



Agenda Item No. 5

To: Finance-Auditing Committee/Committee of the Whole
Meeting of July 25, 2008

From: Teri W. Mantony, Deputy General Manager, Bus Division
Celia G. Kupersmith, General Manager

Subject: **APPROVE ACTIONS RELATIVE TO THE EXECUTION OF CHANGE
ORDER NO. 2 TO CONTRACT NO. 2008-BT-3, FARE COLLECTION
SYSTEM, WITH GFI GENFARE, A UNIT OF SPX CORPORATION**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors approve the following actions relative to Contract No. 2008-BT-3, *Fare Collection System*:

1. Authorize execution of Change Order No. 2 relative to Contract No. 2008-BT-3, *Fare Collection System*, with GFI Genfare, a unit of SPX Corporation, Elk Grove Village, IL, in the amount of \$76,464.21.
2. Authorize a budget increase in the FY 08/09 Bus Transit Division Capital Budget in the amount of \$100,000, to be funded with \$80,000 in grant funds and \$20,000 from District reserves.

Summary

The Bus Division is implementing a new fare collection system. The system consists of high capacity validating fareboxes, probing equipment, and reporting software, as well as refurbishment of existing revenue collection equipment for the District's bus fleet and revenue collection sites located in San Rafael, Santa Rosa, and Novato.

The District awarded a contract to GFI, Genfare in the amount of \$2,966,481.95 on February 22, 2008. The bid specifications required that the data programming of the fare collection system be programmed based on a *ride value* system and configured to incorporate the District's current fare structure. After much consideration, it has been determined that a *stored value* system is a more efficient and flexible method to collect fares.

Stored value cards do not expire when fares increase; therefore it will not be necessary to provide a "grace period" for cards with old fare values. The cards will expire 6 months after the cards are initialized by a farebox, eliminating the need to dispose of unused, expired inventory. Therefore,

overall inventory costs are reduced and the need to purge old dated inventory will be eliminated. Additionally, fewer cards will be required (five instead of nine) reducing production costs. Magnetic striped media will be sold to customers in denominations of \$18, \$25, \$36, \$50, and \$75. Fewer cards will also require less reconciliation time. Overall, among other benefits, a *stored value* system will help the District realize savings on printing costs and staff time.

Switching to a stored value system will require re-programming of the fare collection system. It is estimated that it will take GFI, Genfare approximately 360 engineering hours for an additional cost of \$45,000. In addition to the reprogramming, Change Order No. 2 will include the purchase of 1 encoding machine with training, 8 hours of database training for IT staff, magnetic striped media and spare cash box keys and locks for a total of \$76,464.21. Staff recommends additional funds be included in the budget to accommodate unforeseen issues that may arise during the installation and implementation.

Fiscal Impact

This project is included in the FY 08/09 Bus Division Capital Budget at a total cost of \$3,055,100, and is funded with \$2,444,080 Federal Transit Administration (FTA) grant funds and \$611,020 District Funds (80% Federal, 20% District). A capital budget increase in the amount of \$100,000 to be funded with \$80,000 FTA grant funds and \$20,000 from District reserves is required to fully fund this project at the proposed budget of \$3,155,100.