

Metropolitan Transportation Commission Administration Committee

March 11, 2020

Agenda Item 3b

Contract – Project Technical Support – Fare Coordination/Integration Study and Business Case: Steer Davies & Gleave Inc (Steer) (\$888,231)

Subject: A request for approval of a contract with Steer to provide professional planning and analytical support, and to conduct user experience research for the Fare Coordination/Integration Study and Business Case in an amount not to exceed \$888,231.

Background: In October 2019 the Commission approved an allocation of \$599,839 in Regional Measure 2 (RM2) funds from the RM2 Integrated Fare Structure Program (RM2 project #34) to support the development of a Bay Area transit Fare Coordination/Integration Study and Business Case. The study seeks to propose changes to the Bay Area’s transit fare policies as a way to improve the passenger experience and grow transit ridership across the Bay Area. The study is being managed jointly by MTC and BART.

Key objectives of the project include:

- Developing goals for the regional fare system that will support an improved user experience, increased transit ridership and build on robust public outreach;
- Identifying barriers, especially barriers related to fares and the user experience, that are impeding increased ridership;
- Identifying opportunities to increase transit ridership by improving the regional fare system through regional fare coordination and integration strategies; and
- Developing a detailed implementation plan, including funding plan, for recommended improvements.

Procurement Process

Between November 20, 2019 and January 8, 2020 MTC conducted a Request for Proposals (RFP) for consultant technical support as well as to conduct user experience research as a part of the study. The RFP was posted on MTC’s website and an e-mail advertising the opportunity was sent to 2,730 individuals and firms. The RFP materials were downloaded from MTC’s online procurement portal by 61 firms. On December 4, 2019 MTC hosted a Proposers’ Conference which was attended by 15 firms.

MTC received three qualified proposals, led by Cambridge Systematics, LTK Engineering Services, and Steer. Each of these firms’ proposals was supported by a team of sub-consultants.

A panel of 12 members comprised of staff from MTC, BART, AC Transit, Caltrain, Golden Gate Transit/Ferry, SamTrans, San Francisco MTA, Santa Clara VTA, Soltrans, and the Napa Valley Transportation Authority performed an initial evaluation and then held an interview to score the proposals based on the evaluation criteria below:

Evaluation Criteria	Steer	Cambridge Systematics	LTK Engineering Services
Qualification and Experience – 40 points	34.42	34.25	27.00
Approach and Work Plan – 40 points	34.67	31.33	22.42
Cost Effectiveness – 15 points	12.42	10.67	10.08
Price – 5 points	4.92	4.93	5.00
Small Business Enterprise - 5 bonus points	0	0	0
Total	86.42	81.18	64.5

Based on its evaluation, the panel recommends the team led by Steer. A number of identified strengths led to the panel’s recommendation, including:

- A highly qualified team with demonstrated experience and qualifications in the areas of expertise in fare policy as sought in the RFP;
- Extensive experience conducting user experience research and translating that research into meaningful insights to guide fare policy development and evaluation;
- A project director with proven fare policy experience and a project management plan to manage risk; and
- A team with a depth of knowledge and appropriate staff expertise about fare policy in both the Bay Area and internationally.

None of the proposing firms claimed any points as registered small business enterprises; as a result none of the firms were awarded any points through MTC’s Small Business Enterprise Pilot Program.

Issues:

User Experience Research

When the Commission approved the allocation of RM2 funds for the study in October 2019, it placed a condition on the allocation directing staff to report back to the Commission on the proposed “user research approach and additional resources that may be needed to expand the breadth of that work at the time of contract award action in early 2020.”

Steer’s proposed user research approach relies on OXD, a Vancouver, Canada-based firm specializing in design-based policy research, as the lead sub-consultant for user experience research in the study. OXD has done similar work for TransLink, Vancouver’s transit operator, for TransLink’s Fare Review project over the last several years.

The user research tasks in the RFP include both a required task which focuses on understanding how users would react to proposed alternative fare policies/structures as well as how fare policy creates barriers to transit usage,

plus an optional task to allow proposers to describe additional user research tasks which they believe would help the project achieve its overall objectives. Given the limited budget for the study, constrained by the RM2 allocation, staff felt it was important to allow firms the option of proposing more extensive user research, beyond the constraints of an approximately \$600,000 study budget. All proposers were evaluated by the selection panel based on their responses to both the required and optional user research tasks.

Steer and OXD's proposed user research included within the study budget includes extensive transit user and non-user interviews at various locations around the region. Their approach would use the feedback from the interviews to help guide the development of alternative fare policies which will be examined through the study.

Should an additional \$288,234 be made available for the project, OXD would dramatically expand the breadth of user research to include a variety of innovative methods including experience mapping, customer personas, co-creation of fare products with customers, testing and prototyping, workshops, etc.

Based on the Steer proposal and the creative and novel approach proposed by OXD, staff are recommending that the study proceed with the optional user research tasks. Staff recommend that up to \$288,234 in RM 2 marketing funds, subject to the MTC/BATA budget process, be used to support the additional user research tasks proposed by Steer, bringing the total study budget to \$888,231.

The Fare Integration Task Force met on February 24, 2020 and voted unanimously to endorse MTC awarding the contract to Steer.

Recommendation: Staff recommends that the Committee authorize the Executive Director or designee to negotiate and enter into a contract with Steer not to exceed \$888,231 for professional planning and analytical support, and to conduct user experience research for the Fare Coordination/Integration Study and Business Case, subject to the agency's operating budget approval process for future fiscal years beyond Fiscal Year 2019-20.



Therese W. McMillan

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract

Work Item No.: 1517

Consultant: Steer Davies & Gleave Inc (Steer),
Boston, MA (US HQ)/London, UK (Global HQ)

Work Project Title: Fare Coordination/Integration Study and Business Case

Purpose of Project: To provide professional planning and analytical support/analysis to the Fare Coordination /Integration Study and Business Case, co-managed by MTC and BART staff. Project purpose is to grow transit ridership through a more customer-friendly transit fare system in the Bay Area.

Brief Scope of Work: The study will focus on developing goals for the regional fare system that will support an improved user experience and grow transit ridership. The study will also develop a detailed implementation plan, including funding plan, for recommended improvements to transit fare policy in the Bay Area.

Project Cost Not to Exceed: \$888,231 (\$600,000 in FY 2019-20, \$288,231 in FY 2020-21)

Funding Source: Regional Measure 2

Fiscal Impact: Funds for FY 2019-20 are programmed in the FY 2019-20 adopted agency budget; future fiscal years are subject to the agency budget approval process.

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a contract with Steer not to exceed \$888,231 for professional planning and analytical support, and to conduct user experience research for the Fare Coordination/Integration Study and Business Case as described in the Administration Committee Summary Sheet dated March 11, 2020 and the Chief Financial Officer is directed to set aside funds as specified above for such a contract, subject to necessary budget approvals for future fiscal years.

Administration Committee

Federal D. Glover, Chair

Date Approved: March 11, 2020

Contract – Steer

Project Technical Support

**Fare Coordination/Integration
Study and Business Case**

March 11, 2020

MTC Administration Committee



Fare Coordination/Integration Study

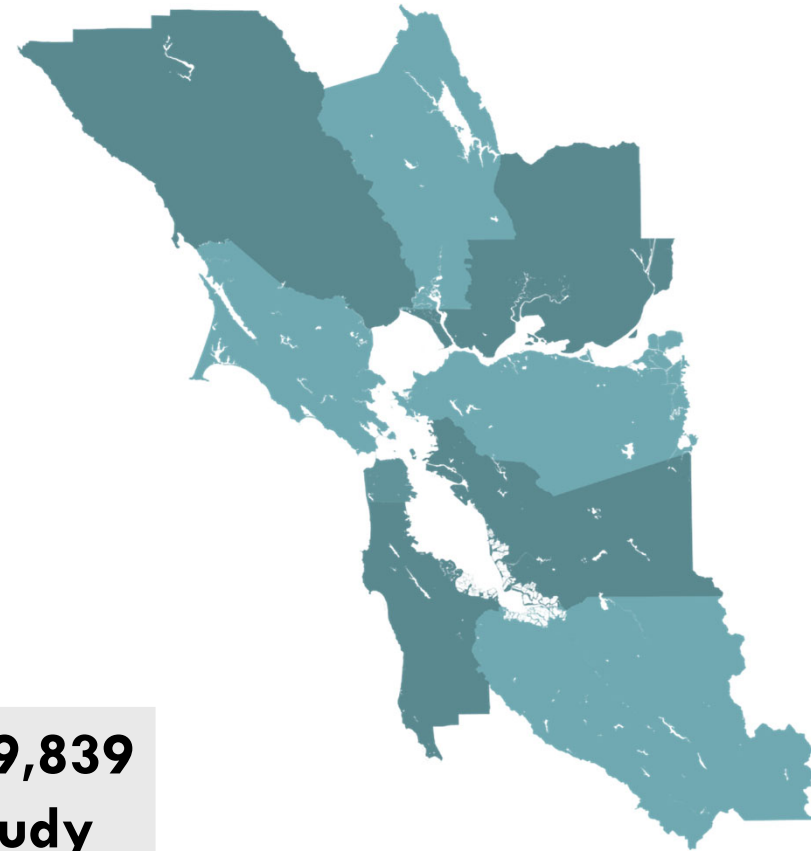
Objectives

Develop goals for the regional fare system that will support an improved user experience, increased transit ridership and build on robust public outreach;

Identify barriers, especially barriers related to fares and the user experience, that are impeding increased ridership;

Identify opportunities to increase transit ridership by improving the regional fare system through regional fare coordination and integration strategies; and

Develop a detailed implementation plan, including funding plan, for recommended improvements.



Commission approved an allocation of \$599,839 in RM 2 funds in Oct. 2019 to support the study

Transit Operators and MTC Working Together

Fare Integration Task Force – Project Ownership

Co-Project Managers – BART & MTC staff

Transit Operator Staff Working Group

Consultant team

Policymaker and Stakeholder Engagement

Policymaker Forum on Fare Coordination/Integration

MTC Policy Advisory Council Subcommittee on Fare Coordination/Integration

Fare Integration Task Force



Request for Proposals

Conducted from November 20 to January 8

RFP sent to 2,730 individuals/firms

Proposers' conference attended by 15 firms

Three firms/teams submitted proposals

Cambridge Systematics




LTK Engineering Services

Steer

Selection Process and Recommendation

12-person selection panel consisting of MTC and transit operator staff

After an in-depth process consisting of a review of proposals, interviews, and a subsequent discussion phase, staff are recommending award of the contract to Steer

Evaluation Criteria			
Qualification and Experience – 40 points	34.42	34.25	27.00
Approach and Work Plan – 40 points	34.67	31.33	22.42
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Total	<u>86.42</u>	81.18	64.5

User Experience Research

Commitment at time of Oct. 2019 RM 2 allocation to “report to the Task Force and the Commission on the user research approach and additional resources that may be needed to expand the breadth of that work at the time of contract award action in early 2020”

Steer’s proposal partners with design firm OXD to perform a baseline level of user research to inform the development and evaluation of alternatives

Using \$288,234 in RM 2 marketing funds would allow for more robust user research

Experience mapping, customer personas, co-creation of fare products with customers, testing and prototyping, and workshops

Deeper and broader user-centered research aims to better understand the “why” behind transit usage, barriers preventing ridership, and effective design of alternatives to optimize transit fares

Project Schedule

- **March 2020 - Project team kick off – Staff Working Group + Steer**
- **Spring/Summer 2020 – Initial meetings of MTC Policy Advisory Council Subcommittee on Fare Coordination/Integration and the Policymaker Forum**
- **Fall 2020 – Project team begins development of alternative fare polices for evaluation and user research testing**
- **Winter 2020/21 – Project team conducts detailed analysis of financial and ridership impacts and develops implementation strategies**
- **June 2021– Project team presents final report and recommendations**



Requested Action

Authorize the Executive Director or designee to negotiate and enter into a contract with Steer in an amount not to exceed \$888,231.

The Fare Integration Task Force voted unanimously on February 24th to support award of the contract to Steer.