

INTERLOCAL AGREEMENT
FOR
FARE COLLECTION, MOBILE TICKETING AND DATA MANAGEMENT SYSTEMS
BETWEEN
THE METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY, TEXAS
AND
FORT BEND COUNTY

THE STATE OF TEXAS

COUNTY OF HARRIS

This Interlocal Agreement (“Agreement”) for a Regional Transit Seamless Fare System is made and entered into by and between the Metropolitan Transit Authority of Harris County, Texas (“METRO”), a body corporate and politic authorized and existing pursuant to Chapter 451 of the Texas Transportation Code, and the Fort Bend County (“FBC”), authorized to be the administrator for all non-infrastructure Federal Transit Authority (FTA) and Texas Department of Transportation (TxDOT) funds, (collectively, the “Parties”).

WITNESSETH

WHEREAS, in response to comments from regional transit patrons, transit service providers and transportation stakeholders, the Gulf Coast Regionally Coordinated Transportation Plan (“RCTP”) recommended the development of a regional transit seamless fare collection and management system to improve access and connectivity between neighboring transportation service providers; and

WHEREAS funding was set aside in the Metropolitan Planning Organization’s (“MPO”) 2018 Call for Projects for a regional transit seamless fare system and METRO has initiated the development of refinements to its fare collection system utilizing professional services: and

WHEREAS, through a Memorandum of Understanding for the Development of a Regional Transit Seamless Fare System that was executed on November 2, 2021, and is included as Exhibit A to this Agreement, Houston-Galveston Area Council (“H-GAC”) is partnering with METRO and other transit agencies to conduct additional stakeholder assessments and system analysis that includes the region’s other regional transit service providers; and

WHEREAS individual transit providers are expected to customize their participation in the regional transit seamless fare system based on the needs of their ridership and the scope of the transit services they provide; and

WHEREAS, METRO has executed various contracts with third parties to provide software systems and services for systems associated to a regional transit seamless fare system effort for the Houston metropolitan area and named partners will participate in the costs, implementation, and ongoing maintenance of said systems; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants specified herein, the Parties hereby agree as follows:

ARTICLE 1: INDEPENDENT ENTITY

The execution of this Agreement and the distribution of funds from this program do not change the independent status of METRO or FBC. No provision of this Agreement or act of METRO in performance of the Agreement shall be construed as making FBC the agent, servant or employee of METRO, the State of Texas or the United States Government. Likewise, no provision of this Agreement or act of FBC in performance of the Agreement shall be construed as making METRO the agent, servant or employee of FBC, the State of Texas or the United States Government. Both parties shall notify the other party of the threat of lawsuit or of any actual suit filed against FBC or METRO pertaining to this Agreement or which would adversely affect either parties responsibilities under this Agreement.

ARTICLE 2: SCOPE OF AGREEMENT

This Agreement specifies the terms and conditions under which METRO will provide a seamless fare collection system to FBC. Funding for this project has been provided to METRO via funds programmed into the Transportation Improvement Program, as described in Exhibit A. The Parties agree that each will cooperate and coordinate with the others in all activities covered by this Agreement and any supplemental agreements hereto.

Regional Transit Seamless Fare System Background:

There are several transit operators in the greater Houston metropolitan area, some of which connect directly with METRO. Currently, there is no integration between transit operators, which means no regional fare, data sharing, or ability to plan trips between agencies. Each agency operates independently, utilizing a variety of disparate systems and processes both automated and manual. Many of the regional operators have expressed the desire to work with METRO towards regional interoperability. This Agreement works toward that goal by initiating several efforts which will run concurrently:

- Regional Fare Collection System
- Mobile Ticketing integration
- Regional Data Management

Each of these efforts will be executed independently and each agency will have the opportunity to participate in any or all of them.

2.1 REGIONAL FARE COLLECTION SYSTEM

METRO is initiating an innovative payment solution that is based on well-established payment practices using open architecture, open standards and open payments and is account-based. The new regional Fare Collection System (“FCS”) shall provide an expanded range of convenient and clear payment and service options to customers. Open payments will allow for the use of technologies such as bank cards, digital wallets, retail outlets for cash preferred using barcodes, or any number of current or future technologies. New and expanded sales channels will provide access to sales and services that are convenient, cost-effective, easy to use, fast, secure, and transparent. The project goals that provide the guiding principles for all aspects of design and implementation of the new FCS are:

- 2.1.1 Customer Centric Approach (accessible, simple, highly available and attracts new customers)
- 2.1.2 Integrated Backend (scalable, secure, open architecture, configurable)
- 2.1.3 Interoperability (regional, integrated trip planner, fare, third-party services, intermodal)

- 2.1.4 Optimize Costs of Labor and Capital Equipment (cash options, equipment, revenue protection)
- 2.1.5 Speed and Reliability of Service – (Reduce dwell time, increase service reliability)

The scope of the project will consider the replacement and/or integration of existing equipment onboard vehicles and on platforms which includes validators, fareboxes and ticket vending machines as well as inspection terminals and other backend components. The software solution will be capable of hosting additional entities besides METRO in the backend system. Regional partners were surveyed early in the METRO solicitation process to determine potential equipment needs. Based on those results, METRO negotiated pricing for equipment that will allow METRO to purchase the equipment on behalf of its partners at METRO pricing levels using available grant funding. METRO is responsible only for the purchase of such equipment for its partners. Subject to the approval of an Agreement by Commissioners Court between the vendor and the County, FBC will work with the vendor to install its own equipment. Subject to the approval of an Agreement by Commissioners Court between the vendor and the County, FBC will also work with the vendor to maintain its own equipment according to the warranty. Subject to the allocation of funds by the Commissioners Court or the receipt of grant funding, FBC may also be required to provide mobile data equipment and cellular services, at their expense, to support data exchange between vehicles and the FCS backend system.

As a separate effort, METRO will facilitate an assessment and requirements gathering effort as part of the regional FCS project, which is funded in a separate agreement, as detailed further in Exhibit A, and will follow compliance guidelines as required.

2.2. MOBILE TICKETING INTEGRATION

Mobile ticketing is a smartphone-enabled application (“App”) that allows transit customers to securely purchase and use fares for the transit system on their mobile phone. This technology enables METRO and its partners to expand their methods of purchasing fare media in a very simple and customer friendly way. There is also online website access that allows customers to manage their accounts and ticket purchases. METRO has entered into a contract with Bytemark, Inc. for the mobile ticketing application. The vendor for the mobile ticketing application is subject to change during the term of this Agreement. METRO will provide notice and the new contract within (30) days of execution of the new contract with the vendor. The application provides the following capabilities:

- 2.2.1 Standard fare items (Single ride, Day Pass, Park and Ride zoned fares)
- 2.2.2 Ride Sponsor client management capabilities
- 2.2.3 Discounted fares such as students, seniors & disabled
- 2.2.4 Special events fares such as Rodeo and conventions
- 2.2.5 Payment choices include mobile wallets, credit/debit, PayPal, Apple Pay and Google Pay
- 2.2.6 Fort Bend County will be able to participate in the app offering their specific fare products branded specific to their organization

In parallel with retail, the expanding mobile payment application will also provide expanded services to METRO and FBC by integrating with the future regional FCS enabling interoperability with FBC. The regional FCS Integrator will integrate FBC’s system with the mobile ticketing solution. The regional FCS will capture, manage and update customer account records based on their interaction with the various hardware

devices onboard vehicles and on platforms creating a seamless environment for customers to purchase and use fares throughout the region.

2.3 REGIONAL DATA MANAGEMENT SYSTEM

The purpose of the Regional Data Management System is to provide a single, easy to use source of transit data to travelers throughout the Houston region. To that end, METRO will host and maintain a Software as a Service (“SaaS”) Regional Data Management system for METRO and its regional partners, including FBC. METRO will implement an integrated system to provide centralized passenger information management from all participating agencies in the Houston region including METRO as the host agency, and other member agencies such as: Fort Bend Transit, Harris County Transit, Woodlands Township, Brazos Transit District, Colorado Valley Transit District, City of Conroe, Matagorda & Jackson Counties, Galveston County Transit District, and Island Transit. . METRO has entered into a contract with IBI Group Professional Services (USA) Inc. for regional data management and trip planning. The vendor for the regional data management and trip planning is subject to change during the term of this Agreement. METRO will provide notice and the new contract within (30) days of execution of the new contract with the vendor.

The Regional Data Management System will be a METRO sponsored project and will:

- 2.3.1 Intake Member Agencies’ General Transit Feed Specifications (“GTFS”) and GTFS Real Time (“GTFS-RT”) data as currently published for developers.
- 2.3.2 Allow agency users to create GTFS datasets for agencies that do not currently have GTFS
- 2.3.3 Aggregate GTFS from all agencies in the region to create a consolidated regional GTFS dataset
- 2.3.4 Aggregate GTFS-RT feeds from all agencies in the region to create a consolidated regional GTFS-RT feed, including GTFS-RT alert feeds
- 2.3.5 Allow agency users to enter, manage, and disseminate route targeted service alerts via consumable API, GovDelivery, Facebook, and Twitter
- 2.3.6 Provide regional multi-modal trip planning that can utilize multiple transit types and multiple transit providers to complete a trip (user should not be forced to select a single transit type)
- 2.3.7 Allow the public or other developers access to public data via web service APIs
- 2.3.8 Have a security management structure for each agency
- 2.3.9 Have reports on current and past alerts that have been sent to the public; have service availability reports for all member agencies.

ARTICLE 3: COMPENSATION

The Maximum Compensation for operational fees to be paid under this Agreement shall not exceed One Hundred Thousand Dollars and No/100 (\$100,000). In no case shall the amount paid by County under this Agreement exceed the Maximum Compensation without an approved change order.

ARTICLE 4: TERM

This Agreement shall be for a period of 10 years from the effective date of the Agreement, unless otherwise extended or terminated by either party in accordance with the other terms of this Agreement.

ARTICLE 5: REGIONAL FARE COLLECTION SYSTEM

5.1 METRO RESPONSIBILITIES:

As previously described, the regional FCS will be designed in a manner to facilitate regional interoperability. METRO will work with its FCS vendors and consultants on the following:

- 5.1.1 METRO will work cooperatively with its partners, as detailed in Exhibit A, and FBC to define and implement a regional fare strategy.
- 5.1.2 Ensure software and hardware components will support the regional transit fare system and FBC
- 5.1.3 Ensure the successful completion of a detailed assessment of each stakeholder's operational and technical readiness
- 5.1.4 Work cooperatively with FBC to ensure their needs are met
- 5.1.5 Provide comprehensive reports specific to FBC customers and sales data for performance and reconciliation
- 5.1.6 Work to ensure appropriate payment options are available for each transit operators needs
- 5.1.7 Provide basic training to FBC on back-office procedures and customer support activities within the application
- 5.1.8 Purchase equipment on FBC's behalf to be shipped directly to FBC.

METRO will share the cost of the initial system development and configuration with partners under its current contract. Software maintenance and hosting fees are contracted at a negotiated rate. METRO will pass along a portion of those costs to be paid by H-GAC on behalf of all partners as outlined in the Budget Summary table of Exhibit A. Following the initial reimbursement period outlined in Exhibit A, ongoing software maintenance and support costs will need to be assumed directly by individual partner agencies.

5.2 FBC RESPONSIBILITIES:

FBC will participate in the FCS integration effort after additional analysis and planning are completed which identify impacts to regional transit partners. At the signing of this ILA, there are still undetermined components for the FCS which include staffing and budget impacts. Future discussions and considerations may result in an amendment to include the following language of Section 5.2.

FBC will agree to participate in the regional FCS integration effort and commits to full participation in order to meet project requirements, deliverables and deadlines. FBC expectations include but are not limited to the following:

- 5.2.1 Provide knowledgeable subject matter experts to join the project team and participate in all required project meetings
- 5.2.2 Project team members will be responsive and provide all required documentation and responses in a timely manner causing no delay or adverse effect to the project schedules or deliverables

- 5.2.3 FBC project team members will act as a liaison within their organizations and will serve as the focal point to make necessary contact with other experts and management to ensure project success
- 5.2.4 Cooperate fully with METRO and its designated contractors to meet project requirements
- 5.2.5 Subject to the approval of an Agreement by Commissioners Court between the vendor and the County, FBC will grant permission for vendor to enter property at a time approved by the partner to inspect and analyze equipment and systems related to the FCS
- 5.2.6 FBC will be responsible for establishing and maintaining banking relationships that will allow METRO to provide automated payments
- 5.2.7 FBC will provide marketing collateral as needed (logos, font and image color Hex codes, etc.) as needed
- 5.2.8 FBC will provide internal customer service support and be the main contact for customer calls associated with their fare products and customer issues
- 5.2.9 FBC will be responsible for obtaining and maintaining cellular connectivity, at its cost, for onboard vehicle equipment to connect to METRO's regional FCS backend system
- 5.2.10 Subject to the approval of an Agreement by Commissioners Court between the vendor and the County, FBC will be responsible for entering into a maintenance contract with METRO's vendor for hardware maintenance and support and may utilize METRO's negotiated pricing with the vendor.

ARTICLE 6: MOBILE TICKETING INTEGRATION

6.1 METRO RESPONSIBILITIES:

In addition to standard system functions described earlier, METRO will work with its mobile ticketing vendor to ensure the application provides the following capabilities to Fort Bend County (FBC):

- 6.1.1 Provide a separate and distinct area within the app for FBC fare selections
- 6.1.2 Provide specific branding for FBC as well as distinct fraud prevention and detection capabilities using animation or other techniques
- 6.1.3 Provide reports specific to FBC customers and sales data for performance and reconciliation
- 6.1.4 Provide payment options for all fare media requested
- 6.1.5 Provide basic training to FBC on back-office procedures and customer support activities within the application

METRO will absorb the cost of the initial system development and configuration for partners under its current contract. However, if future costs are generated due to requests for additional functionality or requirements, those costs, if not covered by agreements described in Exhibit A, may be passed on

to FBC. FBC will be solely responsible for its own processing and operating costs, and hosting fees as described in Exhibit A.

Transaction processing fees and ongoing operational costs related to point of sale transactions will be shared with FBC at fixed rates. Transaction fees are assessed based on bank processing charges as well as application processing fees based on sales. Total processing costs will be billed at 10%.

Operational and hosting fees related to software purchased are contracted at a fixed rate which is increased annually by 5%. METRO will pass along a portion of that cost to be paid by H-GAC on behalf of all partners, including FBC, as described in the Budget Summary table of Exhibit A.

Reconciliation reports will be provided to identify transactions processed for each agency.

6.2 FBC RESPONSIBILITIES:

FBC agrees to participate in the mobile ticketing application and commits to full participation in order to meet project requirements, deliverables and deadlines. FBC expectations include but are not limited to the following:

- 6.2.1 Provide knowledgeable subject matter experts to participate in all required project meetings
- 6.2.2 Project team members will be responsive and provide requested documentation and responses as required and cause no adverse effect to the project timelines or deliverables
- 6.2.3 Cooperate fully with METRO and its designated contractors to meet project requirements
- 6.2.4 FBC will be responsible for establishing and maintaining banking relationships that will allow METRO to provide automated payments
- 6.2.5 FBC will provide marketing collateral as needed (logos, font and image color Hex codes, etc.) as needed
- 6.2.6 FBC will provide internal customer support and be the primary contact for customer calls associated with their fare products
- 6.2.7 FBC will pay banking and processing fees related to the purchases of agency ticket products as outlined in the METRO responsibilities Section 5.1 of this document. FBC will pay a portion of the ongoing hosting and operational fees as outlined in the METRO responsibilities Section 5.1 of this document.

ARTICLE 7: REGIONAL DATA MANAGEMENT SYSTEM

7.1 METRO RESPONSIBILITIES

METRO responsibilities as it pertains to the Regional Data Management System include:

- 7.1.1 METRO will work cooperatively with its partners, as detailed in Exhibit A to define, and implement an overall Regional Data Management strategy for current and future system functions and additions
- 7.1.2 Maintaining and managing the vendor contract for the hosted SaaS Regional Data Management System
- 7.1.3 Project management of vendor contract

- 7.1.4 Renegotiating contract at renewal-contract negotiations and extension of period of performance.
- 7.1.5 Hosting procurement process for a new contract in the event of expiration of current vendor contract
- 7.1.6 Managing and applying the payments by member agencies, per the agreed upon processes and procedures of each agency, for the maintenance and hosting of the system
- 7.1.7 Coordinating any bug, downtime, or system performance issues from the member agencies with the vendor
- 7.1.8 Ensuring the successful completion of a detailed assessment of each stakeholder's operational and technical readiness by the data management vendor
- 7.1.9 Work cooperatively with each regional partner who chooses to participate in the project to ensure their needs are met
- 7.1.10 Coordinate basic training to regional partners on back-office procedures and customer support activities within the application

7.2 FBC RESPONSIBILITIES:

- 7.2.1 FBC will be responsible for assigning, training, and maintaining its own staff to run and manage its part of the Regional Data Management System
- 7.2.2 Provide knowledgeable subject matter experts to join the project team and participate in all required project meetings
- 7.2.3 Project team members will be responsive and provide all required documentation and responses in a timely manner causing no delay or adverse effect to the project schedules or deliverables
- 7.2.4 FBC project team members will act as a liaison within their organizations and will serve as the focal point to make necessary contact with other experts and management to ensure project success
- 7.2.5 Cooperate fully with METRO and its designated contractors to meet project requirements
- 7.2.6 FBC will provide marketing collateral as needed (logos, font and image color Hex codes, etc.) as needed
- 7.2.7 FBC will provide internal customer service support and be the main contact for customer calls associated with their Regional Data Management System customer issues
- 7.2.8 FBC will be responsible for obtaining and maintaining Internet connectivity, at its cost, for access to the Regional Data Management System
- 7.2.9 FBC will be responsible for reporting any bug, downtime, or system performance issues to METRO or the vendor

- 7.2.10 FBC will be responsible for working with the vendor on any internal issues with its network infrastructure, cyber security infrastructure, or hardware infrastructure to resolve any issues with the System. All partners, including FBC, will be charged a collective as described in the Budget Summary table of Exhibit A. Payment will be made for approved costs via funds approved by the Transportation Policy Council and programmed into the Transportation Improvement Program, as detailed in Exhibit A. However, if future costs are generated due to requests for additional functionality or requirements, those costs will be passed on directly to the requesting agency.

ARTICLE 8: RELATIONSHIP OF THE PARTIES

- 8.1 Both METRO and FBC are governmental entities under the Texas Tort Claims Act.
- 8.2 FBC acknowledges that it is not an agent, servant, nor employee of METRO.
- 8.3 METRO acknowledges that it is not an agent, servant, nor employee of FBC.
- 8.4 The Parties expressly agree that the disbursement of funds under this initiative is not a joint venture or enterprise. It is not the intent of the Parties that a joint enterprise relationship is being entered into and the Parties specifically disclaim such relationship. This Agreement does not constitute a joint enterprise.
- 8.5 No party has the authority to commit or bind the other party in any manner.

ARTICLE 9: TERMINATION

- 9.1 **Termination for Convenience.** Notwithstanding any other provision of this Agreement, each party may, in its sole discretion, terminate this Agreement, if it determines that it is in its best interest to do so, providing, however, that the party seeking to terminate the provision of services under this Agreement gives written notice to the other parties at least sixty (60) calendar days prior to the expected date of the termination of services.
- 9.2 **Termination Procedure.** Upon receipt of written notice to terminate this agreement, METRO shall cease performance entirely, and prepare and submit a final invoice and standard reconciliation reports to FBC within thirty (30) calendar days. The invoice shall include payments for revenue generated for FBC in any component of the AFCS, Mobile Ticketing and Regional Data Management system. Also, charges for transaction fees, processing and other operating expenses not paid prior to termination shall be invoiced to FBC for immediate payment.

ARTICLE 10: DEFAULT AND REMEDIES

The failure by any party to fully and timely comply with its respective obligations, and the failure to cure such noncompliance within ten (10) days after written notice from the other parties, shall constitute a default ("Default"). In the event of a Default, the non-defaulting parties may notify the defaulting party of its intent to terminate this Agreement as of a date specified in such notice. If such default is not cured by such termination date, this Agreement shall be deemed automatically terminated as of the date so specified in the notice without further act of any party. This Agreement shall not be considered as specifying the exclusive remedy for any Defaults; and all remedies existing at large or in equity may be availed of by any party and shall be cumulative.

ARTICLE 11: FORCE MAJEURE

No party shall be held liable for any loss or damage due to delay in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence, which causes may include acts of God, acts of civil or military authority, government regulations, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, power blackouts, other major environmental disturbances or unusually severe weather conditions.

ARTICLE 12: AUDIT AND INSPECTION OF RECORDS

FBC shall permit the authorized representatives of METRO and the federal government to inspect and audit all data and records of FBC relating to its performances under this Agreement. Both METRO and FBC representatives may perform, or have performed, an audit of either party's books and records. Both parties shall keep its books and records available for this purpose for at least three (3) years after this Agreement terminates.

ARTICLE 13: FUNDING OBLIGATION

Each party paying for the performance of governmental functions or services under this Agreement must make those payments from current revenues available to the paying party.

ARTICLE 14: NOTICES

Any notices required or permitted to be given under the terms of this Agreement shall be in writing and shall be deemed to be given as of the time of hand delivery to the addresses set forth below, or three (3) days after deposit in the United States mail, postage prepaid, by registered or certified mail, return receipt requested, addressed as follows:

To METRO: Reginald Brown
Metropolitan Transit Authority of Harris County
P.O. Box 61429
Houston, Texas 77208-1429

To FBC: Fort Bend County
Attn: County Judge
401 Jackson Street
Richmond, Texas 77469

With a copy to: Perri D'Armond
Director
Fort Bend County Public Transportation
301 Jackson Street
Richmond, Texas 77469

ARTICLE 15: WAIVER

The failure of any party at any time to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver of any party of any condition, or of any breach of any

term, covenant, representation or warranty contained herein, in any one or more instances, shall be deemed to be construed as a further or continuing waiver of any such condition or breach or waiver of any other condition.

ARTICLE 16: ENTIRE AGREEMENT

This Agreement contains the entire agreement of the Parties with regard to the matters addressed herein. This Agreement may not be amended, modified, superseded or canceled, nor may any of the terms, covenants, representations, warranties or conditions be waived except by written instrument executed by all the Parties.

ARTICLE 17: GOVERNING LAW

This Agreement is subject to all applicable laws, regulations, codes, ordinances, rules and rulings of the Federal government, the State of Texas, City of Houston, and any other governmental entity that has jurisdiction over the Parties or activities set out herein. The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement. Any action brought to enforce or interpret this Agreement shall be brought in a court of appropriate jurisdiction in Harris County, Texas. Neither party is not waiving any governmental immunities.

ARTICLE 18: SCOPE AND SCHEDULE - REGIONAL FARE SYSTEM

This Agreement will be amended to add the Scope of Services once it is developed and mutually agreed to by the parties in writing.

ARTICLE 19: SCOPE AND SCHEDULE - MOBILE TICKETING

This Agreement will be amended to add the Scope of Services once it is developed and mutually agreed to by the parties in writing.

ARTICLE 20: SCOPE AND SCHEDULE - REGIONAL DATA MANAGEMENT

This Agreement will be amended to add the Scope of Services once it is developed and agreed to by the parties

The parties to this agreement have read, agreed, and executed the whole Agreement as of the date first written above, and approved by:

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**METROPOLITAN TRANSIT AUTHORITY
OF HARRIS COUNTY, TEXAS**

Thomas C. Lambert
President & Chief Executive Officer

Date

**REGIONAL PARTNER AGENCY -
FORT BEND COUNTY**

KP George
County Judge

Date

EXHIBIT A

August 1st, 2021

MEMORANDUM OF UNDERSTANDING FOR THE DEVELOPMENT OF A REGIONAL TRANSIT SEAMLESS FARE SYSTEM

BACKGROUND

In response to comments from regional transit patrons, transit service providers, and transportation stakeholders, the Gulf Coast Regionally Coordinated Transportation Plan (RCTP) recommended the development of a regional transit seamless fare collection and management system to improve access and connectivity between neighboring transportation service providers. Figure 1 illustrates the service areas of those service providers.

Funding was set aside in the Metropolitan Planning Organization's (MPO) 2018 Call for Projects of the Transportation Improvement Program (TIP) for a Regional Transit Seamless Fare System. The Metropolitan Transit Authority of Harris County (METRO) has initiated the development of refinements to its fare collection system utilizing professional services and the Houston-Galveston Area Council (H-GAC) is partnering with METRO and other transit agencies to conduct additional stakeholder assessments and system analysis that includes the region's other transit service providers.

This Memorandum of Understanding (MOU) is established between the Houston-Galveston Area Council (H-GAC) Transportation Policy Council (TPC) as the MPO for the Houston-Galveston Region, the Metropolitan Transit Authority of Harris County (METRO), and other participating regional transit stakeholders including the following: Brazos Transit District, Colorado Valley Transit District, Gulf Coast Transit District (Connect Transit), Fort Bend County Transit, City of Conroe, Harris County Community Services Department -Transit Services, The Woodlands Township, and City of Galveston (Island Transit) for the purpose of developing a regional transit fare system, including stakeholder assessments for software configuration and hardware required to connect to METRO's fare collection system. A Budget Summary for this project is provided below for planning purposes.

Individual transit providers are expected to customize their participation in the Regional Transit Seamless Fare System based on the needs of their ridership and the scope of the transit services they provide. This MOU is intended to serve as the master document outlining the arrangement between all parties outlining the overall scope of the Regional Transit Seamless Fare System and the responsibilities of each party, with subsequent agreements between individual parties detailing specific arrangements for each participating stakeholder.

This MOU is to be effective upon approval by each participating stakeholder. ¹

¹ It is anticipated that some of the regional stakeholders will require coordination with their Boards of Directors, City Councils or Commissioners Courts before this Memorandum of Understanding can be approved.

NON-BINDING EFFECT

All parties understand and acknowledge that this MOU merely constitutes a statement of their mutual intentions and a recital of their discussions in connection with the transactions contemplated by this MOU and therefore does not constitute a binding agreement. This MOU shall not create or otherwise give rise to, and there shall not exist, any binding legal obligation on any of the parties to perform their responsibilities under the MOU, and no party will have any financial liability to any other party for failure to perform such responsibilities. If two or more parties deem that an activity which may give rise to a legal or financial obligation is necessary, those parties will consult each other on the necessity of a separate agreement and, if appropriate, enter into a separate agreement. No subsequent oral agreement or conduct of the parties, including partial performance, shall be deemed to impose an obligation or liability on any other party under this MOU. By executing this MOU, the parties do not intend to create a joint venture or partnership, and each party will remain an independent contractor

RESPONSIBILITIES OF THE PARTIES

The Metropolitan Transit Authority of Harris County will have the following responsibilities:

1. METRO modified their consultant's scope of work for analysis and assessment for the Regional Transit Seamless Fare System to include up to eight (8) additional participating regional transit stakeholders, listed on page 1 in the "Background" section of this MOU Agreement. The Scope Modification valued at \$256,000 was completed before this MOU was executed. METRO will deliver a copy of the results from the analysis and assessment and resulting strategic plan, project plan and timeline for the Regional Transit Seamless Fare System to be shared with all stakeholders and H-GAC.
2. METRO will serve as project sponsor for this regional fare project and will purchase the following base component systems to support its execution:
 - a. A Regional Data Management System to provide a tool for each participating regional stakeholder to develop and manage their General Transit Feed Specification (GTFS) data, which will provide a foundation for the development of a regional transit trip planner including regional fare payment options.
 - b. A Mobile Ticketing System to provide a tool for fares purchased by mobile devices. METRO will work with regional transit stakeholders to add their fares to the System. Each stakeholder who chooses to participate in the Mobile Ticketing System will be responsible for the transaction costs and applicable fees associated with their fares sold and according to METRO's contracts with its consultants.

- c. A Fare Collection System with the capability to support multiple regional partners using a configurable backend software system. Additional hardware components in support of the regional transit fare system were previously identified by the regional transit stakeholders who chose to participate in the regional transit fare hardware equipment purchase as shown in Attachment 1. Additionally, regional transit stakeholders may elect to purchase and participate in the backend software system. The effort and costs of this will be determined after the completed assessments of each stakeholder as outlined in item 1 above.
3. After the funds for the Regional Transit Fare System Project have been programmed into the Fiscal Year (FY) 2020 Transportation Improvement Program (TIP), METRO will initiate a request to the Federal Transit Administration (FTA) for a Letter of No Prejudice (LONP) for pre-award authorization of \$2,344,000 to proceed with the development of the regional transit fare system components, as itemized in the Budget Summary below.
4. METRO will initiate additional requests (to support the various components of the regional fares project) as needed based on coordination with H-GAC, the regional partners, and funding authorizations from the Transportation Policy Council.
5. METRO will collaborate with H-GAC throughout the life of the project, and provide monthly Progress Reports to H-GAC and quarterly updates to the regional stakeholders through the Regional Transit Coordination Subcommittee.
6. METRO will work with the participating regional transit stakeholders and H-GAC as needed to develop a regional fare policy to address how fares, discounts and revenue sharing would work as a result of regional transit fare implementation.
7. METRO and H-GAC will enter into an Interlocal Agreement (ILA). METRO will also enter into individual agreements with each participating regional stakeholder.

The Houston-Galveston Area Council will have the following responsibilities:

1. H-GAC received authorization from its Board of Directors, at its December 19, 2019 meeting, to establish an Intergovernmental Agreement with METRO for the additional assessments.
2. H-GAC has requested and received approval from the Transportation Policy Council (TPC) to program \$2,344,000 into the FY 2020 TIP to supplement the local funding provided by METRO.
3. H-GAC has submitted a letter to the Texas Department of Transportation to initiate a request for a funds transfer of \$2,344,000 to the Federal Transit Administration to expedite the project.
4. Although METRO will be responsible for procuring its own hardware components in support of the regional transit fare system, H-GAC will provide input on specifications and service needs, as previously identified by the participating regional transit stakeholders who chose to participate in the regional transit fare hardware equipment purchase, as well as input on the backend software necessary to support this equipment and manage the regional fare system. This is as shown in Regional Stakeholders Initial Equipment Requests below. Please note, H-GAC will not be procuring anything for this agreement or any resultant contract stemming

from this agreement. Although METRO is purchasing its own hardware and backend software, the Regional Stakeholders will buy through their contracts for any of their needs resulting from the assessment. This will be done through the resultant contracts as mentioned in bulletpoint 4 of the regional stakeholder responsibilities below, as well as via this agreement.

5. To support the METRO's procurement of additional hardware and software needed to implement the regional fare collection system, H-GAC will make additional FTA requests for funding only as required, based on funding authorizations from the Transportation Policy Council and in the event additional procurement is needed.
6. H-GAC will coordinate with METRO and the regional transit stakeholders in their efforts to develop a regional fare policy addressing how fares, discounts and revenue sharing would work as a result of regional transit fare implementation. This will be accomplished through a Regional Transit Connectivity Workgroup associated with the Regional Transit Coordination Subcommittee.
7. H-GAC will ensure Federal planning and programming requirements are met throughout the life of the project, including but not limited to updating the TIP and air quality conformity processes.

The regional transit stakeholders will have the following responsibilities:

1. The regional transit stakeholders who choose to participate in this System will do so in all assessments, system configuration and development, and procurement and installation of hardware and software as needed.
2. The regional transit stakeholders who agreed to participate in the transit fare equipment purchase will maintain the equipment purchased through this MOU.
3. The regional transit stakeholders will work with one another and with METRO and H-GAC to develop a regional fare policy to address how fares, discounts, revenue sharing, etc. would work in the regional transit fare implementation.
4. Each participating regional stakeholder will enter into an individual agreement with METRO detailing specific arrangements for the regional fare collection system. Each participating regional stakeholder shall obtain the approval of its governing board.

BUDGET SUMMARY ²

Budget Item	Preliminary Cost Estimates (\$)	Notes
Additional Stakeholder Assessments (8)	256,000	Planning funds to be reimbursed to METRO by H-GAC.

² This budget is preliminary for planning purposes and subject to change. It represents the funds that will be coordinated through H-GAC and doesn't include the total project costs as budgeted by METRO.

Regional Data Management System for GTFS files.	195,000	25% of annual cost for three years. Total 3-year annual cost estimated at \$585,000. ³
Regional Fare System Hardware for Regional Stakeholders	2,118,950 ⁵	As previously identified by stakeholders (see Regional Stakeholders Initial Equipment Requests for details)
Software backend configuration and implementation	TBD	To be determined after review of the assessments and decisions made for each transit stakeholder
Contractor implementation support	TBD	Additional implementation support of CH2M Hill to be determined after assessments are reviewed and decisions made
Additional hardware costs (TBD)	15,000	To be determined after the completion of the additional stakeholder assessments.
Total Estimated Cost Not-To-Exceed	\$ 20 million*	

*\$2.344 million is currently programmed in the 2021-2024 Transportation Improvement Program (TIP).⁴ An FTA Transfer of these funds has been facilitated by H-GAC to METRO. The remaining \$17.656 million is to be provided as needed for the project by H-GAC as allocated in the Unified Transportation Program. These funds can be amended to the TIP as approved by the Transportation Policy Council.

REGIONAL STAKEHOLDERS INITIAL EQUIPMENT REQUESTS

Agency	Card Readers/ Validators	Fareboxes	Ticket Vending Machines (TVM)	Cashless TVM
City of Conroe	0	6	0	0
Harris County Transit	20	20	4	1
City of Galveston Island Transit	26	26	1	1

³ Option to renew based on satisfactory performance during years 1-3.

⁴ "Regional Transit Fare Collection System project (FY 20)" MPOID 18163; CSJ 0912-00-623

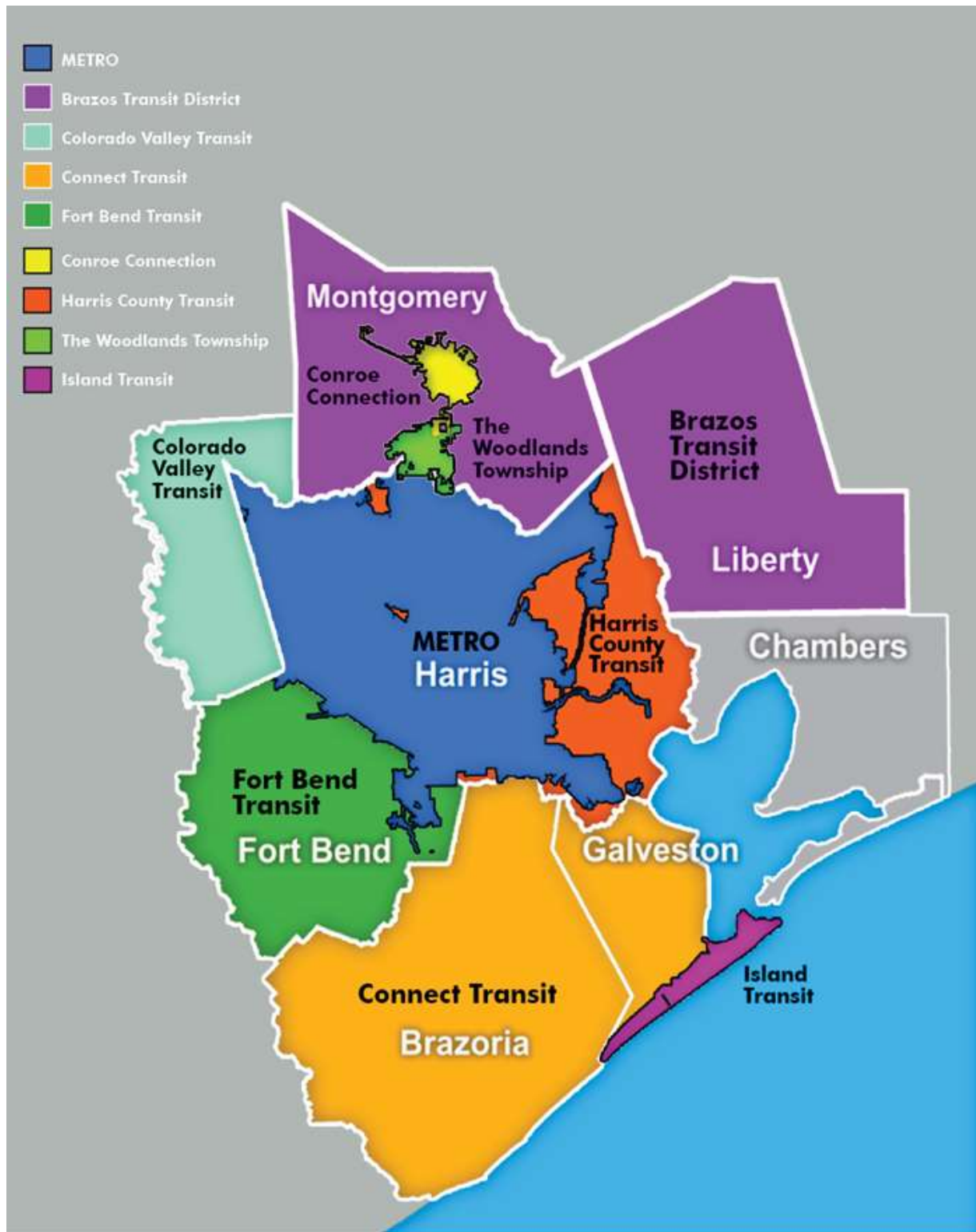
⁵ Expenditures outlined in Regional Stakeholders Initial Equipment Requests

Fort Bend County Transit	75	75	5	5
Subtotals # Units	119	125	10	7
Estimated Cost for Units⁵	\$2,150	\$8,650	\$48,050	\$43,050
Subtotals by Type of Item	\$255,850	\$1,081,250	\$480,500	\$301,350

Total Estimated Cost	\$2,118,950			
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⁵ Preliminary cost estimates are based on information developed by METRO Consultant CH2M.

Figure 1. Map of Regional Transit Service Providers in the H-GAC MPO



ATTACHMENT 1
DISTRIBUTION LIST

This Memorandum of Understanding is approved by:

HOUSTON-GALVESTON AREA TRANSPORTATION POLICY COUNCIL

DocuSigned by:

Ken Clark

11/1/2021

AFF0EE5C8DEC4CA

Honorable Ken Clark, Chairman, Transportation Policy Council

Date

DocuSigned by:

Craig Raborn

10/27/2021

14B4CB248051495

Craig Raborn, Director of Transportation,

Date

This Memorandum of Understanding is approved by:

HOUSTON-GALVESTON AREA COUNCIL

DocuSigned by:

82EC270D5D61423...

10/27/2021

Charles Wemple, Executive Director

Date

This Memorandum of Understanding is approved by:

METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY (METRO)

DocuSigned by:

Thomas Lambert

11/2/2021


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Thomas C. Lambert, President and Chief Executive Officer

Date

This Memorandum of Understanding is approved by:

THE CITY OF CONROE

A handwritten signature in blue ink, appearing to be "P. Virgadamo Jr.", is written over the text "THE CITY OF CONROE".

Paul Virgadamo Jr., City Administrator

A handwritten date "8/4/21" in blue ink is written above the line for the date.

Date

This Memorandum of Understanding is approved by:

THE WOODLANDS TOWNSHIP

DocuSigned by:

John Powers

7/27/2021

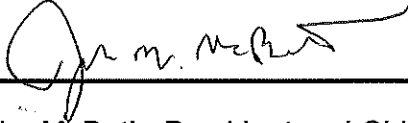
BC50D8E9A031484...

John Powers, Assistant General Manager

Date

This Memorandum of Understanding is approved by:

BRAZOS TRANSIT DISTRICT (THE DISTRICT)



John McBeth, President and Chief Executive Officer

8/16/21

Date

This Memorandum of Understanding is approved by:

COLORADO VALLEY TRANSIT DISTRICT

Claudia Wicks, Executive Director 9/1/21

Claudia Wicks, Executive Director

Date

This Memorandum of Understanding is approved by:

GULF COAST TRANSIT DISTRICT - CONNECT TRANSIT



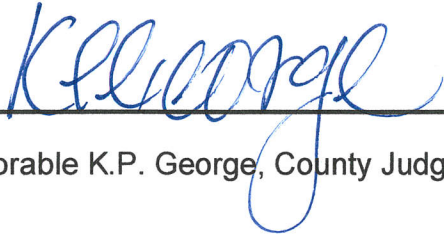
Sean Middleton, Executive Director

08/25/2021

Date

This Memorandum of Understanding is approved by:

FORT BEND COUNTY PUBLIC TRANSPORTATION DEPARTMENT



Honorable K.P. George, County Judge

August 24, 2021
Date

This Memorandum of Understanding is approved by:

**HARRIS COUNTY COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT NOW
CALLED HARRIS COUNTY COMMUNITY SERVICES DEPARTMENT- HARRIS COUNTY
TRANSIT**



August 24, 2021

Honorable Lina Hidalgo, County Judge

Date

This Memorandum of Understanding is approved by:

CITY OF GALVESTON - ISLAND TRANSIT



for Brian Maxwell, City Manager

9/17/21

Date

APPROVED AS TO FORM:



Asst. City Attorney