

SUMMARY STATEMENT

ITEM NO.: PATCO-16-026

SUBJECT: FREEDOM Card Service Center Operations

COMMITTEE:

Operations & Maintenance

COMMITTEE MEETING DATE:

October 11, 2016

PATCO BOARD ACTION DATE:

October 19, 2016

PROPOSAL: That the Board authorizes staff to negotiate a 3 year continuation of the current contract, whereby Cubic Transportation Systems, Inc. will continue to provide a fully managed and staffed Smart Card Customer Service Center.

Amount:

Year 1: \$284,435

Year 2: \$294,677

Year 3: \$305,290

Total: \$884,402

Firm:

Cubic Transportation Systems, Inc.
San Diego, CA

PURPOSE:

To contract with Cubic Transportation Systems, Inc. (Cubic) whereby Cubic will provide management and support staff for PATCO's Smart Card Customer Service Center.

BACKGROUND:

Currently, over 70% of PATCO customers use the FREEDOM card to ride the system. Staffing of the service center with knowledgeable, skilled and trained employees is critical to the continued success of the FREEDOM card.

The FREEDOM Card Service Center is responsible for all card based management functions for individual cardholders and employers providing transit benefits to employees. The service center provides end-to-end services to customers by providing the following services: cardholder enquiry support, call support for Internet users having difficulty using the freedomcard.org site for product purchase or card history, dispute resolution, hotlist lost/stolen cards, photo ID management for Reduced Fare Cards, application processing, mail processing, threshold (automatic) load set up and coordination of transit inquiries with Center Tower. Service center staff use the Nextfare application to manage accounts and see fare transactions. Nextfare is a proprietary software application owned by Cubic and is the basis of PATCO's Automated Fare Collection System.

PATCO outsourced the FREEDOM card management function to address customer issues since the beginning of the project in 2007.

PATCO recommends continuing the contractual relationship with Cubic, who has managed and staffed the service center since the beginning of the program in 2007. The current staff is well versed in PATCO's Business Rules and the complexities in operating Cubic's Nextfare Central System software. During the last Request for Proposal phase for FREEDOM center services in 2013, no vendor other than Cubic submitted a proposal. The proposed price for the 3-year agreement reflects the total of an annual increase of 4% in each of the 3 years.

Staff reviewed the proposal and it is recommended that the Board authorize staff to negotiate a three-year agreement with Cubic Transportation Systems, Inc. in an amount not to exceed \$884,402.

SUMMARY:	Amount:	\$884,402
	Source of Funding:	Operating Budget
	Operating Budget:	\$884,402
	Capital Project #:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	3 years
	Other Parties Involved:	N/A

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 a 3-year agreement to manage and staff the FREEDOM Card Customer Service Center in an amount not to exceed \$884,402; 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.

SUMMARY:	Amount:	\$884,402
	Source of Funding:	Operating Budget
	Operating Budget:	\$884,402
	Capital Project #:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	3 Years
	Other Parties Involved:	N/A



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

PURCHASE REQUISITION: GN-0026-13

DATE: Tuesday, September 06, 2016

Background:

In 2007, PATCO entered into Contract with Cubic Transportation Systems to provide management and support staff for PATCO's Freedom Card Customer Service Center. The backbone of the system was Cubic's proprietary Nextfare Fare Collection System for customer support issues. Cubic trained personnel on the use of the software and the business rules of the PATCO automated system. Cubic has been providing this service since system implementation.

Justification for Proprietary/Sole Source:

Our existing customer service staff have been trained by Cubic to run the proprietary Nextfare software, PATCO is in the process of upgrading the current Nextfare system. There is no one at PATCO who has the expertise to train other personnel on all the intricate details of the customer service modules in Nextfare. The Customer Service personnel will be the main trainers in the customer service modules for the new system, and also act as testers for any initial issues with the software. In 2013, a Request for Proposal was initiated for a vendor to provide these services for a 3 year period, with only Cubic submitted a proposal. The RFP include provisions that vendors were tasked and required with having Nextfare customer service experience, which is crucial to the running of the service center. During the 2013 bidding process, no other firms came forward with having any type of Nextfare experience. Therefore we have determined that there are no other qualified vendors who can provide these services and the current contracting arrangement with Cubic personnel is needed for the continued success of the Freedom Customer Service Center.

Cost:

Three Year Extension of Contract GN-0026-13: December 11, 2016-December 10, 2017 \$284,435; December 11 2017-December 10, 2018 \$294,677; December 11, 2018-December 10, 2019 \$305, 290. Three Year total: \$844,402.

2016 - 273,059

Kathleen Imperatore, Division Director

SIGNATURE

John Rink, GM-PATCO

SIGNATURE

James White, CFO

SIGNATURE

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

SIGNATURE

