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Jeffrey Tumlin, Director of Transportation

July 20, 2020

The Honorable Members of the Board of Supervisors
City and County of San Francisco
1 Dr. Carlton Goodlett Place, Room 244
San Francisco, CA 94102

Subject: Request for Approval – SFMTA Contract No. 2019-01: Next Generation Customer Information System

Honorable Members of the Board of Supervisors:

The San Francisco Municipal Transportation Agency (SFMTA) requests that the Board of Supervisors approve SFMTA Contract No. 2019-01: Next Generation Customer Information System, with Cubic Transportation Systems, Inc. to develop, implement, and maintain a new real-time vehicle arrival and service update system for Muni in an amount not to exceed \$88,980,877, for an initial term of six years with two optional five-year terms to cover software subscriptions and equipment lifecycle maintenance. This approval would be subject to the following condition: that the SFMTA obtain approval from the Board of Supervisors prior to exercising each of the optional five-year terms.

On June 16, 2020, the SFMTA Board of Directors authorized the Director of Transportation to execute SFMTA Contract No. 2019-01: Next Generation Customer Information System, subject to approval by the Board of Supervisors. Board of Supervisors' approval is required for Amendments No. 6 under Charter section 9.118(b), because the contract term may exceed ten years and expenditures are anticipated to exceed \$10,000,000.

Background

The Next Generation Customer Information System is a state-of-the-art real-time Muni vehicle arrival predictions and service update system. Guided by input from over 20 community organizations and 5,800 customers, it will replace the 20-year old NextBus system and introduce features that will revolutionize the transit riding experience.

For a modest investment, the Customer Information System will instill public confidence in transit, rebuild ridership and help put San Francisco on the path to COVID-19 recovery and a more sustainable future. The system will:

- Expand access to transit information
- Increase awareness of dynamic transit service plans as the SFMTA rebuilds the Muni network



- Promote inclusivity of the transit system with enhanced multilingual and accessible content
- Encourage social distancing and public safety with vehicle occupancy levels and public service announcements
- Make transportation planning more responsive through two-way app-based communications with customers and a new data analytics platform

The Customer Information System's highlights include:

- More accurate Muni predictions and new information to keep customers informed throughout their journey, such as real-time delays and detours, route alternatives, vehicle crowding, live maps, incident reporting, tailored accessibility information, and regional transit services
- Larger, graphical signs at bus shelters and rail stations system-wide to replace obsolete, text-based signs that have reached the end of their service lives
- New solar-powered signs to double sign coverage throughout the city, should resources permit
- A new multilingual, profile-based integrated trip planning and mobile payment app
- Flexibility to introduce new electronic fare products through the mobile app
- Dynamic marketing to customers, using points and credits to incentivize sustainable transportation

Alternatives Considered

The alternatives to the Next Generation System are (a) to attempt to maintain the existing NextBus system indefinitely, or (b) to stop providing real-time customer information.

Attempting to maintain the existing system indefinitely is not an option due to its age. Because the existing contractor no longer manufactures current sign models, it will become harder and eventually impossible to maintain signs as parts wear out and require replacement. The SFMTA will have to start removing signs from stops.

Ending real-time information altogether is also not feasible given how much SFMTA customers rely on it to plan their trips. Public outreach revealed that most customers (80 percent) check for real-time vehicle arrival information while waiting at their stops "always" or "often".

Funding Plan

The total project budget is an amount not to exceed \$88,980,877.

The SFMTA capital budget funds \$25,434,635 of the project budget. This capital expenditure



helps lay the foundation for long-term SFMTA recovery and growth, with flexible timing of expenditures based on cash flow and rollout of enhancements. Diverting these one-time capital funds to the operating budget would not fund other programs sustainably or be as an effective use of limited, short-lived resources.

The SFMTA operating budget funds \$63,546,241 in operating costs for an initial term of six years with two optional five-year terms to cover software subscriptions and equipment lifecycle maintenance. To ensure cost containment, the contract prevents software subscription fees and operations and maintenance costs from escalating beyond inflation for the optional extensions. The current two-year budget includes \$5,570,353 in FY 2021 and \$5,718,741 in FY 2022 for ongoing contract-related operating needs. The SFMTA will continue to include the operating costs in subsequent two-year budgets.

The SFMTA estimates that the base system will increase operating costs by \$47,274 monthly, with flexibility for expanded services and sign coverage should cash flow allow. This modest amount buys more accurate and enhanced customer information, an all-in-one trip planner and mobile ticketing app, an analytics platform to better plan services; and operating support for upgraded signs. Additionally, these costs cover systems integration, maintenance and warranty, including all parts and consumables for the equipment lifecycle. Savings from producing and manually posting fewer temporary laminated signs and revenues from induced ridership growth could help offset operating costs.

The attached fact sheet summarizes the Customer Information System's benefits and features and provides additional detail about the budget.

Recommendation

The SFMTA recommends that the San Francisco Board of Supervisors adopt the Resolution approving Contract No. 2019-01: Next Generation Customer Information System.

Thank you for your consideration of this proposed amendment. Should you have any questions or require more information, please do not hesitate to contact me at any time.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeffrey Tumlin'.

Jeffrey Tumlin
Director of Transportation