



Expo

**Exposition Metro Line
Construction Authority**


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DATE: JULY 6, 2006

TO: BOARD OF DIRECTORS

FROM: RICHARD D. THORPE 
CHIEF EXECUTIVE OFFICER

**ACTION: AUTHORIZE PURCHASE OF UNIVERSAL FARE SYSTEM
EQUIPMENT**

RECOMMENDATION

Authorize the Chief Executive Officer to purchase Universal Fare System (UFS) equipment for fare collection use on the Exposition Light Rail Project (LRT) Project in the amount not-to-exceed \$5.2 million.

SUMMARY

The Los Angeles County Metropolitan Transportation Authority (Metro) is contracted with Cubic Transportation Systems, Inc. (CTS) on a multi-year basis (Contract No. OP-02-4610-10) to provide Ticket Vending Machines (TVMs), Stand-Alone Validators (SAVs) and associated ancillary equipment on all the Metro rail lines and bus services. The Exposition LRT Project requires 38 TVMs and 39 SAVs for installation at its eight new stations. Procurement of these TVMs and SAVs was not planned until 2008, as they are not scheduled for installation until late 2009. However, the manufacturer has agreed to extend the option bid prices that currently apply for procuring the Metro Gold Line Eastside Extension (MGLEE) UFS equipment to purchase the Expo UFS equipment. If such purchase is authorized immediately, the Expo Line equipment can be included in the same production run. It is estimated that taking advantage of this opportunity will save 10% to 20% on the cost of this equipment versus waiting until 2008 to initiate a procurement.

DISCUSSION

The Expo Fare Collection Equipment Study Report, prepared by the Preliminary Engineering Team in August 2005, concludes that a minimum of two TVMs and one SAV are required at each station for initial line service; specific requirements at each station were assessed and further adjusted based on ridership projections and station entrance configurations. TVM and SAV quantities at each station entrance have been determined for the initial service cases and maximum capacity projections. The Expo Line stations will be designed and constructed with consideration for the future UFS equipment requirements.

In March 2002, Metro awarded a multi-year contract to CTS for fare collection equipment as a key element of its UFS Program, which will upgrade and standardize the fare collection equipment throughout the Metro system. Adoption of this UFS Program provides a benefit to both agency and patrons. As part of the Metro system, the Expo Line will also be part of the UFS program.

CTS will manufacture, store, deliver and install the UFS equipment for the Exposition Metro Line Construction Authority (Authority). The Authority Design-Build contractor, FCI/Fluor/Parsons (FFP) will prepare all fare collection sites at the Expo stations for the required installations. The preparation will include provision for physical equipment installation, power, conduit, and communications interfaces.

The UFS Contract Change Order that procures the MGL EE equipment will be executed prior to expiration of the current option bid prices, and thus represents the last opportunity for the Expo LRT Project to avoid cost increases. It is estimated that the UFS equipment and installation labor costs will increase between 10% and 20% by the planned procurement date of 2008. Separate procurement of the Expo fare collection equipment would also mean that production start-up costs would be incurred that would further increase the cost of each unit. By exercising this option now, Expo will realize significant savings on fare collection equipment.

FINANCIAL IMPACT

The cost of this procurement is included in the Project Budget of \$640 million. Any savings realized as a result of initiating this procurement early to take advantage of the current option price, will constitute a positive impact on the overall project budget. This action will require a transfer of \$1.56 million from the FY07 budget contingency to cover progress payments required in FY07, as it was not planned as part of the FY07 budget request.

NEXT STEPS

Upon authorization of this procurement, Metro staff managing the UFS equipment contract with CTS will issue a Notice-To-Proceed to CTS for production of the Expo UFS equipment.

ATTACHMENT(S)

None