ITEM NO. | SUBJECT: Extension of Cubic Contract for FREEDOM Card Service Center

COMMITTEE: | Operations & Maintenance

COMMITTEE MEETING DATE: May 19, 2010

PATCO BOARD ACTION DATE: June 16, 2010

PROPOSAL: That the Board authorizes staff to negotiate two 1-year contract options under the existing FREEDOM Customer Service Center Contract GN-0029-07 with Cubic Transportation Systems, Inc. whereby Cubic will continue to provide a fully managed and staffed Smart Card Customer Service Center.

Amount: Option Year 1: $229,919

Option Year 2: $241,415

Firm: Cubic Transportation Systems, Inc.

PURPOSE: To contract with Cubic Transportation Systems, Inc. (Cubic) to extend the current FREEDOM Customer Service Center contract for two 1-year options whereby Cubic will provide management and support staff for PATCO’s Smart Card Customer Service Center.

BACKGROUND: In 2007, the Board Authorized PATCO to enter into an Agreement with Cubic Transportation Systems, Inc. to manage and staff a Customer Service Center for its FREEDOM card users at Broadway Station. The original term of the Agreement was for a 3-year period with additional two 1-year options. The original 3-year agreement was for $626,126 (Year 1: $198,612; Year 2: $208,544; Year 3: $218,970). Cubic Transportation Systems, Inc. has proposed 2 1-year extensions for a 5% increase each year.

PATCO recommends exercising the option years outlined in the current contract with Cubic. PATCO is currently working on initiatives (eCommerce Web Site, employer roll-out of Transit Benefit Debit Cards) which may affect the level of services needed at the FREEDOM Customer Service Center. An extension of the current contract would allow PATCO time to gauge the necessary services and write a needs-based proposal in 2012 when the various initiatives have stabilized.

The FREEDOM Customer Service Center is responsible for the following card based management functions: customer inquiries,
complaints and discrepancies, balance protection, transit benefit program, hot card list, autoloading (directed and threshold based), photo ID card management, Reduced Fare Program, application processing, mail processing and coordination of transit inquiries with Center Tower. The current staff, provided by Cubic, is well versed in PATCO’s Business Rules and the complexities in operating Cubic’s Nextfare Central System software.

PATCO conducted a competitive procurement process for the original FREEDOM Card Service Center Contract. Cubic Transportation Systems, Inc. was the low bidder. All proposals were evaluated on technical ability and price.

It is recommended that the Board authorize staff to negotiate an agreement with Cubic Transportation Systems, Inc. in an amount not to exceed $471,334.

SUMMARY:

<table>
<thead>
<tr>
<th>Item</th>
<th>Details</th>
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<tbody>
<tr>
<td>Amount:</td>
<td>$471,334</td>
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<tr>
<td>Source of Funding:</td>
<td>Operating Budget</td>
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<td>Operating Budget:</td>
<td>$471,334</td>
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<tr>
<td>Capital Project #:</td>
<td>N/A</td>
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<td>Master Plan Status:</td>
<td>N/A</td>
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<td>Other Fund Sources:</td>
<td>N/A</td>
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<tr>
<td>Duration of Contract:</td>
<td>2-1 year options</td>
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<td>Other Parties Involved:</td>
<td>N/A</td>
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Extension of Cubic Contract for FREEDOM Card Service Center

RESOLUTION

RESOLVED: That the Board authorizes the proper officers of the Authority to negotiate an Agreement with Cubic Transportation Systems, Inc. whereby Cubic will provide two 1-year extensions to the current FREEDOM Card Customer Service Center Contract in an amount not to exceed $471,334; and be it further

RESOLVED: The Chair, Vice Chair and the President must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of PATCO. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and President and if thereafter, either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of PATCO. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s), while they are absent or unavailable, then the President shall execute such document(s) on behalf of PATCO.

SUMMARY:

Amount: $471,334
Source of Funding: Operating Budget
Operating Budget: $471,334
Capital Project #: N/A
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: 2 Year
Other Parties Involved: N/A