

Transportation Committee

For the Metropolitan Council meeting of June 23, 2021

Subject: Cubic Ticket Vending Machine Bill Note Acceptor Upgrade Kits, Contract 21P173

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute a sole-source Contract 21P173 with Cubic Transportation Systems to provide new ticket vending machine bill note acceptor upgrade kits in an amount not to exceed \$1,360,000.

Summary of Committee Discussion/Questions

Metro Transit Revenue Collection Senior Manager Nick Eull presented this item.

There were no questions or comments from Council Members.

Motion by Sterner, seconded by Gonzalez. Motion carried. CONSENT to Council.

Transportation Committee

Meeting date: June 14, 2021

For the Metropolitan Council meeting of June 23, 2021

Subject: Cubic Ticket Vending Machine Bill Note Acceptor Upgrade Kits, Contract 21P173

District(s), Member(s): All

Policy/Legal Reference: FM 14-2 - Expenditures for the Procurement of Goods and Services Policy

Staff Prepared/Presented: Wes Kooistra, General Manager (612-349-7510)
Edwin Petrie, Director of Finance (612-349-7624)
Nick Eull, Senior Manager of Revenue Operations (612-349-7364)
Dennis Dworshak, Manager of Revenue Operations (612-349-7035)

Division/Department: Metro Transit

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute a sole-source Contract 21P173 with Cubic Transportation Systems to provide new ticket vending machine bill note acceptor upgrade kits in an amount not to exceed \$1,360,000.

Background

Metro Transit is responsible for maintenance and upgrades to the regional fare collection system. Offboard fare payment at rail platforms and other select locations includes purchasing fares and reloading Go-To cards using ticket vending machines (TVMs). Ticket vending machines were first installed in 2004, with additional purchases to support expansion since that time. Key TVM components have been and are being upgraded as the TVMs continue to play a vital role for fare collection throughout the system.

Ticket vending machines accept credit cards and cash payments. The current bill handling units (BHUs), which accept and verify cash payments, are no longer manufactured and currently receive limited support from the manufacturer. Remaining support will end in less than two years. Replacement, next-generation BHUs are available from the manufacturer and supported by Cubic. New BHUs will provide ongoing hardware and software support. In addition, new US currency designs are being developed for the ten- and twenty-dollar bills, and new BHUs will be required to support new bill designs.

The updated BHU (model BNA6) is the only authorized replacement BHU for Cubic TVMs. There is no other manufacturer of bill acceptors for Cubic TVMs that would be compatible with current TVMs. Partnership with Cubic is critical to ensure the new BHU interfaces correctly with the physical and software design of the Cubic TVMs.

The cost of this upgrade has been analyzed against other similar procurements throughout the industry and past Metro Transit procurements to establish the cost is fair and reasonable.

Rationale

Metro Transit will continue to collect cash fares at TVMs well into the future, as well continue to support regional provider fare collection and equipment needs. Cash payments account for up to 20% of all Metro Transit rides. This procurement and associated upgrade will allow Metro Transit to collect cash payments at all light rail transit

stations and other locations with Cubic TVMs with no interruption due to unsupported TVM equipment. The execution of goods contract in excess of \$500,000 requires Council approval.

Thrive Lens Analysis

Acceptance of cash fare payments ensures all customers will continue to have flexibility in how they pay their fares. Low-income and underbanked customers are more likely to use cash, and the continued acceptance of cash ensures these and other cash customers have the option to purchase fare products with cash at all transit platform TVMs.

Funding

This project will follow federal procurement guidelines. This project is fully funded and has been Council authorized in a local funded project 67902, "Nextfare Fare Collection Upgrade." A federal grant is currently being processed and when the grant is executed later summer 2021, this project will then utilize federal and local funds for the remaining expenditures.

Known Support / Opposition

There is no known opposition.