

**Board Report**

File #: 2017-0272, **File Type:** Contract**Agenda Number:** 32

FINANCE, BUDGET AND AUDIT COMMITTEE**MAY 17, 2017****EXECUTIVE MANAGEMENT COMMITTEE****MAY 18, 2017**

SUBJECT: DEVELOPMENT OF NEXTLINK SOFTWARE FOR INTEGRATION OF THE SALESFORCE ACCOUNT-BASED SYSTEM WITH THE TAP SMART-CARD SYSTEM TO IMPLEMENT TAP MOBILE PAYMENT APP, BIKE SHARE, FARE SUBSIDY PROGRAMS AND RETAIL SALES TABLET SOFTWARE

ACTION: NEGOTIATE AND EXECUTE PERFORMANCE-BASED CONTRACT MODIFICATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to negotiate and execute a performance-based Contract Modification to **Cubic Transportation Systems Inc. Contract No. OP02461010** to extend the base contract through **December 2024** for no upfront cost of development for Nextlink, a cloud-based connection system that will link the legacy TAP system to programs and services such as the TAP mobile payment app, Bike Share, fare subsidy programs, parking, ride-hailing services and more, in exchange for sales transaction fees of 0.5-3.0%, based on use of mobile app and retail fare sales for five (5) years of operation after development.

ISSUE

Metro currently lacks an open payment system which limits the ability to provide a more seamless experience for TAP customers, including enabling such features as a mobile app. Metro is currently building an open, hybrid, cloud-based payment system with Salesforce that will enable connectivity with various programs. In order to accomplish full integration, this cloud-based system needs to link with the Cubic smart card TAP system. Nextlink will provide this connectivity and link with Bike Share in Summer 2017. The mobile payment app will begin phased implementation in Fall 2017, fare subsidy programs in Winter 2017, parking, ride-hailing services and electric vehicle car sharing in Spring 2018.

DISCUSSION

Metro has been rapidly working to diversify and move toward a fare payment system that has a more open architecture and that is less proprietary. In December 2016, the Board approved a cloud-based

Salesforce Customer Service and Information platform, developed by Vertiba, which can be integrated with the current TAP system. The proposed contract modification for Nextlink will provide the ability to link new, open, account-based programs with the legacy TAP system. This will enable competitive bidding for fare collection and validation hardware such as fare boxes and TAP vending machines and foster seamless future program integration. To integrate TAP payment with separate and unique systems, the current Salesforce system is being modified to include various new applications and functions. Plans include integration with retail fare sales software, Bike Share, fare subsidy programs, gift card programs, parking, ride-hailing services, electric vehicle car sharing, a mobile app and more (see diagram in Attachment A).

Open Source Procurements

The development of the Nextlink system will enable hardware such as retail fare sales tablets, TAP vending machines, bus mobile validators and other hardware to be open-sourced procurements that can securely link to the legacy TAP system.

Customer Service Enhancements

Payment Options for the Unbanked and More

The new Nextlink system not only provides open architecture, but it also allows the unbanked to participate in TAP-enabled programs. Customers will be able to link their TAP payment accounts to credit and debit cards, internet services like PayPal and mobile wallets (Google Pay and Apple Pay), as well as load cash at convenience stores and TAP vending machines.

Qualified fare subsidy customers will no longer have to carry paper coupons because their TAP card will store the necessary subsidy information. Elimination of coupons will also eliminate the need for costly printing, distribution and inventory.

Customizable rewards and discounts can be configured across and within programs (e.g., a customer that rides a bike three times might get to choose a ride on some other transit service as a reward). Behaviors can be incentivized; for example, on bad air days, discounts could be quickly configured and implemented to incentivize riding transit and help reduce cars on the freeways.

Mobile Application Features

This negotiated contract modification will include the ability to tap and load your TAP card within an app on select smart phones and tablets. As early as 7-9 months from the start of development, the mobile app will be deployed. Planned future phases include the ability for phones to be used as virtual TAP cards to open gates and interact with other fare payment devices. The mobile app will also include bar code technology and other visual ticketing capabilities that will support the Olympics and other major sports and entertainment events beginning as early as Winter 2017. Other features

include trip planning, rewards and discounts, a TAP vendor locator, notifications and alerts. Plans call for the app to feature all 24 TAP partner agencies' fares to ensure regional connectivity.

No Upfront Cost, Transaction Based

The mobile app and retail fare sales software will be developed with no-upfront cost. The contractor will only derive revenue from fees of from 0.5% to 3.0% of TAP sales transactions. This model ensures that the contractor will have a strong incentive to create and operate a highly successful and popular app, since the contractor only profits if customers are actually using it and buying fares.

Planned Services Implementation Schedule

Planned services include phased development as outlined in TABLE 1.

TABLE 1
Phase 1 Integration

Project	Description	Planned Launch Date	Progress
Bike Share	Payment integration with TAP account.	Summer 2017	Strategy sessions with integrator complete. Project plan and roadmap in development.
Mobile App Iteration 1	Buy/reload TAP cards, search for vendors, apply for reduced fares and ability for flash pass and bar code technology.	7-9 months from beginning of development	In planning stages.
Fare Subsidy Programs (Immediate Needs and Rider Relief Programs)	Remove paper coupons as part of the new consolidated Low Income Subsidy Programs. Discounts applied on TAP.	December 2017	Architecture and design underway.

Phase 2 Integration efforts will be completed between January 2018 and December 2018. Planned efforts include the ability to tap a phone on a fare gate/farebox, integrate with account-based entities such as ride-hailing services, retail gift cards, parking services, mobility hubs, and electric vehicle car sharing.

DETERMINATION OF SAFETY IMPACT

Implementing the enhanced TAP System will not have any adverse safety impacts on Metro patrons or employees.

FINANCIAL IMPACT

There are no upfront costs for development of the Nextlink system, the mobile application and the retail fare sales software. The apps are built on a transaction fee-based model. Transaction fees will be charged of 0.5-3.0% of mobile fare sales on the TAP app and 0.75% of in-store sales on the retail vendor app. These fees are in line with industry standards and are less in comparison with our cash collection fees of 6.5% on TAP vending machines and fareboxes. There is a tiered model for mobile fees that enables a lower fee percentage as sales increase. The tiered model is detailed in TABLE 2.

TABLE 2
Yearly Sales and Tiered Fee Percentages

Tiers		
\$0	\$25,000,000	3.00%
\$25,000,001	\$50,000,000	2.50%
\$50,000,001	\$100,000,000	2.00%
>=\$100,000,001		0.50%

Impact to Budget

There is no impact to Budget. The payment is based on transaction fees and will be deducted from fare sales on the mobile app and retail vendor tablets. Appropriate monthly payments will be paid back to Cubic Transportation Systems, Inc. after sales from mobile and retail fare sales from vendors are generated. If new ridership is generated as a result of the convenience of the mobile app, a revenue increase will occur. If cash riders switch to the mobile app, a savings could occur in future years, based on a reduction in farebox and TAP vending machine cash counting operations.

Responding to Technology

If technology changes, Cubic will adapt with updated software in adherence with trends. For example, if Apple decides to provide access to their iPhones for fare payment, the vendor will make the necessary changes to the mobile app at no additional cost to Metro. As a standard with any Metro procurement, the contract will include options to end the work, such as for non-performance or an opt-out for convenience on a declining scale of cost. The modification is performance-based and not prescriptive: the contractor is incentivized to make the technology changes necessary to remain state-of-the-art.

Due to the high level of customized development of Cubic’s proprietary system, and to keep costs as low as possible, staff recommends Cubic Transportation Systems, Inc. to perform this work.

ALTERNATIVES CONSIDERED

The Board may choose not to approve recommendation of Cubic for no-upfront-cost and transaction-fee based implementation of Nextlink, mobile and retail fare sales software development. This choice is not recommended due to the urgent need for integration with new technologies and systems. If not approved, the TAP card-based fare collection system will not be able to integrate with new account-based systems such as Bike Share, parking, gift card programs, ride-hailing companies, mobility hubs, electric vehicle car-sharing, low-income subsidy programs and others.

The Board may direct staff to competitively bid this effort, but this is not recommended, as it will result in delays of up to two years and additional costs. In this scenario, the selected contractor would ultimately have to integrate with the Cubic proprietary back end, which is estimated to cost up to \$1-2 million plus additional transaction fees. Metro would have to run two systems which would result in duplication of efforts and of patron data and create customer service issues.

The Board may direct the procurement of an entirely new fare collection system, but this is not recommended based on experiences in other large regions. For example, Chicago has spent hundreds of millions of dollars on their new open payment system and New York has taken over 5 years for procurement alone for their new system.

The Board may direct staff to competitively bid only the mobile and retail sales software as standalone products. A Metro 2015 RFP for a mobile app resulted in a Cubic recommendation because they offered the lowest bid of the finalists. However, the procurement was stopped because of rapid changes in technology and the need to connect with many programs and services. Since then, staff has continued to negotiate with Cubic for better terms and to include proprietary Nextlink and the retail fare sales software.

Justification of Non-Competitive Contract

To accommodate full integration of outside programs with the current fare payment system, reading and writing to customers' TAP cards is necessary. Cubic Transportation Systems, Inc. is the architect of our TAP infrastructure. This complex system holds TAP rider information for 26 TAP-enabled agencies. If Metro were to choose another vendor to do a mobile app, there would still be substantial charges for integration into the existing and complex back end. Building completely new fare payment infrastructure independent of Cubic is likely to take several years, further delaying the incorporation of critical new technologies.

Development of the mobile app, retail pass sales software and the new Nextlink system will not require future change notices or upfront costs to the contractor for outside program or hardware connection. This will enable Metro to compete future outside hardware purchases that were formerly

proprietary, such as TAP vending machines, fareboxes, bus mobile validators, retail fare sales devices and more.

NEXT STEPS

Upon Board approval, staff will negotiate and execute the contract modification with Cubic Transportation Systems, Inc. for Nextlink and TAP will begin work in May 2017.

ATTACHMENTS

Attachment A - Regional Account Integration Architecture

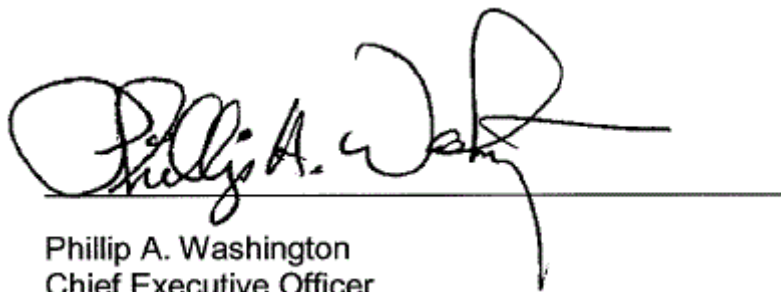
Attachment B - Procurement Summary

Attachment C - Contract Modification/Change Order Log

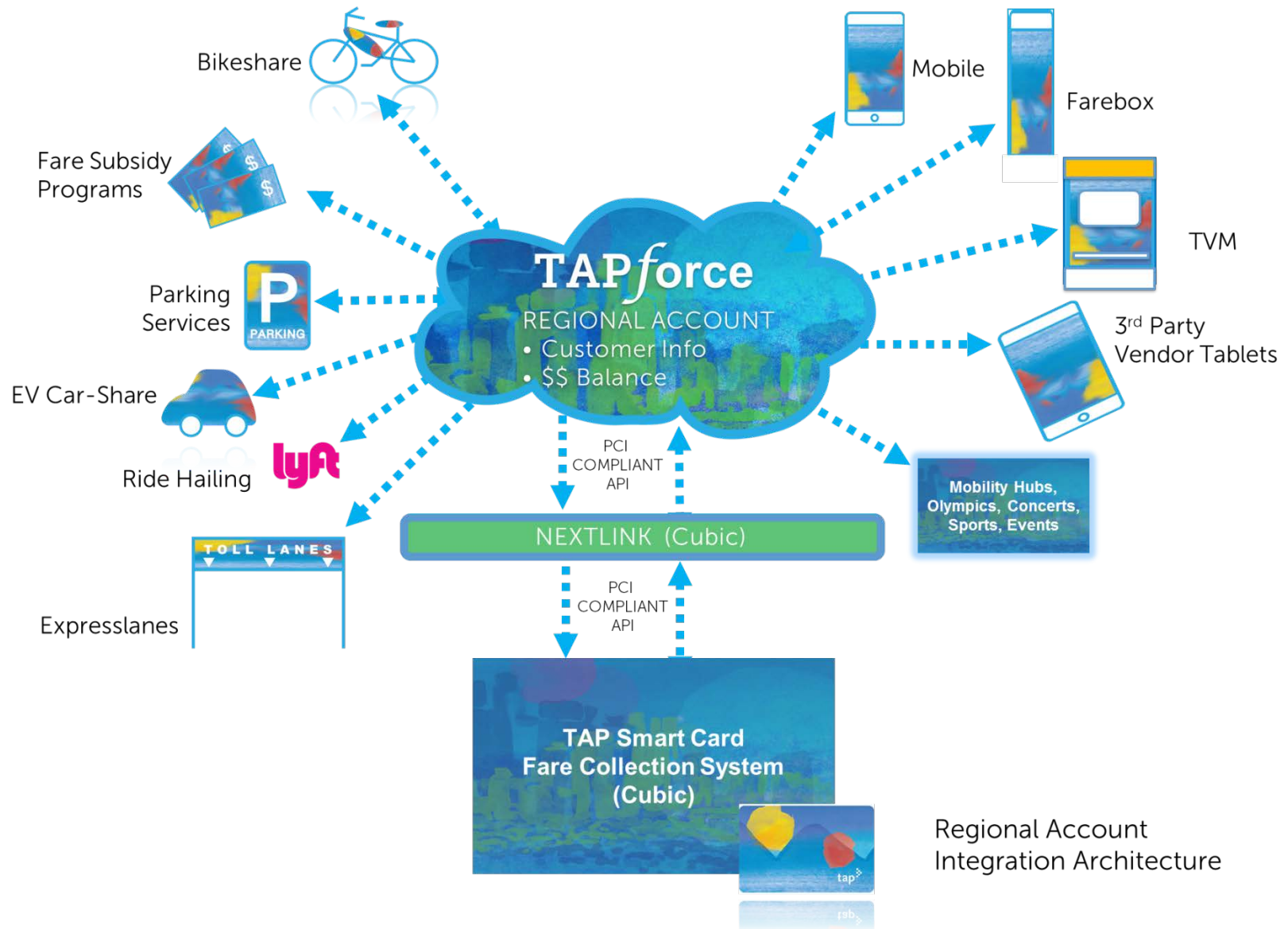
Attachment D - DEOD Summary

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Phillip A. Washington
Chief Executive Officer



PROCUREMENT SUMMARY

UNIVERSAL FARE SYSTEM / OP02461010

1.	Contract Number: OP02461010		
2.	Contractor: Cubic Transportation Systems, Inc.		
3.	Mod. Work Description: Sales, Use, Activate, Initialize and Read Transactions into NextFare		
4.	Contract Work Description: Universal Fare System		
5.	The following data is current as of: May 9, 2017		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	2/20/2002	Contract Award Amount: \$84,003,444
	Notice to Proceed (NTP):	3/7/2002	Total of Modifications Approved: \$175,481,369
	Original Complete Date:	9/1/2007	Pending Modifications (including this action): \$0
	Current Est. Complete Date:	7/1/2020	Current Contract Value (with this action): \$259,484,813
7.	Contract Administrator: Anush Beglaryan		Telephone Number: (213) 418-3047
8.	Project Manager: Robin O'Hara		Telephone Number: (213) 922-2411

A. Procurement Background

This Board Action is to approve Contract Modification No. [232-145](#) issued to extend the base contract through December 2024, for no upfront cost of development for Nextlink, a cloud-based connection system, that will link the legacy TAP system to programs and services such as the TAP mobile payment app, Bike Share, fare subsidy programs, parking, ride-hailing services and more, in exchange for sales transaction fees of 0.5% to 3.0%, based on public transit customers' use of mobile app and retail fare sales for five years of operation after development.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Price.

On February 20, 2002, Contract No. OP02461010 was awarded by the Metro Board to Cubic Transportation Systems, Inc. The Contract provides a countywide fare collection system to serve Metro's public transit customers.

Please refer to Attachment C – Contract Modification/Change Order Log.

B. Cost/Price Analysis

The recommended transaction fee range of between 0.5% to 3.0% of total sales transaction has been determined to be fair and reasonable as this is within industry standards.

Although this is a no cost Contract Modification, Cubic Transportation Systems, Inc. will earn transaction fees on purchases of TAP fares through the use of the mobile app and retail vendor fare sales software.

CONTRACT MODIFICATION/CHANGE ORDER LOG

UNIVERSAL FARE SYSTEM / OP02461010

Mod. No.	Description	Status	Date	Amount
1	Table X-1 Milestone Changes	Approved	8/19/2002	\$0.00
2	Ticket Vending Machine Soft Keys	Approved	9/4/2002	\$0.00
3	San Fernando Valley BRT, Additional Quantities	Approved	4/13/2004	\$7,454,844
4	Modification to General Conditions	Approved	10/8/2002	\$0.00
5	TVM Third Coin Hopper	Approved	8/22/2003	\$416,858
6	Stand Alone Validator Video Clips	Approved	3/3/2003	\$0.00
7	Gold Line Functional Test Waiver	Approved	2/13/2003	\$0.00
8	Languages Supported	Approved	2/13/2004	\$0.00
9	Modifications to Compensation & Payment	Approved	2/20/2003	\$0.00
10	Smart Card to Smart Card Value Transfer	Approved	3/3/2003	\$0.00
11	SCADA Cable Installation on Gold Line	Approved	3/3/2003	\$48,476
12	Gold Line Functional Test Waivers	Approved	4/8/2003	\$0.00
13	Farebox Coin Dejam	Approved	4/8/2003	\$0.00
14	Change in Milestone Schedule	Approved	4/16/2003	\$0.00
15	Time Extension, Gold Line	Approved	7/1/2003	\$0.00
16	Change from Datastream MP5 to Express Metrix	Approved	7/1/2003	\$0.00
17	Final Design Review, changes in CDRLS	Approved	7/18/2003	\$0.00
18	Deletion of Printer from Hand Held Validator	Approved	1/6/2004	-\$35,252
19	Variable Message Sign	Approved	2/19/2004	\$243,828
20	Changes to Compensation and Payment	Approved	4/7/2004	\$0.00
21	PCMCIA Card Slot use for WAN	Approved	4/13/2004	\$0.00
22	Data Transmission System	Approved	6/22/2004	\$675,000
23	Mifare Card Initialization and Verification	Approved	6/8/2004	\$9,629
24	Farebox Mounting Adapter for NABI Buses	Approved	7/9/2004	\$32,485
25	Provide Regional CDCS	Approved	2/25/2005	\$5,348,335
25.01	Regional CDCS Overhead Rate Adjustment	Approved	1/17/2007	-\$31,621
25.02	Regional CDCS Acceptance Test Participants	Approved	8/7/2008	\$0.00
26	Remove Requirement for Focus	Approved	12/20/2004	-\$111,704

	Groups			
27	Farebox Rotation	Approved	1/4/2005	\$74,967
28	Metro Gold Line Eastside Extension, Fare Equipment	Approved	7/25/2006	\$3,808,722
29	Stainless Steel Panels for TVM Alcoves	Approved	4/25/2005	\$45,521
30	Data Communication Cabling for Orange Line	Approved	6/10/2005	\$41,560
31	(Not Used)			
32	Additional Spare Part Quantities for Eastside Ext.	Approved	7/25/2005	\$15,480
33	Mifare Card Functionality on UFS	Approved	8/15/2005	\$33,105
34	Revisions to Project Schedule	Approved	10/26/2000	\$0.00
35	OCU Mount	Approved	11/15/2005	\$87,634
36	(Not Used)			
37	Deductive Change for Line 1.36	Approved	4/6/2007	-\$33,116
38	Installation of Third TVM and Relocation of Two SAVs and Blue Line Willow Station	Approved	7/6/2006	\$10,084
39	Upgrade the CDCS System from IB SSA Disk Storage Subsystem to Fiber Disk	Approved	10/2/2006	\$20,000
40	UFS Equipment for Expo Line	Approved	2/16/2007	\$5,197,204
41	(Not Used)			
42	(Not Used)			
43	HHV, PMOS and CPOS Interim Maintenance Deductive Change	Approved	2/16/2007	-\$162,628
44	UFS Additional Quantities for Contracted Services	Approved	2/16/2007	\$2,499,916
45	Replace Go-Cards with Mi-Fare Cards	Approved	2/16/2008	-\$1,157,850
46	Relocation of Data Probes and Receive Vaults at Division 7	Approved	4/9/2007	\$29,787
47	Revisions to US Base and Regional Manuals for Release to ACS	Approved	4/23/2007	\$46,000
48	Expo Line, Pico Station Infrastructure	Approved	7/18/2007	\$18,542
49	Relocation of UFS Lab Equipment	Approved	6/2/2008	\$106,905
50	Expo 7 th and Metro Additional Infrastructure	Approved	8/30/2007	\$81,719
50.01	Expo 7 th and Metro Infrastructure Deductive change	Approved	8/30/2007	-\$30,173
51	Handheld Validator Holster	Approved	10/16/2007	\$6,184
52	Installation and Testing of Farebox at Transportation Concepts	Approved	3/6/2008	\$16,091
53	Relocate OCUs on Ford Cutaways and MST Buses at Contracted Services	Approved	5/14/2008	\$79,170
54	Installation of one Farebox and Testing for two Fareboxes at Contracted Services	Approved	5/27/2008	\$18,842
55	UFS Quantity Adjustments	Approved	10/9/2008	\$0.00

56	Contracted Bus Service Equipment Change	Approved	12/3/2008	\$36,704
57	Installation and Acceptance Testing of One Farebox at First Transit	Approved	12/19/2008	\$3,040
58	Provide UFS Equipment for Expo from Culver City to Venice/Robertson Aerial Station	Approved	3/4/2009	\$304,246
59	Regional CDCS Electrical Power Reconfiguration	Approved	2/9/2009	\$17,186
60	Rail Equipment Warranty and Bus Equipment Warranty	Approved	2/19/2009	\$0.00
61	TAP Enables Turnstile Fare Gates for Rail Stations	Approved	4/9/2009	\$10,000,000
62	Provide UFS Equipment for Expo Truesdale Station	Approved	3/4/2009	\$284,167
63	System Support Services	Approved	6/8/2010	\$33,988,558
63.01	SSS, Additional Costs	Approved	3/22/2013	\$677,631
63.02	SSS, Orange Line Credits	Approved	3/22/2013	-\$58,243
63.03	SSS, One-year Extension	Approved	3/22/2013	\$8,148,263
64	\$5 Dollar Bill handling Unit for Fareboxes and TVMs	Approved	7/27/2009	\$304,658
65	Installation of Additional SAVs for Eastside Extension	Approved	1/4/2010	\$34,077
66	Relocation of Wing Gate at MRL Wilshire/Normandie Station	Approved	2/2/2010	\$18,905
67	(Not Used)	Approved		
68	UFS Equipment for Orange Line Extension	Approved	11/2/2010	\$2,749,476
68.01	Transfer Maintenance Dollars to 63.01	Approved	1/25/2013	-\$677,631
68.02	UFS Equipment for Orange Line Extension, Credits	Approved	3/22/2013	-\$10,982
69	Additional TVM at Aviation Greenline Station	Approved	4/2/2010	\$13,031
70	TAP Card Physical Testing	Approved	4/28/2010	\$41,844
70.01	TAP Card Physical Testing	Approved	3/22/2013	\$12,658
71	Concession Light Functionality	Approved	6/30/2010	\$96,726
72	(Not Used)	Approved		
73	API Test Server Imaging	Approved	9/9/2010	\$45,024
74	Contract Services Relocation	Approved	11/1/2010	\$33,854
75	Limited Function Sales Office Terminals, Increase Quantity	Approved	2/15/2011	\$993,795
76	CISCO ASA Acquisition and Implementation for API Test and Production Servers	Approved	2/28/2011	\$59,209
77	Cubic LU Key Installation	Approved	3/3/2011	\$69,097
78	Updates Farebox Configuration to Support ARUB Wireless Security Data	Approved	3/3/2011	\$40,204

	Transfer			
79	Relocation of UFS Test Lab Equipment	Approved	4/25/2011	\$80,911
80	7 Byte UID Support	Approved	4/20/2011	\$362,069
81	Fare Gate Fencing Installation Modifications, North Hollywood and Avalon Stations	Approved	4/25/2011	\$24,004
82	Additional TVM at Hollywood/Western Redline Station	Approved	4/25/2011	\$15,531
83	Purchase Drive Control Unit Light Validators DCU-LV	Approved	4/25/2011	\$363,492
84	Install TVMs at Three Metro customer Centers	Approved	6/6/2011	\$386,680
85	Cubic Modification to Gate Software/Locking Commands	Approved	6/29/2011	\$111,188
86	UFS Equipment for Expo Phase I Farmdale Station	Approved	7/26/2011	\$415,184
87	Relocation of TVMs at the Green Line Long Beach Station	Approved	8/25/2011	\$15,909
88	Mobile Validator Non-Recurring Engineering System Development	Approved	10/12/2011	\$611,677
89	Expo Pico Station North Platform TVM/SAV Work	Approved	3/5/2012	\$17,592
90	Deletion of Contract Line Items 1.03, 1.04 & 1.33	Approved	2/15/2012	-\$20,622
91	Orange Line Installation of 12 Metro Provided SAVs	Approved	2/15/2012	\$34,483
92	(Not Used)			
93	(Not Used)			
94	System Support Services, Six Year Extension	Approved	7/1/2013	\$55,000,000
94.01	(Not Used)			
94.02	System Support Services for Expo II and Foothill Extension	Approved	3/2/2015	\$1,152,749
94.03	Maintenance Support Services for 54 TVMs	Approved	4/14/16	\$838,211
95	UFS Equipment Storage Costs	Approved	6/13/2012	\$4,129
96	Faregating, Three Additional Swing Gates	Approved	2/4/2013	\$44,611
97	Green Line Faregating Additional Fire Key Switches at Vermont Station	Approved	4/1/2013	\$8,392
98	Emergency Swing Gate Upgrades	Approved	4/15/2013	\$252,145
99	Removal of TVM from Wilshire/LaBrea Customer Center	Approved	10/8/2013	\$4,883
100	Supplying and Supporting a Turn Key Mobile Validator System	Approved	7/1/2013	\$2,996,113
101	Bus Division Vault Relocation	Approved	8/1/2013	\$995,940
102	Install One TVM at East Portal	Approved	10/8/2013	\$252,905

	Customer Service Center and One at Culver City Station			
103	El Monte Bus Facility TVMs	Approved	10/15/2013	\$474,753
104	Fare Gate Consoles for Expo 2, Colorado/4 th Street Station	Approved	5/26/2014	\$380,000
105	TVM and SAV Relocations	Approved	12/16/2013	\$1,456,632
106	Modification to Nextfare to Allow For Segregation of Facility Specific Data	Approved	1/29/2014	\$647,869
107	Passback Modification	Approved	2/18/2014	\$70,301
108	UFS PCI Compliance	Approved	10/23/2014	\$9,015,319
109	Service Provider Support	Approved	6/14/2014	\$66,777
110	Autoload Segregation by Muni	Approved	6/30/2014	\$111,707
111	SAV Three Distinct Tones	Approved	8/4/2014	\$46,634
112	Modify TAP Vending Machine to Improve Purchases	Approved	8/4/2014	\$250,000
113	ADA TVM Upgrades for CN No. 162 and 150 Replacement TVMs	Approved	8/5/2014	\$416,815
114 A	UFS Equipment for Gold Line Foothill Extension	Approved	8/25/2014	\$1,878,756
114 B	UFS Equipment for Expo Phase	Approved	8/25/2014	\$3,783,200
115	FBX External Interface Spec Changes	Approved	8/19/2014	\$20,488
116	Willowbrook Station Blue Line SAVs	Approved	11/19/2014	\$62,882
117	TAP-In, TAP-In, Transfer Gate	Approved	11/19/2014	\$88,598
118	Virtual Gate Arrangement of SAVs at Gold Line Union Station Entrance	Approved	11/19/2014	\$84,964
119	Conversion of Expo 1 Aerial Stations to Fare Gates	Approved	3/2/2015	\$3,077,952
120	Change in Service Level Agreement for TVM & GC Network Additions at No Cost	Approved	3/2/2015	\$0
121	Emergency Swing Gate External Alarm Mode	Approved	11/19/2014	\$0
122	Installation of Colorado & 4 th Faregates & ESGs	Approved	3/2/2015	\$163,143
123	OCDC Replacement Equipment Software and Installation	Approved	5/12/2015	\$681,068
124	Expo One Claim No. 1 Settlement	Approved	5/26/2015	\$19,648
125	UFS Global Network, Change for Credit/Debit Processing at TVM	Approved	5/12/2015	\$52,735
126	Metrolink Integration Support	Approved	5/12/2015	\$56,073
127	Metro Network Assistance	Approved	5/12/2015	\$48,758
128	Division 13 Bus Operations TVMs	Approved	5/12/2015	\$99,401
129	Fare Equipment Changes at MRL North Hollywood Station	Approved	5/12/2015	\$577,401
130	Installation of Additional TVM at MRL Civic Center Station North Entrance	Approved	7/15/2015	\$21,593
131	Relocate One TVM From Hawthorne	Approved	9/2/2015	\$31,983

	to Hollywood			
132	Service Provider Support – Deductive Change (Mod 109)	Approved	6/13/2015	-\$66,777
133	Additional Emergency Swing Gate for Expo 2	Approved	6/3/2015	\$10,970
134	Metrolink Support for LU Encoding	Approved	10/7/2015	\$13,666
135	Emergency Swing Gate Hinge Post Substitution at Expo 2 Bundy Station – No Cost Change	Approved	10/21/2015	\$0
136	Relocation of TVMs at MGL Artesia Station	Pending		\$0
137	(Not Used)			
138	Vertiba Support (Salesforce – CRM)	Approved	8/20/2015	\$9,671
139	Regional Inter Agency Transfer Policy Change	Approved	1/21/2015	\$435,000
139.01	Regional Inter Agency Transfer (IAT) Policy Change	Approved	7/15/16	\$480,000
140	54 TVMs, purchase and install	Approved	4/14/16	\$5,194,834
141	(Not Used)			
142	Network, back office station configuration and IAT support	Approved	4/25/17	\$14,578
143	Reduction in monthly PM services	Approved	5/8/17	(\$404,550)
144	20 BMV Install Kits	Approved	5/8/17	\$10,310
145	Sales, Use, Activate, Initialize and read transactions into Nextfare	Pending		\$0
	Modification Total:			\$175,481,369
	Original Contract:			\$84,003,444
	Total:			\$259,484,813

DEOD SUMMARY

UNIVERSAL FARE SYSTEM / OP02461010

A. Small Business Participation

Cubic Transportation Systems, Inc. made a 5.65% Disadvantaged Business Enterprise (DBE) commitment. The project is 86% complete and the current DBE participation is 8.92%, which exceeds their DBE commitment.

Small Business Commitment	DBE 5.65%	Small Business Participation	DBE 8.92%
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	DBE Subcontractors	Ethnicity	% Committed	Current Participation¹
1.	American Alloy Fabrication	Caucasian Female	0.25%	0.39%
2.	Lows Enterprise	African American Female	0.13%	0.04%
3.	TechProse	Hispanic American Female	0.41%	0.08%
4.	Robnett Electrical	African American	2.53%	7.91%
5.	Priority Manufacturing (GFI)	Caucasian Female	0.93%	0.05%
6.	J-Tec Metal Products	Hispanic American	0.13%	0.04%
7.	KLI, Inc.	Asian Pacific American Female	0.25%	0.11%
8.	Kormex Metal Craft	Asian Pacific American Female	1.02%	0.30%
	Total		5.65%	0

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this Modification.

C. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA). Trades that may be covered include: surveying, potholing, field, soils and materials testing, building construction inspection and other support trades.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract.