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## Alameda Corridor Transportation Authority

March 14, 2019

<b>To:</b>	Governing Board
<b>From:</b>	John T. Doherty, Chief Executive Officer 
<b>Subject:</b>	<i>Amendments No. Thirteen to Agreement Nos. C0719 and C0783 with the IBI Group Ltd. for ACTA Systems Support and Maintenance Efforts (APPROVAL)</i>

**Recommendation:**

Approve the two proposed amendments and authorize the Chief Executive Officer or Chief Financial Officer to execute the amendments to two existing contracts with the IBI Group Ltd. for services as follows:

1. Agreement No. C0719 – six-month term extension through December 31, 2019 with an increase of \$54,863 to be paid in equal monthly amounts for support and maintenance of ACTA's Revenue Assessment and Verification System and ACTA's PierPass Validation System.
2. Agreement No. C0783 – six-month term extension through December 31, 2019 with an increase of \$180,000 to the contract value for special services and system enhancements.

**Discussion:**

The IBI Group Ltd. (IBI) developed and maintains ACTA's complex customized system which is used to monitor and verify over \$100 million in annual revenue collections from the Railroads. The revenue is used principally to pay ACTA debt service on its bonds. The system has worked without incident since its inception in 2002.

The system is also used to assist PierPass in its collection of revenue from cargo owners using the Port of Long Beach and the Port of Los Angeles. Under PierPass rules, cargo that is charged an ACTA fee is exempt from the daytime fee charged by PierPass. Therefore, ACTA checks the PierPass-supplied data to verify that the exemption is valid on a container-by-container basis. Fees paid to IBI for the PVS-related activities performed under C0719 are invoiced to PierPass by ACTA at the fixed rate of \$5,000 per month.



IBI provides ongoing system support, maintenance and programming design services for both the Revenue Assessment and Verification System (RAVS) and the PierPass Validation System (PVS), and also provides special related services including reprogramming of the systems as needed. Services are provided under two separate agreements: Agreement No. C0719 and Agreement No. C0783.

At its June 2018 meeting, the Board approved a one-year extension to these two agreements through June 30, 2019. ACTA staff had recommended a three-year extension due to the assumption that elements of the system were proprietary to IBI and that a new RFP would require a costly redevelopment of the system by the successful proposer. The Board requested ACTA's Co-General Counsel to review the matter. After review of the contract documents, Co-General Counsel determined that the software system is owned by ACTA, not IBI. IBI has also confirmed this assessment.

Therefore, an RFP could be issued for other firms to maintain, update, and augment ACTA's current system. However, since other firms might prefer to develop a new system rather than maintaining a system that they did not develop, issuance of a Request for Information (RFI) before issuing an RFP is being considered by staff.

In the meantime, since ACTA had been in discussion with IBI regarding certain potential upgrades of the existing system that could reduce annual maintenance costs by as much as \$50,000, staff recommends that these upgrades take place before issuing an RFP or RFI concerning maintenance of ACTA's system.

Therefore, Board approval is sought to extend both contracts by six-months through December 31, 2019, and to increase the contract value of Agreement No. C0719 by \$54,863, to be paid in equal monthly amounts of \$9,143.75 and increase the contract value of Agreement No. C0783 by \$180,000 to account for the system upgrade. If approved, the new total not-to-exceed amount for Agreement No. C0719 would be increased from \$1,566,775 to \$1,621,638. If approved, the contract value of Agreement No. C0783 would be increased from \$490,000 to \$670,000.

By the end of the calendar year, after gaining a better idea of what it will cost to run the system based on IBI's upgrades, staff will return to the Board to discuss contracting options that may exist for maintaining the upgraded system and to recommend any further extension and additional contract value for these two IBI contracts.

**Budget Impact:**

Funds for the contract amendments to Agreement No. C0719 and Agreement No. C0783 are included in the FY19 Program Budget and will be contained within the FY20 Program Budget.

**Co-General Counsel Review:**

ACTA's Co-General Counsel has reviewed and approved the proposed Amendments as to form.

Transmittals:

- Transmittal 1 - Thirteenth Amendment to IBI Group LTD Agreement No. C0719
- Transmittal 2 - Thirteenth Amendment to IBI Group LTD Agreement No. C0783