



July 10, 2025

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Agreement for the Ticket Vending Machine System for the OC Streetcar

Overview

On May 23, 2022, the Orange County Transportation Authority Board of Directors approved an agreement with INIT Innovations in Transportation, Inc. to develop, install, and implement the OC Streetcar ticket vending machine system. On February 24, 2025, the Board of Directors approved updates to the OC Streetcar project schedule and capital systems. To align with the updated schedule and ensure the ticket vending machine system meets the updated project scope and added functionality, a contract amendment with INIT Innovations in Transportation, Inc. is required. This amendment will adjust deliverables, operations, and support services in accordance with the updated implementation plan.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-1-3279 between the Orange County Transportation Authority and INIT Innovations in Transportation, Inc., in the amount of \$373,743, to support hosting, software, and equipment maintenance based on the updated project schedule for the ticket vending machine system. This will increase the maximum cumulative payment obligation to a total contract value of \$2,660,082.

Discussion

An amendment to Agreement No. C-1-3279 with INIT Innovations in Transportation, Inc. (INIT) is required to increase the maximum obligation to cover ongoing monthly costs related to project delays, as well as to fund added functionality to the ticket vending machines (TVM). A total of 28 TVMs, including two spares, are planned for installation across 16 platforms at ten stations. Due to changes in construction timelines, the machines cannot be deployed as originally

scheduled and must instead be stored and maintained off-site. As a result, the Orange County Transportation Authority (OCTA) will incur monthly charges for storage, maintenance, and extended warranties. These costs are expected to continue through January 2026.

To protect the equipment and keep it ready for future deployment, the 28 machines must be kept in secure, climate-controlled storage. This involves monthly warehousing fees that help prevent damage, wear, or theft. In addition, support systems, such as software hosting and security, must continue operating each month to ensure the machines remain up-to-date and ready for installation. Keeping these systems active helps avoid further delays or rework when the project resumes.

Software and hardware warranties must also be extended monthly to ensure that support and repairs remain available during the extended project timeline. These warranties help OCTA avoid unexpected costs if issues arise with the equipment or system.

This amendment also adds a new feature to the project. Riders will be able to use the TVMs to purchase and reload passes directly onto their Wave cards. This improvement will make it easier for customers to manage their fare payments and supports OCTA's broader goals for a more convenient and flexible fare system. Each transaction will be recorded and shared with the central system to keep all account information accurate and current.

Summary of key impacts:

- Monthly costs for storage, maintenance, and extended warranties through December 2026
- Ongoing monthly support for system hosting and security during the delay
- New feature allowing bus pass purchases and reloads to Wave cards at TVMs
- Increase to the maximum contract obligation with INIT

Procurement Approach

The original procurement was handled in accordance with OCTA's Board of Directors (Board)-approved policies and procedures for professional and technical services. On May 23, 2022, the Board approved the award of the agreement with INIT for development, installation, and implementation of the OC Streetcar TVM system. The original agreement was awarded on a competitive basis and includes a five-year initial term in the amount of

\$2,107,765 and one, five-year option term. The agreement has been previously amended as described in Attachment A.

The proposed Amendment No. 2 is for additional support, hosting, software, and equipment maintenance required to align with the revised operations period, which has been extended due to adjustments in the project timeline and implementation plan. The increase of \$373,743 is based on the extended duration of services and additional level of effort necessary to continue support through the updated schedule consistent with current and past contract pricing, as well as market rates. Amending this agreement will bring the total contract value to \$2,660,082.

Fiscal Impact

Funding for this amendment is included in OCTA's Fiscal Year 2025-26 Budget, Capital Programs Division, Account No. 0051-TS010-Z56-9017.

Summary

Staff requests Board of Directors' approval for the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-1-3279 with INIT Innovations in Transportation, Inc., in the amount of \$373,743, to support hosting, software, and equipment maintenance based on the updated project schedule, bringing the total contract amount to \$2,660,082.

Attachment

- A. INIT Innovation in Transportation, Inc., Agreement No. C-1-3279 Fact Sheet

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