



IMPROVING COMPETITION FOR VDOT'S FUTURE INTELLIGENT TRANSPORTATION SYSTEMS (ITS) MAINTENANCE CONTRACT

Commonwealth Transportation Board Workshop

Ken Earnest, P.E. - Acting State Operations Engineer

June 19, 2018

Issue

At the March CTB Action Meeting, question was raised about limited competition for the Statewide ITS Maintenance and Infrastructure Support Services contract

Background

- **Independent Regional ITS Maintenance Contracts established in 2000's**
 - **Different contract terms (some performance-based, some fixed-cost vs. T&M)**
 - **Blend of contract staff and state forces in some regions**
- **First statewide ITS Maintenance program established under the Transportation Operations Center (TOC) and Statewide Advanced Traffic Management Systems (ATMS) Services contract**
- **Statewide contract brought consistent approach and measures**
- **Included contractor management of VDOT's ITS Inventory and Network Operations Center (NOC)**

Background

- **Statewide TOC/ATMS contract ultimately terminated**
- **Leveraged contract terms to directly establish emergency contracts with incumbent subcontractors for each service area, including maintenance**
- **Immediately began development of replacement contracts for each service area with strong desire to increase competition**
- **Scope of maintenance services largely intact, with the exception of lot size (single statewide vs. regional lots)**

Industry Outreach Efforts

- **VDOT's re-procurement strategy shared at industry forum in Jan 2016**
- **One-on-one meetings conducted to receive candid feedback:**
 - **WSP, Schneider, Atkins, Jacobs, Louis Berger, Amey, Northrup Grumman, AECOM, DTS, HDR ICA, Elite, FreeAhead, Iteris, TOM, Transcore, Kimley-Horn**
- **Industry feedback considered in RFP for ITS Infrastructure and Field Maintenance Services (advertised March 9, 2017)**
- **Seven firms attended mandatory pre-bid meeting on March 23, 2017:**
 - **Aegis ITS, DBi Services, DTS, HDR ICA, Elite Contracting, TOM LLC, US Facilities**
- **Optional field visits conducted at the Richmond and Staunton TOCs**

Contract Negotiations and Award

- **Proposals received from Elite Contracting and DTS on April 20, 2017**
- **Proposal review, oral presentations and negotiations continued through December 2017**
- **Award of two regional lots chosen over single statewide lot**

Survey of Non-bidding Firms

- **Firms attending the mandatory Pre-bid but not submitting proposals:**
 - **AEGIS ITS (now Econolite)**
 - **HDR-ICA (now HDR)**
 - **US Facilities**
- **Questions posed to determine reasons for not bidding:**
 - **Thoughts on large regional/statewide lots versus smaller geographical lots?**
 - **Concerns with purchase and management of VDOT's spare parts inventory?**
 - **Thoughts on contract payment terms: lump-sum line items vs. Time & Materials?**
 - **Were any of the insurance or bonding requirements a barrier?**
 - **What key item factored most heavily into not bidding?**
 - **What would have to change to receive a proposal from your team?**
 - **Any other feed back you would like to offer?**

Common Themes from Non-bidders

- **Lot sizes needed to be smaller, down to regional level**
- **Some concern with purchase and management of VDOT's ITS asset inventory**
- **All other items not a major concern**

Proposed Action Plan for Next Procurement

- **Based on survey results, VDOT will consider the following items when re-advertising**
- **Lot Size**
 - **Determine industry capability to deliver maintenance services across various combinations of geographic lots**
 - **Confirm VDOT's ability to manage up to five ITS maintenance contracts**
- **Inventory Management**
 - **Determine feasibility and cost effectiveness of using the Integrated Supply Services Program (ISSP) for managing VDOT's ITS inventory**

