

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2008-109

Revenue Collection Services Contract for Ticket Vending Machines

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	11/20/08	Discussion/Possible Action	Tracy Butler, Treasurer Brian Brooke, Project Manager Diane Bowman, Accountant	(206) 398-5146 (206) 398-5229 (206) 398-5210

Contract/Agreement Type:	<input checked="" type="checkbox"/>	Requested Action:	<input checked="" type="checkbox"/>
Competitive Procurement	<input checked="" type="checkbox"/>	Execute New Contract/Agreement	<input checked="" type="checkbox"/>
Sole Source	<input type="checkbox"/>	Amend Existing Contract/Agreement	<input type="checkbox"/>
Agreement with Other Jurisdiction(s)	<input type="checkbox"/>	Budget Amendment	<input type="checkbox"/>
Real Estate	<input type="checkbox"/>	Property Acquisition	<input type="checkbox"/>

PROJECT NAME

Ticket Vending Machine Revenue Collection Services

PROPOSED ACTION

Authorizes the chief executive officer to execute a three-year contract with two one-year options to extend with Dunbar Armored to provide revenue collection services for ticket vending machines for a total authorized contract amount not to exceed \$1,750,000.

KEY FEATURES of PROPOSED ACTION

- The ticket vending machine (TVM) revenue collection service contractor will provide cash collection services for TVMs that sell fare media to be used on Sound Transit and regional transportation services; including Sounder commuter rail, Link light rail, ST Express bus services, and regional partner transportation systems.
- The contract defines a scope of work, including: (1) transport of cash; (2) removal and replacement of cash containers; (3) cash counting and reconciliation; and (4) bank deposit.
- The contract provides for a three-year term with two additional one-year options to extend. The requested contract amount is for all five years of the contract.

BUDGET IMPACT SUMMARY

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET and FINANCIAL PLAN DISCUSSION

The proposed action would authorize execution of a contract for revenue collection services for the ticket vending machines. In 2009, 32 TVMs will be in use for Sounder commuter rail. When Link light rail revenue service begins in July 2009, an additional 57 TVMs will be placed into operation. These services would be funded by the respective transit operations budgets.

In 2008, TVMs are only in operation for Sounder commuter rail. The 2008 Sounder transit operations budget has allocated a total of \$607,000. Of this amount, \$55,000 has been allocated to fare collection services. Through September 2008, a total of \$36,000 has been spent. The proposed revenue collection services

contract would be effective beginning in mid-December 2008. The portion of this contract related to 2008 fare collection services would be covered by the remaining funds in this budget.

The Proposed 2009 Sounder commuter rail operations budget has a budget of \$386,754 for TVM maintenance. Of this amount, \$84,672 is allocated to fund revenue collection services. The Central Link operations budget includes \$460,802 for TVM maintenance. Of this amount, \$97,000 is allocated to fund these services. The higher costs in 2009 are related to the amount of revenues that will be handled by the TVMs as well as increases in the number of TVMs covered under the contract due to the addition of Link operations. Future years would be funded out of future transit operations budgets. These costs have been fully accounted for in the financial plan.

BUDGET TABLE

The impact of the proposed action on the transit operations budgets is illustrated below:

Summary for Board Action (X \$1,000)

Action Item: Execute a three (3) year contract with two (2) one-year options with Dunbar Armored to provide revenue collection services for the Ticket Vending Machines

	(A)	(B)	(C)	(D)
	Adopted 2008 Budget	Spent to date in 2008	Contract Expenditures 2008	Remaining 2008 Budget
Current Year Budget ¹				
1 Sounder Transit Operations - Fare Collection Services	55	36	2	17
2 Sounder Transit Operations - Other TVM Services	552	479	-	73
3 Total	607	515	2	90

Budget Shortfall

	Level	Shortfall	Resources	Funding Source
4	N/A	-	-	N/A

	Prior Year(s) Spending	2008 Spending	Future Expenditures	Total
5 Dunbar Armored	-	-	-	-
6 Dunbar Armored (This Action)	-	2	1,740	1,742
	-	2	1,740	1,742

	Current Approved Contract Value	Spent to Date	Proposed Action	Proposed Total Contract Value
7 Dunbar Armored	-	-	1,742	1,742
8 Contingency	-	-	-	-
9 Total Contract	-	-	1,742	1,742
10 Percent Contingency	-	-	0%	0%

Notes:

1 The proposed action would execute a contract that would be effective in mid-December 2008. The 2008 Sounder transit operations budget can be found on page 49 of the Adopted 2008 Budget Book. Only two weeks of contract scope would be executed in 2008.

SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

Dunbar Armored is the prime contractor for this contract and there are no subcontractor opportunities.

Equal Employment Workforce Profile (% Women/People of Color)

Dunbar Armored's workforce consists of 27% women and 51% people of color.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

Both Sounder commuter rail and Link light rail use a barrier-free, proof-of-payment type fare system. This system requires that passengers have a valid pass, ticket or other fare media with them at all times during their trip, subject to verification by fare enforcement personnel. Passes, tickets, and eventually ORCA smart cards (electronic fare payment system) can be purchased from ticket vending machines located at the stations and in the Union Station building. All TVMs require regular revenue collection services and maintenance.

The contractor will provide cash collection services for TVMs that sell fare media to be used on Sound Transit and regional transportation services; including Sounder commuter rail, Link light rail, ST Express bus services, and regional partner transportation systems. These cash collection services include: (1) transport of cash; (2) removal and replacement of cash containers; (3) cash counting and reconciliation; and (4) bank deposit.

The current TVM revenue collection services contract with Loomis, Fargo, and Company expires on December 31, 2008. On September 24, 2008, Sound Transit issued a RFP for the revenue collection servicing of the TVMs. Two proposals were received and evaluated by the selection committee for this project. Dunbar Armored was selected as the most qualified to provide the requested services.

Analysis of Contracting Out vs. Performing In-House

Performing revenue collection services for TVMs in-house requires armed security, training in the use of firearms, secure cash room facilities and increased insurance coverage for the additional liabilities. Sound Transit currently does not have the necessary capacity and resources to provide for TVM revenue collection services. In addition, it would be more expensive to perform the revenue collection services in-house due to the number of TVMs that Sound Transit currently owns.

Staff recommends reevaluating the option of performing these services in-house toward the end of the contract period as the volume of TVMs grows and the TVM operations and maintenance facility becomes established and fully functional.

PRIOR BOARD/COMMITTEE ACTIONS

None.

CONSEQUENCES of DELAY

A delay of two weeks would not impact the agency's TVM operations or interrupt the services provided by the current contractor.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

SSK 11-05-08

LEGAL REVIEW

JW 11/12/08

SOUND TRANSIT

MOTION NO. M2008-109

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a three-year contract with two one-year options with Dunbar Armored to provide revenue collection services for ticket vending machines for a total authorized contract amount not to exceed \$1,750,000.

Background:

Both Sounder commuter rail and Link light rail use a barrier-free, proof-of-payment type fare system. This system requires that passengers have a valid pass, ticket or other fare media with them at all times during their trip, subject to verification by fare enforcement personnel. Passes, tickets, and eventually ORCA cards (electronic fare payment system) can be purchased from ticket vending machines located at the stations and in the Union Station building. All TVMs require regular revenue collection services and maintenance.

The contractor will provide cash collection services for TVMs that sell fare media to be used on Sound Transit and regional transportation services; including Sounder Commuter Rail, Link light rail, ST Express bus services, and regional partner transportation systems. These cash collection services include: (1) transport of cash; (2) removal and replacement of cash containers; (3) cash counting and reconciliation; and (4) bank deposit.

The current TVM revenue collection services contract with Loomis, Fargo, and Company expires on December 31, 2008. On September 24, 2008, Sound Transit issued a RFP for the revenue collection servicing of the TVMs. Two proposals were received and evaluated by the selection committee for this project. Dunbar Armored was selected as the most qualified to provide the requested services.

Motion:

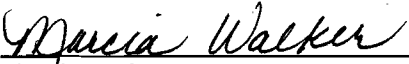
It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a three-year contract with two one-year options with Dunbar Armored to provide revenue collection services for ticket vending machines for a total authorized contract amount not to exceed \$1,750,000.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 20, 2008.



Aaron Reardon
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator