



# City of Culver City

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## Staff Report

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**File #:** 19-607, **Version:** 1

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**CC - Approval of (1) an Agreement with Cubic Transportation Systems Inc. for the Purchase of Upgraded TAP Farebox Equipment in an Amount Not-to-Exceed \$883,702; and (2) TAP Farebox Upgrade Reimbursement Agreement with Los Angeles County Metropolitan Transportation Authority in the Amount of \$724,971, for the Regional Smart Card Program.**

**Meeting Date:** December 10, 2018

**Contact Person/Dept:** Samantha Blackshire/Transportation Department

**Phone Number:** (310) 253-6535

**Fiscal Impact:** Yes ☒ No ☐

**General Fund:** Yes ☐ No ☒

**Public Hearing:** ☐ **Action Item:** ☐ **Attachments:** ☒

**Commission Action Required:** Yes ☐ No ☒ **Date:**

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (12/05/18);

**Department Approval:** Art Ida, Transportation Director (11/28/18)

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### **RECOMMENDATION**

Staff recommends the City Council approve (1) an agreement with Cubic Transportation Systems, Inc. ("Cubic") for the purchase of Upgraded TAP Farebox Equipment in an amount not-to-exceed \$883,702; and (2) a TAP Farebox Upgrade Reimbursement Agreement with Los Angeles County Metropolitan Transportation Authority ("Metro") in the amount of \$724,971, for the Regional Smart Card Program.

### **BACKGROUND**

On May 28, 1997 the Metro Board took action to establish a universal fare system, which would allow participating agencies to share a common fare media. The universal fare system would later evolve into the Transit Access Pass ("TAP") Program. TAP is a regional smart card developed through a cooperative effort between Metro and participating public transit agencies in the Los Angeles County Region. It allows passengers to pay their fare by tapping their card on a validating farebox. There is no need for a passenger to have exact change.

Metro manages the daily operations of the TAP program including system configuration, testing, customer service, financial settlement, and operational oversight. Metro is also the owner and distributor of all applications, such as passes or stored value that reside on TAP cards. Finally, Metro is the owner of the data stored on TAP cards and devices that are used for all transit automatic fare collection purposes.

On January 13, 2003, the Transportation Department received authorization from City Council to purchase a new fare collection system as part of the Los Angeles County Universal Fare System. Unfortunately, due to a number of delays with the project the fareboxes were installed on-board City buses in late 2007. By reaching their useful life, 11 years, the Equipment Maintenance and Fleet Services Division has experienced a continuous increase in the number of road calls due to the farebox equipment malfunctioning. For example, the fareboxes are operating with motherboards that are repairable but are no longer available for purchase.

By upgrading the existing farebox hardware and software Culver CityBus will gain increased functionality and extend its useful life by another 7 - 9 years without the wholesale replacement costs.

## **DISCUSSION**

On June 21, 2018 Metro went before their System Safety, Security and Operations Committee and received authorization to execute an agreement with the nine (9) municipal Operators (Culver CityBus, Antelope Valley Transit Authority, Foothill Transit, GTrans (Gardena), Montebello Bus Lines, Norwalk Transit, Santa Clarita Transit, Torrance Transit, and LADOT) that require farebox upgrades and outline requirements, pricing and payment schedules.

The Transportation Department would like to upgrade the existing hardware and software associated with the farebox equipment by entering into an agreement with Cubic. The upgrade will assist in creating the ability to communicate in near real time, and support the future TAP mobile app and other new payment technologies.

### **Real Time/Mobile App & Other Payment Options**

The existing fareboxes were not designed to communicate in real time. Currently when a passenger adds a fare product to their TAP card there is a 24 - 48 hour delay until when the card can be used on-board a bus. The upgrade will allow passengers to utilize newly purchased fare products (i.e. stored value or passes) immediately on due to information being wirelessly downloaded to the farebox.

The upgraded TAP fareboxes will also have the capability of receiving new payment options. The fareboxes will have be prepared for the introduction of new technological advances in the development of a mobile app along with credit/debit card payment options. At this time, Metro anticipates the mobile app being launched in 2019.

### **From Operator Control Unit to Driver Control Unit**

Staff is requesting the replacement of the existing Operator Control Unit (OCU), which controls the farebox, with the new Driver Control Unit (DCU). The OCU is not Operator friendly due to the small font; hard to press keys; glare from the sun; and poor color contrast on the screen. The new DCU has larger fonts; touch screen capability even while wearing gloves; anti-glare screen; and multiple eye catching selections. Attachment 1 includes photos of both the OCU and DCU.

Equipment

Metro has agreed to reimburse the Transportation Department for payments made to Cubic, up to \$724,971, for the equipment listed below.

**Expenses Reimbursed by Metro:**Regional Contract

DCU/Farebox Upgrade Kits & Installation	60
DCU/Farebox Spare Upgrade Kits	20
Farebox Lids	80
Garage Computer	1
Total Regional Contract Price	\$724,971

Metro's sources of funding for this project includes a mix of Federal, State and, if necessary, local funding including, but not limited to, Federal Section 5307 funds, Regional improvement program, and/or Senate Bill 1 (SB1) funds. Most of these funds are eligible for bus and rail operations.

In order to fully extend the useful life of the fare collection equipment staff is also proposing that Cubic provide new bill transports, bill and coin validators. The validators read each coin and bill denomination even determining if an item is counterfeit. Unfortunately, due to the aging of the farebox equipment it does not always accurately read coins or bills often sending coins to the return slot and bills being rejected.

Since the City's Operators cannot accept money by hand they must allow the passengers to ride free of charge. The bill transporter moves the bills from the lid of the farebox into the cash box. Staff is requesting the following non-reimbursable expenses:

**Non-Reimbursable Expenses:**

<u>Extra Equipment</u>	<u>Price per Unit</u>	<u># of Units</u>	<u>Extended Price</u>
Bill Transporter	\$815	80	\$65,174
Bill Validator	\$666	80	\$53,261
Coin Validator	\$504	80	\$40,296
Total:			\$158,731

In order to take advantage of the pricing made available through this high volume purchase, the City of Culver City must enter into one agreement with Cubic for both the reimbursable and non-reimbursable items, for a total of \$883,702, noted above by December 31, 2018.

Pursuant to Culver City Municipal Code Section 3.07.055.A. this purchase is exempt from formal bidding requirements as the needed equipment is proprietary items of original equipment manufacturers and/or their authorized exclusive distributors. Cubic has the knowledge and intellectual property rights necessary to provide the extensive upgrade services to the existing TAP fareboxes and garage computer. Cubic is the original equipment supplier of the TAP fareboxes. There are no authorized third-party service providers that have an in-depth understanding of the design and operation of the fareboxes. Also, third parties are not allowed to perform the upgrade without violating Cubic's intellectual property rights. Cubic is the sole contractor that continues to

successfully assist with repairs of the TAP fareboxes for Culver CityBus and other TAP municipal transit agencies. Cubic worked with staff over the years to provide primary technical support for the TAP fareboxes. The upgrade requires extensive programming, custom wiring and the replacement of all obsolete internal logic boards with proprietary logic boards, software and firmware that can only be provided by the original equipment manufacturer.

Once the City of Culver City has authorized the execution of the necessary documents, in order to move forward with the purchase of the TAP farebox upgrade, two (2) Notice to Proceeds (NTP) must be issued. The first NTP is for all obligations related to design. The second NTP is for all obligations related to construction. Unfortunately, Cubic will not be able to perform any work until these documents have been issued. The two (20) notices shall encompass 100% of the work as agreed to by Metro for the region. The Extra Equipment being requested by the City shall be presumed granted upon the execution date of the agreement with Cubic. At this time, Metro has established February 2019 - June 2019 as the installation timeframe for the upgraded TAP fareboxes. This is a very aggressive schedule that will require cooperation between all the municipal partners, Metro, and Cubic.

By not purchasing the upgraded TAP Farebox equipment the City would experience even more frequent farebox equipment breakdowns, which may result in lost revenue. Also, Culver CityBus passengers would not benefit from future payment options that may become available to the municipal transit agencies.

## **FISCAL ANALYSIS**

Transportation Department capital funds will be used to pay Cubic for this purchase, sourced from FY19 TDA Capital Reserve funds for the fareboxes, and FY19 Prop A Discretionary MOSIP funds for the bill transports, bill and coin validators. The total costs for both the TAP farebox upgrade and extra equipment is \$883,702. Metro will reimburse the City of Culver City, \$724,971 for the TAP farebox upgrade expenditure, upon submission of a capital expenditures invoice for this project as established milestones are achieved. Sufficient FY19 capital expenditure dollars have been identified in the Transportation Department account number 20370300.732120.

No General Fund dollars will be utilized.

## **ATTACHMENTS**

1. 2018-12-10 - ATT Photos of the OCU, currently on-board Culver City buses, and the new DCU.

## **RECOMMENDED MOTIONS**

That the City Council:

1. Approve an agreement with Cubic Transportation Systems, Inc. for the Upgrade of the TAP

Fareboxes in an amount not-to-exceed \$883,702;

2. Approve a TAP Farebox Upgrade Reimbursement Agreement with Los Angeles County Metropolitan Transportation Authority in the amount of \$724,971;
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.