

MEMORANDUM

November 26, 2014

To: MVTA Board

From: Michael Abegg, Transit Planning Manager

Subject: Purchase of Surplus Fare Collection Equipment

Requested Action

Ratify Executive Director actions and provide additional direction in regard to purchase of surplus fare collection equipment from Worcester (MA) Regional Transit Authority

Background

Several weeks ago, MVTA staff became aware of a surplus equipment sealed-bid auction being conducted by the Worcester Regional Transit Authority in Worcester, Massachusetts. Included in the auction were 52 GFI Cents-a-Bill fareboxes with the same Ticket Reader/Issuer Machine (TRIM unit) as MVTA currently uses, plus spare components and fixed vaulting equipment.

This region is likely to continue to use this combination of technology for some years to come. Although it is an old technology, the Cents-a-Bill having been in production since the mid-1980's, it is still a mostly functional technology, particularly as the use of the TRIM unit for pre-paid passes has declined since the Go-To system introduction. The particular fareboxes being sold by WRTA are 14 years old, while the TRIM units are less than 6 years old on average.

As GFI is the sole supplier of spare parts, such parts are often expensive and subject to significant shipping delays. Schmitty's personnel estimated the value of the spare parts inventory that would actually be used at over \$7,000 (plus an additional \$8,000 or so in parts that Schmitty's has "never" replaced). Likewise, the value of a brand-new farebox plus TRIM is over \$15,000. In discussion with Schmitty's, MVTA suggested that if a bid were successful, that Schmitty's would purchase the parts inventory from MVTA, and that MVTA would supply the fareboxes and TRIMs to Schmitty's at no cost as a capital improvement.

On the approval of the Executive Director, existing consulting firm Stantec (formerly Bonestroo) performed a site visit to inspect the surplus parts. Its report confirmed MVTA and Schmitty's staff sense that there was significant value in the combination of late-model TRIM units and spare parts. Based on this, the Executive Director authorized submittal of a bid of \$5,000 for the entire lot, well below what MVTA actually valued it at but the largest amount possible without a Board authorization.

Impact

After the bids were opened, MVTA was notified that it had provided the high bid. At this time, MVTA is required to remove the equipment from WRTA property by June 1. Staff has budgeted an additional \$5,000 for the cost of shipping services (via common carrier freight).

In further discussion with Schmitty and Sons, Schmitty's staff offered to travel to Massachusetts and drive the equipment back to Minnesota. Staff believes that the cost of Schmitty's providing the transportation be considered a fair trade for the spare parts, so that MVTA's capital cost be the bid plus its costs to have Stantec perform the evaluation, and that no additional funds would be exchanged. MVTA's costs of \$6,198 are available in the maintenance parts budget, if no capital funding can be redirected to this project.

Having this supply of spare parts and inventory of spare fareboxes and especially TRIM units will provide MVTA with a greater degree of confidence that Schmitty's can maintain the farebox system in good working

order at a reasonable cost. In addition, the fixed vault receiver may be a perfect fit for the modified Eagan Bus Garage fare collection area.

Recommendation

1. Ratify the actions of the Executive Director to:

Authorize Stantec to perform investigation and evaluation of surplus fare collection equipment in Worcester, Massachusetts, in an amount not to exceed \$1,200.

Submit a bid in the amount of \$5,000 for the purchase of surplus fare collection equipment from the Worcester (MA) Regional Transit Authority.

2. Authorize staff to negotiate with Schmitt and Sons for Schmitt and Sons to transport the surplus equipment and parts from Worcester to Minnesota, on the terms that MVTA will then supply both the surplus equipment and parts to Schmitt and Sons at no additional cost to either party.

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MINNESOTA VALLEY TRANSIT AUTHORITY
RESOLUTION NO. 12-_____

RATIFYING CERTAIN EXECUTIVE DIRECTOR ACTIONS AND DIRECTING
STAFF, ON THE MATTER OF FARE COLLECTION EQUIPMENT ACQUISTION

WHEREAS, MVTA operates the GFI fare collection system including Cents-a-Bill fareboxes and TRIM units; and,

WHEREAS, valuable equipment and spare parts related to this fare collection system were made available through sealed-bid auction by the Worcester Regional Transit Authority in Worcester, Massachusetts; and,

WHEREAS, acquisition of additional spare parts and equipment will improve MVTA's ability to deliver transit services;

NOW, THEREFORE BE IT RESOLVED that this Board ratifies the actions of the executive director to engage Stantec to perform inspection and evaluation in the amount of \$1,198 and to submit a sealed bid in the amount of \$5,000 for the entire inventory of equipment and spare parts; and,

BE IT FURTHER RESOLVED that staff be directed to negotiate with its operating contractor, Schmitt and Sons, for Schmitt and Sons to transport the inventory from Massachusetts to MVTA and that the inventory be then provided to Schmitt and Sons at no additional cost.

ADOPTED by the Minnesota Valley Transit Authority this 23rd day of May, 2012.

Chair

Attest:
