



Agenda Item No. 4

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of October 21, 2010

From: Jennifer Mennucci, Director of Budget and Program Analysis  
Joseph M. Wire, Auditor-Controller  
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE EXECUTION OF THE FIRST AMENDMENT TO THE COOPERATIVE AGREEMENT WITH METROPOLITAN TRANSPORTATION COMMISSION RELATIVE TO THE PROCUREMENT OF ELECTRONIC TICKET VENDING MACHINES AND RELATED HARDWARE AND SOFTWARE ENHANCEMENTS FROM CUBIC CORPORATION DBA CUBIC TRANSPORTATION SYSTEMS**

### **Recommendation**

The Finance-Auditing Committee recommends that the Board of Directors authorize the General Manager to execute a first amendment to the cooperative agreement with the Metropolitan Transportation Commission (MTC), to increase the funds available in an amount not to exceed \$500,000, for procurement of electronic ticket vending machines and related hardware and software enhancements through the regional Clipper<sup>SM</sup> contract, with the understanding that sufficient funds to finance this amendment has been included in the FY 10/11 Ferry Transit Division Capital Budget.

### **Summary**

On February 26, 2010, the Board of Directors approved the execution of a cooperative agreement with MTC under which MTC would procure on the District's behalf ferry ticket vending machines and associated hardware and software from Cubic for use as part of the regional Clipper program. All Clipper hardware and software is provided by Cubic through its contract with MTC as a region-wide program. The requested additional funds are necessary to buy spare equipment and initial sets of pre-encoded limited use tickets. In addition, the District has requested software modifications not originally contemplated that will allow the ticket vending machines to be tailored to the District's specific needs. At the time that the cooperative agreement was executed, funds were put in the project budget to fund this activity.

### **Fiscal Impact**

The amendment to the cooperative agreement with MTC establishes an amended project budget of \$2,975,000 with a not-to-exceed amount of \$2,900,000 for Cubic hardware, software, and media and a not-to-exceed amount of \$75,000 for MTC contract administration. The additional funds requested are included in the current FY 10/11 Ferry Transit Division Capital Budget. The total project budget for the Ferry Ticket Vending Machines is \$4,000,000 of which \$1,985,000 is from Regional Measure 2 funds and the remaining \$2,015,000 is District funds.