

**Metro**Los Angeles County  
Metropolitan Transportation AuthorityOne Gateway Plaza  
Los Angeles, CA 90012-2952213.922.2000 Tel  
metro.net**EXECUTIVE MANAGEMENT COMMITTEE  
MARCH 20, 2014****SUBJECT: FARE MEDIA PRODUCTION AND TAP CARD REPACKAGING  
SERVICES****ACTION: APPROVE PRINTING CONTRACT FOR IMAGES IN FOIL INC.****RECOMMENDATION**

Authorize the Chief Executive Officer to award a five-year contract No. PS13542006 to Images In Foil Inc. effective July 1, 2014, for fare media production services, in an amount not-to-exceed \$2,500,000.

**ISSUE**

Metro requires an outside vendor to produce counterfeit-resistant, printed fare media in the form of adhesive EZ transit pass stamps, paper Interagency Transfers, and paper Metro-to-Muni Transfers. These items are used by all participating regional transit operators in the County of Los Angeles and must be durable and easily recognized.

The recommended vendor provides specialized printing of fare media and is able to meet Metro's requirement of delivering specified quantities to multiple locations. The recommended vendor's current fare media production services contract will expire June 30, 2014. With Board approval of the proposed contract, the printing of fare media will continue without disruption to customers.

**DISCUSSION****Background**

Responsibilities for the vendor include printing and delivery of paper stamps for EZ transit passes, Metro-to-Muni Transfers and Interagency Transfers. This contractor also repackages TAP cards into groups of ten as part of the logistical process for bus operators who sell Day Passes onboard Metro buses.

Fare media vendors currently load the EZ transit pass electronically onto a TAP card and then affix a paper EZ transit pass stamp to the front of the card. The hybrid TAP-

card-with-stamp enables customers to tap for entry onto the region's TAP-enabled systems and also to board other non-TAP transit systems through visual inspection of the current month's stamp. This method provides seamless transit by allowing riders to board all participating regional EZ transit pass operators whether they are TAP-enabled or not. Paper EZ transit pass stamps are expected to be eliminated once all regional transit operators are fully converted to the TAP system. Currently, there are 11 regional transit systems that use TAP. Plans call for the 15 remaining regional operators that utilize paper EZ transit pass stamps to convert to TAP by the end of 2015, which will enable EZ stamps to be eliminated.

Interagency Transfers and Metro-to-Muni Transfers are paper fare media instruments that are used for transit customers whose trips combine Metro lines and those of other regional transit operators. These paper transfers will become unnecessary as agencies join the TAP system, enabling all fare media to be available on the TAP card. Plans call for transfers to be eliminated by the end of 2015, by which time all remaining non-TAP transit agencies are expected to convert to TAP.

Monthly, Metro prints 88,660 EZ transit pass stamps, 1,800,000 Interagency Transfers, and 2,000,000 Metro-to-Muni Transfers, and repackages TAP cards for onboard Day Pass sales.

#### **DETERMINATION OF SAFETY IMPACT**

Approval of this item does not affect the incidence of injuries or healthful conditions for patrons or employees. Therefore, approval of this will have no impact on safety.

#### **FINANCIAL IMPACT**

This is a 5-year contract not-to-exceed the amount of \$2,500,000. This will be budgeted across 3 different cost centers over the next 5 years as follows:

- Cost Center 5420 Customer Programs and Services, project number 300014 for Interagency and Metro-to-Muni Transfers, \$1,142,500.00 (46%)
- Cost Center 0443 Local Programming, project number 300015 for EZ transit pass stamps, \$1,197,500.00 (48%)
- Cost Center 3020 TAP Operations project number 300016 for TAP card repackaging, \$160,000.00 (6%)

The required amounts for FY14 are included in the current fiscal year's budget by respective cost centers. Since this is a multi-year contract, the respective cost center managers will be accountable for budgeting the cost in future years, including any option exercised.

### Impact to Budget

This contract is funded by EZ Pass Program, TDA Article 4, Prop C Discretionary 40%, and fare revenues. With the exception of EZ Pass Program, all sources of funds are eligible for bus and rail operating and capital expenditures.

### ALTERNATIVES CONSIDERED

The alternative is to produce fare media without anti-counterfeiting features. This is not recommended as it increases the possibility of fraudulent reproduction of fare media and possible financial losses to the agency.

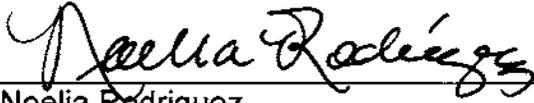
### NEXT STEPS

With Board approval, the printing of EZ transit stamps, Interagency Transfers, Metro-to-Muni Transfers, and repackaging of TAP cards will continue with no disruption to customers.

### ATTACHMENTS

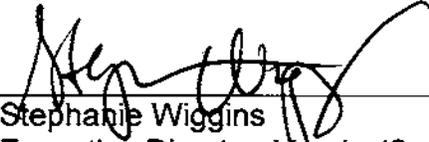
A. Procurement Summary

Prepared by: Vanessa Smith, Director, Customer Programs and Services  
(213) 922-7009



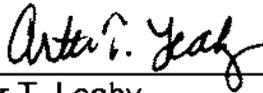
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Noelia Rodríguez  
Chief Communications Officer



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Stephanie Wiggins  
Executive Director, Vendor/Contract  
Management



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Arthur T. Leahy  
Chief Executive Officer

**PROCUREMENT SUMMARY**

**FARE MEDIA PRODUCTION AND TAP CARD REPACKAGING SERVICES**

1.	Contract Number: PS135420006	
2.	Recommended Vendor: Images In Foil	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 6/12/13	
	B. Advertised/Publicized: 6/13/13	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 7/16/13	
	E. Pre-Qualification Completed: 2/18/14	
	F. Conflict of Interest Form Submitted to Ethics: 2/18/14	
	G. Protest Period End Date: 3/07/14	
5.	Solicitations Picked up or downloaded: 9	Bids/Proposals Received: 1
6.	Contract Administrator: Linda Rickert	Telephone Number: (213) 922-4186
7.	Project Manager: Vanessa Smith	Telephone Number: (213) 922-7009

**A. Procurement Background**

This Board Action is to approve a contract award for fare media printing, packaging and delivery, and for TAP card repackaging services for Metro.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Unit Price.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on 6/24/13, clarified the responsibilities for repackaging the TAP cards.
- Amendment No. 2, issued 6/28/13, revised the quantities in the pricing form.

One proposal was received on July 16, 2013 from Images in Foil, the incumbent. A survey was conducted to determine the reasons why other firms chose not to submit a proposal. According to the survey, a major reason cited was the requirement for the vendor to package the fare media into group of ten and deliver to as many as 40

locations. Metro does not have sufficient staff to re-package fare media and re-deliver the fare media packages. TAP card repackaging is a required service and none of the other printers were willing to provide this service.

**B. Evaluation of Proposals/Bids**

Metro's project manager reviewed the proposal submitted by Images in Foil and evaluated the proposal in accordance with the stated evaluation criteria. It was determined that Images In foil met all the requirements of the RFP. Images In Foil currently provides these services to Metro and has performed satisfactorily.

**Qualifications Summary of Firm:**

**IMAGES IN FOIL**

Images In Foil, located in San Clemente, California provides specialized printing of fare media and shrink wrapped pallets for delivery to multiple Metro locations. Images in Foil also repackages other fare media (TAP cards) for similar multiple deliveries. Images In Foil is a part-owner of a specialized printing company that mass produces fare media according to Metro's specifications. This company is located in Denver, Colorado.

**C. Cost/Price Analysis**

The recommended price has been determined to be fair and reasonable based upon historic unit pricing, technical evaluation and fact finding.

	<b>Bidder/Proposer Name</b>	<b>Proposal Amount</b>	<b>Negotiated</b>
1.	Images in Foil	NTE \$2,500,000	NTE \$2,500,000

**D. Background on Recommended Contractor**

The recommended firm, Images in Foil, located in San Clemente, California has been in business since 1993. This company is a leader in the printed holographic fare media. Images in Foil is a Metro certified Small Business Enterprise and has successfully fulfilled similar contracts for Camden Graphics, Innerworkings, All States Legal Supply and others. Images In Foil has demonstrated an ability to adjust to Metro's changing fare media requirements, including introduction of TAP. Images In Foil also has a copyrighted holographic design application to make Metro stamps counterfeit resistant.

**E. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 6% Small Business Enterprise (SBE) goal for this solicitation. Images in Foil, Inc. made a 42.09% SBE commitment.

<b>SMALL BUSINESS GOAL</b>	<b>SBE 6%</b>	<b>SMALL BUSINESS COMMITMENT</b>	<b>SBE 42.09%</b>
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	<b>Prime &amp; Subcontractors</b>	<b>% Committed</b>
1.	Images in Foil, Inc.	42.09%
2.	Publication Printers, Inc.	0%
3.	Certified Labeling Solutions, Inc.	0%
4.	Crowl Roll Leaf, Inc.	0%
	<b>Total Commitment</b>	<b>42.09</b>

**F. All Subcontractors Included with Recommended Contractor's Proposal**

	<b>Subcontractor</b>	<b>Services Provided</b>
1.	Publication Printers, Denver, Colorado	High Speed fare media printing
2.	Certified Labeling Solutions	High quality stamp base material

