To: Chair Cristol and the VRE Operations Board
From: Doug Allen
Date: May 17, 2019
Re: Authorization to Execute a Sole Source Contract for Maintenance, Software, and Hosting Services for the Automated Fare Collections System

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a Sole Source Contract with Scheidt and Bachmann, Inc. (S&B) of Lowell, Massachusetts for Maintenance, Software, and Hosting Services for the Automated Fare Collections System in the amount of $3,942,444, plus a 5% contingency of $197,122, for a total not to exceed amount of $4,139,566. The term of this contract will be one base year and three option years, with the CEO exercising the option years at his discretion.

Summary:

This contract will replace the existing design-build contract with S&B and will provide maintenance technicians, software support, cloud hosting and a full upgrade of the backend system.

Background:

This contract will replace the existing design-build contract with S&B. The existing contract was executed in August 2000 and has been extended through multiple amendments for maintenance support and system upgrades and will expire on June 30, 2019. The new contract has been separated into three distinct functional areas: Preventive and Remedial...
Maintenance, Hosting Services, and the Back-End Upgrade (FareGo). This separation will allow VRE to explore opportunities to competitively procure individual functions should technological advances provide an opportunity to do so.

This contract provides for two full-time technicians for onsite remedial and preventive maintenance of the Ticket Vending Machines (TVMs) and Ticket Office Machines (TOMs); software support; cloud hosting; and a full upgrade of the backend system from the existing administrative, reporting and remote maintenance interface which is no longer supported. Cloud hosting and the backend upgrade are part of an ongoing effort to improve VRE’s cybersecurity posture and are necessary to maintain compliance with Payment Application Data Security Standards (PA-DSS) and Payment Card Industry Data Security Standards (PCI-DSS).

The pricing breakdown by functional area within the overall combined services agreement is as follows:

<table>
<thead>
<tr>
<th>Functional Area</th>
<th>Previous Contract</th>
<th>Base Year</th>
<th>Option Year 1</th>
<th>Option Year 2</th>
<th>Option Year 3</th>
<th>4 Year Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td>TVM Technical Support Services</td>
<td>$702,820</td>
<td>$736,380</td>
<td>$754,790</td>
<td>$773,659</td>
<td>$793,001</td>
<td>$3,057,830</td>
</tr>
<tr>
<td>Hosting Services</td>
<td>129,850</td>
<td>129,850</td>
<td>133,096</td>
<td>136,424</td>
<td>139,834</td>
<td>539,204</td>
</tr>
<tr>
<td>FareGo Data Upgrade</td>
<td>-</td>
<td>345,410</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>345,410</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>$1,211,640</td>
<td>$887,886</td>
<td>$910,083</td>
<td>$932,835</td>
<td>$3,942,444</td>
</tr>
<tr>
<td>5% contingency</td>
<td>-</td>
<td>$60,582</td>
<td>$44,394</td>
<td>$45,504</td>
<td>$46,642</td>
<td>$197,122</td>
</tr>
<tr>
<td>Grand Total</td>
<td>-</td>
<td>$1,272,222</td>
<td>$932,280</td>
<td>$955,587</td>
<td>$979,477</td>
<td>$4,139,566</td>
</tr>
</tbody>
</table>

A sole source determination has been made in accordance with state and federal requirements, and VRE Procurement Policies, and public notice will be provided.

**Fiscal Impact:**

The FY 2020 operating budget for ‘Rail Operations – Repair & Maintenance Fare Collections’ includes funding for the TVM Technical Support Services and Hosting Services activities. Funding for these operational activities in future years will be included in each proposed annual operating budget. Funding for the one-time FareGo Data Upgrade to the backend administrative system will be provided from VRE’s Capital Reserve.
Virginia Railway Express
Operations Board

Resolution
9B-05-2019

Authorization to Execute a Sole Source Contract for
Maintenance, Software, and Hosting Services for the
Automated Fare Collections System

WHEREAS, Scheidt and Bachmann, Inc. is the developer and manufacturer of VRE’s
Automated Fare Collection System; and,

WHEREAS, this contract will provide two full-time technicians for onsite remedial and
preventive maintenance on the Ticket Vending Machines and Ticket Office Machines,
software support, cloud hosting, and a full upgrade of the backend system from the existing
administrative, reporting and remote maintenance interface which is no longer supported;
and,

WHEREAS, the technical and software support relate to a proprietary technology; and,

WHEREAS, the hosting services and backend upgrade will improve VRE’s cybersecurity
posture and provide compliance with industry data security standards;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby
authorize the Chief Executive Officer to execute a Sole Source Contract with Scheidt and
Bachmann of Lowell, Massachusetts for Maintenance, Software, and Hosting Services for
the Automated Fare Collections System in the amount of $3,942,444, plus a 5% contingency
of $197,122, for a total not to exceed amount of $4,139,566, for a term of one base year and
three option years, with option years exercised at the CEO’s discretion.

Approved this 17th day of May 2019

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Katie Cristol
Chair

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John Cook
Secretary