

**Date:** October 28, 2015

**To:** Board of Directors

**From:** Neil McFarlane *Neil McFarlane*

**Subject:** **RESOLUTION 15-10-67 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH SCHEIDT & BACHMANN USA, INC. FOR EFARE PROJECT RETROFIT OF TICKET VENDING MACHINES**

**1. Purpose of Item**

The purpose of this item is to request that the TriMet Board of Directors (“Board”) adopt a resolution authorizing the General Manager to execute a contract with Scheidt & Bachmann USA, Inc. (“Scheidt & Bachmann”) for the retrofit of agency Ticket Vending Machines (“TVMs”) related to implementation of the eFare project.

**2. Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other \_\_\_\_\_

**3. Reason for Board Action**

Board authorization is required for all goods and services contracts obligating TriMet to pay in excess of \$500,000.

**4. Type of Action:**

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading
- Other \_\_\_\_\_

**5. Background**

The region’s eFare system project contemplates upgrading the existing 250 Ticket Vending Machines (TVMs) to vend disposable paper tickets with a chip embedded, as well as integrating the current TVM computer system with the central eFare back end. The upgrade would replace the existing visually inspected paper TVM tickets, with tickets that would be tapped, just like other Hop Fastpass media, to activate the red or green light on the contactless readers as customers board vehicles regionally. Furthermore, it would provide a consistent and simplified experience for customers, operators, and fare inspectors, and

supports TriMet's goals to ultimately manage all transfers via contactless fare media while streamlining the overall TVM experience.

The TVMs are expected to be a primary channel to obtain fares for occasional riders and those visiting our region. To serve these customers, TVMs would continue to issue single 2.5-Hour Tickets and 1-Day Passes for Adults, Youth and Honored Citizens, which range in price from \$1.25 to \$5.00. The TVMs would continue to accept payment via cash, coins and bank cards, and, like today, customers would not pay fees to purchase fares from the machines. These contactless tickets issued by TVMs would not be reloadable.

Reloadable cards, however, will be available to all riders at over 500 retail stores and the TriMet Ticket Office, and could be reloaded via cash or bank card at those locations. Customers will also have options to reload these cards over the phone, via a smart phone app or a website.

The primary role for this contractor is to add an internal electronic ticket reader, add electronic ticket stock and complete a software upgrade including back end integration with the central INIT-supplied eFare back end. Board approval of this Resolution does not establish any eFare operating procedures, such as fees for reusable cards or minimum load requirements.

Upgrading the existing TVMs is significantly less costly and complex than replacing the entire fleet with new TVMs, and the training and additional knowledge necessary for staff to maintain the upgraded TVMs would be minimal.

Future functionality could be added to the TVMs; however, the additional capital and operating costs would need to be analyzed before a Resolution would be brought forth for Board consideration.

The TVM upgrade schedule would include system testing summer of 2016 with the field upgrades occurring throughout 2017.

## **6. Procurement Process**

This is a sole-source contract for the related goods and services. The total amount of contract authorization requested is \$1,117,500. This includes the contract amount negotiated with Scheidt and Bachmann, plus a 10% contingency. The total contract value represents a per unit retrofit cost of approximately \$4,500. This is substantially below the estimated unit cost for the purchase of a new TVM that would vend similar, limited use, electronically coded fare media.

## **7. Diversity**

The majority of the currently identified work scope is further development of proprietary S&B software, as well as provision of compatible hardware upgrades for the existing TVM fleet. TriMet is working with Scheidt & Bachmann to incorporate Disadvantaged/ Minority/ Women-Owned/Emerging Small Business ("DMWESB") participation on the local installation phase of the contract. Scheidt & Bachmann's workforce reflects 29% minority group utilization.

**8. Financial/Budget Impact**

The proposed price of this proposed Scheidt & Bachmann contract, \$1,117,500, is within budget estimates to develop this specific scope of work for the overall eFare project. As such, the contract amount has been accounted for within TriMet's capital budget process.

**9. Impact if Not Approved**

If this or a similar contract is not approved, TriMet TVMs will not have the functionality to vend limited use eFare tickets. This functionality is a critical component of the agency's goal to electronically manage transfers, and streamline the boarding process with a simple green or red light, as well as maintain a convenient fare sales channel outside of the planned eFare retail network (which will only vend the reloadable extended use eFare cards).

**RESOLUTION 15-10-67**

**RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRI-MET) AUTHORIZING A CONTRACT WITH SCHEIDT & BACHMANN USA, INC. FOR EFARE PROJECT RETROFIT OF TICKET VENDING MACHINES**

**WHEREAS**, Tri-Met has authority under ORS 267.200 to enter into a contract with Scheidt & Bachmann USA, Inc., for eFare Project retrofit of Ticket Vending Machines (“Contract”); and

**WHEREAS**, the total amount of the Contract shall exceed \$500,000; and

**WHEREAS**, the TriMet Board of Directors (Board), by Resolution dated November 25, 2009, adopted a Statement of Policies requiring the Board to approve goods and services in excess of \$500,000;

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Contract shall be in conformance with applicable laws.
2. That the General Manager or his designee is authorized to execute the Contract.

Dated: October 28, 2015

\_\_\_\_\_  
Presiding Officer

Attest:

\_\_\_\_\_  
Recording Secretary

Approved as to Legal Sufficiency:

  
\_\_\_\_\_  
Legal Department