



Agenda Item No. (7)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of February 25, 2021

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

Subject: **AUTHORIZE EXECUTION OF A PROFESSIONAL SERVICES
AGREEMENT RELATIVE TO CONTRACT NO. 2020-MD-051,
OPERATIONS AND MAINTENANCE OF VENTEK TICKET VENDING
MACHINES, WITH VENTEK TRANSIT**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors approve the following actions relative to the Ticket Vending Machine Replacement Project, as follows:

1. Approve award of sole source Contract No. 2020-MD-051, Operations and Maintenance of VenTek Ticket Vending Machines, to VenTek Transit of Petaluma, CA, in the amount of \$3,110,436 for a base term of five years, with two additional one-year option terms to be exercised at the Golden Gate Bridge, Highway and Transportation District's (District) sole discretion; and,
2. Establish a contract contingency in the amount of \$311,044 to make programming adjustments based on actual service needs or to address any additional unexpected items that may be encountered.

This matter will be presented to the Board of Directors at its meeting on February 26, 2021, for appropriate action.

Summary

The Ticket Vending Machines (TVM) at the Larkspur, Sausalito, and San Francisco Ferry Terminals were installed in 2010. Along with the TVMs, there are Add Value Machines (AVM), which have been in service since 2002. The existing TVMs and AVMs are at the end of their useful life and must be replaced.

In May 2019, the Board of Directors approved Contract No. 2019-MD-025, *Ticket Vending Machines (TVM)*, awarded to VenTek Transit of Petaluma, CA to replace the TVMs and AVMs

currently in service. Those new TVMs, which will include both TVM and AVM functionality, are scheduled to be installed by the second quarter of 2021. After installation, the TVMs will require ongoing maintenance and support. Because VenTek is the only manufacturer of this new TVM, it is the only firm, both technically and legally, that can provide the necessary maintenance and support services.

FTA procurement rules allow for a sole source procurement when services are available from a single source or when the recipient determines that full and open competition in connection with a particular acquisition is not in the public interest. Because VenTek is the sole supplier of its proprietary TVMs, it is uniquely able to provide the necessary services required to operate and maintain these devices. In addition, the public interest is best served by a sole source procurement and a competitive process would serve no useful purpose here. No State law would prohibit the procurement of these services under these circumstances. Procuring the maintenance and support services from Ventek meets the requirement for Sole Source Procurement in Section VI.A, Sole Source Purchases, of the District's Procurement Manual.

Staff has analyzed VenTek's proposal and level of effort. Staff finds its rates to be fair, reasonable, and consistent with industry standards. Ventek's costs, when compared with costs associated with the maintenance and support of the existing District TVM and AVMs, are similar and yield a modest savings. The cost of operations and maintenance is also less than the price originally quoted to Sonoma-Marín Area Rail Transit for similar services for its TVMs.

The Disadvantaged Business Enterprise (DBE) Program Administrator has determined that VenTek is not a certified DBE firm.

The approximately 10% contingency requested for this Contract allows for programming adjustments based on actual service needs, or to address any additional unexpected needs that may be encountered. An example of unforeseen programming would include software changes required that are currently undefined in Clipper 2.0 based on discussed changes in functionality for the regional data transfer.

Fiscal Impact

The total cost for the *Operations and Maintenance of VenTek Ticket Vending Machines* for a five-year base term and two one-year option terms is \$3,110,436. First year cost in the amount of \$488,782 will be capitalized and projected to begin in July 2021. Requisite maintenance expenses for the remainder of the Contract will be included in subsequent fiscal year Ferry and Bus Divisions Operating Budgets.