



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

Agenda Item 2e

TO: Operations Committee

DATE: November 1, 2013

FR: Executive Director

W.I.: 1224

RE: Contract – Maintenance and Support for 511 Interactive Voice Response Software: Nuance Communications, Inc. (\$125,000)

This item seeks authorization of a sole source End User License Agreement (EULA) with Nuance Communications, Inc. Nuance for its Interactive Voice Response (IVR) software. The EULA includes permission to use the software plus an option for maintenance and support services. The software license has no associated cost, having been previously paid for through a 511 subcontract with Nuance. The maintenance and support services option is for an amount not to exceed \$125,000 for services through August 2014.

Background

During the past 10 years, 511 has used Nuance's IVR software through an agreement between a 511 subcontractor and Nuance. Nuance's IVR software is used by the 511 phone system to recognize callers' requests and then provide a speech response. With the IVR software, callers can receive a wide range of information, including real-time traffic conditions, real-time transit departure times, information about special events including emergencies, and transfers to transit agencies' customer service centers.

In 2012, due to the business dissolution of the 511 subcontractor, the 511 prime contractor, SAIC, attempted to assume the Nuance relationship directly. During this transition, Nuance updated its EULA and the new version contained terms which were unfavorable to MTC, as the end user. These unfavorable terms included a requirement that SAIC broadly limit its liability to MTC for damages resulting from the use of the IVR software. After considerable discussion with SAIC and Nuance, MTC staff determined that the most beneficial approach was for the agency to assume the contract with Nuance directly, since this resolved the issue related to the limitation on SAIC's liability.

The continued use of Nuance's IVR software is desirable for several reasons: 1) the 511 system was designed to interface with the Nuance software and redesigning the 511 phone system to be compatible with a different vendor's IVR software would be very costly; 2) the 511 system has used Nuance

software for over ten years and MTC's contracted software developers and system administrators are experienced in maintaining a Nuance-based system, thereby enhancing the 511 phone system's reliability and reducing the operations costs; and, 3) Nuance is the recognized market leader in the IVR software industry. Staff anticipates that the maintenance and support services option may be renewed on an annual basis.

Recommendation

Staff recommends this Committee authorize the Executive Director or his designated representative to negotiate and enter into a sole-source End User License Agreement with Nuance including maintenance and support services through August 2014 in an amount not to exceed \$125,000.



Steve Heminger

SH: JB

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REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract

Work Item No.: 1224

Vendor: Nuance Communications, Inc., Burlington, MA

Work Project Title: 511 Interactive Voice Response Software, Support & Maintenance

Purpose of Project: Provide Support for 511 Phone System's Voice Recognition and Response Software.

Brief Scope of Work: Nuance's interactive voice response software is used by the 511 phone system to recognize callers' requests and then provide the speech response to their requests. Through the assistance of the IVR software, callers can receive a wide range of information, including real time traffic conditions, real time transit departure times, information about special events including emergencies, and transfers to transit agencies' customer service centers.

Project Cost Not to Exceed: \$125,000

Funding Source: STP (\$110,000) and SAFE (\$15,000)

Fiscal Impact: Funding is included in the FY13-14 Agency budget.

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into an End User License Agreement with Nuance Communications, Inc. for 511 Interactive Voice Response software as described above and in the Executive Director's memorandum dated November 1, 2013, and the Chief Financial Officer is directed to set aside funds in the amount of \$125,000 for such license agreement.

Operations Committee:

Jake Mackenzie, Chairperson

Approved: Date: November 8, 2013