

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	09/26/16	Open	Action	09/15/16

Subject: Delegating Authority to the General Manager/CEO to Award Contract for Mobile Fare Application

ISSUE

Whether to delegate authority to the General Manager/CEO to award a contract for Mobile Fare Application Services.

RECOMMENDED ACTION

Adopt Resolution No. 16-09-____, Delegate Authority to the General Manager/CEO to Award a Contract for Mobile Fare Application Services.

FISCAL IMPACT

None as a result of this action. Fiscal impact will be finalized when the final vendor is selected. Overall, the fees quoted in the proposals received are in the same general range, but further negotiations could allow RT more flexibility.

DISCUSSION

On January 3, 2016, RT began a partnership with Passport to develop a pilot mobile fare application. This program was designed to offer customers a more convenient way to purchase fares, while also offering a new type of fare media, the 90 minute ticket. Within just a few months, Passport was able to develop a no cost mobile application that could sell 4 RT fare types for use on the RT bus and rail system: discount and full fare 90 minute tickets and discount and full fare daily passes. Due to the success of the pilot and passengers' continued interest in the program, staff received authorization from the Board through Resolution No. 16-05-0051 to release a Request for Proposals for a permanent mobile/online ticketing application.

Rider interest in the mobile fares has grown over the past 8 months, as shown in the chart on page 2. Mobile fare purchases since the first month of adoption have grown by approximately 384% and now generate approximately \$45K per month.

This new convenient way of purchasing fare media has allowed RT customers to shift their purchases away from paper tickets and passes. This shift has created efficiencies for RT such as a reduction in the costs associated with purchasing and managing physical tickets and a reduction in the bank and employee costs related to the daily processing of cash and coins. Also, since the mobile application has a dynamic security feature, the mobile fare application reduces RT's risk of accepting paper counterfeit tickets and passes.

Approved:

Presented:

Final 09/21/16

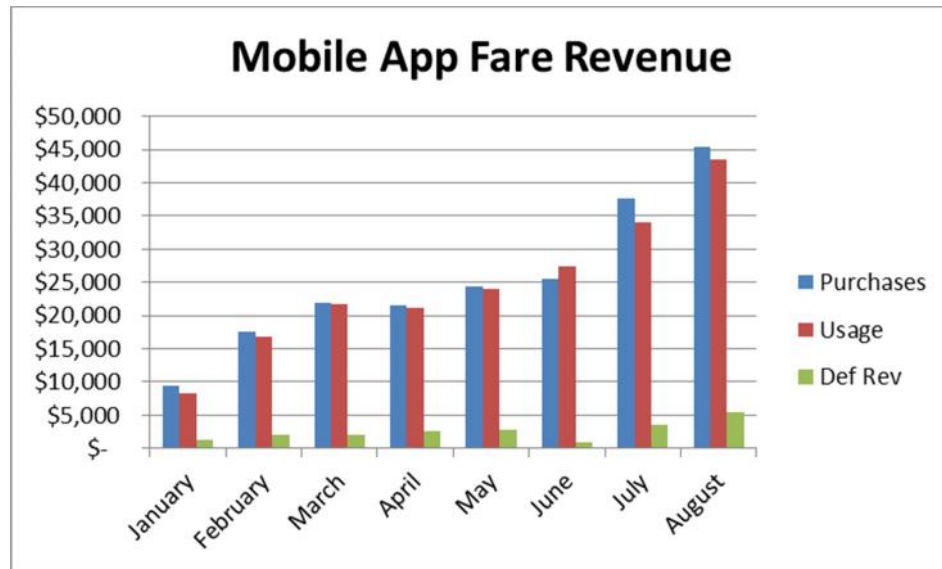
General Manager/CEO

VP of Business Support Services/Chief Financial Officer

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On June 13, 2016, staff received approval from the Board to extend the 6-month pilot program for an additional 6 months through December 31, 2016 and also received approval to release a Request for Proposals (RFP) to seek a permanent mobile application solution. RT intends to award a three-year Contract with the option to renew for two additional 1-year periods.

The RFP was released in late June, and by mid-July, six proposals had been received. The evaluation committee, which includes staff from the City of Sacramento, has worked diligently in the selection process to ensure that all aspects of the mobile application are being examined. As a result of the evaluation process, the vendor pool has been narrowed down to four companies.

As the December 31, 2016 date approaches, staff has a very short period of time to finalize the selection of a vendor, execute an agreement, and to approve and implement a permanent mobile solution. Staff believes it is in the best interest of the District to seek approval from the Board to delegate the authority to the General Manager/CEO to award the final contract to the most qualified vendor.

Therefore, staff is requesting that the Board delegate authority to the General Manager/CEO to award a Contract for Mobile Fare Application Services.

RESOLUTION NO. 16-09-_____

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

September 26, 2016

**DELEGATE AUTHORITY TO THE GENERAL MANAGER/CEO TO AWARD A
CONTRACT FOR MOBILE FARE APPLICATION SERVICES**

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

THAT, the Board hereby delegates authority to the General Manager/CEO to award a Contract for Mobile Fare Application services.

THAT, the Board hereby authorizes and directs the General Manager/CEO to execute the agreement with the selected vendor.

JAY SCHENIRER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary