



SACOG Board of Directors

September 13, 2012

Delegate to Strategic Planning Committee the Authority to Decide Whether to Approve Subrecipient Agreement Between SACOG and Sacramento Regional Transit for Regional Funds to Allow Procurement of Connect Card Related Bus Hardware

Issue: The Transportation Committee recommended that the Board take action on the substantive merits of the proposed Subrecipient Agreement at its September meeting; however, concerns about the recommendation were raised by Board members at other committee meetings. Additional staff work has led staff to the conclusion that the substantive issue is not ready for Board action in September. This item is essentially a placeholder in the event that ongoing analysis leads staff to conclude that the project would be unduly harmed if the item is deferred to the next Board meeting in early December, and instead needs action at a special Strategic Planning Committee meeting.

Recommendation: None at this time. Staff will have a recommendation at the Board meeting whether the Board should hold a special Strategic Planning Committee and delegate to that committee the authority to make this decision, or whether the item can wait for Board action in December.

Committee Action/Discussion: Attached to this report is the staff memo that went to the Transportation Committee for action. The project team has identified an unbudgeted expense of approximately \$800,000 affecting Sacramento Regional Transit, and recommends allocating unspent bond funds for Sacramento Regional Transit to cover the cost. The commitment of the bond revenues would only occur with the concurrence of SACOG's Transit Coordinating Committee, which meets at the end of September.

Some Board members have asked for additional assurances that all other options have been exhausted, if it is timely to make this decision now, and whether adequate management controls are in place so significant cost increases on the project are unlikely to occur in the future. In response to these concerns, staff is conducting further analysis and will advise the Board on September 20 whether to schedule action on this item for the December Board meeting or whether to delegate action to the Strategic Planning Committee at a special meeting, most likely to be held in October.

Another much smaller, related Connect Card budget item also requires Board action, and it makes sense to bring both items to the Board at the same time. If the decision is made to schedule a special Strategic Planning Committee meeting, staff will advise the Board on how to state the motion so both items will be included in the determination.

Approved by:

Mike McKeever
Chief Executive Officer

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Attachment

Key Staff: Matt Carpenter, Director of Transportation Services, (916) 340-6276
Robert McCrary, Senior Planner, (916) 340-6238



Transportation Committee

Item #12-9-6 Action

August 23, 2012

Subrecipient Agreement between SACOG and Sacramento Regional Transit for Regional Funds to Allow Procurement of Connect Card Related Bus Hardware

Issue: While the Board is in recess, a contractual agreement may be required to pass through regional funds from SACOG to Sacramento Regional Transit (RT) to implement a hardware procurement that is related to the Connect Card.

Recommendation: That the Transportation Committee recommend that the Board authorize the Chief Executive Officer to enter into a subrecipient contract with RT in the amount of approximately \$785,000 to finance the procurement of Connect Card hardware for RT facilities and bus fleet if the Transit Coordinating Committee (TCC) recommends programming Proposition 1B - Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) funds.

Discussion: Staff, working with the regional Connect Card Consortium, has determined that the Connect Card requires an unanticipated investment in data communications hardware for the RT bus fleet that is not in the current Project Budget. At RT's request, the Technical Specification for the Project was written to provide data communications through an interface with the existing communications hardware on RT's bus fleet. The existing system, manufactured by Clever Devices (Clever), provides a variety of services, including automatic vehicle location and bus stop management. Technical research by project staff, engineering consultants, and RT indicated that the proposed interface could connect to the existing communications hardware on the RT busses, and the project was put out to bid based upon this assumption. However, during intensive discussions between engineering teams from Clever and INIT, the prime vendor for the Connect Card, it was discovered that additional hardware will be required on RT busses.

Staff and the Project Consortium recommend utilizing a Mobile Access Router (MAR) to provide the required data communications functionality in the RT bus fleet. MAR is a generic name for a compact, state-of-the-art communications router. The MAR would allow for seamless connection of multiple systems, less near-term technical risk, and great future flexibility. The MAR would meet and exceed the requirements for the Connect Card. This recommendation is supported by a preliminary technical assessment that is supported by RT staff, SACOG's engineering consultant, and INIT's engineering team, and is the source of the cost estimate. This assessment will be provided at the Transportation Committee meeting. Hardware for data communications is required for the RT bus fleet to transfer data, information, and upgrades from the buses to the RSC. Staff believes that the MAR would be a cost-effective investment in the regional transit infrastructure. The cost of this solution is projected at \$785,000, which is not in the project budget.

Although there is a project contingency of approximately \$1 million which could fund this hardware need, staff is not recommending using expenditure of the contingency at this time. To date, only about ten percent of the \$8.3 million contract with INIT has been expended, and staff does not believe it would be prudent to deplete the contingency this early in the procurement and manufacturing phase of the Project. Instead, staff is recommending that the Project should seek agreement of the Transit Coordinating Committee (TCC) to program regional Proposition 1B (Public Transportation Modernization, Improvement, and Service Enhancement Account) funds for this purpose. Approximately \$1.8 million of Proposition 1B funds are programmed for RT's fleet needs and could be used for this purpose.

If the TCC concurs, a subrecipient agreement with RT would be required to permit RT to acquire the necessary hardware directly. SACOG already has three active PTMISEA subrecipient agreements with RT for other projects. As with all standard SACOG subrecipient agreements, RT agrees to fully comply with PTMISEA requirements. Procurement for the hardware through RT is expected to provide an efficient method to acquire the hardware, as RT procurement practices, policies and infrastructure are an excellent fit for purchasing these capital assets.

If the TCC does not concur, and if RT cannot identify other funds to procure and install the hardware, staff will need to return to the Committee/Board for further action. This could result in the need for a special meeting if a delay would threaten the project schedule or budget.

Project Background:

The Connect Card is a regional electronic transit fare system that will allow patrons to conveniently purchase fares in advance, seamlessly pay onboard bus fare and light rail fare at stations, and easily transfer between transit systems using one smart card. The Connect Card is anticipated to increase transit ridership across the region. The implementation of the Connect Card is being completed through a Consortium that includes SACOG and six different transit operators (Sacramento Regional Transit District, Yolo County Transportation District, Yuba-Sutter Transit, Elk Grove Transit, El Dorado Transit, and Folsom Stage Lines). A Memorandum of Understanding (MOU) between the Consortium partners was executed in May 2011. In June 2011, the Board of Directors approved INIT as the primary vendor for Connect Card implementation.

Approved by:

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Chief Executive Officer

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