



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



16
Beauve

Victoria F. Sheehan
Commissioner

William Cass, P.E.
Assistant Commissioner

His Excellency, Governor Christopher T. Sununu
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

Bureau of Turnpikes
October 6, 2017

REQUESTED ACTION

Authorize the Department of Transportation, Bureau of Turnpikes within the Division of Operations, to amend an existing professional service contract for the NH E-ZPass Back Office with Cubic Transportation Systems, Inc. (Cubic), (Vendor #267136). This amendment is to restructure the schedule for deliverables, payment of project delivery and Operation and Maintenance costs, and Key Performance Indicators of the Contract for fiscal year 2018, to be effective upon Governor and Council approval through June 30, 2018. There is no time extension or additional cost as result of this amendment. The original contract agreement was approved by Governor and Council on October 7, 2015, Item #25.

EXPLANATION

RSA 237:16-b as amended in 2001 authorized the Department to participate in a regional Electronic Toll Collection system (E-ZPass). Governor and Council on August 22, 2001 authorized the Department to enter into an Interagency Group (IAG) agreement to implement electronic toll collection in a manner that provides a seamless toll system for motorists and commercial operators along the eastern seaboard of the United States.

On October 7, 2015, Governor and Council approved the original contract with Cubic for the design, testing, installation and maintenance services for the operation of the NH E-ZPass Back Office for the Bureau of Turnpikes within the Division of Operations to be effective for a 6-year period through June 20, 2021. The contract also included provisions for three additional three (3) year optional periods up to but not beyond, June 30, 2030 subject to Governor and Council approval.

A Back Office System to support Electronic Tolling, Video Tolling and Violation Processing is necessary to continue to operate the E-ZPass system. The above referenced approved contract engages Cubic Transportation Systems Inc. to perform design, testing, installation, maintenance and operation services for the NH E-ZPass Back Office for the Turnpike System within the Division of Operations. This amendment specifically addresses the implementation of the Back Office System (BOS) and Customer Service Center (CSC) and their related maintenance and operation services under RFP 2015-068.

The BOS is specifically intended to be designed and developed to support the management of NH E-ZPass accounts, including fund management on behalf of the Department; processing and reconciling all in-state and out-of-state toll revenue collected, financial reconciliation and reciprocity with other E-ZPass agencies within the Inter Agency Group; invoicing/violation processing for unpaid transactions; management of the transponder inventory and purchase and sale of transponders; integration of all functions of a customer call center; management of the operation of the E-ZPass walk-in-centers; and hosting and management of the NH E-ZPass website.

In addition the contract includes operation and maintenance of the NH E-ZPass BOS, and a locally established and operated CSC that includes but is not limited to account maintenance, invoice and violation processing,

reciprocity file management, website maintenance, customer service support and operation of three Walk-in-Centers.

The initial portion of the contract was scheduled to be 14 months and involved the design, development, testing and installation of an enhanced BOS and CSC. The BOS and CSC opened for operations on March 24, 2017, at a reduced level of functionality as defined under the contract. In accordance with the terms of the contract during this period, the Department has limited the Operations and Maintenance payments to "Pass Through" costs and E-ZPass Walk-in-Center (WIC) operations' costs only. There have been no further Operation and Maintenance payments made by the Department to the vendor.

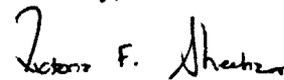
The BOS functionality has now reached approximately 60%. This contract amendment, effective upon approval date of Governor and Council, is to restructure the remaining deliverables and their associated schedule to bring the BOS up to 100% functionality as defined in the Contract by the end of FY 2018. Additionally, the project delivery and Operation and Maintenance payment schedules have been modified to reflect the estimated current 60% functionality of the BOS and include incremental increases to payments in subsequent months as additional functionality is added to the system through the release of twelve Spirals (computer programming releases) to bring the BOS up to 100% functionality. The increased monthly O&M payments are based on the positive effect of the additional functionality under each Spiral. The total O&M payment for FY 2018 will not exceed that specified in the original contract.

This amendment also restructures the Key Performance Indicators (KPIs) which are assessed monthly to ensure the Department and E-ZPass Customers are receiving the required level of service as defined within the Contract. Initial KPIs are set reflecting current functionality and, as Spirals are implemented and introduce additional functionality, additional KPIs will be implemented and assessed.

The contract has been approved by the Attorney General as to form and execution. Funding for 2018 is available and encumbered. Copies of the fully executed contract are on file at the Secretary of State's Office and the Department of Administrative Services' Office; and subsequent to Governor and Council approval will be on file at the Department of Transportation.

It is respectfully requested that this resolution be approved.

Sincerely,



Commissioner
Victoria F. Sheehan



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doi

Denis Goulet
Commissioner

October 10, 2017

Victoria F. Sheehan
Commissioner
State of New Hampshire
Department of Transportation
John O. Morton Bldg., 7 Hazen Drive
Concord, NH 03302-0483

Dear Commissioner Sheehan:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your request to amend a contract with Cubic Transportation Systems, Inc. (Cubic), (Vendor #267136), as described below and referenced as DoIT No. 2015-068 Amendment 1.

The purpose of this amendment is the restructure of the schedule for deliverables, payment of Operation and Maintenance costs and Key Performance Indicators of the Contract for fiscal year 2018. There is no time extension or additional cost as result of this amendment. The original contract agreement was approved by Governor and Council on October 7, 2015, Item #25.

A copy of this letter should accompany the submission to the Governor and Executive Council for approval.

Sincerely,

Denis Goulet

DG/ik
DOT 2015-068

cc: Gail Hambleton



Victoria F. Sheehan
Commissioner

THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



William Cass, P.E.
Assistant Commissioner

October 10, 2017

Denis Goulet
Commissioner / Chief Information Officer
27 Hazen Drive
Concord, New Hampshire 03301

REQUESTED ACTION

This letter represents formal request that the Department of Information Technology (DoIT) approve a request to amend a contract with Cubic Transportation Systems, Inc. (Cubic), (Vendor #267136), as described below and referenced as DoIT No. 2015-068 Amendment 1.

The purpose of this amendment is the restructure of the schedule for deliverables, payment of Operation and Maintenance costs and Key Performance Indicators of the Contract for fiscal year 2018. There is no time extension or additional cost as result of this amendment. The original contract agreement was approved by Governor and Council on October 7, 2015, Item #25.

EXPLANATION

RSA 237:16-b as amended in 2001 authorized the Department to participate in a regional Electronic Toll Collection system (E-ZPass). Governor and Council on August 22, 2001 authorized the Department to enter into an Interagency Group (IAG) agreement to implement electronic toll collection in a manner that provides a seamless toll system for motorists and commercial operators along the eastern seaboard of the United States.

On October 7, 2015, Governor and Council approved the original contract with Cubic for the design, testing, installation and maintenance services for the operation of the NH E-ZPass Back Office for the Bureau of Turnpikes within the Division of Operations to be effective for a 6-year period through June 20, 2021. The contract also included provisions for three additional three (3) year optional periods up to but not beyond, June 30, 2030 subject to Governor and Council approval.

A Back Office System to support Electronic Tolling, Video Tolling and Violation Processing is necessary to continue to operate the E-ZPass system. The above referenced approved contract involves the Department engaging Cubic Transportation Systems Inc. to perform design, testing, installation, maintenance and operation services for the NH E-ZPass Back Office for the Turnpike System within the Division of Operations. This request specifically addresses the procurement of the Back Office System (BOS) and Customer Service Center (CSC) and their related maintenance and operation services under RFP 2015-068.

The BOS is specifically intended to be designed and developed to support the management of NH E-ZPass accounts, including fund management on behalf of the Department; processing and reconciling all in-state and out-of-state toll revenue collected, financial reconciliation and reciprocity with other E-ZPass agencies within the Inter Agency Group; invoicing/violation processing for unpaid transactions; management of the transponder inventory and

purchase and sale of transponders; integration of all functions of a customer call center; management of the operation of the E-ZPass walk-in-centers; and hosting and management of the NH E-ZPass website.

In addition to the deployment of the enhanced BOS, the second portion of the contract includes operation and maintenance of the NH E-ZPass BOS, including a locally established and operated CSC. The scope of services includes but is not limited to account maintenance, invoice and violation processing, reciprocity file management, website maintenance, customer service support and operation of three Walk-in-Centers.

The initial portion of the contract was scheduled to be 14 months and involved the design, development, testing and installation of an enhanced BOS and CSC. The BOS and CSC opened for operations on March 24, 2017, at a reduced level of functionality as defined under the contract. Since March, the BOS functionality has now reached approximately 60%. In accordance with the terms of the contract during this period, the Department has limited the Operations and Maintenance payments to "Pass Through" costs and E-ZPass Walk-in-Center (WIC) operations' costs only. There have been no further Operation and Maintenance payments made by the Department to the vendor.

This contract amendment effective upon approval date of Governor and Council, is to restructure the remaining deliverables and their associated schedule to bring the BOS up to 100% functionality as defined in the Contract by the end of FY 2018. Additionally, the FY 2018 Operation and Maintenance payment schedule has been modified to reflect the estimated current 60% functionality of the BOS and includes enhanced O&M payments in subsequent months as additional functionality is added to the system through the release of twelve Spirals (computer programming releases) to bring the BOS up to 100% functionality. The payment of increased monthly O&M in the amendment is based on the positive effect of the additional functionality under each Spiral. The total O&M payment for FY 2018 will not exceed that specified in the original contract.

This amendment also restructures the Key Performance Indicators (KPIs) which are assessed monthly to ensure the Department and E-ZPass Customers are receiving the required level of service as defined within the Contract. Initial set of KPIs as set for October and as Spirals are implemented and introduce additional functionality, additional KPIs will be implemented and assessed.

The contract has been approved by the Attorney General as to form and execution. Funding for 2018 is available and encumbered. Copies of the fully executed contract are on file at the Secretary of State's Office and the Department of Administrative Services' Office; and subsequent to Governor and Council approval will be on file at the Department of Transportation.

It is respectfully requested that this resolution be approved.

CONTACT PERSON:

John Corcoran
Administrator
NH Department of Transportation
Bureau of Turnpikes
36 Hackett Hill Road
Hooksett, NH 03106
Email: jcorcoran@dot.state.nh.us

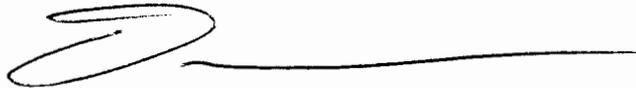
CERTIFICATION

The undersigned hereby certify that the information provided in this document and any attachments is complete and accurate and that alternatives to the solution defined in this document have been appropriately considered.

Respectfully submitted,



Gail Hambleton
IT Leader – Transportation, DoIT at NHDOT



Approved by:

Dave Rodrigue
Director of Operations



Christopher Waszczuk
DOT Deputy Commissioner

STATE OF NEW HAMPSHIRE
Department of Transportation
Bureau of Turnpikes
RFP 2015-068
Back Office Systems to Support Electronic Tolling, Video
Tolling & Violation Processing
CONTRACT AMENDMENT 1

WHEREAS, pursuant to an Agreement approved by Governor and Council, as a result of Back Office Systems (BOS) Request for Proposal, on October 7, 2015, (herein after referred to as the "Agreement"), Cubic Transportation Systems, Inc. ("Cubic") (VC# 267136) agreed to supply certain services upon the terms and conditions specified in the Agreement and the Department of Transportation (hereinafter referred to as the "Department") acting for the benefit of the Agency, agrees to manage the BOS and E-ZPass Customer Service Center Program;

WHEREAS, pursuant to Provision 19.7 of the Agreement, the Agreement may be modified or amended only by a written instrument executed by the parties thereto and approved by the Governor and Council;

WHEREAS, the Parties now wish to amend the Agreement as set forth in this First Amendment;

WHEREAS, Cubic and the Department have agreed to amend the Agreement in certain respects:

NOW THEREFORE, in consideration of the foregoing, and the covenants and conditions contained in the Agreement and set forth herein, the parties hereto do agree as follows:

1. General Provisions- Section 1.1 Contract Documents is hereby amended to add the following:

c. Contract Amendment 1

2. General Provisions- Section 1.2 Order of Precedence is hereby deleted and replaced as follows:

In the event of a conflict among any of the provisions in this agreement, following Order of Precedence shall apply:

1. Contract Amendment 1;
2. The State of New Hampshire, Department of Transportation Contract 2015-068 (resulting Contract from the RFP, once executed).
3. The State of New Hampshire Terms and Conditions, as stated in Appendix H of the RFP.
4. Final State Responses to Vendor Inquiries to RFP 2015-068.
5. RFP 2015-068 Back Office Systems to Support Electronic Tolling, Video Tolling and Violation processing dated December 9, 2014 with related attachments, appendices, and Addendum #1.
6. Cubic Proposal including interview presentation material and response to State's questions to RFP 2015-068.

3. Exhibit A of the Agreement, Section 2 Deliverables, Milestones and Activity Schedule is hereby amended to add the following:

Phase III-A Provisional Go-Live – Phase III-A shall be defined as the period of operation from Go-Live on March 24, 2017 up to the effective date of Contract Amendment 1. The Parties agree that, pursuant to the terms of the Agreement, payments for Operations & Maintenance have not been made to Cubic for this Phase due to the incomplete design and build of the BOS. The Parties further agree that the Department, in its sole discretion, has made payments to Cubic for pass through costs actually incurred during this period in

STATE OF NEW HAMPSHIRE
Department of Transportation
Bureau of Turnpikes
RFP 2015-068
Back Office Systems to Support Electronic Tolling, Video
Tolling & Violation Processing
CONTRACT AMENDMENT 1

accordance with the terms of the Agreement. Additionally, the Parties agree that no further Operations & Maintenance payments are owed to Cubic for this Phase. Finally, the Parties agree that Key Performance Indicators (KPI) have not been implemented during this phase based on the incomplete design and build of the BOS.

Phase III-B Stabilization- The Parties agree that the BOS has reached 60% of intended BOS functionality at the conclusion of Phase III-A. During Phase III-B, Cubic shall implement Spirals 1-7 as described below which are comprised of programming enhancements to bring the BOS functionality to 80%. Payments for the Design & Build of this Phase shall be made in accordance with Table 1.5. Payments for Operations and Maintenance during this period will be made in accordance with Table 1.6.2 as amended herein through June 30, 2018. As Spirals are implemented, tested and approved by the Department various KPI's shall also be implemented as described within this Contract Amendment at Table C-9. This period shall include an "end to end" Onsite Testing as described in the RFP under Section 4.9.4. At the end of this period the BOS shall be operating with all the major functionality in-place except the new enhancements the Department required in the RFP i.e. Frequency Discount Plan, General Ledger transfer of files into the State's Lawson System.

Phase III – B – Schedule and High Level Description of Delivery: The following "Spirals" do not represent new scope of work within this Agreement. Rather, the Spirals represent agreed upon delivery methods and milestones for the remaining Scope of Work already within the Agreement. Nothing contained herein shall be construed to relieve Cubic of any scope of work or deliverables within the Agreement.

Spiral 1 & 2 –October '17

- BOS Account Management Fixes to provide better functionality for the CSC operators.
- Request Address Look up from Connecticut DMV so invoices can be sent.
- Improvements to Image Review System including system controls parameters on certain plate types and an improved "help" feature for operators.

Spiral 3 & Spiral 4 – November '17

- BOS Case Management improvements for better tracking of customer request.
- Issuing Invoice/Violation Dispute and other Dispute Correspondence to customers.
- Improvements to Image Review System regarding Plate Type for Massachusetts and Maine

Spiral 5– December '17

- Transaction Processing Rules refined including reject and pending transactions.
- Invoice/Violation Processing Rules refined including escalation process.
- Implementation of Automatic Clearing House (ACH) payments on the Web.

Spiral 6 & 7 – January '18

- Interactive Voice Response (IVR) system implementation
- BOS document Imaging System for incoming Customer Correspondence and other documents to allow for the documents to be attached to customers' accounts. This allows CSC operators quick access to document during their calls with the customer.
- All Customer Correspondence finalize and implemented through mailed or email per the Business Rules
- DMV & DMV Hold Process for Massachusetts and Maine and reporting improvements

STATE OF NEW HAMPSHIRE
Department of Transportation
Bureau of Turnpikes
RFP 2015-068
Back Office Systems to Support Electronic Tolling, Video
Tolling & Violation Processing
CONTRACT AMENDMENT 1

- Credit Card Updater implemented
- Automation of the Refunds processing.

Phase III-C Post-Stabilization -During this period Cubic shall implement Spirals 8-12 to bring the BOS functionality from 80% to 100% per this Agreement. This phase will be considered completed after approved Final System Acceptance testing per the Agreement. Payments for Design & Build of this Phase shall be made in accordance with Table 1.5. Payments for Operations and Maintenance during this period will be made in accordance with Table 1.6.2 as amended herein through June 30, 2018. As Spirals are implemented, tested and approved by the Department various KPI's shall also be implemented as described within this Contract Amendment at Table C-9. At the conclusion of this phase, Cubic shall commence full operations in accordance with Phase IV of the Agreement.

Phase III – C – Schedule and High Level Description of Delivery: The following “Spirals” do not represent new scope of work within this Agreement. Rather, the Spirals represent agreed upon delivery methods and milestones for the remaining Scope of Work already within the Agreement. Nothing contained herein shall be construed to relieve Cubic of any scope of work or deliverables within the Agreement.

Spiral 8 – February ‘18

- Address Management –implementation of skip tracing, Address normalizing, US Postal forward addressing.
- Frequency Discount Plan

Spiral 10, 11 & Spiral 12 – March ‘18

- GL – GL data generation, Lawson interface, trial balance implemented
- Invoice- Transfer of Responsibilities (TOR) of invoice from a Rental car agency to the renter.
- Fleet Files –upload of Business account fleet information

This work is in addition to and not in lieu of the deliverables listed in Table 1.5

4. Exhibit A of the Agreement, Section 2.1 Design/Implementation/Testing Table is hereby replaced with the following to align with Phase III A-C.

STATE OF NEW HAMPSHIRE
Department of Transportation
Bureau of Turnpikes
RFP 2015-068
Back Office Systems to Support Electronic Tolling, Video
Tolling & Violation Processing
CONTRACT AMENDMENT 1

Item No.	Deliverable/Milestone	Deliverable Type	Projected Delivery Date
1	Notice to Proceed/Performance Bond		Completed
2	Project Schedule (Baseline)	Written	Completed
3	Final Project Management Plan	Written	During Phase III B
4	Final Implementation and Transition Plan	Written	Completed
5	Requirements Trace Document	Written	During Phase III B
6	Draft Business Rules Document	Written	Completed
7	Draft Interface Control Documents	Written	Completed
8	Final Data Migration Plan	Written	Completed
9	Preliminary System Design Document	Written	During Phase III B
10	Final Master Test Plan	Written	During Phase III B
11	Final Interface Control Documents	Written	Completed
12	Final System Design Document	Written	During Phase III C
13	Final Go-Live Plan	Written	Completed
14	Final Business Rules Document	Written	Completed
15	Draft Standard Operating Procedures	Written	During Phase III B
16	Draft Reports Manual	Written	During Phase III A
17	Final Suspension of Operations Plan	Written	During Phase III C
18	Draft User Manuals	Written	Completed
19	Final Disaster Recovery Plan & Business Continuity Plan	Written	During Phase III B & C
20	Final Training Plan	Written	Completed
21	Final User Manuals	Written	During Phase III C
22	Final Reports Manual	Written	During Phase III C
23	Final Standard Operating Procedures	Written	During Phase III C
24	Initial System Test Completion*	Written/Test	Removed
25	Interface & Commissioning Test Completion*	Written/Test	During Phase III B
26	Data Migration & Go-Live Completion*		During Phase III A & B
27	Final Acceptance*		During Phase III C
28	Retainage Released**	5.00%	

*Completion shall be based on approval by NHDOT

**Retainage Released after all final items, including satisfactory completion of all documentation, punch list issues are delivered, approved and closed.

*Final due dates will be set based on Cubic Project Schedule approved by NHDOT.

STATE OF NEW HAMPSHIRE
 Department of Transportation
 Bureau of Turnpikes
 RFP 2015-068
 Back Office Systems to Support Electronic Tolling, Video
 Tolling & Violation Processing
 CONTRACT AMENDMENT 1

5. Exhibit B of the Agreement, Section 1.2 Summary Cost Detail is hereby replacing the payment structure Table 1.5 Project Delivery Detail Cost Phase I – III under this section with the following table. This modifies the deliveries and milestones to reflect the actual status of the project. The changes result in no increase to the Contract cost.

Table 1.5 Project Delivery Detail Cost Phase I – III-C

Original Item No.	Deliverable/Milestone	Percent Payment**	Cumulative Gross Payment %	Payment Minus Retainage	Cumulative Net Payment	Pmt Amt	Cum Pay Amt
Total Cost Phase I - III						\$9,500,000	
Initial Project Startup		6.00%					
1	Notice to Proceed/Performance Bond	5.00%	5.00%	4.75%	4.75%	\$451,250.00	\$451,250.00
2	Project Schedule (Baseline)	1.00%	6.00%	0.95%	5.70%	\$90,250.00	\$541,500.00
Phase III A Provisional Go-Live		41.00%					
6	Draft Business Rules Document	5.00%	11.00%	4.75%	10.45%	\$451,250.00	\$992,750.00
7	Draft Interface Control Documents	2.00%	13.00%	1.90%	12.35%	\$180,500.00	\$1,173,250.00
8	Final Data Migration Plan	2.00%	15.00%	1.90%	14.25%	\$180,500.00	\$1,353,750.00
14	Final Business Rules Document	2.00%	17.00%	1.90%	16.15%	\$180,500.00	\$1,534,250.00
20	Final Training Plan	2.00%	19.00%	1.90%	18.05%	\$180,500.00	\$1,714,750.00
24	Initial System Test Completion	0.00%	19.00%	0.00%	18.05%	\$0.00	\$1,714,750.00
NEW	Provisional Go-Live	5.00%	24.00%	4.75%	22.80%	\$451,250.00	\$2,166,000.00
26	Data Migration & Go-Live Completion	8.00%	32.00%	7.60%	30.40%	\$722,000.00	\$2,888,000.00
16	Draft Reports Manual	2.00%	34.00%	1.90%	32.30%	\$180,500.00	\$3,068,500.00
NEW	RTM requirements deployed in production.	13.00%	47.00%	12.35%	44.65%	\$1,173,250.00	\$4,241,750.00

STATE OF NEW HAMPSHIRE
Department of Transportation
Bureau of Turnpikes
RFP 2015-068
Back Office Systems to Support Electronic Tolling, Video
Tolling & Violation Processing
CONTRACT AMENDMENT 1

Phase III B Stabilization (including documentation)						33.00%	
9	<i>Preliminary (Go-Live) System Design Document</i>	3.00%	50.00%	2.85%	47.50%	\$270,750.00	\$4,512,500.00
3	<i>Final Project Management Plan</i>	2.50%	52.50%	2.38%	49.88%	\$225,625.00	\$4,738,125.00
10	<i>Final Master Test Plan</i>	2.50%	55.00%	2.38%	52.25%	\$225,625.00	\$4,963,750.00
11	<i>Final Interface Control Documents</i>	2.00%	57.00%	1.90%	54.15%	\$180,500.00	\$5,144,250.00
5	<i>Requirements Trace Document</i>	1.00%	58.00%	0.95%	55.10%	\$90,250.00	\$5,234,500.00
13	<i>Final Implementation and Transition Plan (including Go-Live Plan)</i>	5.00%	63.00%	4.75%	59.85%	\$451,250.00	\$5,685,750.00
26	<i>Data Migration & Go-Live Completion</i>	2.00%	65.00%	1.90%	61.75%	\$180,500.00	\$5,866,250.00
18	<i>Draft User Manuals</i>	2.00%	67.00%	1.90%	63.65%	\$180,500.00	\$6,046,750.00
19	<i>Final Disaster Recovery Plan & Business Continuity Plan</i>	1.00%	68.00%	0.95%	64.60%	\$90,250.00	\$6,137,000.00
23	<i>Draft Standard Operating Procedures</i>	3.00%	71.00%	2.85%	67.45%	\$270,750.00	\$6,407,750.00
NEW	Stabilization OST (regression + new functionality)	4.00%	75.00%	3.80%	71.25%	\$361,000.00	\$6,768,750.00
NEW	Stabilization Functionality per RTM Go-Live	5.00%	80.00%	4.75%	76.00%	\$451,250.00	\$7,220,000.00
Phase III C -Final Acceptance (including documentation)						20.00%	
17	<i>Final Suspension of Operations Plan</i>	2.00%	82.00%	1.90%	77.90%	\$180,500.00	\$7,400,500.00
12	<i>Final System Design Document</i>	3.00%	85.00%	2.85%	80.75%	\$270,750.00	\$7,671,250.00
19	<i>Final Disaster Recovery Plan & Business Continuity Plan</i>	1.00%	86.00%	0.95%	81.70%	\$90,250.00	\$7,761,500.00
21	<i>Final User Manuals</i>	3.00%	89.00%	2.85%	84.55%	\$270,750.00	\$8,032,250.00
NEW	Post-Stabilization Spirals 8-10	2.00%	91.00%	1.90%	86.45%	\$180,500.00	\$8,212,750.00
22	<i>Final Reports Manual</i>	1.00%	92.00%	0.95%	87.40%	\$90,250.00	\$8,303,000.00
23	<i>Final Standard Operating Procedures</i>	2.00%	94.00%	1.90%	89.30%	\$180,500.00	\$8,483,500.00
26	<i>Data Migration & Go-Live Completion</i>	0.00%	94.00%	0.00%	89.30%	\$0.00	\$8,483,500.00
NEW	Post-Stabilization Spirals 11-12	1.00%	95.00%	0.95%	90.25%	\$90,250.00	\$8,573,750.00
25	<i>Interface & Commissioning Test Completion</i>	2.00%	97.00%	1.90%	92.15%	\$180,500.00	\$8,754,250.00
27	<i>Final Acceptance</i>	3.00%	100.00%	2.85%	95.00%	\$270,750.00	\$9,025,000.00
28	<i>Retainage Released</i>	5.00%		5.00%	100.00%	\$475,000.00	\$9,500,000.00

6. Exhibit B Section 1.6 Cubic Operational Cost is hereby amended by replacing Table 1.6.2 Cubic Operational Cost for FY 18 with the following table. This revised Maintenance cost structure shall only be utilized for FY 18 and shall be void as of June 30, 2018. On July 1, 2018 the Agreement will revert back to the original contract payment structure for Operations & Maintenance, unless further revised by the Parties.

The revised Operation and Maintenance cost structure is determine by taking the overall contract FY 18 O&M excluding Pass Through costs then multiplying the percentage complete (60%) to determine the nine (9) month total cost. The 40% of the uncompleted work is then portioned out into the Spirals depending on the impact of the enhancement. The total monthly O&M payment is determine by the monthly cost plus any additional cost for the implementation of the Spirals as shown in the Table 1.6.2 below.

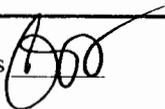
Cubic shall be eligible to receive the O&M payment increase related to a Spiral Release after the Department tests, approves and Spiral is release into Production, including any system reporting in accordance with the

STATE OF NEW HAMPSHIRE
Department of Transportation
Bureau of Turnpikes
RFP 2015-068
Back Office Systems to Support Electronic Tolling, Video
Tolling & Violation Processing
CONTRACT AMENDMENT 1

terms of this Agreement relating to approval of deliverables. A Spiral Release will be considered final, and therefore eligible for payment, after it is provided to the Department for pre-production testing and approved for release to Production. After the Spiral is moved to Production, the Department will perform Post-Production testing and acceptance. The Parties agree that the Department shall have at least two weeks to review and test the Spiral Pre-Production before determining whether it should be approved and placed into Production. The Department will also be performing Post-Production testing for at least two week for acceptance of the Spiral.

All Spirals shall be implemented as noted in the table and the approved Revised Project Schedule. If a Spiral Release is delayed or not approved, the Department shall not make the O&M payment increase to Cubic for that month and shall not make any back payments after the Spiral is complete. If a Spiral is completed earlier than expected, the O&M payment will be moved ahead but will also be removed from later months at the end of the FY so the Sub-Total Cost of O&M will not change. In no event will the total amount of O&M excluding Pass Through payments to Cubic for FY 2018 exceed \$5,748,962.32.

If during Post-Production testing and prior to acceptance, system defects associated with the Spiral are detected the Department reserves the right to reduce subsequent O&M payments related to the Spiral in addition to assessing KPIs.



STATE OF NEW HAMPSHIRE
Department of Transportation
Bureau of Turnpikes
RFP 2015-068
Back Office Systems to Support Electronic Tolling, Video
Tolling & Violation Processing
CONTRACT AMENDMENT 1

FY 18 Operation and Maintenance												
Description	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	Total		
O&M cost	\$383,264.15	\$383,264.15	\$383,264.15	\$383,264.15	\$383,264.15	\$383,264.15	\$383,264.15	\$383,264.15	\$383,264.15	\$3,449,377.39		
Spiral Release 1	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$90,000.00		
Spiral Release 2	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$90,000.00		
Spiral Release 3	\$0.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$200,000.00		
Spiral Release 4	\$0.00	\$29,584.93	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$204,584.93		
Spiral Release 5	\$0.00	\$0.00	\$75,000.00	\$75,000.00	\$75,000.00	\$75,000.00	\$75,000.00	\$75,000.00	\$75,000.00	\$525,000.00		
Spiral Release 6	\$0.00	\$0.00	\$0.00	\$75,000.00	\$75,000.00	\$75,000.00	\$75,000.00	\$75,000.00	\$75,000.00	\$450,000.00		
Spiral Release 7	\$0.00	\$0.00	\$0.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$210,000.00		
Spiral Release 8	\$0.00	\$0.00	\$0.00	\$0.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$175,000.00		
Spiral Release 9	\$0.00	\$0.00	\$0.00	\$0.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$75,000.00		
Spiral Release 10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$140,000.00		
Spiral Release 11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$40,000.00		
Spiral Release 12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$100,000.00		
O&M Sub-Total Cost	\$403,264.15	\$457,849.08	\$528,264.15	\$638,264.15	\$688,264.15	\$758,264.15	\$758,264.15	\$758,264.15	\$758,264.15	\$5,748,962.32		

**STATE OF NEW HAMPSHIRE
Department of Transportation
Bureau of Turnpikes
RFP 2015-068**

**Back Office Systems to Support Electronic Tolling, Video
Tolling & Violation Processing
CONTRACT AMENDMENT 1**

7. Exhibit M Addendum 1 issued January 22, 2015, Reference # 22 referred to RFP Appendix C-1.5.8.2 Key Performance Indicators (KPI), Table C-9 Key Performance Indicators column Required Performance is hereby amended to add the following table for Fiscal Year 18:

The FY 2018 KPI Required Performance table below is broken out by Pre-Spiral Release and Post Spiral Release. The KPI Required Performance listed under "Pre-Spiral Release" shall be assessed for the month the contract amendment is approved and each month thereafter until the applicable Spiral Release is approved. The Post Spiral Release KPI will be reported for the month after the designated Spiral Release is approved by the Department and placed in production. A Spiral Release can also change the KPI Required Performance, for example Required Performance # 3 will change from 70% to 90% after Spiral 4 is approved. The Post Spiral Release noted in the table is based on the Addendum # 1. Starting in Fiscal Year 19 (beginning July 1, 2018) all KPI's will be assessed per the Contract, regardless of the status of Spiral Releases.

Table C-9 Key Performance Indicators for FY 2018

#	Required Performance	KPI Category	Pre Spiral Release	Post Spiral Release	Spiral Release
1	Phone System Availability shall be 99.9% or greater. Pre-Spiral Release will be based on Call Center's hours of Operation. Post-Spiral release will be based on 24/7 availability	System	99.9%	99.9%	Spiral 6
2	Correctly handle of all data entry and each activity for Customer interactions at required percentage.	Customer Satisfaction	90%	98.0%	Spiral 6
3	90% of all images identified for manual image review to be processed within 1 day of the transaction and images received at the BOS.	Image Review	70.0%	90.0%	Spiral 4
4	100% of all images identified for manual image review to be processed within 3 days of the transactions and images are received at the BOS.	Image Review	80.0%	100.0%	Spiral 4
5	100% of Customer transponder orders for the month are sent within 2 days of receipt of the order	Fulfillment	95.0%	100.0%	Spiral 4
6	100% of transponder status changes (e.g. lost/ stolen/ new) are updated within 1 day of request; or immediately when received by phone or in person	Fulfillment	95.0%	100.0%	Spiral 6

STATE OF NEW HAMPSHIRE
Department of Transportation
Bureau of Turnpikes
RFP 2015-068

**Back Office Systems to Support Electronic Tolling, Video
Tolling & Violation Processing
CONTRACT AMENDMENT 1**

7	Daily Revenue reconciliation – 100% of all revenues posted and payments received as reported by the Toll System reconciled with the system within 3 days	Financial	3	3	Spiral 4
8	100% of all financial and transactional monthly reports are available, reviewed and reconciled within 10 days after month end.	Reporting	10	10	
9	Produce the daily settlement reports & request for transfer of funds data within 1 day of the close of the business day.	Reporting	3	1	Spiral 4
10	100% of the operational reports are accurately submitted to NHDOT within 10 calendar days of period end (including KPI reporting). Operational and KPI reporting will evolve over each Spiral implementation.	Reporting	15	10	Spiral 7
11	Complete investigation of all credit card charge backs within 3 days of report from credit card processor	Financial	3	3	Spiral 4
12	All credit card, cash, checks, or money orders reconciled by close of the following business day.	Financial	1	1	
13	Credit Card Processor statement reconciliation shall be completed by close of the following business day.	Financial	1	1	
14	Monthly reconciliation between bank statements, system, and trial balance shall be provided within 5 days of the calendar month end.	Financial	5	5	
15	Monthly reconciliation of settlement to agencies shall be provided within 5 days of the calendar month end.	Financial	7	5	Spiral 7
16	Produce reciprocity report and invoice to E-ZPass Group agencies by 13th day of each month.	Financial	15	13	Spiral 7
17	100% of PCI audits completed on time	Compliance	100.0%	100.0%	

STATE OF NEW HAMPSHIRE
Department of Transportation
Bureau of Turnpikes
RFP 2015-068

**Back Office Systems to Support Electronic Tolling, Video
Tolling & Violation Processing**
CONTRACT AMENDMENT 1

18	100% of SSAE16 compliance exceptions resolved within 5 Days of report, or within such other time period as agreed by NHDOT in the applicable remedial plan	Compliance	100.0%	100.0%	
19	Zero Privacy Breach -- Credit Card or Bank Account Data	Compliance	0	0	
20	Zero Privacy Breach -- Personal Account Information	Compliance	0	0	
21	Back Office System Availability shall be at required percentage.	Systems	99.5	99.982%	Spiral 6
22	Web System Availability shall be at the required percentage.	Systems	99.5	99.9%	Spiral 6
23	99.9% of NH transactions received from the Lane/ORT from the Normal or Class-Mismatch file are processed correctly and within 24 hours (Post-Spiral) and 48 hours (Pre-Spiral) from the point at which the transaction is received by the back office systems for posting.	Systems	99.9%	99.9%	Spiral 6
24	99.9% of all file transfers (i.e. IAG, DMV) are assembled and transmitted within 24 hours.	Systems	NA	99.9%	Spiral 7
25	Customer satisfaction <ul style="list-style-type: none"> • phone • walk-in • e-mail • web • secret shopper 	Customer Satisfaction	NA	85.0%	Spiral 8
26	Logging Toll or Violation disputes by entering into the toll system within 1 day of receipt of written complaints or disputes from the Customer or immediately when taken in person or over the phone	Violations	NA	99.9%	Spiral 6
27	95% of complaints, Toll and Unpaid Toll/Violation disputes are resolved within 3 days from the logging of the complaint (excludes DMV Hold transactions). Resolution is defined as performance	Customer Satisfaction	NA	95.0%	Spiral 6



STATE OF NEW HAMPSHIRE
Department of Transportation
Bureau of Turnpikes
RFP 2015-068

**Back Office Systems to Support Electronic Tolling, Video
Tolling & Violation Processing
CONTRACT AMENDMENT 1**

	consistent with the business rule.				
28	All Toll and Unpaid Toll/Violation disputes are resolved within 5 days (excludes DMV hold transactions). Resolution is defined as performance consistent with the business rule.	Violations	NA	100.0%	Spiral 6
29	Speed of Answer – 95% of calls received are answered within 180 seconds of accessing the queue to speak to a CSR	Customer Satisfaction	75%	95.0%	Spiral 5
30	Speed of Answer (DMV Holds) –85% of calls received are answered within 60 seconds of accessing the queue to speak to a CSR	Customer Satisfaction	NA	85.0%	Spiral 6
31	Customer wait time does not exceed 10 minutes. Pre-Spiral this cannot be measured, however staffing levels shall be maintained to strive to meet this target.	Customer Satisfaction	NA	10	Spiral 6
32	98% of all license plate transactions processed through manual image review identified correctly by the manual image review process (correct vehicle plate, state and type; or, correct code off codes identified)	Image Review	NA	98.0%	Spiral 4
33	95% of all manual image review “reason codes” are assigned correctly to the image	Image Review	NA	95.0%	Spiral 4
34	100% of statements, invoices, and Violation Notices mailed or emailed within the document generation date (as set out by NHDOT for issuing the statement, invoice or Violation Notice)	Notice	NA	100 %	Spiral 7
35	Notice of payment failure sent to Customers with a failed payment (including automatic payment) within 1 day of the Contractor receiving notification of failure	Notice	NA	1	Spiral 2

STATE OF NEW HAMPSHIRE
Department of Transportation
Bureau of Turnpikes
RFP 2015-068

**Back Office Systems to Support Electronic Tolling, Video
Tolling & Violation Processing**
CONTRACT AMENDMENT 1

36	Request credit card and ACH replenishment and payments within 1 day of reaching replenishment threshold OR issue replenishment and payment notice to cash/check Customers within one day of reaching replenishment threshold.	Financial	NA	1	Spiral 2
37	100% of refunds issued within 10 days of the customer request date (as set out by NHDOT for issuing refunds)	Customer Satisfaction	NA	10	Spiral 7
38	Monthly reconciliation of all general ledger accounts on the trial balance shall be provided within 5 days of the calendar month end.	Financial	NA	5	Spiral 10
39	Monthly reconciliation of accounts receivable aging, trial balance, and account balances shall be provided within 5 days of the calendar month end.	Financial	NA	5	Spiral 10
40	97% of all Customer contact notes for the month have the correct reason code and notation recorded	Customer Satisfaction	NA	97.0%	Spiral 7
41	Contractor responsiveness to track and resolve maintenance support issues, and general requests from NHDOT.	Systems	NA	5	Spiral 7
42	Violation of internal procedures and/or controls. Reporting will be implemented in Spiral 6.	Compliance	0	0	Spiral 6
43	Zero violations internal controls as identified in the standard operating procedures and internal controls documentation. Reporting will be implemented in Spiral 6.	Compliance	0	0	Spiral 6
44	Load Time shall not exceed 5 seconds, where Load Time is the time required to load existing Customer information after the Customer's or video account number, vehicle plate, or other identifying characteristic has been entered by a system user.	Systems	NA	5	Spiral 6



STATE OF NEW HAMPSHIRE
 Department of Transportation
 Bureau of Turnpikes
 RFP 2015-068
 Back Office Systems to Support Electronic Tolling, Video
 Tolling & Violation Processing
 CONTRACT AMENDMENT 1

45	Save Time shall not exceed 5 seconds, where Save Time is the time required to save updated information.	Systems	NA	5	Spiral 6
46	More than 85% of phone or in-person complaints are resolved at first Customer contact such that no additional contact with the Customer is required to address the specific complaint	Customer Satisfaction	NA	85.0%	Spiral 7
47	100% of all unpaid transactions are escalated through the invoice and violation process accurately at the point in time as defined by the business rules	Violations	NA	100.0%	Spiral 7
48	Content updates to the static pages on the Website which do not require coding or functionality change are accurately implemented within 1 day of notification and within 1 day of approval by NHDOT	Systems	NA	1	Spiral 1

8. Exhibit M NHDOT RFP 2015-068 (with Addenda) Incorporated is hereby amended to add the following:

Lost revenue for FY 18. During FY 18 Cubic shall document and report all lost revenue on a monthly basis. At the end of the Fiscal Year lost revenue shall be reviewed by the Department from the effective date of this Contract Amendment to June 30, 2018 to make a determination if the lost overall revenue will be reimbursable to the Department pursuant to the terms of this Agreement. Notwithstanding any language in this section, the Department retains the full authority to assess lost revenue damages against Cubic at any time if the Department determines that it has suffered lost revenue as a result of the acts or omissions of Cubic in its performance of this Agreement.

9. The Agreement is hereby amended to add Exhibit P Back Office System Contract Amendment Descriptions as follows:

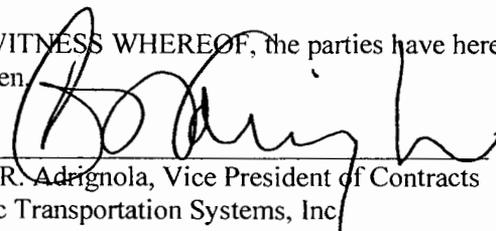
CONTRACT AND AMENDMENT NUMBER	AMENDMENT TYPE	EFFECTIVE DATE	CONTRACT AMOUNT
	Original Contract	October 7, 2015 through June 30, 2021	\$51,889,724.83
Amendment # 1	Amendment 01	G&C approval date through June 30, 2018	\$0.00
	CONTRACT TOTAL		\$51,889,724.83

STATE OF NEW HAMPSHIRE
Department of Transportation
Bureau of Turnpikes
RFP 2015-068

Back Office Systems to Support Electronic Tolling, Video
Tolling & Violation Processing
CONTRACT AMENDMENT 1

Except as provided herein, all provisions of the Agreement shall remain in full force and effect. This modification shall take effect upon the approval date from the Governor and the Executive Council.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.



Date: 10/5/2017

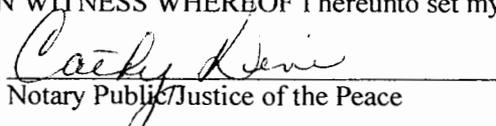
Carl R. Adrignola, Vice President of Contracts
Cubic Transportation Systems, Inc

Corporate Signature Notarized:

STATE OF California COUNTY OF San Diego

On this the 5th day of October, 2017, before me,
Cathy Dine, Notary Public, the undersigned Officer Carl R. Adrignola,
personally appeared and acknowledged her/himself to be the Vice President, Contracts,
of Cubic Transportation Systems, Inc., a corporation, and that she/he, as such
Vice President, Contracts being authorized to do so, executed the foregoing instrument for
the purposes therein contained, by signing the name of the corporation by her/himself as
Vice President, Contracts.

IN WITNESS WHEREOF I hereunto set my hand and official seal.


Notary Public/Justice of the Peace

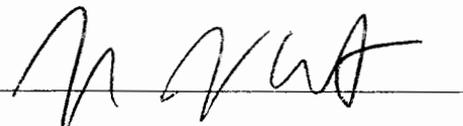
My Commission Expires: June 13, 2018

(SEAL)



Victoria Sheehan, PE
Commissioner
State of New Hampshire
Department of Transportation

Date: 10/9/17

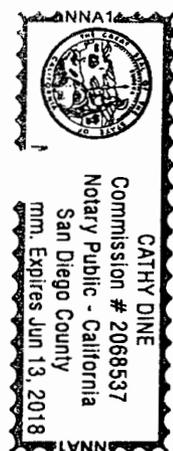


Approval by Attorney General Office

Date: 10/11/17

Date: _____

Approval by the Governor and Council



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.



TRANSPORTATION SYSTEMS

CUBIC TRANSPORTATION SYSTEMS, INC.

INCUMBENCY CERTIFICATE

I, David A. Jenkins, Vice President, General Counsel & Secretary of Cubic Transportation Systems, Inc., a California corporation (the "Corporation"), certify that, as such Officer, (a) I have access to all of the original records of the Corporation and that **Carl R. Adrignola** has been duly elected to, and on this date holds the office of Vice President Contracts, and (b) pursuant to a resolution by the Board of Directors of this Corporation effective January 30, 2017, is authorized to execute and deliver, in their discretion, on behalf of the Corporation contracts or agreements in connection with the State of New Hampshire Department of Transportation Back Office Systems to Support Electronic Tolling, Video Tolling and Violation Processing, Bureau of Turnpikes – Contract RFP 2015-068. I further certify that said resolution is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal as Secretary of the Corporation this 5th day of October, 2017.



David A. Jenkins
Vice President, General Counsel & Secretary

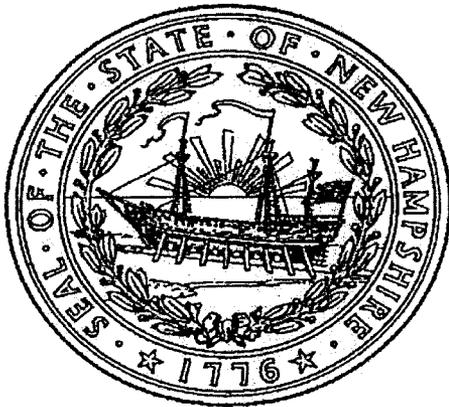
State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CUBIC TRANSPORTATION SYSTEMS, INC. is a California Profit Corporation registered to transact business in New Hampshire on June 30, 2015. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 728366



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 27th day of September A.D. 2017.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State



ADDITIONAL REMARKS SCHEDULE

AGENCY Arthur J. Gallagher & Co.		NAMED INSURED Cubic Transportation Systems, Inc. A Subsidiary of Cubic Corporation 5650 Kearny Mesa Road San Diego CA 92111	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE**

Property Limit: \$1,000,000
 RE: Contract RFP 2015-068
 Evidence of Insurance with respects to operations of the Named Insured.
 Insurance carrier shall endeavor to provide the State of New Hampshire Department of Transportation, Bureau of Turnpikes
 no less than thirty (30) days prior written notice of cancellation of the policy by the issuer, except for cancellation
 due to the non-payment of premium.



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



Beaudin
25

WILLIAM CASS, P.E.
ASSISTANT COMMISSIONER

September 18, 2015
Bureau of Turnpikes

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

- Pursuant to RSA 237:15-a, Transfers from the General Reserve Account, authorize the Department of Transportation, Bureau of Turnpikes to transfer funds in the amount of \$4,500,000 from the Turnpike General Reserve Account to budget and expend revenue for the design, testing, installation and consultant oversight of the NH E-ZPass Back Office for the Division of Operations, to be effective upon Governor and Council approval through June 30, 2016 and the amount requested for the FY 2017 budget. 100% Turnpike Funds.

FROM: 04-096-096-961017-363615-0000 Turnpike Fund Balance \$4,500,000

04-096-096-961017-70500000	Current Budget FY 2016	Requested Change	Revised Budget FY 2016
Tpk Toll Collection			
Expenses:			
020 500200 Current Expense	\$2,500,000	\$0	\$2,500,000
022 500255 Rents-Leases Other than State	1,500	0	1,500
023 500291 Heat, Electricity, Water	18,510	0	18,510
024 500225 Maint Other than Bldg-Grnds	3,950,162	0	3,950,162
026 500251 Membership Fees	75,000	0	75,000
046 500463 Eng Consultants Non-Benefits	3,500,000	3,150,000	6,650,000
080 500710 Out of State Travel	9,000	0	9,000
102 500731 Contracts for Program Svcs	8,506,063	0	8,506,063
103 502664 Contracts for Operational Svcs	8,900	0	8,900
Total	\$18,569,135	\$3,150,000	\$21,719,135
Source of Funds			
Revenue:			
000017 Turnpike Fund	\$18,569,135	\$3,150,000	\$21,719,135

04-096-096-961017-70500000	Budget Request FY 2017	Requested Change	Revised Budget Request FY 2017
Tpk Toll Collection			
Expenses:			
020 500200 Current Expense	\$2,600,000	\$0	\$2,600,000
022 500255 Rents-Leases Other than State	1,500	0	1,500
023 500291 Heat, Electricity, Water	18,510	0	18,510
024 500225 Maint Other than Bldg-Grnds	2,100,000	0	2,100,000
026 500251 Membership Fees	75,000	0	75,000
046 500463 Eng Consultants Non-Benefits	1,500,000	1,350,000	2,850,000
080 500710 Out of State Travel	9,000	0	9,000
102 500731 Contracts for Program Svcs	7,900,000	0	7,900,000
103 502664 Contracts for Operational Svcs	9,200	0	9,200
Total	\$14,213,210	\$1,350,000	\$15,563,210
Source of Funds			
Revenue:			
000017 Turnpike Fund	\$14,213,210	\$1,350,000	\$15,563,210

The unaudited Turnpike Fund Balance Surplus account as of June 30, 2015 was \$76.6 million, and is projected to be \$39.7 million as of June 30, 2016. See attached.

2. Authorize the Department of Transportation to enter into a contract with Cubic Transportation Systems, Inc. (Vendor #267136) in the amount of \$51,889,724.83 for design, testing, installation and maintenance services for the operation of the NH E-ZPass Back Office for the Turnpike System within the Division of Operations effective upon Governor and Council approval, through June 30, 2021 with an option to renew, at the sole discretion of the State, for up to three (3) additional three (3) year optional operation periods up to, but not beyond June 30, 2030, subject to Governor and Council approval. 100% Turnpike Funds.

Funds to support this request are anticipated to be available in the following accounts in State FY 2018, State FY 2019, State FY 2020 and State FY 2021 upon the availability and continued appropriation of funds in the future operating budget, with the ability to adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified.

	<u>FY 2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
04-096-096-961017-7050 Consultants 046-500463	\$6,650,000.00	\$2,850,000.00				
04-096-096-961017-7050 Credit Card Processing Services 020-500205		\$1,149,336.70	\$1,406,788.08	\$1,434,923.88	\$1,463,622.36	\$1,492,894.80
04-096-096-961017-7050 Contract Services 102-500731		\$4,817,712.52	\$7,687,841.03	\$7,511,094.86	\$7,616,184.11	\$7,809,326.49
Fiscal Year Totals	\$6,650,000.00	\$8,817,049.22	\$9,094,629.11	\$8,946,018.74	\$9,079,806.47	\$9,302,221.29

EXPLANATION

Transfer from General Reserve Account to NH Turnpike Toll Collection (70500000) – 100% Turnpike Funds:

Class 046 FY 2016: Increase Class 046 in Accounting Unit 7050 by \$3,150,000. This transfer will allow for payment of FY 2016 contract expenditures for the new Back Office system development, expected to begin in October, 2015. This account was budgeted in FY 2016 but the amount of the contract exceeds the budget.

Class 046 FY 2017: Increase Class 046 in Accounting Unit 7050 by \$1,350,000. This transfer will allow for payment of FY 2017 contract expenditures for the new Back Office system development. This account was budgeted in FY 2017 but the amount of the contract exceeds the budget.

RSA 237:16-b as amended in 2001 authorized the Department to participate in a regional Electronic Toll Collection system (E-ZPass). Governor and Council on August 22, 2001 authorized the Department to enter into an Interagency Group (IAG) agreement to implement electronic toll collection in a manner that provides a seamless toll system for motorists and commercial operators along the eastern seaboard of the United States.

A Back Office System to Support Electronic Tolling, Video Tolling and Violation Processing is necessary to continue to operate the E-ZPass system. The above referenced contract involves engaging Cubic Transportation Systems Inc. to perform design, testing, installation, maintenance and operation services for the NH E-ZPass Back Office for the Turnpike System within the Division of Operations. This request specifically addresses the procurement of the Back Office System (BOS) and Customer Service Center (CSC) and their related maintenance and operation services under RFP 2015-068.

The initial portion of the contract is estimated to be 14 months and involves the design, development, testing and installation of an enhanced BOS system and CSC with the following project goals as described in the RFP.

- Goal 1 – Procure a hosted back office platform which is sustainable and scalable for a minimum of 14 years (the maximum life of this contract).
- Goal 2 – Transition from the existing legacy system with minimal impact to operations and impacts to patrons.
- Goal 3 – Provide call center and back office operations supported locally.
- Goal 4 – Ability for greater adaptation to meet MAP-21 mandates.
- Goal 5 – Incorporate streamlined processes for capturing customer information, tracking violations through their lifecycle and license plate updates.
- Goal 6 – Ability to identify and to pursue multiple plate types with special characters.
- Goal 7 – Ability to pursue out-of-state violators with the potential to utilize registration holds with the corresponding DMVs.
- Goal 8 – Redesign the www.ezpassnh.com website to be more customer friendly and interactive.

The BOS system will specifically be designed and developed to support the management of NH E-ZPass accounts, including fund management on behalf of the Department; process and reconcile all in-state and out-of-state toll revenue collected, including financial reconciliation and reciprocity with other E-ZPass agencies within the Inter Agency Group; administer invoicing/violation processing for unpaid transactions; manage the transponder inventory and purchase and sale of transponders; integrate all functions of a customer call center; manage the operation of the E-ZPass walk-in-centers; and host and manage the NH E-ZPass website. The BOS system will be designed, developed, tested and installed by September 1, 2016. The current vendor, Xerox, will continue to operate the existing legacy system and is retained to support the data migration under their existing contract during the transition period. The current Xerox contract expires on September 30, 2016.

In addition to the deployment of the enhanced BOS, the second portion of the contract includes operation and maintenance of the NH E-ZPass BOS, including a locally established and operated CSC. The scope of services includes but is not limited to account maintenance, invoice and violation processing, reciprocity file management, website maintenance, customer service support and operation of three Walk-in-Centers.

Working closely with Jacobs Engineering, the Turnpike Systems' Tolling Services consultant, to incorporate best practices in back office systems and customer service, the Bureau of Turnpikes developed the RFP using a best value procurement approach with the technical proposal and cost proposal apportioned at 70% and 30% respectively. The combined implementation and maintenance contract will be a fixed price contract for an approximate 6-year term beginning upon G&C approval and ending June 30, 2021, with the option, at the sole discretion of the State, to extend for up to three 3-year terms up to but not beyond June 30, 2030. The Department of Information Technology reviewed and approved the RFP on December 9, 2014.

On December 9, 2014, the Department publicly advertised the subject RFP. During the response period, the Department conducted a Vendor Conference for all vendors who responded with intent to submit and entertained questions and/or inquiries from the Vendors. Proposals were received from the following vendors in accordance with the requirements for submission, including the stipulated deadline of February 13, 2015:

VENDOR NAME

- Cubic Transportation Systems, Inc., San Diego, CA
- Egis Projects, Inc., Orlando, FL
- Xerox State & Local Solutions, Inc., Germantown, MD

Proposals from each vendor were reviewed by the Back Office Procurement RFP Selection Committee along with technical review support by the Bureau of Turnpikes' consultant, Jacobs Engineering. On April 7th and 8th of 2015, the Selection Committee held interviews with the three vendor teams, where each team conducted a presentation describing their team, capabilities, and pertinent aspects of their proposal; provided answers to a specific set of questions targeting each proposal; demonstrated their product; and participated in an open question and answer period. Following the interviews on April 8, 2015, the Selection Committee met to discuss the Vendor Interviews and finalize the ratings of the Proposals. The Selection Committee was comprised of Bureau of Turnpikes Assistant Administrator (RFP's Project Manager), Bureau of Turnpikes E-ZPass Program Manager, Bureau of Turnpikes Business Administrator, Bureau of Finance & Contracts' Administrator III, Commissioner's Office Assistant Director of Project Development, and Department of Information Technology IT Project Manager.

Following the interviews, the Selection Committee met to discuss the Vendor Interviews and finalize the ratings of the Proposals using the table below.

CATAGORIES	POINTS
TECHNICAL PROPOSAL with the following potential maximum scores for each Technical Proposal category;	70
<i>Proposed Back Office System Design and Technical</i>	<i>20</i>
<i>Back Office Service and Operations Approach</i>	<i>15</i>
<i>Firms Qualifications, Project Team, Capabilities and References</i>	<i>20</i>
<i>Implementation, Transition and Delivery Approach</i>	<i>15</i>
*PRICE PROPOSAL POTENTIAL MAXIMUM POINTS	30
<i>Deployment/Implementation</i>	<i>15</i>
<i>Operations</i>	<i>15</i>
TOTAL POTENTIAL MAXIMUM POINTS AWARDED	100

*The following formula was used to assigned points for the price proposal: Vendor's Price Score = (Lowest Proposed Price/Vendor's Proposed Price) x 15.

Based on the above mentioned analysis, the Selection Committee identified all three (3) vendors with technical scores exceeding 49 and worthy of consideration in the selection process. The table on the subsequent page outlines the Committee's technical scoring, each firm's base price proposal, corresponding price score and total score.

On April 23, 2015, the Department sent a Best and Final Offer (BAFO) request to Cubic requesting they review the following four items within their price proposal. Cubic's response was due on Friday, May 8, 2015.

- o Confirmation that Cash Payment and Reload Card cost was included in the contract.
- o Re-evaluation and potential cost reduction for BOS Design, Development, & Implementation which was the highest among all vendors.
- o Re-evaluation and potential cost reduction for Operational costs associated with Post-paid accounts (invoice/violation license plate processing) which were highest among all vendors.
- o Consideration to increase based fixed monthly cost from 350,000 accounts to 400,000 accounts while maintaining Cubic's original proposed fixed and variable costs for Pre-Paid IAG Account Maintenance.

Cubic returned their BAFO on Thursday, May 7, 2015. On Tuesday, May 19, 2015 the Department sent a follow up memo requesting a change in their BAFO's database system from Postgue SQL to Oracle and asked Cubic to make any necessary changes to their May 7th, BAFO. Cubic returned their final BAFO on Wednesday, May 20, 2015 with a change in the database system to Oracle and reduction in their overall Deployment and Operational Costs of \$3,299,842 from \$45,499,982 to \$42,200,140. The following table outlines the revise pricing based on Cubic's BAFO and also includes the "Pass Through" costs included in all the proposals. Per the RFP, Pass Through costs were not part of the Selection Committee's scoring. Pass through costs consist of Telephone fees, Cash Payment Network Fees, Credit Card fees, Postage fees, and other Communication fees.

Vendor	Tech. Score	Cost Score	Total Score	Deployment/ Implementation Price	Operations Price	Total Price for Deployment/ Implementation & Operations Cost	Pass Through Cost	Contract Total Price
Cubic	60.3	20.5	80.8	\$9,500,000 (BAFO)	\$32,700,140 (BAFO)	\$42,200,140 (BAFO)	9,689,584	\$51,889,724 (BAFO)
Egis	61.6	19.1	80.7	\$8,821,290	\$43,247,277	\$52,068,567	5,641,990	\$57,710,557
Xerox	50.4	29.7	80.1	\$4,406,071	\$34,183,839	\$38,589,910	9,754,622	\$48,344,532

Cubic's response to the four items noted in the BAFO resulted in a favorable reduction in the overall cost as described below:

- Cubic concurred that their price proposal included all design, development, testing and implementation of the Cash Payment Network and Reload Card. They will be utilizing InComm, who is presently operating in the E-ZPass Group.
- Cubic reduced the BOS Design, Development, & Implementation cost by \$2,500,111 from \$9,198,549 to \$6,698,438.
- Cubic reduced their price for the fixed and variable unit costs under the Post-paid accounts (invoice/violation license plate processing). This resulted in a reduction of the total cost over the 58-month maintenance period of \$1,859,958 from \$12,808,777 to \$10,948,819.

- Cubic also increased the account limit for the Pre-Paid E-ZPass Account Maintenance from 350,000 to 400,000 which results in a reduction in average cost per account over the 5-year term of Operations and Maintenance of approximately 5% per account.

Overall the Cubic system is highly configurable and adaptable, which will reduce the potential for change orders over the course of the contract term. This will allow the Bureau of Turnpikes to be more adaptive to future changes such as new interfaces and to support national tolling interoperability, other state DMV's for address lookup, violation processing reciprocity and DMV Holds. The Cubic system provides for strong financial controls allowing for the tracking, reconciliation and reporting of the financial history of transactions, particularly unpaid transactions. It will also provide Bureau of Turnpikes' Finance Section with a general ledger as well as the ability to interface with the Department's Financial System (Lawson) in an automated fashion. The Cubic system is user friendly for various users of the BOS system to address customer service matters, financials, reconciliation of files, alerts to the customer service representatives, as well as includes ad-hoc reporting queries utilizing user friendly 'drag and drop' type functions. Additional benefits include the ability for full system access to be achieved via a single interface using a web browser.

Cubic has sub-contracted with AECOM to operate the CSC, which will be located in Concord and will provide the creation of over 50 jobs in New Hampshire, including enhanced staffing at the Walk-in-Centers. Cubic will also provide a significant level of management staff locally, including the Project Manager, Operations Manager and Finance Manager all residing in New Hampshire with 100% time commitment to the project. AECOM has over 20 years of tolling experience in the customer service business including E-ZPass transaction processing, video billing, invoice/violation processing, DMV Hold, mailroom, and lockbox.

Based on the scoring and the above information, the Department requests approval to enter into a contact with Cubic Transportation System Inc. for an approximate 6-year term ending on June 30, 2021 with the option at the sole discretion of the State to extend for up to three 3-year terms up to but not beyond June 30, 2030.

This Contract has been approved by the Attorney General as to form and execution. The Department has verified that the necessary funds are available. Copies of the fully executed contract are on file at the Secretary of State's Office and the Department of Administrative Services, and subsequent to Governor and Council approval will be on file at the Department of Transportation.

It is respectfully requested that this resolution be approved.

Sincerely,



William Cass, P.E.
Assistant Commissioner

Attachment: Proposal Scoring summary

cc: C. Waszczuk
B. Janelle
J. Corcoran