

OHIO TURNPIKE COMMISSION

Resolution Directing the Executive Director to Modify the Contract with Paywerks, Inc.

WHEREAS, pursuant to Resolution No. 36-2004 adopted on July 19, 2004, the Commission's executive director was authorized by the Commission to enter into a contract with **Trafficwerks Systems, Inc.** ("Trafficwerks") of Newport Beach, California, for the initiation of a "Pilot Program" in the amount of \$164,000.00 to manufacture and test two (2) automated toll payment machines ("ATPM's") designed for use at any of the Commission's thirty-one (31) interchanges; and

WHEREAS, the purpose of the Pilot Program is to determine whether the ATPM's can successfully be integrated into the Commission's Toll Collection Systems; and

WHEREAS, pursuant to Resolution No. 29-2005 adopted on July 18, 2005, the Commission's executive director was authorized by the Commission to prepare an Addendum in the amount of \$74,368.00, which authorized Trafficwerks to proceed with Phase II of the Pilot Program that entailed the installation of commercial vehicle hardware on the two (2) ATPM's previously purchased pursuant to the terms and conditions of the initial Contract awarded on July 19, 2004; and

WHEREAS, Phase III of the Pilot Program involved enabling the feature on the ATPM's that allows for the payment of tolls via the usage of credit and debit cards; and

WHEREAS, field-testing of the two (2) ATPM's has been ongoing with one (1) ATPM at Interchange 140 in Lorain County and one (1) ATPM at Interchange 161 in Cuyahoga County; and

WHEREAS, by memorandum dated March 7, 2006, the Commission's chief engineer advises that the reliability and operation of the ATPM's are to the point that he now recommends concluding the Pilot Program by automating an entire interchange, with Toll Plaza 140 being selected for this final phase, Phase IV; and

WHEREAS, the implementation of Phase IV of the Pilot Program will include the purchase and installation of one (1) additional "full service" ATPM as well as one (1) "credit card only" ATPM at Toll Plaza 140; and

WHEREAS, the chief engineer further recommends that two (2) additional credit card only ATPM's also be purchased and installed at Interchanges 142 and 151, as these Lorain County interchanges are utilized significantly by commuters who use Interchange 140 and because those toll plazas are both currently under renovation, this installation can be accomplished efficiently at a minimal additional cost; and

WHEREAS, Trafficwerks (which has since changed its corporate status with respect to the sales of ATPM's and is now known as **Paywerks, Inc.**) has submitted a quotation in the amount of **\$251,100.00** for the manufacture and installation of one (1) full service and three (3) credit-card only ATPM's, which quotation reflects an approximate 33.4% unit-price reduction when purchasing three (3) credit card units versus one (1) unit, and which quotation has been deemed appropriate and reasonable by the chief engineer who recommends that the Commission authorize the purchase and proceed with Phase IV of the Pilot Program; and

WHEREAS, pursuant to the Commission's bylaws, additional purchases procured beyond 10% of the original purchasing authority granted by the Commission to the executive director require Commission approval unless, among other exceptions, the increase is a result of "circumstances that would create a life, safety or health-threatening situation;" and

WHEREAS, as indicated in the director of contracts administration's memorandum to the Commission regarding the Pilot Program, dated March 13, 2006, the magnitude of the expenditure that would be incurred with bidding an ATPM system for the entire Turnpike Toll Operation justifies testing its viability first and, given the initial success of the ATPM Pilot Program with passenger and commercial vehicles, as well as the successful implementation of credit-card only devices, the additional recommended expenditures for Phase IV are appropriate and reasonable; and

WHEREAS, the executive director has also reviewed the recommendations submitted by the chief engineer and director of contracts administration and concurs in their recommendations; and

WHEREAS, the Commission has duly considered such recommendations and desires to delegate authority to the executive director to take action on behalf of the Commission to continue with the Pilot Program by purchasing one (1) full service ATPM as well as three (3) additional credit-card only ATPM's; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the executive director and the director of contracts administration are granted authority to prepare the second Addendum to the **Paywerks'** Contract in the amount of **\$251,100.00**, which Addendum will authorize Paywerks to proceed with the manufacture and installation of one (1) full service and three (3) credit-card only ATPM's pursuant to the terms and conditions of the Contract awarded on July 19, 2004, as it shall be modified by its Second Addendum; and

FURTHER RESOLVED that, when the ATPM testing is completed, a report will be issued to the Commission concerning its viability and demonstrated compatibility with the Turnpike's Toll Collection System.

(Resolution No. 10-2006 adopted March 20, 2006)