

## **SUMMARY STATEMENT**

**ITEM NO.: PATCO-16-025**

**SUBJECT: Replacement of Ticket Vending Machine Debit Pin Pads**

**COMMITTEE:**

**Operations & Maintenance**

**COMMITTEE MEETING DATE:**

**October 11, 2016**

**PATCO BOARD ACTION DATE:**

**October 19, 2016**

**PROPOSAL:** That the Board authorizes staff to negotiate an agreement with Cubic Transportation Systems, Inc. (Cubic) to procure 65 ID Tech Pin Pads to replace the current pin pads in PATCO Ticket Vending Machines (TVMs) along with the needed software and firmware upgrades to allow new pin pads to function properly in TVMs.

**Amount:** \$211,127

**Firm:** Cubic Transportation Systems, Inc.  
San Diego, CA

**PURPOSE:** To contract with Cubic to purchase 65 ID Tech Pin Pads along with upgraded software and firmware for Automated Fare Collection TVMs.

**BACKGROUND:** During the current ongoing certification process of the upgraded payment application in the fare collection system, PATCO was notified by the bank card processor that the current MGR Industries pin pads were no longer Payment Card Industry (PCI) compliant. Elavon, PATCO's bank card processor, requires that all pin security devices or pin pads comply with PCI standards and be approved by a PCI recognized laboratory.

The software in the TVMs is proprietary to Cubic. To allow use of new devices such as a debit pin pad, the TVM software must be updated to provide an interface with the new device. In addition to the software needed for interfacing with ID Tech device, Cubic will add new Bank Identification Numbers to the software required by MasterCard for all merchants by January 2017.

The ID Tech Pin Pads are PCI 3.x compliant and have triple Data Encryption Security (TDES). The new pin pads will interface with the current dip reader on the TVMs.

**Staff reviewed the proposal and it is recommended that the Board authorize staff to negotiate a contract with Cubic in an amount not to exceed \$211,127.**

<b>SUMMARY:</b>	<b>Amount:</b>	<b>\$211,127</b>
	<b>Source of Funding:</b>	<b>General Fund</b>
	<b>Operating Budget:</b>	<b>N/A</b>
	<b>Capital Project #:</b>	<b>TBD</b>
	<b>Master Plan Status:</b>	<b>N/A</b>
	<b>Other Fund Sources:</b>	<b>N/A</b>
	<b>Duration of Contract:</b>	<b>1 year</b>
	<b>Other Parties Involved:</b>	<b>N/A</b>

**PATCO-16-025**  
**Operations & Maintenance Date: October 11, 2016**  
**Board Date: October 19, 2016**  
**Replacement of Ticket Vending Machine Debit Pin Pads**

**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 65 ID Tech Pin Pads along with upgraded software and firmware for Automated Fare Collection TVMs in an amount not to exceed \$211,127; 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, along with the President. 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.

<b>SUMMARY:</b>	<b>Amount:</b>	<b>\$211,127</b>
	<b>Source of Funding:</b>	<b>General Fund</b>
	<b>Operating Budget:</b>	<b>N/A</b>
	<b>Capital Project #:</b>	<b>TBD</b>
	<b>Master Plan Status:</b>	<b>N/A</b>
	<b>Other Fund Sources:</b>	<b>N/A</b>
	<b>Duration of Contract:</b>	<b>1 year</b>
	<b>Other Parties Involved:</b>	<b>N/A</b>



MEMORANDUM: PURCHASES GREATER THAN \$25,000

# PORT AUTHORITY TRANSIT CORPORATION



**TO:** John Rink, GM-PATCO  
James White, Chief Financial Officer  
John T. Hanson, CEO-DRPA/ President-PATCO

**FROM:** Kathleen Imperatore, Division Director/Project Manager: Fare Collection Operations

**SUBJECT:** SOLE SOURCE APPROVAL - Cubic Transportation Systems, Inc.

**PURCHASE REQUISITION:**

**DATE:** Saturday, October 22, 2016

**Background:**

During certification of the new payment application associated with the in-progress NCS 7 CPA 3.1 upgrade, PATCO's bank card processor sent notice that the current debit pin pads in the TVMs are no longer payment card industry (PCI) certified and to continue the certification process of the new payment application an immediate upgrade of pin pad devices is required. The new pin pads are PCI 3.2 compliant and can be retrofitted to EMV compliance in the future.

**Justification for Proprietary/Sole Source:**

Cubic owns the proprietary software in the TVMs. The software must be changed to accommodate the new ID Tech pin pads before install. Also, the software in the bank card application is proprietary to Cubic. The Cubic software engineers are the only people qualified to discuss testing and certification of equipment and software with the bank card processor. To reach compliance, Cubic will modify the software in the TVMs to accept the new PCI 3.2 compliant pin pads in the PATCO vendors. Cubic will perform regression testing to confirm new devices work with all parts of software. Also, Cubic will work with bank card processor to confirm compliance and certification of new pin pads.

**Cost:**

\$211,127 cost includes 65 IDTech pin pads, TVM software change, testing of new devices, regression testing, confirmation with bank of the pin block encryption and certification of device.

Kathleen Imperatore, Division Director

SIGNATURE

John Rink, GM-PATCO

SIGNATURE

James White, CFO

SIGNATURE

John T. Hanson, CEO-DRPA/ President-PATCO

SIGNATURE

