

STAFF REPORT

SUBJECT: Integrate Stanislaus Transit Agencies into EZHub

RECOMMENDED ACTION: Approve an amendment to the professional services agreement between SJCOG and Masabi LLC (C-20-024), to include Schedule H – StanRTA and Schedule I – Turlock Transit

SUMMARY:

Over the summer of 2021, SJCOG staff coordinated with the Stanislaus County transit agencies, the Stanislaus Regional Transit Authority (StanRTA) and Turlock Transit. The transit agencies and Masabi LLC have agreed to terms and have signed schedules (attached) that outline their responsibilities. Now, SJCOG staff are requesting that the SJCOG board approve of an amendment to the SJCOG-Masabi Professional Services Agreement (C-20-024) to include the two agencies' fares into EZHub. This milestone represents a significant development for the EZHub contactless fare payment platform spearheaded by SJCOG in 2020 in partnership with the region's transit operators.

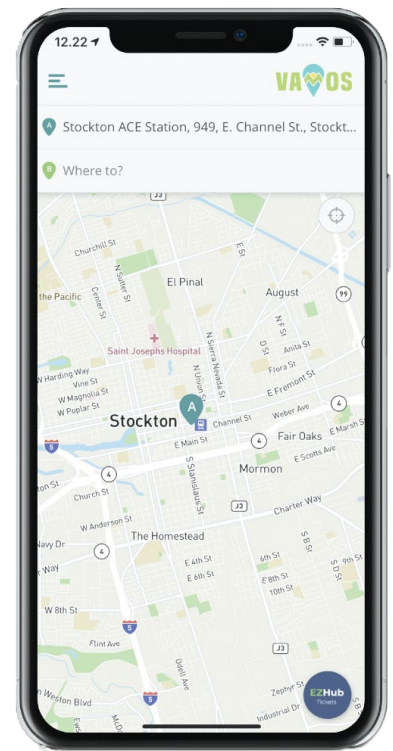
RECOMMENDATION:

SJCOG staff request approval of an amendment to the professional services agreement between SJCOG and Masabi LLC (C-20-024), per section 5.3, to attach and include Schedule H – StanRTA and Schedule I – Turlock Transit within the entirety of the agreement.

FISCAL IMPACT:

Adding the Schedules H and I has no fiscal impact to SJCOG in the SJCOG and Masabi LLC agreement (C-20-024)., StanRTA and Turlock Transit will have 5% of their fares paid to Masabi for any tickets purchased through the EZHub app as denoted in the Schedules.

Other agreements have accounted for the cost for integration of StanRTA and Turlock Transit into the EZHub fare payments feature. It will not exceed \$15,000 for Masabi LLC and \$10,000 for



DemandTrans. The integration cost for Trillium will be minimal. Masabi's integration work will be paid through SJCOG's Sustainable Transportation Equity Project (STEP) grant. DemandTrans' and Trillium's work will be paid through SJRTD's Integrated Mobility Innovation (IMI) grant, Task 5 Payment Integration.



BACKGROUND:

In January 2020, the SJCOG Board awarded Masabi LLC the contract to develop, implement, and support a comprehensive and secured end-to-end mobile ticketing solution along with the capabilities to integrate Application Programming Interfaces (API) into the Vamos Mobility trip planning application. The development and integration were completed in November 2020.

Using public transit is safer and easier to access and pay for throughout San Joaquin County thanks to the addition of EZHub. Once downloaded, transit riders can use the Vamos Mobility app to plan their journeys and purchase tickets for any of the seven participating transit systems. The app is available from both the App Store and Google Play by searching for "Vamos Mobility."

Scaling in Stanislaus

StanRTA Turlock Transit currently offer route data in the Vamos Mobility app through their publicly available General Transit Feed Specification (GTFS), which allows public transit agencies to publish transit data in a format consumable by a wide variety of software applications. The GTFS data allows transit riders to plan trips throughout Stanislaus and San Joaquin counties in the Vamos Mobility app. In the fall of 2021, the two transit agencies agreed to take the next step by offering their fares on the Vamos Mobility app through the EZHub payments feature.

NEXT STEPS:

Upon SJCOG Board approval, staff will work to amend the SJCOG-Masabi contract (C-20-024) to add Schedules H and I to the agreement and update any language within the body of the document to reflect the additional schedules.

DemandTrans and Masabi will begin work on integrating the Turlock Transit and StanRTA's fares into the Vamos Mobility app and the EZHub fare payments feature. After the integration work and testing phase are complete, the fares from the two Stanislaus County transit agencies are expected to be available to riders in February 2022.

ATTACHMENTS:

- A. Schedule H – StanRTA
- B. Schedule I – Turlock Transit
- D. C-20-024 A2

Prepared by: Joel Campos, Associate Regional Planner

SCHEDULE H
FOR STANISLAUS REGIONAL TRANSIT AUTHORITY
(STANRTA)

Charges and Payment

1. CHARGES – WHEN SJCOG AND MASABI CONFIRM THAT THE PLATFORM IS READY TO GO INTO REVENUE SERVICES

A) UPFRONT FEES: PAID BY SJCOG

B) TRANSACTION FEES: MASABI RECEIVES 5% OF THE TRANSIT OPERATOR'S GROSS TOTAL PROCEEDS OF FARE/TICKET/PASS SALES PURCHASED USING MASABI. THIS DOES NOT APPLY TO ANY CONCESSIONARY TICKETS BETWEEN TRANSIT OPERATOR AND A THIRD PARTY FOR SPECIAL EVENTS.

C) PLATFORM FEE: \$950 PER CALENDAR MONTH PAID BY SJCOG PER SJCOG CONTRACT WITH MASABI FOR DURATION OF SJCOG-MASABI CONTRACT WHICH IS 18 MONTHS AND ANY EXTENDED CONTRACT PERIOD RENEWALS UP TO TWO "ONE-YEAR" EXTENSIONS.

D) VAMOS APP INTEGRATION SUPPORT FEE: \$350 PER CALENDAR MONTH PAID BY SJCOG PER SJCOG CONTRACT WITH MASABI FOR DURATION OF SJCOG-MASABI CONTRACT WHICH IS 18 MONTHS AND ANY EXTENDED CONTRACT PERIOD RENEWALS UP TO TWO "ONE-YEAR" EXTENSIONS.

2. REPORTING

Masabi shall report on a monthly basis. Each report must list the Agreement Number and above Schedule Number and include full detail of the number of tickets sold using the Vamos App powered by the Masabi Justride SDK (the "App"), the total revenue associated with these transactions, and the applicable transaction fee that has been collected by **MASABI**.

3. PAYMENT AND FARE REMITTANCE

The total value of fares received by MASABI shall be remitted to the STANRTA within 5 working days of the end of each calendar month by ACH bank transfer, together with remittance advice by email. STANRTA will provide ACH bank transfer information in coordination with its finance department upon ratification of Schedule and Contract with SJCOG.

4. CHANGE ORDERS

Any provision of services outside of the Contract with SJCOG will require an amendment to this Schedule. The MASABI rate card for change order requests is identified in Attachment A to the SJCOG-MASABI contract.

5. STANISLAUS REGIONAL TRANSIT AUTHORITY'S RESPONSIBILITIES



In consideration of Masabi's provisioning of the Justride platform and ancillary services, the STANRTA agrees to:

- (1) Comply with all applicable laws and regulations with respect to its activities under this Schedule;
- (3) Carry out all other responsibilities set out in this Schedule in a timely and efficient manner. In the event of any delays in the STANRTA 's provision of such assistance as agreed by the parties, Masabi may adjust any agreed timetable or delivery schedule as reasonably necessary;
- (4) Obtain and maintain all necessary permits, licenses, consents, and permissions necessary for it to perform its obligations under this Schedule;
- (5) Ensure that its network and systems comply with the relevant specifications provided by Masabi from time to time; and
- (6) Be solely responsible for procuring and maintaining its network connections and telecommunications links from its systems to Masabi's data centers, and all problems, conditions, delays, delivery failures and all other loss or damage arising from or relating to the STANRTA's network connections or telecommunications links or caused by the internet;
- (7) STANRTA agrees that Masabi's obligations in relation to the transit tickets are limited to the sale of transit tickets to authorized users via the App, and that Masabi will not be held responsible for any errors committed by STANRTA during scanning or visual ticket validation. If a STANRTA driver approves an invalid ticket, Masabi will not be held responsible;
- (8) Provide training to its present and future operations staff in relation to the transit tickets as specified in writing to it by Masabi, following a "train the trainer" initial training program provided by Masabi. STANRTA shall also provide first line support to authorized users in respect of the transit tickets. STANRTA shall provide this support with reasonable care and skill;
- (9) Use all reasonable commercial efforts to reduce levels of fraud and/or chargebacks in relation to the transit tickets, which shall include: (i) preventing access to STANRTA 's App and/or website by an authorized user upon Masabi informing the STANRTA suspected fraudulent activity by such authorized user; and (ii) voiding transit tickets where requested by Masabi from time to time; and
- (10) Provide Masabi, once per quarter, its transit operating performance data that addresses ridership and fare revenues by ticket sale category. This will allow Masabi to assess its performance and target improvements to the Justride platform and the services provided to the STANRTA.

6. TERMINATION

Each Party shall have the right to terminate this Schedule for any reason on thirty (30) days written notice to the other Party. Service Provider agrees to cease all services under this Schedule on or before the effective date of any notice of termination.

7. AUTHORIZED REPRESENTATIVES

<p>STANISLAUS REGIONAL TRANSIT AUTHORITY</p> <p>Authorized Representative:</p> <p>Philip McGuire</p> <p>Chief Executive Officer</p> <p>912 11th St, Suite 100</p> <p>Modesto, CA 95354</p> <p>Tel. 209-477-7011</p> <p></p> <p>DATE SIGNED: <u>11/2/2021</u></p>	<p>MASABI's Authorized Representative:</p> <p>Jeff Nullmeyer</p> <p>Senior Business Development Mgr</p> <p>205 E 42nd Street, Suite</p> <p>14003</p> <p>New York, NY 10017</p> <p>Tel. 949-973-3982</p> <p></p> <p>DATE SIGNED: <u>11/8/2021</u></p>
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**SCHEDULE I
FOR CITY OF TURLOCK**

Charges and Payment

1. CHARGES – WHEN SJCOG AND MASABI CONFIRM THAT THE PLATFORM IS READY TO GO INTO REVENUE SERVICES

A) UPFRONT FEES: PAID BY SJCOG

B) TRANSACTION FEES: MASABI RECEIVES 5% OF THE TRANSIT OPERATOR'S GROSS TOTAL PROCEEDS OF FARE/TICKET/PASS SALES PURCHASED USING MASABI. THIS DOES NOT APPLY TO ANY CONCESSIONARY TICKETS BETWEEN TRANSIT OPERATOR AND A THIRD PARTY FOR SPECIAL EVENTS.

C) PLATFORM FEE: \$950 PER CALENDAR MONTH PAID BY SJCOG PER SJCOG CONTRACT WITH MASABI FOR DURATION OF SJCOG-MASABI CONTRACT WHICH IS 18 MONTHS AND ANY EXTENDED CONTRACT PERIOD RENEWALS UP TO TWO "ONE-YEAR" EXTENSIONS.

D) VAMOS APP INTEGRATION SUPPORT FEE: \$350 PER CALENDAR MONTH PAID BY SJCOG PER SJCOG CONTRACT WITH MASABI FOR DURATION OF SJCOG-MASABI CONTRACT WHICH IS 18 MONTHS AND ANY EXTENDED CONTRACT PERIOD RENEWALS UP TO TWO "ONE-YEAR" EXTENSIONS.

2. REPORTING

Masabi shall report on a monthly basis. Each report must list the Agreement Number and above Schedule Number and include full detail of the number of tickets sold using the Vamos App powered by the Masabi Justride SDK (the "App"), the total revenue associated with these transactions, and the applicable transaction fee that has been collected by **MASABI**.

3. PAYMENT AND FARE REMITTANCE

The total value of fares received by MASABI shall be remitted to the CITY OF TURLOCK within 5 working days of the end of each calendar month by ACH bank transfer, together with remittance advice by email. CITY OF TURLOCK will provide ACH bank transfer information in coordination with its finance department upon ratification of Schedule and Contract with SJCOG.

4. CHANGE ORDERS

Any provision of services outside of the Contract with SJCOG will require an amendment to this Schedule. The MASABI rate card for change order requests is identified in Attachment A to the SJCOG-MASABI contract.

5. CITY OF TURLOCK RESPONSIBILITIES


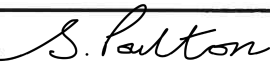
In consideration of Masabi's provisioning of the Justride platform and ancillary services, the CITY OF TURLOCK agrees to:

- (1) Comply with all applicable laws and regulations with respect to its activities under this Schedule;
- (3) Carry out all other responsibilities set out in this Schedule in a timely and efficient manner. In the event of any delays in the CITY OF TURLOCK 's provision of such assistance as agreed by the parties, Masabi may adjust any agreed timetable or delivery schedule as reasonably necessary;
- (4) Obtain and maintain all necessary permits, licenses, consents, and permissions necessary for it to perform its obligations under this Schedule;
- (5) Ensure that its network and systems comply with the relevant specifications provided by Masabi from time to time; and
- (6) Be solely responsible for procuring and maintaining its network connections and telecommunications links from its systems to Masabi's data centers, and all problems, conditions, delays, delivery failures and all other loss or damage arising from or relating to the CITY OF TURLOCK's network connections or telecommunications links or caused by the internet;
- (7) CITY OF TURLOCK agrees that Masabi's obligations in relation to the transit tickets are limited to the sale of transit tickets to authorized users via the App, and that Masabi will not be held responsible for any errors committed by CITY OF TURLOCK during scanning or visual ticket validation. If a CITY OF TURLOCK driver approves an invalid ticket, Masabi will not be held responsible;
- (8) Provide training to its present and future operations staff in relation to the transit tickets as specified in writing to it by Masabi, following a "train the trainer" initial training program provided by Masabi. CITY OF TURLOCK shall also provide first line support to authorized users in respect of the transit tickets. CITY OF TURLOCK shall provide this support with reasonable care and skill;
- (9) Use all reasonable commercial efforts to reduce levels of fraud and/or chargebacks in relation to the transit tickets, which shall include: (i) preventing access to the CITY OF TURLOCK 's App and/or website by an authorized user upon Masabi informing the CITY OF TURLOCK of suspected fraudulent activity by such authorized user; and (ii) voiding transit tickets where requested by Masabi from time to time; and
- (10) Provide Masabi, once per quarter, its transit operating performance data that addresses ridership and fare revenues by ticket sale category. This will allow Masabi to assess its performance and target improvements to the Justride platform and the services provided to the CITY OF TURLOCK.

6. TERMINATION

Each Party shall have the right to terminate this Schedule for any reason on thirty (30) days written notice to the other Party. Service Provider agrees to cease all services under this Schedule on or before the effective date of any notice of termination.

7. AUTHORIZED REPRESENTATIVES

City of Turlock's Authorized Representative: Sarah Eddy Interim City Manager 156 S. Broadway Suite 230 Turlock, CA 95380 Tel. 209-668-5542	MASABI's Authorized Representative: Jeff Nullmeyer Senior Business Development Mgr 205 E 42nd Street, Suite 14003 New York, NY 10017 Tel. 949-973-3982
SIGNATURE 	SIGNATURE 
DATE SIGNED: <u>11-16-2021</u>	DATE SIGNED: <u>November 22, 21</u>

**AMENDMENT #2
CONTRACT (C-20-024)
BETWEEN MASABI LLC AND
SAN JOAQUIN COUNCIL OF GOVERNMENTS**

The San Joaquin Council of Governments (SJCOG) and Masabi LLC entered into a professional services agreement (C-20-024) on May 01, 2020 for the Services as defined below, including without limitation, the following: (i) Configure Justride platform to support the launch of One Mobile Ticketing Application for SJCOG, (ii) Support a “One-Stop Shop” for San Joaquin County residents by Integrating with the Vamos Trip Planning Application, (iii) Outline Remittance Schedule, (iv) Train Staff from All Transit Agencies to Operate Any Software Needed to Maintain the App and Collect Necessary Data, (v) Develop and Facilitate a Mobile App Marketing, Upkeep, and Maintenance Plan. This following is Amendment #2 to the professional services agreement and is hereby effective on the date signed by the parties below.

The undersigned accepts the terms of Amendment #2 to the contract set forth and agrees to faithfully perform according to the terms and conditions thereof.

6. COMPENSATION

Following confirmation by SJCOG that the Justride Platform is ready to go into revenue service, Service Provider shall be paid for providing the Services in accordance with the following terms:

6.1 Service Provider shall provide payment, fee remittance, and reporting to each of the authorized transit operator representatives as described in Schedules A-~~G~~**I**.

6.2 Service Provider’s Vamos Implementation Fee of \$350 per month will be paid by SJCOG as described in Schedules A – ~~G~~ **I**

6.3 Service Provider’s \$950 per month Platform Fee, shall be paid by SJCOG for the first 18 months of the contract period. If one or both of the one-year successive extensions is approved, the \$950 per month Platform Fee will be split among the participating transit operators as described in Schedules A – ~~G~~ **I**.

9. INTELLECTUAL PROPERTY, OWNERSHIP, AND DISCLOSURE OF SERVICES

9.4 Each Party, including transit operator representatives identified in Schedules A – ~~G~~ **I**, shall remain the owner of its techniques, methods, processes, methods, experiments and all of its intellectual property rights with respect to any Intellectual Property in any information, techniques, know-how, software and materials (regardless of the form or medium in which they are disclosed or stored that are made available by one Party to the other Party which belong to each of the Parties, respectively, before the signing of the Agreement, or created for a purpose other than for the purposes of performing this Agreement and which are provided by one Party to another (whether before, on or after the date of this Agreement) (“Background IP”).

11. CONFIDENTIALITY

11.1 Each Party agrees that for and during the entire term of this Agreement, any information, data, figures, records, findings and the like received or generated by the other in the performance of this Agreement, shall be considered and kept as the private and privilege records of the other Party and will not divulge to any person, firm, corporation, or other entity except on the direct written authorization of the other Party. Further, upon expiration or termination of this Agreement for any reason, each Party agrees that it will continue to treat as private and privileged any information, data, figures, records and the like, and will not release any such information to any person, firm, corporation or other entity, either by statement, deposition, or as a witness, except upon direct written authority of the other Party. Upon request, all SJCOG (and the authorized representatives of the transit operators in Schedules A – ~~G~~ **I**) data shall be returned to the respective parties upon the termination or expiration of this Agreement.

12. INDEMNIFICATION AND LIMITATION OF LIABILITY

12.1 To the fullest extent permitted by law, Service Provider shall indemnify, hold harmless and defend SJCOG, identified agents in Schedules A – ~~G~~ **I**, its officers, agents, employees, Service Providers, subcontractors, and volunteers (collectively the “Indemnified Parties,” and each individually an “Indemnified Party”) from and against any and all claims, liability, losses, costs, and expenses (all such items to be defined as “Liabilities,” including the legal and other expenses referred to hereafter) that arise out of, pertain to, or relate to: (i) any claim by a third party that the Services of Service Provider infringe upon any patent, copyright, trade secret, or other intellectual property right of the third party or others; (ii) injury to or death of any individual, or any loss of or damage to real or tangible personal property, caused by the negligence, recklessness, or willful misconduct of Service Provider or of any of its officers, agents, servants, subcontractors, or employees; or (iii) disclosure or exposure of personally identifiable information or other private information caused by the act or omission of Service Provider or any of its agents, subcontractors, or employees, except for any Liabilities that arise from the sole negligence or willful misconduct of SJCOG. Such Liabilities shall include retention of attorneys, payment of reasonable attorney fees, and payment of court costs, as well as settlement at Service Provider’s expense and the payment of judgments.

SJCOG:

Diane Nguyen, AICP, Executive Director
San Joaquin Council of Governments

DATE:_____

Approved:

Steve Dial, Deputy Executive Director/CFO
San Joaquin Council of Governments

DATE:_____

MASABI, LLC:

Chip Whitman, Senior Account Manager
Masabi, LLC

DATE:_____