

## MEMORANDUM

**November 26, 2014**

**To: MVTA Board**

**From Michael Abegg, Planning Manager**

**Subject: Non-Disclosure Agreement – Cubic Transportation Systems**

### **Requested Action**

Approve a Non-Disclosure Agreement with Cubic Transportation Systems for the purposes of constructing a connection between MVTA's fare collection and AVL systems.

### **Background**

Cubic Transportation Systems provides the contactless smart card ("Go-To") fare system for the region. This includes the smart card readers and operator control units on MVTA buses as well as station fare collection equipment for the LRT and commuter rail systems. On all regional buses except MVTA's, Cubic supplies only the smart card readers while the functionality of the Cubic operator control unit is provided by software running on the Transitmaster control unit that emulates the Cubic unit.

As part of its contract to provide MVTA's AVL system, RouteMatch is obligated to develop a similar software emulator to allow the RouteMatch control unit to operate the Cubic smart card reader. RouteMatch's development of this product requires knowledge of interface control components that Cubic considers proprietary. For this reason, Cubic has requested that RouteMatch enter into a Non-Disclosure Agreement (NDA).

In addition, it was noted that while Cubic currently has a Non-Disclosure Agreement with the Metropolitan Council, that agreement is likely inadequate to cover any interaction between Cubic and MVTA on this project. Therefore, Cubic has requested that MVTA also enter into a new NDA. In November, staff reported that the original proposed agreement was inadequate in light of Minnesota state law. In January, however, some renewal of staff at Cubic allowed a fresh consideration of the need for the agreement, and MVTA supplied a new proposal with more limited (but still necessary) changes. The current proposal is acceptable to Cubic and to MVTA staff (and legal counsel).

### **Impact**

If MVTA does not agree to non-disclosure, it will certainly limit MVTA's access to information about the Cubic interface. While this will not *per se* prevent RouteMatch's development work, it would quite likely make such an effort unnecessarily complicated, by preventing RouteMatch from discussing Cubic interface items with MVTA staff.

Staff have made a fresh request of Met Council for the entirety of the Cubic-Met Council agreement as a guide to creating a more substantive agreement between MVTA and Cubic. Such

an agreement would cover the potential for Cubic to perform work directly for MVTA, rather than solely under its contract with the Council. This is considered an additional important step in coming months but for the moment, the approval of this NDA is considered essential to completing the AVL project in a timely manner.

**Recommendation**

Approve Non-Disclosure Agreement with Cubic Transportations Systems for the purposes of connecting MVTA's RouteMatch AVL system to the Cubic smart card fare collection system, in the final form submitted and approved by MVTA legal counsel and agreed to by Cubic.

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MINNESOTA VALLEY TRANSIT AUTHORITY  
RESOLUTION NO. 12-\_\_\_\_\_

APPROVING A NON-DISCLOSURE AGREEMENT WITH CUBIC  
TRANSPORTATION SYSTEMS, INC.

WHEREAS, MVTA operates a contactless smart-card fare collection system owned by the Metropolitan Council and supplied by Cubic Transportation Systems; and,

WHEREAS, MVTA desires to construct an interface between the fare collection system and the RouteMatch AVL system, and,

WHEREAS, Cubic desires to protect its intellectual property and proprietary information to the extent allowed under law;

NOW, THEREFORE BE IT RESOLVED that the Board authorize a Non-Disclosure Agreement with Cubic Transportation Systems, Inc., agreeing to restrict MVTA's use of Cubic's protected information to the development of the fare collection to AVL interface.

ADOPTED by the Minnesota Valley Transit Authority this 29<sup>th</sup> day of February, 2012.

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Chair

Attest:

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