



Board Report

File #: 2016-0851, File Type: Contract

Agenda Number: 42.

EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 17, 2016

SUBJECT: TAP SYSTEM INNOVATIVE ENHANCEMENTS FOR SEAMLESS CONNECTIVITY WITH MULTI-MODAL MOBILITY PROGRAMS

ACTION: EXECUTE SOLE SOURCE CONTRACT WITH VERTIBA, INC.

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to negotiate and execute sole source Contract No. PS 6394500 to **Vertiba Inc., a Salesforce System Integrator, to enhance the TAP system in order to achieve maximum interoperability with regional systems and services including Bike Share, parking, ride-hailing companies, fare subsidy programs, electric vehicle car-sharing, gift card programs, mobility hubs, a mobile app** and more in an amount not-to-exceed \$4,750,000.

ISSUE

Seamless TAP interoperability and growth potential for services such as Bike Share, parking, ride-hailing companies, fare subsidy programs, electric vehicle car-sharing, gift card programs, and mobility hubs is not possible unless the TAP system is modified to handle payment functions for outside accounts.

DISCUSSION

A motion by Vice Chair Garcetti and Directors Solis, Bonin and Najarian requested Technology & Transportation Investments to Improve Customer Service (Item #44; file ID2015-1783). This motion asked TAP to begin development of a next-generation system for “seamless customer payment of non-Metro services, including but not limited to Metrolink, taxicabs, ride-hailing companies, Bike Share, parking, etc.”

TAP has been working to follow this Motion’s direction by integrating with various systems. For example, two of three phases of TAP integration into the Metro Countywide Bike Share program are now complete. TAP cards are the exclusive pass media used on the Bike Share system and any one of millions of existing TAP cards may be linked to a Bike Share account to unlock bikes. Step three of Bike Share integration is dependent upon completing TAP payment integration. TAP is also working with parking services to enable a similar integration, which also must include TAP payment options.

To fully integrate TAP payment with these separate and unique systems, the current card-based TAP system needs to be modified to include regional account-based functions. In addition, gift card programs, ride-hailing companies, mobility hubs, electric vehicle car-sharing, Immediate Needs and Rider Relief Transportation Programs (low-income subsidy programs) and more have requested integration into TAP. In order to completely integrate TAP payment with these separate and unique systems, the current card-based TAP system needs to be modified to include regional account-based functions.

The enhanced system will store and process information that will enable payment and delivery of benefits through TAP across a variety of different systems and will be accessible to patrons through an enhanced website, a new mobile phone application and a traditional call center. Plans call for the enhanced architecture to also connect to additional, anticipated, future system services with limited cost and integration. The enhanced system includes plans to ensure low-income accessibility and ease of use for all customers. Customers will be able to use transit in addition to other supporting last-mile transportation services for seamless connectivity and multi-modal travel.

TAP and Outside Account Payment Integration

Software development is needed within the existing TAP architecture that will connect and integrate a TAP account with outside systems. From a customer perspective, this development would enable payment and access with the TAP account across multiple systems such as Bike Share, parking, gift card programs, ride-hailing companies, mobility hubs, electric vehicle car-sharing, low-income subsidy programs and more, while preserving the transit functionality of the TAP card. Access to all of these services would be made available through a regional TAP payment system where customers could link to their choice of a variety of individual multi-modal programs.

Benefits of the Enhanced System

According to the Board Motion, “technological sophistication is expected by today’s customers within all economic and demographic strata.” Innovative TAP integration with numerous multi-modal services will deliver a variety of benefits. For example, TAP integration with Rider Relief and Immediate Needs Transportation Programs means that these programs will be able to realize their full potential and discard outdated practices such as paper coupon redemption that require costly, labor-intensive printing, distribution, clearing, settling and burden on third-party retail sales outlets.

TAP integration with Bike Share, parking, gift card programs, ride-hailing companies, mobility hubs, electric vehicle car-sharing and more will enable these potential and established revenue-generators to enhance customer service, provide seamless commuter options and make transit more attractive to potential riders. By integrating mobility services together under a single account, TAP will remove barriers to system access and create opportunity for synergistic ridership growth across modes. Increasing riders on alternative transportation modes contributes to the Long Range Transportation

Plan's goals of reducing congestion and miles traveled by single-occupant vehicles, and increasing air quality while keeping the economy moving. A centralized repository of mobility service data will also allow staff to measure system performance across modes, a procedure previously impossible with isolated accounts.

DETERMINATION OF SAFETY IMPACT

Implementing the enhanced TAP System will not have any adverse safety impacts on Metro employees or patrons.

FINANCIAL IMPACT

Funds for development of the scope, including integration for RRTP and INTP are included in the FY17 budget under cost center 3020, in projects 207144 Regional Point of Sale Development and 210147 CRM Enhancements. Bike Share TAP Step Three integration costs are estimated at \$1.2 Million over two fiscal years, of which \$700,000 are designated for TAP integration. The estimated development costs for FY17 are included in the budget under cost center 4320, Project 405305. Since this is a multi-year project, the cost center managers and project managers will be responsible for budgeting the costs in future years. Additional costs for Bicycle Transit Systems will be addressed as part of Bike Share contract modification.

Impact to Budget

The source of funds for Bike Share is a mix of General Funds, local grant, and other eligible and available local funds. Local funds are eligible for bus and rail operating or capital expense; these funds may be reimbursed from future Bike Share sponsorship revenues, if any. The costs for remainder of the scope are funded with Prop C 40% and TDA Article 4. These sources are eligible for bus and rail capital or operations.

Justification of Sole Source

To accommodate regional payment functions and seamless connectivity, an account-based layer must be added onto the current TAP Customer Service System. Vertiba Inc. is the architect of the innovative, cloud-based, highly-customized Customer Service System for TAP. This complex and unique system holds TAP customer information for 26 TAP-enabled agencies, including Metro, Metrolink and Access Paratransit and integrates into eight TAP-related, Metro Departments (TAP Call Center, Reduced Fare, Call Sales, Corporate Programs, Business Programs, U-TAP, Back Office, and Customer Experience). In addition, Vertiba developed the custom code for the internal website, which provides customer information for all TAP departments and the Regional TAP Operators. They also developed the customer-facing *taptogo.net* site which is for the general public. Both the internal and customer-facing sites will be configured to integrate with a new mobile phone application. The

system built by Vertiba also integrates with Metro's Accounting department, the TAP card manufacturer, the third-party retail vendor network and the TAP fare equipment system. Due to the high level of customized development that has already been completed and integrated, and to keep costs as low as possible, staff recommends Vertiba to perform this complex integration. Vertiba is a highly qualified, Salesforce-certified firm that has over 100 5-star ratings on the Salesforce App Exchange.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the implementation of expanded TAP account-based functions for integration with external programs. This choice is not recommended due to the increasing need for integration with new technologies and systems. If no account-based functionality is included, then the card-based TAP system will not be able to integrate with account-based systems such as Bike Share, parking, gift card programs, ride-hailing companies, mobility hubs, electric vehicle car-sharing, low-income subsidy programs and others. The Board may direct staff to competitively bid this effort, but this is not recommended because this would likely cost more due to the complexity of the system that is already in place and the amount of time necessary for the selected vendor to understand the customization and then to make the necessary modifications.

NEXT STEPS

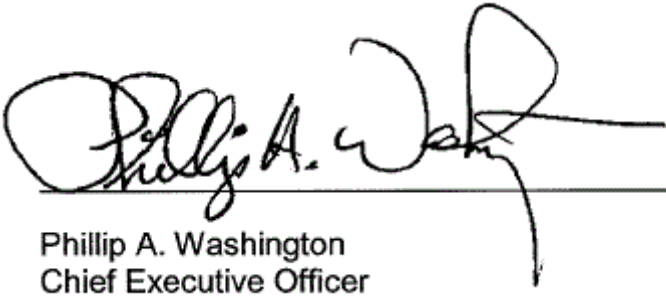
Upon Board approval of this strategy, staff will negotiate, award and execute a contract to Vertiba, Inc. and will begin work in December, 2016.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary
Attachment C - Board Motion #44

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