

T Transportation Committee
Metropolitan Council meeting of January 25, 2012

Item: 2012-6
CONSENT

ADVISORY INFORMATION

Date January 11, 2012
Prepared:
Subject: Authorization to Execute Agreement with Cubic Transportation Systems
for Fare Collection Software Support Services

Proposed Action:

That the Metropolitan Council (Council) authorize the Regional Administrator to execute a fare collection software support agreement with Cubic Transportation Systems (Cubic) for three years with options to extend for two additional one-year terms for a value of up to \$3,750,000.

Summary of Committee Discussion / Questions:

Tom Randall presented and answered Councilmember's questions. Motion by Reynoso, seconded by Smith and passed unanimously

This item will go **CONSENT** to council.

T Transportation Committee
Meeting date: January 9, 2012
Metropolitan Council – January 25, 2012

Business Item
Item: 2012-06

ADVISORY INFORMATION

Date: January 9, 2012

Subject: Authorization to Execute Agreement with Cubic Transportation Systems for Fare Collection Software Support Services

District(s), Member(s): All

Policy/Legal Reference:

Staff Brian Lamb, General Manager 612-349-7510

Prepared/Presented: Dave Hinrichs, Chief Information Officer 651-602-1443

Edwin D. Petrie, Director of Finance, 612-349-7624

Tom Randall, Senior Manager Revenue Operations, 612-349-7364

Division/Department: Metro Transit/Finance – Revenue Operations

Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to execute a fare collection software support agreement with Cubic Transportation Systems (Cubic) for three years with options to extend for two additional one-year terms for a value of up to \$3,750,000.

Background

The existing Cubic software support agreement was executed in 2006 with the system-wide acceptance of the Go-To card for customer fare payment throughout the regional fixed route transportation network. Since 2006, Metro Transit has used this agreement to obtain services from Cubic which have been critical to the operations, updates, and modifications as well as enhancements of the system. Some form of the Go-To card has been used for over 45% of Metro Transit rides and up to 90% of Suburban Provider rides. The system has become highly reliable and accurate. It delivers substantial information about resource utilization and ridership patterns while providing the fastest boarding possible for bus and train customers. The system has been integrated into numerous customer programs enabling efficient administration of monthly pass programs (MetroPass, Upass, College Pass, etc.) web delivery enhancements as well as expanded sales and distribution opportunities.

The Council acquired the original software from Cubic and they have been the only provider of support services. This is a sole source procurement. The pricing and terms are consistent with the previous agreement and have been determined reasonable through comparison to industry norms as well as published GSA pricing. An external consultant specializing in software support terms and agreements was utilized in negotiating the agreement terms and determining reasonableness of pricing.

The previous support agreement was for a five-year term. The recommended agreement includes an initial three-year term with options to extend at similar pricing for up to two additional one-year terms.

Annual support pricing at expected support levels*

Year 1 – \$455,797

Year 2 – \$478,587

Year 3 – \$502,516

Year 4 – \$527,642 (option year)

Year 5 - \$554,024 (option year)

*Under the support agreement, the Council may reduce or increase the level of support with 60 days' notice prior to the next support year. These spending levels are expected under current circumstances but could increase or decrease if a different support option is determined to be a better fit and value for future business conditions.

Rationale

The software support agreement with Cubic will provide ongoing software updates and system resources necessary for continuing efficient operation and enhancement of Go-To fare collection system.

Funding

Funding for the software support agreement is included in the current budget.

Known Support / Opposition

No known opposition.