



**BOARD BUDGET AND FINANCE COMMITTEE MEETING
WEDNESDAY, APRIL 3, 2013, 2:00 P.M.
RIVERSIDE TRANSIT AGENCY BOARD ROOM
1825 THIRD STREET
RIVERSIDE, CA 92507**

1. CALL TO ORDER
2. SELF-INTRODUCTIONS
3. PUBLIC COMMENTS– NON-AGENDA ITEMS RECEIVE COMMENTS
Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person’s presentation is limited to a maximum of three (3) minutes.
4. APPROVAL OF MINUTES – MARCH 6, 2013 COMMITTEE MEETING (P.3) APPROVE
5. CASH FLOW PROJECTIONS (P.6) RECEIVE AND FILE
6. AUTHORIZATION TO AMEND COOPERATIVE AGREEMENT NO.’S C-0-1456 AND C-1-2436 WITH THE ORANGE COUNTY TRANSPORTATION AUTHORITY (OCTA) FOR SHARING OPERATING EXPENSES FOR ROUTES 216 AND 794 (P.8) APPROVE
7. AUTHORIZATION TO RENEW REVENUE AGREEMENT NO. 13-011 WITH THE UNIVERSITY OF CALIFORNIA, RIVERSIDE FOR THE UNIVERSITY PASS (U-PASS); AUTHORIZATION TO RENEW REVENUE AGREEMENT NO. 13-012 WITH UNIVERSITY OF CALIFORNIA, RIVERSIDE FOR THE OPERATION OF ROUTE 51 (CREST CRUISER) (P.10) APPROVE

Any person with a disability who requires a modification or accommodation in order to participate in this meeting or any person with limited English proficiency (LEP) who requires language assistance to communicate with the RTA Board during the meeting should contact the RTA Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable RTA to make reasonable arrangements to assure accessibility or language assistance for this meeting.

Agenda related writings or documents provided to the Board of Directors are available for public inspection in the office of the Clerk of the Board and at the reception desk while the meeting is in session.

8. AUTHORIZATION TO ISSUE A SOLE SOURCE PURCHASE ORDER TO ORACLE USA, INC., (ORACLE) FOR ANNUAL SOFTWARE LICENSING AND SUPPORT SERVICES FOR E-BUSINESS SUITE SOFTWARE (P.12) APPROVE
9. AUTHORIZATION TO ISSUE A SOLE SOURCE PURCHASE ORDER TO TRAPEZE SOFTWARE GROUP, INC. (TRAPEZE), FOR ANNUAL SOFTWARE LICENSING AND SUPPORT SERVICES FOR PARATRANSIT SCHEDULING SOFTWARE SYSTEM (PASS) (P.15) APPROVE
10. UPDATE ON ANTICIPATED CASH FLOW SHORTAGE DUE TO U.S. DEPARTMENT OF LABOR NON-CERTIFICATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) GRANT FUNDING REQUESTS DUE TO 13(C) NON-COMPLIANCE AS IT PERTAINS TO THE PASSAGE AND IMPLEMENTATION OF STATE OF CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT (P.19) RECEIVE AND FILE
11. BOARD MEMBER COMMENTS AND REMARKS
12. OTHER BUSINESS
13. NEXT MEETING
Board Budget and Finance Committee Meeting
Wednesday, May 1, 2013
2:00 p.m.
RTA Headquarters
1825 Third Street
Riverside, CA 92507
14. ADJOURN

RTA BOARD BUDGET AND FINANCE COMMITTEE MEETING

Minutes
March 6, 2013

1. CALL TO ORDER:

Committee Chair Edgerton called the Board Budget and Finance Committee meeting to order at 2:00 p.m., on March 6, in the RTA Board Room.

2. SELF-INTRODUCTIONS:

Self-introductions of those in attendance took place.

Board Committee Members Present:

1. Committee Chair, Wallace Edgerton, City of Menifee, Deputy Mayor
2. First Vice-Chair Jeff Comerchero, City of Temecula, Councilmember
3. Second Vice-Chair Kotyuk, City of San Jacinto, Councilmember
4. Director Randy Bonner, City of Canyon Lake, Mayor Pro Tem
5. Director Linda Krupa, City of Hemet, Councilmember
6. Director Frank Johnston, City of Jurupa Valley, Mayor Pro Tem
7. Director Andy Melendrez, City of Riverside, Councilmember
8. Alternate Andrea Puga, County of Riverside, District II
9. Alternate Ron Roberts, County of Riverside, District III

RTA Staff:

1. Larry Rubio, Chief Executive Officer
2. Tom Franklin, Chief Operating Officer
3. Craig Fajnor, Chief Financial Officer
4. Vince Rouzaud, Chief Procurement and Logistics Officer
5. Jim Kneepkens, Director of Marketing
6. Eric Ustation, Government Affairs Representative
7. Gordon Robinson, Director of Planning
8. Brad Weaver, Marketing Manager
9. Natalie Gomez, Clerk of the Board
10. Virginia Werly, Director of Contract Operations
11. Natalie Zaragoza, Contracts Manager
12. Bob Bach, Director of Maintenance
13. Rick Kaczerowski, Director of Information Technologies
14. Kathy Thomas, Capital Improvements Program Manager

Other Attendees:

1. Jerry Puga, Corona Resident

3. PUBLIC COMMENTS - NON-AGENDA ITEMS:

None.

4. APPROVAL OF MINUTES FEBRUARY 6, 2013, COMMITTEE MEETING:
M/S/C (BONNER/JOHNSTON) approving the February 6, 2013, Committee meeting minutes. The motion carried unanimously.

5. CASH FLOW PROJECTIONS
Mr. Fajnor presented the cash flow projections.

M/S/C (JOHNSTON/BONNER) approving the receipt and file of item 5.

The motion carried unanimously.

6. QUARTERLY CAPITAL GRANTS STATUS
Mr. Fajnor presented the quarterly capital grants status.

Director Bonner inquired about a bus stop improvement on Railroad Canyon Road. Mr. Franklin stated a shelter was scheduled to go in and he would follow up.

M/S/C (PUGA/MELENDEZ) approving the receipt and file of item 6.

The motion carried unanimously.

7. AUTHORIZATION TO AWARD AGREEMENT NO. 12-044 TO NETWORK PARATRANSIT SERVICES INC. FOR TAXI OVERFLOW SERVICES

M/S/C (COMERCHERO/ROBERTS) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to enter into Agreement No. 12-044 with Network Paratransit Services, Inc. for Taxi Overflow Services for an initial three-year base period with two one-year options in an amount not to exceed \$2,760,789 for all five years.

The motion carried unanimously.

Second Vice-Chair Kotyuk arrived during item 7.

8. AUTHORIZATION TO AMEND AGENCY PURCHASE ORDERS/CONTRACTS TO INCREASE THE CALIFORNIA STATE SALES TAX LINE ITEM AS A RESULT OF PASSAGE OF PROPOSITION 30

M/S/C (KOTYUK/PUGA) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to amend the above purchase orders/contracts to increase the California state sales tax line item as a result of passage of Proposition 30.

The motion carried unanimously.

9. AUTHORIZATION TO ISSUE A SOLE SOURCE PURCHASE ORDER TO TRAPEZE SOFTWARE GROUP, INC. (TRAPEZE), FOR SOFTWARE LICENSING AND SUPPORT SERVICES FOR INTELLIGENT TRANSPORTATION SYSTEMS (ITS) SOFTWARE

M/S/C (JOHNSTON/KRUPA) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize staff to issue a sole source purchase order in the amount of \$146,636 to Trapeze Software Group, Inc. for ITS software licensing and support services from April 1, 2013 through March 31, 2014.

The motion carried unanimously.

10. BOARD MEMBER COMMENTS AND REMARKS

Director Johnston noted a proposed picket by the Young Black Contractor's Association to be held on March 8 at the City of Perris Transfer Depot on "C" Street regarding the RCTC Perris Valley Line. Mr. Rubio stated he would look into the matter.

Second Vice-Chair Kotyuk announced two public comment periods ongoing, the Mid-County Parkway and the SR-79 Realignment Project. The projects represent emerging growth and possibilities for tax revenue for the whole county. He urged everyone to submit a public comment in support of the projects.

11. OTHER BUSINESS

Mr. Rubio thanked the Board members for all their suggestions.

12. NEXT MEETING

Board Budget and Finance Committee Meeting
Wednesday, April 3, 2013
2:00 p.m.
RTA Headquarters
1825 Third Street
Riverside, CA 92507

13. ADJOURN

The meeting adjourned at 2:45 p.m.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

April 3, 2013

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer

SUBJECT: Cash Flow Projections

Summary: The Agency develops cash flow projections for the entire fiscal year representing weekly increments. Due to the size of the report, it is difficult to portray the entire fiscal year.

The attached report represents actual cash performance through late March 2013 with projections through May 2013. There are no cash flow issues anticipated during this reporting period.

Recommendation:

Receive and file.

**Riverside Transit Agency
FY13 Cash Flow Projection**

	Actual											
1	General Account	3/22/2013	3/29/2013	4/5/2013	4/12/2013	4/19/2013	4/26/2013	5/3/2013	5/10/2013	5/17/2013	5/24/2013	5/31/2013
2	Est. Cash, Beg Balance (Book)	(110,059)	(200,070)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
3	Receipts:											
4	LTF Operating - recurring		1,981,137									
5	LTF GASB 43/45		116,667									
6	FET Credit	83,196					986,264					74,105
7	CalPERS CERBT Disbursement											
8	Farebox	159,420	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000
9	Total Other Farebox	17,424	78,466	46,367	16,900	20,799		95,705	1,000	36,399	98,203	54,192
10	Total Other Local	1,013	25,000	63,598	1,000	4,750	77,158	25,000	1,000	1,000	1,000	1,000
11	FTA Operating	55,387			135,000				135,000			
12	Capital - Local, State		10,000	10,000	10,000	10,000	10,000	60,648	10,000	10,000	22,900	10,000
13	Echo - FTA Capital		242,944	25,000	20,000	20,000	49,500	40,000	40,000	40,000	40,000	40,000
14	Transfer from Investment to Gen Acct.	650,000		2,358,535	170,025	820,451		2,312,147	84,625	676,101	196,522	749,203
15	Disbursements:											
16	Payroll = Net+Tax	(589,476)		(625,000)		(625,000)		(625,000)		(625,000)		(625,000)
17	A/P Wires	(17,993)	(377,452)	(1,763,500)	(156,625)	(136,000)	(408,625)	(1,763,500)	(156,625)	(23,500)	(243,625)	(188,500)
18	A/P Checks	(82,126)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
19	Capital Expenditures	(366,856)	(85,000)	(85,000)	(166,300)	(85,000)	(85,000)	(115,000)	(85,000)	(85,000)	(85,000)	(85,000)
20	Transfer to GASB Trust Acct.											
21	Actual Ending Book Balance / Targeted Minimum Balance	(200,070)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

22 LAIF Account:

23	Beginning balance	7,650,000	7,000,000	8,711,692	6,353,157	6,183,132	5,369,024	5,968,321	3,656,174	3,571,549	2,895,448	2,698,926
24	Quarterly Interest Income					6,343						
25	Transfers to/from Gen Acct.	(650,000)	1,711,692	(2,358,535)	(170,025)	(820,451)	599,297	(2,312,147)	(84,625)	(676,101)	(196,522)	(749,203)
26	Transfers to/from County Pool	-	-	-	-	-	-	-	-	-	-	-
27	Ending balance	7,000,000	8,711,692	6,353,157	6,183,132	5,369,024	5,968,321	3,656,174	3,571,549	2,895,448	2,698,926	1,949,723

28 County Pool Account:

29	Beginning balance	44,546,387	44,546,387	44,546,387	44,554,648	44,554,648	44,554,648	44,554,648	44,554,648	44,554,648	44,554,648	44,554,648
30	Quarterly Interest Income			8,261								
31	Transfers to/from Gen Acct.	-	-	-	-	-	-	-	-	-	-	-
32	Transfers to/from LAIF	-	-	-	-	-	-	-	-	-	-	-
33	Ending balance	44,546,387	44,546,387	44,554,648	44,554,648	44,554,648	44,554,648	44,554,648	44,554,648	44,554,648	44,554,648	44,554,648

<i>Restricted</i>	38,948,215	39,232,826	39,182,826	39,046,526	38,991,526	39,952,290	39,937,938	39,902,938	39,867,938	39,845,838	39,884,943
<i>Available for Operating</i>	12,398,102	14,075,253	11,774,979	11,741,254	10,982,146	10,620,679	8,322,884	8,273,259	7,632,158	7,457,736	6,669,428

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

April 3, 2013

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Amend Cooperative Agreement No.'s C-0-1456 and C-1-2436 with the Orange County Transportation Authority (OCTA) for sharing Operating Expenses for Routes 216 and 794

Summary: There are two routes linking Riverside County with the neighboring county of Orange that provides commuters with options to travel between the two counties, RTA CommuterLink Route 216 and OCTA express Route 794. Because both routes provide service that extends beyond the boundaries of their respective service areas, cooperative agreements outlining the responsibilities between the two transit agencies are necessary.

RTA Route 216 originates at the downtown transit terminal in Riverside and travels to the Village at Orange in Orange County. The route's distance is approximately 36 miles with 70 percent of the route's mileage in Riverside County and the remaining 30 percent in Orange County. Service is provided during the peak morning and afternoon hours on both weekdays and weekends. The current term for this Agreement expires June 30, 2013 with the 12-month renewal starting July 1, 2013. The Cooperative Agreement is structured so that OCTA reimburses the Agency for its proportional share of approximately 30 percent of the annual operating expenses for the miles that are traveled within Orange County.

OCTA Route 794 originates from both the La Sierra Metrolink Station in Riverside and the Canyon Community Church in Corona and travels to the South Coast Metro in Orange County. Service is provided during the peak morning and afternoon hours on weekdays only. Unlike Route 216, no weekend service is provided. The Cooperative Agreement is structured so that the Agency reimburses OCTA its proportional share of approximately 33 percent of the annual operating expenses for the miles that are traveled within Riverside County. The current term for this Agreement expires June 30, 2013 with the 12-month renewal starting July 1, 2013.

Both Agreements incorporate updated hourly rates for FY14 so that each agency is reimbursed for its actual operating expenses. Fare revenues are retained by the agency responsible for operating the route. The Agreements may be renewed annually upon mutual consent of both agencies.

Fiscal Impact:

Sufficient funding will be included in the Agency’s FY14 operating budget. The following table shows the division of operating expenses by route for each agency:

	<u>Revenue Service Hours</u>		<u>Annual Operating Expenses</u>	<u>Cost Breakdown by Agency</u>
Route 216	6,131		\$ 463,972	RTA
			\$ 198,845	OCTA
		Total	\$ 662,817	
Route 794	4,901		\$ 109,745	RTA
			\$ 211,729	OCTA
		Total	\$ 321,474	

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to renew Cooperative Agreement No. C-0-1456 with the Orange County Transportation Authority for reimbursement of \$198,845, to continue the operation of RTA Route 216 from July 1, 2013 through June 30, 2014.
- Authorize staff to renew Cooperative Agreement No. C-1-2436 with the Orange County Transportation Authority in the amount of \$109,745, to cover the Agency’s share of operating expenses for OCTA Route 794 from July 1, 2013 through June 30, 2014.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

April 3, 2013

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Renew Revenue Agreement No. 13-011 with the University of California, Riverside for the University Pass (U-Pass); Authorization to Renew Revenue Agreement No. 13-012 with University of California, Riverside for the Operation of Route 51 (Crest Cruiser)

Summary: The Agency has two active revenue agreements with the University of California, Riverside (UCR) that are due to expire on June 30, 2013. One agreement is for the University's U-Pass program and the other agreement funds the operation of Route 51.

U-Pass

The U-Pass program was launched in the summer of 2006 as a pilot program allowing UCR's approximate 20,000 students to ride the Agency's fixed-route transit network at a discounted fare. This fare is reimbursed by the University on a fixed-amount per-student basis. The program was designed to encourage and provide an affordable and convenient alternative for students traveling in and around the UCR campus as well as throughout the Agency's service area. Because of its popularity, the program was expanded to include UCR faculty and staff.

For the period ending this June 30, ridership is expected to reach nearly 385,756 trips, an increase of 12 percent from FY12. The partnership between the Agency and UCR was so successful it became the catalyst for expanding the college pass programs which now include Riverside City College, Moreno Valley College, Mount San Jacinto College (MSJC), La Sierra and Cal Baptist Universities.

The U-Pass Agreement is structured so that it allows UCR students, faculty and staff with valid identification (ID) cards to board any RTA fixed-route bus by swiping their ID cards through the farebox reader. The ID cards contain an encoded magnetic stripe which is unique to each cardholder. The farebox records the cardholder ID number along with the date and time the trip is taken. Each trip is reimbursed by UCR at a discounted rate of \$.90 per-trip with a maximum cap of \$35 per-rider, per-month.

For the renewal, the per-trip cost and monthly maximum cap will continue at \$.90 and \$35, respectively; however, based on ridership projections, the total not-to-exceed amount of the reimbursement agreement will increase by 16.7 percent for FY14, from \$240,000 to \$280,000.

Crest Cruiser

The Agency also provides service in and around the UCR campus with Route 51. This route, which is also known as the Crest Cruiser, was a UCR operated route until 2006 when the college requested RTA take over the route's operation. This route is fully paid for by UCR and continues to be one of the Agency's more productive routes with a year over year (FY13 vs. FY12) increase in ridership of 24.1 percent. The agreement with UCR reimburses the Agency for 100 percent of the route's operating expenses.

The Crest Cruiser will continue to operate during the regular academic school year, excluding holidays, break periods and the summer session, for a total of 164 school days. Hours of service will remain the same and begin at 7:00 a.m. and run through 7:29 p.m.

Fiscal Impact:

U-Pass

The U-Pass Agreement reimburses the Agency \$.90 per-trip, with a not-to-exceed cap of \$35 per-rider, per-month. Based on projected ridership for FY14, staff estimates this program will generate up to \$280,000 in fare revenue.

Crest Cruiser

With projected revenue service hours of 2,047 for FY14, the total operating expenses for the Crest Cruiser will be approximately \$129,823. This amount is fully reimbursed by UCR and covers all operational expenses (fuel, maintenance, labor, insurance, etc.)

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to renew Revenue Agreement No. 13-011 with UCR to continue the U-Pass program with UCR reimbursing the Agency at \$.90 per-trip with a maximum cap of \$35 per-rider per-month for a total not-to-exceed amount of \$280,000 from July 1, 2013 to June 30, 2014.
- Authorize staff to renew Revenue Agreement No. 13-012 with UCR for reimbursement of operating expenses of \$129,823 for Route 51 (Crest Cruiser) from July 1, 2013 through June 30, 2014.

RIVERSIDE TRANSIT AGENCY
1825 Third St.
Riverside, CA 92507

April 3, 2013

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Issue a Sole Source Purchase Order to Oracle USA, Inc., (Oracle) for Annual Software Licensing and Support Services for E-Business Suite Software

Summary: Staff is requesting authorization to issue a sole source purchase order to Oracle for annual software licensing and support services for Oracle E-Business Suite information management system (system) software. The current licensing and support services agreement is due to expire on June 30, 2013.

Background

As a result of a formal competitive procurement, the Board, at its February 2000 Board of Directors meeting authorized the purchase and implementation of Oracle E-Business Suite an enterprise-wide information management system. The approximate \$2.5 million system is comprised of two fully integrated software platforms: Oracle financial applications for the Agency's accounting, budgeting, payroll, fixed assets, purchasing and human resources; and, Spear Technologies (now Infor Public Sector, Inc.) for inventory control and vehicle maintenance management. The system was expanded in FY03 with the addition of a grants management module to automate and improve the management of the Agency's various federal, state and local grants. This system supports the Agency's business processes, information flows, reporting requirements and data gathering and analysis.

Discussion

As a public agency and recipient of Federal Transit Administration (FTA) funds, RTA strives to maximize full and open competition in all procurements. Generally, this is accomplished through a variety of procurement methods such as micro-purchases, small purchase procedures, sealed bids or competitive proposals. The FTA Best Practices Procurement Manual (Section 4.6) provides for the use of

non-competitive (sole source) procurements in those instances when the award of a contract is infeasible under normal procurement methods and at least one of the following circumstances applies:

- (a) The item is available only from a single source;
- (b) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (c) FTA authorizes noncompetitive negotiations;
- (d) After solicitation of a number of sources, competition is determined inadequate; or
- (e) The item is an associated capital maintenance item as defined in 49 U.S.C. § 5307(a)(1) that is procured directly from the original manufacturer or supplier of the item to be replaced. The grantee must first certify in writing to FTA: (i) that such manufacturer or supplier is the only source for such item; and (ii) that the price of such item is no higher than the price paid for such item by like customers

Furthermore, FTA Circular 4220.1F Chapter VI (Section 3) provides for the use of non-competitive (sole source) procurements when supplies or services are available from only one responsible source as determined by one of the following:

- (a) Patent and data right restrictions preclude competition;
- (b) Award to another contractor would result in substantial duplication of costs; and/or
- (c) Award to another contractor would result in unacceptable delays.

Since all software is considered copyright protected, the software developer typically will grant a third-party permission to use the software in ways that would otherwise be considered copyright infringement. In exchange for granting a third-party permission to use the software, the third-party is required to enter into a software license agreement with the developer. In addition, the software license will usually entitle the third-party to additional services such as software updates, bug fixes and other technical support services.

Staff has determined that licensing and technical support services for the Oracle software cannot be obtained under normal small purchase procedures, sealed bids, or competitive proposals, because no competition exists. Oracle is proprietary software and its use can only be licensed through Oracle. Since no competition exists, this procurement is being handled procedurally as a sole source per the FTA guidelines set forth above.

Due to the proprietary nature of this software, staff solicited a quotation from Oracle to continue to provide software licensing and support services. Oracle responded with a quote for the next 12-month period in an amount of \$36,213.62. Staff has reviewed Oracle's proposed pricing and has determined it to be fair and reasonable.

Alternatives Considered

If the Agency chose to not renew its annual license and support services agreement with Oracle, the alternative would be to replace Oracle with new financial management software. Initial capital investment for new software is estimated at approximately \$3 million to \$3.5 million. Additional costs would likely be incurred for system customization, integration with other systems, training as well as costs for conversion of existing data. Furthermore, the Agency would still be required to enter into an annual license and support services agreement with the new vendor.

Fiscal Impact:

Funding in the amount of \$36,213.62 for Oracle software licensing and support services has been included in the Agency's FY14 operating budget.

Committee Recommendation:

Approve and recommend to full Board for their consideration as follows:

- Authorize staff to issue a sole source purchase order to Oracle USA, Inc. for annual software licensing and support services for the period from July 1, 2013 to June 30, 2014 in an amount not to exceed \$36,213.62.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

April 3, 2013

TO: BOARD BUDGET AND FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Authorization to Issue a Sole Source Purchase Order to Trapeze Software Group, Inc. (Trapeze), for Annual Software Licensing and Support Services for Paratransit Scheduling Software System (PASS)

Summary: Staff is requesting authorization to issue a sole source purchase order to Trapeze for annual software licensing and support services for the Agency's Paratransit Scheduling Software System (PASS). The Agency's current licensing and support services agreement with Trapeze is due to expire on April 30, 2013.

Background

The Agency provides complementary paratransit Dial-a-Ride service in compliance with the Americans with Disabilities Act (ADA) legislation. This service is a curb-to-curb advanced reservation transportation service and provides transport for approximately 1,500 seniors and/or persons with disabilities each weekday. Service is provided during the same hours of operation as local fixed-route bus service with customers scheduling rides from one to three days in advance.

Trapeze PASS is a scheduling and dispatching application developed to support the transportation management efforts of demand response transit services while following the guidelines promulgated under ADA. PASS is used for client registration, ADA eligibility certification, trip booking, real-time scheduling and dispatching. PASS integrates with GIS mapping enabling users to precisely geocode client addresses and destinations to calculate trip lengths and distances for accurate scheduling. In addition, real-time vehicle location and mobile data communications are integrated into PASS allowing dispatch to track vehicles and communicate with drivers.

In the mid-1990's the Agency purchased a paratransit scheduling and dispatching software system developed by Multisystems Inc. (Multisystems). In 2002, Trapeze acquired Multisystems Information Technology Group, the software division of Multisystems, Inc.

As a software license holder of Multisystems, the Agency was provided the opportunity to upgrade to Trapeze PASS with no additional costs or licensing fees. Both software systems provided the same basic applications, with Trapeze offering a higher level of functionality and expanded features not available in the Multisystems software. PASS has become the industry standard for managing demand response paratransit operations and has been used by the Agency since FY03.

Discussion

As a public agency and recipient of Federal Transit Administration (FTA) funds, RTA strives to maximize full and open competition in all procurements. Generally, this is accomplished through a variety of procurement methods such as micro-purchases, small purchase procedures, sealed bids or competitive proposals. However, the FTA Best Practices Procurement Manual (Section 4.6) provides for the use of 'non-competitive' (sole source) procurements in those instances when the award of a contract is infeasible under normal procurement methods and at least one of the following circumstances applies:

- (a) The item is available only from a single source;
- (b) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (c) FTA authorizes noncompetitive negotiations;
- (d) After solicitation of a number of sources, competition is determined inadequate; or
- (e) The item is an associated capital maintenance item as defined in 49 U.S.C. § 5307(a)(1) that is procured directly from the original manufacturer or supplier of the item to be replaced. The grantee must first certify in writing to FTA: (i) that such manufacturer or supplier is the only source for such item; and (ii) that the price of such item is no higher than the price paid for such item by like customers

Further, the FTA Circular 4220.1F Chapter VI Section 3 provides for the use of 'non-competitive' (sole source) procurements when supplies or services are available from only one responsible source as determined by one of the following:

- (a) Patent and data right restrictions preclude competition;
- (b) Award to another contractor would result in substantial duplication of costs; and/or
- (c) Award to another contractor would result in unacceptable delays.

Since all software is considered copyright protected, the software developer typically will grant a third-party permission to use the software in ways that would otherwise be considered copyright infringement. In exchange for granting a third-party permission to use the software, the third-party is required to enter into a software license agreement with the developer. In addition, the software license will usually entitle the third-party to additional services such as software updates, bug fixes and other technical support services.

Staff has determined that licensing and technical support services for the PASS software cannot be obtained under normal small purchase procedures, sealed bids, or competitive proposals, because no competition exists. PASS is proprietary software and its use can only be licensed through Trapeze. Since no competition exists, this procurement is being handled procedurally as a sole source per the FTA guidelines set forth above.

Due to the proprietary nature of this software, staff solicited a quotation from Trapeze to continue to provide software licensing and support services. Trapeze responded with a quote for the next 12-month period in an amount of \$67,749. Staff has reviewed Trapeze's proposed pricing and has determined it to be fair and reasonable.

Alternatives Considered

If the Agency chose to not renew its annual license and support services agreement with Trapeze, the alternative would be to replace Trapeze with new scheduling and dispatching software. Initial capital investment for new software is estimated at approximately \$500,000 to \$1 million. Additional costs would likely be incurred for system customization, integration with other systems, training as well as costs for conversion of existing data. Furthermore, the Agency would still be required to enter into an annual license and support services agreement with the new vendor.

Fiscal Impact:

Funding in the amount of \$67,749.00 has been included in the Agency's FY14 operating budget.

Committee Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Authorize staff to issue a sole source purchase order to Trapeze Software Group, Inc., for PASS software licensing and support services for the period from May 1, 2013 through April 30, 2014 in an amount not to exceed \$67,749.00.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

April 3, 2013

TO: BOARD BUDGET & FINANCE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Craig Fajnor, Chief Financial Officer

SUBJECT: Update on Anticipated Cash Flow Shortage Due to U.S. Department of Labor Non-certification of Federal Transit Administration (FTA) Grant Funding Requests Due to 13(c) Non-compliance as it Pertains to the Passage and Implementation of State of California Public Employees' Pension Reform Act

Summary: The Agency utilizes Federal funding for its operating expenses and capital expenditures. Primarily, the Agency uses FTA Section 5307 (5307) formula revenues to fund a portion of its annual operating and capital improvement budget. In addition, the Agency also utilizes FTA Section 5308, 5309, 5311, 5316 and 5317 funds for both operating and capital expenditures depending on the section funding designation and funding availability. Federal funds are available for draw down upon submission and full approval of a Federal grant application as well as proof of reimbursable expenses.

On July 6, 2012, President Obama signed into law the Moving Ahead for Progress in the 21st Century (MAP-21) legislation. The bill became effective October 1, 2012 and provides guaranteed funding for federal surface transportation and transit programs through FY14. However, Congress has yet to finalize the transit funding amounts for the current fiscal year. At this point, FTA funding is subject to a Continuing Resolution through March 27, 2013 and does not represent full MAP-21 levels for the fiscal year.

On September 12, 2012, Governor Brown signed into law the Public Employees' Pension Reform Act (PEPRA) - a pension reform bill which requires several changes to the California Public Employees' Retirement System (CalPERS). PEPRA became effective January 1, 2013. The Agency utilizes CalPERS for its pension offering for both represented and non-represented employees. Since the implementation of PEPRA, labor unions throughout California have alleged that PEPRA violates Section 13(c) of Federal Transit Law.

Section 13(c) - codified as section 5333(b) of Title 49 of the U.S. Code - requires that certain employee protections must be certified by the U.S. Department of Labor (DOL) and in place before Federal transit funds can be released to a mass transit provider. These protections are commonly referred to as "protective arrangements" or "Section 13(c) arrangements. Section 13(c) requires the continuation of collective bargaining rights, and protection of transit employees' wages, working conditions, pension benefits, seniority, vacation, sick and personal leave, travel passes, and other conditions of employment. Section 13(c) requires the continuation of any collective bargaining rights that were in place when the employer started receiving Federal funds. However, the Section 13(c) arrangement is not a collective bargaining agreement and does not create a collective bargaining relationship where one does not already exist.

DOL usually certifies subsequent grants to the same transit provider based on protective arrangements that are already in place. However, DOL can delay certification if a party submits an objection that "raises material issues that may require alternative employee protections," or "concerns changes in legal or factual circumstances that may materially affect the rights or interests of employees." 29 C.F.R. § 215.3(d)(3). If DOL finds that an objection is sufficient, it directs the parties to renegotiate the provisions of the protective arrangements that are at issue. In the event of an objection, the parties are encouraged to discuss any issues raised in an objection as soon as possible. At the end of the 15-day review period provided for the parties, DOL has up to ten days to consider any objections filed by either party. Although not required by the DOL's guidelines, if comments on objections are received by the DOL before a response has been issued, DOL may consider those comments in reaching its determination of the sufficiency of the objections.

Staff recently applied for its FY13 5307 grant funding encompassing both operating and capital improvement activities. In addition, staff also applied for section 5308 funding for a portion of the Agency's heavy-duty CNG bus replacement. The 5307 grant request is for 95% of the Agency's FY13 5307 funding due to the Continuing Resolution funding limits. The 5308 grant request is for 100% of our 5308 funding. As a result of PEPR, the Amalgamated Transit Union (ATU) has objected to the applications discussed above, effectively asking the DOL not to approve the Agency's new federal transit grant applications. The ATU argues that PEPR violated the employees' collective bargaining rights. The Agency does not have the authority to resolve the pension reform issue as this was a State action. Without DOL certification, and ultimate grant approval, these federal funds will not become available and, thus, negatively impact Agency cash flow. At this point, approval date for these grants' funds is unknown.

However, staff is assuming that these funds will not be available for draw down by the end of the current fiscal year – a time consistent with recent fiscal years. The resultant delay in overall FTA approval of our new grants - and availability to draw down much needed funding - will negatively impact cash flow for operations and capital improvements. As such, staff has developed a cash flow forecast for both operating and capital revenue receipts and expense disbursements that assumes no use of deferred capital revenues to temporarily fund operations (in order not to jeopardize capital project completion schedules). This forecast also contains a “no 5307 or 5308 availability” assumption. The forecast further assumes maintenance of a \$50,000 balance in the Agency’s general disbursement account in order to avoid minimal unforeseen expenditures.

The current cash flow forecast indicates that, if FY13 5307 and 5308 grant funding is not received by March 1, 2014, the Agency will need to receive an advance of funds from RCTC in order to meet forecasted operating and capital expense obligations for the remainder of FY14. As of this writing, the amount of cash required above and beyond that provided by the expected FY14 LTF allocation and other sources to get the Agency through FY14 is \$15,000,000. This funding advance is anticipated to be provided from allocated unclaimed funding held at the Riverside County Transportation Commission (RCTC) and, thus, would require RCTC approval.

Staff has communicated this over-arching issue to RCTC staff as well as the dollar amount and timing. However, logistics were not addressed. RCTC staff has agreed, with RTA Board approval, to present this request to the Commission for approval.

As stated previously, staff has completed input of the FY13 5307 and 5308 grant request and is awaiting congressional budget approval and FTA approval of the grants. If the grants are approved and 5307 and/or 5308 funds are drawn down before the need to receive any or all advanced funds, staff will discontinue pursuing this action.

Fiscal Impact:

If no other cash resources are made available prior to the receipt of 5307 and 5308 funds, the Agency projects to have a cash flow shortage starting in March 2014. Staff will continue to monitor the Agency’s cash flow status and minimize the problem to the greatest extent possible. Staff anticipates returning to the Board of Directors later this calendar year to seek specific guidance and approval for further action.

Recommendation:

Approve and recommend this item to the full Board of Directors as follows:

- Receive and file