

Driver License/ID Card and Associated Services Contract

MassDOT Board Meeting

March 11, 2015

Procurement Process



- The RMV issued a RFR for driver license/ID cards and associated services in Oct 2014
- Current contract expires in Jan 2016
- Two bids were received in Dec 2014
 - MorphoTrust USA, LLC (current vendor)
 - Supercom Ltd.
- A selection committee representing diverse disciplines reviewed and evaluated the proposals and conducted bidder oral presentations / demos
- The committee unanimously voted in favor of MorphoTrust as the apparent successful bidder
- The RMV is seeking MassDOT Board approval to enter into contract with MorphoTrust

Contract Overview



- Amount not to exceed \$40 million
- Five-year contract with three one-year extensions
- Payment amortized over life of the contract on a cost-per-card basis for equipment, solutions and services
 - \$3.85 per card
- Manufacture approximately 1.5 million DL/ID cards annually
- 265 workstations
- Includes system enhancements and allows for future RMV expansion

Scope:

DL/ID card production solution services and equipment including:

- Data capture
- Image capture
- Signature capture
- DL/ID card manufacturing
- Facial recognition
- Vision testing
- Document authentication
- Document imaging
- Knowledge test solution
- Road test solution
- Kiosks
- Training

Contract Goals



- Highly secure & readable DL/ID card
- Enhanced security and improved accuracy of the facial recognition algorithm
- Real ID compliance
- Ability to function with existing ALARS system and RMV Mod
- Improve the customer experience and reduce time per DL/ID transaction
- Ability to offer expedited service
- Improve driver knowledge and skills testing
- Expand self-service options (i.e. kiosks)
- More robust reporting and reconciliation capabilities
- Meet supplier diversity goal – 10% of total contract value for Supplier Diversity Program businesses
- Customer survey capability

Why MorphoTrust?



- Presents the best value and lowest cost proposal
- Experience in the marketplace (customers in 41 out of 50 states)
- Demonstrated ability to manufacture and deliver highly secure credentials
- Proven track record of producing Real ID compliant cards
- Clear understanding of business and technical requirements
- Ability to offer an in-state “one-stop-shop” solution
- Experienced project management team with knowledge of RMV systems and business processes
- Ability to integrate with ALARS and future RMVM solution
- Committed 10% of total value of the contract with supplier diversity firms
- Opportunity for innovation (i.e. electronic ID, kiosks, virtual backdrops, etc.)

Schedule



Event	Date
RFR Release Date	October 10, 2014
Briefing for Finance & Audit Committee	December 4, 2014
Response Submission Deadline	December 19, 2014
Notification of Award	February 20, 2015
Estimated Contract Start Date	April 1, 2015
Statewide Deployment	April 2015 – January 2016
Implementation Date	January 21, 2016

Staff Summary Sheet Board of Directors Meeting

TO		FOR		FROM:
1	Sec./GM	X	Approval Signature	Dept: RMV Presenter: Celia J. Blue, Registrar Ext: 857-368-9454
2	BD	X	Vote Info	Subject: Driver's License/ID Card Production Solution Services Procurement Date: March 11, 2015
Implications: (The implications checked below are involved in this action, are discussed below or in a separate enclosure, and have been considered in the final recommendation.) <input type="checkbox"/> Capital Budget <input checked="" type="checkbox"/> Operating Budget <input type="checkbox"/> Legal <input type="checkbox"/> Other				

PURPOSE:

The RMV provides driver's licenses for approximately 4.9 million licensed drivers in the Commonwealth and an additional 400,000 Mass IDs for residents needing a state-issued identity credential. Additionally, the RMV conducts 320,000 permit tests and 200,000 road tests for all classes of licenses annually to ensure drivers are prepared to operate their motor vehicles safely on our roadways.

In order to support these core functions, the RMV is seeking MassDOT Board approval to enter into contract with MorphoTrust USA, LLC (MorphoTrust) in an amount not to exceed \$40 million for driver's license/ID (DL/ID) card production solution services.¹ The duration of the contract is five years with three one-year extension options to be exercised at MassDOT's discretion. The contract is to be funded by the operating budget with payment amortized over the life of the contract on a cost-per-card basis at \$3.85 per card.

The contract includes the following components:

- **Branch office functionality:** Hardware and software for data capture, image capture, signature capture, vision testing, document scanning and document authentication for 265 workstations across the RMV's 30 branches and soon to be twelve AAA locations.
- **Card manufacture and delivery:** The secure manufacture of approximately 1.5 million DL/ID cards annually and direct delivery to customers in 4-5 days.
- **Facial recognition:** A powerful tool used by law enforcement to protect RMV customers from identity theft and identity fraud.
- **Knowledge test solution:** Hardware and software for customers to complete their driver's license permit tests.
- **Road test solution:** Tablets and road testing software that allow for real-time road test grading, course mapping and road test examiner scheduling.
- **Self-service kiosks:** An expansion of the RMV's "FasTrack" kiosk pilot, a self-service option that allows customers to capture their own photo and renew their DL/ID without visiting a branch counter.
- **Training:** Training for all branch staff, IT personnel and other MassDOT/RMV users.

¹ The RMV has used contract services for the production of DL/ID card since the early 1990s.

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The main goals of this procurement are to:

- **Issue highly secure & readable DL/ID cards:** Massachusetts currently has one of the most secure driver's licenses in the country. Through this contract, the RMV will introduce enhanced security features to ensure Massachusetts maintains a highly secure, top-quality credential.
- **Improve the accuracy of the facial recognition algorithm:** A refined algorithm will further enhance customer protection and reduce the number of false positive matches requiring law enforcement review.
- **Pursue Real ID compliance:** Through this contract, the RMV will have the ability to manufacture Real ID compliant cards with federally required designations.
- **Integrate with RMV Modernization:** With this solution, the RMV will have the ability to function with existing ALARS and flexibility transition to the new system being developed through RMV Modernization (RMVM).
- **Improve the customer experience:** With new hardware and software, the RMV will reduce DL/ID transaction times and improve customer service delivery.
- **Offer expedited service:** The RMV will have the ability to provide customers same-day issuance of credentials upon payment of a convenience fee.
- **Improve knowledge and skills testing:** With more modern and secure testing hardware and software, offer customers an enhanced testing experience and maintain better oversight of the road test program.
- **Expand self-service options:** The RMV will have the ability to increase the number of "FasTrack" kiosks in its branches and offer new transactions types to further reduce customer wait times.
- **Enhance reporting and reconciliation capabilities:** The RMV will have improved tracking capability on the manufacture status of credentials and tighter audit trail controls.
- **Conduct satisfaction surveys:** The RMV will have the ability to conduct satisfaction surveys to obtain customer feedback.

BEST VALUE PROCUREMENT:

The RMV assembled a selection committee of eight individuals representing diverse disciplines to review and evaluate the proposals:

- Adrienne Gerlach – Deputy Registrar of Operations, RMV
- Ibrahima Barry – Deputy Registrar of External Services, RMV
- Robert D. Peters – Director of Driver Licensing, RMV
- Elizabeth Silva – Watertown Branch Manager, RMV
- Anne Michalik – Supervisor of Business Support, RMV
- Louise Riggs – Project Manager, MassDOT IT
- Jason Maffetore – Director of RMV Applications, MassDOT IT
- Tyrone Muscat – Senior Director of IT Operations, MassDOT IT

The Selection Committee used the "best value" procurement methodology to evaluate proposals. Rather than focusing on lowest cost, the selection committee emphasized the overall quality of the proposals and the bidders' understanding of the scope of services

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and their ability to deliver. As shown in Appendix A, the Selection Committee developed a weighted evaluation scorecard to evaluate proposals with the following high-level criteria:

- Requirements – 20%
- Strategies and Approaches – 20%
- Bidder Experience – 15%
- Cost – 25%
- Supplier Diversity – 10%
- Oral Presentation/Demo – 10 %

CONTRACT SOLICITATION:

On October 10, 2014, the RMV posted to CommBUYS a public solicitation (a Request for Responses) for Driver License/ID Cards and Associated Services. On December 19, 2014, the PMT received two proposals: one from its current vendor, MorphoTrust, and a second from SuperCom Ltd (Supercom).

The selection committee provided the opportunity for an oral presentation/demo to SuperCom on January 21, 2015 and to MorphoTrust on January 22, 2015. Each bidder was given approximately six hours to demo their equipment and software solutions, conduct a tour of their card manufacture facility, present their approach to deployment and training and respond to questions from the selection committee.

Upon reviewing, evaluating, and scoring written submissions, oral presentations/demos, and best and final offer submissions, the selection committee unanimously voted in favor of MorphoTrust as the apparent successful bidder. Final total scores are shown below:

MorphoTrust	SuperCom
88	44

The selection committee favored MorphoTrust for several reasons including but not limited to their: (1) deep experience in the marketplace² and demonstrated ability to manufacture and deliver highly secure credentials; (2) proven track record of working with other states to produce Real ID compliant cards; (3) clear understanding of the RMV’s technical and business requirements; (4) ability to offer an in-state, “one-stop-shop” solution that mitigates the inefficiencies related to managing subcontractors; (5) experienced project management team that has a demonstrated knowledge of RMV systems and business processes; (6) ready ability to integrate with today’s ALARS system and lowest-risk future ability to transition to the new RMVM solution; (7) proven commitment to working with supplier diversity firms; and (8) demonstrated ability to provide the opportunity for innovation such as electronic driver’s licenses, self-service kiosks, virtual backdrops, etc.

² MorphoTrust has driver licensing customers in 41 out of 50 states.

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In addition to the aforementioned points, MorphoTrust submitted the lowest cost proposal with many of the RMV's desired system enhancements built into the overall cost-per-card price. MorphoTrust also submitted a lower total variable price quote for a range of individual pieces of equipment that will allow for future expansion of workstations at RMV branches and AAA locations. The dollar value of each initial proposal is shown below:

Firm	Cost-per-Card³	Variable Price Quote⁴
MorphoTrust	\$4.10	\$5,660,500
Supercom	\$4.45	\$8,695,300

Through the process of contract negotiations, the selection committee was able to reduce the cost proposals from both vendors as shown below:

Firm	Cost-per-Card	Variable Price Quote
MorphoTrust	\$3.85	\$5,660,500
Supercom	\$4.03	\$7,811,440

The selection committee members unanimously determined that the MorphoTrust proposal provides the best value and lowest cost option for the Commonwealth.

SUPPLIER DIVERSITY PROGRAM:

MorphoTrust committed 10% of the total value of the contract to be spent with supplier diversity firms including Form 10 Group, Inc. and ACA Computer Integrator, Inc.

MorphoTrust has enjoyed a strong partnership with Form 10 Group, a service-disabled veteran-owned business enterprise, since 2006. Form 10 Group has successfully supported fifteen motor vehicle agency projects across twelve jurisdictions. Under this contract, Form 10 Group will support the deployment and implementation of all branch office, knowledge test and road test equipment.

MorphoTrust also has an established relationship with ACA Computer Integrator, a disadvantaged business enterprise; they have partnered together on 4 motor vehicle agency projects. Under this contract, ACA Computer Integrator will manage the procurement process of hardware, software, consumable materials and related warranted services.

TOTAL PROJECT COST:

The cost of the contract to be awarded is set at an amount not to exceed \$40 million over a five-year period. The contract is to be funded by the operating budget with payment amortized over the life of the contract at \$3.85 per card. Cost-per-card payment allows

³ The RMV currently pays \$3.44 per card.

⁴ This figure captures the total of individual price quotes for a range of equipment such as signature capture devices, photo image capture devices, scanners, printers, servers, kiosks, etc. Equipment price quotes are good for the life of the contract.

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the RMV to acquire significant capital equipment and software without an upfront allocation of funds. The total contract amount also includes future system enhancements and allows for the purchase of additional equipment in the event of RMV expansion.

ALTERNATIVES:

There are limited potential alternatives to the course of action described here. The RMV's contract with its current vendor expires in January 2016; there are no further extension options available to exercise. The RMV's branch office equipment is approaching six years old and is at the end of its useful life. Most importantly, without a new contract, the Commonwealth would not have the ability to manufacture and issue driver's licenses and IDs.

The Board could decide not to approve the award of this contract and require MassDOT staff to launch a new procurement process with a RFR similar in scope to what has already been issued. Alternatively, it could require MassDOT staff to issue RFRs for separate work streams (i.e. procure permit and road testing solutions separately). The latter option, however, would not allow MassDOT to amortize costs over the life of the contract on a cost-per-card basis. Both alternatives would further delay this project and likely result in a request for a contract award similar in scope and budget to what is presented here.

RECOMMENDATION:

It is recommended that the Board of Directors award and authorize the Secretary/CEO to execute in the name of and on behalf of the Massachusetts Department of Transportation, and in a form approved by the General Counsel, a contract with MorphoTrust an amount not to exceed \$40 million to fund branch office DL/ID card equipment (including hardware and software); credential manufacture and delivery; knowledge and road test hardware and software; self-service kiosks; and training services.

ENCLOSURES:

- Appendix A – Scorecard valuation summary

APPENDIX A SCORECARD VALUATION SUMMARY 2015 02 17

Evaluation Summary

				Morphotrust	SuperCom	Bidder 3	Bidder 4					
DL/D RFR Evaluation												
1. Requirements	RFR Section	Sub-Sec. Weight	Overall Weight	Max Possible Score	PMT Score	Weighted Score	PMT Score	Weighted Score	PMT Score	Weighted Score	PMT Score	Weighted Score
	1.1 Branch Office	25.00%	5.00%	5.0		3.439		1.4		0.0		0.0
	1.2 Cards	25.00%	5.00%	5.0		4.500		2.3		0.0		0.0
	1.3 Facial Recognition	15.00%	3.00%	3.0		2.700		0.7		0.0		0.0
	1.4 Knowledge Test	5.00%	1.00%	1.0		0.647		0.8		0.0		0.0
	1.5 Road Test	5.00%	1.00%	1.0		0.840		0.9		0.0		0.0
	1.6 Kiosks	5.00%	1.00%	1.0		0.833		0.0		0.0		0.0
	1.7 Training	10.00%	2.00%	2.0		1.333		0.5		0.0		0.0
	1.8 Other	10.00%	2.00%	2.0		1.489		0.5		0.0		0.0
	Sub-Total	100%	20.00%	20.0		15.781		7.1		0.0		0.0
	Sub-Rank					1		2		3		3
2. Strategy and Approach	RFR Section	Sub-Sec. Weight	Overall Weight	Max Possible Score	PMT Score	Weighted Score	PMT Score	Weighted Score	PMT Score	Weighted Score	PMT Score	Weighted Score
	2.1 Project Management	20.00%	4.00%	4.0	3.0	4.0	1.0	1.3	0.0	0.0	0.0	0.0
	2.2 Project Work Plan	20.00%	4.00%	4.0	3.0	4.0	1.0	1.3	0.0	0.0	0.0	0.0
	2.3 Staffing Plan	10.00%	2.00%	2.0	3.0	2.0	1.0	0.7	0.0	0.0	0.0	0.0
	2.4 Technical Architecture	20.00%	4.00%	4.0	2.0	2.7	1.0	1.3	0.0	0.0	0.0	0.0
	2.5 Card Manufacturing	10.00%	2.00%	2.0	2.0	1.3	2.0	1.3	0.0	0.0	0.0	0.0
	2.6 Card Design and Security	15.00%	3.00%	3.0	3.0	3.0	1.0	1.0	0.0	0.0	0.0	0.0
	2.7 Transition Plan	5.00%	1.00%	1.0	2.0	0.7	1.0	0.3	0.0	0.0	0.0	0.0
	Sub-Total	100%	20.00%	20.0		17.7		7.3		0.0		0.0
	Sub-Rank					1		2		3		3
3. Experience	RFR Section	Sub-Sec. Weight	Overall Weight	Max Possible Score	PMT Score	Weighted Score	PMT Score	Weighted Score	PMT Score	Weighted Score	PMT Score	Weighted Score
	3.1 Corporation Background	10.00%	1.50%	1.5	3.0	1.5	1.0	0.5	0.0	0.0	0.0	0.0
	3.2 References	30.00%	4.50%	4.5	3.0	4.5	0.0	0.0	0.0	0.0	0.0	0.0
	3.3 Project Manager	25.00%	3.75%	3.8	3.0	3.8	1.0	1.3	0.0	0.0	0.0	0.0
	3.4 Deployment Manager	25.00%	3.75%	3.8	3.0	3.8	1.0	1.3	0.0	0.0	0.0	0.0
	3.5 All others	10.00%	1.50%	1.5	2.0	1.0	2.0	1.0	0.0	0.0	0.0	0.0
	Sub-Total	100%	15.00%	15.0		14.5		4.0		0.0		0.0
	Sub-Rank					1		2		3		3
4. Cost	RFR Section	Sub-Sec. Weight	Overall Weight	Max Possible Score	PMT Score	Weighted Score	PMT Score	Weighted Score	PMT Score	Weighted Score	PMT Score	Weighted Score
	4.1 Fixed Base Cost	50.00%	12.50%	12.5	0.0	12.5	0.0	8.4		0.0		0.0
	4.2 Variable Base Cost	50.00%	12.50%	12.5	0.0	12.5	0.0	8.4		0.0		0.0
	4.3 Optional Cost (Desirables)	0.00%	0.00%	0.0	0.0	0.0	0.0	0.0		0.0		0.0
	Sub-Total	100%	25.00%	25.0		25.0		16.8		0.0		0.0
	Sub-Rank					1		2		3		3

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5. Supplier Diversity Plan					PMT Score	Weighted Score	PMT Score	Weighted Score	PMT Score	Weighted Score	PMT Score	Weighted Score
RFR Section	Sub-Sec. Weight	Overall Weight	Max Possible Score									
5.1 Supplier Diversity Plan	100.00%	10.00%	10.0		3.0	10.0	2.0	6.7	0.0	0.0	0.0	0.0
Sub-Total	100%	10.00%	10.0			10.0		6.7		0.0		0.0
Sub-Rank						1		2		3		3

6. Demonstrations/Oral Presentations					PMT Score	Weighted Score	PMT Score	Weighted Score	PMT Score	Weighted Score	PMT Score	Weighted Score
RFR Section	Sub-Sec. Weight	Overall Weight	Max Possible Score									
6.1 Business Q&As	35.00%	3.50%	3.5		2.0	2.3	1.0	1.2	0.0	0.0	0.0	0.0
6.2 Technical Q&As	35.00%	3.50%	3.5		2.0	2.3	1.0	1.2	0.0	0.0	0.0	0.0
6.3 Demo Scenario #1	30.00%	3.00%	3.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-Total	100%	10.00%	10.0			4.7		2.3		0.0		0.0
Sub-Rank						1		2		3		3

Total RFR Score	100%	100			88	44	0	0
Sub-Rank					1	2	3	3