

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	05/14/18	Open	Action	05/07/18

Subject: Whether or not to approve a Sole Source Procurement and delegate authority to the General Manager/CEO to enter into a Contract with Transl c Inc. for a microtransit software solution pilot

ISSUE

Whether or not to approve a sole source procurement and delegate authority to the General Manager/CEO to enter into a contract with Transl c for a microtransit software solution pilot for Downtown-Midtown Sacramento and Franklin Blvd. and Ratify a Sole Source Procurement with Transl c for a microtransit software solution pilot project in and around the City of Citrus Heights

RECOMMENDED ACTION

- A. Adopt Resolution No. 18-05-___, Approving a Sole Source Procurement and Delegating Authority to the General Manager/CEO to Enter into a Contract with Transl c for a Microtransit Software Solution Pilot for Downtown-Midtown Sacramento and Franklin Blvd.; and
- B. Adopt Resolution No. 18-05-____, Ratifying a Sole Source Procurement Action and Execution of a Contract Between Sacramento Regional Transit District and Transl c for Microtransit Software Solution Pilot In and Around the City of Citrus Heights.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	
Budget Source:	FY19	FY2019:	\$	25,000
Funding Source:	Operating	Annualized:	\$	n/a
Cost Cntr/GL Acct(s) or	GL630003 cc31	Total Amount:	\$	25,000
Capital Project #:				
Total Budget:	\$			

DISCUSSION

On December 11, 2017, Sacramento Regional Transit District (SacRT) entered into an Agreement with Transl c Inc, wherein Transl c Inc., provided SacRT with a microtransit software solution for SacRT to apply to microtransit service. On February 12, 2018, Sacramento Regional Transit (SacRT) launched SmART Ride on-demand transit in the City of Citrus Heights, enabling residents to hail rides on smaller, neighborhood friendly-sized public transit buses, similar to services like Uber or Lyft. SacRT's contract with Transl c requires it to perform a simulation and a six month pilot of the application of their innovative app-based technology on existing SacRT dial a ride service called "City Ride" in the City of Citrus Heights. SacRT's new service leveraged the use of innovative app-based technology created by Transl c, a leader in agency-owned flexible

Approved:

Presented:

Final 06/09/18

General Manager/CEO

Deputy General Manager/COO

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microtransit, for a seamless transit experience. Transl c’s “On Demand” product utilizes an algorithm that is used for scheduling, dispatching, and gathering ride requests. SmARt Ride has been very well received by customers. Ridership on SmARt Ride continues to grow, with an average of 54 riders per day in its first nine weeks of service. At the current pace, ridership is expected to double over the prior City Ride dial-a-ride service.

SacRT seeks to launch a second six-month pilot project in the areas known as “Franklin Blvd.” and “Downtown - Midtown Sacramento.” The pilot is scheduled to launch in the summer of 2018. A second contract with Transl c is sought due to their innovative scheduling software solution and experience working with them on SmARt Ride in Citrus Heights. The areas identified have a different makeup in both scope and service needs than the current SmARt Ride pilot project taking place in the city of Citrus Heights. There are no other known service providers that provide microtransit simulation modeling that uses smartphone and dispatch based scheduling to request public transportation. Before the second pilot project concludes, SacRT will release a Request for Proposals (RFP) to procure a permanent microtransit scheduling software solution.

The proposed second pilot microtransit solution from Transl c Inc. will include up to 10 vehicle licenses to conduct the new pilot and includes services provided by Transl c personnel. The pilot term, deliverables and price is contained in the following table:

Pilot Term		6 Months	
Quantity (hours or task)		Unit Cost	Total Cost
Product Costs			
1	Transit-specific Ride Sharing Algorithm	0	Included
1	Smartphone Application	0	Included
1	Reporting Suite	0	Included
Total Product Costs			\$0
Direct Labor Costs			
20	Marketing Support	\$125	\$2,500
1	24/7 Customer Support	\$5,000	\$5,000
30	Onsite Training	\$75	\$2,250
80	Engineering and Setup	\$150	\$12,000
Total Direct Labor Costs			\$21,750
Other Direct Costs			
1	Microtransit Simulation Model	\$5,000	\$5,000
1	Marketing Collateral	\$3,500	\$3,500
1-10	Software License (per vehicle per month)	\$500	\$30,000
Total Other Direct Costs			\$38,500
Profit and Management Fee			\$3,925
Pilot Discount			(\$39,175)
Total Price of Pilot			\$25,000

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The pilot will provide SacRT data and analysis to make a determination of the feasibility to provide demand response service and/or fixed route bus service in the identified areas. Other issues the pilot may help resolve is how SacRT may potentially address first-mile/last-mile dilemmas for riders who live too far away from fixed-route bus stops, update current SacRT routes or create new routes to service areas that are underserved or were previously too expensive to serve at all, and/or to replace costly underperforming fixed routes.

Pursuant to SacRT’s Procurement Ordinance, services like those provided by Transl c must be competitively solicited. However, pursuant to Section 1.405.B.2. of the SacRT Procurement Ordinance, SacRT may award a sole source services contract upon a finding by the Board that it is in SacRT’s “best interest” to award the contract to a particular contractor. In this instance, staff recommends that the Board determine that it is in SacRT’s best interest to forgo a competitive solicitation for this service and award a sole source service contract to Transloc because microtransit scheduling software is new and unproven in the Transit industry. While there are a number of vendors providing this service, Transl c is unique in that they offer a simulation tool that helps to verify the resources, operators and vehicles, required in a specific service area in order to have a successful implementation. SacRT staff believes that using this tool provided by Transl c is essential in the first few microtransit implementations within the region. It is staff’s intent to competitively procure a long term microtransit scheduling app after the implementation of the Downtown-Midtown microtransit service. That procurement will benefit from our actual experience through three microtransit service implementations.

Based on the scope and duration of and the resources needed to execute and support the pilot, there is a flat fee of \$25,000 for software and services provided for the pilot. This amount is considered fair and reasonable. This determination is based upon the period of use of the software as well as Transl c’s staff time in performing the simulations for each microtransit implementation and supporting SacRT staff in those implementations. Staff recommends that the Board approve a sole source procurement with Transl c Inc. for a contract to perform on demand simulation modeling and a pilot for a duration of six months in Downtown-Midtown Sacramento and Franklin Blvd. and to delegate authority to the General Manager/CEO to execute the contract.

As discussed above, SacRT entered into a contract with Transl c in December of 2017 to provide the same scope of services and software as this new pilot. At the time that the first agreement was approved, staff overlooked that the General Manager/CEO was not authorized under the Procurement Ordinance to make a “best interest finding” and award a sole source services contract. Because of the nature of the project, staff did not notice that the color of money placed this solicitation in a different category, requiring the Board to make the sole source finding and to award the contract. The contract was executed on December 11, 2017 and the pilot was launched on February 12, 2018. To date, the pilot has proven to be a success and staff desires to complete the term of the pilot. To ensure that the contract is not deemed invalid for failure to secure the required approval, staff hereby requests that the Board ratify the General Manager/CEO’s action and execution of the December 2017 Agreement between SacRT and Transl c for a Microtransit Software Solution Pilot in the City of Citrus Heights.

RESOLUTION NO. 18-05-_____

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

May 14, 2018

APPROVING A SOLE SOURCE PROCUREMENT AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO ENTER INTO A CONTRACT WITH TRANSL C FOR A MICROTRANSIT SOFTWARE SOLUTION PILOT FOR DOWNTOWN-MIDTOWN SACRAMENTO AND FRANKLIN BLVD.

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

THAT, in accordance with Section 1.402 B.2 of the SacRT Procurement Ordinance, a sole source procurement for services is permitted upon a determination that it is in the best interests of SacRT to solicit only one contractor.

THAT, Transloc offers a unique service in performing a detailed simulation of each microtransit service area prior to implementation and it is in the best interest of SacRT to enter into a Contract with Transl c to provide a Microtransit Software Solution Pilot for Downtown-Midtown Sacramento and Franklin Blvd. without competition.

THAT, the Contract with Transl c for a Microtransit Software Solution Pilot for Downtown-Midtown Sacramento and Franklin Blvd. by and between Sacramento Regional Transit District (therein "SacRT") and Transl c, Inc., (therein "Contractor") whereby Transl c agrees to provide SacRT with a Microtransit Software Solution Pilot for Downtown-Midtown Sacramento and Franklin Blvd. for a flat fee of \$25,000, is hereby approved.

THAT, the General Manager/CEO is authorized and directed to execute said Contract.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 18-05-_____

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

May 14, 2018

RATIFYING A SOLE SOURCE PROCUREMENT ACTION AND EXECUTION OF A CONTRACT BETWEEN SACRAMENTO REGIONAL TRANSIT DISTRICT AND TRANSLOC FOR MICROTRANSIT SOFTWARE SOLUTION PILOT IN AND AROUND THE CITY OF CITRUS HEIGHTS

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

THAT, in accordance with Section 1.402 B.2 of the SacRT Procurement Ordinance, a sole source procurement for services is permitted upon a determination that it is in the best interests of Sacramento Regional Transit District (SacRT) to solicit only one contractor.

THAT, in December 2017, the General Manager/CEO made a sole source determination that it was in SacRT's best interest to award a Contract without competition to Transloc, Inc. because Transloc offers a unique service in performing a detailed simulation of each microtransit service area prior to implementation.

THAT, pursuant to Section 1.402.B.2 that determination should have been made by the Board of Directors.

THAT, upon review of the action, the Board hereby concurs in the General Manager/CEO's determination that it was in the best interest of SacRT to enter into an agreement with Transloc, Inc. without competition, and the Agreement dated December 11, 2017 between Sacramento Regional Transit District, therein referred to as "SacRT" and Transloc Inc., therein referred to as "Contractor" wherein, Transloc agrees to provide a microtransit software solution pilot for transit service in and around the City of Citrus Heights, is hereby ratified.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary