

## STAFF REPORT

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**DATE:** November 18, 2024  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Sandy Bobek, AVP, Technology, Innovation and Performance Monitoring  
**SUBJ:** APPROVING A SOLE SOURCE PROCUREMENT AND AMENDMENT TO EXISTING BLANKET PURCHASE ORDER WITH INIT INNOVATIONS IN TRANSPORTATION, INC. FOR PROXSTATION2 REPAIR AND/OR REFURBISHMENT

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

The proposed Resolution will allow for repairs of equipment needed for SacRT to process Connect Card transactions until a new fare system is deployed.

### FISCAL IMPACT

The fiscal impact will be dependent on the actual volume of the repairs and/or refurbishment of defective devices. SacRT has pending repairs and refurbishments to 22 devices in the amount of \$27,815. There are an additional 26 devices in need of repair/refurbishment that need to be evaluated. The estimated cost is included in the Fiscal Year 24-25 Operating Budget.

### DISCUSSION

Connect Card is an electronic fare payment system introduced to the public in 2016. Connect Card allows passengers to hold transit fares electronically; these fares are accepted by SacRT for light rail rides when passengers tap their Connect Card on INIT PROXstation2 devices installed at each light rail station platform.

The PROXstation2 units are a critical component of the INIT Connect Card System. Without a working PROXstation2, SacRT customers are unable to validate their Connect Card fare, which reduces SacRT fare revenue.

Frequently, these units are subject to vandalism. Since deployment, levels of vandalism have increased which in turn has increased the need for repair and/or refurbishment.

The PROXstation2 units are manufactured exclusively by INIT Innovations in Transportation, Inc. and there are no known manufacturers that offer engineered, tested, and approved repair or refurbished compatible alternates. INIT has no resellers.

Many of the PROXstation2 subcomponents, parameters, and settings are proprietary to INIT. Seeking an alternative source for repair or replacement of a subcomponent or configuration from another source is futile.

In April 2023, the General Manager/CEO approved a sole source justification in the amount of \$150,000 for a three-year term for INIT to repair and/or refurbish these devices, which was expected to cover three years of repairs. Using that authority, the General Manager/COE issued a blanket Purchase Order for \$150,000 for repair of devices. However, the volume of needed repairs and/or refurbishments has exceeded original estimates. Because there is an ongoing need for repairs, Staff is seeking Board approval to increase the Blanket Purchase Order not-to-exceed amount from \$150,000 to \$300,000.

Since April 2023, SacRT has expended \$138,753 on the repair and/or refurbishment of defective PROXstation2 devices. At this time, \$11,247 remains of the original \$150,000 authorized for sole source repairs. SacRT has pending repairs and refurbishments to 22 devices in the amount of \$27,815. There are an additional 26 devices in need of repair/refurbishment that need to be evaluated.

SacRT is in the process of procuring a new fare system (software and hardware), which SacRT plans to begin deploying in early 2025. Based on current project timelines, it is anticipated that the PROXstation2 hardware will be retired within 12 to 16 months. Therefore, Staff is asking for approval to increase the blanket purchase order not-to-exceed amount from \$150,000 to \$300,000 to complete repairs and refurbishment to maintain the equipment until the new fare system is deployed.

RESOLUTION NO. 2024-11-111

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

November 18, 2024

**APPROVING A SOLE SOURCE PROCUREMENT AND AMENDMENT TO EXISTING BLANKET PURCHASE ORDER WITH INIT INNOVATIONS IN TRANSPORTATION, INC. FOR PROXSTATION2 REPAIR AND/OR REFURBISHMENT**

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

THAT, pursuant to Section 1.405.B.2 of the Procurement Ordinance (2022-12-01), the Board has determined that it is in the best interest of the Sacramento Regional Transit District to increase the current Blanket Purchase Order from \$150,000 to \$300,000 with INIT Innovations in Transportation, Inc. (INIT) for the repair and/or refurbishment of defective INIT PROXstation2 devices.

THAT, pursuant to Section 1.405.B.1 of the Procurement Ordinance, the supplies necessary to repair and/or refurbish defective INIT PROXstation2 devices must be purchased from INIT and it would be futile to seek competitive bids for these supplies.

THAT, the first amendment to the current Blanket Purchase Order with INIT , whereby the total maximum consideration amount is increased from \$150,000 to \$300,000 for the repair and/or refurbishment of defective INIT PROXstation2 devices is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the foregoing Purchase Order amendment.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

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