



MBTA INNOVATION PROPOSALS POLICY

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OVERVIEW OF INNOVATION PROPOSALS

APPLICABILITY

This policy and procedure applies to Innovation Proposals received by the MBTA. The MBTA welcomes proposals from any interested vendor meeting the following qualification criteria:

- Technical and financial resources to provide the services proposed; or
- The ability to contract with the MBTA and/or serve as a partner in a contract resulting from the adoption of the proposal

Proposals from businesses (including startups and small businesses), labor unions, municipalities, academic institutions, philanthropic foundations, non-profit organizations and other entities for contracts, services or partnerships are encouraged. In addition, this policy welcomes the submission of Innovation Proposals regarding the acquisition, lease, sale or shared use of MBTA real property.

WHAT IS AN INNOVATION PROPOSAL?

An Innovation Proposal is a written offer that is submitted to the MBTA on the initiative of the submitter for the purpose of developing a relationship, contract or partnership which is not in response to a currently open Invitation for Bids or Request for Proposals issued by the MBTA.

An Innovation Proposal should:

- Be innovative and practical;
- Have potential to significantly reduce MBTA operating and/or capital expenses for a service the MBTA currently provides, or for a new service, including services for our customers (i.e. information about the MBTA's service status) which the MBTA could provide;
- Be independently originated and developed by the proposer;
- Be prepared without MBTA supervision, endorsement, direction, or direct involvement; and
- Contain sufficient details regarding the benefits for the MBTA's mission and responsibilities.

An Innovation proposal is distinguishable from a project already part of the MBTA's long-term budget planning process and plan if it uses innovative but efficient solutions to offer added value, lower operating expenses and/or avoided capital expenses. Such solutions may include: enhanced financing options, improved customer service outcomes, reduced operating costs, technical assistance, or creative ideas to save resources or improve the customer experience.

An Innovation Proposal is **not** an offer or alternative to a currently open RFP or IFB by the MBTA or proposal for property or services that the MBTA is currently procuring through competitive methods. An Innovation Proposal is **not** a policy or operating procedure recommendation.

The MBTA retains the sole discretion to at any time decide if and how to proceed with an Innovation Proposal which includes, but is not limited to, the determination of the appropriate procedure for review as well as determination regarding the applicability of additional laws and regulations that impact the ability of the MBTA to implement any proposal. The MBTA is not responsible for any costs or resources required by the proposer to develop any Innovation Proposals.

PROCESS AND REQUIREMENTS

All Innovation Proposals shall be submitted to the MBTA by email using the form included in Conceptual Proposal – Form A, which will log the proposal and within three business days transfer it to the MBTA for evaluation of technical and/or financial merit. The MBTA will receive and evaluate Innovation Proposals using a two-phased approach: Phase One is for conceptual proposals; Phase Two is for detailed proposals. In the event that the project proceeds beyond Phase Two or otherwise invokes either competitive or sole source procurement, the MBTA's general procurement procedures and policies will apply.

PHASE ONE – CONCEPTUAL PROPOSALS

INTRODUCTION

The purpose of Phase One is for the MBTA to receive and review written, concept-level proposals to determine if additional information is needed in Phase Two, Detailed Proposal.

PROCESS

Upon receipt of a Conceptual Proposal, the MBTA will take the following steps:

1. Promptly acknowledge receipt of the proposal within three business days via email; and
2. Determine whether the proposal meets the threshold requirements of an Innovation Proposal, including whether the proposal:
 - Satisfies the definition of an Innovation Proposal, consistent with the
 - Overview of Innovation Proposals section;
 - Demonstrates clearly the customer benefit, operating expense savings and/or avoided capital expense to the MBTA;
 - Includes all required content consistent with the below Content section and **Conceptual Proposal - Form A**;
 - Contains sufficient detail to enable the MBTA to perform an adequate evaluation of feasibility and/or potential costs and benefits;
 - Demonstrates the capability of the proposer to deliver and implement the proposed action(s);
 - Has been approved by a responsible official or other representative with the proposing organization authorized to contractually obligate the proposer; and
 - Complies with the marking requirements for use and disclosure of data.

If the proposal meets the threshold requirements, MBTA staff will take the following steps:

1. **Inception:** The MBTA Innovation Proposal Manager will log the Conceptual Proposal and assign it a number;
2. **Notification:** The MBTA will set and notify the proposer of the schedule for internal evaluation;
3. **Form Evaluation Team:** The MBTA will assemble an evaluation team with technical and financial subject-matter experts and experience relevant to the Conceptual Proposal;

4. **Request for Further Information** (Optional): The MBTA will schedule a meeting with the proposer, if it is determined that a meeting would be helpful to more fully understand the proposal;
5. **Evaluation**: The MBTA will facilitate the evaluation process as needed;
6. **Notification**: The MBTA will notify the proposer of the MBTA’s decision. The possible outcomes may be to discontinue the process, proceed to Phase Two, or pursue a competitive procurement. The MBTA will provide the proposer with a general explanation of the reasons for the decision. Notice to proceed to Phase Two or that the MBTA has decided to not proceed with the Innovation Proposal will be provided within 60 days of acknowledgement of receipt of the proposal; and
7. **Disclosure**: The MBTA will post a public notice or posting which will list the identity of the proposer and the general area or theme of the proposal.

CONTENT

To be considered for evaluation, a Conceptual Proposal must be submitted in writing and sufficiently detailed for the MBTA to determine the utility or benefit. The Conceptual Proposal is very brief in length, and the template provided in **Conceptual Proposal – Form A** should be used. All potentially proprietary data contained in the Conceptual Proposal should be explicitly identified. The information requested includes:

- Proposer’s information including date of submission, name of company, business address, point of contact, and contact phone and email;
- Proposal abstract including:
 - A descriptive title and overview of the proposed effort;
 - The objectives of the effort or activity;
 - The method of approach and extent of effort to be employed;
 - The nature and extent of the anticipated results including, but not limited, a specific identification of benefits to the MBTA, whether improved customer experience, safety, operating savings, expansion of transportation services, reduced capital expenditures and improved operational efficiencies;
 - Type of support needed from the MBTA (e.g., facilities, equipment, materials, or personnel resources) and an estimated costs to the MBTA for the effort in sufficient detail for meaningful evaluation;
 - An overview of the end-result commercial arrangement envisioned by the proposer;
 - Proposed duration of the effort; and
 - Competitors and similar service providers.

- Organizational background information including a brief description of the organization, previous experience in the field, and facilities to be used and names and titles of key personnel

EVALUATION

Conceptual Proposals will be evaluated promptly in accordance with the criteria set out in this section. If an evaluation team has been assembled, that team will have access to the technical proposal for purposes of determining the proposed project scope. The proposer(s) will have no interaction with the evaluation team unless additional clarifying information is required or interviews are requested.

At Phase One, the evaluation team will determine the evaluation criteria, as necessary, to consider the specific proposal, but generally will consider if the proposal:

- Offers direct or anticipated benefits to the MBTA, its passengers and/or the community;
- Is consistent with the MBTA's objectives and goals;
- Satisfies a need for the MBTA that can be reasonably accommodated in the MBTA's annual long-term capital and operating budgets without displacing other planned expenditures, without placing other committed projects at risk, and without significantly increasing the cost of the proposed items;
- Offers MBTA customer benefit, operating expense savings and/or avoided capital expenses
- Raises potential significant financial, technical and legal issues that could present barriers to success, or otherwise requires an initial due diligence review by subject matter experts to confirm potential viability; and
- Other factors as appropriate based on the specifics of the proposal.

In the event that the MBTA receives an unsolicited proposal for joint development on MBTA property, it shall determine:

- Whether the property is available for development;
- Whether it is advantageous to the MBTA to offer it for development at the current time;
- Whether the proposed transaction will return fair market value to the MBTA;
- Whether the proposal contains sufficient information to reasonably evaluate its technical merit and the financial capacity of the proposer; and if so,
- Whether there is sufficient merit and capacity to entertain the proposal.

If the MBTA's determination on any of the foregoing questions is negative, it may reject the proposal. If the MBTA's determination is affirmative, it may consider the proposal by making public notice that it has received an unsolicited proposal for the property in question and soliciting alternative proposals.

The MBTA can and will reject concepts which do not meet the requirements, including the ability of the proposer to offer, provide and/or enter into a contract or agreement with the MBTA to perform the concept.

PHASE TWO – DETAILED PROPOSALS

INTRODUCTION

The purpose of Phase Two is for the proposer to provide more detailed technical and financial information to inform a decision by the MBTA. At the conclusion of this phase, the MBTA will decide whether to forego the proposal, to proceed to a sole source agreement, to test a pilot program, or to pursue a competitive solicitation based upon the proposal.

PROCESS – REQUEST FOR DETAILED PROPOSAL

If the Conceptual Proposal is found to present potential for the MBTA, a Request for a Detailed Proposal will be sent which formally requests the proposer to proceed to Phase Two. Depending on the circumstances, the Request may include the following:

- Essential terms and conditions that could be part of a subsequent agreement between MBTA and the proposer;
- A goal for participation of disadvantaged/small business enterprises (DBE/SBE);
- A schedule and important deadlines for the proposer;
- Evaluation criteria to be used during Stage II; and
- Requests for specific information, modifications or clarifications to the scope of the original proposal, including, but not limited to, specific questions or information that is essential to consideration of the detailed proposal.

PROCESSING

Once the Detailed Proposal is received, the MBTA will keep a record of the persons on the evaluation team and record the final disposition of the proposal. Outside advisors will be consulted if the MBTA evaluation team deems it necessary and beneficial. The Prohibition of Use of Confidential Information continues to apply in Phase Two.

CONTENT

In addition to the information provided in Phase One, a Detailed Proposal must, at a minimum, include the following Technical and Supporting information and is limited to 30 pages (not including appendices):

TECHNICAL INFORMATION

- Names and professional information of the proposer’s key personnel who would be committed to the project;
- Type of support needed from MBTA (e.g., facilities, equipment, materials, or personnel resources);
- Type of support being provided by the proposer;
- A sufficiently detailed description of the scope of work being offered to allow MBTA to evaluate the value received for the price proposed;
- Proposed price or total estimated cost for the effort and/or the revenue generated in sufficient detail for meaningful evaluation and cost analysis, including an annual cash flow for the project and annual or future costs to operate and maintain;
- A schedule for the implementation, including specific details for any property and/or services to be provided by MBTA; and
- Proposed duration of effort

SUPPORTING INFORMATION

- Nature of relationship between the proposer and the MBTA, including potentially the type of contract being sought by the proposer¹;
- Description of the proposer’s organization, previous experience in the field, and facilities to be used;
- Required statements and disclosures, if applicable, about organizational conflicts of interest and environmental impacts; and
- Information demonstrating to the MBTA that the proposer has the necessary financial resources to complete the project, as determined by MBTA staff. Such information may include, but is not limited to:
 - i. Financial statements, including an Auditor’s Report Letter or an Accountant’s Review Letter, Balance Sheets, Statements of Income and Stockholder’s Equity, and a Statement of Change in Financial Position;

¹ The final determination on type of contract shall be made by MBTA, should the MBTA decide to proceed with a contract

- ii. Unaudited balance sheets; and
- iii. Letter of credit commitments.

EVALUATION

Detailed Proposals will be evaluated promptly, at a minimum in accordance with the criteria set out in this section, as well as any other evaluation criteria identified in the Request for Detailed Proposal.

THRESHOLD REVIEW

Before initiating a comprehensive evaluation, the MBTA will determine if the Detailed Proposal continues to meet the threshold requirements set out in Phase One and the requirements specifically set out in the Request for Detailed Proposal.

EVALUATION CRITERIA

At Phase Two, the MBTA will confirm the proposal meets the same evaluation criteria set forth in Phase One, in addition to the following minimum factors, and any additional criteria set out in the Request for Detailed Proposal:

- The proposer's capabilities, related experience, facilities, techniques, or unique combinations of these which are integral factors for achieving the proposal objectives;
- The proposer's financial capacity to deliver the goods or services defined in the proposal;
- Viability of the proposed schedule and MBTA's ability to meet activities required;
- MBTA's capacity to enter into a contract under its current debt authorization;
- The qualifications, capabilities, and experience of key personnel who are critical in achieving the proposal objectives;
- The relative costs and benefits of the proposal with respect to improving mobility and accessibility in the MBTA service area;
- The specific details of the cost/revenue generated; and
- Any other factors appropriate for the particular proposal.

DEDICATION TO FULL AND OPEN COMPETITION

MBTA's receipt of an Detailed Proposal does not, by itself, justify a contract award without full and open competition. If the Detailed Proposal offers a proprietary concept that is essential to contract performance, it may be deemed a Sole Source (see section below). If not, the MBTA may pursue a competitive procurement.

INNOVATION PROPOSAL – COMPETITIVE SOLICITATION PROCESS

If the Innovation Proposal does not meet the criteria of a sole source award, before entering into a contract resulting from a Detailed Proposal, the MBTA will take the following steps. These steps could occur at any phase of the evaluation process, at the sole discretion of the MBTA.

- **Notification of Receipt:** MBTA will publicize its receipt of the Innovation Proposal by posting on the internet for purchasing opportunities and may advertise in the appropriate publications with general circulation, as well as in any other relevant trade publications that advertise contracting solicitations.
- **Adequate Description:** MBTA's publication of its receipt of the Proposal will include an adequate description of the property or services offered without improperly disclosing proprietary information or disclosing the originality of thought or innovativeness of the property or services sought.
- **Interest in the Property or Services:** MBTA also will publicize its interest in acquiring the property or services described in the Proposal using the same or similar methods provided above.
- **Adequate Opportunity to Compete:** MBTA will provide an adequate opportunity for interested parties to comment or submit competing Proposals, and/or requests for an opportunity to respond within a commercially reasonable time frame (minimum of 14 days) specified by MBTA staff.
- **Contract Award Based on Proposals Received:** Finally, MBTA will publicize its intention to award a contract based on the Innovation Proposal or another Proposal submitted in response to the publication using the same or similar methods provided above.

INNOVATION PROPOSAL – SOLE SOURCE AWARD

If it is impossible to describe the property or services offered without revealing proprietary information or disclosing the originality of thought or innovativeness of the property or services sought, as determined by the MBTA, the MBTA may make a sole source award, as provided in the MBTA's Sole Source Award policy. A sole source award may not be based solely on the unique capability of the proposer to provide the specific property or services proposed.

CONTRACT RESULTING FROM AN INNOVATION PROPOSAL

Nothing in this policy or otherwise requires the MBTA to act or enter into a contract based on an Innovation Proposal. The MBTA may return and/or reject an Innovation Proposal at any time during the process.

COMPETITIVE PROCUREMENT

Except as provided above, the MBTA may decide to enter into a competitive procurement to obtain any or part of the services or goods incorporated in the Innovation Proposal in compliance with the prohibition on the use of confidential information.

PREREQUISITES TO CONTRACT NEGOTIATION

The contracting officer or other designated MBTA representative(s) may commence negotiations only after the following prerequisites have been met:

- An Innovation Proposal has received a favorable comprehensive evaluation including in comparison to any Proposals received following publication as provided in this policy;
- The MBTA office sponsoring the contract supports its recommendation, furnishes the necessary funds, and provides a sole-source justification (if applicable); and
- MBTA General Manager or MBTA Fiscal Management and Control Board approves (if required).

GENERAL PROPOSAL REQUIREMENTS

PROHIBITION OF USE OF CONFIDENTIAL INFORMATION

In accordance with Massachusetts Public Records law, and to the extent consistent with the exemptions contained therein, MBTA personnel shall not use any data, or any proprietary part of an Innovation Proposal or confidential technical or financial proprietary information as the basis, or part of the basis, for a solicitation or in negotiations with any other firm, unless the proposer is notified of and agrees to the intended use. Concepts or ideas are not considered proprietary by the MBTA.

PUBLIC RECORDS ACT

All information, data, Proposals and other documentation submitted pursuant to this policy will be governed in accordance with Massachusetts Public Records Laws (M.G.L. c. 66, §10), as most recently amended by Chapter 121 of the Acts of 2016. Accordingly, consistent with the goals of this policy and its commitment to transparency, the MBTA will disclosure records, upon request, consistent with its obligations under this law. Therefore, absent the applicability of a specific exemption under Massachusetts law, parties should anticipate that all information provided will be made public. Proposers shall clearly mark each page of the Innovation Proposal that contains trade secrets or any confidential, commercial, financial, or other information which the Proposer believes an exemption under the Public Records Laws applies.

In the event of litigation concerning the disclosure of any records, the MBTA's sole involvement will be as a stakeholder, retaining the records until otherwise ordered by a court. The proposer, at its sole expense and risk, shall be fully responsible for any and all fees for prosecuting or defending any action concerning the records and shall indemnify and hold the MBTA harmless from all costs and expenses, including attorney's fees in connection with any such action.