

COUNCIL ACTION FORM

SUBJECT: REQUEST FOR WAIVER OF PURCHASING POLICIES FOR CYRIDE TO CONTRACT WITH NEXTBUS FOR PURCHASE OF BUS TRACKING TECHNOLOGY

BACKGROUND:

Bus tracking technology has been a customer-desired amenity in the transit industry for more than ten years. Until recently, a vehicle tracking system has been cost prohibitive for CyRide. However, three factors have recently combined to allow this technology to be considered in Ames. First, the technology has been reduced in price. Previously a system for CyRide had been estimated to cost more than \$1,000,000; but prices today are in the \$150,000 to \$200,000 range.

Second, a vendor by the name of NEXTbus has a desire to begin operating its bus tracking technology in the Midwest and recently has deployed its product at the University of Iowa in Iowa City. The company will allow its lower pricing to also be available to CyRide.

Lastly, the Government of the Student Body (GSB) trust fund for CyRide services has grown over the past several years to approximately \$1 million dollars, and is estimated to climb to more than \$1.5 million dollars over the next several years. This will occur with no fee increases planned. With these three factors coming together at this time, the students requested that CyRide begin examining the possibility of purchasing the NEXTbus system for CyRide.

The Transit Board of Trustees requested staff to work with the Iowa State University (ISU) students to design a system and identify costs and a financial plan to determine if a bus tracking system in Ames was feasible. A working group of CyRide, GSB and ISU staff met several times to provide the Transit Board and GSB with the information needed. The group completed its work in January 2011 with the following proposal:

- CyRide would purchase a vehicle tracking system that would relay real-time bus arrival information via website, smartphone, display signs, and automated telephone system.
- CyRide would include NEXTbus arrival signage at four locations in the initial project at: Kildee, Bessey, Friley and Student Services.

- The Board would authorize use of the GSB Trust Fund to pay for the initial system and up to three years of the annual operating contract including NEXTbus' annual operating fee.

This proposal (attached) was adopted by the GSB Senate on February 2, 2011 (resolution attached). The estimated cost of this proposal is between \$275,000 and \$300,000 dependent upon construction costs to install the signage. The Transit Board of Trustees reviewed the resolution and proposal at its February 17, 2011 meeting and approved the project as well. It is estimated that the annual operating contract expense for the first three years will be approximately \$80,000 each year. The Transit Board will decide at a later date how to finance future annual contract costs after the first three years.

The students' desire for a robust bus tracking system that will allow information dissemination in multiple electronic forms: website, text messaging and telephone, narrows the available vendors to one – NEXTbus. The chart below indicates the capabilities of other vendors in the bus tracking market. In this analysis, it was found that only NEXTbus could provide the telephone and text messaging capabilities desired by the students.

Feature/System	Icomera	TranLoc	NEXTbus	Route Match	Synchromatics
GPS	X	X	X	X	X
Telephone			X		
SMS			X		
Web-Based		X	X	X	X
Mobile Web		X	X	X	X
Digital Signage		X	X		X
Hosted Off-Site	X	X	X		X
Covert Alarm			X	X	X

Based on this analysis, which determined that a single vendor could provide the product desired and the fact that no taxpayer revenues would be used to purchase the system, led to the request for a waiver from the purchasing policies to procure a bus tracking system with the capabilities desired by the students. The Transit Board of Trustees also approved the waiver request at its February 17, 2011 meeting. It should be noted that any additional costs for installation of infrastructure in support of this system will also be paid for by GSB Trust funds.

ALTERNATIVES:

1. Waive the City's Purchasing Policies for competitive bid of a bus tracking system technology contract and award a contract to NEXTbus for \$428,390 for implementation and three years service.
2. Do not waive the City's Purchasing Policies and direct staff to solicit proposals for a bus tracking technology system.

3. Do not pursue a bus tracking technology system at this time.

MANAGER'S RECOMMENDED ACTION:

A bus tracking system that provides real-time arrival information for CyRide customers in various formats is one of the most requested enhancement to CyRide's service. Waiving the City Purchasing Policies to purchase the NEXTbus technology will allow the community to procure a system that provides information in four formats (website, smart phone, telephone and digital signage) as opposed to other systems with only one to two formats. This will enhance the system's use, and will increase its benefit to the community.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving a waiver for the City's Purchasing Policies and to enter into a single source negotiation for the bus tracking technology.