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Metropolitan Transportation Authority

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REVISED
EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 17, 2013

SUBJECT: UNIVERSAL FARE SYSTEM CONTRACT

ACTION: APPROVE CONTRACT MODIFICATIONS

RECOMMENDATION

- A. Authorize the CEO to execute a Contract modification to Contract #OP2461010 with Cubic Transportation Systems, Inc., for an amount not to exceed \$610,000 to procure and install four Tap Ticket Vending Machines (TVMs) at El Monte Transit Center increasing the value of the contract from \$160,416,339 to \$161,026,339;
- B. Approve additional contract modification authority for Contract #OP2461010 with Cubic Transportation Systems, Inc., for an amount not to exceed \$500,000 for miscellaneous contract changes for the remainder of FY2013 increasing the value of the contract from \$161,026,339 to \$161,526,339; and
- C. Approve an annual contract modification authority for Contract #OP2461010 with Cubic Transportations Systems, Inc., for the life of the contract in an amount not to exceed \$500,000 per year.

ISSUE

Four TAP Vending Machines are needed for the El Monte Transit Center so that customers can purchase Metro fare media in a convenient location. In addition, additional contract modification authority is requested so that miscellaneous items such as software changes and TAP equipment moves can be accomplished quickly.

DISCUSSION

Contract OP02461010 was originally awarded to Cubic Transportation Systems, Inc.(Cubic) in March 2002 for an amount totaling \$84,003,444. In its 10 year duration, it

has undergone multiple modifications and the contract amount total to-date is \$160,416,339. The currently requested contract modification will utilize pre-existing funds included in the FY13 Budget and will increase the contract amount to \$161,526,339. This modification will address the specific areas detailed below.

Procurement and Installation of Four TAP Vending Machines (TVMs):

To enhance the customer experience, staff recommends the purchase and installation of four TVMs at the El Monte Transit Center. As we wait for these TVMs to be manufactured, staff proposes to move one TVM from its spare inventory and install it at the El Monte Transit Center. Currently, customers must purchase fare media at the ticket office managed by Foothill Transit. The office is open for limited hours Monday through Friday, 7am to 6pm and Saturday 10am to 2pm. Adding four TVMs will ensure that customers using the station can purchase Metro fare media 24 hours a day. Staff estimates that procurement and installation costs for four TVMs and moving one spare TVM to El Monte in the interim will be an amount not to exceed \$610,000.

Miscellaneous TAP System Improvements

Currently, every change notice that is made to the UFS contract, regardless of cost or activity, must be approved by the Board. For example, to move a TVM that is held in reserve and install it at the El Monte Station requires Board approval. It is recommended that TAP Operations be granted the ability to make minor changes such as equipment relocation, low-cost TVM modifications and improvements, or fare box and point-of-sale device software changes. **With most of the municipal transit agencies joining TAP and in preparation for the latching of gates, it becomes increasingly important to be responsive to customers' and transit partners' needs. Please see Attachment B for a list of the types of minor changes.** Staff is recommending a cap of up to \$500,000 a year to be spent on miscellaneous TAP improvements. Modifications that exceed the yearly amount will be brought back to the Board for separate action. Staff will update the Board **quarterly** ~~annually~~ with an itemized list of these miscellaneous change notices and their costs.

DETERMINATION OF SAFETY IMPACT

There is no anticipated impact to safety with this request.

FINANCIAL IMPACT

Funds for the purchase and installation of four TVMs at El Monte Transit Center and the transfer of one TVM from spare stock (not to exceed \$610,000) will come from project # 202319 Silver Line Improvements.

The combined remaining LOP balance of \$6.8M for the Universal Fare System (200225), the Regional Transit Access Pass System (200351) and the Metro Rail Gating (210094) CP's will support the miscellaneous annual change notices of up to \$500,000. No additional funds are being requested.

The sources of funds that will be distributed for the miscellaneous annual change notices will come from Federal 5307, Prop1B - Security Grant, Prop C 40% and other local funding sources. Since this is a multi-year project, the Executive Director, Management, Budget and Local Programming shall be responsible for budgeting in future years.

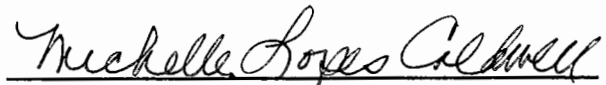
ALTERNATIVES CONSIDERED

The Board may choose not to approve the installation of TVMs at the El Monte Transit Center. The Board may also choose not to approve the contract modification that would allow for up to \$500,000 per year to be spent on miscellaneous TAP system improvements. Staff would continue to bring these miscellaneous change notices to the board for approval. These alternatives are not advised because they may negatively impact customer service and greatly reduce the speed at which staff can respond to customer needs.

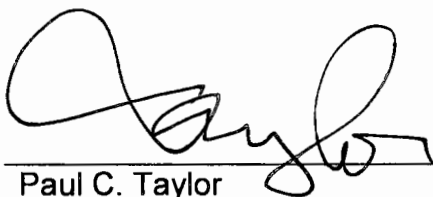
ATTACHMENT

- A. Procurement Summary
- B. **Examples of Minor Change Notices**

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Michelle Lopes Caldwell
Chief Administrative Services Officer



Paul C. Taylor
Deputy Chief Executive Officer



Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

UNIVERSAL FARE SYSTEM CONTRACT MODIFICATION

1.	Contract Number: OP02461010	
2.	Recommended Vendor:	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input checked="" type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: N/A	
	B. Advertised/Publicized: N/A	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: N/A	
	E. Pre-Qualification Completed: N/A	
	F. Conflict of Interest Form Submitted to Ethics: N/A	
	G. Protest Period End Date: (15 Calendar Days after Notification of Intent to Award)	
5.	Solicitations Picked up/Downloaded: N/A	Bids/Proposals Received: N/A
6.	Contract Administrator: Don Dwyer	Telephone Number: 213-922-6387
7.	Project Manager: David Sutton	Telephone Number: 213-922-5633

A. Procurement Background

Contract OP02461010 was awarded on March 7, 2002 to Cubic Transportation Systems, Inc. in the amount of \$84,003,444. The Contract has been amended 91 times for a total of \$76,412,895:

Change Type	Number of Changes	Dollars
Administrative Changes	19	\$0.00
Deductive Changes	9	-\$1,594,893
System Expansion	11	\$37,365,873
System Maintenance	1	\$34,666,189
System/Equipment changes/enhancements	51	\$5,975,726

This Board Action is for contract modifications in support of the Universal Fare System Contract. These modifications include Change Notice 162, El Monte Bus

Facility Ticket Vending Machines. In addition, this Board Action includes modification authority up to a yearly amount of \$500,000 to process other smaller contract changes.

B. Evaluation of Proposals/Bids

Once a proposal has been submitted by Cubic for this work, it will be evaluated for technical compliance. The elements of cost will be evaluated against current audit reports. The final, negotiated price for this and other changes will be in compliance with Metro Procurement Policies and Procedures.

C. Cost/Price Analysis

The final negotiated amount for the changes will comply with all requirements of Metro Procurement policies and procedures, including fact-finding, clarification, cost analysis, technical evaluation, and negotiations to determine a fair and reasonable price before the change is executed.

D. Background on Recommended Contractor

Cubic Transportation Systems, Inc., a wholly owned subsidiary of Cubic Corporation, is located in San Diego, California. Cubic Transportation Systems, Inc. (Cubic) has been in business since 1949. Cubic specializes in two areas of business: Defense and Transportation. Cubic is currently under contract with LACMTA to provide additional equipment for upcoming projects and to provide System Support Services for currently installed equipment. Cubic's performance under this contract has been satisfactory. Cubic is a world-leader in automated fare collection equipment with installations in New York, Chicago, Washington, London, and in a number of other countries around the world.

E. Small Business Participation

Cubic Transportation Systems, Inc. has a Disadvantaged Business Enterprise participation commitment of 5.65%. Cubic Transportation's current DBE participation is 8.37%, which exceeds their DBE commitment.

SMALL BUSINESS COMMITMENT	DBE 5.65%	SMALL BUSINESS PARTICIPATION	DBE 8.37%
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	DBE Subcontractors	Status	% Committed	Current Participation¹
1.	American Alloy Fabrication, Inc.	Performing	0.25%	0.59%
2.	Lows Enterprises	Performing	0.13%	0.07%
3.	TechProse	Performing	0.40%	0.12%
4.	Robnett Electrical	Performing	2.53%	6.58%
5.	Priority Manufacturing, Inc.	Performing	0.93%	0.35%
6.	J-Tec Metal Products	Performing	0.13%	0.06%
7.	KLI, Inc.	Performing	0.25%	0.16%
8.	Kormex Metal Craft	Performing	1.02%	0.46%
	Total Commitment	Exceeding	5.65%	8.37%

¹Current Participation = Total Actual amount Paid-to-Date to Subs ÷ Total Actual Amount Paid-to-date to Prime.

EXAMPLES OF MINOR CHANGE NOTICES

- **Installation of one farebox for contracted services operator: \$ 3,040**
- **Enhancements to electrical power for central computer: \$17,186**
- **Relocate Emergency Swing Gate: \$18,905**
- **Ticket vending machine relocation: \$15,000**
- **Change Fare Gate fencing at a station: \$24,004**
- **Relocate TAP equipment at garage: \$33,854**
- **TAP Card Physical Testing: \$41,844**