

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	07/22/19	Open	Action	07/15/19

Subject: Approving the Fifth Amendment to Bytemark Contract for Integration work with Scheidt & Bachmann for New Fare Vending Machines.

## ISSUE

Whether or not to approve the Fifth Amendment to the Contract for Mobile and Online Fare Application with Bytemark, Inc.: (1) for integration work with Scheidt & Bachmann (S&B) for new Fare Vending Machines (FVM) to provide a cash payment option for the Bytemark ZipPass App; and (2) extend the Contract term.

## RECOMMENDED ACTION

Adopt Resolution No. 19-07-\_\_\_\_, Approving the Fifth Amendment to the Contract for Mobile and Online Fare Application with Bytemark, Inc. to Include Integration Work with Scheidt & Bachmann for New Fare Vending Machines and Extend the Contract Term.

## FISCAL IMPACT

### **Capital:**

Project R354: Integration with the S&B FVMs is a capital project funded with State Traffic Congestion Relief Program (TCRP) Funds and has a total budgeted cost of \$45,160.

### **Operating:**

Exercising options for two additional years of service with Bytemark, funded by cost center 45 in fiscal years 2020\* and 2021:

Monthly Hosting Fees: \$68,400

In addition, SacRT will pay the transactional commission of 2%, \$0.76 per transaction for payment, and \$0.05 per paid cash voucher redemption.

### Total Fiscal Impact

Capital	\$45,160
Operating	<u>\$68,400</u>
Total Cost	\$113,560
Existing Contract Value	<u>\$189,000</u>
Amended Contract Value	<u>\$302,560</u>

\*Adopted FY20 Budget already included a full year's cost for Bytemark services and support

Approved:

Final 07/16/19  
General Manager/CEO

Presented:

Senior Systems Engineer

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## DISCUSSION

### **Capital:**

On December 31, 2016, SacRT executed a contract with Bytemark to implement a mobile fare solution for a three-year term.

On December 11, 2017, SacRT awarded a contract to S&B to provide and install 61 new fare vending machines (FVMs) on the Blue Line, with an additional option FVM added in November 2018. New features on the FVMs will include functionality that allows customers to use cash to make payments at an FVM for fares that can be loaded into the ZipPass mobile fare application for later use. The FVMs will provide a voucher code that the patron can then input into the ZipPass application to access the prepaid fares.

The ZipPass system used by SacRT for mobile fare payment is the proprietary product of Bytemark, Inc. Proprietary configuration and customization services are only available from Bytemark.

### **Operating:**

The current Contract with Bytemark expires on March 8, 2020. SacRT has options available to extend the contract for one or two additional years. Staff is satisfied with the services provided by Bytemark and has no interest, at this time, in finding a replacement vendor to host and manage ZipPass, particularly given the additional capital investment that will be made in implementing the cash voucher system. Therefore, Staff is recommending that the Board exercise its option to extend the contract for a two-year time period through March 2022.

The costs associated with this two-year extension include monthly service fees of \$2,850 and the transactional costs discussed in the fiscal impact section. The increased functionality being developed for integration in the new FVMs will increase SacRT's operating costs by \$350/month and add a new fee of \$0.05 per paid cash voucher redemption.

As an additional benefit, SacRT will soon have the ability to generate promotional vouchers to provide to customers with no voucher redemption fee. This will give SacRT the ability to provide promo codes to customers for free rides, daily passes, or monthly media.

### **Staff Recommendation:**

Staff is requesting that the Board approve the Fifth Amendment to Bytemark Contract to: provide for integration work with Scheidt & Bachmann for all new Fare Vending Machines; extend the contract with Bytemark for a two-year time period through March 2022; and increase the fixed Total Consideration to \$302,560.

RESOLUTION NO. 19-07-\_\_\_\_\_

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

July 22, 2019

**APPROVING THE FIFTH AMENDMENT TO THE CONTRACT FOR MOBILE AND ONLINE FARE APPLICATION WITH BYTEMARK, INC. TO INCLUDE INTEGRATION WORK WITH SCHEIDT & BACHMANN FOR NEW FARE VENDING MACHINES AND EXTEND THE CONTRACT TERM.**

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

THAT, the Fifth Amendment to the Contract between Sacramento Regional Transit District, therein referred to as "RT," and Bytemark, Inc., therein referred to as "Contractor," whereby the scope of work is amended to include work for integration with new Scheidt & Bachmann fare vending machines to provide a cash payment option for the mobile fare application, the term is extended for two years to expire March 8, 2022, a new fee of \$.05 per voucher redemption is added for cash transactions, and the fixed Total Consideration under the Contract is increased by \$113,560, from \$189,000 to \$302,560, is hereby approved.

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

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

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