

**CITY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**



July 1, 2021

Gene Oh, CEO
Tranzito
VIA EMAIL ONLY TO: gene@tranzito.org

RE: Best and Final Offer - City of Los Angeles Sidewalk and Transit Amenities Program

Dear Gene,

StreetsLA thanks your team for its continued interest in our Sidewalk and Transit Amenities Program (STAP) as demonstrated by the quality of your proposal and your participation in the upcoming technology demonstration. At this time, we request that your team prepare a Best and Final Offer (BAFO) to be submitted by Friday, August 6th at 5pm Pacific. You will only be required to make a submission by email, but you are welcome to also provide a hard copy by the deadline stated, if you so choose.

Your submission should be prepared in three parts:

1. A revised price proposal that responds to specific issues in the document attached.
2. A narrative that supports your revised price proposal.
3. Any depictions of amended or additional program element designs.

Should you have any questions, please feel free to contact me.

Best regards,

Lance Oishi, Contract Administrator
Bureau of Street Services
(213) 847-3333
lance.oishi@lacity.org

Attachment

**CITY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**



**BEST AND FINAL OFFER
CITY OF LOS ANGELES
Sidewalk and Transit Amenities Program (STAP)**

INSTRUCTIONS

Best and Final Offers (BAFO) for the City of Los Angeles' Sidewalk and Transit Amenities Program (STAP) must be submitted by Friday, August 6, 2021, at 5pm Pacific by email to:

Lance Oishi, Contract Administrator
Bureau of Street Services
lance.oishi@lacity.org

Please submit a revised price proposal and supporting narrative that responds to the issues presented below. Additionally, if you have amended or added program elements, please provide updated design depictions in your BAFO submission. Submissions should be organized as follows:

- Part 1 - Best and Final Offer Price Proposal
- Part 2 - Supporting Narrative
- Part 3 - Revised and/or Additional Program Element Designs (not required if no changes/additions)

BAFOs must be submitted in PDF format with a copy of the Revised Price Proposal submitted as an unlocked Excel workbook. Price Proposals must include the information required from the original RFP; however, your team may expand or change the Price Proposal's original form to clearly and thoroughly respond to the issues presented below.

All terms and conditions of the RFP remain.

BEST AND FINAL OFFER

The primary goals of your Best and Final Offer are to rationalize and reduce Capital and Operating Costs, while providing the opportunity to increase the City's revenue share. The BAFO will also help determine the individual Respondent's commitment to STAP as well as their ability to work cooperatively with StreetsLA. Through the procurement process, StreetsLA has gained greater understanding of these costs, however operating costs still challenge the fiscal sustainability of STAP.

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Part 1 - Best and Final Offer Price Proposal

- Submit a price proposal with only one scenario in which the City provides 100% CAPEX.
- Operating Costs must be itemized beyond general categories of Maintenance, Administrative, etc. The City's CAPEX commitment will include expenses such as traffic control, trenching and construction related costs. Please consider the impact of the City's assumption of these costs as you detail your Operating Costs.
- Itemize costs associated with Systems Integration and Indirect Management.
- Provide total annual Operating Costs based on your proposed implementation plan.
- Provide a schedule of annual guarantee payments and City revenue share based on your proposed implementation. Alternatively, explore options to increase the City's revenue share percentage without an annual guarantee; provide an annual schedule for such options.
- Provide a formalized revenue proposal for Vertical Bridge's 242 locations (40% of the 655 high-value locations).

Part 2 - Supporting Narrative

Provide a rationalization of your price proposal discussing in particular:

- How your price proposal achieves the goals of STAP.
- How your price proposal is financially sustainable without compromising the issue of shade equity.
- Detail and justify costs associated with Systems Integration and Indirect Management Costs.
- The advertising commissions (operating costs) at 28% is higher than the industry standard of OOH operating costs, which is 22%. The justification of this commission provided on February 17, 2021, included CMS (Content Management System) a cost that is contained under Capital Expenses at a price of \$400,000; a Supply Side Platform that appears to duplicate Demand Side Platform functionality and proof of play, which is a functionality that can be provided through the CMS. Provide details on how the advertising commission number can be lowered toward the industry average.
- The Virtual Power Purchase Agreement (VPPA) is the highest capital expense in Tranzito's proposal; however, this expense aligns with City of Los Angeles' pLAN New Green Deal. Tranzito proposes that the VPPA would provide STAP with energy cost inflation protection. Please provide detailed estimates of those savings over the initial contract term of ten-years. Further, provide detail on the VPPA payment terms and conditions.
- Provide a detailed Public Engagement Plan that supports the implementation of STAP based on your proposed schedule. Address specific areas of the program that must earn public support, such as the design of the elements and the use of digital.