

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100228	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
---	------------------------	--

TITLE:

Initiate Request for Proposals - Open Payment Syst

PURPOSE:

To request Board approval to initiate contract action to solicit proposals for an Open Payment System that would allow the use of contactless fare media (e.g. credit cards and debit cards) in Metro's fare system, in addition to the currently accepted SmarTrip® cards and magnetic farecards.

DESCRIPTION:

Customer convenience will be increased by providing an alternative means for customers to pay fares by use of an "Open Payment System" that will provide the fare collection service while potentially reducing the future cost of revenue collection. The Open Payment fare system would be required to collect fare and parking fee payment from contactless credit and debit cards or other media which has the payment and billing tasks handled by a bank or similar firm. Contactless cards or contactless media are smart cards that have a miniature circuit embedded in the card that communicates with the processor in the machine over a radio frequency link that has limited range. The card is placed near the machine mounted antenna to initiate the communications and transfer of data. The SmarTrip® cards that are currently in use are examples of contactless cards. Requirements for the Open Payment System would include the use of contactless bank card media that meets a widely-accepted national or international standard, is available from a number of sources and has an existing means of distribution to the customers. The faregates in the rail system and the fareboxes on the buses would be equipped with a reader that would read the new contactless media. It is expected that the fare calculations and storage of the current value of each customer's account would be handled by a centralized back-end processor rather than the current process in which the current value is stored on the card and the equipment in the field performs the fare calculation. The contractor will be responsible for integrating the new Open Payment System with Metro's fare collection system. We would continue to accept the SmarTrip® cards and magnetic farecards for the payment of fares.

One potential source of this system is based on contactless credit cards issued by a bank with the bank processing the fare transaction calculation and directly billing the customer's account. The goals are to significantly enhance customer convenience, to accommodate the present and future fare structure and to allow changes to be made by Metro, to minimize the cost of implementing the system, to reduce the cash handled by Metro, to reduce dependency on proprietary systems and to have an outside entity perform the task of issuing fare media, collecting the money, and performing the related customer service.

Prior to award of the contract, staff will return to the Board with findings, including cost and recommendation.

Staff will manage the utilization of resources to assure that the implementation of the Open Payment System does not impact the implementation of the continued improvements to the SmarTrip® operations.

FUNDING IMPACT:

The initiation of this Request for Proposals has no impact on funding.

There currently are no funds programmed for this project in the approved budget. Any action that would result in an expenditure of funds would be subject to Board approval of the budget and subject to completion of the capital prioritization process.

RECOMMENDATION:

Approval to initiate a multi-step Request for Proposals process to implement an Open Payment System.