



**May 5, 2017**

**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 – Amendment No. 3 to Contract No. 2013-30 with Next Bus Inc., to extend the maintenance agreement for another year, with the option for an additional year.***

**Honorable Members of the Board of Supervisors:**

The San Francisco Municipal Transportation Agency (SFMTA) requests that the San Francisco Board of Supervisors approve the third amendment to San Francisco Municipal Transportation Agency Contract No. 201-30, with NextBus, Inc., for software and equipment maintenance services for the Automatic Vehicle Location System, to extend the term of the Agreement one year to July 31, 2018, with an option to further extend the Agreement up to one additional year to July 31, 2019 to be exercised at the Director of Transportation's discretion, and increasing the contract amount by \$3,780,474, for a total contract amount not to exceed \$12,968,676, pending approval by the Board of Supervisors.

**Background**

The SFMTA's Automatic Vehicle Location System (AVLS) provides real-time vehicle location information to SFMTA management and customers of the actual location and expected arrival time of transit vehicles. The AVLS utilizes cellular telephone infrastructure to transmit vehicle location data and proprietary software licensed from NextBus to provide arrival predictions. The public has come to rely heavily on AVLS information, which is transmitted via City websites and privately developed web and smartphone applications, and is displayed on electronic signs in subway stations and at transit stops. The AVLS is also a system vital to SFMTA transit operations and management, as it is integrated or shares data with the SFMTA's Advanced Train Control System and scheduling software systems. The AVLS software and associated equipment are proprietary to Nextbus, and the SFMTA is therefore unable to self-perform many necessary AVLS maintenance tasks.

The existing AVLS relies on technology that is likely to become outdated and requires use of expensive cellular telephone infrastructure. The SFMTA is preparing a RFP to solicit proposals for a replacement system that will transmit data via the new radio system. Staff expects that the selection process will be completed in early 2018, and the replacement AVLS will be implemented before July 2019. The proposed Third Amendment will maintain the existing AVLS while the SFMTA procures and implements a new AVLS.

The SFMTA contracted with NextBus, Inc. to implement the existing AVLS in July 2002, under Contract No. MR-1138, dated July 15, 2002 (SFMTA Board Resolution No. 08-012). Following expiration of that contract, the SFMTA contracted with NextBus for maintenance services and upgrades for the AVLS, most recently under Contract No. 2013-30, dated July 15, 2013 (SFMTA Board Resolution No. 13-

180), which provides maintenance services through July 31, 2017, for a total contract amount not to exceed \$9,188,202. The Director of Transportation authorized

Contract Amendment #1 to Contract 2013-30 on January 9, 2014 for an additional \$800,000 for various system expansion and upgrades. The Director of Transportation authorized Contract Amendment #2 on August 1, 2016 for \$497,982 to fund 2G-to-3G equipment upgrades to public signs made necessary by AT&T's January 1, 2017 nationwide shutdown of its 2G cellular data network.

In addition to extending maintenance services necessary to operate and maintain the AVLS, Amendment #3 will extend the term of the contract from July 31, 2017 to July 31, 2018, with an option to further extend the Agreement up to one additional year to July 31, 2019 to be exercised at the Director of Transportation's discretion. This will provide services necessary to migrate AVLS data transmission from GPS trackers and cellular data transmitters to the SFMTA's new Radio Communications and Computer Aided Dispatch/Automatic Vehicle Location (CAD/AVL).

### **Local Business Entity Goals**

The Local Business Entity (LBE) subcontracting participation requirement for Amendment #3 will remain the same as the current contract at 20 percent, which Nextbus has met throughout the current contract and will continue to meet.

### **Stakeholder Engagement**

No outreach was conducted for this amendment. Over the years, the SFMTA has heard from customers that they rely on the NextBus system. To meet this customer demand, the SFMTA seeks to continue service while a next generation system is planned and implemented.

### **Alternatives Considered**

There is no practical alternative to extending the maintenance agreement that does not risk loss of the AVLS, which would adversely impact SFMTA transit operations and customer access to transit information. The AVLS software and some associated equipment are proprietary to Nextbus, Inc., and the SFMTA is therefore unable itself to perform many of the tasks necessary to maintain the AVLS.

### **Funding Impact/Budget**

The contract amount for the maximum two-year term of this Amendment is \$3,780,474. The cost of the proposed extension will not exceed \$1,890,237 annually, which is a 13 percent reduction from the current annual cost of \$2,172,555. The cost reduction is due to the migration of AVLS data transmission to the new radio system, which replaces existing NextBus GPS trackers and cellular data transmitters and eliminates monthly cellular service fees. The migration of AVLS data transmission to the new radio system will commence under but may not be fully accomplished under the maintenance agreement with NextBus, but when fully complete under a new AVLS will result in costs savings to the SFMTA of \$282,318 per year.

### **SFMTA Board Action**

On May 2, 2017, the SFMTA Board of Directors approved Resolution No. 170502-057 authorizing the Director of Transportation to execute this Amendment (see attached).

**Recommendation**

The SFMTA recommends that the San Francisco Board of Supervisors adopt the resolution approving the Third Amendment to San Francisco Municipal Transportation Agency Contract No. 201-30, with NextBus, Inc., for software and equipment maintenance services for the SFMTA's Automatic Vehicle Location System, to extend the term of the Agreement one year to July 31, 2018, with an option to further extend the Agreement up to one additional year to July 31, 2019 to be exercised at the Director of Transportation's discretion, and increasing the contract amount by \$3,780,474, for a total contract amount not to exceed \$12,968,676, pending approval by the Board of Supervisors.

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,



**Edward D. Reiskin**  
**Director of Transportation**

Attachments: SFMTA Board Resolution No. 170502-057  
Amendment No. 3

