

ORDINANCE NO. 019-92

AN ORDINANCE AUTHORIZING
A SOLE SOURCE CHANGE
ORDER AND SUPPLEMENT TO
THE OPEN STANDARDS FARE
SYSTEM AGREEMENT WITH
CUBIC TRANSPORTATION
SYSTEMS, INC. TO UPGRADE
THE SYSTEM AND EXTEND
THE AGREEMENT FOR FIVE
YEARS

WHEREAS, On November 15, 2011, after completing the Request for Proposals (RFP) procurement process including competitive negotiations under Requisition No. B09OP03968, the Chicago Transit Board approved Ordinance No. 011-143, which authorized the Chicago Transit Authority ("Authority") to enter into a twelve (12) year agreement with Cubic Transportation Systems Chicago, Inc., which has since been merged into its parent corporation, Cubic Transportation Systems, Inc. ("Cubic"), for an Open Standards Fare System (the "Original Agreement" and as amended and supplemented from time to time, the "OSFS Agreement"); and

WHEREAS, The Original Agreement provided for the implementation of a modern, state-of-the-art open standards fare payment system (the "OSFS" and known as "Ventra") to enable the Authority's customers to pay fares in ways already available to consumers when paying for goods and services at any retail store or website, such as credit, debit or prepaid cards; and

WHEREAS, On August 3, 2012, the Authority and Pace entered into an Intergovernmental Agreement, pursuant to Ordinance No. 012-61, to enable Pace to obtain equipment, software and services as a part of the OSFS, and further, the Authority, Pace and Cubic entered into a First Supplement to the Original Agreement (the "Pace Supplement") to enable Pace to join Ventra; and

WHEREAS, On December 11, 2014, the Authority, Pace and Metra entered into an Intergovernmental Agreement, pursuant to Ordinance No. 014-120, to enable Metra to obtain equipment, software and services as part of the OSFS and further, the Authority, Pace, Metra and Cubic entered into a Third Supplement to the Original Agreement (the "Mobile App Supplement") to create the Ventra mobile application and to enable Metra to join Ventra; and

WHEREAS, Pursuant to Ordinance No. 019-077, the Board authorized Staff to negotiate a Fourth Supplement to the OSFS Agreement consistent with the Term Sheet attached to that Ordinance, which indicates that the Agreement will be

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extended for up to five (5) years and that the Authority will provide additional funding for that time extension and for upgrades to the system; and

WHEREAS, Ordinance No. 019-077 requires that the Fourth Supplement be submitted to the Chicago Transit Board for approval following completion of negotiations; and

WHEREAS, Contract change orders that individually or cumulatively increase the original contract value by more than 10% or extend the contract termination date by more than twelve months require approval by the Board; and

WHEREAS, The contract with Cubic currently runs until January 2024 and in such case Cubic is the only vendor that is able to provide the required upgrades while at the same time running the current operation, so advertising for bids would serve no useful purpose and would not be in the best interests of the Authority or the public; and

WHEREAS, Staff has completed negotiations and recommends that the Board approve sole source Change Order No. 5 to the OSFS Agreement with Cubic and that the Authority enter into the Fourth Supplement to the OSFS Agreement; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. Based on the statements set forth in the recitals of this ordinance, the Chicago Transit Board hereby determines that the goods and services being procured are procurable from only one source.

SECTION 2. The Chairman of the Chicago Transit Board, the President or their respective designees (the "Authorized Officers"), are hereby authorized to approve sole source Change Order No. 5 to the OSFS Agreement with Cubic Transportation Systems, Inc. under Requisition No. B09OP03968 and execute the Fourth Supplement to the OSFS Agreement substantially in conformance with the Fourth Supplement attached as Exhibit A hereto.

SECTION 3. OSFS Appendices. All appendices and exhibits to the Fourth Supplement shall be in a form acceptable to the President, Chief Financial Officer and General Counsel.

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SECTION 4. Contract Term. The twelve-year contract term authorized by Section 2 of Ordinance No. 011-143 may be extended by up to five (5) additional years.

SECTION 5. Transaction Fee. The components of the Transaction Fee authorized in Section 4 of Ordinance No. 011-143 may be modified as specified in the attached Fourth Supplement.

SECTION 6. Interchange Fees. Until the end of the original twelve-year term Cubic will continue to bear all responsibility for interchange fees. The Authority will be responsible for interchange fees during the extended term.

SECTION 7. OSFS Upgrades. Additional Authority funding for OSFS project upgrades is hereby authorized in the amount of One Hundred Thirty-Two Million One Hundred Nine Thousand Two Hundred Ninety-Four Dollars (\$132,109,294.00), payable following successful launch of the OSFS project upgrades.

SECTION 8. To the extent that any other requirements specified in Ordinance No. 011-143 conflict with the attached Fourth Supplement, the requirements in the Fourth Supplement shall supersede and replace the requirements specified in Ordinance No. 011-143.

SECTION 9. Additional Authorization. Each Authorized Officer is hereby authorized to execute and deliver such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Fourth Supplement in furtherance of the purposes and the authority set forth in this Ordinance.

SECTION 10. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

Assistant Secretary

October 10, 2019

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