



## STAFF REPORT

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**DATE:** June 14, 2021

**TO:** Sacramento Regional Transit Board of Directors

**FROM:** Brent Bernegger, VP, Finance/CFO

**SUBJ:** RATIFYING CONTRACT FOR ELECTRONIC PAYMENT  
ACCEPTANCE SERVICES UNDER STATE AGREEMENT NO.5-10-99-  
02 WITH ELAVON, INC. FOR PAYMENT PROCESSING OF  
CONTACTLESS CREDIT/DEBIT CARD ON BOARD LIGHT RAIL  
VEHICLES

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

The proposed Resolution will ratify the General Manager/CEO's execution of a contract with Elavon, Inc. (Elavon) for the payment processing of contactless credit/debit cards on board light rail vehicles.

### FISCAL IMPACT

There is no significant fiscal impact to the proposed Resolution. Any fees associated with the agreement are accounted for in the Fiscal Year (FY) 21 budget and the proposed FY22 budget.

### DISCUSSION

As previously discussed with the Board, SacRT is partnering with the California Integrated Travel Program (Cal-ITP), among others, to introduce the first fare payment system in the State of California to accept contactless credit/debit cards onboard light rail vehicles.

Recently Staff was asked by the Cal-ITP team to move up the implementation date from mid-July to June 15, 2021. Staff was able to accommodate the request from an operations perspective by implementing a phased approach to the go-live process. However, Staff was also in the process of reviewing the banking agreement required to process passenger credit/debit card payments. To meet the June 15, 2021 timeline, the General Manager/CEO executed a Contract with Elavon Inc. (Elavon) so that the account set up could be completed and tested before passengers begin using the system. While no transactions have been processed yet and no payments are due, yet, Elavon has proceeded in good faith to set up SacRT's account. The Contract term will extend until May 31, 2023, unless earlier terminated.

The Contract with Elavon is based on a Master State Agreement (purchasing schedule) between the State of California and Elavon that was designed to be used by local agencies. The original contract was competitively solicited and entered into in 2010 for a maximum seven-year term; however, it has since been extended beyond the original contract term and additional services specific to Mass Transit were added through a recent Seventh Amendment without any additional competition. Staff anticipates that the total expenditure will be less than \$2,000; however, Elavon will not set a not-to-exceed amount to its agreement with SacRT. For that reason, (1) the Contract qualifies as a sole source procurement because no competition was solicited; and (2) execution of the contract required Board approval because the expenditures could exceed \$150,000.

Prior to signing the Contract, the General Manager/CEO approved a sole source justification for the Contract on the basis that the transaction fees that Elavon is proposing to charge are lower than the fees that SacRT is currently paying under other similar banking agreements.

At this time Staff is requesting that the Board ratify the General Manager/CEO's execution of the Contract based on the criteria set out in the Procurement Ordinance and on the basis that exigent circumstances required the execution of the Contract before Board approval could be obtained. This action will validate the Contract.

Staff plans to first launch the contactless payments program on the Green Line in order to ensure that SacRT can provide excellent customer service to those who choose to use the new fare payment option. Currently, Staff is planning a full rollout of the program on all lines by late July or early August.

RESOLUTION NO. 21-06-0070

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

June 14, 2021

**RATIFYING CONTRACT FOR ELECTRONIC PAYMENT  
ACCEPTANCE SERVICES UNDER STATE AGREEMENT NO.5-10-99-02 WITH  
ELAVON, INC. FOR PAYMENT PROCESSING OF CONTACTLESS CREDIT/DEBIT  
CARD ON BOARD LIGHT RAIL VEHICLES**

WHEREAS, Section 1.105 of the SacRT Procurement Ordinance (18-08-01) permits the ratification of unauthorized procurements under specified conditions; and

WHEREAS, in order to meet the accelerated timeline for the implementation of the contactless credit/debit card fare payment system, the General Manager/CEO executed a sole source Contract for Electronic Payment Acceptance Services with Elavon, Inc. under a State of California master agreement available for use by local agencies; and

WHEREAS, SacRT will obtain a benefit from the Contract with low-cost electronic payment acceptance services from Elavon, leveraging the economies of scale that have been negotiated by the State.

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

THAT, the criteria set forth in Section 1.05 for ratification of an unauthorized procurement have been satisfied; and

THAT, the General Manager/CEO's action in executing the Contract for Electronic Payment Acceptance Services Under State Agreement No. 5-10-99-02 between SacRT and Elavon, Inc. is hereby ratified.

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STEVE MILLER , Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Tabetha Smith, Assistant Secretary