To: Chair Cristol and the VRE Operations Board
From: Doug Allen
Date: July 19, 2019
Re: Authorization to Execute a Sole Source Contract with REACH NOW for Maintenance and Hosting Support of the VRE Mobile Ticketing App

Recommendation:
The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a Sole Source Contract with REACH NOW for Maintenance and Hosting Support of the VRE Mobile Ticketing Application at a cost of 1.5% commission on all tickets issued through the application, plus actual credit card processing fees. The contract is for one base year and four option years for an estimated cost of $2,949,975, plus a 10% contingency of $294,997, for a total amount not to exceed $3,244,972. The option years may be exercised at the discretion of the Chief Executive Officer.

Summary:
This contract will allow VRE to continue providing fare media sales through the proprietary mobile ticketing application designed and developed by REACH NOW and currently utilized by more than 30% of VRE passengers.

Background:
In 2014, VRE entered into a contract with REACH NOW (formerly known as GlobeSherpa and as moovel) for the design and development of a mobile ticketing solution to allow VRE passengers to purchase fare media through their mobile smartphones. The system was launched in May of 2015 and has become a popular alternative to the paper ticketing
system. REACH NOW’s integration with SmartBenefits allows VRE passengers to allocate their transit subsidy benefits to VRE Mobile, simplifying a challenging process.

VRE Mobile will be upgraded to the new REACH NOW mobility platform which will add:

- Trip planning
- First and last mile solutions
- Single point of purchase for entire trips
- Potential to offer joint fares with other regional partners on the same platform

Since the launch of VRE Mobile, REACH NOW has implemented their mobile ticketing solution with many other transit agencies nationwide, including recent agreements with the Maryland Transit Administration (MARC Trains) and DASH in Alexandria.

A sole source determination has been made in accordance with state and federal requirements and VRE Procurement Policies, and public notice will be provided, that because REACH NOW is the designer and developer of VRE Mobile and is the only vendor able to provide these services for their proprietary system, this qualifies as a sole source procurement.

**Fiscal Impact:**

The existing agreement with REACH NOW includes hosting and maintenance costs as a separate line item, whereas this proposed contract includes those costs as part of the overall sales commission. The projected cost of sales commissions (inclusive of hosting and maintenance services) and credit card processing and bank fees associated with this contract over the next five years, inclusive of a 10% contingency, is $3,244,972. The approved FY 2020 operating budget for Retail Sales Commissions and Bank Discounts include sufficient funding for the respective activities related to the agreement. Funding for future years will be included in each proposed annual budget.
### REACH NOW Services Agreement

<table>
<thead>
<tr>
<th>Services</th>
<th>Previous Contract (Per Year)</th>
<th>Base Year</th>
<th>Option Year 1</th>
<th>Option Year 2</th>
<th>Option Year 3</th>
<th>Option Year 4</th>
<th>5 Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Commissions</td>
<td>$125,506</td>
<td>$207,085</td>
<td>$227,794</td>
<td>$250,573</td>
<td>$275,630</td>
<td>$303,193</td>
<td>$1,264,275</td>
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<tr>
<td>Hosting &amp; Maintenance</td>
<td>$127,345</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td>Credit Card Processing</td>
<td>$239,034</td>
<td>$276,113</td>
<td>$303,725</td>
<td>$334,097</td>
<td>$367,507</td>
<td>$404,258</td>
<td>$1,685,700</td>
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<tr>
<td>Annual Cost</td>
<td>$491,885</td>
<td>$483,198</td>
<td>$531,519</td>
<td>$584,570</td>
<td>$643,137</td>
<td>$707,451</td>
<td>$2,949,975</td>
</tr>
</tbody>
</table>

**10% Contingency**  
$294,997

**Total**  
$3,244,972
Virginia Railway Express
Operations Board

Resolution
9D-07-2019

Authorization to Execute a Sole Source Contract with REACH NOW for Maintenance and Hosting Support of the VRE Mobile Ticketing App

WHEREAS, VRE passenger tickets can be purchased through many different sales channels, including on-platform ticket vending machines, mail order, the VRE Mobile app, and 'brick and mortar' vendors located at or near the stations; and,

WHEREAS, in 2014, VRE entered into a contract with REACH NOW (formerly known as GlobeSherpa and as moovel) for the design and development of a mobile ticketing solution to allow VRE passengers to purchase fare media through their mobile smartphones; and,

WHEREAS, the mobile ticketing system was launched in May of 2015 as VRE Mobile and has become a popular alternative to the paper ticketing system; and,

WHEREAS, in accordance with state and federal requirements and VRE Procurement Policies, a determination has been made, and public notice thereof will be provided, that because REACH NOW is the designer and developer of VRE Mobile and is the only vendor able to provide these services for their proprietary system, this qualifies as a sole source procurement;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a Sole Source Contract with REACH NOW for Maintenance and Hosting Support of the VRE Mobile Ticketing App for an estimated cost of $2,949,975, plus a 10% contingency of $294,997, for a total amount not to exceed $3,244,972, for one base and four option years, with the CEO exercising the option years at his discretion.

Approved this 19th day of July 2019

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Katie Cristol
Chair

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John Cook
Secretary