### REGIONAL TRANSIT ISSUE PAPER

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| Agenda   | Board Meeting | Open/Closed | Information/Action | Issue    |
|----------|---------------|-------------|--------------------|----------|
| Item No. | Date          | Session     | Item               | Date     |
| 3        | 06/14/10      | Open        | Action             | 05/19/10 |

Subject: Awarding a Contract to Electronic Data Magnetics for Purchase of Magnetic Encoded Ticket Books

#### **ISSUE**

Whether or not to award a Contract to Electronic Data Magnetics for Purchase of Magnetic Encoded Ticket Books

#### RECOMMENDED ACTION

Adopt Resolution No. 10-06-\_\_\_\_\_, Awarding a Contract to Electronic Data Magnetics for Purchase of Magnetic Encoded Ticket Books

#### FISCAL IMPACT

Budgeted: Yes This FY: 0 Next FY: Budget Source: Operating 137,985.60 Funding Source: Revenue Annualized: 137,985.60 Cost Cntr/GL Acct(s) or 45/640021 Total Amount: 413.956.80

Capital Project #:

Total Budget: \$ 413,956.80

#### DISCUSSION

On March 22, 2010, the Board authorized release of an Invitation to Bid (ITB) for Purchase of Magnetic Encoded Ticket Books. Currently, staff solicits quotes from vendors and purchases prepaid tickets 3 to 4 times per year. Staff released the ITB to increase efficiencies by entering into a 3-year contract with set pricing for the ticket media.

Staff released the ITB on March 24, 2010 and sent outreach notices to multiple firms. The solicitation was advertised in publications of general circulation and posted on RT's website under Contracting Opportunities. Six firms received the ITB. On April 27, 2010, one bid was received from Electronic Data Magnetics. A late bid from Digital Printing Systems was deemed non-responsive because it did not comply with the bid submittal requirements specified in the ITB. The late bid was returned, unopened.

As a result of this solicitation, staff has found that the encoding required on the magnetic stripe is specialized and knows of only one other ticket vendor that can provide this product. That company did not provide a bid.

| Approved:           | Presented:   |  |
|---------------------|--|--|
| FINAL 6/2/10        |  |  |
| General Manager/CEO | Chief Financial Officer  |  |
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|----------|---|
|          | Encoded Ticket Books  |

The unit price bid is approximately 7% lower than the most recent purchase of the ticket media and is therefore considered fair and reasonable.

During the term of the Contract, RT will require printing of its Magnetic Encoded Tickets on an as needed basis. Estimated quantities listed on the Bid Pricing Form of the ITB are based on historical data. Award of a contract does not guarantee that RT will purchase those quantities.

Staff recommends the Board award a Contract to Electronic Data Magnetics for an amount not to exceed \$413,956.80.

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

#### June 14, 2010

# AWARDING A CONTRACT TO ELECTRONIC DATA MAGNETICS FOR PURCHASE OF MAGNETIC ENCODED TICKET BOOKS

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "RT," and Electronic Data Magnetics, therein referred to as "Contractor," whereby Contractor agrees to provide Magnetic Encoded Ticket Books, as specified, for an amount not to exceed \$413,956.80, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Contract.

|                                      | STEVE MILLER, Chair |
|--------------------------------------|---------------------|
| ATTEST:                              |                     |
| MICHAEL R. WILEY, Secretary          |                     |
| By: Cindy Brooks Assistant Secretary | <u> </u>            |