



Legislation Text

File #: 72870, **Version:** 1

Fiscal Note

The 2021 Adopted Capital Budget appropriated \$10 million within the Transit Technology System capital project to fund a major technology system conversion within Metro Transit. The funding source for this capital project was originally approved as general obligation borrowing but was changed through File 64972 to use Federal economic recovery funds awarded to Metro.

The proposed resolution authorizes a contract for the fare collection portion of the capital project. The contract cost is not to exceed \$3,983,291 over a term of five years. Due to cost increases, the proposed resolution amends the 2022 Adopted Capital Budget to appropriate additional Federal economic recovery funds in an amount equal to the contract cost of \$3,983,291. The contract will also result in credit card processing and other transaction fees. These fees are estimated at \$70,000 per year over the five-year term and will be included in future Metro Transit operating budget requests.

Title

A Resolution authorizing the Mayor and the City Clerk to enter into a multi-year, competitively selected service contract with Masabi LLC for a Comprehensive Fare Collection Solution for Metro Transit and amending the 2022 Capital Budget to add \$3,983,291 in Federal funding to Metro's Transit Technology System project.

Body

This resolution authorizes a 5 year agreement with Masabi LLC to provide, integrate, and support a comprehensive fare collection solution for Metro Transit. The contract consists of overhauling the fare collection system used by Metro Transit including account-based fare back-end and user interfaces, mobile ticketing application, fare media, fare validators, fare reload kiosks, and a retail network integration. This is the second of two solicitations for Metro's IT upgrade project solutions, with the other comprising the IT System Upgrade, with a total overall project budget of up to \$13.74 million, and a phased implementation occurring during 2022-2024. Due to cost increases in material and inflation more funding is needed for this second phase. This resolution seeks authorization for the Fare Collection contract and an amendment to the 2022 Capital Budget to add \$3,983,291 in federal funding to Metro's Transit Technology System project. Additionally, credit card fees and other transaction costs related to processing customer payments are estimated at approximately \$70,000 per year, which will vary based on the number of transactions, over the 5 year contract term.

WHEREAS, Madison Metro's existing fare collection equipment is nearing the end of its useful life and a new comprehensive system is desired to improve efficiency, enhance the user experience, and enable new tools to promote equity; and

WHEREAS, Madison undertook a comprehensive fare options study to evaluate various options for fare collection in late 2020 and early 2021; and

WHEREAS, The Madison Transportation Planning and Policy Board (TPPB) voted in August 2021 to approve a framework for a new fare collection system; and

WHEREAS, Madison Metro and City Purchasing conducted a federal Request for Proposals procurement in accordance with the TPPB framework to select a contractor for a comprehensive fare collection solution for

Metro Transit, that includes the following: Account-based Fare Back-end and User Interfaces (Acceptance of Metro-issued fare media, Contactless Credit Cards, Apple Pay Onboard Hardware, Convenient means of account-management and support), Mobile Ticketing Application (Emulate fare media and allow for the replenishment of accounts), Fare Media (NFC-based fare media), Fare validators (Must allow validation of NFC fare media issued by Metro), Fare Reload Kiosks (To be located at BRT stations and allow users to purchase tickets and reload existing accounts), and Retail Network Integration (Network of retailers where users may buy new fare media and reload existing fare media); and

WHEREAS, nine proposals were received and evaluated through the federal request for proposals procurement process (RFP #: 11010-0-2022-AH) and found that Masabi LLC was the most qualified for this project; and

WHEREAS, to complete the work, a multi-year contract is required, and Masabi LLC proposed a contract price not to exceed \$3,983,291 and for a term of 5 years; and

WHEREAS, the CIP and Metro Transit Capital Budget during the term of this contract will include the funding for these services; and

WHEREAS, under MGO 4.26(3)(e), multi-year service contracts that average more than \$100,000 per year, and service contracts for a duration of more than 5 years require Common Council approval and signature by the Mayor and City Clerk;

NOW, THEREFORE, BE IT RESOLVED: that the Mayor and City Clerk are authorized to execute a five-year contract between the City of Madison and Masabi LLC to implement, install, and provide software and ongoing software services for a Comprehensive Fare Collection Solution for Metro Transit; and

BE IT FURTHER RESOLVED that the Mayor and City Clerk and/or Finance Director or designee are authorized to execute future contract(s) with Masabi for ongoing software services such as support, maintenance and subscription to software services, and ongoing maintenance, replacement and related purchases of equipment required for the Fare Collection Solution, for the useful life of the system; and

BE IT FINALLY RESOLVED: that the Metro 2022 Adopted Capital Budget is authorized to be amended to add \$3,983,291 in federal funding to Metro's Transit Technology System project.