

ACTION MEMO

AC TRANSIT DISTRICT
Board of Directors
Executive Summary

GM Memo No. 06-022

Meeting Date: January 18, 2006

Committees:

Planning Committee

☐

Finance Committee

☒

External Affairs Committee

☐

Operations Committee

☐

Board of Directors

☐

Financing Corporation

☐

SUBJECT:

Authorize the General Manager to Negotiate a Contract with NextBus, Inc. to Provide Real Time Bus Arrival Information on Two BRT/Rapid Lines, and at Two BART/AC Transit Centers

RECOMMENDED ACTION:

☐ Information Only ☐ Briefing Item ☒ Recommended Motion

Authorize the General Manager to negotiate and execute a contract with NextBus, Inc., for real time bus arrival information on two BRT/Rapid lines and at two BART/AC Transit Centers, for a capital investment including a seven-year warrantee, in the amount of \$1,031, 079.

Fiscal Impact:

No direct impact on District operating funds. Two sources of grant capital funds will pay the cost: \$287,000 in Regional Measure 2 (RM-2) bus arrival information funds and \$744,079 in Measure B and RM-2 Telegraph/International BRT/Rapid funds. The proposed seven-year warrantee will save approximately \$691,083 in annualized operating costs; those funds would have come primarily from District operating revenues.

BOARD ACTION:

Approved as Recommended []

Other []

Approved with Modification(s) []

[To be filled in by District Secretary after Board/Committee Meeting]

The above order was passed on _____, 2006.

Rose Martinez, District Secretary

By _____

Background/Discussion:

For a number of years, AC Transit has worked with NextBus, Inc. to provide real time bus arrival information, both at bus stops and via the Internet. Initially, NextBus provided a Demonstration Project along San Pablo Avenue. In May 2003, AC Transit entered into Contract No. 2003-839 to provide NextBus services and equipment for the San Pablo BRT/Rapid Corridor. That contract was subsequently amended to cover services and equipment for large-screen bus arrival information at the Fruitvale BART station. This new proposed contract would supercede amended Contract No. 2003-839, and would include the Telegraph/International BRT/Rapid Corridor, as well as the Downtown Berkeley BART station.

All four projects will be covered by a NextBus seven year warrantee on equipment and services. This provision is particularly significant, in that traditional financial models for this type of technology-driven service have initial capital expense and subsequent annual operating charges. NextBus recognizes the reality of public agency funding issues, and has worked diligently with staff to develop this new, warrantee driven business model. In this instance, front loading the costs will result in significant savings, primarily in District operating funds. Attachment A details NextBus' calculations and cost reductions, based on our current contract.

Both NextBus and AC Transit recognize that safeguards must be built into the contract to guarantee the same level of service and attention to AC Transit's needs as presently provided by NextBus.

Attachments:

Attachment A: NextBus analysis of contract costs and savings

Approved by: Rick Fernandez, General Manager
Nancy Skowbo, Deputy General Manager for Service Development

Prepared by: Jon Twichell, Transportation Planning Manager

Date Prepared: January 10, 2006

**NextBus Cost Analysis
Reduced Service Price**

Cost Analysis of all Contracts		Implemented	Implemented	New	New	
7 Years		San Pablo BRT	Fruitvale BART	Berkeley BART	Int'l Blvd BRT	Total
Routes		3	9	10	3	25
Signs		44	2	2	52	100
Vehicles Tracked		30	44	95	30	199
Contract Duration(2006-2013)		84		84	84	
Contract Duration(2007-2013)			72			
HW maintenance duration (2007-2013)				72	72	
HW maintenance duration (2006-2013)			84			
RTD/each	\$2,500					
Sign HW Costs				\$46,215	\$167,901	\$214,116
Airtime	\$25	\$92,400		\$0	\$109,200	\$201,600
ASP	\$20.00	\$50,400	\$63,360	\$159,600		\$273,360
ASP-	\$17.50				\$120,540	\$120,540
ASP for Webpage displayed on Signs	\$30		\$4,320	\$5,040		\$9,360
Wireless Connection LCD	\$100		\$7,200	\$8,400		\$15,600
Sign Maintenance	5%	\$42,621			\$50,370	\$92,991
LCD/Kiosk Spares	\$5,440		\$5,440	\$7,250		\$12,690
LCD/Kiosk Maintenance	5%		\$16,173	\$13,865		\$30,038
Database Build	\$3,000			\$30,000	\$9,000	\$39,000
Patent Licenses	\$172			\$16,328	\$5,156	\$21,484
Contract Management	NA			\$0	\$0	\$0
Freight	\$0			\$300	\$0	\$300
Sales Tax Not Included						
Total Reduced Price Contract		\$185,421	\$96,493	\$286,998	\$462,167	\$1,031,079

Comparison of Reduced Price and Full Price Contracts

	Implemented	Implemented	New	New	
	San Pablo BRT	Fruitvale BART	Berkeley BART	Int'l Blvd BRT	Total
Total Contract at Reduced Price	\$185,421	\$96,493	\$286,998	\$462,167	\$1,031,079
Total Contract at Full Price	\$303,861	\$175,695	\$516,498	\$726,108	\$1,722,162
Discount	39%	45%	44%	36%	40%

**NextBus Cost Analysis
Full Price Contract**

Cost Analysis of all Contracts		Implemented	Implemented	New	New	
7 Years		San Pablo BRT	Fruitvale BART	Berkeley BART	Int'l Blvd BRT	Total
Routes		3	9	10	3	25
Signs		44	2	2	52	100
Vehicles Tracked		30	44	95	30	199
Contract Duration(2006-2013)		84		84	84	
Contract Duration(2007-2013)			72			
HW maintenance duration (2007-2013)				72	72	
HW maintenance duration (2006-2013)			84			
RTD/each	\$2,500					
Sign HW Costs				\$46,215	\$167,901	\$214,116
Airtime	\$40	\$147,840		\$0	\$174,720	\$322,560
ASP	\$45.00	\$113,400	\$142,560	\$359,100		\$615,060
ASP-	\$45.00				\$309,960	\$309,960
ASP for Webpage displayed on Signs	\$30		\$4,320	\$5,040		\$9,360
Wireless Connection LCD	\$100		\$7,200	\$8,400		\$15,600
Sign Maintenance	5%	\$42,621			\$50,370	\$92,991
LCD/Kiosk Spares	\$5,440		\$5,440	\$7,250		\$12,690
LCD/Kiosk Maintenance	5%		\$16,175	\$13,865		\$30,040
Database Build	\$6,000			\$60,000	\$18,000	\$78,000
Patent Licenses	\$172			\$16,328	\$5,156	\$21,484
Contract Management	NA			\$0	\$0	\$0
Freight	\$0			\$300	\$0	\$300
Total Contract at Full Price for Airtime and ASP		\$303,861	\$175,695	\$516,498	\$726,108	\$1,722,162

NextBus Cost Analysis
Full Price Contract

\$91,260
\$44,280
\$1,440
\$14,484
\$4,622
\$156,085.27