

MOTION NO. M2018-128
Contract for Revenue Collection Services for Sound Transit Ticket Vending Machines

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	11/1/2018	Final Action	Tracy Butler, Chief Financial Officer Lisa Wolterink, Director Fares and Grants Tess Pacheco, Revenue Accountant

PROPOSED ACTION

Authorizes the chief executive officer to execute a five year contract with Dunbar Armored to provide revenue collection services for Sound Transit operated ticket vending machines for a total authorized contract amount not to exceed \$2,200,000.

KEY FEATURES SUMMARY

- This action will provide cash collection services for ticket vending machines (TVMs) that sell fare media at Sound Transit rail stations and select Sound Transit and King County Metro locations.
- The scope of work includes removal and replacement of cash containers; transporting cash; cash counting and reconciliation; and bank deposits.
- The contract includes costs related to servicing TVMs operated by Sound Transit on behalf of King County Metro that are fully reimbursable to Sound Transit. These TVMs make up approximately 7 percent of the total contract amount.
- The requested amount will fund the entire five year term of the contract and includes anticipated growth in ridership and the expansion of the light rail system.
- Services contained in this contract are not taxable.

BACKGROUND

The agency contracts with an armored car company to provide cash collection services associated with sales made via Sound Transit's TVM network. Sound Transit currently operates 112 Sound Transit TVMs and operates 3 TVMs on behalf of King County Metro. The machines sell both regional ORCA products and paper tickets good for travel on Sounder Commuter Rail and Link Light Rail service and generate over \$11 million in annual cash sales.

Over the last five years, Sound Transit has experienced continued growth in sales through TVMs, with cash sales accounting for approximately 25 percent of total TVM sales. This growth in sales is expected to continue over the next five years due to continued ridership growth and system expansion including the 2021 opening of the Northgate Link Extension, 2022 opening of the Hilltop Tacoma Link extension and the 2023 opening of the East Link extension. Current locations of TVMs for King County are located at King Street Center, Burien Transit Center and Northgate Transit Center.

The current Ticket Vending Machine revenue service contract with Dunbar Armored expires on December 9, 2018.

PROCUREMENT INFORMATION

These services were procured using a Request for Proposals solicitation method due to the type of work required and price alone not being the determining factor upon which the contract should be awarded. One proposal was submitted by Dunbar Armored in response to RTA/RP 0190-18 and was evaluated using criteria such as price, capacity and project organization, firm experience and history, knowledge and current experience of key individuals, and commitment and compliance with EEO law. Dunbar Armored's proposal is considered to meet the evaluation criteria and its price – submitted under the expectation of competition – is considered fair and reasonable based on the independent cost estimate and historical rates.

FISCAL INFORMATION

The proposed action will be funded from the services category within the Finance and Information Technology department's annual operating budget. The services category budget is \$13,821,747, of which a total of \$29,500 is estimated to be spent in the current year and is within the agency's budget authority. After approval of this action, the remaining annual budget amount will be used to fund other department expenditures anticipated in the 2018 annual budget.

Funding for the additional years of the contract will be included in future annual budget requests.

Finance and Information Technology

(in thousands)

Cost Category	2018 Annual Operating Budget ¹	YTD Actuals ²	This Action (Current Year Impact Only)	YTD Actuals Plus Action (Current Year Only)	Remaining Annual Operating Budget
Salaries and Benefits	\$27,467	\$17,402	\$	\$17,402	\$10,064
Services	13,822	8,906	30	8,935	4,887
Materials and Supplies	1,876	1,644		1,644	231
Utilities	1,068	718		718	350
Insurance	8,533	5,883		5,883	2,650
Miscellaneous	430	403		403	27
Interest Expense	18	4		4	14
Leases and Rentals	466	412		412	54
Total Annual Operating Budget	\$53,679	\$35,373	\$30	\$35,402	\$18,277

Contract Spending Plan	Forecasted Spend for Remainder of			Total
	Spending to Date ³	2018	Future Spending	
Dunbar Armored	\$	\$30	\$2,171	\$2,200

Contract Detail	Board Approved Contract Value	Proposed Action	Proposed Revised Board Approved Contract Value
	Dunbar Armored	\$	\$2,200
Contingency			\$
Estimated Taxes			
Contract Amount - Total	\$	\$2,200	\$2,200
Percent Contingency	0%	0%	0%

Notes:

¹ 2018 Annual Operating Budget is located on page 25 of the Adopted 2018 Budget book.

² YTD Actuals as of September 30, 2018.

³ Spending to Date as of September 30, 2018.

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

Sound Transit determined that there were few Small Business and DBE subcontracting opportunities based upon the work described in this contract, so Small Business/DBE goals were not established.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

A one-month delay would not create a significant impact to the project schedule.

PRIOR BOARD/COMMITTEE ACTIONS

None

ENVIRONMENTAL REVIEW

KH 10/25/18

LEGAL REVIEW

AJP 10/25/18

MOTION NO. M2018-128

A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a five year contract with Dunbar Armored to provide revenue collection services for Sound Transit operated ticket vending machines for a total authorized contract amount not to exceed \$2,200,000.

BACKGROUND:

The agency contracts with an armored car company to provide cash collection services associated with sales made via Sound Transit's TVM network. Sound Transit currently operates 112 Sound Transit TVMs and operates 3 TVMs on behalf of King County Metro. The machines sell both regional ORCA products and paper tickets good for travel on Sounder Commuter Rail and Link Light Rail service and generate over \$11 million in annual cash sales.

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Over the last five years, Sound Transit has experienced continued growth in sales through TVMs, with cash sales accounting for approximately 25 percent of total TVM sales. This growth in sales is expected to continue over the next five years due to continued ridership growth and system expansion including the 2021 opening of the Northgate Link Extension, 2022 opening of the Hilltop Tacoma Link extension and the 2023 opening of the East Link extension. Current locations of TVMs for King County are located at King Street Center, Burien Transit Center and Northgate Transit Center.

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MOTION:

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized the chief executive officer to execute a five year contract with Dunbar Armored to provide revenue collection services for Sound Transit operated ticket vending machines for a total authorized contract amount not to exceed \$2,200,000.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 1, 2018.



Paul Roberts
Operations and Administration Committee Chair

ATTEST:



Kathryn Flores
Board Administrator