



**Request for Clarification #2 (RFP #82085N)**  
**Traffic Data and Associated Services along the I-95 Corridor<sup>1</sup>**

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INRIX<sup>®</sup> is pleased to submit clarifications as requested by email on October 12, 2007 related to pricing of arterial data. We recognize the desire of the Financial Evaluation Team to model fees related to arterial data. However, there are numerous factors that make giving simple, concise answers to any of these questions difficult.

Information submitted in the Technical Proposal is germane to understand our clarifications. Page 3-25 of the Technical Proposal describes our assessment of arterial data provision in the context of the RFP requirements and the state of technology:

*INRIX has had perhaps the most experience with attempting to provide quality data, from probe-based sources, for arterials of any traffic data provider. Our current conclusion is that only in cases where substantial traffic flow and low signal density exists can reasonably reliable data be provided. Further, as explained in more detail in the risk analysis, INRIX does not believe that any single technology approach – including probe vehicle data – can yield reliable arterial data at the same quality levels as on freeways, certainly not in an operational environment across the corridor early in the project. Since the RFP does not distinguish requirements based on arterial vs. freeway (rather based on flow rates), our proposal does not commit to meeting the defined quality levels for arterials coverage.*

*However, INRIX is as interested as the Coalition – as are most of our current customers – in calculating and delivering high quality data for arterials. Thus, we have proposed an approach to both help advance the start-of-the-art regarding arterial and alternate route data provision as well as give the Coalition and INRIX the opportunity to build from today towards the desired future. As such, we propose to work with the Coalition to establish an arterial/alternate route applied research and testing initiative as part of this project with the Coalition. To show our commitment to this initiative, we will make data available in our feed, in the format described in item 1, on the arterials defined in the core system (or some equivalent system up to 1000 miles in coverage) for the three-year base operating period as our contribution to the initiative.*

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<sup>1</sup> Please note that INRIX considers this submittal confidential as these clarifications relate to a section of the proposal subject to confidentiality claims as listed on page 4-1 of the technical proposal.

In the intervening period since proposal submittal, INRX has continued our research and development efforts related to arterials and remain convinced that no probe-only based technology approach (cellular or GPS-based) will achieve the quality levels described in the RFP in the near-term, and that any commitments by other bidders to do so and pricing to support it is little more than conjecture and guesswork, essentially telling the evaluators what you wish to hear.

### *Clarifications*

In our proposal, this is what we committed to regarding arterial pricing:

- Up to 1000 centerline miles of data on arterials/alternate routes, at no cost for the three-year base period (the technical and cost proposals had slightly different amounts – to clarify, INRIX will provide up to 1000 miles at no cost).
- Arterial/Alternate route coverage will not exceed the freeway mileage price per year in years 4-10.

Reflecting upon the Coalition questions we are extending our commitments to include:

- Any additional arterial coverage desired in years 1-3, beyond the 1000 centerline miles being provided at no cost, will not exceed the freeway mileage price per year and would be quoted and negotiated on a case-by-case basis.
- INRIX commits to working with the Coalition to establish a detailed arterial price schedule as soon as practical after the contract starts (see below).
- Until such a pricing schedule can be established, the principal of case-by-case quotation and negotiation, not to exceed freeway mileage pricing, would govern whether in years 1-3 or 4-10.

As highlighted in the technical proposal, the rationale behind providing up to 1000 miles of arterial data at no cost through the base period of the contract is to facilitate the establishment of an environment where data needs, data quality, role of government provided signal system data, the costs and the value of arterial data can be better understood by all parties. INRIX is willing to contribute this substantial coverage to support mutual learning. What we hope results, in short order (ideally in the first year of operations), is a collective agreement on the details necessary to facilitate the creation of arterial “list” pricing, including:

- One or more categories of arterial data requirements that meet member needs and are realistically achievable in an operating environment.
- The role of signal system data in creating or improving arterial data; the likelihood of such data becoming available; and the cost impact (hopefully, savings to the Coalition and/or agencies seeking arterial coverage).
- The impact on quality and cost of different types of arterial coverage (e.g., is high traffic dense urban arterial data the same in terms of quality and cost as low traffic alternate routes in rural areas?)

- Cost impact of different size arterial coverage – there is a potential that the size and geography of an arterial network could reduce the effort, and hence the per mile price, of coverage added in a task order.

If INRIX is selected as the contractor, we hope the Coalition will identify coverage for the first “1000 miles” that will allow us to collectively address these wide ranging issues expeditiously to establish an updated arterial pricing schedule that will govern the remainder of the contract. If there is additional arterial coverage sought prior to the establishment of updated arterial pricing, we would strongly encourage these to be negotiated on a case-by-case basis, with the freeway pricing the maximum per mile price to be quoted. With such a wide range of possible tasking, and an equally wide range of potentially acceptable levels of data quality, we recommend this approach to maximize flexibility in the near-term. While it is our hope and belief that pricing can be reduced with the updated arterial pricing, we believe it is too risky for both the Coalition and INRIX to establish an a priori per mile price without substantially more collective experience. The chances of under or overpricing coverage is very high – and either result does not support a long-range partnership that will be key to the success of this project.

We are concerned that the last statement in the Request for Clarifications, “Short of any additional information, pricing for arterials will be assumed equal to that of freeways for proposal evaluation purposes,” will result in our proposal being judged at a higher price point than will reflect reality. As a rule of thumb, we are hopeful of being able to reduce the arterial data costs on average to 2/3’s the cost of freeway pricing. But as mentioned, we cannot commit, due to the aforementioned myriad of factors in building quality arterial data – and don’t believe it is in the best interests of the Coalition, its member agencies or INRIX – to lock in such pricing.