

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO FINALIZE AND EXECUTE A PREPAID DEBIT CARD MARKETING AND PROCESSING AGREEMENT AND A CONTRACT PURCHASING AGREEMENT WITH USIO, INC. (USIO) AND A CONTRACT PURCHASING AGREEMENT WITH CLIPPER IN SUPPORT OF THE WEST OAKLAND UNIVERSAL BASIC MOBILITY PILOT PROJECT'S (PROJECT) FINANCIAL INCENTIVE IN THE FORM OF 1,000 RESTRICTED PREPAID DEBIT CARDS AND/OR CLIPPER CARDS FOR A PERIOD OF ONE YEAR AT A TOTAL CONTRACT COST OF \$350,000.00; PROVIDING THE NECESSARY SPENDING AUTHORITY FOR THE CONTRACT'S ONE-YEAR DURATION; AND WAIVING THE ADVERTISING, BIDDING AND THE REQUEST FOR QUALIFICATIONS/PROPOSAL COMPETITIVE SELECTION REQUIREMENTS

WHEREAS, the goal of the West Oakland Universal Basic Mobility Pilot (Project) is to increase walking, biking, and shared mobility trips near the AC Transit bus stops, while reducing private vehicle trips, through the use of personalized information, support, and financial incentives; and

WHEREAS, in 2020, the City of Oakland and AC Transit staff published the Transit Action Strategy, which identifies an action to create a low-income transit pass program; and

WHEREAS, in February 2021, the City of Oakland applied for funding from ACTC to upgrade 14 bus stops in West Oakland and expand low-income transit and mobility passes in West Oakland. The City was awarded \$1.9 million in funding in July 2021 for these efforts. The City passed Resolution 88882 to receive these funds on November 2, 2021; and

WHEREAS, the City of Oakland piloted a similar program in East Oakland, providing 500 East Oaklanders with prepaid debit cards to be used for transit and shared mobility, and aims to build on this program in West Oakland; and

WHEREAS, prepaid debit cards and Clipper cards were identified as the best way to provide financial incentives to Oakland residents in order to achieve this project's goal, provide program participants with the greatest autonomy of how to spend travel funds, and inform future efforts by the City, such as the establishment of a long-term Universal Basic Mobility program; and

WHEREAS, Usio, Inc. (Usio) is a C Corporation founded in 1998, and incorporated into Mastercard's City Possible Network; is an integrated payment solutions provider that specializes in providing tailored solutions for prepaid debit card issuance, payment acceptance, and bill payments; and has an extensive track record of successfully implementing financial assistance and relief programs for public agencies across the United States, including the City of Oakland's East Oakland Universal Basic Mobility Pilot project; and

WHEREAS, Clipper, a public agency product and service managed by the Metropolitan Transportation Commission, is the only provider of prepaid cards for public transit services in Oakland that are usable across all public transit providers in Oakland, including AC Transit and BART; and

WHEREAS, the City of Oakland wishes to enter into agreements with Usio and Clipper to purchase and provide 1,000 Project participants with restricted prepaid cards and/or transit passes that are each loaded with up to \$320.00 of grant funds and that can only be used to purchase trips or passes with transit or shared mobility operators; and

WHEREAS, the total contract cost for Usio and Clipper to provide this product is \$350,000.00; \$320,000.00 for subsidies and \$30,000.00 to cover Usio and Clipper administrative costs; and

WHEREAS, after extensive research and coordination with banks, prepaid card providers, and other organizations, the City recognizes that Usio was one of only two (2) vendors that could provide the City with this product; and

WHEREAS, the City recognizes that among only two (2) potential providers of prepaid cards, Usio is the only viable vendor option because of the vendor's unique services that allow the City to recoup unused funds at the completion of the program and their ongoing work with another City department for an upcoming program; and

WHEREAS, the City recognizes that Clipper is the only provider of prepaid cards for public transit services in Oakland that are usable across all public transit providers in Oakland; and

WHEREAS, Oakland Municipal Code (OMC) section 2.04.050 requires formal advertising and, competitive bidding when the City purchases services, supplies or combination thereof required by the City which exceeds \$50,000.00; and

WHEREAS, OMC section 2.04.050 I.5 permits the Council to waive these requirements upon a finding and determination that it is in the best interests of the City to do so; and

WHEREAS, OMC section 2.04.051.A requires staff to conduct a competitive RFP/Q selection process for the procurement of professional services; and

WHEREAS, OMC section 2.04.051.B authorizes the City Council to waive the RFP/Q requirement upon a finding that it is in the best interests of the City to do so; and

WHEREAS, the City Council finds that the proposed contract with Usio (Prepaid Card Marketing and Processing Agreement) is for the processing and marketing of prepaid cards and will expire after twelve (12) months, provided that staff give notice to Usio ninety (90) days prior to this date; and

WHEREAS, the City Council finds that the proposed contract with Clipper is for the processing and marketing of Clipper cards and will expire after twelve (12) months, provided that staff give notice to Clipper ninety (90) days prior to this date; and

WHEREAS, the City Council finds that the City lacks the equipment and qualified personnel to perform the necessary work and that the performance of this contract is in the public interest because of economy or better performance; and

WHEREAS, the City Council finds and determines that the performance of this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive services; and

WHEREAS, this action is exempt from the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(13) and CEQA Guidelines Section 15273 (Transportation Improvement And Congestion Management Programs) because CEQA does not apply to preparation and adoption of a congestion management program by a county congestion management agency pursuant to Government Code Section 65089, et seq.; now, therefore be it

RESOLVED: the City Council finds and determines that pursuant to OMC sections 2.04.050.I.5 and 2.04.051.B, that it is in the best interests of the City to waive the advertising, competitive bidding, and competitive RFP/Q process for products, replacement parts and services to be purchased under the proposed agreement because: 1) Usio offers a unique service, allowing the City to restrict card usage by merchant category code and recoup up to 80 percent of the amount of expired funds after the one year expiration of the program, ensuring the responsible use of public funds to achieve the project goal; and 2) Clipper offers a unique service, being the only provider of prepaid cards for public transit services in Oakland, and is creating cost savings for the City by offering to provide Clipper cards for the Project free of charge; and be it

FURTHER RESOLVED: the City Administrator or designee is authorized to enter into a Prepaid Card Marketing and Processing Agreement with Usio and Clipper for a period of one year at a cost of \$350,000.00; and be it

FURTHER RESOLVED: to use available reimbursable grant funds in ACTC Reimbursable Fund (2214), Oakland Mobility TDM Project (1003982), Mobility Management Organization (35247), Account (53719); and be it

FURTHER RESOLVED: the City Administrator has the spending authority to pay invoices from Usio according to this agreement on an as-needed basis; and be it

FURTHER RESOLVED: this action is exempt from the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(13) and CEQA Guidelines Section 15276 (Transportation Improvement And Congestion Management Programs) because CEQA does not apply to preparation and adoption of a congestion management program by a county congestion management agency pursuant to Government Code Section 65089, et seq.; and be it

FURTHER RESOLVED: the City Attorney shall review and approve the proposed contract as to form and legality, and copies of the agreement(s) shall be filed with the Office of the City Clerk without returning to Council.

IN COUNCIL, OAKLAND, CALIFORNIA,

AYES –FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO and
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED
City Clerk and Clerk of the Council of
the City of Oakland, California

