



AGENDA ITEM 9d

Sonoma-Marin Area Rail Transit
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GENERAL MANAGER
Eddy Cumins

December 17, 2025

Sonoma- Marin Area Rail Transit Board of Directors
5401 Old Redwood Highway, Suite 200
Petaluma, CA 94954

SUBJECT: Masabi, LLC Contract Amendment #7

Dear Board Members:

RECOMMENDATIONS:

Approve Amendment #7 for Contract No. OT-PS-16-004 for Masabi, LLC to increase the amount by \$66,144 for a total not to exceed amount of \$629,314.

SUMMARY:

On October 3, 2016, SMART entered into an agreement with Masabi, LLC to design and deliver a fully functional mobile application. The application enables SMART riders to purchase and activate tickets that can be visually inspected by train engineers/ conductors, while also allowing SMART to collect essential data for reporting purposes. Masabi successfully delivered this scope, and SMART customers have been using the application effectively ever since.

The SMART mobile app offers features that are not available through the Clipper system. However, Clipper is transitioning from a card-based system to an account-based system, with the transition scheduled for December 10, 2025. Once that transition is complete, SMART anticipated being able to provide the same services currently offered through the Masabi app via the Clipper platform. Unfortunately, this functionality has been delayed, and no timeline has been provided for its availability. SMART remains committed to transitioning to Clipper once these features are implemented. Until then, we are requesting an extension of Masabi's contract.

Contract Details

The contract consists of two components:

- Annual Fee – A monthly charge of \$5,512 for app usage and technical support.
- Transaction Fees – Merchant and service fees are deducted directly from fare collections before funds are transferred to SMART.

Currently, approximately 24% of SMART fares are collected through the Masabi app.

FISCAL IMPACT:

The funds are budgeted in the Fiscal Year 2025/2026 Board Adopted Budget.

REVIEWED BY: [x] Finance /s/ [x] Counsel /s/

Sincerely,

/s/

Heather McKillop
Chief Financial Officer

Attachment(s): 1) Contract No. OT-PS-16-004 Amendment #7

**SEVENTH AMENDMENT TO THE AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT
AND MASABI, LLC**

This Seventh Amendment dated as of December 17, 2025 (the “Seventh Amendment”), to the Agreement for Consultant Services by and between Masabi, LLC (hereinafter referred to as “CONSULTANT”) and the Sonoma-Marin Area Rail Transit District (hereinafter referred to as “SMART”), dated as of October 3, 2016 (the “Original Agreement,” as amended and supplemented by the First through Sixth Amendment and now this Seventh Amendment, the “Agreement”).

RECITALS

WHEREAS, CONSULTANT and SMART previously entered the Original Agreement on October 3, 2016 to develop and maintain SMART’s Mobile Ticketing Application; and

WHEREAS, SMART and CONSULTANT previously entered into various Amendments to the Agreement between January 1, 2018 and November 20, 2024 to increase the not-to-exceed amount, modify the scope of work, add additional insurance requirements, modify the Exhibit B Rate Schedule, and extend the term of the Agreement; and

WHEREAS, SMART desires to amend the Agreement to extend the term to December 31, 2026, increase the not-to-exceed amount by \$66,144.00 for a total not-to-exceed amount of \$629,314.00, and modify the Exhibit B Rate Schedule; and

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **“ARTICLE 2. LIST OF EXHIBITS”.** The following exhibits are attached hereto and incorporated herein:

(b) Exhibit B: Fee or Schedule of Hourly Rates

The Exhibit B included in the Agreement is hereby deleted and replaced with the Exhibit B included in this Seventh Amendment.

2. **“ARTICLE 5. PAYMENT”**. Section 5.02 is hereby deleted and replaced with the following:

“Vendor shall be paid, as full compensation for the satisfactory completion of the work described in the Scope of Work (Exhibit A) in accordance with the budget established in Exhibit B, provided, however, that Vendor agrees to perform all services described in the Scope of Work for the negotiated amount of \$629,314.00 regardless of whether it takes Vendor more time to complete or costs are more than anticipated. The not-to-exceed (NTE) amount of \$629,314.00 for this Agreement includes labor, travel, supervision, applicable surcharges such as taxes, insurance and fringe benefits as well as indirect costs, overhead and profit allowance, equipment, materials and supplies; in no case shall Vendor be reimbursed for an amount in excess of the NTE amount without a formal written amendment to this Agreement.”

3. **“ARTICLE 6. TERM OF AGREEMENT”**. Section 6.01 is hereby deleted and replaced with the following:

Section 6.01. “The term of this Agreement shall remain in effect through December 31, 2026 unless terminated earlier in accordance with the provisions of Article 7 below.”

4. Except to the extent the Agreement is specifically amended or supplemented hereby, the Agreement, together with all supplements, amendments and exhibits thereto is, and shall continue to be, in full force and effect as originally executed, and nothing contained herein shall, or shall be construed to, modify, invalidate, or otherwise affect any provision of the Agreement.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Seventh Amendment as of the date first set forth above.

**SONOMA-MARIN AREA RAIL TRANSIT
DISTRICT**

Dated: _____

By _____
Eddy Cumins, General Manager

MASABI, LLC

Dated: _____

By _____
Hamish Floyd, Chief Financial Officer

APPROVED AS TO FORM:

Dated: _____

By _____
District Counsel

**EXHIBIT B
FEE SCHEDULE**

Implementation		
Fee Type	Cost	Notes
Upfront Fixed Cost	\$65,000.00	
Transaction Fee	3.5% per Transaction	
Merchant Acquirer and Payment Processing Fees (Credit Card Fees)	Per transaction fee, at an estimate of 3-4% of transaction, depending on average transaction size.	<p>Masabi passes through all direct payment card and processing fees without markup. These fees include industry standard payment card Interchange Fees together with those standard payment processing fees levied by Merchant Acquirer and Payment Gateway. Masabi uses the following providers:</p> <ul style="list-style-type: none"> • Merchant Acquirer: Chase Paymentech • Payment Gateway: MasterCard Payment Gateway Services (MPGS) <p>It is anticipated Interchange Fees should not exceed 3-4%, but such fees are industry-standard and depend on the average transaction size.</p>
Merchant Acquirer & Payment Processing Fees	\$1,000.00	Upfront Fixed Configuration Cost
Payment Reconciliation / Bank Transfer Fees	\$100 per first monthly reconciliation/transfer; \$50 per subsequent reconciliation/transfer per month.	Monthly Fixed Configuration Cost
Fully Refundable Deposit for Refund Processing	\$5,000.00	Will be refunded to SMART at the end of the contract.

Pre-Agreed Time and Materials Development Costs	Vendor Standard Hourly rate card, plus direct expenses.	It is not currently envisioned that any “custom” development will be required, but any such development will be scheduled by mutual agreement and price in accordance with the standard development rate-card prevailing at that time.
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Ongoing Service and Support		
Fee Type	Cost	Notes
Ongoing Service and Support	\$5,000/month	Until December 2017
Ongoing Service and Support	\$4,900/month	January 2018 through June 2019
Ongoing Service and Support	\$4,750/month	Beginning July 2019
Ongoing Service and Support	\$5,000/month	Effective January 1, 2024
Ongoing Service and Support	\$5,250/month	Effective January 1, 2025
Ongoing Service and Support	\$5,512/month	Effective January 1, 2026

The following payment schedule applies:

- Ongoing Service and Support Fees and Payment Reconciliation/Bank Transfer fees shall be invoiced at the end of each calendar month commencing with the month of deployment.
- Vendor Transaction Fees, and pass-through Merchant Acquirer and Payment Processing Fees shall be deducted from each bank transfer of ticketing proceeds.