

**RESOLUTION NO. \_\_\_\_\_ (2025 SERIES)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, APPROVING AGREEMENTS FOR SAN LUIS OBISPO (SLO) TRANSIT'S OPEN-LOOP PAYMENT SYSTEM PROJECT**

**WHEREAS**, in 2019, the California Integrated Travel Project (Cal-ITP) was launched by the California State Transportation Agency (CalSTA) and the California Department of Transportation (Caltrans); and

**WHEREAS**, Cal-ITP is a statewide initiative designed to make public transportation more accessible, efficient, and user-friendly by integrating payment systems, data standards, and real-time travel information across agencies; and

**WHEREAS**, Cal-ITP offers multiple statewide contracts for the hardware and software needed to implement an open-loop payment system at pre-negotiated rates; and

**WHEREAS**, on December 6, 2023, San Luis Obispo Council of Government's (SLOCOG) board approved submittal of the Senate Bill (SB) 125 allocation package to the CalSTA which included funding for the implementation of a regionwide Cal-ITP open-loop payment system project; and

**WHEREAS**, under San Luis Obispo Municipal Code §3.24.060, bid procedures may be waived and procurement obtained from a single vendor when the purchase will be made cooperatively with one or more other units of government; and

**WHEREAS**, on January 14, 2025, the City Council adopted Resolution No. 11538 (2025 Series) authorizing the execution of a cooperative agreement with SLOCOG for SB 125 funds and the appropriation of funds to associated capital projects; and

**WHEREAS**, the SB 125 cooperative agreement with SLOCOG must be amended to include the open-loop payment system project for the City to seek reimbursement from SLOCOG for project related costs incurred by the City; and

**WHEREAS**, in August 2024, SLOCOG held a kick-off meeting with a working group consisting of representatives from the City, RTA, Morro Bay Transit, and Cal-ITP to develop and release a scope of work, review vendor proposals, and discuss integrations with existing systems; and

**WHEREAS**, based on the information provided in the vendors' proposals, responses to follow-up questions, and discussions with peer agencies; the working group selected Kuba, Inc. as the preferred vendor for the payment acceptance devices, Littlepay, Inc. as the preferred vendor for the transit processing software, and Elavon, Inc. as the preferred vendor for merchant processing services; and

**WHEREAS**, the City contracts with Token Transit, Inc. for digital pass and fare services via mobile application whereby SLO Transit riders can pay for digital pass and fare and then verify them on the bus; and

**WHEREAS**, the City wishes to integrate digital pass and fare verification between Token Transit, Inc. and the payment acceptance devices offered by Kuba, Inc. to allow for continued use of digital passes and fares by SLO Transit riders; and

**WHEREAS**, at a regularly scheduled meeting on May 20, 2025, the City Council considered recommendations by staff to approve execution of agreements necessary to implement the open-loop payment system project.

**NOW, THEREFORE, BE IT RESOLVED** that the Council of the City of San Luis Obispo does hereby approve sole source agreements for the implementation of an open-loop payment system project as follows:

**SECTION 1. Environmental Review.** The California Environmental Quality Act (CEQA) does not apply to the recommended actions in this report, because the action does not constitute a "Project" under CEQA Guidelines Section 15378.

**SECTION 2. Approval.** The City Council of the City of San Luis Obispo does hereby approve the following:

1. Execution of an agreement with Kuba, Inc. for procurement, installation, and warranty of payment acceptance devices; and
2. Execution of an agreement with Kuba, Inc. for ongoing support services for payment acceptance devices; and
3. Execution of an agreement with Littlepay, Inc. for transit processor services; and
4. Execution of an agreement with Token Transit, Inc. for integration and on-going support of digital pass and fare purchases; and
5. Authorize the Finance Director to negotiate and execute an agreement with Elavon, Inc. for merchant processing services as part of the system configuration process.

Upon motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll call vote:

AYES:

NOES:

ABSENT:

The foregoing resolution was adopted this 20th day of May 2025.

R \_\_\_\_\_

\_\_\_\_\_  
Mayor Erica A. Stewart

ATTEST:

\_\_\_\_\_  
Teresa Purrington  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
J. Christine Dietrick  
City Attorney

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the  
City of San Luis Obispo, California, on \_\_\_\_\_.

\_\_\_\_\_  
Teresa Purrington  
City Clerk

R \_\_\_\_\_