

OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION

Resolution Authorizing the Selection of Kapsch TrafficCom USA, Inc. for the Purchase of Transponders in the Not-to-Exceed Amount of \$1,123,750.00 Under the E-ZPass® Interagency Group Next Generation Technology Contract

WHEREAS, , pursuant to Resolution 19-2008, in May 2008 the Ohio Turnpike and Infrastructure Commission (“Commission”) joined the Inter Agency Group (“IAG”), which is the consortium of all toll authorities that offer *E-ZPass*®, and which utilize transponder technology that is integral to the *E-ZPass*® electronic toll collection system; and

WHEREAS, the Commission is a member of the *E-ZPass*® Interagency Group “IAG”) pursuant to the Amended and Restated *E-ZPass*® Operations Interagency Agreement dated August 13, 2015, as amended; and

WHEREAS, the IAG Group’s Executive Management Committee (“EMC”) provides overall management of the IAG and pursuant to Resolution No. 2020-11-01 adopted November 12, 2020, the EMC authorized the Northern Carolina Turnpike Authority (“NCTA”) to conduct the procurement process of the IAG’s Next Generation Technology, including transponders and related equipment and services; and

WHEREAS, NCTA issued a Request for Proposals for the IAG Next Generation Technology on June 7, 2021; and

WHEREAS, on September 14, 2021, four (4) vendors submitted proposals in response to the RFP: Kapsch TrafficCom, Inc. (“Kapsch”), Neology, Star Systems America and TransCore, LP (“Transcore”); and

WHEREAS, IAG staff performed a review of the proposals in terms of responsiveness to the Scope of Services and submittal requirements and the IAG issued a Notice of Award to each vendor on December 13, 2021; and

WHEREAS, in January 2021, the vendors started validation testing and to date only Kapsch and Transcore have successfully completed the testing; and

WHEREAS, price proposals were received from each vendor on February 7, 2022, and the IAG only opened pricing of those vendors with approved equipment, Kapsch and Transcore; the price proposals of the other vendors will be opened when their equipment completes validation testing; and

WHEREAS, contracts with Kapsch and Transcore were executed on April 20, 2022, and made available to the IAG members, each contract having an initial term of seven (7) years and up to three (3) additional 1-year renewal terms at the discretion of each member of the IAG; and

WHEREAS, the Commission’s Director of Internal Audit and Control and Toll Collection Systems Manager, with consultants from Stantac, Inc., have reviewed the IAG contracts and recommend that the Commission enter into a contract with Kapsch for the purchase of transponders and related equipment and services for use by the Commission and its customers on the basis of Kapsch offering competitive pricing and due to the cost savings in that the Commission currently owns and uses testing equipment, mylar storage bags and other items necessary for using Kapsch transponders; and

WHEREAS, based on the current Kapsch pricing of \$6.20 per unit, which is subject to adjustments annually and capped at \$7.75 per unit, the Commission’s Director of Internal Audit and Control and Toll Collection Systems Manager are seeking authorization to enter into a contract with Kapsch for the purchase of transponders and related equipment, software and services under the IAG Next Generation Technology contract in the not-to-exceed amount of \$1,123,750.00 for the purchase of an estimated 145,000 of transponders for the remainder of 2022 and 2023; and

WHEREAS, because the Commission's actual needs for transponders for the remainder of 2022 and 2023 are unknown, especially with implementation of the new Toll Collection System in 2023 which will likely result in an increase of transponder sales over current numbers, the Executive Director or his designee will report back to the Commission at the end of each year regarding the number of transponders purchased and the amount spent each year; and

WHEREAS, Commission action is necessary to approve the contract in accordance with Article V, Section 1.00 of the Commission's Bylaws because the expenditure exceeds \$150,000.00; and

WHEREAS, the Executive Director has reviewed the recommendation of the Director of Internal Audit and Control and Toll Collection Systems Manager and concurs that the Commission should authorize the selection of Kapsch under the IAG Next Generation Technology contract for the purchase of transponders and related equipment and services in the not-to-exceed amount of \$1,123,750.00 for the remainder of 2022 and 2023; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED, by the Ohio Turnpike and Infrastructure Commission that the Executive Director is authorized to execute a contract with Kapsch TrafficCom, Inc. under the IAG Next Generation Technology contract for the purchase of transponders and related equipment and services in the not-to-exceed amount of \$1,123,750.00 for the remainder of 2022 and 2023, and the Executive Director and General Counsel shall take any and all actions necessary and execute any documents or agreements necessary to effectuate the intent of this Resolution, including but not limited to a license agreement and issuing a blanket purchase order to Kapsch TrafficCom, Inc. for the remainder of 2022 and 2023; and

FURTHER RESOLVED, that the Commission instructs the Executive Director or his designee to issue a report back to the Commission annually indicating the number of transponders purchased and the amount spent each year.

(Resolution No. 73-2022 adopted September 19, 2022)