MassDOT Registry of Motor Vehicles Inspection Program Contract Extension #2 Contract #: 98686

February 28, 2024



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## **Overview/Background**



Massachusetts has an Enhanced Inspection & Maintenance (I&M) program because the 1990 Federal Clean Air Act Amendments require enhanced programs in certain nonattainment areas and in the Ozone Transport Region. EPA requires the program to be part of the Massachusetts State Implementation Plan (SIP). MGL c.111, §142M requires MassDEP and RMV to establish a decentralized motor vehicle testing program using contractor services. The current contract is the 3<sup>rd</sup> contract entered into for these services.

The vehicle inspection contract is co-managed by the MassDOT/RMV and MA Department of Environmental Protection (DEP).

#### **Contract Term**

- Seeking approval to execute the second three-year extension with Opus Inspection Technologies, Inc.
- Contract would begin on October 1, 2025 and conclude on September 30, 2028.
- This contract extension includes the vendor being paid for a minimum 4.4M annual inspections per year.
- The total number of inspections each year has exceeded the 4.4M. In calendar year 2023, 5.4M inspections were conducted.



#### **Scope of Services**



- Upgrade and installation of station equipment across 1800 inspection stations to be in compliance with federal and state IT requirements
- Replace the Motorist Assistance Center (MAC) serving Boston and nearby southern MA communities
- Revise Covert Operations Manual to reflect changes made to ensure environmental justice communities receive appropriate benefits.
- Revise Sticker Quality Assurance/Quality Control Plan to reflect current practices
- Implement additional security measures
- Updated protocol for notifying the Agencies of any system outages





### Pricing Model – Value Not Expected to Exceed \$25M

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- This is a rate contract where the total compensation is dependent on several factors including the number of inspections, the consumer price index (CPI), and the new equipment fee.
- Cost of the new equipment is spread over 6 years beginning Oct 1, 2025. The current fee to Opus per inspection is \$1.35 and increases every year by the 12-month CPI.
- Assuming that the total number of inspections grow at the same rate as observed from 2021-2023, a CPI of 3.4%, and the maximum possible new equipment fee, the total cost of the contract over the 3-year extension is estimated to be not more than \$25,000,000.
- Opus' compensation for services provided under the Agreement is made through retention of the agreed-upon portion of the vehicle inspection fees paid by motorists to Stations. Therefore, the Agreement is not funded through appropriated revenues.
- Higher fees to Opus will not result in reduced revenues for the Commonwealth. We estimate an incremental revenue of \$4.7M over the 3-year extension.



Staff request that the MassDOT Board authorize the Secretary of the Massachusetts Department of Transportation, or their designee, to award and execute Amendment #4 to MassDOT Contract 98686 titled "MassDOT Registry of Motor Vehicles Emissions and Safety Inspection Program" with Opus Inspection Technologies, Inc for a rate contract not to exceed \$25,000,000 for the duration of Oct. 1, 2025 to Sep. 30, 2028.



# ThankYou

