

AGENDA ITEM 2 A
Action Item

MEMORANDUM

DATE: May 2, 2024
TO: El Dorado County Transit Authority
FROM: Erik Bergren, Planning and Marketing Manager
SUBJECT: Kuba Inc. and Littlepay Inc. Contracts

REQUESTED ACTION:
BY MOTION,

Authorize the El Dorado County Transit Authority and the Executive Director to execute contracts for Payment Acceptance Device Hardware and Transit Processor Services with Kuba, Inc. and Littlepay, Inc., through State of California leveraged procurement agreements

BACKGROUND

In February 2022, El Dorado Transit applied for Transit and Intercity Rail Capital Program (TIRCP) funds in a partnership with Sacramento Regional Transit, Sacramento Area Council of Governments (SACOG), the Capitol Corridor Joint Powers Authority (CCJPA), and other local transit providers. The region was successful in its application and was awarded nearly \$2.2 million to purchase, install, and implement Cal-ITP supported contactless payment equipment and services on bus fleets throughout the region. The full funding amount was allocated to the region at the California Transportation Commission meeting held in December 2023. The allocation requires El Dorado Transit and its partner agencies to enter into contracts for payment acceptance device hardware, and for transit processor services (fare calculation) by June 7, 2024.

A subrecipient agreement with SACOG directing the flow of funds for El Dorado Transit has been drafted and is in the final stages of review. El Dorado Transit's share of the \$2.2 million is approximately \$600,000 and is expected to provide sufficient funding to purchase and install the necessary equipment from Kuba Inc. to outfit El Dorado Transit's entire vehicle fleet. El Dorado Transit will incur ongoing service charges for the transit processor services to be provided by Littlepay, Inc. that will be paid for through the Operating Budget.

DISCUSSION

Transit demand and ridership patterns have changed significantly in recent years. In an effort to increase ridership and make it easier for community members to ride transit, expanding contactless payments should be implemented.

This project will continue the expansion of El Dorado Transit's fare payment options for customers, allowing them to purchase fare at the time of boarding the bus using contactless payment technologies. The convenience of paying a fare with an existing contactless enabled credit card, Google Wallet, Apple Pay, or other digital payment, will simplify the fare payment process, speed up boardings, and therefore improve El Dorado Transit's on-time performance.

Staff is requesting that the Board authorize El Dorado Transit and the Executive Director to execute contracts for Payment Acceptance Device Hardware and Transit Processor Services as presented.

FISCAL IMPACT

The hardware purchasing and system implementation fees associated with this project will be paid for with TIRCP funds that were awarded in 2022, and will be provided to El Dorado Transit through a subrecipient agreement with SACOG.

There will be no fiscal impact to the FY 2023/24 Operating Budget as El Dorado Transit will not incur any operating costs in FY 2023/24. Operating costs beginning in FY 2024/25 have been included in the preliminary FY 2024/25 Operating Budget through Connect Card. The costs for the Littlepay, Inc. services will be based on actual transaction volume at a rate of 2.25% per transaction for fare sales and \$.02 per transaction for free fares if implemented.