

# Information Packet

**Payment Acceptance Devices  
& Transit Processor Services  
Master Service Agreements**



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# What are MSAs?

And what are the benefits for Transit Providers?

# Any Transit Provider is eligible to use the MSAs

- The California Department of General Services (DGS), in collaboration with Cal-ITP, conducted an RFP that established 6 Master Service Agreements (MSAs) that allow Transit Providers to purchase directly without further competitive bidding.
- The MSAs allow any local government entities that operate public transportation services ("Transit Providers") to purchase goods and services off the MSAs. Out-of-state Transit Providers—including but not limited to members of the Oregon Cooperative Procurement Program (ORCPP) and the Washington State Purchasing Cooperative (WSPC)—can also participate. Each Transit Provider should determine whether use of the MSAs is consistent with its procurement policies and regulations.
- Projects resulting from these MSAs may be funded through grants from the Federal Transit Administration (FTA), and/or the State of California, California Department of Transportation (Caltrans), and other sources of local and state public funding. Check with your funding agencies.



# The MSAs were competitively procured

- The MSAs for Payment Acceptance Devices (PADs) and Transit Processor Services used a competitive selection process in which MSAs were awarded based on a combination of technical qualifications and price.
- MSAs were awarded for two distinct categories: 3 for Category A (PADs) and 4 for Category B (Transit Processor Services).
- All MSA prices are *maximums*, and they can be negotiated further *downward*.
- DGS serves as the MSA administrator, but contracts (“User Agreements”) are entered into directly between MSA vendors and Transit Providers.

\* Please note that MSA documents refer to “Transit Agencies” whereas Cal-ITP materials refer to “Transit Providers”—these terms have the same meaning.

# How do the MSAs work?

What is included? What will it cost?

# The MSAs enable contactless payment systems

- The purpose of the MSAs is to enable Transit Providers to deploy a contactless EMV (debit/credit/prepaid card and mobile wallet) fare payment option to complement or replace their legacy fare payment system.
- The MSAs include two Categories that together provide the backbone of a contactless EMV fare payment system:
  - Category A: Payment Acceptance Devices (e.g., fare validators), including supporting services
  - Category B: Transit Processor Services
- **PLEASE NOTE:** To be able to operate a contactless fare payment system, Transit Providers must also have a contractor for *payment processing services*, which California Transit Providers can access using California Electronic Payment Acceptance Services (EPAY) MSA 5-22-70-22-01 with Elavon.

# There are 6 MSA vendors available

## Category A (PADs)



## Category B (Transit Processor Services)



*Click a logo to access that vendor's website.*

# Three separate contracts are needed

Transit Providers can purchase from the MSAs for PADs (Category A) and Transit Processor Services (Category B), as well as the EPAY MSA, to access an integrated end-to-end contactless payment solution.

## Category A Vendor



Onboard, on-platform, and mobile fare inspection devices that are equipped to read riders' contactless bank cards and smart devices.

## Category B Vendor



Software that instantly determines the correct fare for a trip based on distance, applicable discounts, and frequency of travel.

## EPAY Vendor



Software embedded in fare validators that transmits money from a rider's bank card to the Transit Provider's bank account.

# Complete a quick & easy cost estimate

- Transit Providers can use Cal-ITP's Cost Estimation Tool to review and compare the maximum pricing of the MSAs—actual pricing will be obtained from vendors once you develop and share a User Agreement Scope of Work (see next section).
- To develop a quick estimate of costs for budget planning purposes, simply enter a) the desired quantity of PADs and b) estimated monthly fare revenue for the contactless system in the *Budget Worksheet* to receive a 5-year budget estimate (note that this estimate does not include other possible project costs such as payment processing, network connectivity, and customer-facing communications).

Category A Inputs (for Payment Acceptance Devices, aka PADs or Fare Validators)	
Hardware Inputs	
# of Standalone Validators	0 <span style="color:red">&lt;---- ENTER VALIDATOR QUANTITIES HERE</span>
# of Standalone Validators (Platform-Only)	0
# of Mounting Poles	0
# of Embedded Validators	0
# of Mobile Fare Inspection Devices	0

Screenshot from Cal-ITP Cost Estimation Tool – Budget Worksheet



# How do I purchase from the MSAs?

What does the process look like?

# Simple process to execute User Agreement

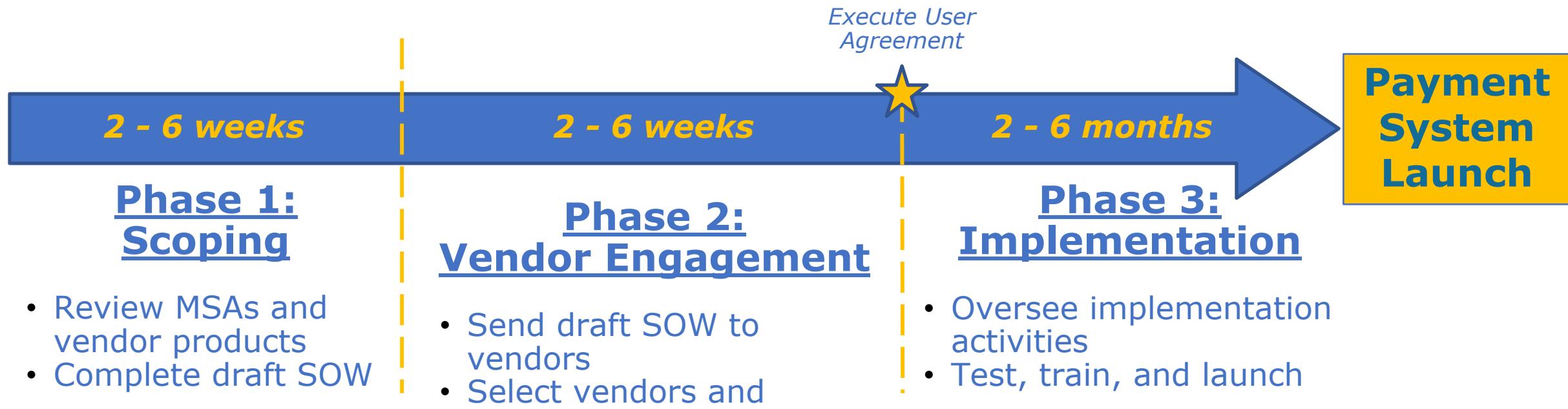
- To make a purchase off the MSAs, a Transit Provider and MSA vendor must execute a contract (referred to as a “User Agreement”) that incorporates by reference the terms of the MSA but allows for certain items to be specified for a particular Transit Provider’s needs.
- The User Agreement contains a Scope of Work (SOW; the key component of the User Agreement) that outlines project details. Cal-ITP can provide guidance to assist Transit Providers in developing a Scope of Work, which is the most important step in the process.
- The Transit Provider will share their initial Scope of Work with the PAD and Transit Processor Services vendors and receive back a specific solution description and pricing.
- Cal-ITP encourages all Transit Providers to carefully review the MSA documents and User Instructions on Cal eProcure before initiating this process.



*User Agreements will be in the form of a Standard Agreement ([STD 213](#); note that you'll need Adobe Acrobat or Reader to complete this PDF form) or equivalent contract form such as this Sample User Agreement ([LINK](#)), which can be used by Transit Providers across the U.S. User Agreements must incorporate all MSA terms by reference, include a Scope of Work, and include all pricing information.*

# Three phases to get to system launch

- With an executed User Agreement, there is only one onboarding phase remaining (implementation) before arriving at the launch date for the contactless payment system!
- Cal-ITP can assist Transit Providers during each step in the onboarding process.



# How Cal-ITP can support in Phase 1

## Cal-ITP will:

- Provide **contactless payments introduction** and **vendor catalog**

- Provide **SOW template and guidance** and **cost estimate tool**

## Transit Provider will:

- Confirm ability to use MSAs
- Secure executive/board approval

## Cal-ITP can also:

- Review and offer suggestions for transit provider SOW draft
- Assist the transit provider with a more complete project cost estimate

Decision #1:  
Confirm objectives and process

Decision #2:  
Confirm desired scope

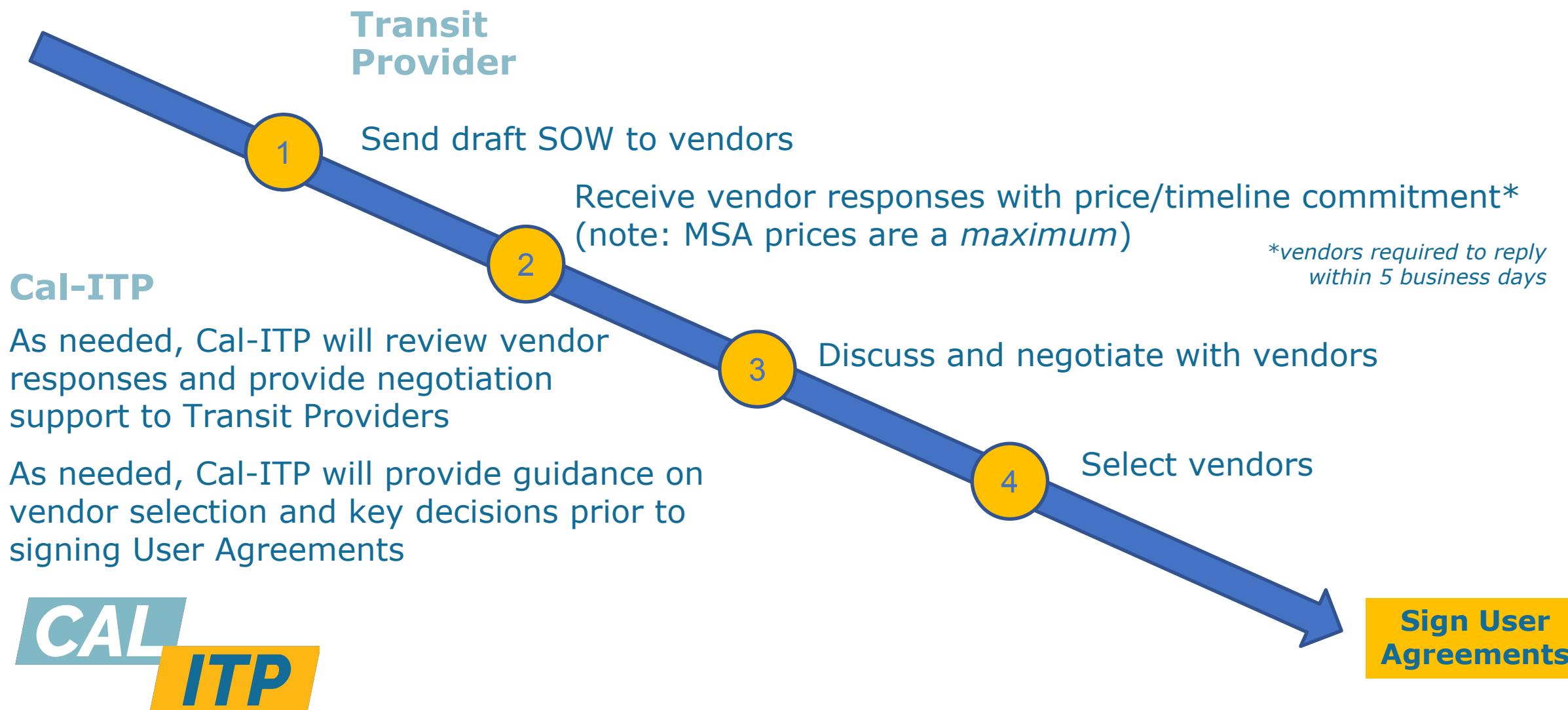
Finalize Draft SOW

- Answer SOW guidance scoping questions
- Use cost estimate tool to determine project budget

- Finalize SOW



# How Cal-ITP can support in Phase 2



# How Cal-ITP can support in Phase 3

## Cal-ITP

- Provide best practices and lessons learned
- Provide sample marketing/communications materials
- Assist Transit Providers and MSA vendors with any implementation issues

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## Transit Provider

- Finalize payment processing and connectivity needs
- Develop tailored marketing/communications materials for customers and staff
- Perform acceptance testing, with MSA vendor support
- Perform staff training, with MSA vendor support



# **What else do I need to know?**

**What are the key MSA terms to understand?**

# Some important MSA elements to be aware of

- The term of the MSAs is 5 years with options for 2 additional 2-year periods; all User Agreements resulting from these MSAs must be entirely fulfilled/completed within 36 months following the MSA term end date
- The MSAs contain default SLAs/KPIs for both Category A (PADs) and Category B (Transit Processor Services), which can be modified in the User Agreements
- Failure to meet SLAs/KPIs, as well as late completion of Project Implementation Plans, may trigger Service Credits for the Transit Provider
- MSAs include exhibits with equipment listings (for Category A) and rates (for both Categories)
- Category A breakpoints are based on the number of units defined in the User Agreement, whereas Category B breakpoints are based on total revenue processed under all User Agreements with that MSA vendor
- User Agreements must incorporate all MSA terms and conditions by reference, which also includes the following standard model contract language ([available here](#)):
  - IT General Provisions (DGS)
  - SaaS General Provisions (DGS)
  - SaaS Special Provisions, Cloud Computing Services (DGS)
  - FTA clauses (USDOT)



SLAs = Service Level Agreements  
KPIs = Key Performance Indicators

# What should I do next?

- Carefully review the [MSAs and User Instructions](#) on Cal eProcure, if you have not yet done so
- Check out our [Contactless Payments Introduction](#) for more information
- If you're ready to start drafting the User Agreement Scope of Work, here's our [SOW Template and Guidance document](#) and [Cost Estimation Tool](#)
- Email us at [hello@calitp.org](mailto:hello@calitp.org) or [contact us](#) if you have any questions



