



Board Report

File #: 2018-0330, File Type: Contract

Agenda Number: 12.

**FINANCE, BUDGET AND AUDIT COMMITTEE
APRIL 17, 2019**

SUBJECT: TAP SYSTEM SUPPORT SERVICES

ACTION: APPROVE CONTRACT MODIFICATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute a modification to Contract No. OP02461010-MAINT, with Cubic Transportation Systems, Inc. (“Cubic”), for TAP System Support Services of all fare collection equipment, in the amount of \$68,220,642 increasing the total contract value from \$295,351,189, to \$363,571,831 and a contract modification extension of five and a half (5.5) years until December 2024.

ISSUE

The current TAP System Support Services contract was approved in 2013 for a period of six (6) years and will expire June 30, 2019.

Staff recommends an extension to maintain continuous support and align the periods of performance with the Board-approved Cubic contract for Mobile App and NextLink services. NextLink allows the integration of third-party programs with the TAP system. Cost for the support services extension has increased due to cost of living increases, Payment Card Industry (PCI) security software updates, real-time communications for upgraded bus fareboxes, security enhancements for Mobile App, Transfer on 2nd Boarding (inter-agency transfers), and internal transfers.

DISCUSSION

The continuation of support services is required to operate and maintain the regional fare collection system to ensure uninterrupted sales, access, and system management of the faregates, TAP Vending Machines (TVM), including TVMs at municipal operator locations, station validators, bus farebox TAP readers, bus mobile validators (BMVs), division and system computers, servers and Metro and Regional TAP partner system software.

Background

The original Contract No. OP02461010 was awarded on March 7, 2002 and the support service contract was renewed by the Board in June 2013 for an additional six (6) years. The current services agreement ensures continuous performance of all TAP equipment data and software including: fare

collection devices, sales units, the central computer system, operational support services, asset management, and back office systems.

TAP has grown significantly over the years. TAP is now accepted on 26 transit agencies including, but not limited to, Culver CityBus, Foothill Transit, Long Beach Transit, Santa Monica Big Blue Bus, and even Angels Flight. TAP can be purchased at over 450 locations throughout Los Angeles County including Los Angeles County Libraries, online at taptogo.net, and at 101 rail stations and major bus stops.

In 2018, Metro recorded over 212 million TAP boardings, 133 million on buses and 79 million on the rail system. Bus TAP transactions totaled \$36,677,235 in revenue and TAP Vending Machines (TVM) processed over 23 million transactions resulting in \$98,352,480 in revenue, as well as \$48,707,803 in cash collections, for a total of \$147,060,283. Metro fare revenue accounts for 86% of the annual fare revenue collected from Metro and municipal TAP partners.

Improved and Expanded Scope

This new extension includes 20 additional improvements such as additional key performance indicators (KPI) and assessments, on-site software testing and engineering services, two additional test engineers to assist with software complexity, full responsibility of the database and cooperation with PCI audits as necessary. Details of additional services are provided in Attachment D.

Cubic will also provide 105 bus mobile validators (BMVs) of which 90 will be installed on the bus fleet at Bus Division 13 to support the expanded All-Door Boarding on Metro Rapid Line 720. The City of Glendora has joined TAP and 15 BMVs will be installed on their fleet. Services include back office integration and maintenance.

Cubic Service Agreements

Current Cubic service agreements have different expiry dates as outlined below:

- System Support Services: June 2019
- NextLink Agreement: December 2024

Staff recommends aligning the Support Services Agreement to expire on the furthest expiry date of the NextLink contract in December 2024 to maintain unified support of the entire system.

Disadvantaged Business Enterprise

Cubic made a 5.65% Disadvantaged Business Enterprise (DBE) commitment and has met and exceeded their current commitment with a DBE participation of 7.83%.

DETERMINATION OF SAFETY IMPACT

No adverse safety impacts are anticipated. Increased performance measures within the extended support services contract positively impact safety on the Metro system.

FINANCIAL IMPACT

The funding for this service is included in the proposed FY20 budget in the Revenue Collection Department for contracted maintenance services. Since this is a multi-year contract, the cost center manager and Executive Officer of TAP Operations will be accountable for budgeting funding needs for future years.

The funding source is Proposition C 40%. These funds are eligible for Metro and regional bus and rail operations and capital improvements.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this recommendation supports Metro Strategic Plan Goal #2 - Deliver outstanding trip experience for all. With a seamless transition in TAP Support Services, Metro can continue its commitment to improve ease of use and travel for all users of the transportation system.

ALTERNATIVES CONSIDERED

The alternative to the proposed TAP System Support Services is to not renew. This is not recommended as the system is highly complex and requires expert maintenance to ensure its operation.

NEXT STEPS

Upon approval by the Board, the CEO or his designee will execute the contract modification to implement the increased performance standards from the TAP System Support Services.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary
- Attachment D - TAP System Support Services Agreement
- Attachment E - TAP Equipment Maintained Under New Services Agreement

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