



**ITEM ID:** 2025-112-0

**TRANSMITTAL DATE:** June 20, 2025

**MEETING DATE:** June 27, 2025

**TO:** Board of Directors

**FROM:** Kevin Gray, Chief Technology Officer  
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**SUBJECT:** Contract No. H1656-15 - Masabi, LLC. Mobile/Online Ticketing - Increase Contract Authority and Extend Period of Performance for 24 Months

### **Issue**

Continued maintenance and support services are required for the Authority's mobile ticketing application, inspection application, web portal, and single board computers (SBCs) as well as increasing contract authority to procure and maintain the new Mobile app Electronic Benefit Transfer (EBT) discount verification feature, Google Maps Integration, and fare media validation via a new Cloud Solution.

### **Recommendation**

It is recommended that the Board authorize the Chief Executive Officer to amend Contract No. H1656-15 with Masabi, LLC (Masabi) to:

1. Ratify action of the CEO to increase contract authority by \$724,238.87 from \$7,242,388.69 to a new total not-to-exceed contract authority of \$7,966,627.56 under CEO's 10% contingency; and
2. Extend the current period of performance to November 3, 2026 with an additional one-year option to be exercised at the discretion of the Authority's Chief Executive Officer. The current contract expires on November 3, 2025; and
3. Increase contract authority by \$3,863,012 from \$7,966,627.56 to a new not-to-exceed total amount of \$11,829,639.56.

### **Strategic Commitment**

This report aligns with the strategic Business Plan commitment of:

- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to bring them on board. This will be accomplished by ensuring our mobile and online ticketing services continue to operate seamlessly for our customers.

## **Background**

On March 13, 2015, the Board authorized the Interim Chief Executive Officer to award Contract No. H1656-15 Mobile / Online Ticketing to Masabi, LLC (Masabi) for a five-year base term for a not-to-exceed contract funding authorization amount of \$1,600,000. The period of performance was from May 4, 2015 to May 3, 2020.

On March 3, 2017, the Authority amended the contract under Amendment No. 1 to increase contract authority by \$2,246,000 for a new total contract authorization not-to-exceed amount of \$3,846,000 and revise Scope of Services to incorporate the Optical Reader Installation, Development, and Maintenance on Metro Fare Gates.

On September 26, 2018, the Authority amended the contract under Amendment No.2 to increase contract authority by \$68,000 for a new total contract authorization not-to-exceed amount of \$3,914,000 and revise Scope of Services. The original Scope of Services was replaced by a completely revised version in Amendment No.2.

On June 26, 2019, the Authority amended the contract under amendment No.3 to revise the Scope of Services at no additional cost. The original Scope of Services was replaced a second time by a completely revised version in Amendment No.3. Contract No.H1656-15 that expired on May 3, 2020.

On March 27, 2020, the Board authorized an 18-month contract extension and a new contractual commission rate of 1.90%.

On May 4, 2020, the Authority amended the Contract under Amendment No. 4 to extend the contract term to November 3, 2021, increase the contract authority by \$1,197,008.00 for a new total contract authorization not-to-exceed amount of \$5,358,688, revise the Article 6, Notification, and revise Exhibit 1, Cost Schedule.

On November 2, 2021, the Authority amended the contract under Amendment No. 5 to extend the contract term through November 3, 2023 and increase the contract authority by \$1,085,514.69 to a new not-to-exceed total contract funding authorization amount of \$6,444,202.69, and increase the current sales commission from 1.9% to 3.0%.

On July 28, 2023, the Authority amended the contract under Amendment No. 6 to increase contract authority by \$165,000 for a new total contract authorization a not-to-exceed amount of \$6,609,202.69 and revise Attachment A – Scope of Work.

On September 22, 2023 the board authorized the CEO to extend contract through November 3, 2025, and increase contract authority by \$798,186 to a new not-to-exceed total of \$7,242,388.69 under Amendment No. 7.

On June 1, 2025, the Authority amended the contract under Amendment No. 8 to increase the contract authority by \$724,238.87 to a new not-to-exceed total contract authority amount of \$7,966,627.56 under CEO's 10% contingency.

## **Discussion**

The mobile ticketing project was launched in July 2015 and divided into three key phases:

1. Application for Ticketing Scanning
2. The Authority's Mobile Application
3. The Los Angeles County Metropolitan Transportation Authority (Metro) Gate Integration.

As part of Phase 1, the Authority completed the launching of the mobile inspection app and implemented fare inspection scanning across all service lines. The objective of this technology, in conjunction with fare inspection personnel, is to deter fare evasion. Weekly fare inspection reports are currently distributed to staff, detailing scanning by individual personnel.

Phase 2 of this project entailed launching the Authority's mobile app in November 2015. As part of this initiative, the Authority completed the beta testing for the Inland Empire-Orange County (IEOC) line. By March 2016, the app was available systemwide on all service lines. Since its initial launch, staff has completed numerous feature enhancements to improve the app and the user experience.

Phase 3 of the project was completed on December 30, 2017. Los Angeles County Metropolitan Transportation Authority (Metro) gates were successfully integrated with the Authority's mobile app. The project involved the installation of 187 optical scanners along with related hardware and custom software at select locked turnstiles located throughout Metro's rail stations. The optical scanner technology enables the Authority's mobile app users to seamlessly transfer to Metro rail stations located throughout Los Angeles County. In addition, mobile app users can also transfer to bus operators that currently accept the Authority's paper tickets, including the Metro bus system (EZ Transit Pass Regional Program), by simply showing the bus operator an activated mobile ticket for visual inspection.

Prior to the installation of the optical scanners, the mobile adoption rate plateaued in the low 20th percentile. The success of this program is demonstrated through the gradual increase in the adoption rate by the riders since the program's inception.

### **Mobile App Adoption Percentage -Yearly Average**

- Mobile App adoption percentage: 2016 (March to December) = 15%
- Mobile App adoption percentage: 2017 (January to December) = 23%
- Mobile App adoption percentage: 2018 (January to December) = 36%
- Mobile App adoption percentage: 2019 (January to December) = 46%
- Mobile App adoption percentage: 2020 (January to December) = 48%
- Mobile App adoption percentage: 2021 (January to December) = 51%
- Mobile App adoption percentage: 2022 (January to December) = 58%
- Mobile App adoption percentage: 2023 (January to December) = 60%
- Mobile App adoption percentage: 2024 (January to December) = 60%
- Mobile App adoption percentage: 2025 (January to May) = 62%

### Optical Scanner Usage – Yearly Average

- Optic Scans: 2018 (January to December) = 72,987
- Optic Scans: 2019 (January to December) = 125,342
- Optic Scans: 2020 (January to December) = 51,052
- Optic Scans: 2021 (January to December) = 30,092
- Optic Scans: 2022 (January to December) = 47,267
- Optic Scans: 2023 (January to December) = 51,755
- Optic Scans: 2024 (January to December) = 62,989
- Optic Scans: 2025 (January to May) = 71,351

As part of this extension, new potential features will be added:

1. The mobile Electronic Benefit Transfer (EBT) verification feature which will allow low-income riders to purchase fares at a 50% discount like the Ticket Vending Machines (TVD) do today.

Today, Metrolink's Mobility-4-All initiative allows riders to use their EBT card at our TVDs to verify income eligibility for an additional 50% discount on all our fares. This initiative aims to replicate the functionality in the Metrolink mobile application that is already available at the TVDs. This initiative will increase accessibility for low-income riders with EBT cards, as they can verify the card within their Metrolink mobile account and use it for discounted fares instead of locating and purchasing tickets at a station TVD. The Mobility-4-All mobile verification development will be grant funded.

2. Ticket validation via a new Cloud Solution which will replace the current Single Board Computer technology.

Currently, Metrolink's fare media (paper and mobile passes) are scanned by Cubic's optic readers installed inside the fare gates and located at L.A Metro's stations. The passes' information is verified by Masabi's Single Board Computers (SBCs) and either denies or accepts the passes depending on the fare media's status. There are over 226 SBCs installed inside Metro's computer rooms system wide. The cloud solution is to connect the optic readers to Masabi's validation system via the cloud (virtual connections) which eliminates the need to procure and maintain additional SBCs as new fare gates are installed in the near future.

3. Google Maps Integration.

This new functionality allows our riders with Android devices to buy Metrolink fares directly from Google maps interface via Google Pay or debit/credit card.

### **Budget Impact**

Of the increased contract authority, \$158,022 is included in the FY25 adopted budget and \$1,906,676 is included in the Proposed FY26 Budget and is contingent upon Board adoption. The remaining authority will be included in future budgets and will only be spent if those budgets are adopted.

