

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	08/11/14	Open	Action	08/05/14

Subject: Approving a Noncompetitive and Sole Source Procurement, Awarding a Contract to Genfare for the Purchase of Fast Fare Fareboxes and Delegating Authority to the General Manager/CEO to Execute Amendments to the Contract

## ISSUE

Whether or not to approve a noncompetitive and sole source procurement awarding a contract to Genfare for the purchase of Fast Fare fareboxes and delegating authority to the General Manager/CEO to execute amendments to the contract.

## RECOMMENDED ACTION

Adopt Resolution No. 14-08-\_\_\_, Approving a Noncompetitive and Sole Source Procurement Awarding a Contract to Genfare for the Purchase of Fast Fare Fareboxes and Delegating Authority to the General Manager/CEO to Execute Amendments to the Contract.

## FISCAL IMPACT

Budgeted: Yes This FY: \$ 540,404.64  
Budget Source: Local  
Funding Source: Revenue Bond Proceeds  
Cost Cntr/GL Acct(s) or B143.07.01  
Capital Project #: B143.07.02  
Total Budget: \$ 540,404.64

## DISCUSSION

On December 9, 2013, the Board awarded a contract to Gillig, LLC for the purchase of 96 replacement buses and delegated authority to the General Manager/CEO to execute any future amendments to the Contract. Based on funds available at the time, staff determined that the initial order would be for 30 buses. The Contract would be amended to procure the remaining 66 buses as funding was identified over the next five years. The price per bus for the initial order of 30 buses included new Genfare Odyssey fareboxes. This was included as a placeholder until a decision could be made as to whether RT should purchase the fareboxes from Gillig as part of the bus build or purchase directly from the manufacturer.

RT's current bus fleet is equipped with Genfare CENTSaBILL fareboxes. RT's Bus Maintenance facility is equipped with four vaulting systems that are used to process revenues. Although the fareboxes are over 15 years old, the vault infrastructure and much of the back-end data systems, equipment, and software have been updated and are in good working order. This was taken into consideration when staff began seeking information on its various options for fareboxes.

Approved:

Presented:

Final 08/06/14

General Manager/CEO

Director, Finance and Treasury

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In January 2014, discussions commenced to make a decision regarding the fareboxes. There was a second farebox option available for a newer model called Fast Fare. Product features of the Odyssey and Fast Fare were compared and discussed. It was decided that the Fast Fare was the preferred choice. Gillig provided staff with revised pricing based on the newer Fast Fare model option. There was a \$2,000-\$3,500 price increase from the Odyssey based on the machine features selected. Management directed staff to initiate discussions with Gillig and Genfare with a goal to reduce costs.

According to Genfare, they provided Gillig with competitive pricing on both the Odyssey and Fast Fare. Those prices were relayed to staff. Staff then contacted Gillig and it was determined that its price per farebox included a mark-up of approximately \$2,200. Gillig stated these prices were not negotiable and were based on internal costs for engineering services, installation, developing wiring schematics/drawings and creating part numbers for the equipment. Based on this information and in an effort to achieve significant cost savings, staff determined that it was in RT's best interest to purchase the Fast Fare fareboxes directly from the manufacturer.

Staff discussed procuring the fareboxes separately and excluding the fareboxes from the bus build. Gillig would still need to pre-wire the buses for the farebox selected. Staff conducted research on the different types of fareboxes available in the industry. It was determined that there are four companies that manufacture fareboxes that would be compatible with RT's buses: Affiliated Computer Services (ACS), Fare Logistics, Genfare and Scheidt & Bachmann.

Through further research, staff determined that although the fareboxes from each company had many similarities, two of the most important factors being evaluated were: (1) which farebox more closely meets RT's current and growing needs; and (2) consideration of the cost and operational impact of infrastructure changes. Since current funding availability only allows for replacement buses for a portion of the fleet, the entire system cannot be replaced at once and must be phased in over a period of years. If a manufacturer other than Genfare were awarded a contract, RT would have to operate two separate vault systems. Operation of a mixed farebox fleet was not a concern, as long as they were compatible with the existing Genfare vaults. In order to function operationally, three vaults would be required per system in order to process revenues. RT currently has four vaults, which would only allow two vaults per system. A minimum of six vaults would be required to operate two systems. Due to space constraints, a separate vault system is not an option. Replacement of the existing Genfare vault system is also not an option due to the significant costs associated with such an effort. Operation of a second vault system would also result in significant costs for IT support, training, maintenance and repair. After an extensive comparison of the available fareboxes, it was determined that Genfare was the only source that could meet RT's needs.

Per the FTA Circular 4220.1F, "When the recipient requires supplies or services available from only one responsible source, and no other supplies or services will satisfy its requirements, the recipient may make a sole source award." Due to the infrastructure constraints, staff believes the efforts to seek competition would be futile. In accordance with RT's Procurement Ordinance,

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Section 1.405, Noncompetitive and Sole Source Procurement, the Board may approve and award a noncompetitive procurement when it has been determined that the Public Works, Supplies or Services can be provided by only one firm and that efforts to seek competition would be futile.

Genfare has three base model fareboxes that are capable of working with RT’s infrastructure. Staff determined that the best option is the Fast Fare farebox, which is the most technologically advanced. This farebox, along with the options listed in italics in the chart below, will complement RT’s vision of moving towards an electronic form of media that can provide a reduction in counterfeited media, faster boardings, improved ridership data and ease of use. The Fast Fare model with the trim unit will have the ability to dispense a limited use (thin Ultralight 15 mil.) thermal coated card for short use that is ISO 14443 compliant. The Fast Fare Smart Card Reader, with WiFi, will provide RT with the capability of allowing customers to pay for their rides with a credit card that has electronic chip capabilities. RT has determined that the data stored on the limited use Smart Card can be read by the INIT Smart Card tap device with minimal configuration. RT requested a proof of concept (POC) from both Genfare and INIT to determine any additional integration capabilities.

RT’s current fareboxes do not dispense any media to the customer upon boarding. The current process involves distribution of daily passes to customers, which increases potential for theft, counterfeiting, and lack of ability to gather accurate ridership data. The Fast Fare is designed to dispense the limited use Smart Card immediately upon inserting the proper cash into the farebox. Upon initial install, the limited use Smart Card will be recognized by the INIT system, however RT’s IT Staff will need to develop a method for data collection and reporting. In the future, RT expects to implement a smart phone application that would be integrated with the Init tap system. This would provide customers with an additional method for purchasing media with the goal of speeding up boardings and gathering ridership data.

This chart shows the unit cost per calendar year:

Calendar Year	2014	2015	2016	2017	2018
Fast Fare Farebox	\$ 11,575.00	\$12,038.00	\$12,519.52	\$13,020.30	\$13,541.11
<i>LUSC Trim Unit</i>	\$ 3,400.00	\$ 3,536.00	\$ 3,677.44	\$ 3,824.54	\$ 3,977.52
<i>HID Smart Card Reader</i>	\$ 510.00	\$ 530.40	\$ 551.62	\$ 573.68	\$ 596.63
<i>Farebox Wi-Fi</i>	\$ 415.00	\$ 431.60	\$ 448.86	\$ 466.82	\$ 485.49
Sub-total	\$ 15,900.00	\$16,536.00	\$17,197.44	\$17,885.34	\$18,600.75
Tax (8.5%)	\$ 1,351.50	\$ 1,405.56	\$ 1,461.78	\$ 1,520.25	\$ 1,581.06
<b>Total Per Farebox</b>	<b>\$ 17,251.50</b>	<b>\$17,941.56</b>	<b>\$18,659.22</b>	<b>\$19,405.59</b>	<b>\$20,181.81</b>

Pricing includes a 4% escalator per calendar year. Month of purchase is not a factor. RT can elect to increase quantities during earlier years to reduce costs.

These quantities coincide with the anticipated bus builds and may be increased/decreased per calendar year as funding becomes available.

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Calendar Year	2014	2015	2016	2017	2018
Quantity	30	54	12	57	57
Total Based on Quantity	\$ 517,545.00	\$ 968,844.24	\$223,910.67	\$1,106,118.70	\$1,150,363.45
Freight	\$ 595.00	\$ 1,190.00	\$ 595.00	\$ 1,190.00	\$ 1,190.00
<b>TOTAL</b>	<b>\$ 518,140.00</b>	<b>\$ 970,034.24</b>	<b>\$224,505.67</b>	<b>\$1,107,308.70</b>	<b>\$1,151,553.45</b>

The table below shows the costs associated with a one-time infrastructure upgrade. The current vaulting system must be upgraded to allow compatibility for use of both the old GFI CENTSaBILL and the new Genfare Fast Fare, which has batteries. Pricing is reflective of parts and labor.

Description	Qty	Unit Price	Total
Cashbox Identification Computer (1 per 2 vaults)	2	\$ 1,903.38	\$ 3,806.76
Cashbox Reader (1 per vault)	4	\$ 1,997.60	\$ 7,990.40
Timer (1 per vault)	4	\$ 292.86	\$ 1,171.44
Dynamic Probe (replaces existing probes)	3	\$ 1,442.00	\$ 4,326.00
Subtotal			\$17,294.60
Tax (8.5%)			\$ 1,470.04
Installation Labor			\$ 3,500.00
<b>TOTAL</b>			<b>\$22,264.64</b>

Procurement staff has determined the price to be fair and reasonable under the current market conditions. The price per farebox is comparable to the Independent Cost Estimate (ICE) provided by Bus Maintenance staff and estimates provided by Genfare to other customers for the same system. The pricing for the one-time infrastructure upgrade is per Genfare’s standard pricing sheet, which is used by its Sales Representatives for all customers.

As described above, because of the impossibility of expanding the existing vault system and the financial infeasibility of replacing the entire farebox system at one time, staff recommends that Board approve a noncompetitive and sole source procurement and ‘ ‘ award a contract to Genfare for the purchase of an initial order of 30 Fast Fare fareboxes and delegate authority to the General Manager/CEO to execute amendments to the Contract. The Contract will include options that allow RT to purchase up to 210 fare boxes. Based on current funding available, as noted in the fiscal impact section, RT is currently seeking to purchase 30 of the 210. The delivery schedule for these fare boxes will coincide with the 30 new Gillig buses.

RESOLUTION NO. 14-08-\_\_\_\_\_

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

August 11, 2014

**APPROVING A NONCOMPETITIVE AND SOLE SOURCE PROCUREMENT,  
AWARDING A CONTRACT TO GENFARE INCORPORATE (GFI) FOR THE  
PURCHASE OF FAST FARE FAREBOXES AND DELEGATING AUTHORITY TO THE  
GENERAL MANAGER/CEO TO EXECUTE AMENDMENTS TO THE CONTRACT.**

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

THAT, Genfare provides fareboxes that are compatible with RT's existing four fault system.

THAT, selection of another vendor's fareboxes would require either addition of two additional vaults (practically impossible) or wholesale replacement of the farebox system (financially infeasible).

THAT, pursuant to Section 1.405 of RT's Procurement Ordinance it has been determined that the Public Works, Supplies or Services can be provided by only one firm and that efforts to seek competition would be futile.

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "RT," and Genfare, therein referred to as "Contractor," whereby Contractor agrees to provide 30 fareboxes and infrastructure upgrades and RT may exercise options to purchase up to 180 additional fareboxes at pre-established prices, as specified, for an amount not-to-exceed \$540,404.64, is hereby approved.

THAT, the authority is hereby delegated to the General Manager/CEO to execute amendments to the Contract to add additional fareboxes at the option prices specified in the Contract, contingent upon available funding.

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

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PHILLIP R. SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary