



## STAFF REPORT

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**DATE:** April 8, 2024  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Carmen Alba, VP, Operations  
**SUBJ:** RATIFY THE FIFTH AMENDMENT AND REVISE MAXIMUM TOTAL CONSIDERATION FOR THE SOFTWARE LICENSE AND SERVICES AGREEMENT FOR COMPLEMENTARY PARATRANSIT SCHEDULING AND DISPATCHING SOFTWARE WITH ECOLANE USA INC.

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

Ratifying the Fifth Amendment to the Contract with Ecolane USA Inc. ("Ecolane") and increasing the allowable total consideration for the contract to include the original agreement and all amendments and settlements will allow SacRT to continue to use complementary paratransit scheduling and dispatching software needed for SacRT to provide complementary paratransit service.

### FISCAL IMPACT

Ratification of the GM/CEO-approved Fifth Amendment, together with the Board-approved Sixth Amendment, would increase the maximum Contract Total Consideration from \$805,234.90 to \$830,883.70. The cost of this amendment is included in the approved FY24 Operating Budget and the preliminary FY25 Operating Budget.

### DISCUSSION

In December 2019, under Resolution No. 19-12-0129, the SacRT Board delegated authority to the GM/CEO to approve and execute a Contract with Ecolane to provide complementary paratransit scheduling and dispatching software using the National Cooperative Purchasing Alliance (NCPA), which had conducted a full and open competitive procurement in compliance with SacRT requirements prior to awarding a contract to Ecolane. The Board further delegated authority to the GM/CEO to approve and execute an additional \$250,000 in amendments to the original agreement for the continuation of services with Ecolane.

The original agreement with Ecolane specified that 10,000 SMS text messages were included in the base pricing and “SMS Text message credit bundle” beyond the initial 10,000 was an “optional” additional service. The SMS messages provide critical alerts to passengers regarding their trips. While Ecolane was unable to provide documentation that SacRT formally requested that the SMS messages continue to be sent after the initial allotment was exhausted, SMS texts were provided to customers and SacRT was invoiced in September 2022 for 130,000 additional messages based the “optional” rate and in March 2023 for an additional 60,000 messages. On September 5, 2023, the parties entered into a Settlement Agreement to resolve the contract dispute regarding previously-sent SMS messages for the amount of \$25,000 and also executed a Fifth Amendment in the amount of \$18,000 to provide compensation, forward-going, for SMS text messages.

On February 26, 2024, Staff recommended to the Board the approval of a sole source procurement and Sixth Amendment to the Software License and Services agreement with Ecolane for complementary paratransit scheduling and dispatching software, as the Sixth Amendment was identified as being above the GM’s \$250,000 amendment award authority.

However, in March 2024, Staff found that the September 2023 Settlement Agreement in the amount of \$25,500 with Ecolane—compensating Ecolane for text messages sent to complementary paratransit service users—was inadvertently excluded from the calculations for the GM/CEO’s amendment authority and was also excluded from the total contract consideration reported to the Board in February 2024. The settlement agreement put the GM’s award total at \$242,856.80. Therefore, the GM/CEO approval of the Fifth Amendment in the amount of \$18,000 exceeded the GM/CEO’s delegated authority by \$10,856.80.

Because the General Manager/CEO’s authority to execute amendments under Resolution No. 19-12-0129 was limited to amendments up to \$250,000.00, and the Fifth Amendment resulted in GM/CEO awarded amendments totaling \$260,856.80, execution of the Fifth Amendment was an unauthorized procurement under the Procurement Ordinance that is not binding on SacRT unless ratified by the Board of Directors. Ratification is permitted under the Procurement Ordinance if: supplies or services have been provided to and accepted by SacRT, or SacRT otherwise has obtained or will obtain a benefit resulting from performance of the unauthorized procurement; the ratifying official has the authority to enter into a contractual commitment; the resulting contract would otherwise have been proper if made by an appropriate contracting officer; the contracting officer reviewing the unauthorized procurement determines the price to be fair and reasonable; and sufficient funds are available.

Because the above criteria are met in this instance, Staff is requesting that General Manager/CEO’s action in executing the Fifth Amendment be ratified.

Additionally, staff requests Board approval of the revised total maximum consideration for the Ecolane contract, amendments, and Settlement Agreement totaling \$830,883.70.

RESOLUTION NO. 2024-04-030

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

April 8, 2024

**RATIFY THE FIFTH AMENDMENT AND REVISE MAXIMUM TOTAL CONSIDERATION FOR THE SOFTWARE LICENSE AND SERVICES AGREEMENT FOR COMPLEMENTARY PARATRANSIT SCHEDULING AND DISPATCHING SOFTWARE WITH ECOLANE USA INC.**

WHEREAS, in December 2019, under Resolution No. 19-12-0129, the SacRT Board delegated authority to the GM/CEO to approve and execute a Contract with Ecolane USA Inc. for complementary paratransit scheduling and software services to SacRT since 2019 and to execute amendments to the Contract up to an aggregate amount of \$250,000; and

WHEREAS, due to the concurrent execution of a Settlement Agreement related to SMS text messages, the execution of the Fifth Amendment in September 2023 was in excess of the General Manager/CEO's amendment authority and was, therefore, an unauthorized procurement; and

WHEREAS, this issue was brought to light after approval and execution of the Sixth Amendment pursuant to Resolution No. 2024-02-013, which reflected an incorrect Total Consideration amount that did not take into account the Settlement Agreement; and

WHEREAS, under Section 1.105.B of the Procurement Ordinance, the Board may ratify an unauthorized procurement under specified circumstances.

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

THAT, because the criteria for ratification specified in Section 1.105.B of the Procurement Ordinance have been met, the action of the General Manager/CEO in execution the Fifth Amendment to the Software License & Services Agreement between Sacramento Regional Transit District, therein referred to as "Licensee," and with Ecolane USA Inc. therein referred to as "Licensor," is hereby approved .

THAT, notwithstanding anything to the contrary in Resolution 2024-02-013, the maximum Total Consideration for the Agreement between SacRT and Ecolane USA Inc. for complementary paratransit dispatch and scheduling services may not exceed \$830,883.70.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

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