



STAFF REPORT

DATE: December 9, 2019
TO: Sacramento Regional Transit Board of Directors
FROM: Brent Bernegger, VP, Finance/CFO
SUBJ: APPROVING THE FOURTH AMENDMENT TO THE CONTRACT FOR PURCHASE OF FARE VENDING MACHINES WITH PARKEON, INC.

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The Fourth Amendment to the Contract will approve increasing the Total Consideration of the Contract to pay the current annual software licensing fee of \$20,160, which is required to continue use of the Parkeon fare vending machines (FVMs).

FISCAL IMPACT

Funding is budgeted and available for the expenditure.

DISCUSSION

In 2016, SacRT purchased approximately 30 Parkeon fare vending machines (FVMs) to expand credit/debit capable sales presence on the light rail platforms prior to the opening of the Golden 1 Center. These machines were viewed as a relatively inexpensive and potentially temporary solution to bolster SacRT credit/debit functionality. Additionally, these machines were used to support SacRT's pay, park and ride program at the time. Maintaining the software for these machines requires payment of annual software license fees for software updates and hosting. While SacRT obtained pricing for the annual license fee as part of the solicitation in 2016, SacRT did not include funding in the initial contract for these fees beyond the first year and Board approval was not obtained for the payment of these fees on an ongoing basis.

In prior years, payment of the annual license was done through Purchase Orders issued by Procurement Staff. Upon review, it was determined that the annual license fee should be incorporated into the contract total consideration as a non-severable contract expense.

With the Board's decision to eliminate the pay, park and ride program and allow free parking in all SacRT lots (with the exception of the shared Cosumnes River College parking garage) the need for these machines to support parking payments was discontinued. Since that time, SacRT has reduced the number of Parkeon FVMs in

service from 30 to 12. The 12 remaining machines are located primarily in stations where no other credit/debit payment option is available.

In addition to the Parkeon FVMs, SacRT has in service 104 larger, more robust FVMs. SacRT has a contract in place with Scheidt & Bachmann to replace 62 of these machines, with delivery to occur early next year. Staff anticipates bringing an action to the Board in January to authorize the acquisition of at least 20 additional new FVMs, which would be delivered within the next year. The new FVMs will be 100% debit/credit capable and will integrate with SacRT's Connect Card system and ZipPass, among other features. As these machines are deployed, SacRT will be removing the remaining Parkeon machines from service. Once all of the Parkeon machines are removed, SacRT plans to terminate the Parkeon contract and, therefore, will no longer be required to pay the support and hosting fees. The decommissioning is anticipated to occur next summer but even if it is delayed, the decommissioning will be complete prior to the next annual license fee due date.

Approval of the Fourth Amendment to the Contract for Purchase of Fare Vending Machines with Parkeon, Inc. approves the annual software license fee of \$20,160 for the period of October 30, 2019 to October 29, 2020.

Staff recommends the Board approve amending the Parkeon contract to increase the total consideration by \$20,160 from \$421,303.40 to \$441,463.40 to pay the annual license fee.

RESOLUTION NO. 19-12-0130

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

December 9, 2019

APPROVING THE FOURTH AMENDMENT TO THE CONTRACT FOR PURCHASE OF FARE VENDING MACHINES WITH PARKEON, INC.

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

THAT, the Fourth Amendment to the Contract for Purchase of Fare Vending Machines by and between the Sacramento Regional Transit District (therein "RT") and Parkeon, Inc. (therein "Contractor"), whereby the Total Consideration is increased by \$20,160, from \$421,303.40 to \$441,463.40 to provide for payment of the Annual Software License Fees, as further specified in the Contract and the Amendment, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary