



Legislation Details (With Text)

File #: UT12-03TH-2

Type: Procurement Contract/Change Order **Status:** Passed

In control: Board of Trustees

On agenda: 6/22/2022 **Final action:** 6/22/2022

Title: Change Order: FAREPAY Card Program Management Modification #2 (Interactive Communications International, Inc. "InComm")

Indexes:

Code sections:

Attachments: 1. Change Order: FAREPAY Card Management (InComm)_Original Contract, 2. Change Order: FAREPAY Card Management (InComm)_Modification 1, 3. Change Order: FAREPAY Card Management (InComm)_Modification 2

Date	Ver.	Action By	Action	Result
6/22/2022	1	Board of Trustees	approved	Pass

TO: Board of Trustees

THROUGH: Jay Fox, Executive Director

FROM: Alisha Garrett, Chief Strategy Officer

PRESENTER(S): Kyle Brimley, IT Director;
Jerry Van Wie, IT Manager (App Dev / PMO)

TITLE:

Change Order: FAREPAY Card Program Management Modification #2 (Interactive Communications International, Inc. "InComm")

AGENDA ITEM TYPE:

Procurement Contract/Change Order

RECOMMENDATION:

Approve contract extension and modification #2 with InComm and authorize the executive director to execute the change order and associated disbursements in the amount of \$840,000.

BACKGROUND:

InComm has been a valued partner and prepaid card (FAREPAY) manager for nearly a decade. InComm was awarded a prepaid card program management contract (#UT-12-03TH) back in June 2013. InComm provides the following services to UTA:

- InComm manages a network of more than 400 retail merchant locations
- InComm hosts and supports critical back-office systems so that riders can purchase FAREPAY cards used to electronically pay their transit fares. InComm also manages the integration to UTA's EFCX system so that our EFC validators appropriately accept or reject these cards as fare payment
- InComm sources all the cards and manages the individual card balances for nearly 150,000 FAREPAY accounts.
- InComm hosts the online FAREPAY website where FAREPAY cards are purchased. Riders utilize this website to manage their cards.
- InComm hosts a Customer Service interface that UTA agents use when handling customer concerns. Further, InComm provides a self-serve interactive voice response (IVR) interface for customers to check their FAREPAY card balance.
- Following PCI security standards, InComm handles all payment processing events associated with the FAREPAY cards.

The original contract term, executed in 2013, was six years (2-year initial term, with two 2-year renewal options). InComm incurred all up-front development costs for this program back in 2013. Our contractual arrangement is that UTA pays InComm a load fee for every dollar loaded on a FAREPAY card (currently 7%). UTA did a sole source contract amendment in 2018 to extend the contract term 3 years, setting the new expiration date for this contract to Dec 2022.

DISCUSSION:

To avoid the substantial duplication of costs (described below), staff is requesting an extension of the sole source contract with InComm for another 36 months. Our riders will benefit from this strategy because we will not unnecessarily subject them to inconveniences associated with a new FAREPAY provider before UTA transitions to its new electronic fare collection system.

UTA is in the process of procuring a new integrated, vendor-hosted, account-based, electronic fare collection (EFC) system, which will include support for FAREPAY accounts. The RFP for this new fare collection system has recently been released. However, it will likely take 2-3 years to complete all procurement, implementation, and migration tasks. In the interim, we need to extend the contract with InComm to continue to support FAREPAY cards.

InComm has indicated a willingness to extend this contract if UTA agrees to begin paying an ongoing service fee of \$20K per month, beginning July 2022 (all other existing contract terms would remain the same). UTA has the option to cancel the contract at any time.

CONTRACT SUMMARY:

Contractor Name:	InComm
Contract Number:	UT-12-03TH-2
Base Contract Effective Dates:	2013-2022 (base + modification 1)

Extended Contract Dates:	2022-2025 (modification 2)
Existing Contract Value:	Contractor Load Fees Received to Date = \$2,338,699. 52
Amendment Amount:	\$840,000
New/Total Contract Value:	\$2,338,699 + \$840,000 + 7% load fees retained (\$200,000 estimate) = approximately \$3,378,699
Procurement Method:	Sole Source
Budget Authority:	IT Operating Budget - 5200.50353.92

ALTERNATIVES:

Allow the InComm contract to expire in Dec 2022 and then discontinue the FAREPAY card as a fare payment mechanism for 1-3 years until UTA has transitioned to the new fare collection system. Riders would need to shift to an alternate fare payment mechanism in the interim.

FISCAL IMPACT:

\$840K increase in operating expenses over the next 42 months (\$20K per month). This will be budgeted out of the IT department contract services account 5200.50353.92.

ATTACHMENTS:

InComm Original Contract

Change Order #1

Change Order #2 (current request)