

**CITY OF EL PASO, TEXAS  
AGENDA ITEM  
DEPARTMENT HEAD'S SUMMARY FORM**

**AGENDA DATE:** May 9, 2023  
**PUBLIC HEARING DATE:** Not Applicable

**CONTACT PERSON(S) NAME AND PHONE NUMBER:**  
Ellen Smyth, Chief Transit and Field Operations Officer, (915) 212-6060  
K. Nicole Cote, Managing Director (915) 212-1092

**DISTRICT(S) AFFECTED:** All

**STRATEGIC GOAL:** No. 7 – Enhance and Sustain El Paso's Infrastructure Network

**SUBGOAL:** 7.3 – Enhance regional comprehensive transportation system

**SUBJECT:**  
Request that the City Manager be authorized to sign Consent to Assignment of Contract 2018-1293 from Electronic Data Magnetics, Inc. to EDM Technology, Inc.

**BACKGROUND / DISCUSSION:**  
This consent to assignment will be for the time remaining of the current contract term, which expires September 4, 2023.

**SELECTION SUMMARY:**  
N/A

**CONTRACT VARIANCE:**  
N/A

**PROTEST**  
N/A

**PRIOR COUNCIL ACTION:**  
On September 4, 2018, the Mass Transit Board approved the award of contract 2018-1293 to Electronic Data Magnetics, Inc. for a three (3) year term and two (2) year-option to extend the contract for at total amount of \$509,420.00.

**AMOUNT AND SOURCE OF FUNDING:**

Funding Source: Sun Metro Operation Fund  
Account: 560-3200-60010-522090-P6006

HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED?  YES  NO

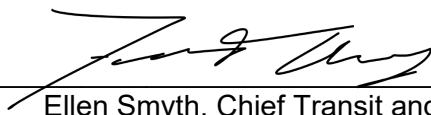
**PRIMARY DEPARTMENT:** Mass Transit (Sun Metro)

**SECONDARY DEPARTMENT:** Purchasing & Strategic Sourcing

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\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:**



Forrest Clancy For Ellen Smyth

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Ellen Smyth, Chief Transit and Field Operations Officer

**COUNCIL PROJECT FORM  
(Consent to Assignment)**

\*\*\*\*\***POSTING LANGUAGE BELOW**\*\*\*\*\*

Please place the following item on the **CONSENT AGENDA** for the Mass Transit Board Meeting of **May 9, 2023.**

**STRATEGIC GOAL: No. 7: Enhance and Sustain El Paso's Infrastructure Network**

The linkage to the Strategic Plan is subsection 7.3 – Enhance regional comprehensive transportation system.

Request that the City Manager be authorized to sign Consent to Assignment of Contract 2018-1293 from Electronic Data Magnetics, Inc. to EDM Technology, Inc. This consent to assignment will be for the time remaining of the current contract term, which expires September 3, 2023.

**RESOLUTION**

**THAT** the City Manager be authorized to sign the Consent to Assignment of Contract No. 2018-1293 Printed Bus Passes by and between the City of El Paso, Electronic Data Magnetics, Inc. (“Assignor”) and EDM Technology, Inc. (“Assignee”).

**PASSED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_ 2023.**


CITY OF EL PASO

\_\_\_\_\_  
Oscar Lesser  
Chair

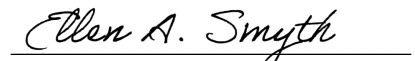
ATTEST:

\_\_\_\_\_  
Laura D. Prine  
Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Juan S. Gonzalez  
Assistant City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
Ellen Smyth, Chief Transit and  
Field Operations Officer

STATE OF TEXAS            )  
  )  
COUNTY OF EL PASO        )

**CONSENT TO ASSIGNMENT OF  
CONTRACT NO. 2018-1293**

This Consent to Assignment is executed this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by and between the City of El Paso (the “City”), Electronic Data Magnetics, Inc. (“Assignor”) and EDM Technology, Inc. (“Assignee”).

**WHEREAS**, on September 4, 2018 the City of El Paso (City) entered into Contract No. 2018-1293 with Assignor to provide Electronic Bus Passes for an initial term of three (3) years which is fully incorporated herein by reference to provide such parts to the City;

**WHEREAS**, after entering into said Contract on September 4, 2018 the Assignor merged with the Assignee;

**WHEREAS**, Assignor has requested that the City approve an assignment of the Contract to Assignee;

**WHEREAS**, the Contract provides that it is not assignable without the consent of the City;

**WHEREAS**, Assignee has agreed to be responsible for all duties and obligations under the Contract; and

**WHEREAS**, the City agrees to the assignment of all rights, duties and obligations encompassed in the Contract to Assignee;

**NOW, THEREFORE, IT IS HEREBY AGREED as follows:**

1. The City consents to the assignment of the rights, duties and obligations under the contract to Assignee.
2. Assignee agrees to assume and perform all duties, obligations and responsibilities under the contract.
3. All terms and conditions of the contract shall remain in full force and effect.

*(Signature Page to follow)*

STATE OF TEXAS )  
 )  
COUNTY OF EL PASO )

CONSENT TO ASSIGNMENT  
CONTRACT NO. 2018-1293


*(Signature Page)*

EXECUTED this the \_\_\_\_\_ day of \_\_\_\_\_, 2023

**THE CITY OF EL PASO:**

\_\_\_\_\_  
Tomás González  
City Manager

**APPROVED AS TO FORM:**


  
\_\_\_\_\_  
Juan S. Gonzalez  
Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Ellen Smyth,  
Chief Transit & Field Operations Officer


**ASSIGNOR:**

**Electronic Data Magnetics, Inc.**

By:   
\_\_\_\_\_  
Name: R. Brian Hallman  
Title: CEO

**ASSIGNEE:**

**EDM Technology, Inc.**

By:   
\_\_\_\_\_  
Name: R. Brian Hallman  
Title: General Manager

MASS TRANSIT DEPARTMENT BOARD MINUTES  
CITY COUNCIL CHAMBERS  
September 4, 2018

A meeting of the Mass Transit Department Board was called to order at approximately 10:58 a.m. with Dee Margo, Chairman, presiding. The other members present were: Peter Svarzbein, Alexandra Anello, Cassandra Hernandez, Sam Morgan, Michiel Noe, Claudia Ordaz Perez, Henry Rivera and Cissy Lizarraga. Absent: None.

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**CALL TO THE PUBLIC – PUBLIC COMMENT**

**This time is reserved for members of the public who would like to address the City Council on items that are not on the City Council Agenda.**

The following members of the public commented:

1. Mr. Steven Strumer

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**CONSENT AGENDA**

Motion made by Board Member Noe, seconded by Board Member Ordaz Perez, and unanimously carried to **APPROVE, AS REVISED**, all matters listed under the Consent Agenda unless otherwise noted. (Items approved, postponed, or deleted pursuant to the vote on the Consent Agenda will be shown with an asterisk {\*}).

AYES: Board Chair Margo and Board Members Svarzbein, Anello, Hernandez, Morgan, Noe, Ordaz Perez, Rivera and Lizarraga  
NAYS: None

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**1. APPROVAL OF MINUTES**

\*Motion made, seconded, and unanimously carried to Approve the Minutes for Mass Transit Board Meeting held on August 7, 2018 and Special Mass Transit Board meetings held on August 14, and 21, 2018.

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**2. REQUEST TO EXCUSE ABSENT MASS TRANSIT DEPARTMENT BOARD MEMBERS**

**NO ACTION** was taken on the item.

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**3.**

**\*RESOLUTION**

A resolution that the chairman of the Mass Transit Department Board be authorized to execute a Memorandum of Understanding between the El Paso Metropolitan Planning Organization, the Texas Department of Transportation, and the Mass Transit Department of the City of El Paso for cooperation in carrying out the metropolitan transportation planning process in the El Paso Metropolitan Planning Area.

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**4. PURCHASING**

Motion made by Board Member Noe, seconded by Board Member Ordaz Perez, and unanimously carried to **AWARD** Solicitation No. 2018-1293 Printed Bus Passes to Electronic Data Magnetics, Inc. for an initial three

(3) year term estimated award of \$305,652.00. The award is to include a two (2) year optional amount of \$203,768.00 for a total five (5) year award of \$509,420.00. Sun Metro will be using this contract to provide passes to passengers as fare for transportation needs.

Department: Mass Transit (Sun Metro)  
Award to: Electronic Data Magnetics, Inc.  
Location: High Point, NC  
Item(s): All  
Initial Term: 3 years  
Option to Extend: 2 years  
Annual Estimated Award: \$101,884.00  
Initial Term Estimated Award: \$305,652.00 (3 years)  
Total Estimated Award: \$509,420.00 (5 years)  
Account No.: 560-3200-60010-P6006-522090  
Funding Source: Sun Metro Operating  
This is a low bid, unit price contract.

The Purchasing & Strategic Sourcing Department and Mass Transit (Sun Metro) recommend award as indicated to Electronic Data Magnetics, Inc., the lowest responsive, responsible bidder. In accordance with this award, the City Manager or designee is authorized to exercise future options if needed.

**All Districts**

*Jay Banasiak, Mass Transit Director 212-3301*  
*Bruce Collins, Purchasing and Strategic Sourcing Director 212-1181*

**5. PURCHASING**

Motion made by Board Member Noe, seconded by Board Member Ordaz Perez, and unanimously carried to **AWARD** solicitation No. 2018-1291 Air and Fluid Filter Elements for an initial three (3) year term to: Transit Holding, Inc. dba The Aftermarket Parts Company for Group I for an estimated award of \$24,687.90; Muncie Reclamation and Supply dba Muncie Transit Supply for Group VI & VII for estimated award of \$35,739.15; RJ Border International, L.P for Group II for an estimated award of \$242,166.00 and Vehicle Maintenance Program, Inc. for Groups III, IV, V & VIII for an estimated award of \$217,122.27. The award is to include a two (2) year optional award of \$306,192.18 for Groups II, III, IV, V & VIII for a total five (5) year award of \$825,907.50. Mass Transit (Sun Metro) will be using this contract for fluid and filter elements required for maintenance of the transit fleet.

Contract Variance:

The difference in cost, based on the comparison to the previous contract, is as follows: An increase of \$46,216.89 over the three (3) year initial term, 9.76% increase compared to previous contract due to quantity and price increase.

Department: Mass Transit (Sun Metro)  
Vendor 1: Transit Holding, Inc. dba The Aftermarket Parts Company, LLC.  
Location: Delaware, OH  
Item(s): Group I  
Initial Term: 3 years  
Option to Extend: None  
Annual Estimated Award: \$8,229.30  
Initial Term Estimated Award: \$24,687.90



Total Estimated Award: \$24,687.90  
Account No.: 531180-560-3215-60060-P6019-P60FTA117-G60165307  
Funding Source: Sun Metro Operating

Department: Mass Transit (Sun Metro)  
Vendor 2: Muncie Reclamation and Supply dba Muncie Transit Supply  
Location: Muncie, IN  
Item(s): Group VI & VII  
Initial Term: 3 years  
Option to Extend: None  
Annual Estimated Award: \$11,913.05  
Initial Term Estimated Award: \$35,739.15  
Total Estimated Award: \$35,739.15  
Account No.: 531180-560-3215-60060-P6019-P60FTA117-G60165307  
Funding Source: Sun Metro Operating

Department: Mass Transit (Sun Metro)  
Vendor 3: RJ Border International, LP.  
Location: El Paso, TX.  
Item(s): Group II  
Initial Term: 3 years  
Option to Extend: 2 years  
Annual Estimated Award: \$80,722.00  
Initial Term Estimated Award: \$242,166.00 (3 years)  
Total Estimated award: \$403,610.00 (5 years)  
Account No.: 531180-560-3215-60060-P6019-P60FTA117-G60165307  
Funding Source: Sun Metro Operating

Department: Mass Transit (Sun Metro)  
Vendor 4: Vehicle Maintenance Program, Inc.  
Location: Boca Raton, FL.  
Item(s): Group(s) III, IV, V, VIII  
Option to Extend: 2 years  
Initial Term: 3 years  
Annual Estimated Award: \$72,374.09  
Initial Term Estimated Award: \$217,122.27 (3 years)  
Total Estimated award: \$361,870.45 (5 years)  
Account No.: 531180-560-3215-60060-P6019-P60FTA117-G60165307  
Funding Source: Sun Metro Operating  
This is a Low Bid, unit price contract.

The Purchasing & Strategic Sourcing Department and Mass Transit – (Sun Metro) recommends award as indicated to Transit Holding, Inc. dba The Aftermarket Parts Company, Muncie Reclamation and Supply dba Muncie Transit Supply, RJ Border International, L.P and Vehicle Maintenance Program, Inc., the lowest responsive responsible bidders for the groups indicated above. In addition, that Transit Holding, Inc. dba The Aftermarket Parts Company be deem non-responsive for group VI for failure to provide the correct information to compare prices. In accordance with this award the City Manager or designee is authorized to exercise future options if needed.

**All Districts**

*Jay Banasiak, Mass Transit Director 212-330\_*

*Bruce Collins, Purchasing and Strategic Sourcing Director 212-1181*

Board Member Hernandez commented.

The following City staff members commented:

- 1. Mr. Jay Banasiak, Mass Transit Director
- 2. Mr. Christopher Pellicano, Sr. Procurement Analyst

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**6. PURCHASING**

Motion made by Board Member Noe, seconded by Board Member Ordaz Perez, and unanimously carried **AWARD** Solicitation number 2018-1284 Bus Windshield and Glass Replacement Parts to Transit Holding, Inc. dba The Aftermarket Parts Company, LLC. for an estimated amount of \$1,699,344.60. Mass Transit (Sun Metro) will use this contract to provide Bus Windshields and Glass Replacement Parts as part of the maintenance and operations services to their fleet.

Department:	Mass Transit (Sun Metro)
Award to Vendor:	Transit Holding, Inc. dba The Aftermarket Parts Company, LLC.
Location:	Delaware, OH
Item(s):	Groups I and III
Initial Term:	3 years
Annual Estimated Award:	\$566,448.00
Initial Term Estimated Award:	\$1,699,344.60 (3 years)
Account No.:	531180-560-3215-60060-P6019-P60FTA117-G60165307
Funding Source:	Sun Metro 5307 Formula Funding Grant

This is a Low Bid, unit price contract.

The Purchasing & Strategic Sourcing and Mass Transit – Sun Metro recommends that the contract be awarded to Transit Holdings dba The Aftermarket Parts Company, LLC., the vendor offering the lowest responsive, responsible bid.

**All Districts**

*Jay Banasiak, Mass Transit Director 212-330\_*

*Bruce Collins, Purchasing and Strategic Sourcing Director 212-1181*

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**7. PURCHASING**

Motion made by Board Member Noe, seconded by Board Member Ordaz Perez, and unanimously carried to request that the Director of the Purchasing & Strategic Sourcing Department be **AUTHORIZED** to issue a Purchase Order to SPX Corporation dba Genfare, the sole source provider of proprietary components for the Genfare ticket vending machines in Sun Metro’s fleet.

Additionally, it is requested that the City Attorney’s Office review and that the City Manager be authorized to execute any related contract documents and agreements necessary to effectuate this award.

Department:	Mass Transit (Sun Metro)
	Mass Transit Department Board
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Award to: SPX Corporation dba Genfare  
Location: Elk Grove Village, IL  
Total Estimated Award: \$135,900.00  
Account No.: 580100-560-3210-60080-P60FTA114-G60175339  
Funding Source: FTA 5339 Formula Funding Bus & Facilities  
Sole Source No: 2018-1701  
This is a Sole Source, supplies Contract.

**All Districts**

*Jay Banasiak, Mass Transit Director 212-330\_*  
*Bruce Collins, Purchasing and Strategic Sourcing Director 212-1181*

Board Member Annello commented.

The following City staff members commented:

1. Mr. Jay Banasiak, Mass Transit Director

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Motion made by Board Member Noe, seconded by Board Member Svarzbein, and unanimously carried to adjourn this meeting at 11:05 a.m.

Approved as to content:

\_\_\_\_\_  
Jay Banasiak, Director

Dear Valued Customer,

We are delighted to inform you that Paragon ID has acquired the business and assets of Electronic Data Magnetics. We are extremely honored to now be a member of this esteemed organization and to let you know we are back to being a strong, viable supplier to the Mass Transit market in the North America.

As you are aware, COVID-19 had a huge impact on our industry and consequently, our company. Now, supported by Paragon ID, we are entering a new phase of development and healthy growth, being definitively ready for the expected bounce back of the market. We have included the market announcement of this acquisition. Effective October 1<sup>st</sup>, 2021 our legal name will be EDM Technology Inc. Our assigned EIN is 87-2689713. We will continue to have the same personnel in place, that you have been familiar with for many years, to service your business.

We want to thank you for your patience during this difficult time and want you to know how much we appreciate your business. Our team is hard at work and will be reaching out to you.

Please let us know if you have questions or concerns. We are here for you.

Sincerely,

EDM Technology Inc Management Team

Brian Hallman  
David Hallman  
Randy Bunnell

Press release - Septembre 25 2021

## **Paragon ID acquires business and assets of Electronic Data Magnetics, Inc., in North Carolina USA**

### **Strengthening Paragon ID's position as the leading provider of transport tickets for major US cities**

**Paragon ID (Euronext Paris - FR0013318813 - PID)**, leading provider of identification solutions for Transport & Smart Cities, e-ID, Traceability, Brand Protection and Payment, announces its acquisition of the business and assets of Electronic Data Magnetics, Inc., (EDM) in US.

#### **EDM, provider of public transport tickets to major US cities**

Founded in 1983 by the Hallman family, EDM grew to become America's biggest manufacturer of tickets for the Mass Transit market.

From its manufacturing facility in High Point, North Carolina, EDM manufactures and markets cards and tickets, both magnetic and RFID, as well as ticket pre-encoding and personalization services. EDM supplies the major public transport operators in the United States, as well as airlines, parking operators, etc.

EDM's customers include nearly two-thirds of the U.S. transit operators and authorities, including the cities of New York, Miami, Portland, Atlanta, Philadelphia, etc.

Prior to the impact of the pandemic, EDM posted annual revenues in excess of \$15m with an EBITDA margin of around 10%.

The lockdowns and decline in ridership of public transport systems over the course of the last eighteen months had a radical impact on EDM's revenues, leading the company to file for Chapter 11 bankruptcy procedures in June 2021.

Paragon ID anticipates a gradual rebound in the company's revenue over the next two years, with a contribution to Group revenue in excess of \$10 million and a double-digit EBITDA margin.

#### **Strengthening Paragon ID's position as the leading provider of public transport tickets in the US**

With this acquisition, Paragon ID strengthens its position as the leading supplier of transport tickets for major American cities.

Under the terms of the court-approved purchase, Paragon ID will also acquire the industrial site and buildings used by EDM, providing the company with its first manufacturing facility in the US capable of producing cards and tickets – a source of industrial synergies (reduced shipping costs, customs duties, etc.).

The size of the site lends itself to further development of industrial activity for other RFID markets in the US, such as RFID tags for the retail sector and RFID baggage tags for the airline industry.

From a commercial perspective, EDM's established positions with the main American public transport equipment manufacturers and operators will provide an opportunity to promote dematerialized contactless ticketing solutions in North America.

**Terms of the transaction**

Under the terms of the North Carolina court-approved purchase, Paragon ID acquires the business and business-related assets of EDM, including its manufacturing facility for production and adjacent buildings for material storage.

The Hallman family will continue to run these operations, along with Paragon ID's senior U.S. management, through a newly created subsidiary (EDM Technology Inc.), which will be consolidated into Paragon ID's accounts as of October 1, 2021.

The acquisition was financed entirely in cash, from equity and from specific credit lines granted by Paragon ID's shareholder Paragon Group.

**Clem Garvey, CEO, Paragon ID comments:**

*"We are all very pleased to welcome the Hallman family and all the EDM teams to Paragon ID. EDM has been a respected competitor for many years and enjoys strong, long-term relationships with its customers and key stakeholders in the Mass Transit market. It is for this reason that we decided to create EDM Technology Inc. to preserve these relationships and to ensure that the company benefits fully from the post-pandemic revival in mass transit usage. We look forward to working with the Hallman family to make the combination of EDM and Paragon ID the undisputed industry leader."*

**Brian Hallamn , General Manager of EDM, adds:**

*"The Hallman family has always enjoyed a good relationship with Paragon ID. We share the same values of providing our customers with high quality products and services, building strong partnerships with our suppliers, and enabling the growth of our employees. The past eighteen months have been very challenging for all of these stakeholders and for our family and we are pleased that the Chapter 11 process is resulting in the integration of EDM into Paragon ID. We look forward to working with the Group and its US teams."*

**About Paragon ID**

Paragon ID is a leader in identification solutions, in particular in the e-ID, Transport & Smart Cities, Traceability & Brand Protection and Payment sectors.

Paragon ID employs more than 500 staff, with manufacturing sites in US and Europe, close to its customers.

Paragon ID is listed on Euronext Paris with a majority of its shares being held by Paragon Group, a leading provider of Customer Communications. Identification solutions and Graphic services. Paragon Group is present in more than 20 countries with more than 9,000 employees around the world and achieved consolidated sales of € 1.1 billion at the end of the 2019/20 financial year (closed June 30, 2020), recording a growth of 29%. For further information about Paragon Group, visit [Paragon-europe.com](http://Paragon-europe.com).

Euronext Paris - Share identification: Paragon ID - ISIN Code: FR0013318813 - Mnemonic code: PID.

For further information about Paragon ID, visit [Paragon-id.com](http://Paragon-id.com).

**Contacts**

<p><b>Paragon ID</b> Clem Garvey CEO Tel. : +33 (0)2 48 81 61 00 <a href="mailto:clem.garvey@paragon-id.com">clem.garvey@paragon-id.com</a></p>	<p><b>ACTUS finance &amp; communication Investors relation</b> Mathieu Omnes Tel. : +33 (0)1 53 67 36 92 <a href="mailto:momnes@actus.fr">momnes@actus.fr</a></p>	<p><b>ACTUS finance &amp; communication Press relation</b> Vivien Ferran Tel. : +33 (0)1 53 67 36 34 <a href="mailto:vferran@actus.fr">vferran@actus.fr</a></p>
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