



ITEM ID: 2024-293-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Kevin Gray, Chief Technology Officer
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SUBJECT: Contract No. SP475-17 - Optical Reader Installation and Maintenance for Metro Gates and Purchase Order S1900596X - Maintenance Support for Single Board Computers - Increase Contract Authority and Extend Period of Performance - Cubic Transportation Systems, Inc. and ESP Enterprises Inc.

Issue

The Authority requires continued maintenance of the optical scanners located at Los Angeles County Metropolitan Transportation Authority (Metro) fare gates to ensure seamless system transfer for Metrolink riders. This service is currently provided by two contractors (Cubic – Fare Gate’s Optic Readers and ESP – Maintenance of Single Board Computers). The current term for each contract expires on December 31, 2024.

Recommendation

It is recommended that the Board authorize the Chief Executive Officer to:

1. Amend Contract No. SP475-17 with Cubic Transportation Systems (Cubic), to increase contract authority by \$2,140,709 from \$4,075,147 to a new total not-to-exceed amount of \$6,215,856; and extend the period of performance from the current expiration date of December 31, 2024 to December 31, 2028; and
2. Revise Purchase Order No. S1900596X with ESP Enterprises, Inc. to increase the total amount by \$490,958.76, from \$608,921 to a new total not-to-exceed amount of \$1,099,879.76 and extend the period of performance from the current expiration date of December 31, 2024 to December 31, 2028.

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

Approximately 23% of Metrolink riders transferred to the LA Metro subway system from January 1, 2023 to October 31, 2024. Optical scanners utilize optical technology to read, process, and record the transfer rather than the TAP system.

There are two primary technologies provided by different vendors that make up the optical scanner solution. This includes 1) the Masabi single board computers (SBCs) that validate the Metrolink paper tickets and the mobile app Aztec codes, and 2) the Cubic optical scanners at the locked turnstiles that allow entry to the Metro Rail System. On December 30, 2017, the Authority successfully launched the optical scanners, which allowed Metrolink mobile app to seamlessly transfer onto the Metro Rail System. Commuters simply scan their valid fare media against the optical scanners, which grants access to the LA Metro rail system.

In 2018, staff requested Cubic to provide a cost proposal to continue maintaining both the optical scanners and the Masabi SBCs. However, after having several discussions with Cubic, staff was advised that Cubic's cost proposal would only include maintenance of the Cubic optical scanners and other Cubic-supplied components. Cubic's cost proposal specifically excludes any other vendors' equipment or equipment owned by another transportation authority or under a separate contract, including the Masabi SBCs. Cubic advised staff to explore other options to maintain the Masabi SBCs.

Since Cubic would not provide a cost proposal to maintain other vendors' equipment, staff solicited a proposal from ESP Services to maintain the Masabi SBCs. ESP Services original cost proposal was \$85,000 annually and was awarded under the Purchasing Agent's authority in 2019. The current service agreement expires on December 31, 2024. Cubic is responsible for maintaining the optical scanners through December 31, 2024.

On April 25, 2019, the LA Metro Board approved an amendment with Cubic under Contract No. OP02461010-MAINT for a period of performance of five and a half years and will expire on December 31, 2024. On June 27, 2024, the LA Metro Board approved another amendment with Cubic under Contract No. OP02461010MAINT000 for a period of performance of four years from January 1, 2025 to December 31, 2028.

Staff recommends aligning the maintenance support services period of performance for the optical scanners and single board computers to be similar with LA Metro, which will result in efficiencies and cost savings.

For example, Cubic built a customer support center in Norwalk, CA that operates 24 hours/7 days a week (24/7) for LA Metro's operation and maintenance contract. The cost for this was built into Metro's operation and maintenance contract, therefore was not passed on to the

