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REVISED
EXECUTIVE MANAGEMENT COMMITTEE
JUNE 26, 2014

**SUBJECT: UNIVERSAL FARE SYSTEM (TAP) CONTRACT MODIFICATION
AUTHORITY**

ACTION: APPROVE CONTRACT MODIFICATIONS

RECOMMENDATION

Authorize the Chief Executive Officer (CEO) to negotiate and execute Contract Modifications for Contract No. OP02461010 with Cubic Transportation Systems, Inc. (Cubic) for an amount not to exceed \$8.2 million, increasing total contract authority from \$244,121,566 to \$252,321,566 as indicated in Attachment B, TAP Contract Modification Summary. This action does not increase the life-of-project budgets of the projects involved.

ISSUE

Several contract modifications are required to support the expansion of Metro's rail system and to improve customer experience, increase safety, and initiate improvements to fare enforcement and collection through the implementation of gate latching initiatives.

DISCUSSION

Contract modifications are required to implement improvements to Metro's fare collection system in the following areas:

Rail Expansion:

The addition of the Gold Line Foothill Extension and Expo Line Phase II require the purchase of new fare collection equipment. Therefore, staff recommends the following:

- Procure fare collection equipment for the Gold Line Foothill Extension currently under construction. Fare collection equipment must be procured, installed, and tested in time to support the expected Revenue Operation Date (ROD) of March 2016. The approved modification will cover the manufacture, installation, and maintenance of 20 new Ticket Vending Machines (TVMs) and **installation of 22**

Stand Alone Validators (SAVs) installed at six at-grade stations. The six at-grade stations are undergoing a detailed engineering analysis (equipment quantities analysis, queuing analysis, and exit calculations) to determine the feasibility of gating. If gating is feasible, staff will return to the Board for separate Board action on additional gating equipment.

- Procure fare collection equipment for the Expo Phase II currently under construction. Fare collection equipment must be procured, installed, and tested in time to support the expected ROD of January 2016. The procurement will cover the manufacture, installation, and maintenance of 26 new TVMs and installation of 21 SAVs at three at-grade stations. The remaining three at-grade stations are also undergoing a detailed engineering analysis (equipment quantities analysis, queuing analysis, and exit calculations) to determine the feasibility of gating. If gating is feasible, staff will return to the Board for separate Board action on additional gating equipment.

Though staff is moving forward with procurement of fare collection equipment including SAVs for the Gold Line Foothill Extension and Expo Phase II projects, staff recognizes that a system-wide gating effort is underway. These two projects are currently under detailed engineering analysis for gating. If the Board decides to implement fare gates, staff will adjust the number of SAV purchases accordingly.

Customer Experience:

To make the fare collection equipment more accessible to customers, staff recommends the following:

- Modify software for TVMs to bring the machines into compliance with Americans with Disabilities Act (ADA) requirements. ADA modifications will allow customers to use the PIN pad to navigate menu options, volume control for patrons using ear phones as well as beep tones when moving between screens, and an option to blank the TVM screen in audio mode. The TVMs were procured in 2002 and, at the time, were in compliance with federal ADA regulations. The introduction of new ADA regulations requires that TVMs be modified to comply with the new regulations (49 CFR Part 37, Sec. 37.9: Standards for Accessible Transportation Facilities).

Safety Enhancements:

- Implement an alarm module for fare gate array Emergency Swing Gates that activates when gate opens and deactivates when gate closes. The adjustable volume control and can be activated/deactivated by Metro staff as needed.

DETERMINATION OF SAFETY IMPACT

A number of the recommendations serve to improve safety on the Metro rail system. Modifications to the emergency swing gate alarm module will deter customers from using them as entry points and encourage customers to access stations via the turnstiles.

FINANCIAL IMPACT

A total of \$4,250,000 is required for this contract in FY15 and is included in FY15 budget as follows:

- \$1,500,000 for Gold Line Foothill Extension fare equipment, included in 860200 project budget
- \$2,600,000 for Expo Phase II fare equipment and gates, included in 860301 project budget
- \$150,000 for ticket vending machine application enhancements and emergency swing gate (software) upgrades, included in 210134 project budget

Since this is a multi-year contract, DEO, TAP Operations and respective project managers will be accountable for budgeting the remaining cost of \$3,950,000 in future years.

IMPACT TO BUDGET

The source of funds for fare equipment and gates on the two new lines – Gold Line Foothill Extension and Expo Phase II – is Measure R Transit 35%. This fund is not eligible for operating bus or rail. The source of funds for vending machine application enhancements and emergency swing gate (software) upgrades is Proposition C 40% which is eligible for bus and rail operating and capital improvements and is appropriate for this effort.

ALTERNATIVES CONSIDERED

The Board may choose not to move forward with approving contract modification authority at this time. However, staff does not recommended this because the long lead times required to order and manufacture fare collection equipment may delay the ability of the TAP system to support the revenue operating schedules for Gold Line Foothill and Expo Phase II light rail extensions. Equipment must be procured, installed, and tested prior to RODs to ensure proper operations of equipment. Choosing not to approve at this time will negatively impact customer service improvements, municipal operator support, and delay key customer service improvement initiatives.

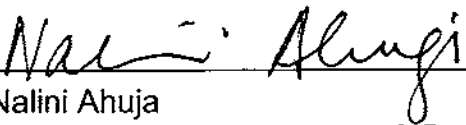
NEXT STEPS

Negotiate and implement each of the change notices listed in Attachment B.

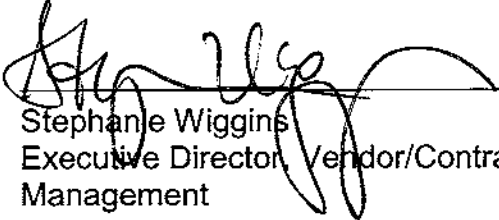
ATTACHMENT

- A. Procurement Summary
- B. TAP Contract Modification Change Notice Summary

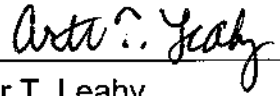
Prepared by: David Sutton, DEO TAP Operations (213) 922 - 5633



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Executive Director, Finance & Budget



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Management



Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

UNIVERSAL FARE SYSTEM UPGRADE

1.	Contract No.: OP02461010		
2.	Contractor: Cubic Transportation Systems, Inc.		
3.	Mod. Work Description: Modify Contract and Upgrade Equipment		
4.	Work Description: Upgrade Metro's Fare Collection System for PCI Compliance		
5.	The following data is current as of :	April 7, 2014	
6.	Contract Completion Status:		
	Bids Opened	N/A	Financial Status
	Contract Awarded	3/7/02	Contract Award Amount
	NTP	3/7/02	Total of Modifications approved
	Orig. Complete Date	9/01/07	Pending Modifications (including this action)
	Current Est. Complete Date	7/1/20	Current Contract Value (with this action)
7.	Contract Administrator: Don Dwyer	Telephone Number: (213) 922-6387	
8.	Project Manager: David Sutton	Telephone Number: (213) 922-5633	

A. Procurement Background

These proposed modifications are for an amount not-to-exceed (NTE) \$15,000,000. The period of performance for this contract is not changed by these modifications.

These contract modifications are handled in accordance with the LACMTA approved procedures for contract modifications.

A summary of contract modifications, including these proposed modifications, is provided below:

Change Type	Number of Changes	Amount
Administrative Changes	19	\$0.00
Deductive Changes	9	-\$2,295,993
System Expansion	14	\$51,475,873
System Maintenance	4	\$93,025,845
System/Equipment Changes/Enhancements	66	\$26,112,397

B. Cost/Price Analysis

The final negotiated amount will comply with all requirements of Metro's Acquisition policy and procedure, including fact-finding, clarifications, negotiations, and cost analysis to determine a fair and reasonable price before the contract modification is executed.

	Proposal Amount	MTA Estimate	Negotiated Amount
1.	NTE \$	TBD	TBD

C. Small Business Participation

Cubic Transportation Systems, Inc. has a Disadvantaged Business Enterprise participation commitment of 5.65%. Cubic Transportation's current DBE participation is 8.16%, which exceeds their DBE commitment.

SMALL BUSINESS COMMITMENT	DBE 5.65%	SMALL BUSINESS PARTICIPATION	DBE 8.16%
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	DBE Subcontractors	Ethnicity	% Committed	Current Participation¹
1.	American Alloy Fabrication, Inc.	Caucasian	0.25%	0.56%
2.	Lows Enterprises	African American	0.13%	0.06%
3.	TechProse	Caucasian	0.41%	0.11%
4.	Robnett Electrical	African American	2.53%	6.45%
5.	Priority Manufacturing, Inc. (GFI)	Caucasian	0.93%	0.33%
6.	J-Tec Metal Products	Hispanic	0.13%	0.06%
7.	KLI, Inc.	Asian Pacific	0.25%	0.16%
8.	Kormex Metal Craft	Asian Pacific	1.02%	0.56%
	Totals		5.65%	8.16%

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