



DEPARTMENT OF TRANSPORTATION

Fresno Area Express ♦ Fleet ♦ Handy Ride

DATE: October 21, 2019

TO: WILMA QUAN, City Manager
Office of the Mayor and City Manager

THROUGH: GREGORY A. BARFIELD, Director
Department of Transportation

FROM: NOEL VILLAVERDE, IS Supervisor
Department of Transportation

SUBJECT: FINDING DILAX SYSTEM, INC., IS UNIQUELY QUALIFIED TO
PERFORM A HARDWARE & SOFTWARE MAINTENANCE
AGREEMENT AND UNIQUELY CAPABLE AS DEFINED BY THE
FEDERAL TRANSIT ADMINISTRATION

Executive Summary

DILAX System, Inc., (DILAX) is the sole manufacturer of DILAX software and hardware products currently implemented at the Department of Transportation/FAX. DILAX is uniquely qualified to provide continued maintenance and support services for its Automatic Passenger Counter system (APC) applications, which provides FAX fixed-route system passenger counts and enhanced data reporting. The technology enhances the FAX passenger counts reporting to the National Transit Database (NTD) necessary to support the Federal Transit Administration (FTA) goals.

The DILAX technology, which FAX utilizes in the Automatic Passenger Counter applications, is proprietary and only accessible to its original vendor DILAX. To continue to receive support for both hardware and software, FAX seeks to enter into a maintenance service agreement with DILAX. The FTA defined this action as a sole-source non-competitive procurement. This finding is supported by the DILAX unique capability to service the proprietary software and hardware through restricted data rights and patents.

Background

On June 2011, the Department of Transportation/FAX awarded a state-of-the-art APC to DILAX. This technology enables FAX to automate passenger counts and enhance data collection for the NTD reporting. NTD also certified the FAX APC system.

The DILAX technology, which FAX utilizes in the APC applications, is proprietary and only accessible to its original vendor DILAX. To continue to receive support for both hardware and software, FAX seeks to enter into a maintenance service agreement with DILAX. The resulting action is defined by the FTA as a sole source non-competitive

procurement. This finding is supported by the DILAX unique capability to service the proprietary software and hardware through restricted data rights and patents.

This maintenance service agreement is integral for maintaining hardware and software integrity and can only be sole-sourced from the manufacturer of the software, DILAX. FAX is seeking to enter into an APC maintenance service agreement with DILAX through a sole-source procurement. This maintenance service agreement includes services for all APC hardware in FAX buses, and a software license for two years with year three and four as optional.

Please note future APC maintenance services shall be evaluated against the timing of the FAX backend system evaluation and upgrade project where modules such as the current APC system assessment for future system compatibility.

Cost Analysis

FAX has compared the vendor pricing with comparable procurements from other transit agencies. The North County Transit District, California, is similar in size to FAX with 121 buses. This transit agency paid \$33,896 in 2016 and \$34,743 in 2017. The proposed annual fee from the vendor for these services is \$33,151, which is within 5 percent of the 2017 data.

Based on this price comparison, FAX concludes that the cost of the Maintenance Service Agreement is fair and reasonable.

Recommendation

FAX is requesting the City Manager's agreement that DILAX is uniquely qualified to perform the Maintenance Service Agreement and concurrence that DILAX is uniquely capable as an appropriate FTA defined sole-source procurement. The funding for this procurement will be provided by the FTA. FAX will seek Council award of a services agreement to DILAX in the amount of \$67,131 for a two-year contract, with the option to pursue two one-year extensions.

☒ Approved ☐ Disapproved



Wilma Quan, City Manager