



Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

June 9, 2022

9:00 a.m.

Meeting will be held via webinar

To request an agenda in an alternative format or to request accommodations to facilitate meeting participation, please email the Clerk of the Board, ClerkoftheBoard@sdmts.com at least two working days prior to the meeting. Meeting webinar/teleconference instructions can be accessed under '[Meeting Link and Webinar Instructions](#).' Click the following link to access the meeting: <https://zoom.us/j/94562188418>

Para solicitar la agenda en un formato alternativo o para solicitar acomodaciones de participación, por favor mande un correo a la Secretaria de la Junta, ClerkoftheBoard@sdmts.com al menos dos días hábiles antes de la reunión. Instrucciones para ingresar a la junta virtual están disponibles bajo '[Meeting Link and Webinar Instructions](#).' Use este enlace para acceder la reunión virtual: <https://zoom.us/j/94562188418>

ACTION RECOMMENDED

- | | | |
|----|--|-----------------|
| 1. | ROLL CALL | |
| 2. | CLOSED SESSION - PUBLIC EMPLOYEE PERFORMANCE EVALUATION/
CONFERENCE WITH LABOR NEGOTIATORS – CHIEF EXECUTIVE
OFFICER Pursuant to California Government Code Sections 54957 and
54957.6;
<u>Agency-Designated Representative:</u> Nathan Fletcher, Chair
<u>Employee:</u> Sharon Cooney, CEO | Possible Action |
| 3. | APPROVAL OF MINUTES - APRIL 7, 2022 | Approve |
| 4. | PUBLIC COMMENTS | |
| 5. | REVIEW OF DRAFT JUNE 16, 2022 MTS BOARD AGENDA | |
| 6. | OTHER STAFF COMMUNICATIONS AND BUSINESS | |
| 7. | COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS | |
| 8. | NEXT MEETING DATE: JULY 14, 2022 at 9:00 a.m. | |
| 9. | ADJOURNMENT | |



MINUTES

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

April 7, 2022

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased. Note that the meeting was conducted via webinar to comply with public health orders].

1. Roll Call

Chair Fletcher called the Executive Committee meeting to order at 9:02 a.m. A roll call sheet listing Executive Committee member attendance is attached.

2. Approval of Minutes

Chair Fletcher moved to approve the minutes of the March 3, 2022, MTS Executive Committee meeting. Board Member Hall seconded the motion, and the vote was 4 to 0 in favor with Vice Chair Sotelo-Solis, Board Member Salas and Board Member Sandke absent.

3. Public Comments

There were no Public Comments.

COMMITTEE DISCUSSION ITEMS

4. Youth Opportunity Pass (YOP) Pilot Program Launch (Stacie Bishop)

Stacie Bishop, MTS Manager of Marketing, presented on YOP Pilot Program Launch. She outlined: project funding, timeline and qualifications, customer and public education and next steps.

Board Member Moreno was excited to potentially add future long-term riders because of the program. She asked staff to clarify the process youth must take to show qualifying proof. Ms. Bishop listed the various ways the agency offers the change in youth status including the MTS website, call-in option and guardian proof of eligibility.

Board Member Moreno asked if MTS is partnering with the South Bay school districts to advertise the opportunity. Ms. Bishop replied that staff would follow up for an answer with SANDAG since they are leading outreach efforts for the program.

Board Member Moreno highlighted that many of the agency's riders are from the South Bay and that outreach efforts should be targeted there. Sharon Cooney, MTS Chief Executive Officer, offered that staff would bring back this item to the Board for an additional update in the summer.

Board Member Moreno commended the agency for its advertisement efforts through social media channels.

Board Member Elo-Rivera thanked community partners for their long-time advocating effort. He asked about how security staff is being trained and prepared to interact with youth on the system. Ms. Cooney stated that this item will be discussed at an upcoming Security & Passenger Safety Community Advisory Group (CAG) meeting. She clarified that the agency allows for a customer learning curve during early stages of implementation, so MTS will take an education-based approach. Board Member Elo-Rivera supported the conversation to successfully enforce transit rules. He expressed excitement and availability to support the agency with this pilot.

Chair Fletcher expressed excitement for the program along with the projected increase in ridership.

Action Taken

Informational item only. No action taken.

5. Capital Projects Update (Denis Desmond And Heather Furey)

Denis Desmond, MTS Director of Planning and Scheduling, and Heather Furey, Director of Capital Projects, presented an update on upcoming capital projects. They presented on: Bus Division 6 site selection process, Downtown Layover Facility, San Ysidro Transit Center, CIP bus stop improvements, America Plaza/Santa Fe Depot Pedestrian Enhancement Project, Imperial Double Track, El Cajon Third Track, Bus-On-Shoulder (BOS), El Cajon Blvd. Busway, Iris Rapid, and SBMF Overhead Charging.

Ms. Cooney highlighted the Division 6 site as a crucial piece towards the agency's zero emission technology transition. She noted that staff is working with SANDAG on developing the project. She noted staff is working with timelines to optimize the available funding sources offered through limited federal government program funding. She acknowledged the community needs and announced that the agency will do another assessment of community outreach. The agency was looking to rename this project and make the Division 6 site an educational and training resource. She noted that the agency is seeking to apply for various programs that could provide funding.

Chair Fletcher acknowledged the obstacles with land acquisition. He commended the agency for their resourcefulness and creativity to make the site a learning center.

Board Member Elo-Rivera supported the agency's vision for Division 6.

Board Member Moreno commented on the San Ysidro Transit Center Project. She asked if the presentation being provided was part of a full assessment on the San Ysidro Transit Center site she had asked for at a Committee meeting. She was pleased to know that SANDAG was currently procuring a community engagement consultant. She encouraged MTS to be active in the engagement process because of the agency's reputable community connections. Board Member Moreno asked staff for the community engagement timeline and acknowledged that the station was the most important site on the Blue Line because of the number of passengers it transports. Ms. Cooney assured Board Member Moreno that the agency is an active stakeholder in the project with prominent community engagement efforts. Mr. Desmond responded that MTS recently reviewed proposals for the project and that the procurement timeline suggests that it would be awarded in upcoming months. Ms. Cooney commented about the multi jurisdiction's effort needed in order to address bus stop improvements. She acknowledged various formal processes as delays to the projects and praised staff for their efforts.

Ms. Cooney acknowledged zero emission bus procurement delays and asked staff for an update. Mike Wygant, Chief Operating Officer – Transit Services, noted the five-month project delay due to supply chain issues for the first bus. He noted that the remainder of the fleet would be received in spring of next year. He noted that the acquisition of the first bus would help the agency with infrastructure commissioning.

Board Member Hall commented on the shuttle services mentioned during the presentation and asked staff to confirm if the trolley line would continue to be available to Santee. Ms. Furey confirmed that the trolley would continue to operate in Santee.

Board Member Moreno asked about the TIRCP funding source, and asked staff to clarify the full name of the acronym. Mr. Desmond replied that the acronym stood for Transit and Intercity Rail Capital Program. He explained that it is a cap and trade funding program hosted by the state to enhance rail projects. Board Member Moreno asked how much funding was awarded to the agency. Ms. Cooney replied that \$41 million was awarded for this project in the current round of funding.

Action Taken

Informational item only. No action taken.

OTHER ITEMS

6. REVIEW OF DRAFT APRIL 14, 2022 BOARD AGENDA

Recommended Consent Items

6. Authorization of Remote Teleconferenced Meetings

Action would authorize remote teleconferenced meetings for any public meetings held by MTS, including all Brown Act committees, for the next thirty (30) days pursuant to Assembly Bill (AB) 361 and make the following findings: 1) The MTS Board has considered the current circumstances of the COVID-19 pandemic and its impact in San Diego County; and 2) State or local officials continue to recommend measures to promote social distancing. On September 23, 2021, County of San Diego Public Health Officer, Wilma J. Wooten, M.D., M.P.H., issued a recommendation supporting the use of teleconferencing for attendance at public meetings as “a social distancing measure that may help control transmission of the SARS-CoV-2 virus.”

7. Purchase Eighty-Seven (87) 3 Position Bike Rack Systems – Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0740.0-22, with Midwest Bus Corporation, for the purchase of eighty-seven (87) three-position bus bike rack systems in the amount of \$111,459.83.

8. Trolley On-Board Video Surveillance System (OBVSS) Preventative Maintenance, Repairs and All Related Support Services – Sole Source Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1603.0-22, a Sole Source contract, with Seon Design USA Corporation (“Seon”), to provide Trolley OBVSS preventative maintenance and all related support services in the amount of \$434,735.49, effective May 1, 2022, for two (2) base years and two (2) option years.

9. On-Call Communication and Low Voltage Wiring Services – Contract Amendment
Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 1 to MTS Doc. No. PWG339.1-22 with Communication Wiring Specialist (CWS), Inc., a Small Business (SB), to add additional funds of \$149,040.00 for support materials.
10. Spare Network Devices for Mid-Coast Trolley – Purchase Order (PO) Award
Action would authorize the Chief Executive Officer (CEO) to authorize a PO to AT&T Corp for the provision of CISCO Network Equipment Spares for the Mid-Coast Trolley in the amount of \$183,471.78.
11. Iris Rapid Route & Stations Infrastructure Construction – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWB342.0.0-22, with Palm Engineering Construction Company Inc., for the Iris Rapid Route and Stations Infrastructure Construction in the amount of \$4,379,251.40 plus 10% contingency.
12. Light Rail Vehicle (LRV) Brake Overhauls – Sole Source Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1601.0-22, a Sole Source contract, with Knorr Brake Company (Knorr) to provide LRV brake overhaul services in the amount of \$6,674,370.00 for five (5) years effective May 1, 2022 to April 30, 2027.
13. Design Services for The Green Line Intermodal IMPERIAL (IMT) Double Track Project – Work Order Amendment
Action would authorize the Chief Executive Officer (CEO) to execute Work Order Amendment WOA1949-AE-31.06 under MTS Doc. No. G1949.0-17 with Jacobs Engineering Group, Inc. (Jacobs) in the amount of \$191,646.65 for bid support, and design support during construction (DSDC) services for the Bayside Terminal Double Track project.
14. MS4 Phase II Municipal Permit- Work Order Amendment
Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 3 to Work Order 13.02 to MTS Doc. No. G1492.0-13, with WSP, in the amount of \$105,350.00 to extend the as-needed MS4 Phase II compliance services for one (1) additional year.
15. 40-Foot Low-Floor Electric Bus – Chargepoint CPE 250 Charger 3-Year Extended Warranty Contract Amendment
Action would 1) Ratify Amendment 5 to MTS Doc. No. B0688.0-18 in the amount of \$223.15, and 2) Execute Amendment No. 6 to MTS Doc. No. B0688.0-18 with New Flyer of America Inc. (New Flyer), in the amount of \$133,200.00 for a Chargepoint CPE 250 Charger 3-year warranty extension.

16. Purchase Of 18 Class E Propane Powered Medium Duty Minibuses - Contract Award
Action would 1) Authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0744.0-22, with Creative Bus Sales (CBS) for the purchase of up to eighteen (18) propane powered Class E Minibuses in the amount of \$4,465,915.38; and 2) Approve the transfer of \$2.6 million from project 1001110101 - FY20 ADA Bus Procurement to project 1001111601 – FY22 Minibus Replacement to support the procurement of these Minibuses.
17. Proposed Revision to Mts Board Policy No. 48 “Transit Service Discrimination Complaints Procedures”
Action would approve the proposed revisions to MTS Board Policy No. 48 “Transit Service Discrimination Complaint Procedures”.

7. Committee Member Communications and Other Business

There was no Committee Member Communications and Other Business discussion.

8. Next Meeting Date

The next Executive Committee meeting is scheduled for May 5, 2022, at 9:00 a.m.

9. Adjournment

Chair Fletcher adjourned the meeting at 10:00 a.m.

/S/ Nathan Fletcher
Chairperson
San Diego Metropolitan Transit System

/S/ Dalia Gonzalez
Clerk of the Board
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
EXECUTIVE COMMITTEE

ROLL CALL

MEETING OF (DATE): April 7, 2022 CALL TO ORDER (TIME): 9:02am
 RECESS: _____ RECONVENE: _____
 CLOSED SESSION: _____ RECONVENE: _____
 PUBLIC HEARING: _____ RECONVENE: _____
 ORDINANCES ADOPTED: _____ ADJOURN: 10:00am

REPRESENTATIVE	BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
County	FLETCHER (Chair)	<input checked="" type="checkbox"/> (Vargas) <input type="checkbox"/>	9:02am	10:00am
Vice Chair	SOTELO-SOLIS	<input checked="" type="checkbox"/> (no alternate) <input type="checkbox"/>	9:48am	10:00am
City of San Diego	ELO-RIVERA	<input checked="" type="checkbox"/> (Montgomery Steppe) <input type="checkbox"/>	9:02am	10:00am
East County	HALL	<input checked="" type="checkbox"/> (Frank) <input type="checkbox"/>	9:02am	10:00am
SANDAG Transportation Committee	MORENO	<input checked="" type="checkbox"/> (Aguirre) <input type="checkbox"/>	9:02am	10:00am
Chair Pro Tem	SALAS	<input type="checkbox"/> (no alternate) <input type="checkbox"/>	-	-
South Bay	SANDKE	<input type="checkbox"/> (Aguirre) <input type="checkbox"/>	-	-

SIGNED BY THE CLERK OF THE BOARD:

/S/ Dalia Gonzalez



Draft Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

June 16, 2022

9:00 a.m.

Meeting will be held via webinar

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ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - May 12, 2022 Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.



CONSENT ITEMS

- | | | |
|-----|---|---------------|
| 6. | <u>Authorization of Remote Teleconferenced Meetings</u>
Action would authorize remote teleconferenced meetings for any public meetings held by MTS, including all Brown Act committees, for the next thirty (30) days pursuant to Assembly Bill (AB) 361 and make the following findings: 1) The MTS Board has considered the current circumstances of the COVID-19 pandemic and its impact in San Diego County; and 2) State or local officials continue to recommend measures to promote social distancing. On September 23, 2021, County of San Diego Public Health Officer, Wilma J. Wooten, M.D., M.P.H., issued a recommendation supporting the use of teleconferencing for attendance at public meetings as “a social distancing measure that may help control transmission of the SARS-CoV-2 virus.” | Approve |
| 7. | <u>Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards and Payments</u> | Informational |
| 8. | <u>Employee Background and Reference Investigation Services – Contract Amendment</u>
Action would 1) Ratify Amendment No. 1 to MTS Doc. No. G1800.1-15 with Kristy Investigative Services, Inc. in the amount of \$64,505.00 (\$53,000.00 option years plus \$11,505.00 additional funds); and 2) Ratify Amendment No. 2 to MTS Doc. No. G1800.2-15 with Kristy Investigative Services, Inc. in the amount of \$24,165.50; and 3) Ratify Amendment No. 3 to MTS Doc. No. G1800.3-15 with Kristy Investigative Services, Inc. in the amount of \$25,000.00; and 4) Ratify Amendment No. 5 to MTS Doc. No. G1800.5-15 with Kristy Investigative Services, Inc. in the amount of \$39,328.50; and 5) Authorize the Chief Executive Officer (CEO) to execute Amendment No. 6 to MTS Doc. No. G1800.6-15, with Kristy Investigative Services, Inc. to extend the contract through December 31, 2022 and add additional funds of \$28,500.00 for employee background and reference investigation services. | Approve |
| 9. | <u>Light Rail Vehicle (LRV) Router Upgrade – Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2583.0-22 to Wireless Investors, LLC dba Ensemble Solutions Group (ESG) for LRV Router Upgrade in the amount of \$475,399.46. | Approve |
| 10. | <u>Fare Collection – Contract Amendments</u>
Action would 1) Ratify Amendment 10 to MTS Doc. No. G2091.0-18, with Innovations in Transportation, Inc. (INIT), in the amount of (\$902.11) as shown in; and 2) Authorize the Chief Executive Officer (CEO) to execute Amendment 11 to MTS Doc. No. G2091.0-18, with INIT, in the amount of \$1,768,948.64. | Approve |
| 11. | <u>Information Technology Service Management (ITSM) Software Licenses and Onboarding Services – Contract Award</u>
Action would 1) Execute MTS Doc. No. G2604.0-22 with Compulink Technologies, Inc. (Compulink), in the amount of \$292,456.91, for a period of two (2) base years, and three (3) one-year options for the provision of ITSM | Approve |

software licenses and onboarding services; and 2) Exercise the option years at her discretion.

- | | | |
|------|--|---------|
| 12. | <u>On-Call Job Order Contracting (JOC) Railroad Construction Services – Contract Award</u>
Action would 1) Execute MTS Doc. No. PWG348.0-22 with Veterans Engineering Services, Inc. (Veterans), a Disadvantaged Veterans Business Enterprise (DVBE) and Small Business (SB), for on-call railroad construction services, in the amount of \$4,000,000.00, for one (1) base year and three (3) one-year options commencing on July 1, 2022; and 2) Exercise the option years at her discretion. | Approve |
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 | | |
| 13. | <u>Hastus Regional Scheduling System Annual Software Maintenance and Support Services – Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2624.0-22 with GIRO, Inc. (GIRO), on a sole source basis, for the provision of HASTUS Regional Scheduling System (RSS) annual software maintenance and support services for a period of three (3) years in the amount of \$955,060.33. | Approve |

CLOSED SESSION

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

- | | | |
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| 30. | <u>PRONTO Extend Pilot Program (Stacie Bishop)</u> | Approve |
|-----|--|---------|

REPORT ITEMS

- | | | |
|-----|--|---------------|
| 45. | <u>Clean Transit Advancement Campus Update (Denis Desmond)</u> | Informational |
|-----|--|---------------|

OTHER ITEMS

- | | | |
|-----|---|---------------|
| 60. | <u>Chair Report</u> | Informational |
| 61. | <u>Chief Executive Officer's Report</u> | Informational |
| 62. | <u>Board Member Communications</u> | Informational |
| 63. | <u>Additional Public Comments Not on the Agenda</u> | |

If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments.

64. Next Meeting Date: July 21, 2022 at 9:00 a.m.

65. Adjournment



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 6/9/2022

Agenda Item No. 6

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

June 16, 2022

SUBJECT:

AUTHORIZATION OF REMOTE TELECONFERENCED MEETINGS

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize remote teleconferenced meetings for any public meetings held by MTS, including all Brown Act committees, for the next thirty (30) days pursuant to Assembly Bill (AB) 361 and make the following findings:

- 1) The MTS Board has considered the current circumstances of the COVID-19 pandemic and its impact in San Diego County; and
- 2) State or local officials continue to recommend measures to promote social distancing. On September 23, 2021, County of San Diego Public Health Officer, Wilma J. Wooten, M.D., M.P.H., issued a recommendation supporting the use of teleconferencing for attendance at public meetings as “a social distancing measure that may help control transmission of the SARS-CoV-2 virus.” (Attachment A)

Budget Impact

None with this action.

DISCUSSION:

On March 17, 2020, Governor Newsom issued Executive Order N-29-20, suspending the teleconferencing rules set forth under the Ralph M. Brown Act (Brown Act), Government Code Section 54950 et seq. On June 11, 2021, Governor Newsom issued Executive Order N-08-21, clarifying the suspension of the teleconferencing rules set forth in the Brown Act, noting that those provisions would remain suspended through September 30, 2021. On September 16, 2021, Governor Newsom signed AB 361, which allows legislative bodies subject to the Brown Act to continue meeting by teleconference, provided they make certain findings, including that meeting in person would present imminent risks to the health or safety of attendees. AB 361 requires that certain findings be made by the legislative body every 30 days.



The purpose of this agenda item is for the MTS Board of Directors to make findings supporting the continuation of a teleconference option for Board or committee members and for teleconference attendance by members of the public at MTS Board and committee meetings consistent with the requirements of AB 361.

AB 361 added subdivision (e) to Government Code section 54953 (emphasis added), providing for streamlined teleconference attendance at public meetings subject to the Brown Act, subject to the governing board making specified findings:

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, “state of emergency” means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

The circumstances set forth in Government Code section 54953(e)(1)(A) and (e)(3) still apply and support the continuation of a teleconference option for Board or committee members and for teleconference attendance by members of the public at MTS Board and committee meetings for the upcoming 30-day period. Staff recommends that the Board make the following findings:

- 1) The MTS Board has considered the current circumstances of the COVID-19 pandemic and its impact in San Diego County; and
- 2) State or local officials continue to recommend measures to promote social distancing. On September 23, 2021, County of San Diego Public Health Officer, Wilma J. Wooten, M.D., M.P.H., issued a recommendation supporting the use of teleconferencing for attendance at public meetings as “a social distancing measure that may help control transmission of the SARS-CoV-2 virus.” (Attachment A) That recommendation remains in effect.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. September 23, 2021 County of San Diego Health Officer Teleconferencing Recommendation



County of San Diego

NICK MACCHIONE, FACHE
AGENCY DIRECTOR

HEALTH AND HUMAN SERVICES AGENCY
PUBLIC HEALTH SERVICES

WILMA J. WOOTEN, M.D.
PUBLIC HEALTH OFFICER


HEALTH OFFICER TELECONFERENCING RECOMMENDATION

COVID-19 disease prevention measures, endorsed by the Centers for Disease Control and Prevention, include vaccinations, facial coverings, increased indoor ventilation, handwashing, and physical distancing (particularly indoors).

Since March 2020, local legislative bodies—such as commissions, committees, boards, and councils—have successfully held public meetings with teleconferencing as authorized by Executive Orders issued by the Governor. Using technology to allow for virtual participation in public meetings is a social distancing measure that may help control transmission of the SARS-CoV-2 virus. Public meetings bring together many individuals (both vaccinated and potentially unvaccinated), from multiple households, in a single indoor space for an extended time. For those at increased risk for infection, or subject to an isolation or quarantine order, teleconferencing allows for full participation in public meetings, while protecting themselves and others from the COVID-19 virus.

Utilizing teleconferencing options for public meetings is an effective and recommended social distancing measure to facilitate participation in public affairs and encourage participants to protect themselves and others from the COVID-19 disease. This recommendation is further intended to satisfy the requirement of the Brown Act (specifically Gov't Code Section 54953(e)(1)(A)), which allows local legislative bodies in the County of San Diego to use certain available teleconferencing options set forth in the Brown Act.

September 23, 2021


Wilma J. Wooten, M.D., M.P.H.
Public Health Officer
County of San Diego



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 06/09/22

Agenda Item No. 7

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

June 16, 2022

SUBJECT:

**SEMIANNUAL UNIFORM REPORT OF DISADVANTAGED BUSINESS ENTERPRISE (DBE)
AWARDS AND PAYMENTS**

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

As a Federal Transit Administration (FTA) grantee, San Diego Metropolitan Transit System (MTS) complies with the federal regulations set forth in 49 CFR Part 26 regarding participation by DBEs in the U.S. Department of Transportation (DOT) Program.

I. Goals of MTS's DBE Program

The goals of MTS's race-neutral DBE program are:

1. to ensure nondiscrimination in the award and administration of DOT-assisted contracts;
2. to create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
3. to ensure that the DBE program is narrowly tailored in accordance with applicable law;
4. to ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. to help remove barriers to the participation of DBEs in DOT-assisted contracts;
6. to assist the development of firms that can compete successfully in the marketplace outside of the DBE program; and
7. to provide appropriate flexibility to recipients of federal financial assistance in establishing and providing opportunities for DBEs.



II. MTS's DBE Triennial Overall Goal for FFY 2022-2024

The DBE regulations require MTS to prepare a DBE Triennial Overall Goal. The DBE Triennial Overall Goal is established upon the number of ready, willing, and able DBE contractors within MTS's geographic market area that are available to bid on MTS's federally assisted procurements (excludes transit vehicle procurements). For FFY 2022-2024 (October 1, 2021 to September 30, 2024), MTS's aspirational DBE Overall Goal is **6.3%** on federally funded contracts.

III. Participation by certified DBEs

For purposes of reporting DBE participation to the FTA, MTS may only count participation by certified DBE contractors. In order to be certified as a DBE through the California Unified Certification Program, contractors must:

- (1) have a majority owner who is **socially and economically disadvantaged** (Native Americans, African Americans, Hispanics, Asian-Pacific, Subcontinent Asian Americans and women are currently presumed to be socially and economically disadvantaged by the DOT);
- (2) the majority owner must have a personal net worth of less than **\$1,320,000**; and
- (3) the business must be a **small business** and, for *most* types of businesses, have average annual gross receipts less than **\$26,290,000**.

Per DOT DBE Regulations, MTS *may not* count participation from certified minority owned businesses (MBE), disabled veteran owned businesses (DVBE), women owned businesses (WBE), small businesses (SB) or lesbian gay bisexual transgender owned businesses (LGBTBE) (collectively referred to as SBEs) toward meeting its DBE Triennial Overall Goal. Nonetheless, MTS encourages participation from, conducts outreach to, and tracks awards to SBEs.

IV. Race-Neutral Outreach Measures to Increase DBE and SBE Participation

A race-neutral DBE program means that there are no DBE contract specific goals and no advantages provided to interested DBE contractors when submitting bids or proposals. Successful bidders are chosen using race-neutral means, generally through a low-bid or best-value procurement process.

To increase DBE participation on MTS's federally assisted procurements, as well as SBE participation on all MTS's contracts, MTS conducts outreach to DBEs and SBEs in an effort to inform them of upcoming MTS procurements. The following are some of the race-neutral measures MTS has implemented:

1. outreach to new vendors to discuss the benefits of DBE, MBE, DVBE, WBE, SB and/or LGBTBE certification and what qualifications are necessary to become certified, as some may already qualify;
2. outreach to vendors requesting that they register on PlanetBids so they can receive automatic notification of upcoming MTS formal procurements;

3. for small purchase procurements in which MTS must seek out three (3) bids, MTS aims to advertise more of these procurement on PlanetBids so as to increase the potential of DBEs, and SBEs learning of the procurement, if such a contractor is available to perform the work;
4. for small purchase procurements in which MTS must seek out three (3) bids, MTS aims to seek at least one (1) of those bids from a DBE or SBE, if available; and
5. attend and actively promote small business conferences and programs to alert DBEs and SBEs of upcoming MTS contracting opportunities and to educate about MTS's DBE program.

Due to the COVID-19 public health emergency, in-person outreach events have been limited. MTS was able to attend the following virtual events: Small Business Development Center Meet the Lenders Event and the CALTRANS Local Small Business Council Meeting. MTS also attended training on establishment of small business set aside programs.

MTS continued to attend San Diego Public Agency Consortium bi-monthly meetings, virtually. At these meetings, San Diego County public agencies discussed upcoming planned virtual outreach events amongst the members and best practices regarding their agency's DBE and SB programs.

V. Federally Funded Procurements

Only contracts awarded and paid by MTS using federal funds (or a portion of federal funds) are reported to the FTA per DOT DBE Regulations. MTS generally reserves federal funds for transit vehicle procurements, transit facility improvements, state-of-good-repair vehicle or system preventative maintenance projects, and contracted fixed route and paratransit bus services. MTS generally uses local and state funds for capital projects (e.g. construction, engineering), administrative costs and other expenses (e.g. marketing expenses, land management, office supplies).

VI. Summary of Semi-Annual DBE Report Achievement (Federal Funds Only)

The FTA Semi-Annual Report for October 1, 2021 to March 31, 2022 is the first of six reports in the triennial period of FFY 2022-2024.

a. Contracts Awarded

For this reporting period, MTS **did not achieve** its DBE Triennial Overall Goal of 6.3% for contracts awarded. MTS achieved **2.99%** DBE participation for contracts awarded, as shown below in Table 1.

Table 1: Federal Contracts Awarded

Federal Contract Awards/Commitments				Goal
REPORTING PERIOD	Total Federal \$	DBE \$	DBE %	vs 6.3%
Federal Funds: Oct 1 2021 to Mar 31 2022	\$7,843,315.85	\$234,599.40	2.99%	-3.31%

The main reasons for why MTS was not able to meet its DBE Triennial Overall Goal for contracts awarded was due to awarding a large contract and executing a large amendment to a non-DBE firm.

MTS awarded a large six (6) year base contract for compressed natural gas fueling station operation and maintenance services to **Trillium USA Company LLC**, a **non-DBE**, in the amount of \$6,028,997.34 (42% federally funded). Due to the specifications and expertise needed for this work, there are no ready, willing and able DBEs available that perform these specific services. Only two (2) firms submitted proposals on this procurement, both of which were non-DBE firms, and it was awarded to the firm providing the best value proposal, Trillium USA Company LLC.

In addition, MTS awarded a five (5) year base contract for wayside and track non-revenue vehicles and light rail vehicle equipment maintenance services to **M Power Truck & Diesel Repair**, a **non-DBE**, in the amount of \$387,584.83 (80% federally funded). Due to the specifications and expertise needed for this work, there are no ready, willing and able DBEs available that perform these specific services. Only one (1) firm bid on this procurement and it was awarded to the firm providing the lowest bid, M Power Truck & Diesel Repair.

MTS also executed an amendment to add Mid-Coast station elevators to its elevator preventative maintenance program for a remaining five (5) base years, with MTS's existing contractor **Kone, Inc**, a **non-DBE**, in the amount of \$1,050,043.98 (80% federally funded).

These large contract awards and amendments substantially diluted DBE participation that was achieved, which included amendments to an existing janitorial services contract with **NMS Management**, a **DBE** firm, in the amount of \$183,975.41 (80% federally funded).

b. Contracts Open

For this reporting period, MTS **did not achieve** its DBE Triennial Overall Goal of 6.3% for contracts opened. MTS achieved **2.52%** DBE participation for contracts open, as shown below in Table 2.

Table 2: Federal Contracts Open

Federal Contracts Open/Payments During Reporting Period				Goal
REPORTING PERIOD	Total Federal \$	DBE \$	DBE %	vs 6.3%
Federal Funds: Oct 1 2021 to Mar 31 2022	\$29,202,939.55	\$736,502.13	2.52%	-3.78%

The main reason why MTS was not able to meet its DBE Triennial Overall Goal for contracts opened was due to payments to **Transdev**, a **non-DBE** firm, for fixed route services in the amount of \$33,444,661.52 (56% federally funded) paid between October 1st to March 31st, 2022. These large payments to Transdev is diluting the substantial dollars being paid out to **NMS Management**, a **DBE** firm, for janitorial and anti-graffiti services, in the amount of \$857,702.73 (80% federally funded), paid between October 1st to March 31st, 2022.

c. Contracts Completed

For this reporting period, MTS **did not achieve** its DBE Triennial Overall Goal of 6.3% for contracts completed. MTS achieved **5.88%** DBE participation for contracts completed, as shown below in Table 3.

Table 3: Federal Contracts Completed

Federal Contracts Completed/Total Payments				Goal
REPORTING PERIOD	Total Federal \$	DBE \$	DBE %	vs 6.3%
Federal Funds: Oct 1 2021 to Mar 31 2022	\$4,226,064.18	\$248,486.03	5.88%	-0.42%

The main reason why MTS was not able to meet its DBE Triennial Overall Goal for contracts completed was due to closing out a large contract for security services with **Universal Protection Service (aka Allied Universal)**, a **non-DBE**, for \$42,984,705.96 (2% federally funded). These payments to Universal Protection Service diluted the dollars paid on a completed contract to **Singh Group**, a **DBE** firm, for tree trimming and removal services in the amount of \$154,560.00 (80% federally funded).

Please note, MTS decides contract performance periods based on MTS business and operational needs. Every reporting period will differ on the number, type and dollar amount of contracts closed out.

VII. Summary of Triennial Achievement Toward Meeting MTS's DBE Triennial Overall Goal for FFY 2022 – FFY 2024

While the specific DBE participation rate for each six (6) month reporting period may fluctuate, the goal of the MTS DBE program is to achieve the 6.3% DBE Triennial Overall Goal as an average for the FFY 2022-2024 triennial period. MTS has achieved **2.99%** thus far toward its DBE Triennial Overall Goal, as shown below in Table 5.

Table 4: Federal Contracts Awarded in FFY 2022-2024

DBE Achievement for FFY 2022 - 2024				
FFY	Reporting Period	Total Federal Awarded	Total DBE Awarded	DBE %
FFY 2022	Oct 1 21 to Mar 31 22	\$7,843,315.85	\$234,599.40	2.99%
FFY 2022	April 1 22 to Sept 30 22	IN PROGRESS		
FFY 2023	Oct 1 22 to Mar 31 23			
FFY 2023	April 1 23 to Sept 30 23			
FFY 2024	Oct 1 23 to Mar 31 24			
FFY 2024	April 1 24 to Sept 30 24			
Achievement Toward Meeting FFY 2019-2021 DBE Triennial Overall Goal of 6.3%		IN PROGRESS: 2.99%		
(FFY 2022-2024 Total DBE Awarded ÷ FFY 2022-2024 Total Fed Awarded)		Achieved 2.99% <i>thus far</i> towards DBE Overall Triennial Goal of 6.3%		

VIII. Summary of DBE, WBE, MBE, DVBE, LGBTBE and SB Participation for all Contracts (Regardless of Funding Source)

Although MTS may not count participation of MBE, DVBE, WBE, SB and LGBTBE (collectively referred to as SBEs) towards achievement of its DBE Overall Triennial Goal, MTS does record the participation of these businesses to gauge the success of its program to foster small business participation. MTS encourages the participation of DBEs and SBEs on all of its contracts, no matter the funding source.

To highlight just one of the many contracts awarded to a SBE firm this reporting period is a contract award for the KMD Shop Hoist Construction Project, to **Western Pump**, a **SB** firm, for \$2,374,207.00 (100% locally funded).

MTS's DBE and SBE participation rates for the reporting period, *using both local and federal funds*, are included below in Table 6.

Table 5: All Contracts Awarded (All Funding Sources)

All Contract Awards/Commitments (All Funding Sources)					
REPORTING PERIOD	Total \$	DBE \$	DBE %	SBE \$ (MBE, DVBE, WBE, SB and LGBTBE)	SBE %
Total Funds: Oct 1 21 to Mar 31 22	\$58,074,628.88	\$637,356.70	1.10%	\$6,907,845.36	11.89%

To compare MTS's current achievements with past reporting periods, enclosed is a History of Semi-Annual Reports (Attachment B).

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A.. History of Semi-Annual DBE Reports

MTS History of DBE Semi Annual Reports							
Contract Awards/Commitments*							
	Federal DBE GOAL	REPORTING PERIOD	TOTAL DOLLARS AWARDED (fed & local)	Total DBE \$\$	Total DBE %	Total SBE \$\$	Total SBE %
FFY16	3.75%	Oct 1 15 to Mar 31 16	\$ 63,883,438.52	\$ 298,902.02	0.47%	\$ 2,929,504.04	4.59%
		Apr 1 16 to Sept 30 16	\$ 32,178,592.14	\$ 976,115.34	3.03%	\$ 996,434.97	3.10%
FFY17**		Oct 1 16 to Mar 31 17	\$ 92,516,929.91	\$ 5,611,166.70	6.07%	\$ 3,735,641.71	4.04%
		Apr 1 17 to Sept 30 17	\$ 40,939,010.42	\$ 478,288.92	1.17%	\$ 1,622,764.06	3.96%
FFY18		Oct 1 17 to Mar 31 18	\$ 31,874,559.08	\$ 754,167.60	2.37%	\$ 3,002,750.48	9.42%
		Apr 1 18 to Sept 30 18	\$ 68,024,202.91	\$ 1,725,734.24	2.54%	\$ 4,982,014.37	7.32%
FFY16-18	3.75%	Oct 1, 2015 thru Sept 30, 2018 (6 semi-annual reports)	\$ 329,416,732.98	\$ 9,844,374.82	2.99%	\$ 17,269,109.63	5.24%
FFY19	2.9%	Oct 1 18 to Mar 31 19	\$ 73,790,097.91	\$ 606,817.10	0.82%	\$ 5,715,068.36	7.75%
		Apr 1 19 to Sept 30 19	\$ 40,005,268.47	\$ 6,243,719.33	15.61%	\$ 1,796,894.06	4.49%
FFY20		Oct 1 19 to Mar 31 20	\$ 52,022,126.82	\$ 4,330,163.32	8.32%	\$ 4,831,911.79	9.29%
		Apr 1 20 to Sept 30 20	\$ 230,588,830.67	\$ 636,712.08	0.28%	\$ 2,322,909.77	1.01%
		Apr 1 20 to Sept 30 20 w/o First Transit contract (*for reference only*)	\$ 47,280,121.00	\$ 636,712.08	1.35%	\$ 2,322,909.77	4.91%
FFY21		Oct 1 20 to Mar 31 21	\$ 546,248,722.19	\$ 428,054.08	0.08%	\$ 5,511,166.79	1.01%
		Oct 1 20 to Mar 31 21 w/o Transdev contract (*for reference only*)	\$ 39,863,273.69	\$ 428,054.08	1.07%	\$ 5,511,166.79	13.83%
		Apr 1 21 to Sept 30 21	\$ 96,111,004.32	\$ 461,370.54	0.48%	\$ 44,133,244.11	45.92%
FFY19-21	2.9%	Oct 1, 2018 thru Sept 30, 2021 (6 semi-annual reports)	\$ 1,038,766,050.38	\$ 12,706,836.45	1.22%	\$ 64,311,194.88	6.19%
		Oct 1, 2018 thru Sept 30, 2021 (6 semi-annual reports) w/o First Transit or Transdev contract (*for reference only*)	\$ 349,071,892.21	\$ 12,706,836.45	3.64%	\$ 64,311,194.88	18.42%
FFY22	6.3%	Oct 1 21 to Mar 31 22	\$ 58,074,628.88	\$ 637,356.70	1.10%	\$ 6,907,845.36	11.89%
		Apr 1 22 to Sept 30 22	In Progress				
FFY23		Oct 1 22 to Mar 31 23					
		Apr 1 23 to Sept 30 23					
FFY24		Oct 1 23 to Mar 31 24					
		Apr 1 24 to Sept 30 24					
FFY22-24	6.3%	Oct 1, 2021 thru Sept 30, 2024 (6 semi-annual reports IN PROGRESS)	\$ 58,074,628.88	\$ 637,356.70	1.10%	\$ 6,907,845.36	11.89%

MTS History of DBE Semi Annual Reports								
Contract Awards/Commitments*								
	Federal DBE GOAL	REPORTING PERIOD	Total Federal \$\$	Federal DBE \$\$	Federal DBE %	Federal SBE \$\$	Federal SBE %	
FFY16	3.75%	Oct 1 15 to Mar 31 16	\$ 4,094,298.13	\$ 11,859.89	0.29%	\$ 246,645.99	6.02%	
		Apr 1 16 to Sept 30 16	\$ 6,418,545.41	\$ 255,760.97	3.98%	\$ 148,325.08	2.31%	
FFY17**		Oct 1 16 to Mar 31 17	\$ 19,827,518.60	\$ 3,781,098.94	19.07%	\$ 196,188.57	0.99%	
		Apr 1 17 to Sept 30 17	\$ 3,326,175.53	\$ 31,444.62	0.95%	\$ 405,594.52	12.19%	
FFY18		Oct 1 17 to Mar 31 18	\$ 5,888,603.26	\$ 107,876.47	1.83%	\$ 716,139.92	12.16%	
		Apr 1 18 to Sept 30 18	\$ 5,453,720.86	\$ 977,533.90	17.92%	\$ 267,303.01	4.90%	
FFY16-18		3.75%	Oct 1, 2015 thru Sept 30, 2018 (6 semi-annual reports)	\$ 45,008,861.79	\$ 5,165,574.79	11.48%	\$ 1,980,197.09	4.40%
FFY19		2.9%	Oct 1 18 to Mar 31 19	\$ 8,603,476.55	\$ 204,022.26	2.37%	\$ 182,110.81	2.12%
	Apr 1 19 to Sept 30 19		\$ 9,005,016.32	\$ 3,884,727.66	43.14%	\$ 644,406.58	7.16%	
FFY20	Oct 1 19 to Mar 31 20		\$ 7,065,591.07	\$ 84,861.22	1.20%	\$ 1,309,065.78	18.53%	
	Apr 1 20 to Sept 30 20		\$ 130,881,224.89	\$ 135,337.29	0.10%	\$ 242,071.52	0.18%	
	Apr 1 20 to Sept 30 20 w/o First Transit contract (*for reference only*)		\$ 14,306,408.31	\$ 135,337.29	0.95%	\$ 242,071.52	1.69%	
FFY21	Oct 1 20 to Mar 31 21		\$ 182,514,682.65	\$ 45,759.00	0.03%	\$ 369,213.11	0.20%	
	Oct 1 20 to Mar 31 21 w/o Transdev contract (*for reference only*)		\$ 1,059,896.95	\$ 45,759.00	4.32%	\$ 369,213.11	34.83%	
	Apr 1 21 to Sept 30 21		\$ 14,952,198.32	\$ 44,380.72	0.30%	\$ 712,640.36	4.77%	
FFY19-21	2.9%	Oct 1, 2018 thru Sept 30, 2021 (6 semi-annual reports)	\$ 353,022,189.80	\$ 4,399,088.15	1.25%	\$ 3,459,508.16	0.98%	
		Oct 1, 2018 thru Sept 30, 2021 (6 semi-annual reports) w/o First Transit or Transdev contract (*for reference only*)	\$ 54,992,587.52	\$ 4,399,088.15	8.00%	\$ 3,459,508.16	6.29%	
FFY22	6.3%	Oct 1 21 to Mar 31 22	\$ 7,843,315.85	\$ 234,599.40	2.99%	\$ 760,885.51	9.70%	
FFY23		Apr 1 22 to Sept 30 22	In Progress					
		Oct 1 22 to Mar 31 23						
		Apr 1 23 to Sept 30 23						
FFY24		Oct 1 23 to Mar 31 24						
	Apr 1 24 to Sept 30 24							
FFY22-24	6.3%	Oct 1, 2021 thru Sept 30, 2024 (6 semi-annual reports IN PROGRESS)	\$ 7,843,315.85	\$ 234,599.40	2.99%	\$ 760,885.51	9.70%	

MTS History of DBE Semi Annual Reports							
Contract Awards/Commitments*							
	Federal DBE GOAL	REPORTING PERIOD	Total Local \$\$	Local DBE \$\$	Local DBE %	Local SBE \$	LOCAL SBE %
FFY16	3.75%	Oct 1 15 to Mar 31 16	\$ 59,789,140.39	\$ 287,042.13	0.48%	\$ 2,682,858.05	4.49%
		Apr 1 16 to Sept 30 16	\$ 25,760,046.73	\$ 720,354.37	2.80%	\$ 848,109.89	3.29%
Oct 1 16 to Mar 31 17		\$ 72,689,411.31	\$ 1,830,067.76	2.52%	\$ 3,539,453.14	4.87%	
Apr 1 17 to Sept 30 17		\$ 37,612,834.89	\$ 446,844.30	1.19%	\$ 1,217,169.54	3.24%	
FFY18		Oct 1 17 to Mar 31 18	\$ 25,985,955.82	\$ 646,291.13	2.49%	\$ 2,286,610.56	8.80%
		Apr 1 18 to Sept 30 18	\$ 62,570,482.05	\$ 748,200.34	1.20%	\$ 4,714,711.36	7.54%
FFY16-18	3.75%	Oct 1, 2015 thru Sept 30, 2018 (6 semi-annual reports)	\$284,407,871.19	\$ 4,678,800.03	1.65%	\$ 15,288,912.54	5.38%
FFY19	2.9%	Oct 1 18 to Mar 31 19	\$ 65,186,621.36	\$ 402,794.84	0.62%	\$ 5,532,957.55	8.49%
		Apr 1 19 to Sept 30 19	\$ 31,000,252.15	\$ 2,358,991.67	7.61%	\$ 1,152,487.48	3.72%
FFY20		Oct 1 19 to Mar 31 20	\$ 44,956,535.75	\$ 4,245,302.10	9.44%	\$ 3,522,846.01	7.84%
		Apr 1 20 to Sept 30 20	\$ 99,707,605.78	\$ 501,374.79	0.50%	\$ 2,080,838.25	2.09%
		Apr 1 20 to Sept 30 20 w/o First Transit contract (*for reference only*)	\$ 32,973,712.69	\$ 501,374.79	1.52%	\$ 2,080,838.25	6.31%
FFY21		Oct 1 20 to Mar 31 21	\$ 363,734,039.54	\$ 382,295.08	0.11%	\$ 5,141,953.68	1.41%
		Oct 1 20 to Mar 31 21 w/o Transdev contract (*for reference only*)	\$ 38,803,376.74	\$ 382,295.08	0.99%	\$ 5,141,953.68	13.25%
		Apr 1 21 to Sept 30 21	\$ 81,158,806.00	\$ 416,989.82	0.51%	\$ 43,420,603.75	53.50%
FFY19-21	2.9%	Oct 1, 2018 thru Sept 30, 2021 (6 semi-annual reports)	\$ 685,743,860.58	\$ 8,307,748.30	1.21%	\$ 60,851,686.72	8.87%
		Oct 1, 2018 thru Sept 30, 2021 (6 semi-annual reports) w/o First Transit or Transdev contract (*for reference only*)	\$ 294,079,304.69	\$ 8,307,748.30	2.83%	\$ 60,851,686.72	20.69%
FFY22	6.3%	Oct 1 21 to Mar 31 22	\$ 50,231,313.03	\$ 402,757.30	0.80%	\$ 6,146,959.85	12.24%
FFY23		Apr 1 22 to Sept 30 22	In Progress				
		Oct 1 22 to Mar 31 23					
		Apr 1 23 to Sept 30 23					
FFY24		Oct 1 23 to Mar 31 24					
	Apr 1 24 to Sept 30 24						
FFY22-24	6.3%	Oct 1, 2021 thru Sept 30, 2024 (6 semi-annual reports IN PROGRESS)	\$ 50,231,313.03	\$ 402,757.30	0.80%	\$ 6,146,959.85	12.24%

*Transit Vehicle Procurements (buses, trolleys) from Transit Vehicle Manufacturers (TVM) are not included in this Report per DOT DBE Regulations. TVMs have their own DBE Program, Goals and Reporting requirements. Inventory procurements are also not included. Only at time an inventory item is issued from store room will the federal/local breakdown be known, not at the time of purchase. *

**In FY17, MTS began using the U.S. Small Business Administration Database, which provides a listing of Small Businesses. This Database tracks firms in which revenues and/or number of employees do not exceed the North American Industry Classification System (NAICS) code's small business size standards, which is used to determine whether a DBE is a small business or not. **



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 06/09/2022

Agenda Item No. 8

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

June 16, 2022

SUBJECT:

**EMPLOYEE BACKGROUND AND REFERENCE INVESTIGATION SERVICES – CONTRACT
AMENDMENT**

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Ratify Amendment No. 1 to MTS Doc. No. G1800.1-15 with Kristy Investigative Services, Inc. in the amount of \$64,505.00 (\$53,000.00 option years plus \$11,505.00 additional funds) (Attachment A); and
- 2) Ratify Amendment No. 2 to MTS Doc. No. G1800.2-15 with Kristy Investigative Services, Inc. in the amount of \$24,165.50 (Attachment B); and
- 3) Ratify Amendment No. 3 to MTS Doc. No. G1800.3-15 with Kristy Investigative Services, Inc. in the amount of \$25,000.00 (Attachment C); and
- 4) Ratify Amendment No. 5 to MTS Doc. No. G1800.5-15 with Kristy Investigative Services, Inc. in the amount of \$39,328.50 (Attachment D); and
- 5) Authorize the Chief Executive Officer (CEO) to execute Amendment No. 6 to MTS Doc. No. G1800.6-15 (in substantially the same format as Attachment E), with Kristy Investigative Services, Inc. to extend the contract through December 31, 2022 and add additional funds of \$28,500.00 for employee background and reference investigation services.

Budget Impact

The total budget for this project shall not exceed \$260,999.00 (\$232,499.00 current contract value plus \$28,500.00 for Amendment No. 6). This project is funded by the Human Resources (HR) department operating budget account 711010 - 571160.



Date Issued	Board Approval Date	Description	Total Amount
	09/17/15	Total Board Approved Amount (Base plus Option Years 1 and 2)	\$132,500.00
10/01/15	-	Contract (Base only)	\$79,500.00
07/10/18	-	Amendment No. 1 – Exercise Option Years 1 & 2 and add additional funds	\$64,505.00
06/09/20	-	Amendment No. 2 – Add funds and extend contract due to increased turnover	\$24,165.50
12/10/20	-	Amendment No. 3 – Add funds and 6-month contract extension	\$25,000.00
05/06/21	-	Amendment No. 4 – Extend contract	No cost amendment
09/20/21	-	Amendment No. 5 – Add funds and extend contract	\$39,328.50
		Subtotal	\$232,499.00
TBD	06/16/22	<u>Today's Board action:</u> Approve Amendment No. 6 – Add funds and 6-month contract extension	\$28,500.00
Total Contract Value			\$260,999.00

DISCUSSION:

MTS requires comprehensive pre-placement background and reference investigations for all newly hired employees and for contractors with access to sensitive information. These investigations are performed by a specialized third-party provider and supervised by the MTS HR department. This amendment is to provide sufficient funding to continue with the current vendor while a new competitive procurement is conducted for these services. Staff anticipates the new contract for these services to be effective by January 1, 2023.

Therefore, staff recommends that the MTS Board of Directors:

- 1) Ratify Amendment No. 1 to MTS Doc. No. G1800.0-15 with Kristy Investigative Services, Inc. in the amount of \$64,505.00 (Attachment A); and
- 2) Ratify Amendment No. 2 to MTS Doc. No. G1800.0-15 with Kristy Investigative Services, Inc. in the amount of \$24,165.50 (Attachment B); and
- 3) Ratify Amendment No. 3 to MTS Doc. No. G1800.0-15 with Kristy Investigative Services, Inc. in the amount of \$25,000.00 (Attachment C); and
- 4) Ratify Amendment No. 5 to MTS Doc. No. G1800.0-15 with Kristy Investigative Services, Inc. in the amount of \$39,328.50 (Attachment D); and

- 5) Authorize the Chief Executive Officer (CEO) to execute Amendment No. 6 to MTS Doc. No. G1800.0-15 (in substantially the same format as Attachment E), with Kristy Investigative Services, Inc. to extend the contract through December 31, 2022 and add additional funds of \$28,500.00 for employee background and reference investigation services.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Amendment No. 1, MTS Doc. No. G1800.1-15
B. Amendment No. 2, MTS Doc. No. G1800.2-15
C. Amendment No. 3, MTS Doc. No. G1800.3-15
D. Amendment No. 5, MTS Doc. No. G1800.5-15
E. Amendment No. 6, Draft MTS Doc. No. G1800.6-15



July 10, 2018

MTS Doc. No. G1800.1-15

Rene DeLaCova
Kristy Investigative Services, Inc.
958 Postal Way, Suite 6-C
Vista, CA 92083

Dear Mr. Rene DeLaCova:

**Subject: AMENDMENT NO. 1 TO MTS DOC. NO. G1800.0-15; BACKGROUND
INVESTIGATION SERVICES**

This shall serve as Amendment No. 1 to our agreement for background investigation services as further described below.

SCOPE

There shall be no change to the scope of services.

SCHEDULE

Under this Amendment, both parties agree to the following revision: Exercise Option Years 1 and 2 to extend contract date to 9/30/2020.


PAYMENT

No changes to the rates for the Basic Background/Reference Package is authorized by this Amendment. However, MTS and Kristy Investigative Services, Inc. acknowledge that MTS is expected to exceed the estimated annual quantity for each contract year (estimated 350 at \$75 each for \$26,250 each year). Therefore, MTS is adding additional not-to-exceed funding of \$11,505 for the remaining term.

The total value of this contract, inclusive of this amendment, shall be in an amount not to exceed \$144,005. This amended amount shall not be exceeded without written approval from MTS.

Please sign and return the copy marked "Original" to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,


Paul C. Jablonski
Chief Executive Officer

Agreed:


Rene DeLaCova, President
Kristy Investigative Services, Inc

Date: 7/12/18

LMARQUIS-CL
CL-G1800.1-15.KRISTY.JRIDER.072018

Cc: B. Shannon
Procurement File



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101
Tel 619.231.1466 Fax 619.234.3407

Amendment 2

Effective Date: June 9, 2020

MTS Doc No. G1800.2-15

BACKGROUND INVESTIGATION SERVICES AGREEMENT

This shall serve as Amendment No. 2 to our agreement for background investigation services as further described below.

SCOPE

There is no change to the scope of services. Consultant shall continue to provide services in accordance with the terms and conditions of the original agreement.

TERM

The contract termination date is extended from September 30, 2020 through December 31, 2020.

PAYMENT

No changes to the rates for the basic background/reference package is authorized by this amendment. However, MTS and Kristy Investigative Services, Inc., acknowledge that MTS has exceeded the estimated annual quantity for the option years. Therefore, MTS is adding additional not-to-exceed funding of \$24,165.50 for the remaining term.

As a result of this amendment, the total value of this contract shall increase from \$144,005.00 to \$168,170.50.

Please sign and return the copy marked "Original" to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,

Sharon Cooney
Chief Executive Officer

Accepted:

Rene DeLaCova, President
Kristy Investigative Services, Inc.

Date: 6/18/2020

Cc: T. Larkin, Contract File

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • sdmts.com



Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc. and San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations). MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.



Metropolitan Transit System

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101
Tel 619.231.1466 Fax 619.234.3407

Amendment 3

December 10, 2020

G1800.3-15

BACKGROUND INVESTIGATION SERVICES

This shall serve as Amendment No. 3 to our agreement for background investigation services as further described below.

SCOPE

There is no change to the scope of services. Consultant shall continue to provide services in accordance with the terms and conditions of the original agreement.

TERM

The contract termination date is extended from December 31, 2020 to June 30, 2021.

PAYMENT

No changes to the rates for the basic background/reference package is authorized by this amendment. MTS is adding additional not-to-exceed funding of \$25,000.00 for the six-month extension.

As a result of this amendment, the total value of this contract shall increase from \$168,170.50 to \$193,170.50.

Please sign and return a copy of the executed agreement via email to ricardoe.medina@sdmts.com. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,

Sharon Cooney
Chief Executive Officer

Accepted:

Rene DeLaCova, President
Kristy Investigative Services, Inc.

Date: 12/26/2020

Cc: T. Larkin, Contract File

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • sdmts.com



Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc. and San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations). MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101
Tel 619.231.1466 Fax 619.234.3407

Amendment 5

Effective Date: September 20, 2021

MTS Doc No. G1800.5-15

BACKGROUND INVESTIGATION SERVICES

Kristy Investigative Services, Inc.
Rene DeLaCova
President
958 Postal Way, Suite 6-C
Vista, CA, 92083

This shall serve as Amendment No.5 to the original agreement G1800.0-15 as further described below.

SCOPE

There is no change to the scope of services. Consultant shall continue to provide services in accordance with the terms and conditions of the original agreement.

SCHEDULE

The agreement shall be extended through June 30, 2022.

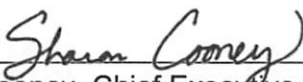
PAYMENT

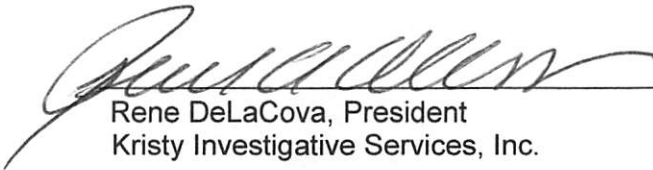
This contract amendment shall authorize additional costs not to exceed \$39,328.50. The total value of this contract including this amendment shall be in the amount of \$232,499. This amount shall not be exceeded without prior written approval from MTS.

Please sign and return a copy to the Contract Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copies for your records.

Sincerely,

Agreed:


Sharon Cooney, Chief Executive Officer


Rene DeLaCova, President
Kristy Investigative Services, Inc.

Date: 10/7/21





Metropolitan Transit System

Amendment 6

Date: June 17, 2022

MTS Doc No. G1800.6-15

BACKGROUND INVESTIGATION SERVICES

Kristy Investigative Services, Inc.
Rene DeLaCova
President
958 Postal Way, Suite 6-C
Vista CA, 92083

This shall serve as Amendment No.6 to the original agreement G1800.0-15 as further described below.

SCOPE

Pursuant to the Scope of Work of the San Diego Metropolitan Transit System (MTS) contractor shall continue to provide services in accordance with the terms and conditions of the original agreement.

SCHEDULE

The contract shall be extended for six (6) months from July 1, 2022 through December 31, 2022.

PAYMENT

This contract amendment shall authorize additional costs not-to-exceed \$28,500.00. The total value of this contract including this amendment shall be in the amount of \$260,999.00 (\$232,499.00 current contract plus \$28,500 for this amendment). This amount shall not be exceeded without prior written approval from MTS.

Please sign and return the copy to the Contract Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copies for your records.

Sincerely,

Agreed:

Sharon Cooney, Chief Executive Officer

Rene DeLaCova, President
Kristy Investigative Services, Inc.

Date: _____





DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 06/09/2022

Agenda Item No. 9

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

June 16, 2022

SUBJECT:

LIGHT RAIL VEHICLE (LRV) ROUTER UPGRADE – CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2583.0-22 (in substantially the same format as Attachment A) to Wireless Investors, LLC dba Ensemble Solutions Group (ESG) for LRV Router Upgrade in the amount of \$475,399.46.

Budget Impact

The total budget for this project shall not exceed \$475,399.46 (inclusive of 7.750% California sales tax). The project will be funded by Capital Improvement Program (CIP) 1007115501 Light Rail Vehicle Router Upgrade.

DISCUSSION:

MTS has recently deployed the Cradlepoint router to the fixed route bus fleet and the new SD10 trolley fleet are arriving with Cradlepoint routers. This project will update the remaining trolley fleet with the same device. These devices are core communication components for several different systems and applications such as the Pronto Fare System, Regional Transit Management System (RTMS) Computer-Aided Dispatch / Automatic Vehicle Location (CAD/AVL), Next Train Arrivals, General Transit Feed Specification (GTFS), Trolley Diagnostics and more. In addition to the long list of technologies these devices leverage, they also are capable of providing fast, reliable Wireless networking technology (WIFI) to MTS customers with a simple upgrade.

The intent of this project is to replace the outdated Cisco 829 routers with the Cradlepoint IBR1900 routers on vehicles of the trolley fleets in order to provide Next Train Arrivals, GTFS Feeds, Live Passenger Counting, Trolley Diagnostics and more. To accomplish this, two parts are required: the Cradlepoint IBR1900 router, a WIFI antenna and a cellular antenna. The WIFI antenna is a small 50mm dome that mounts on any surface inside the LRV and communicates with the trolley's Automatic Passenger Counter (APC) system and the Woojin Signs (Next Train



Arrival). The cellular antenna is an external roof-mounted antenna that will provide the cellular connection to the internet when the router's Subscriber Identity Module (SIM) card is activated.

On February 24, 2022, MTS issued an Invitation for Bids (IFB) to procure LRV Routers. The following bids were received on the due date of April 4, 2022 from the following bidders:

Bidder Name	Disadvantage Business Enterprise (DBE) Small Business (SB) Minority Business Enterprise (MBE) Certifications	Overall Total Amount
eHunus Inc.	DBE	\$790,617.44
Wachter, Inc.	None	\$628,121.13
Ergotech Controls Inc.	None	\$518,984.88
Wireless Investors, LLC, dba: ESG	None	\$475,399.46
<i>MTS Independent Cost Estimate (ICE)</i>	-	<i>\$385,710.00</i>

The overall total amount is inclusive of delivery charges and 7.75% California sales tax.

Staff has deemed Wireless Investors, LLC dba ESG to be the lowest responsive and responsible bidder. Based on the bids received and in comparison with the ICE, staff determined ESG's price to be fair and reasonable.

Therefore, staff recommends the MTS Board of Directors authorize the CEO to execute a MTS Doc. No. G2583.0-22 (insubstantially the same format as Attachment A) to Wireless Investors, LLC dba Ensemble Solutions Group (ESG) for LRV Router Upgrade in the amount of \$475,399.46.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Agreement Draft MTS DOC No. G2583.0-22
B. Bid Price Form



Metropolitan Transit System

STANDARD AGREEMENT FOR MTS DOC. NO. G2583.0-22 LRV ROUTER UPGRADE

THIS AGREEMENT is entered into this _____ day of _____, 2022 in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: <u>Wireless Investors, LLC dba Ensemble Solutions Group</u>	Address: <u>1855 E. Southern Ave Suite 215</u>
	<u>Mesa</u> <u>AZ</u> <u>85204</u>
	<u>City</u> <u>State</u> <u>Zip</u>
Form of Business: <u>Corporation</u> (Corporation, Partnership, Sole Proprietor, etc.)	Email: _____
Telephone: <u>541-419-1506</u>	
Authorized person to sign contracts <u>Lane Powell</u>	<u>Vice President, Sales</u>
<u>Name</u>	<u>Title</u>

The Contractor agrees to provide goods as specified in the conformed Scope of Work/Technical Specification (Exhibit A), Contractor's Cost/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), Forms (Exhibit D).

The contract term is for up to (5) years effective June 1, 2022 through May 31, 2027.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$475,399.46 without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	WIRELESS INVESTORS, LLC DBA: ENSEMBLE SOLUTIONS GROUP
By: _____ Sharon Cooney, Chief Executive Officer	By _____
Approved as to form:	
By: _____ Karen Landers, General Counsel	Title: _____



REVISED_BID FORM

Line #	Quantity	Item Description	Part Number	Unit (ea)	Unit Price	Extended Price
1	130	5-year NetCloud Mobile Essentials Plan and IBR1900 router with WiFi (5G modem), no AC power supply or antennas, North America version	MBA5-19005GB-GA	ea	\$ 2,936.87	\$ 381,793.10
2	130	Hercules Screwmount WiFi (2.4/5.8GHz) 1M RG-316 (MIMO 1):RP-SMA(M) (MIMO 2):RP-SMA(M)	MA510.C.CG.005	ea	\$ 67.36	\$ 8,756.80
3	130	Synergy 5-in-1 GNSS SMA(M):4*5G/4G SMA(M): and braided cable assembly 5m	MA1505.AK.002	ea	\$ 283.75	\$ 36,887.50
4	260	CFD-200-E Length:11600 mm End1:RP-SMA JACK GOLD (Male Pin) End2:RP-SMA PLUG GOLD (Female Socket)	CCD39920C398D011600	ea	\$ 52.71	\$ 13,704.60
SUBTOTAL:						\$ 441,142.00
SHIPPING AND HANDLING/ FREIGHT :						\$ 64.00
SAN DIEGO, CALIFORNIA SALES TAX (7.75%):						\$ 34,193.47
(BASIS OF AWARD) GRAND TOTAL (All Inclusive of all charges e.g Tax etc.):						\$ 475,399.46

Bidder shall submit pricing for all the listed materials and quantity described in this IFB. In preparing a Bid proposal, Bidders are requested to provide a total all-inclusive cost including but not limited to all material and service required, overhead, storage and shipping, risk and obligations, fees and any unforeseen costs. Bidders must complete bidder's forms as provided; failure to do so may deem the bid non-responsive.

All bids shall be valid for 120 days.

Kindly note that if any discrepancies exist, MTS may recalculate the proposed price on the basis of the unit price and the Bidder agrees to be bound by such recalculation.



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 06/09/22

Agenda Item No. 10

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

June 16, 2022

SUBJECT:

FARE COLLECTION – CONTRACT AMENDMENTS

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Ratify Amendment 10 to MTS Doc. No. G2091.0-18, with Innovations in Transportation, Inc. (INIT), in the amount of (\$902.11) as shown in Attachment A; and
- 2) Authorize the Chief Executive Officer (CEO) to execute Amendment 11 to MTS Doc. No. G2091.0-18, with INIT, in the amount of \$1,768,948.64 in substantially the same format as Attachment B.

Budget Impact

The total value of the Board approval amount for both Amendments 10 and 11 is \$1,768,046.53, bringing the total INIT Board approved contract amount to \$45,213,207.93 (current Board approved \$43,445,161.40 + \$1,768,046.53), as detailed in the table below. This project is funded by Capital Improvement Program (CIP) 1009004902 – Fare System Upgrades.

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Date Issued	Board Approval Date	Document	Description	Amount
01/1/19	12/13/18	Agreement	Fare collection system	\$37,667,727.57
12/12/19	12/13/18	Amendment 1	Commence work on options previously approved on 12/13/18	Included in agreement
12/18/19	12/12/19	Amendment 2	Commence work on new options	\$1,093,731.49
05/26/20	09/17/20	Amendment 3	Change Order - Integrate Conduent's CAD/AVL solution	\$57,681.00
09/17/20	09/17/20	Amendment 4	Change Order - Rail validator masts	\$907,267.08
1/13/21	12/10/20	Amendment 5	Adds California (CA) sales tax; and Change Orders - revises TVM spare parts & cashless conversion kits, and adds gateway services	\$2,478,990.86
03/18/21	03/11/21	Amendment 6	Change Orders - adds customer and institution website scope updates, adds a new reduced fares program enrollment, adds driver control unit screen flow changes, adds SAGE operator separation, adds Customer Relationship Module (CRM) payment encryption changes and applies the fare media capital credit	\$765,271.76
06/28/21	06/17/21	Amendment 7	Change Orders – adds transfer and business rule changes to website and CRM; modified 2 phase bus validator and Driver Control Unit (DCU) installation; installation of modified ticket validator arm	\$270,050.09
09/13/21	11/18/21	Amendment 8	Change Orders - Additional SAGE software; and Salesforce licenses	\$37,816.95
11/18/21	11/18/21	Amendment 9	Change Order – PRONTO fare media card order	\$166,624.60
5/10/22	6/16/22	<i>Amendment 10 (ratify)</i>	<i>Amend gateway services to add security and fraud prevention features at no additional cost; add new/revised federal requirements; and credit back to MTS \$902.11 from Amendment 9's incorrect tax amount</i>	<i>(\$902.11)</i>
TBD	6/16/22	<i>Amendment 11 (approve)</i>	<i>Purchase 60 validators with polycarbonate; purchase 750K extended use cards & 150K limited use cards</i>	<i>\$1,768,948.64</i>
Total Board Approved Amount				\$45,213,207.93

DISCUSSION:

On December 13, 2018 (Agenda Item (AI) 31), the MTS Board approved MTS Doc. No. G2091.0-18 with INIT for the design and implementation of a new fare collection system. This includes provision of services, equipment, software, parts, and support. Amendments 1-9 have subsequently been Board approved to provide additional functionality, integration and scope modifications.

Today's proposed action would ratify Amendment 10, which was previously issued under the CEO's Policy 41 signature authority, and approve a new Amendment 11, as described below.

Amendment 10 (Ratify):

Amendment No. 10 (Attachment A) was issued on May 10, 2022 for the following:

1. Gateway services were added under Amendment No. 5. This Amendment No. 10 was issued to revise gateway services to add security and fraud prevention features at no additional cost;
2. Add new Federal Transit Administration requirement language;
3. Credit back to MTS \$902.11 from Amendment No. 9's incorrect tax amount.

Amendment 11 (Approve):

Amendment No. 11 (Attachment B) purchases 60 validators with polycarbonate, 750,000 Extended Use (EU) smart card media and 150,000 Limited Use (LU) cards for the PRONTO fare system.

1. Quantity 60 validators with polycarbonate:

With the launch of PRONTO in September 2021, customers load fares to their accounts in real-time through a variety of sales channels, physical and online. The customer is then able to validate their pass or deduct their fare by simply tapping or scanning their card or app on an electronic "validator". The validators are mounted to all buses and installed on all rail stations across the region.

The current validators are designed with a hardened glass screen that mitigates etching. Unfortunately, etching has not been the predominant vandalism tactic. Since PRONTO launch, MTS has experienced over 80 incidents of vandalism events with validators in which most resulted in a shattered validator screen.

MTS discussed the issue with INIT to strategize viable alternatives that would help mitigate the glass shattering upon significant impact. INIT recommended a polycarbonate screen version of the validator that would be more resistant to impacts from vandalism. TriMet in Portland, another similar transit agency, is also utilizing the same polycarbonate screen successfully as a deterrent against vandalism.

MTS staff performed an Independent Cost Estimate (ICE) for the 60 validators. Staff utilized tiered pricing provided under the original INIT contract, applied 2.5% per year for four years to account for inflation for a total of \$244,063.36.

INIT's proposal is \$264,383.64, or approximately \$4,324 per validator plus one-time project management costs. This price is 8.3% higher than MTS's ICE. Considering the rising inflationary costs across the global supply chain since 2020, and the additional costs necessary to manufacture and implement a screen type that is more resistant, MTS staff deems the proposed costs as fair and reasonable.

2. 750,000 EU smart card media:

MTS requires the manufacturing and delivery of this media for the PRONTO fare system. These EU cards allow customers to pay fares.

Due to the global chip shortage impacting supply chain over the last 24 months of the COVID-19 pandemic, delivery times have been impacted significantly. Feedback received from the industry states lead times can be as long as 50 weeks or more. For this reason, it is necessary for MTS to procure a long-term order that ensures an adequate inventory of PRONTO fare media, otherwise MTS runs the risk of not having sufficient fare card inventory to meet operational needs.

The MTS ICE is \$1,223,773.53. INIT's proposal is \$1,418,577.50 or 15.9% higher than MTS's estimate. Comparing this to the Consumer Price Index (CPI) report from April 2022, the escalated prices are due to a variety of factors including increased pressure from other non-transit related industries, particularly manufacturers of smartphones, automobiles, computers, appliances and rising fuel prices. Given the above global supply chain issues, MTS staff deems INIT's proposal for the EU cards to be fair and reasonable.

3. 150,000 LU cards:

PRONTO LU cards serve a key role as these allow institutional customers the flexibility to distribute temporary fare media, typically for same day use. These cards are necessary to ensure an adequate inventory for the region.

MTS's ICE is \$66,388.81. INIT's proposal is \$85,987.50 or 29.5% higher than MTS's estimates. Given the above global supply chain issues, MTS staff deems INIT's proposal to be fair and reasonable.

The MTS Board approval costs are summarized below:

	Total
Amendment 10	(\$902.11)
Amendment 11	\$1,768,948.64
Overall Board Approval	\$1,768,046.53

Therefore, staff recommends that the MTS Board of Directors:

- 1) Ratify Amendment 10 to MTS Doc. No. G2091.0-18, with INIT, in the amount of (\$902.11) as shown in Attachment A; and
- 2) Authorize the CEO to execute Amendment 11 to MTS Doc. No. G2091.0-18, with INIT, in the amount of \$1,768,948.64 in substantially the same format as Attachment B.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Amendment 10, MTS Doc. No. G2091.0-18
B. Draft Amendment 11, MTS Doc. No. G2091.0-18



Amendment 10

May 10, 2022

MTS Doc No. G2091.10-18

ACCOUNT BASED FARE COLLECTION SYSTEM

INIT Innovations in Transportation, Inc.
Roland Staib
President and CEO
424 Network Station
Chesapeake, VA 23320

This shall serve as Amendment No.10 to the original agreement G2091.0-18 as further described below.

SCOPE

In June 2021, MTS added gateway services to the Scope of Work under Amendment No. 5, and both parties executed a separate contract (MTS Doc. No. G2492.0-21) which will govern the terms and conditions associated with these services.

This Amendment No. 10 adds security and fraud prevention features under the gateway services at the fees and rates shown under Attachment 1 - Schedule 2 Charges.

SCHEDULE

There are no changes to the overall schedule provision of the agreement. The contract termination date remains December 31, 2028.

FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS

MTS is revising the Federal Transit Administration Requirements, attached as Exhibit D in the original agreement as shown below:

1. Delete clause IV on page 46 (Program Fraud and False or Fraudulent Statements and Related Acts) in its entirety and replace with the following language:

PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS (APPLICABLE TO ALL CONTRACTS AND SUBCONTRACTS)

The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil



Remedies," 49 C.F.R. part 31, apply to its actions pertaining to this Contract. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate. The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. chapter 53, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5323(l) on the Contractor, to the extent the Federal Government deems appropriate. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA.

False Claims Act (APPLICABLE TO ALL CONTRACTS AND SUBCONTRACTS)

The Contractor and any Subcontractor acknowledges that the False Claims Act, 31 U.S.C. 3729 et seq., pertains to the underlying contract or the FTA assisted project for which this contract work is performed. If the Contractor has knowledge of potential fraud, waste, or abuse occurring on a Project receiving assistance from FTA, or has or may have committed a criminal or civil violation of law pertaining to such matters as fraud, conflict of interest, bid rigging, misappropriation or embezzlement, bribery, gratuity, or similar misconduct involving federal assistance, the Contractor must notify MTS, U.S. DOT Inspector General, and the FTA Chief Counsel or FTA Region 9 Counsel. Knowledge, as used in this paragraph, includes, but is not limited to, knowledge of a criminal or civil investigation by a Federal, state, or local law enforcement or other investigative agency, a criminal indictment or civil complaint, or probable cause that could support a criminal indictment, or any other credible information in the possession of the Recipient. In this paragraph, "promptly" means to refer information without delay and without change. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA.

Notice to FTA on Legal Matters (APPLICABLE TO ALL CONTRACTS AND SUBCONTRACTS EXCEEDING \$25,000)

The Contractor and any Subcontractor shall notify MTS and the FTA Chief Counsel or FTA Region 9 Counsel if a current or prospective legal matter that may affect the Federal Government emerges. The types of legal matters that require notification include, but are not limited to, a major dispute, breach, default, litigation, or naming the Federal Government as a party to litigation or a legal disagreement in any forum for any reason. Matters that may affect the Federal Government include, but are not limited to, the Federal Government's interests in an award of federal funding, or the Federal Government's administration or enforcement of federal laws, regulations, and requirements. The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA.

2. MTS is adding the new clause below to the Federal Transit Administration Requirements:

PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT (APPLICABLE TO ALL CONTRACTS)

In accordance with 2 CFR part 200.216, Contractor and its subcontractors are prohibited from expending funds under this Contract to: procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). This includes: for the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities); telecommunications or video surveillance services provided by such entities or using such equipment; and telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

PAYMENT

The payment provision is revised as follows:

1. The security and fraud prevention services do not add any additional funds to the contract. When incurred, MTS will pay using the fees and rates shown under Attachment 1, using the gateway services funds allocated for estimated electronic payment volumes and applying the schedule of fees based on anticipated levels (\$1,097,979.20 shown in lines 11 through 20 of PO # 4500022492).
2. This amendment credits \$902.11 back to MTS for taxes incorrectly charged under amendment 9.

With this credit, the overall contract amount approved/options exercised by MTS is revised from \$30,349,312.86 to \$30,348,410.75. This amount shall not be exceeded without prior written approval from MTS.

Please sign and return the copy to the Contract Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copies for your records.

Sincerely,

Agreed:

Sharon Cooney, Chief Executive Officer

Roland Staib, President and CEO
INIT Innovations in Transportation, Inc.

Date: _____

Attachment: A. Schedule 2 Charges

SCHEDULE 2 (CHARGES)**PAYMENT SERVICES CHARGES****ADMIN CHARGES**

<u>Monthly Admin Fee</u>	\$500 per month (independent from usage)
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PROCESSING CHARGES

<u>Rate A</u> Standard EMV	\$26 per Terminal in retail outlets and TVMs per month (subject to the Transaction Limit) <i>Note: Includes refunds made via WebMIS.</i>
Transaction Limit	1000 transactions per terminal per month, aggregated across base of live terminals Overages: 2c per transaction
Refund Charges	\$20 per refund (where requested to be performed manually by INIT staff) <i>Note: Excludes refunds made by CUSTOMER via WebMIS</i>

<u>Rate B</u> INIT cEMV Solution	4c per transaction from the INIT PROXmobil validators for contactless EMV payments. <i>Note: Includes refunds made via WebMIS.</i>
---	---

<u>Rate C</u> CNP (Card Not Present) Transactions	4c per transaction <i>Note: Includes refunds made via WebMIS.</i>
--	--

SET UP CHARGES

Merchant Set Up Charge	\$1000 per Merchant ID <i>Note: Includes unlimited Terminals added at initial set up and one WebMIS login. Terminals added at a later date and further WebMIS logins will be subject to further charges,</i>
Terminal Set Up Charge	\$20 per Terminal where added to existing Merchant ID (capped at \$300 per request) after initial Merchant setup.
Additional WebMIS logins	\$50 per login

SECURITY AND FRAUD PREVENTION PRODUCTS

iSpy Fraud	Monthly Fee: \$10 Record Addition, Deletion, Modification Fee: 0.10
Account Updater	Setup Fee: \$150 Monthly Fee: \$40 Per Record Fee: 0.50
Payer Authentication	Monthly Fee: \$15 Per Transaction Fee: 0.15

PAYMENT TYPES AND ACCEPTANCE METHODS PRODUCTS

Electronic Checks	Setup Fee: \$150 Monthly Fee: \$40 Per Transaction Fee: 0.50 Return, Refund, NOC Fees: \$5
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ENTERPRISE FUNCTIONALITY PRODUCTS

Electronic Invoicing	Monthly Fee: \$10 Create, Edit or Delete Invoice: 0.10
Sync Pay <i>(QuickBooks Plug-in)</i>	Monthly Per Installation Fee: \$10
Level III Processing	Setup Fee: \$150 Monthly Fee (per MID): \$40 Per Transaction Fee: 0.50



Amendment 11

June 16, 2022

MTS Doc No. G2091.11-18

ACCOUNT BASED FARE COLLECTION SYSTEM

INIT Innovations in Transportation, Inc.
Roland Staib
President and CEO
424 Network Station
Chesapeake, VA 23320

This shall serve as Amendment No.11 to the original agreement G2091.0-18 as further described below.

SCOPE

The services under this Amendment No. 11 are as follows:

1. Purchase 60 validators with polycarbonate as shown in Exhibit A;
2. Purchase 750,000 extended use cards as shown in Exhibit B.
3. Purchase 150,000 limited use cards as shown in Exhibit C.

SCHEDULE

There are no changes to the overall schedule provision of the agreement. The contract termination date remains December 31, 2028.

PAYMENT

The payment provision is revised as follows:

1. The cost for 60 validators with polycarbonate is \$264,383.64 as shown in Exhibit A;
2. The cost for 750,000 extended use cards is \$1,418,577.50 as shown in Exhibit B.
3. The cost for 150,000 limited use cards is \$1,418,577.50 as shown in Exhibit C.

The overall total for Amendment No. 11 is \$1,768,948.64.



This increases the overall contract amount approved/options exercised by MTS from \$30,348,410.75 to \$32,117,359.39.

This amount shall not be exceeded without prior written approval from MTS.

Please sign and return the copy to the Contract Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copies for your records.

Sincerely,

Agreed:

Sharon Cooney, Chief Executive Officer

Roland Staib, President and CEO
INIT Innovations in Transportation, Inc.

Date: _____

Attachment: A. Exhibit A (60 Validators)
 B. Exhibit B (750,000 Extended Use Cards)
 C. Exhibit C (150,000 Limited Use Cards)



MTS – Qty 60 Rail Platform Validators w/ Polycarbonate-Front

Customer: MTS San Diego, CA
Requested by: Israel Maldonado
Prepared by: Jennifer Wallman
Proposal #: 2022-130-04
Date: 5/12/2022
Validity: 60 days

Warranty: Not applicable
Delivery: See below
Invoicing
Milestones: 100% Upon Delivery

Existing Contract G2091.0-18 Terms & Conditions apply

Description:

This proposal includes pricing for quantity 60 platform validators with the polycarbonate front. MTS is seeking the polycarbonate front solution due to repeated vandalism of the glass-front validators.

Note:

NCTD requested a proposal for replacing the platform validators with a polycarbonate front. Within their proposal there are one-time costs to create a new variant of the device for MTS/NCTD. These one-time costs will be split between MTS and NCTD as quoted below.

Please be aware that a polycarbonate front will show signs of usage, including scratches. The more the validator is used, the more wear and tear will be experienced.

Pricing:

Item	Notes	Description	Qty	Price per unit USD	Price total USD
1	(Split Btw NCTD & MTS)	One Time Costs	0.5	\$9,920.00	\$4,960.00
		Configuration of New Variant / Create QR Code			
		Project Management / System Engineering			
2		Qty 60 Validators w/ Polycarbonate	60	\$4,012.74	\$240,764.40
		PROXmobil 3 w/ proximity reader and 2D barcode scanner	60		
		Materials - Polycarbonate	60		
		SQM Swap Glass w/ PC Cost per Device	60		
Total w/ Sales Tax 7.75%					\$264,383.64

California taxes do not apply to software licenses.

Delivery:

The polycarbonate-front validators can be shipped in 16 weeks after the order is received and processed. These validators have a longer lead time due to the sourcing and shipping of the material and the retrofit at SQM in Chesapeake, Virginia.

INIT Innovations in Transportation, Inc.
424 Network Station
Chesapeake, VA, 23320

Phone: 757-413-9100
sales@initusa.com
www.initusa.com

Att.B, AI 10, 06/16/22



INIT Contact

Name: Jennifer Wallman
Title: Account Manager
Phone: 757-413-9100 x421
Email: jwallman@initusa.com

Signature:



Julie Allison
Director, Account Management



Roland Staib
CEO

INIT Innovations in Transportation, Inc.
424 Network Station
Chesapeake, VA, 23320

Phone: 757-413-9100
sales@initusa.com
www.initusa.com

Att.B, AI 10, 06/16/22



MTS – 750K Extended Use Cards

Customer: MTS San Diego, CA
Requested by: Israel Maldonado
Prepared by: Jennifer Wallman
Proposal #: 2021-646-05
Date: 5/13/2022
Validity: 90 days

Warranty: Not applicable
Delivery: See below
Invoicing
Milestones: 100% Upon Delivery

Existing Contract G2091.0-18 Terms & Conditions apply

Description:

MTS is requesting an order of 750,000 extended use cards.

Scope of Work:

This proposal includes 750,000 extended use cards and associated services, detailed below.

Card Details:

Quantity: 750,000

Art works: up to 10 different art works

Chip: EV1 256b preferred but EV3 2k possible if EV1 is not available

Plastic: Composite PET/PVC

Magstripe: yes

Encoding: yes (same format than other INIT cards)

Return file: required (same format than other INIT cards)

Personalization: Card number, 3 digit security code, barcode and inventory number on the bottom right

Project Management and Systems Engineering efforts for coordination and testing.

Pricing:

Item	Description	Qty	Price per unit USD	Price Total USD
1	Extended Use Cards			
1.1	Extended Use Cards	750,000	1.74	1,305,000.00
2	Services			
	Project Management/Systems Engineering – coordination and testing	1	11,040.00	11,040.00
	Expedited Shipping	1	1,400.00	1,400.00
Subtotal				\$1,317,440.00
Sales Tax on Deliverables Only (Cards) 7.75%				\$101,137.50
GRANT TOTAL				\$1,418,577.50

Delivery and Validity Notes:

The lead time for this batch of 750,000 EU cards is approximately 52 weeks upon receipt of purchase order or letter of intent due to the international chip shortage. This proposal is valid for 90 days.



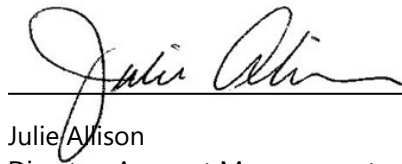
The chip shortage is a global issue affecting all industries (smartphone, computers, automobiles, appliances etc.) and will get worse before it gets better, so we recommend placing this, and future orders for cards as soon as possible. Our supplier costs and inventory are only valid for a limited time due to the constant price changes that currently exist.

Due to the supply and demand issues already mentioned, coupled with increased fuel and freight costs, prices for these cards have increased significantly over the past several years. It is not uncommon to see costs for certain materials increasing 30-50% or more. While our costs have increased, please know that INIT is dedicated to striving to obtain the best possible pricing to meet our customer needs, and pricing will be updated to reflect the most current costs for all products.

INIT Contact

Name: Jennifer Wallman
Position: Account Manager
Phone: 757-413-9100 x421
Email: jwallman@initusa.com

Signature:



Julie Allison
Director, Account Management



Roland Staib
President and CEO

INIT Innovations in Transportation, Inc.
 424 Network Station
 Chesapeake, VA, 23320

Phone: 757-413-9100
 sales@initusa.com
 www.initusa.com

Att.B, AI 10, 06/16/22



MTS – 150K Limited Use Cards

Customer: MTS San Diego, CA
Requested by: Israel Maldonado
Prepared by: Jennifer Wallman
Proposal #: 2021-645-02
Date: 5/16/2022
Validity: 60 days

Warranty: Not applicable
Delivery: See below
Invoicing
Milestones: 100% Upon Delivery

Existing Contract G2091.0-18 Terms & Conditions apply

Description:

MTS is requesting an order of 150,000 limited use cards.

Scope of Work:

This proposal includes 150,000 Limited Use MIFARE ULTRALIGHT-C cards, expedited shipping costs, Project Management efforts for coordination and Systems Engineering efforts for testing.

Pricing:

Item	Description	Qty	Price per unit USD	Price Total USD
1	Limited Use Cards			
1.1	Limited Use Cards	150,000	0.46	69,000.00
2	Services			
	Project Management/Systems Engineering – coordination and testing	1	11,040.00	11,040.00
	Expedited Shipping	1	600.00	600.00
Subtotal				\$80,640.00
Sales Tax on Deliverables 7.75%				\$5,347.50
GRAND TOTAL				\$85,987.50

Delivery and Validity Notes:

The lead time for this batch of 150,000 LU cards is approximately 12 weeks upon receipt of purchase order or letter of intent due to the international chip shortage. This proposal is valid until the end of January 2022.

The chip shortage is a global issue affecting all industries (smartphone, computers, automobiles, appliances etc.), so we recommend placing this order and future orders for cards as soon as possible. Our supplier costs and inventory are only valid for a limited time due to the constant price changes that currently exist.

INIT Contact

Name: Jennifer Wallman
 Position: Account Manager
 Phone: 757-413-9100 x421
 Email: jwallman@initusa.com

INIT Innovations in Transportation, Inc.
424 Network Station
Chesapeake, VA, 23320

Phone: 757-413-9100
sales@initusa.com
www.initusa.com

Att.B, AI 10, 06/16/22



Signature:

A handwritten signature in black ink, appearing to read "Julie Allison", is written over a horizontal line.

Julie Allison
Director, Account Management

A handwritten signature in black ink, appearing to read "Roland Staib", is written over a horizontal line.

Roland Staib
President and CEO



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 06/09/2022

Agenda Item No. 11

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

June 16, 2022

SUBJECT:

**INFORMATION TECHNOLOGY SERVICE MANAGEMENT (ITSM) SOFTWARE LICENSES
AND ONBOARDING SERVICES – CONTRACT AWARD**

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to:

- 1) Execute MTS Doc. No. G2604.0-22 (in substantially the same format as Attachment A) with Compulink Technologies, Inc. (Compulink), in the amount of \$292,456.91, for a period of two (2) base years, and three (3) one-year options for the provision of ITSM software licenses and onboarding services; and
- 2) Exercise the option years at her discretion.

Budget Impact

The total budget for this project shall not exceed \$292,456.91. This project will be funded by Information Technology (IT) Operations Budget 661010-571250.

DISCUSSION:

In 2019, MTS implemented BMC Track-It as its ITSM solution. Although the current ITSM has provided IT staff with the basic functionalities of a ticketing system, asset management, change management and a solutions portal, it lacks the capabilities of a more robust ITSM.

MTS is in need of a cloud-based ITSM solution that will allow MTS to simplify and improve the efficiency of its IT operations by aligning its IT infrastructure to an IT Infrastructure Library (ITIL) process. IT staff identified *Freshservice* as the best product to meet MTS's needs in this area. The *Freshservice* software provides ITIL-ready components that help administrators manage assets, incidents, problems, change and releases in a format best suited to their existing workflows. The asset management component of the solution will help MTS's IT department exercise control over its IT assets. Also, Freshservice offers flexibility so that software/hardware



assets can be added, tagged, tracked and delinked, ensuring asset visibility and awareness for MTS's organizational needs.

On April 13, 2022, MTS issued an Invitation for Bids (IFB) for the *Freshservice* licenses and services software licenses and onboarding services set forth the Scope of Work (Attachment B). On May 3, 2022, MTS received a single bid from Compulink Technologies, Inc. in the initial amount of \$278,065.50 for all five years; however, the first two years were quote at a fixed price, but the 3 option years were subject to an unlimited market rate increase.

MTS conducted a post bid survey with prospective bidders requesting their reason(s) for not bidding. The results of the survey indicated that neither the IFB nor MTS's procurement processes played a role in other firms' decisions not to bid on the project. When only a single bid is received, MTS is allowed to negotiate price beyond the IFB proposal amount. On May 13, 2022, MTS contacted Compulink Technologies, Inc. to negotiate the costs.

On May 20, 2022, Compulink Inc. submitted a Best and Final Offer (BAFO) in the amount of \$292,456.91 with the first three years as fixed price and the subsequent two years shall be subject to a maximum 10% market rate increase compounded annually (Attachment C). Through negotiations, staff was able to procure a potential savings of \$15,378.54 (assuming a maximum increase of 10% for option years 3-5 on original offer) for the agency.

In comparison to staff's Independent Cost Estimate (ICE) in the amount of \$281,830.00, staff deemed the BAFO pricing to be fair and reasonable.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to:

- 1) Execute MTS Doc. No. G2604.0-22 (in substantially the same format as Attachment A) with Compulink Technologies, Inc. (Compulink), in the amount of \$292,456.91, for a period of two (2) base years, and three (3) one-year options for the provision of ITSM software licenses and onboarding services; and
- 2) Exercise the option years at her discretion.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Agreement MTS Doc. No. G2604.0-22
B. Scope of Work
C. Cost Form



Metropolitan
Transit
System

Att.A, AI 11, 06/16/22

**STANDARD AGREEMENT
FOR**

MTS DOC. NO. G2604.0-22

ITSM SOFTWARE LICENSES AND ONBOARDING SERVICES

THIS AGREEMENT is entered into this _____ day of _____, 2022 in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: Compulink Technologies, Inc. Address: 260 West 39th St. Suite 302
New York, NY 10018
Form of Business: Corporation
(Corporation, Partnership, Sole Proprietor, etc.) Email: DArboleda@compu-link.com
Telephone: (212) 695-5465 Ext.16
Authorized person to sign contracts Danielle Arboleda Director
Name Title

The Contractor agrees to provide services as specified in the conformed Scope of Work/Minimum Technical Specification (Exhibit A), Contractor's Bid/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), and Forms (Exhibit D).

The contract term is for up to 2 base years and 3 option years, exercisable at MTS's sole discretion, for a total of 5 years. Base period shall be effective July 1, 2022 through June 30, 2024 and Option years shall be effective July 1, 2024 through June 30, 2027, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$138,788.70 for the base years and \$153,668.21 for the option years, for a contract total not to exceed \$292,456.91 without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	COMPULINK TECHNOLOGIES, INC.
By: <u>Sharon Cooney, Chief Executive Officer</u>	By _____
Approved as to form:	Title: _____
By: <u>Karen Landers, General Counsel</u>	



1. SCOPE OF WORK/SPECIFICATIONS

1.1. GENERAL OVERVIEW

The San Diego Metropolitan Transit System (MTS) is soliciting software licensing and professional services from experienced and qualified Contractors capable of providing installation, training and support for Freshservice Information Technology Service Management (ITSM) software.

In 2019, MTS implemented BMC Track-It as its ITSM solution. Although the current ITSM has provided IT staff with the basic functionalities of a ticketing system, asset management, change management and a solutions portal, it lacks the capabilities of a more robust ITSM.

We are seeking a cloud-based ITSM solution that will allow MTS to simplify its IT operations while becoming more efficient by aligning its IT infrastructure to an IT Infrastructure Library (ITIL) processes. Freshservice provides the ITIL ready components that help administrators manage assets, incidents, problems, change and releases in a format best suited to its existing workflows. The Asset Management component will help our organizations exercise control over our IT assets. Also, Freshservice offers flexibility where software/hardware assets can be added, tagged, tracked and delinked, ensuring asset visibility and awareness which provides for MTS organizational needs.

The Freshservice plan we are selecting offers the most diverse and required groupings of options. Software Features: (The essentials for this project are outlined in bold)

- Problem Management
- **Configuration Management Database (CMDB)**
- **Release Management**
- **Patch Management**
- Project Management
- **Software License Management**
- **Contract Lifecycle Management**
- **Alert Management**
- Asset Management
- **Workflow configuration and Management**
- **Knowledge Base**
- Depreciation Management

1.2. SPECIFICATIONS

Freshservice subscription shall be for the following:

- Two (2) base years subscription to Freshservice Pro Plan (Licensing, Maintenance, Technical Support) with three (3) one-year options, exercisable at MTS's sole discretion.
- Expected Service Start Date: **July 1, 2022**

The Freshservice subscription shall include the following user licensing, add-ons and services:

- 32 Pro User Licenses
- 4 Orchestration Transaction Pack Add-ons
- 8 Project Management License Add-ons

- 16 Week Platinum Customer Onboarding Package

1.3. SCOPE OF WORK

This scope outlines the various services that MTS Staff expects to receive from an authorized Freshservice Contractor.

The qualified Contractor shall provide licensing for the Freshservice software in addition to:

- Orchestration Transition Pack Add-On
 - This add-on will allow MTS to integrate, coordinate and manage the systems by streamlining repeatable processes.
- Project Management Add-On
 - This add-on will allow MTS to highlight how projects are related to incidents, changes, assets and workorders.
- Professional Services with Onboarding Package
 - Due to the complexity of our network environment and product configuration, migration and integration, MTS is requesting the Freshservice authorized vendor to provide the 16-week Platinum Customer Onboarding Package.

Hosting, Maintenance and Support:

- Standard support that includes telephone, e-mail, and web meeting support Monday through Friday 9:00 AM –5:00 PM (PST).

ONBOARDING SERVICES

Professional Services included in 16-week Platinum Customer Onboarding Package:

- Employee training
 - Three (3) 1-hour weekly meeting (remote)
 - Five (5) 1-hour training sessions (remote)
- Implementation, testing and troubleshooting
- Training of 2 MTS IT staff members to be the system's onsite administrators
- Integration, coordination and management of MTS' diverse 3rd party systems and applications within the Freshservice tool
 - Active Directory
 - ADManager
 - SolarWinds
- Software enhancements and/or upgrades

Additional expectations during setup, at a minimum, the following components shall be configured by the Contractor:

- Create and implement various workflows
 - Onboarding
 - Offboarding
 - Incident management
 - CMDB
- Implementation of MTS' Service Level Agreements (SLA)

- Setup of knowledge base / service catalog
- Alerting and notification

Onboarding Package Project Management

The Project will be managed per a project plan developed and maintained by the vendor using project management best practices. A seasoned Project Manager with a proven track record of several successful system deployments must be presented by the vendor for approval by MTS. This person will be the primary contact for all project activities. MTS will also designate a staff Project Manager who will act as the primary contact.

Onboarding Detailed Work Plan & Project Charter

A detailed work plan and project charter must be provided for approval by MTS, in conjunction with a detailed Microsoft Project Schedule including timeline, tasks, key milestones and deliverables.

Onboarding Project Kick-Off Meeting

A project kick-off meeting will be held with the successful Bidder, MTS's project team, executive sponsor and business process owners / stakeholders.

Ongoing Onboarding Project Coordination

Throughout the project, the Contractor shall hold ongoing project coordination meetings and/or conference calls with MTS's Project Manager. The coordination meetings shall act as an ongoing communication / project coordination tool to gauge the progress of the work and identify potential issues before they become potential risks.

Onboarding Project Status Reports

The Status Reports will provide an update on the progress of the Freshservice Project indicating the following:

- Project tasks completed during the current reporting period. Identify tasks that have fallen behind schedule, the reason and mitigation measures;
- Project tasks planned for the next reporting period;
- Updated Microsoft Project Schedule;
- Identify and summarize all risks and problems that may affect the Project;
- Identify the action and person(s) responsible for mitigating the risk and resolving the problem.

Onboarding Requirements Review & Validation

Review and validate MTS's requirements for the Freshservice implementation. The Contractor will produce a technical / functional document as required for the proposed solution.

1.4. PAYMENTS

Payment terms are NET 30 for goods/services in arrears only upon receipt of a proper invoice, detailing the goods/services provided or receipt of the goods/services, whichever is later. Notwithstanding the foregoing, payments for software licenses, subscriptions, or maintenance may be paid annually in advance.

1.5. INVOICES

Invoices must be sent to the MTS Accounting Department, via email, at ap@sdmts.com. All invoices must have the Purchase Order (PO) and contract number clearly displayed to ensure timely payment. MTS will not pay on packing slips, receiving documents, delivery documents, or other similar documents. Invoices must be submitted for payment.

Contractors must also indicate if any of the invoiced amount(s) is for service or work provided by a subcontractor and indicate the amount that will be paid to the subcontractor. Contractors must also comply with the prompt payment requirements in the *Prompt Progress Payments* section of the Standard Conditions.

G2604.0-22 ITSM Software Bid Form Att.C, AI 11, 06/16/22

Item Description	Total Price*
Base Year 1 (7/1/2022-6/30/2023)	
FreshService ITSM License	\$ 33,321.60
Orchestration Pack	\$ 11,700.00
Project Management	\$ 1,404.00
Platinum Onboarding Services	\$ 45,937.50
	\$ 92,363.10
Base Year 2 (7/1/2023-6/30/2024)	
FreshService ITSM License	\$ 33,321.60
Orchestration Pack	\$ 11,700.00
Project Management	\$ 1,404.00
	\$ 46,425.60
Base Years Total	
	\$ 138,788.70
Option Year 1 (7/1/2024-6/30/2025)	
FreshService ITSM License	\$ 33,321.60
Orchestration Pack	\$ 11,700.00
Project Management	\$ 1,404.00
	\$ 46,425.60
Option Year 2 (7/1/2025-6/30/2026)	
FreshService ITSM License	\$ 36,653.76
Orchestration Pack	\$ 12,870.00
Project Management	\$ 1,544.40
	\$ 51,068.16
Option Year 3 (7/1/2026-6/30/2027)	
FreshService ITSM License	\$ 40,318.08
Orchestration Pack	\$ 14,157.26
Project Management	\$ 1,699.10
	\$ 56,174.45
Option Years Total	
	\$ 153,668.21
GRAND TOTAL (Basis of Award)	
	\$ 292,456.91



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 06/09/2022

Agenda Item No. 12

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

June 16, 2022

SUBJECT:

ON-CALL JOB ORDER CONTRACTING (JOC) RAILROAD CONSTRUCTION SERVICES –
CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to:

- 1) Execute MTS Doc. No. PWG348.0-22 (in substantially the same format as Attachment A) with Veterans Engineering Services, Inc. (Veterans), a Disadvantaged Veterans Business Enterprise (DVBE) and Small Business (SB), for on-call railroad construction services, in the amount of \$4,000,000.00, for one (1) base year and three (3) one year options commencing on July 1, 2022; and
- 2) Exercise the option years at her discretion.

Budget Impact

The contract will be funded by various MTS accounts. Funding will be included in the budget of each project for which a work order will be issued under this agreement.

DISCUSSION:

JOC is a procurement method under which public agencies may accomplish frequently encountered repairs, maintenance, and construction projects through a single, competitively procured long-term agreement.

The JOC program includes a catalog of pricing for a variety of potential tasks to be performed, under the contract, that have been pre-priced by our contractor, the Gordian Group. All potential contractors are subject to the pricing within this catalog. Each contractor then includes an adjustment factor, escalating their proposed price from the catalog price, to determine the total cost of the task order. The adjustment factor represents an average percentage increase over the catalog price (i.e. 1.25 adjustment factor represents 25% above the catalog price) for that respective task within the project. In order to select the lowest responsive responsible bidder, MTS staff compares each contractor's proposed adjustment factor.



The JOC contract under consideration includes repair, remodeling or other repetitive work involving railroad construction improvements. This includes, but is not limited to, main Continuous Welded Rail (CWR) track rehabilitation/replacement, grade crossings (pre-cast concrete panels, rubber panels, paved with rubber rail interface) special track work, direct fixation, signal systems, overhead catenary, traction power, and related civil construction improvements work; and all required incidental professional and technical services required for quality control monitoring and testing, shop drawings, safety, environmental, scheduling, traffic control, storm water pollution prevention, geotechnical, surveying, biological, and hazardous/contaminated materials.

On April 1, 2022, MTS issued an Invitation for Bids (IFB) seeking a contractor to provide JOC railroad construction services with the award provided to the contractor with the lowest cumulative adjustment factor weighted as follows:

- Item 1: Normal Working Hours (Non-Railroad Right-of-Way) – 1%
- Item 2: Other Than Normal Hours (Non-Railroad Right-of-Way) – 1%
- Item 3: Normal Working Hours Along Railroad Right-of-Way – 30%
- Item 4: Other Than Normal Hours Along Railroad Right-of-Way – 65%
- Item 5: Restricted Work Shift – 3%

On May 6, 2022, three (3) bids were received from the firms listed in the table below ranked in order from lowest to highest cost factor.

Contractor	Certifications	Total Score
Veterans Engineering Services, Inc.	Disadvantage Veterans Business Enterprise (DVBE), Small Business (SB)	1.1774
Transdev Rail, Inc.		1.2483
Railworks Track Services		1.3285

Given the award is made to the bidder with the lowest cumulative adjustment factor over the pre-priced catalog, MTS determined that Veterans was the lowest responsive and responsible bidder.

Today's proposed action would authorize the award of this on call contract to Veterans. However, no specific project or spending is authorized. Individual projects/task orders will be processed according to the signature authority set forth in Board Policy No. 41 (e.g. task orders under \$100,000 will be approved by the CEO; task orders over \$100,000 will require Board approval).

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to:

- 1) Execute MTS Doc. No. PWG348.0-22 (in substantially the same format as Attachment A) with Veterans Engineering Services, Inc. (Veterans), a Disadvantaged Veterans Business Enterprise (DVBE) and Small Business (SB), for on-call railroad construction services, in the amount of \$4,000,000.00, for one (1) base year and three (3) one year options commencing on July 1, 2022; and

- 2) Exercise the option years at her discretion.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Draft Agreement MTS Doc No. PWG348.0-22



**STANDARD AGREEMENT
FOR
MTS DOC. NO. PWG348.0-22**

JOC GENERAL RAILROAD CONSTRUCTION SERVICES

THIS AGREEMENT is entered into this _____ day of _____, 2022 in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: <u>Veterans Engineering Services, Inc.</u>	Address: <u>2300 N. Batavia Street</u>
	<u>Orange, CA 92865</u>
Form of Business: <u>S. Corp.</u> (Corporation, Partnership, Sole Proprietor, etc.)	Email: <u>Paul@drscontractinginc.com</u>
Telephone: <u>714.733.14.62</u>	
Authorized person to sign contracts <u>Paul Marshall</u>	<u>COO</u>
Name	Title

The specified Contract Documents are part of this Agreement. The Contractor agrees to furnish to MTS services and materials, as follows:

Contractor shall furnish all necessary management, supervision, labor, materials, tools, supplies, equipment, plant, services, engineering, testing and/or any other act or thing required to diligently and fully perform and complete the Project as specified in the Scope of Work (Exhibit A), Bid Proposal (Exhibit B), and in accordance with the Standard Construction Agreement and Special Conditions (Exhibit C), Federal Requirements (Exhibit D) JOC Special Conditions (Exhibit E), Technical Specifications Prepared by Gordian (Exhibit F), Construction Task Catalog® (Exhibit G), Invitation for Bids (Exhibit H), Contractor Bonds (Exhibit I) and Contractor Forms (Exhibit J). All Exhibits to this agreement are attached separately online at enter Dropbox address.

SCOPE OF WORK.

Contractor, for and in consideration of the payment to be made to Contractor as hereinafter provided, shall furnish all plant, labor, technical and professional services, supervision, materials and equipment, other than such materials and equipment as may be specified to be furnished by MTS, and perform all operations necessary to complete the Work in strict conformance with the Contract Documents (defined below) for the following public work of improvement:

JOC GENERAL RAILROAD CONSTRUCTION SERVICES (JOC)

Contractor is an independent contractor and not an agent of MTS. The Contractor and its surety shall be liable to MTS for any damages arising as a result of the Contractor's failure to comply with this obligation.



CONTRACT TIME.

This agreement shall be valid for a period up to four (4) years, which consists of one (1) base year and three (3) one (1) year options, exercisable at MTS's sole discretion. Base period shall be effective through and option years shall be effective through, if exercised by MTS. Time is of the essence in the performance of the Work for each subsequent Work Order. The Work shall be commenced by the date stated in MTS's Notice to Proceed in the first Work Order of the Contract. The Contractor shall complete all Work required by the Contract Documents within the days specified in each Work Order.

CONTRACT PRICE.

MTS shall pay to the Contractor the value of any executed Work Orders under the Contract as full compensation for the performance of the Work Order, subject to any additions or deductions as provided in each Work Order. The Contract is an indefinite-quantity contract for construction work and services. There is no Minimum Contract Value of Work Orders that the Contractor is guaranteed the opportunity to perform under this Contract. The Maximum Contract Value is \$4,000,000.00 for a period of up to four (4) years, which consists of one (1) base year and three (3) one (1) year options, exercisable at MTS's sole discretion.

The Contractor shall perform all work required, necessary, proper for or incidental to completing the Detailed Scope of Work called for in each individual Work Order issued pursuant to this Contract for the Unit Prices set forth in the Construction Task Catalog® and the Adjustment Factors, as provided under the Bid Form.:

PROVISIONS REQUIRED BY LAW.

Each and every provision of law required to be included in these Contract Documents shall be deemed to be included in these Contract Documents. The Contractor shall comply with all requirements of the California Labor Code applicable to this Project.

INDEMNIFICATION.

Contractor shall provide indemnification as set forth in the General Conditions.

PREVAILING WAGES.

Contractor shall be required to pay the prevailing rate of wages in accordance with the Labor Code which such rates shall be made available at MTS's Administrative Office or may be obtained online at <http://www.dir.ca.gov> and which must be posted at the job site

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	VETERANS ENGINEERING SERVICES, INC.
By: _____ Sharon Cooney, Chief Executive Officer	By _____
Approved as to form:	
By: _____ Karen Landers, General Counsel	Title: _____



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 06/09/22

Agenda Item No. 13

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

June 16, 2022

SUBJECT:

**HASTUS REGIONAL SCHEDULING SYSTEM ANNUAL SOFTWARE MAINTENANCE AND
SUPPORT SERVICES – CONTRACT AWARD**

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2624.0-22 (in substantially the same format as Attachment A) with GIRO, Inc. (GIRO), on a sole source basis, for the provision of HASTUS Regional Scheduling System (RSS) annual software maintenance and support services for a period of three (3) years in the amount of \$955,060.33.

Budget Impact

The total budget for this project shall not exceed \$955,060.33. Funding for the agreement would be provided by both MTS and North County Transit District (NCTD) as shown in the table below. The estimated cost sharing is between the two agencies is governed by a Memorandum of Understanding (MOU) between MTS and NCTD. NCTD pays approximately 20.6% of scheduling modules, while MTS pays the full costs of other features and the balance of the scheduling modules.

MTS's share of the cost will be funded by Information Technology (IT) Operations Budget 661010-571250 budget account.

Year	Scheduling	All Other Costs	Total Costs	NCTD Portion	MTS Portion
FY23	\$110,002	\$132,803	\$242,805	\$22,660	\$220,145
FY24	\$164,371	\$185,653	\$350,024	\$33,860	\$316,164
FY25	\$170,124	\$192,107	\$362,231	\$35,046	\$327,185
Total	\$444,497	\$510,563	\$955,060	\$91,566	\$863,494



DISCUSSION:

MTS and NCTD currently use GIRO to provide HASTUS scheduling software for the RSS. GIRO was selected through a Request for Proposals (RFP) in 2003 and has been providing annual maintenance and support for both agencies since then. An existing MOU outlines the responsibilities for each agency and includes the cost sharing strategy and invoice-payment procedures.

RSS is a regional fixed-bus route and rail-scheduling system. The system provides the regional transit agencies with the necessary tools to build efficient timetables, and vehicle and crew schedules for bus and rail operations. It also supports operator bid processing and aids the physical dispatching of bus drivers and train operators

Both agencies have made significant investments in software, training, and workflow and need GIRO to continue to provide maintenance and support services. The services also include a bank of programming days that MTS can utilize to make changes to algorithms, the user interface, or other minor changes that need to be made to keep up with changes to operations.

MTS is currently in the process of upgrading to HASTUS v2022, with an anticipated completion date of June 2023. GIRO changed its licensing model for v2022 and as a result, there is a significant increase in annual maintenance fees once MTS accepts the new version in June 2023. The maintenance fees include a portion of the costs associated with any future upgrades beyond the v2022 version. Assuming MTS continues with HASTUS beyond v2022, which is extremely likely, there will be a significant savings to MTS for the future cost of the next upgrade.

This is a sole-source request. The HASTUS software is proprietary and all codes and intellectual rights are owned by GIRO. No other contractor is able to provide the software maintenance and support services needed by both MTS and NCTD. In comparison to staff's Independent Cost Estimate (ICE) in the amount of \$1,026,261.30, staff has deemed the costs to be fair and reasonable.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. G2624.0-22 (in substantially the same format as Attachment A) with GIRO, on a sole source basis, for the provision of HASTUS RSS annual software maintenance and support services for a period of three (3) years in the amount of \$955,060.33.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Agreement; MTS Doc No. G2624.0-22
B. GIRO Maintenance Proposal



STANDARD AGREEMENT
FOR

MTS DOC. NO. G2624.0-22

HASTUS REGIONAL SCHEDULING SYSTEM ANNUAL SOFTWARE MAINTENANCE SUPPORT

THIS AGREEMENT is entered into this _____ day of _____, 2022 in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: GIRO, Inc. Address: 75 rue de Port Royal Est.
Montreal (Quebec) Canada H3L
Form of Business: Corporation
(Corporation, Partnership, Sole Proprietor, etc.) Email: DArboleda@compu-link.com
Telephone: 514.383.0404
Authorized person to sign contracts Jean Aubin President and Chief Executive Officer
Name Title

The Contractor agrees to provide services as specified in the conformed Scope of Work/Minimum Technical Specification (Exhibit A), Contractor's Bid/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), and Forms (Exhibit D).

The contract term is for up to 3 base years. Base period shall be effective July 1, 2022 through June 30, 2025.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$955,060.33 for the base years.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	GIRO, INC.
By: <u>Sharon Cooney, Chief Executive Officer</u>	By _____
Approved as to form:	
By: <u>Karen Landers, General Counsel</u>	Title: _____



May 23, 2022



info@giro.ca
+ 1 514 383 0404
giro.ca

Devin Braun
Director of Transportation
San Diego Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7492
USA

Subject: Proposal for HASTUS™ maintenance and support for your version 2014 and the 2022 upgraded modules.

Mr. Braun,

As per your request, GIRO Inc. is pleased to submit to SDMTS the following proposal for three years of maintenance and support for your current HASTUS installation and the future upgraded version.

Maintenance and Support

All maintenance and support services are provided from our Montréal offices.

Under the maintenance contract, technical issues are addressed by our HASTUS service desk, while functional issues are addressed by your assigned project manager with the help of his or her project team.

Support is provided by phone and email, with remote diagnostics available if required. New releases are delivered via FTP and are installed in a test and training environment before being moved to the production environment.

Maintenance and Support Contract benefits

The Maintenance and Support Contract guarantees SDMTS that GIRO will correct defects to its software (bugs or software not performing in accordance with Detailed Design Specifications or User Guides). Not included in this aspect of the contract is additional customization, additional training, etc. The Maintenance and Support Contract also covers regular support where appropriately trained HASTUS users can ask questions (by email or phone) regarding the software.

The above requires that GIRO maintains an exact copy of the HASTUS version installed at SDMTS, as well as equipment, operating system, and database management software equivalent to the SDMTS installation, so that all problems reported can quickly be investigated and corrections defined.

This standard GIRO level of maintenance and support is very often identified by our clients as the best of any of their technology suppliers.

Benefits of GIRO's new licensing policy

With SDMTS upgrading to HASTUS 2022, SDMTS will start benefiting from GIRO's new licensing policy. These benefits (displayed below) will continue with SDMTS' new Maintenance and Support contract.

- + Cost-effectiveness: The average upgrade cycle for those clients who are using the daily-operations modules is 5–7 years. One of our objectives in revising the licensing policy was to ensure greater fairness in distributing the costs of improvements in the software among the clients benefiting from these enhancements. Under the old licensing policy, an upgrade implemented within 2 years was free of licensing fees. Clients using only the scheduling modules could upgrade every 2–3 years at no or little cost. Daily-operations clients cannot upgrade so frequently, because of the added complexity and the number of users affected. The annualization of the licensing fees provides a more equitable distribution of the costs and benefits of upgrades among all our clients, whether they are using the scheduling or daily operations modules. For daily-operations clients, it also reduces the amount to be paid at the time of the upgrade.
- + Technological updates: GIRO provides 6 years of technological support. This means GIRO supports third-party software versions of the current year and the six following years. For example, when SDMTS goes live with HASTUS 2022, GIRO will support the third-party platforms for the current year 2022, and the platforms that will be available for the next six years (+6); meaning that this support model will end in 2028. The advantages are: a longer timeframe before a technology-imposed HASTUS upgrade, full control over technological deployment, and full technological support from third-party suppliers (Microsoft, Oracle, etc.).
- + Cloud hosting: The new licensing policy also allows our clients to migrate their on-premises installation to the GIRO cloud solution. The GIRO offering is a fully managed turn-key solution.
- + Added flexibility in deploying new applications: Some of GIRO's new applications are being developed with the objective of being delivered in a stand-alone version. This is the case with our new HASTUS Planning Platform, which can be delivered without the need for a HASTUS upgrade; for instance, HASTUS 2021 Planning can "talk" to HASTUS 2015 scheduling. The new licensing policy allows GIRO to deploy new applications in this way.

Cost Summary - Maintenance and Support costs

The following two tables represent the costs for your existing 2014 HASTUS version (including non-drivers in EPM and the non-drivers increased to 525) and the support costs for the upgraded 2022 modules (including BidWeb).

Table #1: Current HASTUS 2014 with the non-driver increase to 525.

MODULE	JULY 1, 2022 – JUNE 30, 2023	JULY 1, 2023 – JUNE 30, 2024	JULY 1, 2024 – JUNE 30, 2025
Maintenance and Support ¹	\$ 205,918	\$ 216,214	\$ 223,782
Total of 20 bank days	\$ 27,400	\$ 28,770	\$ 29,777
Escrow ²	\$ 1,250	\$ 1,250	\$ 1,250
TOTAL	\$ 234,568	\$ 246,234	\$ 254,809

Table 1 – Maintenance and Support cost – HASTUS 2014.

Notes:

1. Support for 2014 Vehicle, Crew, CrewOpt, Geo, ATP, HASTOP, MinBus, Roster, DailyCrew, DailyVehicle, Bid, SelfService, and EPM.
2. In previous contracts, SDMTS has maintained its source code for HASTUS 2014 via escrow.

Table #2: Upgraded 2022 modules with BidWeb.

MODULE	JULY 1, 2022 – JUNE 30, 2023	JULY 1, 2023 – JUNE 30, 2024	JULY 1, 2024 – JUNE 30, 2025
Maintenance and Support ¹	\$ 304,766	\$ 320,004	\$ 331,204
Total of 20 bank days	\$ 27,400	\$ 28,770	\$ 29,777
Escrow ²	\$ 1,250	\$ 1,250	\$ 1,250
TOTAL	\$ 333,416	\$ 350,024	\$ 362,231

Table 2 – Maintenance and Support cost – HASTUS 2022.

Notes:

1. Support for 2022 Vehicle, Crew, CrewOpt, Geo, ATP, HASTOP, MinBus, Roster, DailyCrew, DailyVehicle, Bid, SelfService, BidWeb, and EPM.
2. In previous contracts, SDMTS has maintained its source code for HASTUS 2014 via escrow.

With the 2022 upgrade scheduled to go live in April 2023, SDMTS could pay a combination of 2014 and 2022 support. Here are a few scenarios:

Scenario #1

Should the upgraded modules go live on May 5, 2023, SDMTS would pay a prorated amount of their 2014 version support (annual total of \$205,918) from July 1, 2022, to May 4, 2023, plus a prorated amount of their 2022 version support (annual total of \$304,766) from May 5, 2022, to June 30, 2023. Since BidWeb is a new module for SDMTS, the three-month warranty would go into effect, reducing this amount.

Please note, that the bank days and escrow amounts are fixed and will be in addition to any prorated support cost(s).

Scenario #2

Should the upgrade modules go live on July 1, 2023, MTS would pay the annual support amount of \$320,004. Since BidWeb is a new module for MTS, the three-month warranty would go into effect, reducing this amount.

Please note, that the bank days and escrow amounts are fixed and will be in addition to the support cost.

Scenario #3

Should the upgrade modules go live on July 1, 2023, for your 2024 support MTS would pay the annual support amount of \$331,204. The BidWeb warranty would expire in October of 2023, reducing this amount with GIRO prorating the BidWeb support.

Please note, that the bank days and escrow amounts are fixed and will be in addition to the support cost.

Conditions

1. This is a fixed-cost proposal in US dollars based on our 2022 price list. All prices quoted herein are exclusive of any taxes that may apply. Calculating and remitting any applicable taxes would be the responsibility of SDMTS.
2. The above amounts are payable semi-annually at the beginning of each semester (first payment on July 1st and second payment on January 1st).
3. Prices are valid until August 31, 2022.

Closing remarks

We hope the above information will be to your satisfaction. If you have any questions, please do not hesitate to contact me.

Sincerely,

FRÉDÉRIC BEAN, Director of Sales
frederic.bean@giro.ca

MDC