

THIS PRINT COVERS CALENDAR ITEM NO. : 10.4

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorizing the Director of Transportation to execute the Third Amendment to San Francisco Municipal Transportation Agency Contract No. 201-30, with NextBus, Inc., for software and equipment maintenance services for the Automatic Vehicle Location System, to extend the term of the Agreement one year to July 31, 2018, with an option to further extend the Agreement up to one additional year to July 31, 2019 to be exercised at the Director of Transportation's discretion, and increasing the contract amount by \$3,780,474, for a total contract amount not to exceed \$12,968,676, pending approval by the Board of Supervisors.

SUMMARY:

- SFMTA's Automatic Vehicle Location System (AVLS), also known as NextBus or NextMuni, provides real-time vehicle location information of the actual location and expected arrival time of transit vehicles.
- The public has come to rely heavily on AVLS information and it is also a system vital to SFMTA transit operations and management, as it is integrated or shares data with the SFMTA's Advanced Train Control System and scheduling software systems.
- The existing AVLS relies on technology that is likely to become outdated and requires the use of expensive cellular telephone infrastructure.
- The SFMTA is preparing a RFP to solicit proposals for a replacement system that will transmit data via the new radio system.
- Staff expects that the selection process will be completed in early 2018, and the replacement AVLS will be implemented before July 2019. The proposed Third Amendment will maintain the existing AVLS while the SFMTA procures and implements a new AVLS.

ENCLOSURES:

1. SFMTAB Resolution
2. Third Amendment to Contract No. 201-30

APPROVALS:

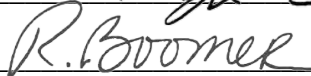
DATE

DIRECTOR



4/24/17

SECRETARY



4/24/17

ASSIGNED SFMTAB CALENDAR DATE: May 2, 2017

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PURPOSE

Authorize the Director of Transportation to execute the Third Amendment to San Francisco Municipal Transportation Agency Contract No. 201-30, with NextBus, Inc., for software and equipment maintenance services for the AVLS, to extend the term of the Agreement one year to July 31, 2018, with an option to further extend the Agreement up to one additional year to July 31, 2019 to be exercised at the Director of Transportation's discretion, and increasing the contract by \$3,780,474, for a contract amount not to exceed \$12,968,676, pending approval by the Board of Supervisors.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This item will support the following goal and objectives of the SFMTA Strategic Plan:

Goal 2: Make transit, walking, bicycling, taxi, ridesharing & carsharing the preferred means of travel

Objective 2.1: Improve customer service and communications.

Objective 2.3: Increase use of all non-private auto modes.

Goal 3: Improve the environment and quality of life in San Francisco

Objective 3.4: Deliver services efficiently.

This item will support the following Transit First Policy Principle:

2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.

DESCRIPTION

The SFMTA's Automatic Vehicle Location System (AVLS) provides real-time vehicle location information to SFMTA management and customers of the actual location and expected arrival time of transit vehicles. The AVLS utilizes cellular telephone infrastructure to transmit vehicle location data and proprietary software licensed from NextBus to provide arrival predictions. The public has come to rely heavily on AVLS information, which is transmitted via City websites and privately developed web and smartphone applications, and is displayed on electronic signs in subway stations and at transit stops. The AVLS is also a system vital to SFMTA transit operations and management, as it is integrated or shares data with the SFMTA's Advanced Train Control System and scheduling software systems. The AVLS software and associated equipment are proprietary to Nextbus, and the SFMTA is therefore unable to self-perform many necessary AVLS maintenance tasks.

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The existing AVLS relies on technology that is likely to become outdated and requires use of expensive cellular telephone infrastructure. The SFMTA is preparing a RFP to solicit proposals for a replacement system that will transmit data via the new radio system. Staff expects that the selection process will be completed in early 2018, and the replacement AVLS will be implemented before July 2019. The proposed Third Amendment will maintain the existing AVLS while the SFMTA procures and implements a new AVLS.

The SFMTA contracted with NextBus, Inc. to implement the existing AVLS in July 2002, under Contract No. MR-1138, dated July 15, 2002 (SFMTA Bd. Res. No. 08-012). Following expiration of that contract, the SFMTA contracted with NextBus for maintenance services and upgrades for the AVLS, most recently under Contract No. 2013-30, dated July 15, 2013 (SFMTA Bd. Res. No. 13-180), which provides maintenance services through July 31, 2017, for a total contract amount not to exceed \$9,188,202. The Director of Transportation authorized Contract Amendment #1 to Contract 2013-30 on January 9, 2014 for an additional \$800,000 for various system expansion and upgrades. The Director of Transportation authorized Contract Amendment #2 on August 1, 2016 for \$497,982 to fund 2G-to-3G equipment upgrades to public signs made necessary by AT&T's January 1, 2017 nationwide shutdown of its 2G cellular data network.

In addition to extending maintenance services necessary to operate and maintain the AVLS, Amendment #3 will extend the term of the contract from July 31, 2017 to July 31, 2018, with an option to further extend the Agreement up to one additional year to July 31, 2019 to be exercised at the Director of Transportation's discretion. This will provide services necessary to migrate AVLS data transmission from GPS trackers and cellular data transmitters to the SFMTA's new Radio Communications and Computer Aided Dispatch/Automatic Vehicle Location (CAD/AVL).

LOCAL BUSINESS ENTITY GOALS

The Local Business Entity (LBE) subcontracting participation requirement for Amendment #3 will remain the same as the current contract at 20 percent, which Nextbus has met throughout the current contract and will continue to meet.

STAKEHOLDER ENGAGEMENT

No outreach was conducted for this amendment. Over the years, the SFMTA has heard from customers that they rely on the NextBus system. To meet this customer demand, the SFMTA seeks to continue service while a next generation system is planned and implemented.

ALTERNATIVES CONSIDERED

There is no practical alternative to extending the maintenance agreement that does not risk loss of the AVLS, which would adversely impact SFMTA transit operations and customer access to

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transit information. The AVLS software and some associated equipment are proprietary to Nextbus, Inc., and the SFMTA is therefore unable itself to perform many of the tasks necessary to maintain the AVLS.

FUNDING IMPACT

The contract amount for the maximum two-year term of this Amendment is \$3,780,474. The cost of the proposed extension will not exceed \$1,890,237 annually, which is a 13% reduction from the current annual cost of \$2,172,555. The cost reduction is due to the migration of AVLS data transmission to the new radio system, which replaces existing NextBus GPS trackers and cellular data transmitters and eliminates monthly cellular service fees. The migration of AVLS data transmission to the new radio system will commence under but may not be fully accomplished under the maintenance agreement with NextBus, but when fully complete under a new AVLS will result in costs savings to the SFMTA of \$282,318 per year.

ENVIRONMENTAL REVIEW

On April 6, 2017, the SFMTA, under authority delegated by the Planning Department, determined that NextBus contract extension is not defined as a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The Board of Supervisors approval is required under Charter Section 9.118(b), as this Amendment will cause the total contract amount to exceed \$10,000,000.

The City Attorney's Office has reviewed this calendar item.

RECOMMENDATION

Staff recommends that the San Francisco Municipal Transportation Agency Board of Directors authorize the Director of Transportation to execute the Third Amendment to San Francisco Municipal Transportation Agency Contract No. 201-30, with NextBus, Inc., for software and equipment maintenance services for the SFMTA's Automatic Vehicle Location System (AVLS), to extend the term of the Agreement one year to July 31, 2018, with an option to further extend the Agreement up to one additional year to July 31, 2019 to be exercised at the Director of Transportation's discretion, and increasing the contract amount by \$3,780,474, for a total contract amount not to exceed \$12,968,676, pending approval by the Board of Supervisors.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The SFMTA's Automatic Vehicle Location System (AVLS) provides real-time vehicle location information to SFMTA management and customers of the actual location and expected arrival time of transit vehicles; and

WHEREAS, The public has come to rely heavily on AVLS information, which is transmitted via City websites and privately developed web and smartphone applications, and is displayed on electronic signs in subway stations and at transit stops; and

WHEREAS, The AVLS is a system vital to SFMTA transit operations and management, as it is integrated or shares data with the SFMTA's Advanced Train Control System and scheduling software systems; and

WHEREAS, The AVLS software and some associated equipment are proprietary to Nextbus, Inc., and the SFMTA is therefore unable itself to perform many of the tasks necessary to maintain the AVLS; and

WHEREAS, The SFMTA is preparing to solicit proposals for a replacement system that will transmit data via the new radio system. Staff expects that the selection process will be completed in early 2018, and the replacement AVLS will be implemented before July 2019; and

WHEREAS, The Third Amendment will extend the current contract in order to maintain the existing AVLS while the SFMTA procures and implements a new AVLS; and

WHEREAS, The Local Business Entity subcontracting participation requirement for this Amendment will remain the same as the current contract at 20 percent; and

WHEREAS, On April 6, 2017, the SFMTA, under authority delegated by the Planning Department, determined that the NextBus contract extension is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference; and

WHEREAS, The proposed Amendment is subject to Board of Supervisors approval under Charter Section 9.118(b); now therefore be it

RESOLVED: That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to execute the Third Amendment to San Francisco Municipal Transportation Agency Contract No. 201-30, with NextBus, Inc., for

software and equipment maintenance services for the SFMTA's Automatic Vehicle Location System, to extend the term of the Agreement for one year to July 31, 2018, with an option to further extend the Agreement up to one additional year to July 31, 2019 to be exercised at the Director of Transportation's discretion, and increasing the contract amount by \$3,780,474, for a total contract amount not to exceed \$12,968,676; and be it further

RESOLVED, That the SFMTA Board of Directors urges the Board of Supervisors to approve the contract.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of May 2, 2017.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

City and County of San Francisco
Municipal Transportation Agency One
South Van Ness Ave. 3rd Floor San
Francisco, California 94103

Contract No. SFMTA 2013-30

**Third Amendment to Agreement
between the City and County of San Francisco and NextBus Inc.
for Software and Equipment Maintenance Services
for the SFMTA's Automatic Vehicle Location System**

This Third Amendment (this "Amendment") to the Agreement between the City and County of San Francisco and NextBus Inc. for Software and Equipment Maintenance Services for the SFMTA's Automatic Vehicle Location System (the "Maintenance Agreement"), dated for convenience as August 1, 2017 and effective on that date, is made in San Francisco, California, by and between NextBus Inc. ("NextBus" or "Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Municipal Transportation Agency ("SFMTA").

This Amendment extends the Term of the Maintenance Agreement and increases the contract amount to compensate for those extended services. As consideration for the extended term and increased compensation, Contractor shall continue to provide the Services described in the Maintenance Agreement without interruption, through the extended term.

The Maintenance Agreement is modified as follows:

Article 1 Definitions

The following definitions apply to this Amendment:

1.1 "Agreement" or "Maintenance Agreement" means the "Agreement between the City and County of San Francisco and NextBus Inc. for Software and Equipment Maintenance Services for the SFMTA's Automatic Vehicle Location System," Contract No. 2013-30, as modified by and including this Amendment and all prior Amendments to the Maintenance Agreement, and appendices to all amendments.

Article 2 Modifications to the Maintenance Agreement.

1. Term. Section 2 of the Maintenance Agreement is modified to extend the term of the Agreement one year, with an option to the SFMTA to extend the Maintenance Agreement an additional year.

Section 2 of the Maintenance Agreement is deleted and replaced in its entirety with the following:

2. Term. Subject to Section 1, the term of this Maintenance Agreement shall be from August 1, 2013 to July 31, 2018. The provisions of this Amendment shall become effective on August 1, 2017. The SFMTA may at its option extend this Maintenance Agreement to July 31, 2019, said option to be exercised by the Director of Transportation's in his sole discretion.

2. **Services Contractor Agrees to Perform.** From the effective date of this Amendment to the expiration of the term of the Maintenance Agreement, the Contractor shall perform and provide to the SFMTA the services described in Appendix A, "Description of Services," attached to this Amendment.

3. **Compensation.** Section 5 of the Agreement is modified to increase the Contract Amount not to exceed \$3,780,473.96 for a total amended Contract Amount not to exceed \$12,968,675.96. A Synopsis of contract history including this amendment follows:

Document	Contract Value
Base Contract	\$7,890,220.00
Amendment 01	\$800,000.00
Subtotal	\$8,690,220.00
Amendment 02	\$497,982.00
Subtotal	\$9,188,202.00
Amendment 03 - Adds 1 year performance + 1 year option @ \$1,890,236.98 / year.	\$3,780,473.96
Total	\$12,968,675.96

Section 5 of the Maintenance Agreement is deleted and replaced in its entirety with the following:

5. Compensation. Contractor shall provide an invoice to the City on a monthly basis for Services completed in the immediate preceding month, unless a different schedule is set out in Appendix B, "Calculation of Charges." Compensation shall be made for Services identified in the invoice that the Director of Transportation, or a qualified City representative in his/her absence, concludes has been satisfactorily performed. Payment shall be made within 30 calendar days of receipt of the invoice, unless the City notifies the Contractor that a dispute as to the invoice exists. In no event shall the amount of this Agreement exceed Twelve Million Nine Hundred Sixty-Eight Thousand Six Hundred Seventy-Five dollars and 96 cents (\$12,968,675.96). The breakdown of charges associated with this Agreement appears in Appendix B to the Maintenance Agreement and in Appendix B to this Amendment, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by SFMTA as being in accordance with this Agreement. City may withhold

payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of HRC Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the SFMTA, the Director of HRC and Contractor of the omission. If Contractor's failure to provide HRC Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until HRC Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using HRC Payment Affidavit verifying that all subcontractors have been paid and identifying the subcontractor(s) and amounts paid.

4. Remainder of Agreement Unchanged. Except as expressly stated in this Amendment, all other provisions of the Maintenance Agreement, as amended, remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective on the day first mentioned above.

CITY

Edward D. Reiskin Director of
Transportation SFMTA

San Francisco Municipal
Transportation Agency
Board of Directors

Resolution No. _____

Adopted: _____

Attest:

Secretary, SFMTA Board of
Directors

Approved as to Form: Dennis J. Herrera
City Attorney

By: _____

Robert K. Stone
Deputy City Attorney

CONTRACTOR

By signing this Amendment, Contractor acknowledges that it has read and understands Section 47: Large Vehicle Driver Safety Training Requirements.

Tony Gale
General Manager, NextBus, Inc. 5900
Hollis Street, Suite X Emeryville, CA
94608

City vendor number: 74925

Appendix A

Additional Services Scope of Work

1. Purpose. The purpose of this Maintenance Agreement is for NextBus to continue to provide software, hardware and related professional services to maintain the AVLS and ensure the continued function of the AVLS in accordance with agreed system specifications.

2. Description of Services. NextBus shall perform all Work required to effect the Purpose of this Maintenance Agreement, as described in this Appendix A. The SFMTA shall direct NextBus on a monthly basis as to the Services that NextBus shall provide in the following month to ensure the continued function of the AVLS in accordance with agreed system specifications. Said Services may include, but are not limited to:

- a. Additional or new passenger information signs at transit stops, or modifications to or upgrades of existing signs.
- b. Vehicle trackers as necessary to maintain full network coverage of and real-time information reporting on the SFMTA fleet.
- c. AVLS software upgrades (as agreed necessary by Nextbus).
- d. AVLS software upgrades and equipment for additional, new, modified or upgraded platform passenger information signs.
- e. Other equipment and Services as needed.

The SFMTA shall compensate NextBus for the requested Services provided based on the rates stated in Appendix B to this Amendment. Payment of the total amounts stated in Appendix B are not guaranteed to NextBus, but are the rates NextBus shall charge and the SFMTA shall pay for Services actually provided.

3. Equipment. NextBus shall provide all sign hardware, equipment, vehicles, and tools necessary to perform these Services and related ancillary Services under this Amendment. The spares list stated in the Maintenance Agreement (“Base Contract”) SFMTA Contract 2013-30 (dated August 1, 2013) at Appendix A, Section 1.1.4 is deleted. Nextbus will maintain sufficient spares inventory to ensure the continued function of the AVLS in accordance with agreed system specifications.

4. Personnel. NextBus shall perform the Work with its own personnel or subcontracted personnel whom NextBus has trained and who shall work directly under NextBus' supervision and direction. Not less than 20 percent of the Work shall be performed by Local Business Enterprise subcontractor(s). (See Maintenance Agreement, section 33.)

5. Safety.

- a. Before NextBus field personnel (including subcontractors' personnel) perform any work at transit shelters or other field locations, NextBus shall provide to the

SFMTA's Project Manager a certification that those persons have obtained from SFMTA Transit Operations appropriate training in working in and around transit vehicles operating in the right-of-way.

- b. All NextBus and subcontractor personnel who may operate large vehicles in the City in the course of performing the Work before commencing the Work shall attend the training described in Section 11.14 of the Maintenance Agreement.

6. Quality Control and Assurance. NextBus shall be responsible for managing quality control and quality assurance for the Work. NextBus shall document the testing of each sign following performance of Services to confirm that systems are fully functional.

7. Continued Support. Following expiration of this Maintenance Agreement, if requested by the SFMTA, under other maintenance agreement(s) of similar scope all support and maintenance services to the SFMTA to ensure the continued operation of the NextBus-provided AVLS through December 31, 2020. NextBus shall make such maintenance services as are currently provided under the Maintenance Agreement available to the SFMTA under maintenance agreements through December 31, 2020.

8. Reports. Contractor shall submit written reports as requested by the SFMTA. Format for the content of such reports shall be determined by the SFMTA. The timely submission of all reports is a necessary and material term and condition of this Maintenance Agreement. Except as the SFMTA may otherwise require, Contractor may submit written reports electronically by email. To the extent that Contractor submits printed reports, said reports including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

9. The SFMTA Liaison. In performing the Services provided for in this Maintenance Agreement, Contractor's liaison with the SFMTA will be Julian Metcalf.

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Appendix B
Calculation of Charges

a. Compensation

The SFMTA will compensate NextBus for completion of the Services the SFMTA directs to be provided, as stated in this Appendix B, in accordance with the Terms and Conditions of the Maintenance Agreement.

The breakdown of compensation for the Services is set out in the following chart:

Signs

Existing Public Signs	Per Unit Monthly Charge	Qty	Per Fiscal Year
ASP Software – LEDs	\$36.00	853	\$368,496.00
ASP Software – Kiosks	\$36.00	9	\$3,888.00
ASP Software – LCDs	\$101.20	18	\$21,859.20
Wireless Fees – LEDs	\$22.00	853	\$225,192.00
Maintenance – LEDs	\$12.40	853	\$126,960.52
Maintenance – Kiosks	\$12.40	9	\$1,339.56
Maintenance – LCDs	\$169.14	18	\$36,533.70
Sub-Total			\$784,268.98
Contingency for additional, new, modified or upgraded signs (best government rates and the monthly service rates stated above shall apply)			\$100,000.00
TOTAL			\$884,268.98

Vehicles

Revenue Vehicle Only	Per Unit Monthly Charge	Qty	Per Fiscal Year
ASP (AVLS software as a service incl. hosting fees) for vehicles	\$36.00	1248	\$539,136.00

Miscellaneous

Miscellaneous	Per Fiscal Year
Contingency for additional services if the SFMTA determines they are necessary, including wireless services and maintenance for trackers, tracker leases, AVLS software, or other or additional hardware upgrades or additions, including sales tax.	\$466,832.00

Rates

Recurring Costs	Per Unit Monthly Charge
Lease - Atmel 3G tracker	\$55.00
Lease - VMx DCU	\$110.00
ASP - VMx DCU/Atmel tracker	\$36.00
-Wireless Fees – VMx DCU/Atmel Trackers	\$22.00
Maintenance– VMx DCU/Atmel Trackers	\$26.61