

2223 G Street  
Fresno, California 93706  
(559) 621-RIDE  
[www.fresno.gov](http://www.fresno.gov)

Brian R. Marshall, Director

December 5, 2016

**TO:** BRUCE RUDD, City Manager  
Office of the City Manager

**FROM:** BRIAN MARSHALL, Director of Transportation  
Department of Transportation

**SUBJECT:** AWARD A SOLE SOURCE AGREEMENT TO GENFARE IN THE AMOUNT OF \$4.0 MILLION FOR THE PURCHASE AND INSTALLATION OF TICKET VENDING MACHINES (TVMs), RELATED EQUIPMENT AND SOFTWARE FOR BUS RAPID TRANSIT (BRT) CORRIDOR AND AUTHORIZE THE DIRECTOR OF TRANSPORTATION TO EXECUTE THE AGREEMENT

Currently the Department of Transportation/FAX has Genfare SPX fareboxes installed on over 100 fixed-route buses and 60 paratransit vehicles. The Department has spent several months evaluating vendors for the Ticket Vending Machines (TVMs) that will be installed along the Bus Rapid Transit (BRT) corridor, with a goal of integrating the TVMs with our current Genfare farebox system. Integration of the two systems is needed to create a seamless environment for our riders by allowing them to use the same fare media as they move between our fixed-route system and the BRT system. The Department has evaluated and obtained standard pricing from five TVM vendors for seven different models. Some of the factors that were considered include: price, functionality, lead/delivery time, maintenance costs and ability to integrate with our existing farebox system. The TVM comparison is attached.

Genfare is the only vendor that has successfully integrated their TVM with a Genfare SPX farebox system. This is due to the proprietary data, information and software associated with Genfare products. Substantial cost and time would be required to be the first agency to integrate a non-Genfare product with a Genfare product. Staff is recommending a sole source procurement for the TVMs. The Department has also submitted a letter to the Federal Transit Administration (FTA) notifying them of the Department's intent to pursue a sole source agreement with Genfare for Vendstar-3 TVMS to be included in the federally funded BRT project. In subsequent discussions, the FTA has requested that the Council Staff Report document that this is sole source procurement under FTA requirements and includes the reasons provided to the FTA. The letter to the FTA is attached.

The Department has worked with Henry Rosen of WSP, a sub consultant of Parsons Brinckerhoff, to negotiate a sole source agreement for Genfare Vendstar-3 TVMs that contains an advantageous price and ensures that the functionality of the TVMs matches the Department's need. Some of the value and advantages resulting from these negotiations include:

- Pricing at or below competitive bid pricing
- Seamless compatibility and reporting between existing fareboxes and TVMs
- Fully functional TVMs that accept cash, tokens, smart cards, ride/cash cards, compliant credit/debit and tap n go technology
- Two year warranty and three years of service, including defined service levels and penalties to ensure adequate performance
- Improved maintenance for existing Genfare SPX fareboxes
- Spare equipment, including full TVMs
- Strong contract compliance through penalties for non-performance
- Contract payments at successful completion of project milestones
- Fare monitoring/enforcement system, with handheld devices, software, back office application

The agreement with Genfare covers the full cost of procurement, installation and maintenance of the TVMs for five years. Funding is available through a \$4 million State of California Transit Intercity Rail Capital (TIRCP) grant recently awarded to FAX.

Approve Request

Deny Request

  
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Bruce Rudd, City Manager

  
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Date