

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2008-18**

**Ticket Vending Machine System Upgrade for Smart Card Integration**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	2/7/08	Discussion/Possible Action to Recommend Board Approval Action	Greg Walker, Policy and Planning Officer	(206) 398-5070
Board	2/14/08		<b>Brian Brooke, Program Manager</b>	(206) 398-5229

<b>Contract/Agreement Type:</b>	<input checked="" type="checkbox"/>	<b>Requested Action:</b>	<input checked="" type="checkbox"/>
Competitive Procurement	<input checked="" type="checkbox"/>	Execute New Contract/Agreement	<input type="checkbox"/>
Sole Source	<input type="checkbox"/>	Amend Existing Contract/Agreement	<input checked="" 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 / Smart Card Integration

**PROPOSED ACTION**

Authorizes the chief executive officer to execute a contract change order with Scheidt and Bachmann USA, Inc. to upgrade Sound Transit's ticket vending machines and central data collection system for integration into the new Regional Smart Card system in the amount of \$962,000, with a contingency of \$96,200 totaling \$1,058,200, for a new total authorized contract amount not to exceed \$16,552,987.

**KEY FEATURES of PROPOSED ACTION**

This contract change would direct Scheidt & Bachmann (S&B) to perform the following additional services to support ORCA smart card functionality:

- Develop ORCA product sales transaction software;
- Develop and design ticket vending machine (TVM) user and hardware interfaces for hardware supplied by ERG, a third party vendor;
- Perform comprehensive integration testing, verification, documentation and training for added smart card functionality;
- Perform TVM retrofit installation and system commissioning

**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 Adopted 2008 Lifetime Budget for the Fare Integration capital program is \$15,867,298 with a 2008 spending plan of \$2,455,580. The proposed action will increase the Scheidt and Bachmann USA, Inc. contract by \$1,058,200 and will be funded by the Smart Card Integration line budget of \$1,085,000. Currently there are no commitments against this line item; the proposed action will result in a remaining line item balance of \$27,000 and a capital project balance of \$9,174,224.

There are sufficient funds to complete this action. Committing these funds will not endanger any other project elements that are to be funded out of the overall project.

## **BUDGET TABLE**

Summary for Board Action (Year of Expenditure \$000)

Project: 405 - Fare Integration

	2008 Adopted Budget <sup>1</sup> (A)	Spent To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Operating Budget	\$ 26,673	\$ 19,962	\$ -	\$ 19,962	\$ 6,711
2 Capital Budget	\$ 15,867	\$ 5,635	\$ 1,058	\$ 6,693	\$ 9,174
3 Total Current Budget	\$ 42,540	\$ 25,596	\$ 1,058	\$ 26,655	\$ 15,885

### Phase Budget Detail

4 Smart Card Integration	\$ 1,085	\$ -	\$ 1,058	\$ 1,058	\$ 27
5 Other Capital Activity	\$ 14,782	\$ 5,635	\$ -	\$ 5,635	\$ 9,147
6 Total Phase	\$ 15,867	\$ 5,635	\$ 1,058	\$ 6,693	\$ 9,174

Contract Budget	Current Approved Contract Value (F)	Committed To Date <sup>2</sup> (G)	Proposed Action (H)	Proposed Total Contract Value (I)
7 Sounder TVM	\$ 9,325	\$ 8,026	\$ -	\$ 9,325
8 TSD Small Works	\$ 25	\$ -	\$ -	\$ 25
9 Fare Integration	\$ 86	\$ -	\$ 962	\$ 1,048
10 Initial Segment	\$ 4,327	\$ 4,111	\$ -	\$ 4,327
11 Airport Link	\$ 310	\$ 310	\$ -	\$ 310
12 Contract Total	\$ 14,073	\$ 12,447	\$ 962	\$ 15,035
13 Sounder TVM Contingency	\$ 962	\$ 188	\$ -	\$ 962
14 TSD Small Works Contingency	\$ 1	\$ -	\$ -	\$ 1
15 Fare Integration Contingency	\$ 4	\$ -	\$ 96	\$ 100
16 Initial Segment Contingency	\$ 425	\$ 414	\$ -	\$ 425
17 Airport Link Contingency	\$ 30	\$ 30	\$ -	\$ 30
18 Contingency Total	\$ 1,422	\$ 632	\$ 96	\$ 1,518
19 Total	\$ 15,495	\$ 13,079	\$ 1,058	\$ 16,553
20 Percent Contingency	10.10%	5.08%	10.00%	10.10%

### Notes:

<sup>1</sup> Project budget is located on page 39 of the Proposed 2008 Budget book. The 2008 Budget with amendments was adopted by the Board on November 29, 2007.

<sup>2</sup> Committed to date amount includes actual outlays and commitments through January 15, 2008.

## **SMALL BUSINESS PARTICIPATION**

### Prime Consultant/Contractor

Scheidt & Bachmann is the prime consultant for this contract. Scheidt & Bachmann will perform 100% of the work included in this change order.

## EEO Commitment

Scheidt & Bachmann USA, Inc. employs 35.66% people of color and 12.59% women.

## **PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION**

In 1998, Scheidt & Bachmann USA, Inc. was the successful bidder to provide the fare vending and validation equipment for both Sounder commuter rail and Link light rail. The Fare Vending and Validation Equipment contract RTA/CR 28-98 provided for a separate Notice to Proceed to procure fare collection equipment for Link light rail stations based on anticipated Link light rail revenue service dates. The original contract *required S&B to provide* all hardware and software necessary for the operation of the smart card subsystems, and all TVMs supplied by S&B were designed to provide for the addition of smart card functionality at a future date.

In 2003, ERG Ltd. was awarded a contract to deliver a regional smart card fare collection system to seven partner transit agencies involved in the Central Puget Sound Regional Fare Coordination Project (Community Transit, Everett Transit, King County Metro, Kitsap Transit, Pierce Transit, Sound Transit and Washington State Ferries). The ERG contract includes \$108,000 for the purchase of smart card readers to be installed in Sound Transit's existing Sounder TVMs. Given development of the regional smart card system, the option for Scheidt & Bachmann (S&B) to provide a Sound Transit-specific smart card system was not exercised, however, ERG cannot make changes to the TVMs supplied by S&B or to the S&B customer interfaces and back office applications because of the proprietary nature of the S&B system. Therefore, a contract amendment is necessary to require S&B to incorporate the ERG supplied smart card reader hardware into the existing TVMs and develop software interfaces.

This proposed action would authorize Sound Transit to enter into contract amendment directing Scheidt & Bachmann to complete the work necessary to incorporate the ERG provided smart card reader units into Sound Transit's TVMs and to design all interfaces for customer access to smart card products as well as support all back end financial interfaces and reporting to support the addition of smart card transactions originating from TVMs.

## **Prior Board/Committee Actions**

<b>Motion/ Resolution Number &amp; Date</b>	<b>Summary of Action</b>
M2007-115 11/08/07	Authorized the chief executive officer to execute a contract amendment with Scheidt and Bachmann USA, Inc. to upgrade Sounder ticket vending machines, the Central Data Collection System, and ticket office machines in the amount of \$1,742,453, with a 5% contingency of \$87,123 totaling \$1,829,576, for a new total authorized contract amount not to exceed \$15,494,787
M2006-26 03/23/06	Authorized the Chief Executive Officer to execute a contract amendment with Scheidt and Bachmann USA, Inc. to implement Phase II of the fare vending and validation equipment contract to deliver, install and test fare collection equipment for the Central Link Light Rail Initial Segment and Airport Link in the amount of \$4,550,211, with a contingency of \$315,000, for a new total authorized contract amount not to exceed \$13,665,211.
M98-92 12/17/98	Authorized the Executive Director to award a contract between Sound Transit and Scheidt & Bachmann U.S.A. for the automatic fare vending equipment for the <i>Sounder</i> service in an amount not to exceed \$8,800,000, with options to provide additional equipment for LLR service. The contract price includes a 10% contingency.

### **CONSEQUENCES of DELAY**

A delay beyond February 2008 in executing the contract amendment could impact Sound Transit's ability to ensure ticket vending machines are capable of full smart card functionality prior to full implementation of the smart card system, scheduled for year-end 2008.

### **PUBLIC INVOLVEMENT**

Not applicable to this action.

### **ENVIRONMENTAL COMPLIANCE**

SK

### **LEGAL REVIEW**

BN 2/1/08

## **SOUND TRANSIT**

### **MOTION NO. M2008-18**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract change order with Scheidt and Bachmann USA, Inc. to upgrade Sound Transit's ticket vending machines and central data collection system for integration into the new Regional Smart Card system in the amount of \$962,000, with a contingency of \$96,200 totaling \$1,058,200, for a new total authorized contract amount not to exceed \$16,552,987.

#### **Background:**

In 1998, Scheidt & Bachmann USA, Inc. was the successful bidder to provide the fare vending and validation equipment for both Sounder commuter rail and Link light rail. The Fare Vending and Validation Equipment contract RTA/CR 28-98 provided for a separate Notice to Proceed to procure fare collection equipment for Link light rail stations based on anticipated Link light rail revenue service dates. The original contract required S&B to provide all hardware and software necessary for the operation of the smart card subsystems, and all TVMs supplied by S&B were designed to provide for the addition of smart card functionality at a future date.

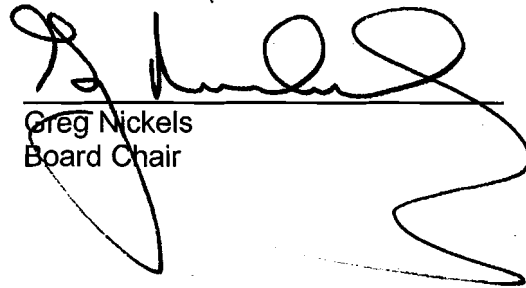
In 2003, ERG Ltd. was awarded a contract to deliver a regional smart card fare collection system to seven partner transit agencies involved in the Central Puget Sound Regional Fare Coordination Project (Community Transit, Everett Transit, King County Metro, Kitsap Transit, Pierce Transit, Sound Transit and Washington State Ferries). The ERG contract includes \$108,000 for the purchase of smart card readers to be installed in Sound Transit's existing Sounder TVMs. Given development of the regional smart card system, the option for Scheidt & Bachmann (S&B) to provide a Sound Transit-specific smart card system was not exercised, however, ERG cannot make changes to the TVMs supplied by S&B or to the S&B customer interfaces and back office applications because of the proprietary nature of the S&B system. Therefore, a contract amendment is necessary to require S&B to incorporate the ERG supplied smart card reader hardware into the existing TVMs and develop software interfaces.

This proposed action would authorize Sound Transit to enter into contract amendment directing Scheidt & Bachmann to complete the work necessary to incorporate the ERG provided smart card reader units into Sound Transit's TVMs and to design all interfaces for customer access to smart card products as well as support all back end financial interfaces and reporting to support the addition of smart card transactions originating from TVMs.

#### **Motion:**


It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract change order with Scheidt and Bachmann USA, Inc. to upgrade Sound Transit's ticket vending machines and central data collection system for integration into the new Regional Smart Card system in the amount of \$962,000, with a contingency of \$96,200 totaling \$1,058,200, for a new total authorized contract amount not to exceed \$16,552,987.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 14, 2008.



Greg Nickels  
Board Chair

ATTEST:



Marcia Walker  
Board Administrator