



## Board Report

File #: 2015-1804, File Type: Contract

Agenda Number: 6

~~FINANCE, BUDGET AND AUDIT COMMITTEE~~~~APRIL 13, 2016~~SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEEAPRIL 14, 2016**SUBJECT: UNIVERSAL FARE SYSTEM****ACTION: APPROVE CONTRACT MODIFICATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute contract modifications under Contract No. OP02461010 with Cubic Transportation Systems, Inc. (Cubic):

- A. Contract Modification No. 140 for the **purchase and installation of 54 TAP Vending Machines (TVMs) at key Metro stations**, in the amount of \$5,194,834; and
- B. Contract Modification No. 94.03 for **maintenance support services** of these 54 TVMs in the amount of \$838,211 through June 2019; increasing the total contract value by \$6,033,045 from \$253,351,430 to \$259,384,475. No additional funds are being requested for Contract Modifications 140 and 94.03.

**ISSUE**

Staff performed a study to identify key rail and bus locations that require TVMs. For rail stations, the study looked at ridership and the number of available TVMs. The study found that 29 stations needed 44 additional TVMs (refer to Attachment A), and the overall rail system needed 10 spares to replenish the stock of spares in order to adequately respond to future assignments based on customer demand. This TVM installation plan includes support to the Board approved Silver Line All Door Boarding pilot to ensure that customers have access to TAP cards and fare media.

**DISCUSSION**

The study consisted of analyzing daily sales data with in-service TVMs at stations along five (5) Metro Rail Lines and on the Metro Orange Line to determine stations that are in need of additional TVMs to support ridership demand and TVM usage. Staff also performed site surveys of the Silver Line bus stops from El Monte Transit Center to Harbor Gateway Transit Center to identify key bus stops where TVMs should be installed. Staff also recommends additional TVMs at rail stations near event venues such as Civic Center station serving Grand Park and at major transit hubs such as Patsaouras Plaza at Union Station.

The first TVM is anticipated to be installed and accepted in January 2017. The maintenance contract goes in effect 30 days following the installation. The projected maintenance cost is as follows: \$357,100 in (calendar) year 2017, \$317,100 in year 2018, and \$164,011 in year 2019. The Cubic maintenance contract ends June 30<sup>th</sup>, 2019. Staff is reviewing maintenance options to replace this contract.

### **DETERMINATION OF SAFETY IMPACT**

Additional TVMs at key rail stations, Silver Line bus stops, and at the Patsaouras Plaza positively impact safety on our system. Implementing additional TVMs improves the customer experience, and reduces wait times and customer queuing.

### **FINANCIAL IMPACT**

The Ticket Vending Machine Acquisition and Installation project (# 210134) has a Board authorized LOP of \$6.7 million. This is sufficient to absorb the \$5.2 million Contract Modification 140 for TVM purchase and installation. The infrastructure improvements required for the TVM installation along the Silver Line per Metro design criteria is estimated at \$650,000 which will also be absorbed in the same capital project LOP. These infrastructure improvements will be implemented using in-house resources and are not part of the Cubic contract modification.

The fiscal year 2016 funding requirement in the amount of \$1.5 million is included in cost center 3020 TAP Operations, project 210134 Ticket Vending Machine Acquisition. Fiscal year 2017 portion of \$2.5 million is requested as part of Metro's FY2017 Capital Program. The fund required in FY2017 is executed through the annual budget approval in May 2016. The \$1.2 million balance of the contract will be requested in FY2018. Since this is a multiyear contract, executive officer of TAP Operations and the project manager is responsible for budgeting for future year requirements.

No additional funds are required for FY16; LOP budget is not impacted by this recommendation.

### **Impact to Budget**

The funding source for equipment acquisition is Proposition C 40%. The maintenance cost will be funded by operating revenues which includes fare revenue. These sources are eligible for Metro bus and rail operations and capital improvements.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to approve the purchase and installation of TVMs. This is not recommended as the Silver Line All Door pilot success relies on TVMs at Silver Line Stations and high volume stations are in need of TVMs to reduce queuing, improve the customer experience and improve access to TAP cards and fare media.

### **NEXT STEPS**

Upon approval by the Board, staff will execute Modifications No. 140 and No. 94.03 to Contract No.

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OP02461010 with Cubic Transportation Systems, Inc. for the purchase, installation, and maintenance services of 54 additional TVMs at key Metro stations.

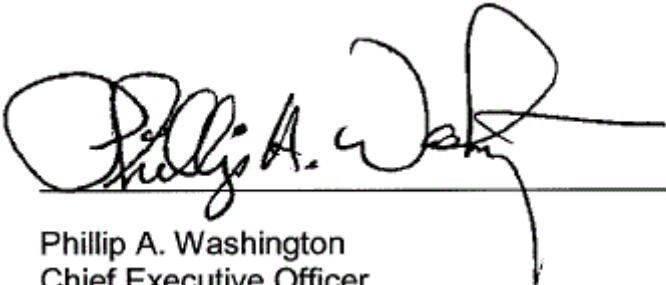
**ATTACHMENTS**

Attachment A - TVM Deployment Locations  
Attachment B - Procurement Summary  
Attachment C - Contract Modification / Change Order Log  
Attachment D - DEOD Summary

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