

**AGENDA ITEM 8-D**  
**ACTION ITEM**

**TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD**

**FROM: DALE ZEHNER**

**DATE: APRIL 17, 2009**

**RE: AUTHORIZATION TO AMEND THE CONTRACT WITH SCHEIDT AND BACHMANN TO UPGRADE THE VRE FARE COLLECTION SYSTEM**

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**RECOMMENDATION:**

The VRE Operations Board is being asked to authorize the Chief Executive Officer to amend the existing Scheidt and Bachmann USA, Inc. (S&B) contract for the VRE fare collection system to undertake a system upgrade. The amendment will increase the contract by an amount not to exceed \$967,863, plus a 15% contingency of \$145,180, for a total contract value not to exceed \$7,306,816.

**BACKGROUND:**

On June 16, 2000, the VRE Operations Board authorized a contract with S&B for the delivery of a new fare collection system. On October 31, 2002, the system was accepted and revenue service began. After more than six years of operation, the fare system hard drive components are approaching the end of their lifespan and will be replaced as part of this proposed amendment.

The fare collection system application software also requires updating. In 2005, Visa issued new requirements to protect PIN-based transaction processing within point-of sale systems and host systems, including the VRE fare collection system. Replacement of the PIN pads on existing VRE TVM and TOM units must be completed by June 30, 2010 in order to comply with the requirements. If these upgrades are not completed, credit and debit processing of ticket sales will be suspended and VRE would be subjected to fines and penalties. The proposed amendment will implement the

necessary hardware, software and bank payment card security upgrades to ensure stable operation of the fare collection system.

While the majority of these hardware and software upgrades will address maintenance issues and the new credit card requirements, they are also intended to support the future modification of the fare collection system to allow interoperability with the WMATA SmarTrip program. The full regional SmarTrip implementation, including the “autoload” functionality that will enable VRE integration with the region, is currently expected to be complete by the end of 2009. Additional modifications to the VRE fare collection system to support integration will be required and have not been finalized. As such, any changes will be included in a future contract amendment.

**FISCAL IMPACT:**

Funding for this project is available in VRE’s Capital Improvement Program as part of the SmarTrip/Fare Collection System improvement project. Funding for this project is from federal CMAQ grants. The local match is provided for using state funds.

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**FROM: DALE ZEHNER**  
**DATE: APRIL 17, 2009**  
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**RESOLUTION  
8D-04-2009  
OF THE  
VIRGINIA RAILWAY EXPRESS  
OPERATIONS BOARD**

**WHEREAS**, a contract currently exists to maintain the VRE fare collection system; and,

**WHEREAS**, the fare collection system hardware components and software have reached the end of their lifespan and are beginning to show signs of instability; and,

**WHEREAS**, the bank card payment industry has mandated compliance with new security standards for credit/debit card processing which require upgrading VRE ticket vending equipment; and,

**WHEREAS**, the proposed upgrades support the integration of VRE with WMATA's SmarTrip program; and,

**WHEREAS**, VRE needs to keep its fare collection system in revenue service, including allowing credit/debit ticket purchases, and continue with steps to achieve interoperability with the regional SmarTrip system.

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board authorizes the Chief Executive Officer to amend the existing Scheidt and Bachmann USA, Inc. (S&B) contract for the VRE fare collection system to undertake a system upgrade. The amendment will increase the contract by an amount not to exceed \$967,863, plus a 15% contingency of \$145,180, for a total contract value not to exceed \$7,306,816.