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Title: Actions pertaining to the purchase and installation of 55 Ticket Vending Machines (TVMs) along the Blackstone/Kings Canyon Bus Rapid Transit (BRT) corridor (Council District 3)
1. RESOLUTION - Affirming the City Manager’s approval of bypassing formal bid procedures to purchase Genfare Ticket Vending Machines from SPX Corporation (owner of Genfare) under the sole source exception
2. Award a contract to SPX Corporation and Genfare SPX for the purchase and installation of 55 TVMs along the Blackstone/Kings Canyon BRT corridor, two years of warranty and maintenance, and an option for an additional three years of maintenance, in the amount of \$4,261,144
3. ***RESOLUTION - 39th amendment to the Annual Appropriation Resolution (AAR) No. 2016-118 appropriating \$4,359,700 in grant funds from the Transit and Intercity Rail Capital Program (TIRCP) and local match for the purchase of TVMs along the Blackstone/Kings Canyon corridors (Requires 5 affirmative votes)

Sponsors: Department of Transportation

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Attachments: 1. Genfare TVM Agreement.pdf, 2. TVM Sole Source Reso.pdf, 3. CM Sole Source Concurrent Ltr.pdf, 4. 17 39th TVMs for BRT AGT.pdf

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|----------|--------|
| 1/12/2017 | 1 | City Council | approved | Pass |

REPORT TO THE CITY COUNCIL

January 12, 2016

FROM: BRIAN R. MARSHALL, Director
Department of Transportation

BY: KATHLEEN HEALY, Administrative Manager
Department of Transportation

SUBJECT

Actions pertaining to the purchase and installation of 55 Ticket Vending Machines (TVMs) along the Blackstone/Kings Canyon Bus Rapid Transit (BRT) corridor (Council District 3)

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RECOMMENDATION

Staff recommends Council approve the appropriation of TIRCP grant funds and award a sole source agreement to SPX Corporation in the amount of \$4,261,144 for the purchase of Genfare ticket vending machines (TVMs) and related equipment and software to be placed at BRT stations along the Blackstone and Ventura/Kings Canyon corridors, two years of warranty and maintenance, and an option for an additional three years of maintenance.

EXECUTIVE SUMMARY

On January 28, 2016, Council awarded a \$32 million contract to Tiechert & Son, Inc., for construction of Bus Rapid Transit (BRT) stations and associated improvements along Blackstone Avenue and Ventura/Kings Canyon Road. The award included the understanding that staff and the City Attorney's Office would complete a deductive change order reducing the contract cost by over \$4 million prior to issuing a notice to proceed. Cost reductions included redesign of the stations and removal of technology items, including ticket vending machines (TVMs), cameras and other communication equipment. Staff informed Council the TVMs and other equipment would be added back to the project when additional grant funding was obtained. The City has recently received a Transit and Intercity Rail Capital Program (TIRCP) grant from the State of California that will allow the Department to purchase the TVMs needed to complete the BRT project.

Therefore, the Department of Transportation is requesting Council approve the AAR and authorize purchase of 55 TVMs, smart card technology, and related hardware and software for the BRT project through a sole source contract with Genfare. Three years ago the Department replaced its outdated fareboxes with new Genfare SPX fareboxes, making Genfare the original equipment manufacturer (OEM) for the fare collection system and fareboxes currently being used on all fixed-route and paratransit buses. The Genfare system contains proprietary software and hardware that has not been successfully integrated with a non-Genfare TVM system. By integrating the Department's farebox and TVM systems, the Department will create a seamless environment for its riders, allowing them to use the same fare media as they move between the fixed-route system and the BRT system.

BACKGROUND

In January 28, 2016, Council awarded a \$32 million contract to Teichert & Sons, Inc., for construction of the Bus Rapid Transit (BRT) project, along Blackstone Avenue and Ventura/Kings Canyon Road. Prior to issuing a notice to proceed, staff worked with the City Attorney's Office to complete a deductive change order that reduced the contract costs by over \$4 million. Cost reductions included redesign of shelters and removal of ticket vending machines (TVMs) from the construction contract, with the understanding TVMs would be restored to the project when sufficient grant funding was secured.

The BRT project is scheduled to be completed at the end of 2017 and will improve safety, security, service, and passenger amenities throughout the corridor. Some of the key elements of this project are:

- Off-board TVMs, Intelligent Transportation Systems (ITS), enhanced lighting and security, ADA accessibility.
- Enhanced shelters, benches, and trash receptacles.
- Over 23 miles of fiber optics and the replacement and improvement of communication cabinets used by other City departments, including ISD and Public Works.
- Improved streets and sidewalks surrounding the BRT stations, including replacement of asphalt with concrete bus pads, as well as curb and gutter improvements.

- Improved traffic signals along both Blackstone and Ventura/Kings Canyon corridors, including Traffic Signal Prioritization (TSP) for transit that will also benefit traffic signal pre-emption projects related to public safety, while continuing to ensure first responders' use of signal pre-emption is not impacted.
- Improved ADA access and egress from streets, sidewalks, and crosswalks, including curb-cuts and other required ADA compliance surrounding all BRT stations.
- Enhanced safety and security for passengers through improved lighting and surveillance at BRT stations along with an increased presence of City personnel, including FAX police officers and maintenance personnel.

Investment in the BRT project will provide a number of immediate benefits beyond the existing, traditional fixed-route transit service. Stations will provide increased safety and a higher level of passenger amenities for the community. BRT service will also improve transit service and better accommodate existing and new ridership, through increased frequencies and improved access to other major transit corridors. Passenger waiting time will be reduced, with buses operating every 10 minutes during peak hours allowing for better travel times and transfers.

The TVMs are the platform for the off-board fare collection, allowing faster boarding, ensuring a reduction in bus wait time, and allowing for more reliable on time performance. Integration of the current farebox system and the BRT TVM system is needed to create a seamless environment for riders, allowing them to use the same fare media as they move between the fixed-route system and the BRT system. Three years ago the Department installed Genfare SPX fareboxes on over 100 fixed-route buses. The Department has evaluated five vendors and seven different TVM models for installation along the BRT corridor, with a goal of integrating the TVMs with the Genfare SPX farebox system. Genfare is the only vendor that has successfully integrated its TVM system with a Genfare SPX farebox system. This is due to the proprietary data, information, and software associated with Genfare products. Substantial cost, time, and technical risk would be needed to be the first agency to integrate a non-Genfare product with a Genfare product.

The Department has worked with the BRT project management consultant to negotiate a sole source agreement for Genfare Vendstar-3 TVMs in the amount of \$4,261,144. The agreement contains a competitive price and ensures the functionality of the TVMs matches the Department's need. Some of the value and advantages resulting from these negotiations include:

- Pricing below competitive bid pricing
- A supplier with proven product performance, including its TVMs
- 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 years of warranty and maintenance, with an option for an additional three years of maintenance, including defined service levels and penalties to ensure adequate performance
- Improved maintenance for existing Genfare SPX fareboxes
- Spare equipment, including full TVMs and fare cards
- Contract payments at successful completion of project milestones
- Smart card technology, with online card registration, value loading, and loss/theft recovery
- 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 and related software and equipment for two years, with an option for an additional three years of maintenance. Funding is available through a State of California Transit Intercity Rail Capital (TIRCP) grant recently awarded to FAX.

The Department has worked with Purchasing and the City Manager's Office to ensure compliance with City of Fresno procurement requirements. The City Attorney's Office has reviewed and approved the agreement to form.

The BRT project is a federally-funded project under the Federal Transit Administration (FTA). The Department has notified the FTA of its intent to pursue sole source procurement for the TVMs. The FTA understands the reasons for sole source procurement and has approved the procurement based on the following FTA guidance:

FTA Third Party Contracting Regulations for Transit Agencies, Circular 4220.1F:

- *Patents or Restricted Data Rights. Patent or data rights restrictions preclude competition.*

- *Substantial Duplication Costs.* In the case of a follow-on contract for the continued development or production of highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition.
- *Unacceptable Delay.* In the case of a follow-on contract for the continued development or production of a highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in unacceptable delays in fulfilling the recipient's needs.

ENVIRONMENTAL FINDINGS

A Mitigated Negative Declaration (MND) was adopted by the Council on January 30, 2014, for this project. An analysis has been performed pursuant to CEQA Guidelines §15162 to determine whether subsequent environmental review is required for the project. Based on this analysis, the following findings are made to support the determination that no subsequent environmental review is required.

1. No substantial changes are proposed in the project, which will require major revisions of the previous MND due to the involvement of new significant environmental effects, or a substantial increase in the severity of previously identified significant effects.
2. No substantial changes occur with respect to the circumstances under which the project is undertaken, which will require major revisions of the previous MND due to the involvement of new significant environmental effects, or a substantial increase in the severity of previously identified significant effects.
3. There is no new information that was not known or could not have been known at the time of the previous MND that the project will have significant effects not discussed in the MND.

Furthermore, since a MND was previously adopted for this project, the considerations set forth in CEQA Guidelines §15162(a)(3)(C) and (D), related to the adequacy and feasibility of previously adopted mitigation measures, are not applicable. Based upon these findings, it has been determined no further environmental documentation is required for this project. Furthermore, the FTA has identified this project qualifies as a categorical exclusion under the National Environmental Policy Act.

LOCAL PREFERENCE

Local preference was not considered because this sole source contract award is an exception to the competitive bidding process and due to conditions of federal funding.

FISCAL IMPACT

There is no impact to the General Fund as this agreement will be funded through a \$4,083,000 TIRCP grant provided by the State of California and \$276,700 from the Department's Transit Local Match Reserve. The AAR approval will allow the Department to utilize the recently awarded TIRCP grant funds during FY17.

Attachments

- Genfare SPX Agreement
- Genfare SPX Sole Source Resolution
- City Manager Sole Source Concurrence Letter
- Resolution adopting the 39th amendment to the Annual Appropriation Resolution