

MOTION NO. M2013-100

Contract for Revenue Collection Services for Sound Transit Ticket Vending Machines

| MEETING: | DATE: | TYPE OF ACTION: | STAFF CONTACT: | PHONE: |
|---|------------|-----------------|--|------------------------------|
| Operations and Administration Committee | 11/21/2013 | Final Action | Diane Kovach, Accountant Sunnie Sterling, Revenue Analysis Manager | 206-398-5210 206-689-3354 |

PROPOSED ACTION

Authorizes the chief executive officer to execute a five year contract with Dunbar Armored to provide revenue collection services for Sound Transit operated ticket vending machines in the amount of \$2,455,000 with a 10% contingency of \$245,000, for a total authorized contract amount not to exceed \$2,700,000.

KEY FEATURES SUMMARY

- This action will provide cash collection services for ticket vending machines (TVMs) that sell fare media for Sound Transit regional transportation services and regional partner transportation services.
- The scope of work includes transporting cash; removal and replacement of cash containers; cash counting and reconciliation; and bank deposit.
- This contract includes costs related to servicing TVMs operated by Sound Transit on behalf of King County Metro that are fully reimbursable to Sound Transit. These TVMs make up around 12% of the total contract amount.
- The requested amount covers the entire five year term of the contract and includes anticipated growth in ridership and the expansion of the light rail system. The contingency is in place due to the uncertainty of sales growth related to the University Link extension.

BACKGROUND

The agency contracts with an armored car company to provide cash collection services associated with sales made via Sound Transit's TVM network. Sound Transit currently operates 91 Sound Transit TVMs and operates 5 TVMs for King County Metro. The machines sell both regional ORCA products and paper tickets good for travel on Sounder Commuter Rail and Link Light Rail service and generate over \$8.5 million in annual cash sales.

Over the last 5 years, Sound Transit has experienced continued growth in sales through TVMs with the start of Central Link service and the implementation of ORCA in 2009. This growth in sales is expected to continue over the next five years due to both increases in ridership and system expansion including the opening of the University Link Extension, S. 200th Street Extension, the implementation of fares on Tacoma Link, and expansion of the King County Metro network. Current locations of TVMs for King County are located at King Street Center, Convention Center, Burien Transit Center, Northgate Transit Center, and the Eastgate Transit Center. We are anticipating at least five additional TVMs to be added to the King County Metro Network in the future.

The current Ticket Vending Machine revenue service contract with Dunbar Armored expires on December 9, 2013. On September 3, 2013, Sound Transit issued a RFP for the revenue servicing of the Ticket Vending Machines. Two proposals were received and evaluated by the selection

committee for this project. As the top ranked firm, Dunbar Armored was determined to be the firm that offers the best value to Sound Transit.

FISCAL IMPACT

The proposed action will be funded from Service Delivery Fare Collection budget. The total budget of \$2,550,000 includes \$220,000 for Dunbar Armored services. \$133,000 of the Dunbar armored services contract has been spent through September, 2013 and \$35,000 is projected to be spent by the end of 2013 under the new contract. With the approval of this action, there are enough funds to cover the projected expenses. Budget authority for future years will be requested through future budgets.

Summary for Board Action (Year of Expenditure \$000)

| Service Delivery Fare Collection budget | Adopted 2013 Budget | Spent to date in 2013 | Contract Expenditures 2013 | Remaining 2013 Budget |
|---|---------------------|-----------------------|----------------------------|-----------------------|
| Dunbar Armored Services budget | 220 | 133 | 35 | 52 |
| Other Fare Collection budget | 2,330 | 1,149 | - | 1,181 |
| Total Fare Collection budget | 2,550 | 1,282 | 35 | 1,233 |

| Spending Plan | Prior Year(s) Spending | 2013 Spending | Future Expenditures | Total |
|----------------|------------------------|---------------|---------------------|-------|
| Dunbar Armored | - | 35 | 2,665 | 2,700 |

| Contract Budget | Current Approved Contract Value | Spent to Date | Proposed Action | Proposed Total Contract Value |
|---------------------|---------------------------------|---------------|-----------------|-------------------------------|
| Dunbar Armored | - | - | 2,455 | 2,455 |
| Contingency | - | - | 245 | 245 |
| Total | - | - | 2,700 | 2,700 |
| Percent Contingency | - | - | 10% | 10% |

Notes:

Service Delivery Fare Collection budget can be found on page 18 of 2013 Adopted Budget book.

SMALL BUSINESS PARTICIPATION

Dunbar Armored is the prime contractor for this contract and there are no subcontractor opportunities.

EQUAL EMPLOYMENT WORKFORCE PROFILE

4,296 employees nationwide; 23.3% women; 47.7% minorities.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

A one month delay would not create a significant impact to the project schedule.

PRIOR BOARD/COMMITTEE ACTIONS

None.

ENVIRONMENTAL REVIEW

JI 10/25/2013

LEGAL REVIEW

JW 11/1/2013

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A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a five year contract with Dunbar Armored to provide revenue collection services for Sound Transit operated ticket vending machines in the amount of \$2,455,000 with a 10% contingency of \$245,000, for a total authorized contract amount not to exceed \$2,700,000.

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MOTION:

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a five year contract with Dunbar Armored to provide revenue collection services for Sound Transit operated ticket vending machines in the amount of \$2,455,000 with a 10% contingency of \$245,000, for a total authorized contract amount not to exceed \$2,700,000.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 21, 2013.


Paul Roberts
Operations and Administration Committee Chair

ATTEST:



Marcia Walker
Board Administrator