take the Project goals identified in Section 1.5 below into consideration when drafting their proposals.

#### 1.1.1 Statutory Authority for Procurement

This procurement falls under the statutory authority of Texas Transportation Code, §228.052, which authorizes TxDOT to enter into an agreement with one or more persons to provide personnel, equipment, systems, facilities, and services necessary to operate a toll project or system, including the operation of toll plazas and lanes and customer service centers and the collection of tolls. The Texas Transportation Commission has promulgated rules located at Title 43, Texas Administrative Code (TAC), §27.83, governing the requirements for soliciting proposals to operate a TxDOT toll project or system.

### 1.2 Title VI Assurance

TxDOT, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4, hereby notifies all Proposers that it will enforce compliance with this law, investigate alleged violations, and affirmatively ensure that in any contract entered into pursuant to TxDOT procurements, minority business enterprises will be afforded full opportunity to submit responses and will not be discriminated against on the grounds of race, color, national origin, sex, age, or disability in consideration for an award.

Non-discrimination programs require that federal-aid recipients, sub-recipients, and contractors prevent discrimination and ensure non-discrimination in all of their programs and activities, whether those programs are federally funded or not.

### **1.3 Environmental Impact**

It is the intent of TxDOT to purchase goods, equipment, and services having the least adverse environmental impact within the constraints of statutory purchasing requirements, departmental need, availability, and sound economical considerations in accordance with 34 TAC §20.38.

### **1.4 TxDOT Goals**

The goal of this procurement is to increase toll revenue with a highly effective collection process and to reduce costs through improved operational processes and proven technical applications. This includes costs associated with the operation of the TxTag customer service center, with plaza operations and with maintaining toll facilities.

### **1.5 Scope of Work**

#### **1.5.1 Compliance with Law**

The Proposer shall provide the specified service requirements in accordance with all applicable federal and state laws, standards, rules, and regulations necessary to perform the services, including, but not limited to:

1. Texas Transportation Code, Chapter 228, Subchapter B, Use and Operation of Toll Projects or Systems
2. 43 TAC § 27.82
3. TxDOT Core Technology Architecture: Version 5.4, July 2008
4. TxDOT Data Architecture: Version 4.0, December 2007
5. Department of Information Resources (DIR) Information Security Policies apply to this procurement. Texas State Information Technology Policies may be reviewed at [www2.dir.state.tx.us/Pages/Home.aspx](http://www2.dir.state.tx.us/Pages/Home.aspx)

The Proposer shall maintain all required licenses and certifications throughout the term of the contract. When required, the Proposer shall furnish TxDOT will satisfactory proof of its compliance.

#### **1.5.2 Proposer Service Requirements**

##### **1.5.2.1 Plaza Operations**

The selected Proposer shall be required to support 24-hour-per-day, 7-day-per-week operations and comply with requirements for bilingual staffing and handicapped accessibility, as designated by TxDOT. The primary services to be provided by the selected Proposer, directly or through the use of subcontractors, are detailed in the Technical Provision.

### **1.5.2.2 CSC Operations**

The selected Proposer shall be required to support operations and customer support and comply with requirements for bilingual staffing and handicapped accessibility, as designated by TxDOT. The primary functions to be provided by the selected Proposer, directly or through the use of subcontractors, are detailed in the Technical Provisions.

### **1.5.2.3 CSC System**

The selected Proposer shall be required to provide a system to manage TxTag accounts, transaction processing, interoperability, violations, and video tolling. The system will also support third party vendors, financial processing (such as lockbox, credit cards, and electronic funds transfer (EFT)). Primary functions to be provided by the selected Proposer directly or through the use of subcontractors are detailed in the Technical Provisions.

## **1.6 TxDOT Responsibilities**

TxDOT will:

- (a) Provide operational oversight to ensure the selected Proposer is in compliance with the stated performance expectations.
- (b) Provide a project manager to facilitate selected Proposer's efforts.
- (c) Provide functional and technical staff, including consultants, to facilitate the Proposer's efforts.
- (d) Provide access to required data systems and information.
- (e) Provide onsite office space for critical project personnel as negotiated with TxDOT. The first floor of the TxTag CSC is available to the selected Proposer for their use. This approximately 12,000-square-foot space includes common areas.
- (f) Provide janitorial service for TxDOT facilities.
- (g) Provide contract administration.
- (h) Perform periodic audits or field reviews as needed to ensure that the selected Proposer is operating the program in accordance with applicable laws, rules, regulations and policies, as well as the terms of the contract.

## **1.7 Documents Contained in Request for Proposals**

The RFP consists of the following volumes, and any other documents that may be issued by Addendum, as such documents may be amended and supplemented:

1. Volume I – Instructions to Proposers (ITP) for Toll Operations and Customer Service Center Operator
2. Volume II – Technical Provisions for Toll Operations and Customer Service Center Operator
3. Volume III – Contract Agreement for Toll Operations and Customer Service Center Operator
4. Reference Information Document - Calendar Year CSC Operations Statistics

## 1.8 Definitions of Acronyms and Terms

For the meaning of various capitalized terms and acronyms used but not defined herein see Attachment A, Acronyms and Definitions.

## 1.9 Procurement Schedule

The following represents the current schedule for the procurement.

<u>EVENT</u>	<u>DATE and TIME</u>
Issue Final Request for Proposals	
Last date for Proposers to submit initial questions regarding the RFP	
Last date for TxDOT responses to questions regarding the RFP	
<b>Submission Deadline</b>	
Contract Conditionally Awarded by Commission (anticipated)	
Contract negotiations initiated	
Notice to Proceed given to selected Proposer	

For purposes of this ITP, the term “conditional award” shall mean the determination by the Commission to proceed with a conditional award of the Project to the apparent best value Proposer, as more particularly described in Section 5.0.

All times set forth above, below and elsewhere in the RFP are for local Central time in Austin, Texas. All dates are subject to change, in TxDOT’s sole discretion.

## 1.10 Miscellaneous Provisions Regarding the Procurement

### 1.10.1 Questions and Addenda

All questions must be received by the Contract Administrator by\_\_\_\_\_. Questions must be submitted in writing. All Proposer questions, along with answers, will be made available as an Addendum to the RFP and will be posted on the TxDOT website [www.dot.state.tx.us/business/projects/toll\\_ops.htm](http://www.dot.state.tx.us/business/projects/toll_ops.htm). TxDOT will not be bound by any oral statement or representation contrary to the written specifications of this RFP. Any revision, clarification, or interpretation pertaining to this RFP will be in writing and issued by TxDOT as an Addendum. Any changes or interpretations not contained in an Addendum will not be binding on TxDOT.

#### 1.10.2 Disclosure of Response

All information submitted in an accepted response must be retained by TxDOT for the period specified in TxDOT's record retention schedule. The information will not be returned to the Proposer. The Public Information Act, Government Code Chapter 552, allows the public to have access to information in the possession of a governmental body through an open records request; therefore, the Proposer shall clearly identify in the response any confidential or proprietary information. Proprietary information identified by the Proposer in the response will be kept confidential by TxDOT to the extent permitted by law. TxDOT merely raises the exception on behalf of the Proposer. TxDOT takes no legal position on disclosure. TxDOT will use best efforts to give the Proposer or the awarded vendor an opportunity to present to the Office of the Attorney General its arguments for non-disclosure of its identified confidential or proprietary information.

#### 1.10.3 Alteration or Withdrawal of Response

Any alterations to a response made before the submission deadline shall be initialed by the Proposer. Responses cannot be altered or amended after the submission deadline. A response may be withdrawn if requested in writing prior to the submission deadline. A response may be withdrawn from consideration after the submission deadline only with the approval of TxDOT based on the Proposer's written justification. The response will not be considered for award but will be retained by TxDOT according to the response information confidentiality provision stated above.

#### 1.10.4 Response Validity Period

The Proposer's response will be valid for a period of [one hundred twenty (120)] days after the submission deadline. The Proposer may elect to extend the validity period beyond this time at its discretion.

#### 1.10.5 Subcontracting Requirements

In accordance with Government Code Sections 2161.181-182 and 34 TAC §20.11 and pursuant to the Texas Comptroller of Public Accounts (CPA) Historically Underutilized Business (HUB) Rules, 34 TAC, §20.14, and Transportation DBE/HUB/SBE Rules, 43 TAC §§9.50-.57 (relating to Disadvantaged Business Enterprises, HUB, and Small Business Enterprises [DBE/HUB/SBE]), all state agencies entering into a contract with an expected value of one

hundred thousand dollars (\$100,000) or more shall, before the agency solicits bids, proposals, offers, or other applicable expressions of interest, determine if it is probable for subcontracting opportunities under the contract. TxDOT has determined that subcontracting opportunities are probable. The Proposer shall submit a HUB Subcontracting Plan (HSP) with a goal of 20 percent. The HSP, if acceptable to TxDOT, will be a provision of the contract. The HSP is available at: [www.dot.state.tx.us/gsd/purchasing/purchasing.htm](http://www.dot.state.tx.us/gsd/purchasing/purchasing.htm)

#### 1.10.6 Sales Tax

Purchases made for state use are exempt from the state sales tax and federal excise tax. Proposers shall not include tax in response pricing unless otherwise specified in the RFP. State sales tax and federal excise tax exemption certificates will be furnished by TxDOT on request.

#### 1.10.7 Costs

TxDOT is not liable for any costs incurred by the Proposer in responding to this RFP.

#### 1.10.8 Proposal Guaranty

Proposers shall submit a proposal guaranty in the amount of \$100,000, in the form of either a guaranty check or a bid bond.

The guaranty check must be payable to TxDOT and must be a cashier's check, money order, or teller's check drawn by or on a state or national bank, a savings and loan association, or a state or federally chartered credit union (collectively referred to as "bank"). The type of check or money order must be indicated on the face of the instrument and the instrument must be no more than 90 days old. A check must be made payable at or through the institution issuing the instrument; be drawn by a bank and on a bank; or be payable at or through a bank. TxDOT will not accept personal checks, certified checks, or other types of money orders as a proposal guaranty.

The bid bond must be on the form provided by TxDOT (see Attachment D, TxDOT Bid Bond Form), with powers of attorney attached. The form must bear the impressed seal of the Surety and be signed by the Proposer and an authorized individual of the Surety. Bid bonds will only be accepted from Sureties authorized to execute a bond under and in accordance with state law.

### 1.10.9 TxDOT Representatives

TxDOT has designated the following individual to be its Authorized Representative for this procurement:

Ms. Kathy Garrett  
Texas Turnpike Authority (TTA) Division  
Project Manager  
Texas Department of Transportation  
4616 Howard Lane Suite 850  
Austin, Texas 78728  
Phone: (512) 874-9723  
Fax: (512) 874-9799

TxDOT has designated the following individual to be the Contract Administrator for this procurement:

Ms. Sandi Frausto  
Texas Turnpike Authority (TTA) Division  
Contract Administrator  
Texas Department of Transportation  
7745 Chevy Chase Drive, Bldg. 5, Suite 300  
Austin, Texas 78752  
Phone: (512) 463-6146  
Fax: (512) 936-0970

From time to time during the procurement process or during the terms of the Project, TxDOT may designate another Authorized Representative or Contract Administrator to carry out some or all of TxDOT's obligations pertaining to the project.

## **SECTION 2.0 ALTERNATIVE TECHNICAL CONCEPTS (ATCS)**

The primary goal of this RFP is to increase toll revenue with a highly effective collection process and reduce costs through improved operational processes and proven technical applications. Proposers must submit a proposal that is compliant with the Technical Provisions set out in the RFP; however, TxDOT encourages Proposers to include Alternative Technical Concepts (ATCs) that may conflict with the requirements of the Technical Provisions or otherwise require a modification of the Technical Provisions, consistent with TxDOT's stated goal, to supplement and add value to the proposal. ATCs may also include those concepts that would require modifications to overarching policy determinations, or additional legislative authority (third party approvals) prior to implementation. This process is intended to allow Proposers to incorporate innovation and creativity into the Proposal, in turn allowing TxDOT to consider ATCs in making the selection decision, and, ultimately, obtain the best value for the state.

ATCs eligible for consideration hereunder shall be limited to those that result in an increase in toll revenue collected or decrease in operational costs. The performance and quality of the end product must be equal to or better than the performance and quality of the end product absent the deviation, as determined by TxDOT in its sole discretion. A concept will not be considered as an ATC if, in TxDOT's sole judgment, it may result in reduced quality of service, public discontent or reduced performance and/or reliability.

Any ATC may be included in the Proposal, subject to the conditions set forth herein. If a Proposer is unsure whether a concept would be considered an ATC by TxDOT, TxDOT recommends that Proposer submit such concept in their proposals as an ATC.

If TxDOT determines that the Technical Provisions contain an error, ambiguity or mistake, TxDOT reserves the right to modify the Technical Provisions through the use of an Addendum to the RFP in order to correct the error, ambiguity or mistake, regardless of any impact on a potential ATC.

For a list of TxDOT identified value added enhancements please refer to Technical Provisions Section 3.64

### **ATC submissions shall include:**

- (a) a sequential ATC number;
- (b) an appropriate description of the ATC;
- (c) an explanation of how the ATC will be used;
- (d) any changes in operations requirements associated with the ATC, including ease of operations;
- (e) any changes in maintenance requirements associated with the ATC, including ease of maintenance;

(f) any reduction in the time period necessary to develop and implement the project resulting from implementing the ATC.

(g) references to particular requirements of the Technical Provisions which are inconsistent with the proposed ATC, an explanation of the nature of the deviations from said requirements.

(h) the analysis justifying use of the ATC and why the deviation, if any, from the requirements of the Technical Provisions should be allowed;

(i) a preliminary analysis of potential impacts on collections, violations, customer service and AVI percentages;

(j) a preliminary analysis of potential impacts on revenue;

(k) a description of other projects where the ATC has been used, the degree of success or failure of such usage and names and contact information including phone numbers and e-mail addresses for project owner representatives that can confirm such statements;

(l) a description of added risks to TxDOT or third parties associated with implementing the ATC;

(m) an estimate of any additional TxDOT, Proposer and/or third party costs associated with implementation of the ATC;

(n) an estimate of any savings that would accrue to TxDOT should the ATC be approved and implemented;

(o) a description of how the ATC is equal or better in quality and performance than the requirements of the Technical Provisions.

## **2.1 TxDOT Review of ATCs**

TxDOT will make one of the following determinations with regard to each ATC submitted by the Proposer:

1. The Proposer's ATC is accepted for consideration and the monetary savings identified will be used to adjust the [Price Proposal] in accordance with Section 5.
2. The Proposer's ATC is accepted for consideration as an "innovation" only and will be included in the evaluation of the Technical Proposal in accordance with Section 5. Monetary savings have not been identified. There will be no adjustment to the [Price Proposal] for the purposes of determining best value.
3. The Proposer's ATC requires third party approval. No scoring adjustment will be applied for purposes of determining best value. If the required third party approval is

obtained at a later date, the ATC may be negotiated by the successful proposer for inclusion in the scope of work.

4. The Proposer's ATC is not accepted as an ATC because it appears to be within the original requirements of the Technical Provisions. No scoring adjustment will be applied for the purposes of determining best value.

## **2.2 TxDOT Review of Submission of ATCs**

TxDOT in its sole discretion will make the determination on whether to accept and consider an ATC. Approval of an ATC will constitute a change in the specific requirements of the Technical Provisions associated with the deviation for the selected Proposer. TxDOT reserves the sole right to accept one, multiple, all or none of a Proposer's ATCs.

Each Proposer, by submittal of its Proposal, acknowledges that the opportunity to submit ATCs was offered to all Proposers, and waives any right to object to TxDOT's determinations regarding acceptability of ATCs or use of ATCs in scoring for the purposes of determining best value.

## **2.3 Incorporation of ATCs in the Agreement**

Following award, the ATCs that are approved by TxDOT for the successful Proposer shall be included in the scope of work.

If TxDOT responded to any ATC by stating that it would be acceptable if certain conditions were met, those conditions will become part of the Proposal Documents. The Proposal Documents will be conformed after conditional award, but prior to execution of the contract, to reflect the ATCs, including any TxDOT conditions thereto. Notwithstanding anything to the contrary herein, if Proposer does not comply with one or more TxDOT conditions of approval for an ATC or if for any reason the Proposer is unable to implement an approved ATC, Proposer will be required to comply with the original requirements of the RFP without additional compensation or extension of time.

## **SECTION 3.0 PROPOSAL SUBMISSION REQUIREMENTS**

### **3.1 Format**

The Proposer shall submit one (1) signed and dated original (marked Original) and seven (7) copies (marked Copy) of Volumes I, II, III and IV. Each Volume in the submission shall be in separate loose-leaf binders on one-sided, letter-size (8½- by 11-inch) paper, in double-spaced format. The proposal shall be tab-indexed corresponding to the sections listed below. Volume I is limited to 125 pages (excluding the tabs, cover letter, executive summary, statement of qualifications, Proposer Affirmation Form, resumes, organizational charts, and financial statements) with a font size of 12 or above. Plastic spine-bound or wire-bound submittals are highly discouraged. Include only the information specified for each section.

#### **3.1.1 Volume I**

All of the binders comprising Volume I shall be labeled “[Proposer Name]: Proposal Volume I response to Toll Operations and Customer Service Center Operator RFP.”

Volume I shall contain the following tab separated sections in the indicated order:

1. Cover Letter and Executive Summary
2. Proposer Affirmation Form
3. Statement of Qualifications
4. Proposer References
5. Financial Information

#### **3.1.2 Volume II**

All of the binders comprising Volume II shall be labeled “[Proposer Name]: Proposal Volume II: response to Toll Operations and Customer Service Center Operator RFP.”

Volume II shall contain the Proposer’s Technical Proposal

#### **3.1.3 Volume III**

All of the binders comprising Volume III shall be labeled “[Proposer Name]: Proposal Volume III response to Toll Operations and Customer Service Center Operator RFP.”

Volume III shall contain the following in the indicated order:

1. Pricing Table P-1 Critical Dates
2. Pricing Table P-2: Phase 1 Implementation Price

3. Pricing Table P-3: Monthly AVI Transaction Price
4. Pricing Table P-4: Monthly Pay By Mail Transaction Price
5. Pricing Table P-5: Violation Transactions (Pre-Collections)
6. Pricing Table P-6: Violation Transactions (At-Collections)
7. Pricing Table P-7: Monthly Toll Operations Price
8. Pricing Table P-8: Call Center Housing
9. Pricing Table P-9: Change Order Unit Costs

#### 3.1.4 Volume IV

All of the binders comprising Volume IV shall be labeled “[Proposer Name]: Proposal Volume IV response to Toll Operations and Customer Service Center Operator RFP.”

Volume IV shall contain the information specified in Section 2.1.1 for each proposed ATC. Each ATC in this volume shall be numbered in accordance with Section 2.1.1.a and be tab separated.

### **3.2 Additional Requirements**

Responses will be accepted until \_\_\_\_\_, by either of the following methods:

By hand delivery to Sandi Frausto, Contract Administrator, Texas Turnpike Authority Division, Texas Department of Transportation, 7745 Chevy Chase Drive Bldg. 5, Suite 300, Austin, Texas 78752.

By mail addressed to Sandi Frausto, Contract Administrator, Texas Turnpike Authority Division, Texas Department of Transportation, 7745 Chevy Chase Drive Bldg. 5, Suite 300, Austin, Texas 78752.

The Proposer is responsible for verifying that TxDOT has received the proposal. Late responses will not be considered under any circumstances and will be returned unopened to the Proposer.

## **SECTION 4.0 CONTENTS OF PROPOSAL**

### **4.1 Cover Letter and Executive Summary**

The cover letter shall be limited to two (2) pages and include the following:

- (a) RFP response due date
- (b) Proposer's (company) name and address
- (c) Contact name, telephone number and email address

The executive summary shall provide a brief introduction of the respondent and project team, plus a summary-level overview of the proposed solution. The executive summary shall be limited to five (5) pages.

### **4.2 Proposer Affirmation Form**

The Proposer shall sign and date the Proposer Affirmation Form, set out in Attachment B.

### **4.3 Statement of Qualifications**

The Proposer shall demonstrate successful past performance through submission of documentation of relevant qualifications and experience. Proposer shall describe its qualifications as well as the qualifications of Proposer's major subcontractors, referencing specific similar projects that have been deployed by the Proposer. This section shall be limited to five (5) pages, not including project resumes, and shall include:

(a) A description of related or similar services performed for three (3) years within the last seven (7) years. Specify the Proposer's particular tasks performed and role, whether as a subcontractor or prime contractor; whether as the project implementer or project manager overseeing implementation by another Proposer. Each project identified by the Proposer shall include the Proposer's project manager, a brief description including scope, system functionality, number of accounts, project cost, and project start and completion dates. Provide information related to the number of personnel dedicated to the project.

(b) A description of any Proposer-initiated cost savings or operational efficiencies that were used on projects.

(c) A summary of experience managing related or similar services of comparable size and scope to the services within the RFP.

### **4.4 Proposer References**

Proposer shall provide a minimum of three references and, if applicable, should include at least one reference from each toll agency for which they have provided similar services during the previous five (5) years. The references must substantiate the qualifications and experience

requirements for services with successful completion within the timeframe requested. References shall attest to the Proposer's ability to provide the services outlined in the specification. References shall include name, point of contact, telephone number, and dates services were performed.

## **4.5 Financial Information**

The Proposer shall provide the most recent three (3) years audited financial statements. If audited financial statements are unavailable, un-audited financial statements shall be submitted and certified as true, correct, and accurate by the chief financial officer or treasurer of the Proposer's company. Additional information demonstrating financial stability and ability to perform the required services may be included.

## **4.6 Technical Proposal**

In complying with the scope of work outlined in the Technical Provisions, the Proposer shall provide information on the following:

- (a) Section 1, Key Personnel Qualifications:
  - (i) The Proposer shall provide key personnel profiles and resume with a maximum of two (2) pages per person. Resumes shall substantiate the number of years of required experience of the individuals, including any subcontractor personnel, who will be part of the Proposer's key personnel providing the service. Each key personnel profile shall include:
    - Individual's name and title
    - Education
    - Description of qualifications and experience for the last five (5) years
  - (ii) The Proposer shall provide personnel profiles for each of the following key positions:
  - (iii) Program Manager shall have a minimum of five (5) years of experience within the last eight (8) years in program management for similar toll services. Certification as a Project Management Professional (PMP) by the Project Management Institute is preferred, but not required.
  - (iv) Transition Manager shall have a minimum of five (5) years of experience managing the migration of large, complex information systems and labor operations.

- (v) System Implementation Manager shall have a minimum of three (3) years of experience managing large-scale deployment of information systems that included a sizable data migration effort.
- (vi) Applications and System Maintenance Manager shall have a minimum of three (3) years of experience maintaining large information systems for clients.
- (vii) Quality Assurance Manager shall have a minimum of three (3) years of experience implementing best practices and the use of software tools for software quality assurance.
- (viii) CSC Manager shall have a minimum of five (5) years of experience managing a comparably scaled or larger CSC/call center.
- (ix) CTTS Plaza Operations Manager shall have a minimum of five (5) years of experience managing a toll operation with cash collection components.
- (x) Compliance Review Manager shall have a minimum of five (5) years of experience in CSC best practices and financial compliance.

(b) Section 3, Project Management Approach: The Proposer shall describe its approach and ability to meet the project management requirements as specified in the solicitation. The response shall be specific and address all requirements described in the solicitation.

(c) Section 4, Project Organizational Structure: The Proposer shall submit its proposed project organizational structure showing roles and responsibilities and lines of authority including any subcontractors. The organization chart shall show how the Proposer will integrate TxDOT staff resources with the project team. The organization chart shall be limited to one (1) page and show the names of the prime Proposer and any sub-providers' task leaders proposed for the team and their contract responsibilities by work category. Task leaders shall be clearly designated. Other personnel can be identified at the prime Proposer's discretion. The organization chart shall include the names, addresses, e-mail addresses, and telephone and fax numbers of the prime Proposer and all subcontractors proposed. The organization chart can be prepared with a font size of less than 12 point on 11x17 paper or smaller.

(d) Section 5, Staffing Approach: The Proposer shall include a staffing approach demonstrating staff qualifications and experience, including subcontractors. Proposer shall describe the number of staff proposed, the functions they will perform, and the percentage of time they will be assigned to this project during the contract term.

(e) Section 6, Business Functionality Approach: The Proposer shall describe its approach and ability to meet the business functionality requirements as specified in the solicitation. The response shall be specific and address all requirements described in the Technical Provisions.

(f) Section 7, System Technical Approach: The Proposer shall describe its approach and ability to meet the technical requirements as specified in the Technical Provisions. The response shall be specific and address all requirements.

(g) Section 8, System Development, Implementation, and Transition Approach: The Proposer shall describe their approach and ability to meet the system development and implementation requirements as specified in the Technical Provisions. The response shall be specific and address all requirements in the order presented. The Proposer shall address testing including tools, methods, and processes. The Proposer shall address data and system transition processes.

(h) Section 9, Quality Assurance Approach: The Proposer shall describe its methods and processes used to ensure quality deliverables in no more than two (2) pages. The Proposer shall provide a comprehensive, continuous, and measurable quality assurance program. The program shall include, at a minimum:

- (i) Strategies and processes to promote quality.
- (ii) Policies and procedures to periodically measure and report quality performance to TxDOT throughout the term of the contract.
- (iii) Controls to be used within the project to assure quality and consistency throughout the term of the contract.

(i) Section 10, System Maintenance Approach: The Proposer shall describe its approach and ability to meet the maintenance requirements as specified in the solicitation. The Proposer shall describe the number of staff proposed, the functions they will perform, and the percentage of time they will be assigned to this project throughout the term of the contract.

(j) Section 11, Business Continuity and System Disaster Recovery Approach: The Proposer shall submit a business continuity and system disaster recovery approach describing how they propose to meet the specifications in the event the Proposer's service is interrupted. The plan shall detail the Proposer's backup and recovery process.

(k) Section 12, Historically Underutilized Business (HUB) Plan.

## **4.7 PRICING PROPOSAL**

This section outlines the required information that will comprise the Pricing Proposal.

All price and cost information provided in the Pricing Proposal shall be in U.S. Dollars currency and all amounts shall be stated in nominal dollars. If there are any differences between individual line amounts and totals, the individual line amounts will prevail.

### **4.7.1 Base Pricing Proposal**

The Base Proposal Price is mandatory and must represent the services specified within the Technical Provisions only and not an alternative proposal. The Base Proposal Price is composed of the following tables found in Attachment E:

1. Pricing and Delivery Table P-1
2. Pricing and Delivery Table P-2
3. Pricing and Delivery Table P-3
4. Pricing and Delivery Table P-4
5. Pricing and Delivery Table P-5
6. Pricing and Delivery Table P-6
7. Pricing and Delivery Table P-7
8. Pricing and Delivery Table P-8
9. Pricing and Delivery Table P-9

#### 4.7.2 ATC Pricing

The submission of ATCs is optional. However, if submitted, and if applicable, each alternative concept will include a complete set of Pricing Tables P-1 through P-9 indicating the savings for the ATC. Information from the Pricing Tables will be used in accordance with Section 5.x.2 to determine the Proposer's Price Proposal NPV. As noted in Section 2, acceptance and/or inclusion of an ATC for the purposes of determining the selected Proposer is at the sole discretion of TxDOT.

## SECTION 5.0 EVALUATIONS OF PROPOSALS

### 5.1 General Information Related to the Evaluation Process

A TxDOT evaluation committee will evaluate each response based on established criteria. Proposers shall not contact members of the evaluation team.

Only complete responses containing the required submittal documents and meeting minimum qualifications will be considered. Minor inconsistencies or deviations may be waived at TxDOT's discretion.

TxDOT will award the contract (if at all) to the responsible Proposer that submitted a Proposal meeting the high standards set by TxDOT and which is determined by TxDOT, through evaluation based upon the criteria set forth in this RFP, to provide the best value to TxDOT and to be in the best interest of the State of Texas.

#### 5.1.1 Best Value Determination

The best value determination will be based on a 70-30 point scale. The Price Score will represent up to 70 points of the total score, and the Technical Score will represent up to 30 points of the total score. The determination of apparent best value shall be based on the highest Total Proposal Score computed based on the following formula:

Total Proposal Score (max. 100 points) = Price Score (max. 70 points) + Technical Score (max. 30 points)

#### 5.1.2 Calculation of Technical Score

The calculation is based on the actual score.

#### 5.1.3 Calculation of the Price Score

The Price Score for each Proposers will be calculated independently based on the following formula:

Price Score (maximum of 70 points) =  
(Lowest Price Proposal NPV / Price Proposal NPV)\* 70

Lowest Price Proposal NPV = Lowest Price Proposal NPV calculated for any Proposer as determined pursuant to Section 5.5.4

Price Proposal NPV = Proper's Price Proposal NPV as determined pursuant to Section 5.5.4

## **5.2 Pass/Fail and Responsiveness Evaluation [Review of the Statement of Qualifications, Proposer References and Financial Information]**

Upon receipt, each Proposal will be made available for review by the relevant pass/fail and responsiveness subcommittees. They will be reviewed (a) for the Proposal's conformance to the RFP instructions regarding organization format and responsiveness to the requirements set forth in the RFP and (b) based on the pass/fail criteria set forth below. Any Proposer that fails to achieve a passing score on any of the pass/fail portions of the evaluation may be disqualified.

### **5.2.1 Statement of Qualifications**

The Proposer's Statement of Qualifications will be scored on a pass/fail basis. If the Statement of Qualifications demonstrates three (3) years of similar services performed within the last seven (7) years, the response will be further evaluated. Proposers that do not demonstrate that they meet the qualification criteria will be disqualified.

### **5.2.2 Proposer References**

TxDOT will be the sole judge of references. The response may be disqualified if TxDOT is unable to verify qualification and experience requirements from the Proposer's references. The response may be disqualified if TxDOT receives negative responses.

### **5.2.3 Proposer's Previous Performance**

Information obtained from the CPA's Vendor Performance Tracking System may be used in evaluating responses to solicitations for goods and services to determine the best value for the state. TxDOT reserves the right to disqualify a response from a Proposer whose goods or services to TxDOT or other state agencies have been documented as unsatisfactory in providing the same goods or services.

### **5.2.4 Financial Information**

TxDOT will review the Proposer's audited financial statements to evaluate the sufficiency of the Proposer's financial resources and ability to perform the contract or provide the service required in the solicitation. TxDOT will be the sole judge in determining the sufficiency of the Proposer's financial resources and their ability to perform under the contract. Factors to be reviewed include: (a) balance sheets; (b) net working capital; (c) current asset ratio; (d) liquidity ratio; (e) credit report; (f) auditor's notes; and (g) any notes to the financial statements. The response may be disqualified if TxDOT finds the Proposer is not in good financial standing.

### 5.3 Evaluation of Technical Proposal

The Technical Proposal shall comprise 30 percent of the total score (Technical Score). Responses will be evaluated according to the Proposer's ability to best satisfy TxDOT requirements. Responses must meet the minimum requirements set forth in this RFP; however, points will only be awarded for innovation, efficiencies and experience.

The Technical Proposal will be scored as follows:

- (i) System: 40 percent
  1. The following are the evaluation criteria for the System Approach:
    - a. Overall understanding and ability to manage system technical requirements;
    - b. Detailed approach to system development, implementation, and transition to meet or exceed the project schedule;
    - c. Demonstrates ability for user configurability;
    - d. Availability of software and ease of maintenance;
    - e. Demonstrates speed and availability for ad hoc reporting;
    - f. Demonstrates effectiveness, accountability, and accuracy for data migration;
    - g. Demonstrates high confidence for system availability; and
    - h. Demonstrates a reliable, safe, timely and efficient approach to disaster recovery.
- (ii) Key Personnel Qualifications: 25 percent
  1. Each of the Key Personnel profiles will be evaluated against the minimum requirements set out in Section 4.6(a). Points will only be awarded for each of the Key Personnel who exceed the minimum requirements with regard to experience, training or both.
- (iii) Project Management: 25 percent
  1. The following are the evaluation criteria for the Project Management Approach:
    - a. Overall understanding and ability to manage the project;

- b. Comprehensive organizational structure and management hierarchy in line with project needs;
- c. Detailed approach to contract administration and the description of Proposer's contract administration procedures and systems;
- d. The effectiveness and viability of the Proposer's work breakdown structure and schedules for development;
- e. Key procedures for monitoring, auditing and controlling costs and performance; and
- f. Integrated approach to project management and liaison with TxDOT, its consultants and other third parties.

(iv) Quality Management Approach: 5 percent

The following are the evaluation criteria for the Quality Management Approach:

- a. Systematic approach to quality management;
- b. Integrated quality management organizational structure and experience of quality management team members;
- c. Process for auditing and management review of project activities;
- d. Internal quality management systems, processes and procedures; and
- e. Approach and procedures for integrating and controlling systems established by third parties.

(v) HUB Plan: 5 percent

The following is the evaluation criteria for the HUB Plan:

Comprehensive approach to meeting or exceeding HUB Subcontracting Plan as outlined in Section 1.10.5 showing the sub consultants and the allocation of work.

## 5.4 Evaluation Guidelines

Each factor described in Section 5.3 will be qualitatively evaluated and assigned a rating, which will be converted to points. A rating of "Meets Minimum" will receive zero (0) points.

ADJECTIVE RATING	DESCRIPTION
Excellent	The Proposal greatly exceeds the stated requirements/objectives, offering material benefits and/or added value, and providing assurance that a consistently outstanding level of quality will be achieved. Weaknesses, if any, are very minor and can be readily corrected. Significant unique and/or innovative characteristics are present.
Good	The Proposal significantly exceeds the stated requirements/objectives, offering advantages, benefits and/or added value, and providing assurance that a level of quality will be achieved that is materially better than acceptable. Weaknesses, if any, are very minor and can be readily corrected. Some unique and/or innovative characteristics are present.
Fair	The Proposal marginally exceeds stated requirements/objectives and provides satisfactory assurance that the level of quality will meet or marginally exceed minimum requirements. Weaknesses are correctable or acceptable per minimum standards.
Meets Minimum	The Proposal meets stated requirements/objectives and provides satisfactory assurance that the minimum level of quality will be achieved. Weaknesses are correctable or acceptable per minimum standards.

In assigning ratings TxDOT may assign “+” or “-“(such “Excellent –“, “Good +”, and “Fair +”) to the ratings to better differentiate within a rating in order to more clearly differentiate between the evaluation criteria. However, TxDOT will not assign ratings of “Meets Minimum –“or “Excellent +”.

## 5.5 Evaluation of Financial Proposal

The evaluation team will review and evaluate the Financial Proposals to determine the Price Proposal NPV of the Price Proposal. For each component of the Price Proposal the net present value will be calculated as shown on Price Evaluation Forms PE-1 through PE-6. Price Evaluation forms shall be provided in Final RFP posting. The Price Score for each Proposal will be calculated as shown Section 5.5.4 Best Value Determination.

### 5.5.1 Net Present Value of Base Price Proposal

The Net Present Value of the Base Price Proposal will be the sum of the Net Present Value for: CSC Implementation calculated as shown on Form PE-1 using information from Table P-2, AVI Transactions calculated as shown on Form PE-2 using information from Form Table P-3, Pay by Mail Transactions calculated as shown on Form PE-3 using information from Table P-4, Violation Transactions (Pre Collections) calculated as shown on Form PE-4 using information from Form Table P-5, Violation Transactions (At Collections) calculated as shown on Form PE-

5 using information from Table P-6 and Monthly Toll Operations calculated as shown on Form PE-6 using information from Form P-7.

### 5.5.2 Net Present Value of ATC Adjustments

For each ATC proposed by the vendor, the vendor shall submit the applicable revised pricing and delivery form reflecting the change to the vendor's base price if the ATC is accepted by TxDOT. If multiple ATC's affect a pricing form (P1-P8) the vendor shall provide individual forms for each ATC and a composite pricing form inclusive of all proposed ATC's affecting that form. For each ATC accepted pursuant to Section 2 the Net Present Value of ATC Adjustments will be the sum of the Net Present Value of the ATC's net benefit to TxDOT calculated using Forms PE-1 through PE-7 with data provided in Pricing and Delivery Forms P-1 through P-8 included with each ATC. NOTE: TxDOT will not accept an ATC if the ATC cannot be implemented without Transportation Commission approval or Legislative change.

### 5.5.3 Schedule Adjustment to Price Proposal

The Price Proposal NPV for each proposal will be adjusted if the Proposer submits a schedule which results in both CSC Operations Commencement and Toll Operations Commencement within 270 days following NTP. For the purpose of the Financial Proposal Evaluation the Price Proposal NPV will be reduced by [\$XXXX] for each day the commencement date is proposed to be in advance of 270 days. This adjustment will be based on the later of the CSC Operations Commencement and Toll Operations Commencement schedule shown on Pricing and Delivery Table P-1.

### 5.5.4 Net Present Value of Utilities Adjustment

Should the Proposer choose to house call center and operations staff (in addition to the required storefront and security staff) in the TxTag CSC their Price Proposal NPV will be adjusted for the following costs:

1. \$2,500 monthly for primary rate interface (PRI) phone lines
2. \$7,500 monthly for utilities

This adjustment will be made to establish equity in reviewing the price proposals. These cost allocations are based on existing TxDOT costs for these services.

The Proposer will declare their choice on Table P-8 and any Net Present Value of Utilities adjustment will be calculated as shown on Form PE-7.

### 5.5.5 Calculation of Price Proposal NPV

Each Proposer's Price Proposal NPV will be calculated independently based on the following formula:

Price Proposal NPV = Net Present Value of Base Price Proposal – Net Present Value of ATC Adjustments – Schedule Adjustments to Price Proposal + Net Present Value of Utilities

Net Present Value of Base Price Proposal as determined pursuant to Section 5.x.1

Net Present Value of ATC Adjustments as determined pursuant to Section 5.x.2 where savings are positive values

Schedule Adjustments as determined pursuant to Section 5.x.3.

Net Present Value of Utilities Adjustment as determined pursuant to Section 5.x.4

## **5.6 Best and Final Offer**

TxDOT reserves the right to request a Best and Final Offer (BAFO) from one or more Proposer(s). TxDOT will send a written notification to each Proposer selected to submit a BAFO. If more than one Proposer is selected to submit a BAFO, the Proposals will be re-evaluated using the original evaluation criteria.

TxDOT may make a recommendation to the Commission regarding the award without requesting a BAFO.

## **SECTION 6.0 POST-SELECTION PROCESSES**

### **6.1 Award**

TxDOT will submit a recommendation to the Commission regarding approval of the Proposal determined to provide the apparent best value to TxDOT. The Commission may approve or disapprove the recommendation, and if approved, will award the agreement to the apparent best value Proposer. Award may be subject to the successful completion of negotiations or any other conditions identified in the RFP or by the Commission. If authorized by the Commission, TxDOT will attempt to negotiate a contract with the apparent best value Proposer. If an agreement satisfactory to TxDOT cannot be negotiated with that Proposer, or if in the course of negotiations, it appears that the proposal will not provide TxDOT with the overall best value, TxDOT will formally end negotiations with the Proposer and, in its sole discretion, may: (1) reject all proposals, (2) modify the RFP and begin again the submission of proposals, or (3) proceed to the next highest ranked proposal and attempt to negotiate an agreement with that Proposer.

### **6.2 Type of Award**

- (a) Single Award: One contract awarded to a single Proposer, or joint venture.
- (b) Term of contract: The initial term shall be five (5) years with an option to extend, at TxDOT's discretion, for an additional five (5) years through the exercise of up to two (2) 2-year terms and one (1) 1-year term.

### **6.3 Post Award Meeting**

Proposer shall be required to attend a post award meeting in Austin, Texas, with the TTA Division within fifteen (15) calendar days after the conditional award of the contract. The purpose of the meeting is to discuss the terms and conditions and conclude negotiations.