

**City of Culver City, California
Agenda Item Report**

Meeting Date: July 26, 2010		Item Number: <u>C-6</u>	
CITY COUNCIL AGENDA ITEM: (1) Waiver of Formal Competitive Bidding Requirements; and (2) Approval of an Agreement with Cubic Transportation Systems Inc., for Extended Warranty on Parts and IT Support for Transit Bus Fareboxes.			
Contact Person/Dept.: Paul Condran / Transportation		Phone Number: (310) 253-6520	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☐	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: Agendas and Meetings – City Council (7/21/10)			
Department Approval: Art Ida(07/21/10)		City Attorney Approval: Carol Schwab (by H. Baker) (07/21/10)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (07/22/10)		City Manager Approval: P. Lamont Ewell (07/22/10)	
<u>RECOMMENDATION:</u> Staff recommends that the City Council waive the formal competitive bidding requirements and approve a two-year Extended Warranty Parts/Services Plan in the amount of \$54,155 and approve an agreement with Cubic Transportation Services Inc., for replacement farebox parts/components and information technology support on the Transportation Department's fare media system. <u>BACKGROUND:</u> In 2008, the City installed new fareboxes on all Culver City buses to participate in the new Universal Fare Media System which was implemented through the Los Angeles Metropolitan Transportation Authority. These new fareboxes were necessary for Culver CityBus to provide a regional and seamless fare media system which would allow our customers to use one fare media throughout all Los Angeles County transit systems. At the time of the original installation, Cubic Transportation Systems Inc. had delivered and installed these fareboxes which included a two-year parts and software support agreement to help reduce the need for Transportation Department/Equipment Maintenance & Fleet Services Division staff to identify and replace electrical components and related internal parts as needed. They also provide highly needed technical support services for the cubic farebox software through the extended warranty service plan.			

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This extended warranty plan was necessary and cost-effective for improved maintenance on these sophisticated pieces of equipment.

Since the new fareboxes include a completely different software package, the extended warranty agreement also enhances the probing of the units and provides assistance for the required technical support and integration of our existing fare media computer systems.

DISCUSSION:

In the two years since installation, it has become apparent that an extended warranty plan for all sub-components, electrical parts and full support for our software is required to enable staff to properly maintain and have enough fareboxes available for Transportation Operations.

Equipment Maintenance Division staff is very familiar with the preventative maintenance, diagnosis and repairs to the fareboxes, and we have been performing these tasks routinely; however, specific component failures, especially electrical circuit boards, while considered normal do to their high use, would be very costly to replace without an extended warranty plan. Cubic Transportation Systems is responsible for the delivery, component diagnosis, repair and forward shipping of failed parts/materials. Additionally, they will provide technical support for any problems that may arise including software support for our farebox reporting and information systems.

Waiver of Competitive Bidding Process

Pursuant to Culver City Municipal Code § 3.07.065.A, staff recommends the City Council waive the formal competitive bidding requirements, as Cubic Transportation Systems, Inc. is a proprietary sole source company. As such, they are the only company that can service and provide hardware and software, maintenance and technical support plus on-going training on these farebox systems.

FISCAL ANALYSIS:

The cost for this extended service agreement is as follows:

- Year One - \$25,011
- Year Two - \$26,565

Additionally, staff recommends a 5% contingency amount for unforeseen occurrences. The total cost for two additional years will be \$54,155.

There will be no General Fund monies used for this agreement. All expenditures for this program will be paid from Transportation Department grant funds from account 20368300.732120 – Departmental Special Equipment.

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ATTACHMENTS:

None

MOTION:

That the City Council:

1. Waive the formal competitive bidding requirements; and
2. Approve a two-year extended services/parts agreement to Cubic Transportation Systems, Inc. for a not-to-exceed amount of \$54,087, and,
3. Authorize the City Attorney to review/prepare the necessary documents, and,
4. Authorize the City Manager to execute such documents on behalf of the City.