

RESOLUTION NO. #R2017-05-19

AUTHORIZE THE EXECUTION OF INTER-LOCAL AGREEMENT FOR THE REGIONAL INTER-JURISDICTIONAL MOBILITY PROJECT BETWEEN HART AND HERNANDO COUNTY

WHEREAS, HART is the founding agency of the Regional Fare Collection Working Group comprised of transit service providers throughout the region including: Pinellas Suncoast Transit Authority (PSTA), Pasco County Public Transportation (PCPT), Hernando County Transit (The Bus), Sarasota County Transit Authority (SCAT), and the Florida Department of Transportation (FDOT) Districts One and Seven; and the Tampa Bay Area Regional Transportation Authority (TBARTA)

WHEREAS, Hernando County is a key regional partner in bringing the Regional Inter-Jurisdictional Mobility Project, and the Hernando County Board of County Commissioners reviewed and signed a Regional Inter-Jurisdictional Mobility Project Agreement on March 28, 2017.

WHEREAS, this inter-local agreement will outline the responsibilities and requirements of HART and Hernando County. The project will bring an innovative regionally accepted fare medium.

WHEREAS, HART and Hernando County, in the spirit of regional cooperation and collaboration, wish to enter this inter-local agreement effective upon the acceptance of both Boards of Directors;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HILLSBOROUGH TRANSIT AUTHORITY THAT:

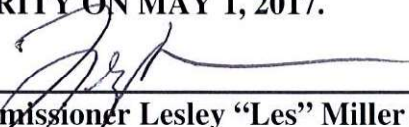
Section 1: The HART Board of Directors approves the execution of the inter-local agreement for the Regional Inter-Jurisdictional Mobility Project between Hart and Hernando County, which will remain in effect until terminated at two years from System Acceptance.

Section 2: Proper officers of HART are authorized to do all things necessary and required in order to execute the amendment to the MOU.

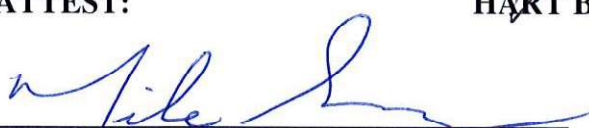
Section 3: This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE HILLSBOROUGH TRANSIT AUTHORITY ON MAY 1, 2017.

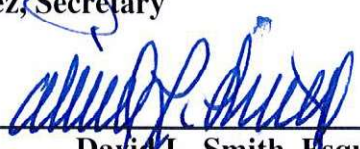
ATTEST:



**Commissioner Lesley "Les" Miller Jr., Chairperson
HART Board of Directors**



**Councilmember Mike Suarez, Secretary
HART Board of Directors**



**David L. Smith, Esquire
HART Board General Counsel**



DEPARTMENT OF PLANNING AND ZONING

TRANSIT DIVISION

20 NORTH MAIN STREET ♦ BROOKSVILLE, FLORIDA 34601
P 352.754.4057 ♦ F 352.754.4420 ♦ W www.HernandoBus.us



April 5, 2017

Lucien Campillo, PMO Sr. Mgr.
c/o Hillsborough Area Regional Transit
1201 East 7th Avenue
Tampa, FL 33605

RE: Interlocal Agreement
Regional Revenue Collection & Inter-jurisdictional Mobility Project

Dear Lucien:

Enclosed please find the Interlocal Agreement for the Regional Revenue Collection & Inter-jurisdictional Mobility Project. The Agreement has been executed by the Chairman of the Hernando County Board of County Commissioners pursuant to the Board's approval on March 28, 2017. Once executed by Hillsborough Area Regional Transit, please return the agreement for our records. We look forward to working with you and the Regional Working Group on this very important and significant regional project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ronald F. Pianta".

Ronald F. Pianta, AICP
Assistant County Administrator

mre

Attachments: Interlocal Agreement

INTERLOCAL AGREEMENT BETWEEN HILLSBOROUGH TRANSIT AUTHORITY AND HERNANDO COUNTY FOR THE REGIONAL REVENUE COLLECTION AND INTER-JURISDICTIONAL MOBILITY PROJECT

This Interlocal Agreement (Agreement) is entered into by the Hillsborough Transit Authority a/k/a Hillsborough Transit Authority, a regional transportation authority created pursuant to Section 163.567, Florida Statutes (hereafter referred to as "HART"), and Hernando County, a political subdivision of the State of Florida (hereinafter referred to as "County") (collectively HART and the County shall be referred to as the "Parties" or "Party" as context dictates).

Recitals

WHEREAS, the transit agencies of Hillsborough, Pinellas, Pasco, Hernando, and Hernando counties have collaborated on transit issues as a Regional Working Group (hereafter referred to as "RWG"); and

WHEREAS, one of the ideas advanced from the RWG efforts is the Regional Revenue Collection and Inter-Jurisdictional Mobility Project (hereafter referred to as "the "Project") to enhance the mobility of passengers between the respective transit systems in the RWG by creating an electronic fare-payment system (hereafter referred to as "e-fare") that will be deployed region-wide using third-party produced and distributed prepaid card and contactless devices; and

WHEREAS, the system will employ new state of the art integrated e-fare payment, distribution, collection and payment system will utilize best practices of modern technologies in the consumer and fare payment sectors that are capable of interfacing with both bank and non-bank financial clearing houses for transaction processing and settlement; and

WHEREAS, the consolidated regional on-line ticketing portal for passengers of all RWG members will allow passengers to reload and manage fare media in a centralized approach eliminates the need for each RWG member to administer and maintain its own passenger or on-line fare payment system; and

WHEREAS, HART will serve as the lead agency for the Project and handle the procurement of all goods and services for the Project; and

WHEREAS, HART has already procured and awarded a contract with INIT Innovations in Transportation, Inc. (hereafter referred to as "INIT") designated as HART Contract VC-000542 ("INIT Contract") to provide equipment and software applications to begin implementation of the Project; and

REGIONAL REVENUE COLLECTION AND INTER-JURISDICTIONAL MOBILITY PROJECT

WHEREAS, this Agreement sets forth the respective roles and responsibilities of the Parties as presently agreed while anticipating that the Parties will continue to work cooperatively and in good faith on a range of items necessary to effectively implement the Project.

NOW, THEREFORE, in consideration of the following terms and conditions, the Parties agree to the following:

A. Recitals

The above recitals are hereby confirmed as true and accurate and incorporated herein by this reference. Each bold capital letter shall be referred to herein as a Section.

B. Purpose

This Agreement establishes a general framework for e-fare collection and allocation of revenue, distribution of funds, and a methodology for regional cost sharing for administrative and operational expenses necessary to facilitate transaction processing of e-fare payments, and will also include device monitoring, maintenance management, customer relations and financial management modules (all generally referred to as the e-fare system).

C. Term

This Agreement will commence upon approval by both parties and will remain in effect until terminated in accordance with the provisions of Section F, Item 24 below.

D. Professional Services

INIT will provide equipment and services related to the e-fare system design and implementation services.

E. Audit and Revenue Settlement

The Parties agree that all Project information addressed in this Agreement will be fully auditable and will provide end to end tracking and reconciliation of all e-fare revenue by the participating RWG members. Settlement of revenue between the Parties will be based on actual e-fare payment transactions.

REGIONAL REVENUE COLLECTION AND INTER-JURISDICTIONAL MOBILITY PROJECT

F. Roles and Responsibilities of the Parties

1. HART Responsibilities

- a. Monitor Project execution and deliverables per HART contract VC-000542.
- b. Serve as the host agency for the Project (e.g. system administration, fare distribution, deposits, fiscal and accounting controls and reconciliation) HART will be the fiscal agent for all transactions through the e-fare system. HART will issue the County revenue disbursements on a monthly basis by the 15th of the following month.
- c. Serve as the Project contracts administrator, including but not limited to the INIT contract, technical services consulting contract, retail network provider contract, contactless media contract, data security contracts, such as Payment Card Industry Data Security Standard (PCI DSS) certification, mobile app developer contract, banking contracts payment process contract, a transit store Point of Sale contract or in-house support, and a customer service contract, if awarded. HART will secure the central Data Warehouse. The Data Warehouse will collect data from the transaction processor, maintenance management system, Customer Relation Management (CRM) system and financial management solution to provide a central source for agency reporting.
- d. Prepare and oversee disaster recovery plan that allows for the efficient recovery of critical systems in the event of an outage.
- e. Provide the County with the Project Equipment set forth in Exhibit A, attached hereto and incorporated herein by reference, and as further addressed in Section F.4 below. The equipment will be provided to the County at no cost subject to the terms of this Agreement.
- f. Provide the County with Project operational services as enumerated in Exhibit B and as further addressed in Section F.5 below. Provide the County with all necessary Project software as described in the HART contract VC-000542 and will work with all vendors to insure that the software and Project system services are operable, reliable and available to the County.

REGIONAL REVENUE COLLECTION AND INTER-JURISDICTIONAL MOBILITY PROJECT

- g. Pay for all direct project operating costs for the first year of the Project with the County taking on a proportionate responsibility for Project operating costs after the first year as shown in Exhibit C and as further addressed in Section F.5 below.
- h. The Parties agree that requests for information regarding the Project will be directed to and fulfilled by HART. Notwithstanding the foregoing, and in accordance with Section 19 below, each party will be responsible for compliance with the public records obligations set forth in Chapter 119, Florida Statutes, regarding all Project records within their custody.
- i. The Parties agree that since HART is the agency procuring Project goods and services, HART will be responsible for conducting such procurement processes in accordance with all applicable Federal, State and local laws, ordinances, rules, regulations and Federal Clauses applicable to procurements, furthermore, any administrative appeals or protest shall be heard and administered by HART in accordance with HART processes and procedures.
- j. Address any equipment, software or service issues related to the Project, as the party in contractual privity with the vendor(s) providing equipment, software and services related to the Project, and interfacing with such vendors as necessary to make insure that the equipment and services are as operational for the County as they are for HART and all other RWG members.

2. Hernando County Responsibilities

- a. Assign a project manager to the Project who will serve in that role through implementation and system acceptance. That project manager will function as a point of contact for Hernando County in regard to all technical and policy related issues related to Project development and implementation.
- b. Agrees to participate in scheduled project meetings and/or conference calls to the furthest extent possible. Participation and project coordination are key elements to the success of the project and all parties to be vested in the project recognize the responsibility of that participation.

REGIONAL REVENUE COLLECTION AND INTER-JURISDICTIONAL MOBILITY PROJECT

- c. Provides an executive level sponsor who is not part of the Project Management Team to assist the RWG resolve an issues that may arise in implementation of the Project in accordance with HART contract VC-000542.
- d. Attains and maintains a cellular data plan at County cost that supports the technical requirements of HART contract VC-000542 for the Project system.
- e. Serve as the operating/customer service agent for one administrative points of sale (APOS) within Hernando County and support data communications and transmittal for transactions occurring at those APOS stations. The APOS systems deployed in Hernando County will also be used to sell fare products for other agencies using the regional e-fare card.
- f. As needed, Hernando County staff will participate and support operational deployments of project testing periods. Operating support during the testing period will ensure that any thresholds for system acceptance are appropriately satisfied.
- g. The County will operate APOS as well as all e-fare reader equipment deployed on County vehicles, will coordinate with HART selected vendors to maintain operation of the equipment within the warranty period, will be responsible for purchasing any necessary expendables required to operate the equipment and participate in the Project, and will be responsible for repairs on the On Board Processors (OBPs) after the warranty period. Hernando County will interface directly with the vendor both before and after the warranty period. If the County is unable to resolve any issues with HART selected vendors, then HART will interface on behalf of the County to insure that the County is receiving Project related support equal to HART and all other RWG members.

3. Title and Risk of Loss to Project Assets

Title to and risk of loss to the equipment and project related assets shall pass to Hernando County, when the County has possession of the fare collection equipment and project related assets. HART will also take all required steps to provide the County with the same warranty coverage as HART for all project related assets (both equipment and software). Each Party is responsible for the operation and maintenance of its own equipment.

REGIONAL REVENUE COLLECTION AND INTER-JURISDICTIONAL MOBILITY PROJECT

4. Capital Equipment and Project Costs

- a. Capital equipment, Implementation Costs, and Warranty Costs are detailed in Exhibit A. Total Project Value is detailed in Exhibit A and includes all costs associated with the implementation of the project to include the Regional financial administrative and operational “Back Office” and Mobile application in addition to equipment and services provided to Hernando County. HART is tasked with finding regional funding for all items listed in Exhibit A and for all portions of project dedicated to administrative and operational expenses.
- b. HART will not use project funds to pay for operating costs or capital expenditures not within the scope of the project. Any addition to capabilities of vehicles or connectivity is the responsibility of Hernando County.

5. Ongoing Operating Responsibilities and Costs

- a. The general project operating responsibilities are set forth in Exhibit B. Anticipated final project acceptance by HART is summer 2018. After the initial 12 months following project acceptance, regionally shared operating costs will be paid to HART on a monthly basis using proportional Tap Allocations as described in Exhibit C. The Tap Allocation is the proportionate number of annual e-fare paid rider boardings from the respective participating RWG member agencies relative to the total number of e-fare paid rider boardings for all participating RWG members. This allocation shall be updated to be effective at the beginning of each fiscal year during the term of this Agreement. The cost per tap will be reviewed and amended quarterly for the first two years until all parties have an understanding of the costs involved, and then amended as needed on an annual basis, thereafter. The proposed Tap Allocation shall be determined between the parties with the participating RWG members by April 1 of each year to allow for any necessary adjustments in the parties respective budgets.

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- b. HART will pay for, or find grant funding, administrative costs for the region for 12 months after final acceptance. This will include the project funded hosting fees, and any credit card charges, and any overhead labor needed to administer the effort. HART will be solely responsible for the management and compliance of all grant related provisions. The RWG will analyze ridership data and costs quarterly and work on an addendum agreement to this Agreement to determine equitable cost sharing amongst agencies for year 2 after acceptance. RWG partners should have enough data and estimates to be able to budget accordingly for the upcoming cycle.
- c. The Parties agree that the aggregate cost of any required system upgrades will be allocated proportionally based on the Tap Allocation.

6. Fare Policies and Allocations

- a. Each agency will continue to set its own fare and fare policies recognizing that the Project system architecture has certain parameters as set forth in the INIT Contract that must be met in order to utilize the system.
- b. System supported payment options include:
 - i. Closed Loop Payment –Customers will be able to use agency and third party issued cards that are linked to closed-loop transit accounts to pay fares on all of the RWG regular service vehicles.
 - ii. Open Payment Fares – Customers will be able to pay fares directly using contactless credit and debit cards only if the County chooses to add on this option at County expense. The base (cash equivalent) fare will be charged to customers using open payment fare media.
- c. Fare payment using the e-fare system will require a single tap at the time of boarding in accordance with County fare policy with no tap when exiting the vehicle.
- d. E-fare revenue allocations will be reconciled monthly with payment of revenue to the County by the 15th of the following month. Payment will be made by ACH. Payments of revenues and reconciliations will be in compliance with any and all audit requirements/inquiries.
- e. Should State law change regarding unclaimed property, the Parties shall update their fare allocation policies and practices as required complying with applicable changes.

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- f. Regional Programs may be implemented by Parties that have agreed to the terms and conditions of the regional fare program(s), these include test or special events, any pilots and must be agreed to by all parties.

7. Fare Enforcement and Customer Security

- a. Fare enforcement policies are at the Parties discretion.
- b. The Project will continue to comply with applicable laws regarding customer security and privacy.

8. Revenue Collection

Each Party is responsible for its own cash revenue collection, processing and fiscal controls. All Parties e-fare revenue, including but not limited to transit stores, shall be included in the monthly revenue reconciliation and cash revenue from products sold in the County but used in other RWG member systems will be deducted from monthly revenue payments. Fares collections from non-e-fare systems shall not be subject to distribution as defined by this Agreement. Non-e-fare systems include but are not limited to cash fares on the bus or Streetcar that do not include transfer privileges to other RWG members.

9. Bank Fees

HART will place all Project funds into an interest bearing account with a FDIC insured financial institution that will provide prudent and reasonable interest on the funds deposited. Bank fees incurred by the Project in excess of interest income earned on all Project funds will be proportionately allocated to each participating agency based on the Tap Allocation as described in Exhibit C. If the interest income exceeds bank fees, the surplus will be proportionately allocated to the RWG members participating in the e-fare system based on the Tap Allocation as described in Exhibit C.

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10. Privacy and Security

- a. Each Party will cooperate and comply with any and all applicable security and privacy standards, including PCI DSS, wireless network encryption, network monitoring tools, or other security reviews.
- b. Each Party shall restrict physical access to areas that house the financial administrative and operations systems, data acquisition computers, and inventory of hardware to only those individuals whose job responsibilities require access. Access must be restricted using keys or access cards at a minimum.
- c. HART will host annual certification of access control, requiring participation of each Party.
- d. Security access permissions will be set up so that individuals have different access capabilities for internal control purposes (e.g. security administrator cannot have fiscal administration responsibilities.)

11. Automated Clearinghouse

Each Party will establish an automated clearinghouse (ACH) authorization with its own bank to allow the transfer of funds from the e-fare settlement account to each Party's settlement account.

12. The Projects Manager(s) and Project Sponsors

- a. The HART Project Manager(s) shall be responsible and committed to the coordination of the Project and will seek to resolve technical details, process issues and policy questions in a reasonable manner. Any notification of change in Project Manager(s) must be made in writing to the other Party.
- b. Hernando County will provide a Project Sponsor at the Executive Level of the organization that can make decisions for the scale and scope of work within the Project.
- c. Hernando County will also provide a Project Manager to interact at the Regional Working Group meetings, manage project activities at the agency level, and serve as the single point of contact for all project related activities at the agency level.

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13. HART Project Managers and Notices

All notices and other communications concerning this agreement shall be written in English. Notices and other communications may be delivered electronically, personally, facsimile, or by regular, certified or registered mail. Notices will be effective only if it is delivered to the following respective positions or as subsequently designated in writing pursuant to this Agreement.

HART	Hernando County
Project Manager	Project Manager
Lucien Campillo Senior Project Manager 1201 East 7th Avenue Tampa, FL 33605 Tel: (813) 384-6482 FAX: (813) 384-6284 CampilloL@gohart.org	Jannina Stampfli Transit Coordinator 20 North Main Street, Room 262 Brooksville, FL 34601 Tel: (352) 754-4057 jstampfli@hernandocounty.us
Sponsor	Sponsor
Jeffrey Seward Chief Financial Officer 1201 East 7th Avenue Tampa, FL 33605 Tel: (813) 384- FAX: (813) 384-6284 SewardJ@gohart.org	Ronald F. Pianta, AICP Assistant County Administrator 20 North Main Street, Room 262 Brooksville, FL 34601 Tel: (352) 754-4057 rpianta@hernandocounty.us
Procurement Representative	
Brenda Nichols Contracts Specialist I HART 1201 East 7th Avenue Tampa, FL 33605 Tel: (813) 384-6433 Fax: (813) 384-6296 NicholsB@gohart.org	Mary Elwin Operations Support Supervisor 20 North Main Street, Room 262 Brooksville, FL 34601 Tel: (352) 754-4057 MaryE@hernandocounty.us

REGIONAL REVENUE COLLECTION AND INTER-JURISDICTIONAL MOBILITY PROJECT

14. Decision Making

Notwithstanding the good faith desire of the Parties to obtain consensus with each other and all other participating RWG members, the HART Project Manager has management responsibility for all aspects of the Project and will necessarily be required to make decisions regarding the Project. Whenever the Project Manager(s) requests the County to participate in a decision or otherwise provide approval or consent with respect to the Project, including promptly resolving disputes, the County agrees to provide such input or make a decision in a reasonable and expeditious manner.

15. Intellectual Property

HART shall be responsible for the necessary coordination and notification relative to the protection of any vendor trade secrets or other Intellectual Property relative to the Project. The County will take reasonable measures as required by law to protect any qualifying trade secret or Intellectual Property (IP) and IP material from unauthorized third parties. Should the County receive a request for disclosure of information claimed by HART or any HART selected vendor as trade secret, County will provide HART and the HART selected vendor with notice of the request. In addition to the mutual indemnification provided in Section 18 below, HART agrees to defend, indemnify and hold the County harmless from all loss, claim, damage, cost or expense, including but not limited to reasonable attorney's fees, that the County, its officers, officials, directors, and employees may incur in any lawsuit filed that seeks the disclosure of such information including any appeals.

16. Cooperation, Commitment & System Upgrades

To successfully complete the Project, the Parties recognize that the Project will require considerable attention and effort to fully integrate and develop the transit vehicles, equipment, facilities, marketing strategy, customer communication, outreach, system testing, system alert monitoring, and other amenities that the Project requires. The Parties also agree that System Upgrades will be necessary to maintain a fully operational system. Any costs associated with a system upgrade will be agreed upon by all parties and incorporated in a written agreement prior to upgrade.

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17. Mutual Indemnification

HART will not be responsible for any claims by individuals or employees relating to transit services provided by the County under this Agreement. Furthermore, to the express limits of Florida Statutes, §768.28 and without waiving either Party's sovereign immunity, each party shall indemnify, defend and hold the other party, its officers, officials, directors, and employees, harmless from any loss, claim, damage, cost or expense, including but not limited to reasonable attorney's fees, that the party, its officers, officials, directors, and employees, may incur arising from the negligence or wrongful act of the indemnifying party. In no event will HART or the County be liable for any indirect, special, incidental, or consequential damages. In all cases, the provisions of Florida Statutes, §768.28, including but not limited to the Sovereign Immunity of each Party, shall apply and nothing in this Agreement is intended to nor shall be construed as a waiver of any immunity from or limitation of liability that HART or the County may be entitled to therein.

18. Third Party Beneficiaries

The Parties agree that the rights, obligations, and covenants of this Agreement shall be exclusively enforceable by the named Parties hereto and that there are no third party beneficiaries to this Agreement either expressed or implied.

19. Public Records

Each Party will be responsible for responding to public record requests made to the respective party for documents within their respective custody in accordance with applicable state law. Notwithstanding, the Parties acknowledge that HART is the custodian of public records comprised of information related to or collected as part of the Project.

20. Contract Integration and Modification

This contract includes the entire agreement of the parties and supersedes any prior discussions or agreements regarding the same subject. Amendments or modifications to this Agreement must be made in writing signed by each Party.

REGIONAL REVENUE COLLECTION AND INTER-JURISDICTIONAL MOBILITY PROJECT

21. Severability/Survivability

If a court of law holds any of the provisions contained in this Agreement to be illegal, invalid, or unenforceable, the enforceability of the remaining provisions shall not be impaired, and the Parties shall negotiate an equitable adjustment of this Agreement so that the purposes of this contract are affected. All provisions concerning indemnity survive the termination or expiration of this contract.

22. Waiver and Non-waiver

A waiver by one Party of a right or a remedy for a breach of this Agreement by the other Party shall not be deemed to waive the right or remedy for a subsequent breach by the other Party.

23. Interpretation of the AGREEMENT

This Agreement shall not be construed for or against any Party by reason of authorship of any provision.

24. Termination and Material Breach

- a. This Agreement shall terminate if both parties sign a written agreement terminating this Agreement.
- b. This Agreement may be terminated by either Party as a result of a material breach of an obligation of the other Party to this Agreement. Prior to such termination, the terminating Party must provide the other Party sixty (60) calendar days' written notice of the material breach, including a detailed explanation of the breach, during which period of time the breaching Party may cure or materially commence, as set forth below, the cure of the material breach ("Cure Period"). If at the end of the Cure Period the breaching Party has not cured or materially commenced, as set forth below, cure of the default, the terminating Party may terminate this Agreement for default. If the breach is one that, despite that despite reasonable efforts, the breaching Party is unable to cure within the Cure Period, such obligation shall be met if the breaching Party begins to take substantial action to cure the breach during the Cure Period and thereafter continues to cure the breach in a reasonable time period as agreed by the Parties.

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- c. Either Party may elect to terminate this Agreement without cause and without the agreement of the other party at any time prior to Project Acceptance. The County will retain any capital assets already transferred to the County. If the County decides to terminate this Agreement under this provision following the installation of equipment on County vehicles, then the County agrees to pay HART the actual expenses paid by HART for such equipment. If HART decides to terminate this Agreement under this provision, the County will not be responsible to pay HART for any costs, fees or expenses related to assets transferred to the County.
- d. Termination of this Agreement for convenience may occur at the end of the calendar month following at least 60 days' notice of termination. All outstanding recognized revenue due to the Party will be paid within 30 days of termination. Any Project receivables will be paid to HART within 30 days of termination. At the close of the termination date all "Unearned Revenue" will be retained by HART. The Party will have no claim to any Unearned Revenue after the termination date. If the County chooses to terminate this agreement for convenience effective within the first 60 months following Project acceptance (the useful life of the equipment), then the County will be responsible to pay HART the actual expenses paid by HART for such equipment. Otherwise, the County will not be responsible to pay for any expenses related to assets transferred to the County. The County will retain any capital assets already transferred to the County.

25. Term

Subject to the provisions contained herein, this AGREEMENT shall be effective for an initial period of sixty (60) months upon approval by both parties. After the initial period, the AGREEMENT shall automatically renew for an additional sixty (60) months for a maximum of ten (10) years, unless terminated by either party.

REGIONAL REVENUE COLLECTION AND INTER-JURISDICTIONAL MOBILITY PROJECT

26. Compliance with Laws and Regulations

The Parties will adhere to all applicable federal, state and local laws, regulations and ordinance applicable to work.

IN WITNESS WHEREOF, the signatures of the Parties' authorized representatives are provided below:

Hillsborough Area Regional Transit Authority


By: 
Lesley Miller, Chairman

Date: _____

APPROVED AS TO FORM


Signature

Hernando County Board of County Commissioners

By: 
Wayne Dukes, Chairman

Date: 3-28-17

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

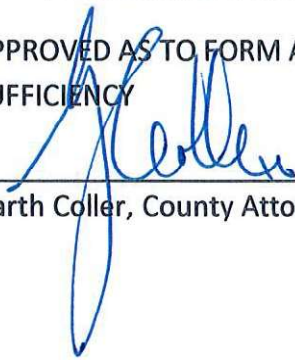

Garth Collier, County Attorney

Exhibit A Capital Equipment Listing and Project Value

1 Project Value

The total project value of \$216,936.46 is the Value of the Equipment and Systems (\$108,573.83) and the value of the agency share of the remaining project costs (\$108,362.63).

The calculated Project Value to Hernando County for participating in the Regional Inter-Jurisdictional Project reflects the agency share of HART's specific costs of equipment, software, and warranties. This value is the cost for each, as specified on page 14 of 18, Amendment 4 to the Price Schedule, HART INIT Contract, Form K-4, and includes the value of a 2 year Hardware warranty, as revised.

Table 1: Value of Equipment and Systems

Item description	Quantity	Unit Price	Item Total
Equipment			
1 On Board Processors	9	\$ 5,487.87	\$ 49,390.83
2 Administrative Point of Sales (APOS) terminals Base Components	1	\$ 4,580.25	\$ 4,580.25
3 Administrative Point of Sales (APOS) Smart Card Printer	1	\$ 6,875.00	\$ 6,875.00
4 Spares (On Board Processors)	2	\$ 5,487.87	\$ 10,975.74
5 APOS spare/consumable parts budget	1	\$ 1,145.53	\$ 1,145.53
6 Hardware Warranty - 2 years	1	\$13,804.16	\$ 13,804.16
Implementation Task (Installation)			
7 On Board Processors	9	\$ 2,363.25	\$ 21,269.25
8 Administrative Point of Sales (APOS) terminals Base Components	1	\$ 266.54	\$ 266.54
9 Administrative Point of Sales (APOS) Smart Card Printer	1	\$ 266.54	\$ 266.54
Bus System, total of items 1 through 9			\$108,573.83

The value also includes the agency share of the financial administrative and operational costs, Design, Program Management and Software licenses. This value is derived on the Hernando County percentage of Hernando County's transit vehicles to the total Regional Working Group (RWP) vehicles, consumable/services is 1.72%. The table below shows the number of vehicles from each participant and the associated percent of total.

County	Number of vehicles	Percentage
Hillsborough County - HART	209	40.04%
Pinellas County - PSTA	210	40.23%
Pasco County - PCPT	29	5.56%
Sarasota County - SCAT	65	12.45%
Hernando - TheBus	9	1.72%
Total =	522	

Exhibit A Capital Equipment Listing and Project Value

Table 2 identifies Total Project cost for services and warranties and the value to Hernando County is based on the derived percent of 1.72% calculated on total project vehicles.

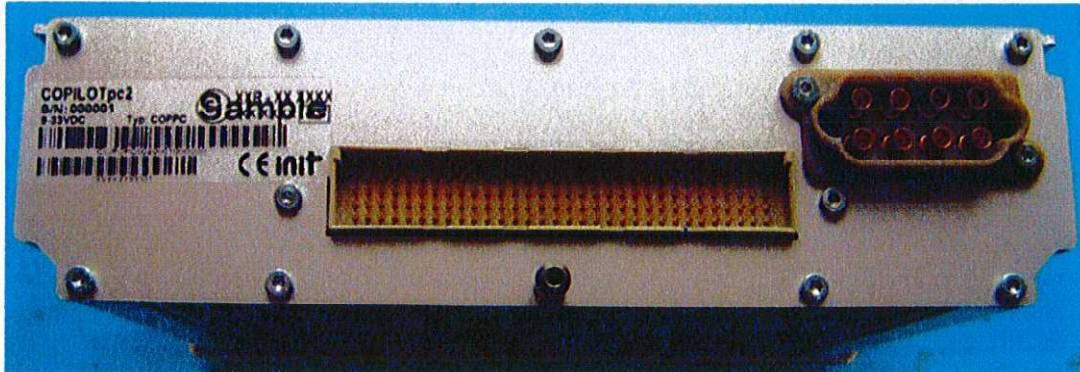
Reference in Contract	Consumable/ Service Item Description	Value to Hernando Transit 1.72%	Total Project (522 vehicles)	Derived Percentage (9 Hernando Vehicles)
6	Fare Media First Year	\$ 1,943.60	\$ 113,000.00	1.72%
7	Fixed Costs 1-Hardware Non Recurring Engineering 2-Software Non Recurring Engineering 3- Web Portal Design Services + IVR Services 4- Program Management 5- Test Program 6- Manuals and Documentation 7- Training 8- Additional Services for Open Payment Extension 9- Performance Bond	\$ 57,506.10	\$ 3,343,377.95	1.72%
8-1	Services 2 year system warranty and 4 year hosting, mobile ticketing, and IVR	\$ 42,892.93	\$ 2,493,775.21	1.72%
16	Open Payments PCI Compliance Certification	\$ 6,020.00	\$ 350,000.00	1.72%
Value of Consumables and services		\$ 108,362.63	\$ 6,300,153.16	

An Open Payment Option is an add-on for credit card payment on board the buses. This options is available to Hernando County for an additional cost of \$2,772.00 and is not included in the table above. The additional cost is to cover the open payment licenses and software warranties. No additional equipment is required for this option. The additional cost would be the responsibility of Hernando County.

Exhibit A Capital Equipment Listing and Project Value

2 Capital Equipment Listing

- A. The transfer of equipment to Hernando County is considered Voluntary Non-Exchange Transaction where an agency (HART) gives or receives (Hernando County) value without directly receiving or giving equal value in return.
- The entry when the assets are transferred from HART to Hernando County are considered to Debit Asset and to Credit Contributed Capital.
- B. INIT will install fare collection equipment on board to 9 Hernando County's transit vehicles.
- C. Equipment and software will be disposed of according to Hernando County policies and procedures.
- D. Hernando County will coordinate with HART to ensure grant requirements are met.
- E. Each device will receive a durable nylon identification sticker with the devices part number and serial number in bar code and human readable form, as shown in the following sample photograph.



The unit serial number is a six digit "license plate", consisting of a sequential number. INIT's production system tracks these serial numbers against shipment and repair records, so INIT can track the history of any unit.

- F. All other vehicle equipment is not serialized, and is considered expendable. If any non-serialized unit is covered under warranty and returned, it will be replaced with new equipment.
- G. In addition to the equipment on buses, HART will transfer serialized third party equipment to Hernando County including the Administrative Point of Sales (APOS) workstation equipment.

Exhibit A Capital Equipment Listing and Project Value

3 Equipment Useful Life

For the purposes of asset management and disposal per Federal Transit Administration (FTA) requirements, all equipment furnished under this Agreement shall be designed to provide a minimum base useable life of no less than 5 years.

The system and all associated software furnished under this Contract shall be designed to provide a minimum base useable life of no less than 10 years (see page 21 of 266, Exhibit H, Section 2.2 Design Life, HART contract).

Exhibit B Project Operating Responsibilities Guidelines

In addition to operating responsibilities between HART and Hernando County defined in the Agreement, Table 1 below identifies which functions that have shared responsibilities between HART and Hernando County. Shared responsibilities are defined Table 2.

Table 1:
Operating Responsibilities by Function

Function	HART	Hernando County (TheBus)
Back Office Configuration	X	
Back Office Monitoring	X	
Back Office Equipment Maintenance	X	
Data Warehouse	X	
Disaster Recovery	X	
Device Monitoring	X	X
Front End Device Monitoring	X	X
Cash Revenue Collection	X	X
E-fare Fiscal Agent	X	
Financial Settlement	X	
Customer Service	X	X
Card Fulfillment	X	
Reporting	X	
Cellular Service Provider	X	X
Software Maintenance Contract	X	
Marketing and Communications	X	X

Exhibit B Project Operating Responsibilities Guidelines

Table 2:

Key Shared Responsibilities Defined

Function	HART	Hernando County (TheBus)
Device Monitoring	HART will ensure that the servers are working, software updates are in place, and the financial operating office is functioning.	Monitor devices remotely as needed.
Front End Device Monitoring		Support equipment operation within the warranty period and for purchasing any expendables, and repairs on the On Board Processors (OBPs) after the warranty period. Hernando County will interface directly with the vendor both before and after the warranty period.
Cash Revenue Collection	HART is responsible for PCI compliance certification PCI questionnaire.	Hernando County will serve as the operating/customer service agent one administrative point of sale (APOS). Hernando County will support data communications and transmittal for transactions occurring at those APOS stations. Hernando County will follow appropriate revenue collection processes and reporting for cash and check sales for each Flamingo product and type sold
Customer Service	HART will provide a toll free number for Hernando County Transit customers to interact with the Interactive Voice Response System (IVR). If the customer cannot resolve their issues within the IVR, they will be transferred to Hernando County Transit's customer service department. HART and Hernando County Transit will develop a FAQ with responses to frequently asked questions.	Hernando County will post the FAQ on its website. Hernando County will provide Customer service for its customers.
Cellular Service Provider	HART will provide a Cellular Provider to support its operations.	Hernando County will attain and maintain a cellular data plan that supports the wireless technology to transmit transaction information to the back end software system when a card is swiped/tapped.

Exhibit B Project Operating Responsibilities Guidelines

Marketing and Communications	HART will develop general marketing materials for the Flamingo system and provide the materials. Hernando County Transit will use the source material alone and to incorporate into its marketing program to promote Flamingo in Hernando County. HART will include Hernando County in the review in the development of marketing materials.	Hernando County will collaborate with HART to develop new material and provide copies of its Flamingo related marketing materials.
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Exhibit C Post Project Costs Estimate and Methodology

A. Estimated Annual Costs to Hernando County Over 5-Years

HART will fund the first-year operating cost, and there would be no budget impacts to Hernando County in FY 2017 or FY 18. HART anticipates final project acceptance in the summer of 2018, upon final INIT invoicing of the project. Hernando County would incur expenses beginning no sooner than one year after HART final acceptance, or on or about summer 2019. The projected Hernando County operating expenses over the next five years are shown in Table 1:

Revenue Collection Project Projected Operating Costs

Table 1

Description of Cost Incurred/Fiscal Year	Summer 2018			
	FY 2018	FY 2019	FY 2020	FY 2021
On the bus credit card payment options	One time	n/a	n/a	n/a
Transaction costs and administrative fees for back end softwares and thrd party financial management services	n/a	\$ 421.28	\$ 421.28	\$ 421.28
Card stock for smart cards (estimated) begin after initial supply is used	n/a	\$ 1,943.60	\$ 1,943.60	\$ 1,943.60
Annual Maintenance Costs Begins post warranty, after year 2	n/a	n/a	\$ 10,857.30	\$ 10,857.30
Estimated annual Cost	n/a	\$ 2,364.88	\$ 13,222.18	\$ 13,222.18

Exhibit C Post Project Costs Estimate and Methodology

B. Transaction Costs and Administrative Fees

Costs in the tables below reflect estimates for transaction costs and administrative fees after the first year. As stated in Paragraph 5.b of Interlocal Agreement, HART will absorb project administrative and operational costs for up to the first 12 months after final acceptance. Final acceptance is anticipated in summer 2018. Following this first year, HART will invoice Hernando County for the administrative and operational services. The estimated annual cost for the administrative and operational services is based on the percentage of total ridership regardless of how the rider paid for the transaction. Table 2 shows the percent attributed to Hernando County based on FY 2015 ridership within the region. This percent is used to estimate the number of "Tap Allocations" in order to estimate administrative and operational costs. It is important to note that this is a rough order of magnitude estimate based upon a 100% usage of the project by riders of each agency.

% Attributed based on Ridership		
Table 2		
County	FY 2015 Ridership (Rounded)	
Hillsborough County - HART	14,900,000.00	44.6%
Pinellas County - PSTA	14,600,000.00	43.7%
Pasco County - PCPT	1,000,000.00	3.0%
Sarasota County - SCAT	2,800,000.00	8.4%
Hernando - TheBus	93,000.00	0.3%
Total =	33,393,000.00	

HART estimated annual administrative and operational costs for FY 16 and project costs for FY 19. HART estimated monthly costs for credit cards transactions and bank fees for one month in Fiscal Year (FY) 2016 to be \$5,432.00. This amount includes all fixed and variable costs for a month in FY 16 and includes all TVMs and retail outlets. As shown in the following table, based on this amount HART project annual costs in FY 2019 to be \$151,267.78.

HART Monthly Credit Card Costs FY 16	HART Annual Credit Card Costs FY 16	HART Monthly Estimated Credit Card Costs FY 19	HART Estimated Annual Credit Card Costs FY 19
\$ 5,432.00	\$ 65,184.00	\$ 5,622.12	\$ 67,465.44
Model for Entire RWG per month FY 16	Model for Entire RWG Annual Costs FY 16	Model for Entire RWG per month FY 19	Model for Entire RWG Annual Costs FY19
\$ 12,179.37	\$ 146,152.44	\$ 12,605.65	\$ 151,267.78

Exhibit C Post Project Costs Estimate and Methodology

Based on the projected annual cost of \$151,267.78, the portion attributed to Hernando County is shown in the Estimated Annual Agency Administrative and Operation Costs Table 3 below:

County	Annual Amount	% based on Ridership
Hillsborough County - HART	\$ 67,495.88	44.6%
Pinellas County - PSTA	\$ 66,136.90	43.7%
Pasco County - PCPT	\$ 4,529.92	3.0%
Sarasota County - SCAT	\$ 12,683.79	8.4%
Hernando - TheBus	\$ 421.28	0.3%
Total =	\$ 151,267.78	

During year one of acceptance HART and Hernando County will evaluate what are the actual costs and determine what the cost to Hernando County. These charges should be the actual credit card transaction fees and would be subtracted from the invoiced amount issued to the agency on the 15th of each month.

C. Cost estimation Post Year 1 after acceptance

1. In order to estimate costs for bank transactions and bank fees several assumptions and models were used. This is a rough order of magnitude estimate based upon stated facts and assumptions. After the first year implementation data will be available to make more accurate estimates and forecasts.
2. List of Facts and Assumptions:
 - a. Facts:
 - i. Currently 50% of all retail transactions at HART are made with Credit Cards, this does not include patrons who pay cash on the bus
 - ii. HART pays both Variable and Fixed Bank Costs per month for credit card transactions, as the merchant
 - iii. The Regional Working Group (RWG) Administrative Point of Sales APOS, Website, Mobile Application, and Open Payment Transactions transaction costs will be paid for by HART for year 1 after Final Acceptance
 - b. Assumptions:
 - i. Ridership increase across the region, these numbers will vary across the different counties; for illustrating a cost estimate, we used a 3.5% flat increase across the region applied to all counties for FY 18 and 19. This is a worst-case estimate for costs not a reflection of trends in ridership.
 - ii. Increased Credit Card transactions will result in lower costs in cash handling; credit card transactions using the RWG system will reduce credit card costs to agencies that use credit cards as part of their normal retail sales operations (using the RWG merchant account, clearing house, and processor versus using agency)
 - iii. Tap rates are consistent with Ridership

Exhibit C Post Project Costs Estimate and Methodology

% Attributed based on Ridership				
County	FY 2015 Ridership (Rounded)		FY 2019 Ridership (estimated flat 3.5% increase)	
Hillsborough County - HART	14,900,000.00	44.6%	15,421,500.00	46.2%
Pinellas County - PSTA	14,600,000.00	43.7%	15,111,000.00	45.3%
Pasco County - PCPT	1,000,000.00	3.0%	1,035,000.00	3.1%
Sarasota County - SCAT	2,800,000.00	8.4%	2,898,000.00	8.7%
Hernando - TheBus	93,000.00	0.3%	96,255.00	0.3%
Total =	33,393,000.00		34,561,755.00	

D. Card Stock, Annual Maintenance, and Annual Hosting Fees

Open Payment Option Add-On could be included as determined from discussions with HART (see Exhibit A). Open payments, open loop payments and open bank card payments (as defined by the Smart Card Alliance) are used synonymously and defined as the use of financial industry-issued credit, debit or prepaid contactless cards (e.g. , Discover, MasterCard, Visa) for fare payment at points of entry/exit to modes of transportation.

Card Stock, Annual Maintenance Costs, and Annual Hosting Fees are calculated based on percent of Hernando County vehicles on the 1.72%, as identified in Exhibit A and shown below.

County	Number of vehicles	Percentage
Hillsborough County - HART	209	40.04%
Pinellas County - PSTA	210	40.23%
Pasco County - PCPT	29	5.56%
Sarasota County - SCAT	65	12.45%
Hernando - TheBus	9	1.72%
Total =	522	

The value to Hernando County of card stock in the first year is estimated to be \$1,943.60 or 1.72 % of the contracted amount of \$113,000, as derived from Line 6 of the INIT Contract”

Reference in Contract	Consumable/ Service Item Description	Value to Hernando County 1.72%	Total Project (522 vehicles)	Derived Percentage (9 Hernando Vehicles)
6	Fare Media First Year	\$ 1,943.60	\$ 113,000.00	1.72%

Exhibit C Post Project Costs Estimate and Methodology

Annual maintenance costs after 2-year warranty is estimated based on 10% of the total equipment value in the amount of \$10,857.30 (see Exhibit A). This example uses an industry standard of between 5% and 10% annually and for this estimation, used the higher value:

Estimated Equipment Replacement Costs after Warranty		
Equipment Value to Hernando County	10%	5%
\$ 108,573.00	\$ 10,857.30	\$ 5,428.65