

SUBJECT

Fare Box and Vault Rehabilitation and Upgrade Project

RECOMMENDED ACTION

To authorize the President and CEO to enter into a contract with Genfare, a division of SPX Corporation, to refurbish 50 fare boxes and rehabilitate and upgrade 10 vaults for a total authorization amount not to exceed \$681,230.

BACKGROUND

In support of Long Beach Transit's (LBT) strategic priorities to 'Improve Safety and Service Quality' and 'Exercise Financial Accountability,' the agency is recommending to rehabilitate and upgrade 50 fare boxes and 10 vaults used for safe and secure storing of the agency's collected fares.

LBT collects its customers' fares using fare boxes onboard its buses. The revenue is transferred to LBT's vaults that are located in both money rooms at LBT1 and LBT2. There are five vaults at LBT1, four at LBT2, and one serves as a spare for a total of 10 vaults.

In 2005, LBT purchased its current Genfare Odyssey fare box system, which included vaults. The fare boxes have an expected useful life of up to 20 years; however, the internal electronic components typically require refurbishment after six years. Due to the fare box having a greater useful life than a bus' 12-year useful life, the agency traditionally transfers refurbished fare boxes from retired buses to newly purchased buses.

LBT's current fare boxes are now 13 years old and in need of another refurbishment. The fare boxes will be installed in the 40 newly procured Compressed Natural Gas (CNG) buses scheduled for delivery in spring 2018, as well as on eight 2015 CNG buses. The remaining two fare boxes will serve as spares.

LBT's vaults, which are used to safely secure its collected revenue, have an expected useful life of 20 years; however, with proper maintenance will last approximately 10 to 12 years before needing refurbishment.

PROCUREMENT

LBT issued a Request for Proposal (RFP) for the rehabilitation of 50 fare boxes to several qualified firms and received one proposal from Genfare and the original equipment manufacturer. LBT's Purchasing department found Genfare to be a responsive and responsible bidder to the solicitation.

The initial proposal was \$9,541 per fare box including sales tax and fees, totaling \$477,060. Negotiations resulted in Genfare providing 90 percent of new components rather than 100 percent refurbished componentry. LBT's Purchasing department compared the replacement cost of a new unit at a value of \$17,500 per unit and made the recommendation to refurbish the current 50 units.

Further negotiations resulted in Genfare providing the vaults at \$171,730. LBT's Purchasing department performed a cost analysis and deemed Genfare's proposal as being fair and reasonable.

DBE/SBE PARTICIPATION

Due to the nature of the solicitation, a Small Business Enterprise (SBE) goal was not established. However, Genfare will be utilizing KSO Metalfat, a Disadvantaged Business Enterprise (DBE) certified firm, as its metal fabricator to meet a 10 percent SBE contract goal (a DBE qualifies as a SBE).

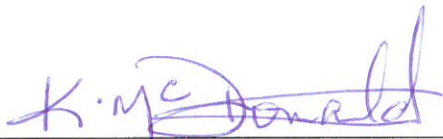
ALTERNATIVES CONSIDERED

The Board may choose not to award this contract, resulting in the transfer of older and unreliable fare boxes being installed onto new buses. However, staff does not recommend this option as this may result in a continued degradation of the fare box system thus impacting LBT's service quality.

BUDGETARY/FISCAL IMPACT

Staff is requesting LBT's Board of Directors to authorize the President and CEO to enter into a contract with Genfare, a division of SPX Corporation, to refurbish 50 fare boxes and rehabilitate and upgrade 10 vaults for a total authorization amount not to exceed \$681,230.

Funds for this contract were included in the previously approved Fiscal Years 2017 and 2018 Capital Budgets.



Kenneth A. McDonald
President and Chief Executive Officer