

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
8	08/26/2013	Open	Action	08/07/2013

Subject: Delegate authority to the General Manager/CEO to continue paying invoices for the annual maintenance support fee for Trapeze Software Group, Inc. under the 2002 Software Maintenance Agreement with Trapeze Software Group.

ISSUE

Whether or not to delegate authority to the General Manager/CEO to continue paying invoices for the annual maintenance support fee under the 2002 Software Maintenance Agreement with Trapeze Software Group.

RECOMMENDED ACTION

Adopt resolution 13-08- __, Delegating Authority to the General Manager/CEO to pay the Annual Support Fee Under the 2002 Software Maintenance Agreement with Trapeze Software Group, Inc.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	108,598.00
Budget Source:	Operating	Next FY:	\$	0
Funding Source:	Local/Federal	Annualized:	\$	108,598.00
Cost Cntr/GL Acct(s) or	76-630021	Total Amount:	\$	108,598.00
Capital Project #:				
Total FY13-14	108,598.00			
Budget:	\$			

* The annual support fee is calculated as 20% of the then-current License Fee for the Trapeze Software used by RT, based on the peak number of vehicles operated per day as of the maintenance anniversary date, so the fee is variable from year to year, but will generally increase.

DISCUSSION

In 2002, when the Board approved the acquisition and implementation of the Trapeze software, it also authorized (by Resolution No. 02-12-0272) the Board Chair and General Manager/CEO to execute the maintenance agreement included as an appendix to the Services Agreement. However, the terms of the Software Maintenance Agreement were not clearly described in the Issue Paper and Resolution. Some statements in the documents suggested that the maintenance services were optional when, in fact, RT must pay the annual support fee to maintain the functionality of the software. The Software Maintenance Agreement continues in perpetuity until terminated or cancelled by one of the parties and commits RT to pay the annual support fee for so long as it uses the software.

Approved:

Presented:

General Manager/CEO

Director of Information Technology

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In years past, the General Manager/CEO has paid the annual support fee under his or her authority to award contracts under \$100,000, even though the contractual commitment was actually made in 2002 and the payment of the annual support fee was not technically a separate contract action.

This year, for the first time, the annual support fee exceeds \$100,000, which caused Staff to reexamine the authority for the annual support fee and the mechanism for payment. Because payment of the annual support fee is necessary to maintain the functionality of the software and, for this reason, is not a discretionary expenditure, Staff is requesting a delegation of authority to the General Manager/CEO to continue paying the annual support fee to Trapeze Software Group, Inc. for so long as RT continues to use the Trapeze software.

RESOLUTION NO. 13-08 - _____

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

August 26, 2013

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO PAY THE ANNUAL SUPPORT FEE UNDER THE 2002 SOFTWARE MAINTENANCE AGREEMENT WITH TRAPEZE SOFTWARE GROUP, INC.

WHEREAS, on December 10, 2002, the Sacramento Regional Transit District and Trapeze Software Group, Inc. entered into a Software Maintenance Agreement for specified software provided by Trapeze pursuant to the Services Agreement between the parties; and

WHEREAS, the Software Maintenance Agreement obligates RT to pay an annual support fee for continued service, support, and upgrades for the specified software.

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

THAT, authority is hereby delegated to the General Manager/CEO to pay the annual support fee due under the December 10, 2002 Software Maintenance Agreement between Trapeze Software Group, Inc. ("Trapeze") and the Sacramento Regional Transit District (therein "Licensee") each year for so long as RT continues to require maintenance and upgrades for the licensed software.

PATRICK HUME, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary