

Schedule E: Miscellaneous Procurement Contracts

Item Number: 1–3

Vendor Names (Locations) Neology, Inc. (Carlsbad, California) Transcore LP (Nashville, Tennessee) Star Systems America, LLC (Dallas, Texas)	Contract Numbers 24-IAG-2988A 24-IAG-2988B 24-IAG-2988C	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Description Provide Electronic Transponders and Related Equipment and Services for the E-ZPass® Electronic Toll Collection System		
Contract Term May 1, 2024–April 30, 2029		
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a		
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive		
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:		
Total Amount: \$25,000,000 (Aggregate, not-to-exceed)		
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:		
Requesting Department: ITS & Tolling, Nichola Angel, Vice President		

Discussion:

Bridges and Tunnels (“B&T”) is seeking Board approval under the All-Agency General Contract Procurement Guidelines to award three estimated quantity miscellaneous procurement contracts solicited on a competitive basis to Neology, Inc. (“Neology”); Transcore, LP (“Transcore”); and Star Systems America (“Star Systems”) to provide electronic transponders and related equipment and services for the E-ZPass® Electronic Toll Collection System in the aggregate not-to-exceed amount of \$25 million over a period of five years. This contract also includes two 1-year Options. Should B&T choose to exercise either of these options, Board approval will be obtained prior to execution.

In 1990, seven toll facilities from New York (including MTA B&T), New Jersey, and Pennsylvania joined to form an alliance known as the E-ZPass Interagency Group (“E-ZPass Group”). These agencies represented approximately 40 percent of all U.S. toll transactions and nearly 70 percent of all US toll revenue. The E-ZPass Group’s goal was to implement a regionally interoperable toll collection program that would not only satisfy the divergent toll collection and traffic management needs of the agencies but also provide regional mobility and convenience to its customers. Today, the E-ZPass Group operates the largest, most successful toll interoperability network in the world, with more than 53 million toll transponders in use and collects over \$15.6 billion in annual toll revenues, of which more than \$12.8 billion is collected electronically and over \$6.1 billion is transferred between agencies through B&T’s toll reciprocity programs, according to its website.

As part of the E-ZPass Group interoperable agreement, E-ZPass Group member agencies have agreed to only use toll technology equipment certified by the E-ZPass Group. Toll technology equipment includes interior and exterior transponders (tags) and protocol reader antennas (readers). Since the inception of E-ZPass® technology (1995), the E-ZPass Group has conducted competitive procurement processes to obtain a vendor for this equipment on behalf of its member agencies. One company to date has served as the sole successful vendor under multiple contracts (1995–2022). To improve competition and pricing as well as utilizing multiple providers to satisfy the collective needs, the E-ZPass Group decided to conduct a two-step procurement process to allow for multiple awardees, the subject of this approval request.

In 2022, the North Carolina Turnpike Authority issued a publicly advertised Request for Proposal (“RFP”) for Electronic Toll Collection Equipment and Services on behalf of the E-ZPass member agencies. The RFP allowed for multiple proposers to become qualified vendors, new proposers to join the procurement, and existing qualified vendors to add new equipment, maintenance, and support services during the term of the contract. The selection process was based on proposers meeting the minimum requirements set forth in the RFP, which included Corporate Capabilities; Technical Requirements; Acceptance of Terms and Conditions; and Initial Pricing.

On meeting the minimum requirements, the vendors submitted validation testing results for their equipment for certification by the E-ZPass Technical Committee (the group in charge of testing the equipment to ensure compliance with the contract requirements). Upon equipment certification, the vendor’s pricing is added to the price list for E-ZPass members. As a result of this process, four vendors submitted proposals: Kapsch TrafficCom (“Kapsch”); Star Systems; Transcore; and Neology.

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Currently, all four vendors have been approved by the E-ZPass Group as having certified products and/or services. E-ZPass Group members wishing to purchase certified equipment or services will enter into separate contract(s) with each of the approved vendor(s).

B&T recommended awards to Star Systems, Transcore, and Neology. Kapsch is listed on the NYS Office of General Services (OGS) site of Non-Responsible firms and no award is recommended at this time¹.

Equipment purchases will be based on the lowest price. B&T Project Management estimates procuring more than one million interior and exterior transponders each year. The lowest interior transponder price is \$6.64. Initial pricing contains maximum unit prices for the life of the contract, however, vendors are required to submit annual pricing, which can include lower unit pricing and various discounts. Prices are considered fair and reasonable.

Under the new contracts, B&T plans to slowly migrate to issuing the less expensive interior sticker tags from the current more costly hard-case transponders, which must be waterproof and require a higher-power battery. B&T plans for the migration to sticker tags to commence in 2025.

The contracts have been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. The Authority is working with the vendors to include applicable cybersecurity requirements prior to issuance of the notice of award.

Each selected firm has certified that pursuant Executive Order 16, it is not doing business in Russia.

D/M/WBE Information

The MTA Department of Diversity and Civil Rights (“DDCR”) has established a zero percent DBE goal for this contract. Star Systems, Transcore, and Neology have not completed any MTA contracts with goals; therefore, no assessment of their MWDBE/SDVOB is currently available.

Impact on Funding

Funding in the amount of \$25 million is available in the Operating Budget under GL #713001.

Alternatives

There are no recommended alternatives, as B&T does not possess the resources required to perform these services.

Recommendation

It is recommended that the Board approve the award of miscellaneous procurement contracts to Neology, Transcore, and Star Systems to provide electronic transponders and related equipment and services for the E-ZPass® Electronic Toll Collection System.

¹Kapsch has been deemed Non-Responsible as of September 7, 2023. The MTA, as a state authority, is precluded by EO 192 from awarding the contract to the bidder.