



CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

To: Marilynne Beard, Interim City Manager

From: Tracey Dunlap, Director of Finance & Administration
Barry Scott, Purchasing Agent

Date: June 29, 2010

Subject: REQUEST FOR WAIVER OF COMPETITIVE PROCESS– Consultant for Web-based Commute Management System

RECOMMENDATION:

It is recommended that the City Council pass a resolution to authorize a waiver of competitive purchasing process requirements and authorize the City Manager to execute a contract with Interact Soft, Inc., DBA iCarpool, to develop a Web-based Commute Management System.

BACKGROUND DISCUSSION:

Thang T. Nguyen, Transportation Engineer, has requested (Attachment A) that the City forego using the Request for Proposal process and contract with iCarpool of Issaquah, WA to develop a commute management system for the City.

iCarpool is the company that developed the RideshareOnline.com system for the Washington State Department of Transportation. RideshareOnline is being used by a number of cities, counties and other government agencies in the Puget Sound area. Our contract with iCarpool would be to develop enhancements to the existing RideshareOnline system to make it a more valuable tool for use by the City of Kirkland, as well as other current and future RideshareOnline users.

As iCarpool is the developer of the RideshareOnline system, they are the only firm that can legally alter the code to make the enhancements that we are seeking. (See attachment B.)

Federal grant funds are being used for this project and the estimated cost is \$160,000 - \$220,000.

This request is consistent with KMC 3.85.210, which allows for the purchase of goods or services in excess of \$50,000 without using a competitive process if the "purchase is clearly and legitimately limited to a single source or supply."



CITY OF KIRKLAND
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Attachment A

To: Barry Scott, Purchasing Agent

From: Thang T. Nguyen, Transportation Engineer

Date: July 17, 2010

Subject: GTEC- Totem Green Trip Project Contracting for Web-based Commute Management System

This memo describes the contracting process for selecting a consultant to develop and host a web-based commute management system for the Totem Green Trip (TGT) Project that includes ride-matching, commute tracking calendar, alternative mode suggestions, and incentive fulfillment and distribution in an integrated system of semi-independent modules.

Background

In 2006, the Washington State Legislature passed the Commute Trip Reduction Efficiency Act to update the CTR law that has been in effect since 1991. This action required local jurisdictions to update their CTR ordinances and it offered the opportunity to create optional Growth and Transportation Efficiency Centers (GTEC) to aggressively reduce commute trips. The City Council designated the Totem Lake Urban Center as a GTEC in 2007 and it was approved by the Puget Sound Regional Council (PSRC) and the Washington State Department of Transportation (WSDOT) that same year.

At the direction of the City Council and working from the Totem Lake GTEC Plan, staff developed a transportation demand management (TDM) program for Totem Lake called the Totem Green Trip Project (TGT). Using the \$50,000 as leverage, staff was able to secure STP/CMAQ funding with a grant amount of \$686,000 in 2009. The grant provides funds to implement the TGT for the 2010/2011 bi-annual cycle.

Web-based Commute Management System

The TGT project will utilize a web-base commute management system to manage ride-matching, commute tracking calendar, alternative mode suggestions, and incentive fulfillment and distribution in an integrated system of semi-independent modules.

Kirkland has three options in developing a web-based commute management system:

1. Solicit a consultant to develop an independent system from the ground up.
2. Contract with the consultant that developed the system for the City of Redmond's R-trip program.
3. Use the free RideshareOnline.com system available from WSDOT and adding functionalities for Kirkland. RideshareOnline.com will have the largest carpool and vanpool database for the Puget Sound region.

Options 1 is the most costly, requires the most time to develop and additional time to test and implement. Furthermore, it will be independent of RideshareOnline.com and will not be able to share the same carpool and vanpool database that the rest of jurisdictions in the Puget Sound region is and/or will be using.

Option 2 is less costly than Option 1 and most likely cost a little more than Option 3. Similar to Option 1, this option will not have the ability to share the same carpool and vanpool database for the Puget Sound region. It will only share the same database with the City of Redmond. However, the City of Redmond is likely to convert to RideshareOnline.com in the near future.

Option 3 is the least costly and will give Kirkland the ability to share the largest carpool and vanpool database for the Puget Sound area. WSDOT currently provide all jurisdictions without cost accessibility to their web-based commute management system (RideshareOnline.com) that includes ride matching, commute tracking calendar, alternative mode suggestions, and incentive fulfillment and distribution.

- This system provides a single database repository for ride-matching, calendaring, incentive management, commute management and standardized reporting services. RideshareOnline.com is currently being used by transportation agencies throughout the region and state including King, Snohomish and Pierce County; the States of Washington; neighboring cities (including Bellevue) and key employers such as Microsoft and Boeing.
- No other system on the market is currently poised to provide the same level of functionality or has the ability to access the database provided via the RideshareOnline.com application.
- It would not be in the best interest of Kirkland's employees, customers or employers to utilize a separate transportation management system given that the City of Kirkland, its residents, employees and its employers would still need to use RideshareOnline.com to participate in vanpool services, incentive programs, guaranteed ride home programs, etc. that are managed and provided through partners participating in the RideshareOnline.com application. The use of a different system would mean that City of Kirkland employees, customers and employers would be required to register, log trips, manage accounts and request incentives in two systems to get the best ride-match services, access all incentive opportunities, and participate in programs in neighboring cities, the county and/or throughout the state. By utilizing RideshareOnline.com, this additional effort and associated expenses would be eliminated.
- The State of Washington plans on using the RideshareOnline.com database to help track and monitor progress related to Commute Trip Reduction programs. If City of Kirkland's data were split from the rest of the database, Kirkland would likely still be required to provide data compatible with State reporting needs that will be achieved seamlessly via the RideshareOnline.com software for partners. Functionality has been built to capture baseline data, and track commuters efforts related to Commute Trip Reduction laws in affected areas. By utilizing RideshareOnline.com, this additional effort and expense to create and transmit compatible data outside the system would be eliminated.
- Administration, communication and outreach would be required to be done twice not only by the City of Kirkland but also employers in the City of Kirkland, if they wish to participate in programs/services provided in RideshareOnline.com as well as another system should it be

developed. By utilizing RideshareOnline.com, this additional effort and expense would be eliminated.

- Per trends - ridesharing is poised to play an important role in the future for emergencies and transit outage (e.g. snow storm, flooding). If users are split, emergency outreach and “quick match” mechanism will pose challenges. RideshareOnline.com would be the tool of choice for King County, the State of Washington and partnering agencies, cities and employers.

RideshareOnline.com’s main goal is to provide carpool and vanpool ride matching with little or no functionality for promoting and local branding of local programs and incentive management. As proven by the City of Redmond’s R-trip program, the local branding and incentive management is the most important strategies to make a local trip reduction program a success.

However, RideshareOnline.com does provide the vast majority of functionality/feature that Kirkland needs to manage its transportation management program. With a few functionalities added to the RideshareOnline.com, Kirkland will have access to one of the most robust commute management system available. The additional functionalities needs to be implemented together with the RideshareOnline.com system will cost approximately \$220,000. Once those functionalities are developed all jurisdictions within the RideshareOnline.com system will be able to use those functionalities. In addition, Kirkland will not have to pay for the base architecture of the system since WSDOT has already paid for it and will add additional functionality in the future that Kirkland can use for free.

Consultant Selection Process

A request for proposal (RFP) process is typically use to elicit consultant when a contract is greater than \$50,000. However, in this case, staff will contract directly with the consultant (iCarpool) that developed the RideshareOnline.com to develop additional functionalities that Kirkland will need to implement the TGT program. No other consultants can legally develop the functionalities that Kirkland needs and have those functionalities integrate with the RideshareOnline.com system because that system is not open source and is rightfully protected by iCarpool.

Public Works understands that the City usually requires that there be an open-bid selection process, such as an RFP, but in this case it is not possible because the software development needs to be integrated with the RideshareOnline.com system and the only consultant that has access to the architecture of that system is iCarpool. Using the RideshareOnline.com system is the most cost-effective and most integrated with the rest of the jurisdictions within the Puget Sound area.

I hope this memo provides you with a clear understanding of our reasons for directly contracting with iCarpool and that the reasons suffice all federal guidelines for using federal grant. If you have questions, please contact me at x3869.

Attachment B

From: Lakshmi Krishnamurthy [mailto:lakshmi@iCarpool.com]
Sent: Wednesday, June 23, 2010 3:39 PM
To: Barry Scott
Subject: RE: Single Source for RideshareOnline.com
Importance: High

Hi Barry,
My company, Interact Soft Inc. (dba iCarpool) is the developer of the RideshareOnline.com system. Our software is proprietary code and Interact Soft Inc. has the sole legal rights to offer it or make any enhancements.

Please let me know if you need any additional information.

Best regards,
Lakshmi K
Founder, iCarpool.com
O: 425-749-7316
E: lakshmi@iCarpool.com
W: <http://www.iCarpool.com>



**Winner of ITS Congestion Challenge at the
16th ITS World Congress, Stockholm, Sep 21-25, 2009**
<http://www.itsa.org/challenge/>

From: Barry Scott [mailto:BScott@ci.kirkland.wa.us]
Sent: Wednesday, June 23, 2010 3:10 PM
To: lakshmi@iCarpool.com
Subject: Single Source for RideshareOnline.com

Hi Lakshmi,

Per our earlier phone conversation, I am asking for written confirmation that Interact Soft, Inc. DBA iCarpool is the developer of the RideshareOnline.com system and, as such, is the only firm that can legally make enhancements to the RideshareOnline.com code.

Your assistance in this matter is appreciated!

Barry L. Scott, C.P.M.
Purchasing Agent
City of Kirkland

Ph: 425-587-3123
Fax: 425-587-3110

RESOLUTION R-4823

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A WAIVER OF COMPETITIVE BIDDING FOR CONTRACTING WITH INTERACT SOFT, INC., DBA ICARPOOL, TO DEVELOP A COMMUTE MANAGEMENT SYSTEM FOR THE CITY AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID CONTRACT.

WHEREAS, the City Purchasing Agent, at the request of the City's Transportation Engineer, has requested the approval of the City Council for single source procurement of services to develop a web-based commute management system and

WHEREAS, this purchase would be pursuant to Kirkland Municipal Code Section 3.85.210; and

WHEREAS, the City Council finds that the facts and circumstances presented support the conclusion that such a purchase is clearly and legitimately limited to a single source of supply;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Council of the City of Kirkland hereby finds that the purchase of the services required to develop a web-based commute management system compatible with the regional RideshareOnline.com system meets the requirements of KMC 3.85.210 for purchase without competitive process and authorizes the City Manager to sign a contract with Interact Soft, Inc., DBA iCarpool, to develop a commute management system for the City.

Passed by majority vote of the Kirkland City Council in open meeting this 6th day of July, 2010.

Signed in authentication thereof this 6th day of July, 2010.

MAYOR

Attest:

City Clerk