



STAFF REPORT

DATE: December 13, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Shelly Valenton, VP, Integrated Services and Strategic Initiatives
SUBJ: RATIFYING THE GENERAL MANAGER/CEO'S EXECUTION OF SOFTWARE MAINTENANCE AGREEMENTS WITH TRAPEZE SOFTWARE GROUP, INC. AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO PAY ANNUAL SOFTWARE SUPPORT FEES FOR TRAPEZE SOFTWARE GROUP, INC. PRODUCTS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving the recommended action will retroactively authorize payments previously made to Trapeze for software maintenance and authorize continued payment of support fees for critical software products used by SacRT Operations staff.

FISCAL IMPACT

The Fiscal Year 2022 cost for annual software support fees of \$201,006 is fully budgeted. The cost for future fiscal years will be included in respective Operating budgets. There are no retroactive payments to be made in connection with this action.

DISCUSSION

On February 11, 2002, the Board approved release of an RFP for the procurement of an integrated Transportation Efficiency and Accessibility Management System. The integrated software package consisted of the following modules: (1) fixed route scheduling system, (2) operator run-cutting system (breaking the service schedule into pieces of work for assignment to operators), (3) operator dispatch and timekeeping, (4) customer contact tracking system, (5) trip planning (for producing trip itineraries for transit passengers), and (6) route planning and performance reporting. The software replaced very antiquated scheduling software that was no longer supported by the vendor and provided new capabilities to produce more efficient transit schedules, work assignments, and provide automation of operator dispatch and time keeping functions.

On December 8, 2002, the Board approved awarding a contract to Trapeze Software Group for procurement of software, licenses, implementation services, training services, and annual maintenance for an amount not to exceed \$1,083,111, plus applicable sales tax under Resolution No. 02-12-0272. As part of that procurement, SacRT was required to sign a Software Maintenance Agreement that included the payment of annual support fees to maintain the functionality of the software. However, the terms of the Software Maintenance Agreement were not clearly described in the 2002 Issue Paper and Resolution. Some statements in the documents suggested that the maintenance services were optional when, in fact, SacRT was required to pay the annual support fee to maintain the functionality of the software. In 2013 (Resolution 13-08-0126), Staff obtained a delegation of authority to the General Manager/CEO to pay annual support fees under the 2002 Software Maintenance Agreement for so long as SacRT continued to require maintenance and upgrades for the licensed software.

In the course of processing annual fee payments this year and deciding to discontinue a number of Trapeze products, Staff realized that there were actually two subsequent Software Maintenance Agreements signed in 2004 and 2005 when additional products were obtained from Trapeze.

A new contract with Trapeze was approved in 2004 to include additional modules. The products included in the new agreement were not approved for perpetual yearly software maintenance and support. Currently, the maintenance cost for those modules is \$55,547.00 annually. SacRT continues to use these products for critical operations support and payment of the annual support fees will continue to be required.

In addition, in 2005, the Board approved the acquisition of two additional products (Flex and Flex Mons), which also were not approved for perpetual yearly software maintenance and support. SacRT recently discontinued use of the products covered by the 2005 purchase, and the 2005 Software Maintenance Agreement was recently terminated. However, Staff is seeking retroactive approval of the payments that have been made since 2005 under this Agreement. The Board is being asked to take three (3) actions:

- (1) Retroactively ratify the General Manager/CEO's execution of the 2004 and 2005 Software Maintenance Agreements, which will authorize the previous payments that have been made since 2004;
- (2) Retroactively approve a sole source procurement for these services, as they cannot be provided by a vendor other than Trapeze; and
- (3) Delegate authority to the General Manager/CEO to pay all Trapeze Annual Maintenance and Support Fees for so long as SacRT continues to use the Trapeze products.

RESOLUTION NO. 21-12-0140

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

December 13, 2021

RATIFYING THE GENERAL MANAGER/CEO'S EXECUTION OF SOFTWARE MAINTENANCE AGREEMENTS WITH TRAPEZE SOFTWARE GROUP, INC. AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO PAY ANNUAL SOFTWARE SUPPORT FEES FOR TRAPEZE SOFTWARE GROUP, INC. PRODUCTS

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

THAT, pursuant to Section 1.105 of the Procurement Ordinance (Ordinance 21-10-01), the Board of Directors hereby ratifies the execution by the General Manager/CEO of the March 13, 2004 Software Maintenance Agreement by and between the Sacramento Regional Transit District (therein "Licensee") and Trapeze Software Group, Inc. (therein "Trapeze") to provide critical ongoing software support and maintenance of products purchased by SacRT on a sole source basis, as Trapeze has proprietary rights in the software and no other contractor can provide the required support.

THAT, pursuant to Section 1.105 of the Procurement Ordinance (Ordinance 21-10-01), the Board of Directors hereby ratifies the execution by the General Manager/CEO of the July 30, 2005 Software Maintenance Agreement by and between the Sacramento Regional Transit District (therein "Licensee") and Trapeze Software Group, Inc. (therein "Trapeze") to provide critical ongoing software support and maintenance of products purchased by SacRT on a sole source basis, as Trapeze has proprietary rights in the software and no other contractor can provide the required support.

THAT, the Board hereby delegates authority to the General Manager/CEO to enter into any required agreement and pay all required annual support fees to maintain the functionality of the Trapeze software for so long as SacRT continues to use Trapeze products.

STEVE MILLER, Chair

A T T E S T:
HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary