

T Transportation Committee
Meeting date: July 9, 2012
For the Council Meeting of July 25, 2012

ADVISORY INFORMATION

Date: July 9, 2012
Subject: Regional Transit System Fare Collection Contract with Cubic Transportation Systems
District(s), Member(s): All
Policy/Legal Reference: N/A
Staff Prepared/Presented: Brian J. Lamb, General Manager, (612) 349-7510
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Richard Rovang, CCLRT Project Director (651) 602-1941
Ed Petrie, Director of Finance, Metro Transit, (612) 349-7624
Micky Gutzmann, Director Contracts and Procurement, (651) 602-1741
Division/Department: Central Corridor Project Office, Metro Transit Finance

Proposed Action

Award and execute a sole source contract with Cubic Transportation Systems (Cubic) for production and delivery of 68 ticket vending machines, 114 smart card validators, 50 handheld smart card readers, coin hoppers and spare parts at a total cost not to exceed \$9,429,332.

Background

The Metropolitan Council, in 2002, entered into a contract with Cubic Transportation Systems to provide fare collection equipment as part of the construction of the Hiawatha Light Rail Transit line. The Council further expanded the use of Cubic equipment as part of the Northstar project. Based on the success and previous performance of Cubic it was decided to pursue the use of Cubic fare collection equipment on the Central Corridor LRT and other regional transitway projects.

On February 14, 2012 a Request for Price Proposal was issued requesting Cubic to provide pricing for fare collection equipment for the Regional Transit System. Cubic's Price Proposal was received on April 10, 2012 and reviewed by the project management team. On June 14, 2012, the Council and Cubic reached a final negotiated price for the base order, and established prices for future options.

The recommended purchase includes:

- a). **Central Corridor LRT:** 40 ticket vending machines, 72 smart card validators, 20 handheld smart card readers, coin hoppers and spare parts to process and validate payments for users at the start of revenue operations in 2014.
- b). **Interchange Project:** 4 ticket vending machines, 7 smart card validators, coin hoppers and spare parts.

c). **Metro Transit:** 24 ticket vending machines, 35 smart card validators, 30 handheld smart card readers, coin hoppers and spare parts to be used on Hiawatha LRT, Northstar Commuter Rail, Cedar Avenue Bus Rapid Transit (BRT); and Central Corridor LRT, if needed. These items will be combined under Metro Transit in the Funding Section.

The Cubic Price Proposal also includes options for additional ticket vending machines and smart card validators for future equipment on Central Corridor LRT, Southwest LRT, and other locations within the Regional Transit System, should the need and funding be identified. However, this will require separate future Council action.

Rationale

The sole source acquisition strategy for the Regional Transit System Fare Collection procurement was recommended by the Central Corridor Project Office (CCPO) and Metro Transit Finance, agreed to by the Office of General Counsel and Department of Contracts and Procurement. The CCPO has advised the FTA of this procurement approach.

Cubic's overall Price Proposal for this purchase of \$9,429,332 is within the Council's budget and is fair and reasonable.

Awarding the contract at this time allows for timely delivery of the equipment necessary for start up and acceptance testing prior to revenue operations for the Central Corridor and the Interchange projects.

Execution of a contract in excess of \$250,000 requires Council approval.

Funding

Funding will be provided within the appropriate project or department capital budget. The values shown below are itemized costs for the base purchase and include sales and use taxes.

Values of select key components of the sole source authorization include:

Central Corridor LRT Project Funding – \$5,418,127

The Interchange Project Funding – \$517,066

Metro Transit Capital Project Funding - \$3,494,139

Known Support / Opposition

Project partners have been consulted and support this action to equip the Regional Transit System with Cubic Fare Collection equipment.

There is no known opposition.