



## Memorandum

Date: July 1, 2023

To: File

From: Caroline Rodriguez, Executive Director and Procurement Officer

Re: Sole Source Procurement (HVT Administrative Policies and Procedures §14.10(A)(1))  
River North Transit, LLC

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1. Summit County conducted a competitive procurement for transit services, including fixed route transit and microtransit services (together, the “Transit Service”), on behalf of High Valley Transit District (“HVT”) in 2020, and awarded River North Transit, LLC, a subsidiary of Via Transportation, Inc. (“River North”) the contract on September 3, 2020. River North was the only responsive and responsible bidder. River North provided a unique technology and technology-enabled integration transit service (the “Via Solution”), which included acting as a broker to coordinate the services of third-party service providers to effectuate the on-demand transit service and ADA Complementary Paratransit service, as well as providing full service fixed route transit service. HVT was assigned the contract in April 2021. HVT has determined that this integrated service with the Via Solution: (a) has been successful in exponentially increasing ridership through the scaling of a menu of available transit services, (b) has been lauded by residents and tourist visitors alike, and (c) is a unique new way to provide award winning, full service transit to a small community which depends upon tourism to drive its economy. Consequently, the Via Solution has been fully integrated throughout and within the entire infrastructure of HVT and its High Valley Transit System.

2. The Via Solution constitutes a state-of-the-art transit suite of products and services within a single platform, including but not limited to technology, central support, customer support, driver management, fixed route scheduling management/consulting, rider marketing, data/analytics, vehicle management/compliance, recruitment/training, and micro-transit project management and operations. See Exhibit A, which is incorporated herein by this reference.

3. I have determined that this unique and scalable integrated Transit Service can only be provided by River North and its proprietary platform, the Via Solution, in accordance with HVT Administrative Policies and Procedures §14.10(A)(1)(a)(i). Further, I have determined that a cost-benefit analysis results in transitional costs (changing vendors from River North with its knowledge and understanding of integrating the Transit Service with the Via Solution, to another vendor) to be both unreasonable and cost prohibitive, in accordance with HVT Administrative Policies and Procedures §14.10(A)(1)(a)(ii). The scalable nature of the business relationship with River North allows HVT to slowly stand up its own fixed route transit service and microtransit service, while remaining integrated with the Via Solution. As an example, HVT has procured transit buses for its fixed route transit service and has hired mechanics as employees to provide maintenance on the transit buses. Now HVT is in a position to hire its own drivers for the fixed transit route service, to provide for Routes 101, 102, 106 and 107. I

have also determined that it is highly improbable that a standard procurement process would result in more than one bidder for the suite of unique transit services replicating the current Transit Service provided by River North. It would be inefficient and costly to break up the Transit Service in a piecemeal fashion, as HVT found out with Route 107 and the termination of its interlocal agreement with UTA. It would also disrupt transit ridership to change vendors where the current vendor has proven to be highly successful in bringing a unique transit service and transit experience to the residents of Summit and Wasatch Counties. Consequently, I have concluded that a standard procurement process is impractical and not in the best interests of HVT (HVT Administrative Policies and Procedures §14.10(A)(1)(a)(iii)).

4. Pursuant to HVT Administrative Policies and Procedures §14.10(A), this sole source procurement shall be as follows:

- a. Contractor: River North Transit, LLC
- b. Type: Transit Product and Services (Master Agreement with four Service Orders)
  - (i) Master Agreement
  - (ii) Fixed Route Transit Service (Summit County)
  - (iii) Microtransit Service (Summit County)
  - (iv) Fixed Route and Microtransit Service (Wasatch County)
  - (v) NEMT Service
- c. Amount and Duration of Contract:
  - (i) Year 1: ~\$10,490,560
  - (ii) Year 2: ~\$10,783,608
  - (iii) Year 3: ~\$10,670,173
- d. Description of Product and Service: See paragraphs 1-2 above, and Exhibit A.

5. Based upon the foregoing, I have determined that it is in the best interests of HVT to engage in a sole source procurement and award the Transit Service contract to River North.

6. Pursuant to the FTA's Third-Party Contracting Guidance (Circular 4220.1F), a single-source procurement is warranted given the following criteria:

- Unique Capacity or Capability
- Inadequate Competition
- Unusual or Compelling Urgency

7. I have caused the following Notice of Procurement to be published in accordance with Utah Code §63G-6a-802(3) and HVT Administrative Policies and Procedures §14.10(A)(1)(b), on the High Valley Transit website for seven (7) days ("Publication Period"), beginning May 11, 2023 and running until May 18, 2023:

#### **NOTICE OF SOLE SOURCE PROCUREMENT**

Pursuant to Utah Code §63G-6a-802(3) and HVT Administrative Policies and Procedures §14.10(A)(1)(b), High Valley Transit District ("HVT") provides notice that it intends to award to River North Transit, LLC ("River North"), a 3-year transit contract to provide a unique technology and technology-enabled integration transit service (the "Via Solutions"), which includes (a) acting as a broker to coordinate the services of third-party service providers to effectuate on-demand microtransit service and ADA Complementary Paratransit service, and (b) providing full service fixed route shuttle transit services (Routes 103-105). River North is the current transit service provider for HVT and HVT intends to extend the existing business relationship with a contract term beginning July 1, 2023.

This sole source procurement will not include providing full service fixed route transit services for Routes 101, 102, 106 and 107. It is the intent of HVT to provide such services itself. Notwithstanding such, it is the intent that River North provide the Via Solutions software and integration for those routes.

The HVT Procurement Officer has determined that this unique and scalable integrated transit service can only be provided by River North and its proprietary software, Via Solutions, in accordance with HVT Administrative Policies and Procedures §14.10(A)(1)(a)(i). Further the HVT Procurement Officer found that a cost-benefit analysis resulted in transitional costs (changing vendors from River North with its knowledge and understanding of integrating the transit services with the Via Solutions to another vendor) to be both unreasonable and cost prohibitive, in accordance with HVT Administrative Policies and Procedures §14.10(A)(1)(a)(ii). The scalable nature of the business relationship with River North allows HVT to slowly stand up its own fixed route transit service and microtransit service, while remaining integrated with the Via Solution. The Procurement Officer has also determined that it is highly improbable that a standard procurement process would result in more than one bidder for the suite of unique transit services that would replicate the current River North transit service. It would be inefficient and costly to break the Transit Services up in a piecemeal fashion, as HVT found out with Route 107 and the termination of its interlocal agreement with UTA. Further, it would disrupt transit ridership to change vendors where the current vendor has proven to be highly successful in bringing a unique transit service and transit experience to the residents of Summit and Wasatch Counties. Consequently, a standard procurement process is impractical and not in the best interests of HVT (HVT Administrative Policies and Procedures §14.10(A)(1)(a)(iii)).

8. During the Publication Period, no challenges contesting this sole source procurement were filed with HVT. (HVT Administrative Policies and Procedures §14.10(A)(1)(c)).

9. RTW Management, Inc. (“RTW”) submitted an Unsolicited Proposal for “Fixed-route Service Operations and Supervision of routes 101, 102, and 106” (the “RTW Proposal”) on May 5, 2023. Utah Code §63G-6a-712 allows for an unsolicited proposal to be considered by a procurement unit. However, a “procurement unit is not required to consider an unsolicited proposal.” Utah Code §63G-6a-712(4). This is especially the case where a contract is eventually awarded for a procurement item or service not described in the unsolicited proposal. Utah Code §63G-6a-712(6). Here, the RTW Proposal was for operational and supervisory services that are not part of the sole source procurement involving River North. The operation and supervision of Routes 101, 102, and 106 are being provided by HVT, and are not the subject of this procurement. Further, Utah Code §63G-6a-712(6)(b) exempts sole source procurements from the rules governing unsolicited proposals. As a result, the RTW Proposal is not relevant to this sole source procurement.



## EXHIBIT A

### VIA SOLUTION

River North Transit, LLC, a wholly owned subsidiary of Via Transportation, Inc. (“River North”) is the only technology provider in Utah with proven solutions that can power fixed route, on-demand, and paratransit systems at scale in a **single, fully-integrated platform** (the “**Via Solution**”). The Via Solution supplies High Valley Transit District (“HVT”) with an end-to-end technology system — including rider and driver apps, backend administrative monitoring tools, and sophisticated analytics and reporting capabilities — that provides a transparent, efficient, seamless transit experience. Via Solution’s industry-leading algorithms maximize vehicle utilization and help transit agencies get the most for their budget while ensuring that each individual passenger receives a high-quality experience.

- River North provides a single app for riders to plan their trips across the region. Riders input origin and destination, and will get back “proposals” that include microtransit, fixed route, or a combination of the two (“Intermodal”). When a fixed route ride is a better option for HVT to offer, it can suppress the microtransit ride and just show a fixed route ride (“anti-cannibalization” or “mode preference”).
- The Via Solution constitutes a multimodal service plan, which includes supplying all technology (hardware and software) required to power an integrated, dependable, scalable multimodal transit system, which provides on-going operations for the multimodal transit network. In addition to planning, technological and operating capabilities, the Via Solution also encompasses a collection of reporting and analytics tools to help assess service performance in real time, and improve it over prolonged periods.
- The Via Solution allows HVT to deploy its transit system in a variety of ways, but coordinated and dispatched through a centralized platform. The Via Solution also provides dedicated customer service resources, both representatives to work with HVT to continually optimize the transit system and separate representatives to provide customer service to users of the transit system.
- River North also stands alone in the level of configurability available to HVT. Its platform can be configured in nearly every regard, including service parameters, user experience, branding, and API integrations with 3rd-party applications. No other algorithms are as powerful as that of the Via Solution, and no other platform is as configurable.
- The Via Solution includes a unified customer service function that provides a cost effective and holistic service experience across multiple modes. If this function were separated from the Via Solution, customer service representatives would not be able to offer advice that factors into the entire transit network, detracting from the efficiency of the system.
- Only the Via Solution possesses a combination of multimodal transit consulting and planning capabilities, powerful and integrated on-demand transit, fixed-route transit, and paratransit technology, the capacity for multiple service delivery models, and substantial operational experience - as well as the proven ability to deploy the Via Solution quickly and effectively.
- Since July 2021, the Via Solution has been successfully integrated throughout and within the HVT transit system.

