Transportation Committee

Meeting date: May 8th, 2017

For the Metropolitan Council meeting of May 24th, 2017

Subject: Agreement with Cubic Transportation Systems for Fare Collection Software Support Services
District(s), Member(s): All
Policy/Legal Reference: Council Policy 3-3: Expenditures – Procurement of Goods and Services over $500,000
Staff Prepared/Presented: Brian J Lamb, General Manger (612-349-7510)   Dave Hinrichs, Chief Information Officer (651-602-1443)   Edwin D. Petrie, Director of Finance (612-349-7624)   Nick Eull, Senior Manager of Revenue Operations (612-349-7364)
Division/Department: All

Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to execute a fare collection software support agreement with Cubic Transportation Systems (Cubic) for one year at a maximum cost of $585k, with an option to extend one additional year at a maximum cost of $615k, for a value up to $1,200,000.

Background

The existing Cubic software support agreement was executed in 2012. Since 2003, Metro Transit has used a software support agreement with Cubic to license Cubic software and obtain services from Cubic which have been critical to the operations, updates, modifications and enhancements of the system. In 2016, nearly 60% of Metro Transit rides and 90% of suburban transit provider rides were taken using a Go-To card. Overall fare revenues using Go-To cards exceeded $80 million in 2016.

The Council acquired the original fare collection software from Cubic and they remain the only provider of support services. This is a sole-source procurement. The pricing and terms are consistent with past agreements and have been determined reasonable through comparison to industry norms.

The previous support agreement was a five-year term. The recommend agreement will provide for a one-year extension with an option to extend at similar pricing for one additional year.

It is expected that Metro Transit will upgrade to a newer version of Cubic software in the next 18-24 months which would require a new support agreement with updated terms.

Rationale

The software support agreement with Cubic will provide ongoing software updates and system resources necessary for continuing efficient operation and enhancement of the Go-To card fare collection system.

Thrive Lens Analysis

Almost 60% of all Metro Transit rides, and 90% of suburban transit provider rides, will use Go-To cards for payment in 2017 and beyond. This agreement impacts all regional system riders who pay using a Go-To card.

Funding

Funding for the support agreement is included in the current operating budget.

Known Support / Opposition

There is no known opposition.