

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

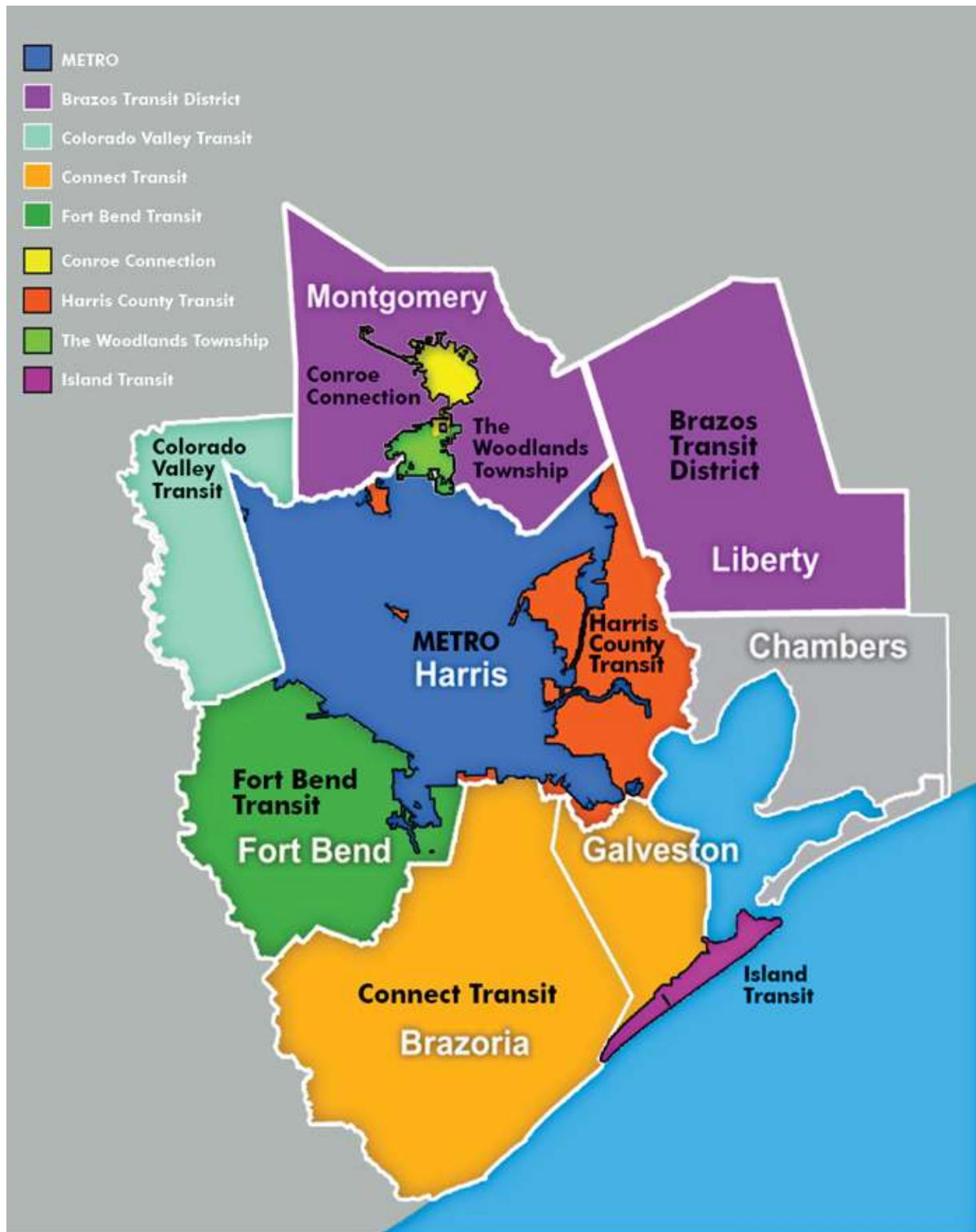
⁵ Expenditures outlined in Regional Stakeholders Initial Equipment Requests

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:

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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

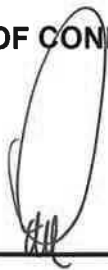
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Thomas C. Lambert, President and Chief Executive Officer

Date

This Memorandum of Understanding is approved by:

THE CITY OF CONROE

A handwritten signature in black ink, appearing to be "P. Virgadamo Jr.", written over a horizontal line.

Paul Virgadamo Jr., City Administrator

A handwritten date "8/4/21" in black ink, written over a horizontal line.

Date

This Memorandum of Understanding is approved by:

THE WOODLANDS TOWNSHIP

DocuSigned by:

John Powers

7/27/2021

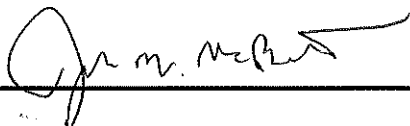
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John Powers, Assistant General Manager

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

A handwritten signature in black ink, appearing to read "Sean Middleton", written over a horizontal line.

Sean Middleton, Executive Director

08/25/2021

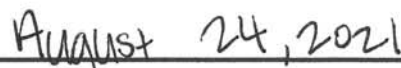
Date

This Memorandum of Understanding is approved by:

FORT BEND COUNTY PUBLIC TRANSPORTATION DEPARTMENT

A handwritten signature in cursive script, appearing to read "K. George", written over a horizontal line.

Honorable K.P. George, County Judge

A handwritten date "August 24, 2021" written in cursive script over a horizontal line.

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