



**OPERATIONS COMMITTEE
OCTOBER 21, 2004**

**SUBJECT: MUNICIPAL OPERATORS / UFS REGIONAL CENTRAL DATA
COMPUTER SYSTEM**

**ACTION: APPROVE CONTRACT MODIFICATION IN AN AMOUNT NOT TO
EXCEED \$6.1 MILLION TO CUBIC TRANSPORTATION SYSTEMS, INC.**

RECOMMENDATION

Authorize the Chief Executive Officer to negotiate and execute Modification No. 25 to Contract No. OP-02-4610-10 with Cubic Transportation Systems, Inc. to provide the Municipal Operators /UFS Regional Central Data Computer System in the amount not to exceed \$6.1 million increasing the Total Contract Value from \$92,849,312 to \$98,949,312.

RATIONALE

The Regional TAP Central Data Computer System is an essential component of the Universal Fare System that includes Metro, plus all included Municipal Operators and Metrolink.

In a March 2004 report on the Regional UFS Program, staff identified two phases: 1) a cost analysis of the implementation of the Regional UFS Clearinghouse and TAP Service Center; and 2) the acquisition of the regional central data collection system and retention of a service provider to operate it. As UFS progresses, staff has redefined the original Phase 2 into five phases, which encompass both the installation at Metro and the implementation of the regional system:

- Phase 1– Metro Bus- Division System and Equipment installation (Cubic Systems)
- Phase 2– Metro Rail- System and Equipment installation (Cubic Systems)
- Phase 3– Metro Central Data Computer Systems installation (CDCS) (Cubic Systems)
- Phase 4– Regional Central Data Computer System (Cubic Systems)
- Phase 5– Regional TAP Service Center & Financial Clearinghouse (Service Provider Selection by competitive procurement)

The Regional Central Data Computer system is the fourth phase of the fully integrated, smart card-enabled automated fare collection equipment and systems procured by Metro and the Municipal Operators from Cubic Transportation Systems, Inc. to allow seamless interoperability between all transit agencies in Los Angeles County. It replicates

the Metro CDCS and will serve as the central data system to support each individual Municipal Operators' fare revenue collected from bus fare boxes purchased in 2004 from Cubic. In addition, it will become the central repository of Regional TAP smart card transaction data that includes Metro, Metrolink, and the participating Municipal Operators.

FINANCIAL IMPACT

Funding of \$1.0 million for the Regional Central Data Computer system is included in the FY05 budget in cost center 3020, New Technology and Systems Implementation under CP # 2500001 Regional Service Center and Clearinghouse. The remaining funds are included in the approved life of project budget of \$16.0 million (\$10.0 million from the MTA and \$6.0 million from the Muni-operators). Since this is a multi-year contract, the Project Manager and Deputy Chief Executive Officer will be responsible for budgeting this project in future years, including any option exercised.

ALTERNATIVES CONSIDERED

The alternative is to procure the central computer system from another supplier. Based on recommendations provided by the UFS technical oversight consultant, Booz Allen Hamilton, this is not advised since Metro and Muni fare equipment, including garage computer systems and Metro's Central Computer system, are currently on contract with Cubic and are based on Cubic's NextFare software. Consistent with other modern Automated Fare Collection (AFC) systems, the processing to support smart cards and non-smart collection functions are distributed across all levels of the architecture starting with the front-end device (i.e., fare box) to the central computer system. Procuring the Regional Central Data Computer system from Cubic best leverages existing Metro and Muni fare systems functionality and preserves end-to-end system integrity.

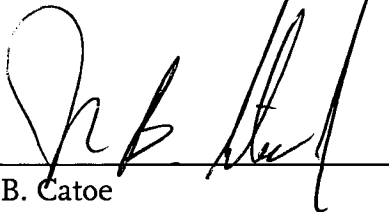
Systems and software that are needed purely to support TAP service functions, such as call center or financial clearing and settlement software need not be tightly integrated into the AFC core and therefore can and should be procured through a competitive procurement as part of the TAP Services, the fifth and final element of the total UFS.

Other impacts to the regional program such as cost, schedule, and ease of implementation were also considered if the Regional Central Data Computer system was not purchased from Cubic. All of these considerations, in addition to the technical benefits to maintain systems integrity off set alternative approaches.

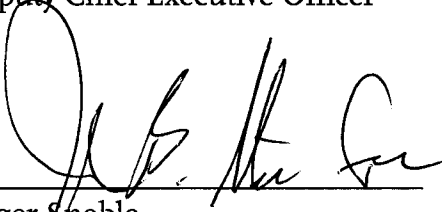
ATTACHMENT(S)

- A. Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors

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Donald Dwyer, Contracts Administrator



John B. Catoe
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

MUNICIPAL OPERATORS / UFS REGIONAL CENTRAL COMPUTER SYSTEM

1.	Contract Number: OP-02-4610-10		
2.	Recommended Vendor: Cubic Transportation Systems, Inc.		
3.	Cost/Price Analysis Information:		
	A. Proposed Price NTE \$6,100,000	Recommended Price: NTE \$6,100,000	
	B. Details of Significant Variances are in Attachment A-1.D: None		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates: A. Issued: N/A B. Advertised: N/A C. Pre-Proposal Conference: N/A D. Proposal Due: N/A E. Pre-Qualification Completed: N/A F. Conflict of Interest Form Submitted to Ethics: N/A		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 3% DBE Goal	Date Small Business Evaluation Completed: January 31, 2002	
	A. Small Business Commitment: 5.65%		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
8.	Evaluation Information: N/A		
	B. Evaluation Methodology: N/A		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10	Contract Administrator: Donald C. Dwyer	Telephone Number: 922-6387	
	Project Manager: Jane Matsumoto	Telephone Number: 922-3045	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY
MUNICIPAL OPERATORS / UFS REGIONAL CENTRAL COMPUTER SYSTEM**

A. Background on Contractor

Cubic Transportation Systems, Inc., a wholly owned subsidiary of Cubic Corporation, is located in San Diego, California. Cubic Transportation Systems, Inc. Cubic Corporation has been in business since 1949. Cubic specializes in two areas of business: Defense and Transportation. CTS is currently under contract with the MTA to perform maintenance on bus fare boxes. All the fare boxes currently used by the MTA were provided by CTS in the early 1990's. CTS's performance under these contracts has been satisfactory. Cubic has provided fare collection equipment to transit agencies throughout the United States and the World including New York City Transit, Chicago Transit Authority, Washington Metropolitan Area and London Underground Limited.

B. Procurement Background

During the February 2002, Board Meeting, the MTA Board awarded the Universal Fare System (UFS) Contract to Cubic Transportation System, Inc. Over the past two years Cubic has been designing and building the Metro system. At the same time, various Municipal Operators in Los Angeles Region have purchased from Cubic new fare collection equipment in anticipation of the expansion of Metro's UFS program to the Los Angeles Region. In order to support the expansion of the system, a Regional central computer (Regional CDCS) must be purchased from Cubic as the "brains" for the expanded system.

C. Evaluation of Proposals

N/A

D. Cost/Price Analysis Explanation of Variances

Metro received from Cubic estimated pricing for the Regional CDCS. BAH and Cubic are currently in discussion on the final technical details of the computer system. Once the details are finalized, Cubic will submit a firm proposal. A determination of price fairness and reasonableness will be made based on audit, cost analysis and negotiation.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS
MUNICIPAL OPERATORS / UFS REGIONAL CENTRAL COMPUTER SYSTEM**

PRIME CONTRACTOR – Cubic Transportation System, Inc.

SMALL BUSINESS COMMITMENT

American Alloy Fabrication, Inc.
Lows Enterprises, Inc.
Priority MFG., Inc.
Robnett Electric
TechProse
J-Tec Metal Products
KLJ, Inc.
Komex

OTHER SUBCONTRACTORS

GFI Genfare
Mercury Ems
Allbright Technologies
Ics Advent
Mars Electronics

SMALL BUSINESS PARTICIPATION

This Contract has a DBE participation goal of 5.65%. The contract was awarded on March 12, 2002 to Cubic Transportation, Inc. and is 0% complete. Current DBE attainment¹ based on the current contract amount² is 0%. Current DBE participation³ based on total actual amount paid-to-date to contractor and total actual amount paid-to-date to DBEs is 0%. Each of the listed DBE subcontractors will perform on the Contract as listed.

Original Award Amount	\$89,003,444.00
Current Contract Value ²	-0-
Total Actual Amount Paid to Date to Prime	-0-

Subcontractor	Commitment	Current Attainment ¹	Current Participation ³	Current Status
American Alloy Fabrication, Inc.	.25%	0%	0%	Awarded
Lows Enterprises, Inc.	.13%	0%	0%	Awarded
Priority MFG., Inc.	.93%	0%	0%	Awarded
Robnett Electric	2.53%	0%	0%	Awarded
TechProse	.40%	0%	0%	Awarded
J-Tec Metal Products	.13%	0%	0%	Awarded
KLJ, Inc.	.25%	0%	0%	Awarded
Komex	1.03%	0%	0%	Awarded
TOTAL	5.65%	0%	0%	New Award

¹Current Attainment = Total Actual Amount Paid-to-Date to DBE Subs ÷ Total Current Contract Amount

²Current Contract Amount = Original Contract Value + Contract Cost Modifications

³Current Participation = Total Actual Amount Paid-to-Date to DBE Subs ÷ Total Actual Amount Paid-to-Date to Prime