



ITEM ID: 2023-277-0

TRANSMITTAL DATE: September 15, 2023

MEETING DATE: September 22, 2023

TO: Board of Directors

FROM: Elisa Cunningham, Chief Technology Officer

SUBJECT: Contract No. H1656-15 - Mobile/Online Ticketing - Extend Contract Term - Masabi, LLC

Issue

Continued maintenance and support services are required for the Authority’s mobile ticketing application, inspection application, web portal, and single board computers (SBCs).

Recommendation

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

1. Extend the current contract for 24 months to November 3, 2025. The current contract expires on November 3, 2023.
2. Maintain the existing contractual commission rate of 3%.
3. Increase contract authority by \$798,186 to a new not-to-exceed total contract funding authorization amount of \$7,242,388.

Authority may terminate this contract for the Authority’s convenience at any time by giving the Contractor thirty (30) days written notice thereof.

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 which 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% which expired on November 3, 2021.

On October 8, 2021, the board authorized a 24-month contract extension and a new contractual commission rate of 3% which expires on November 3, 2023.

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).

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 – December) = 23%
- Mobile App adoption percentage: 2018 (January – December) = 36%
- Mobile App adoption percentage: 2019 (January – December) = 46%
- Mobile App adoption percentage: 2020 (January – December) = 48%
- Mobile App adoption percentage: 2021 (January – December) = 51%
- Mobile App adoption percentage: 2022 (January – December) = 58%
- Mobile App adoption percentage: 2023 (January – July) = 60%

Optical Scanner Usage – Monthly 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 July) = 48,932

The Authority has been attempting to procure a new contract for the development and on-going maintenance and support of a new Mobile Ticketing Application since 2020. The Authority first issued an RFP for this project in July 2020; however, the procurement was canceled as there were pricing and cost concerns.

The Authority issued a second RFP in July 2021; however, this procurement was also cancelled as all proposals received were deemed unresponsive.

The Authority issued a third RFP in November 2021; however, this procurement was also cancelled as none of the three responsive proposals met the minimum technical score of 42 points to proceed to the next phase of the procurement.

In preparing for the fourth procurement for a Mobile Ticketing Application, a number of requirements were eliminated that were considered not practical and would not be met by prospective proposers. On March 16, 2022, the Authority issued Request for Proposals (RFP) No. SP580-22 for a Mobile Ticketing Application. The RFP was posted on the Authority's

