



# Washington Metropolitan Area Transit Authority

## *Strategic Partnerships and Initiatives: Technology*



*Presented to the Board of Directors:*



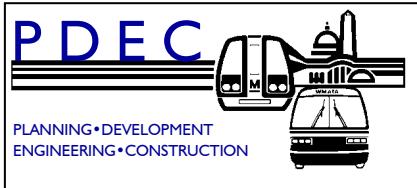
**Planning & Development Committee**  
*by*  
**Planning & Information Technology**  
June 2, 2005



# I. Purpose

- That the Planning and Development Committee concur and forward to the Board for approval to initiate a Technology Public-Private Partnership (P3) Initiative and to secure support in executing the initiative that will help to improve customer service and system reliability by:
  - As illustrated from demonstrated market interest from high-tech companies, capitalizing on WMATA's marquee value
  - Providing more timely and accurate customer information, seamless travel, and convenience
  - Generating new streams of revenue for WMATA

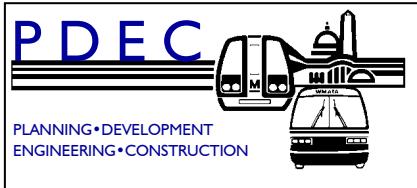




## II. Background

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- The Strategic Alliance and Risk Assessment (SARA) initiative was started in February 2004
- SARA Accomplishments:
  - \$3.3 Billion Metro Matters Funding Agreement
  - Assessment of Federal Access Fee
  - Advice on fare collection systems
- Follow-on efforts include two other areas:
  - Value Capture Study—Board approved this action May 19
  - Technology Partnership—as presented today

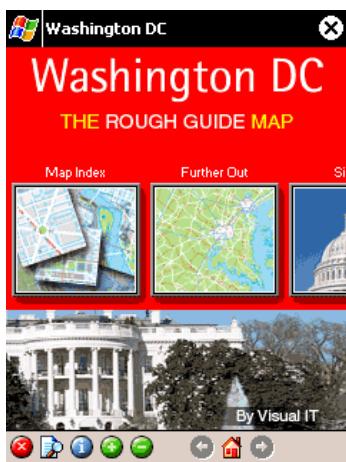


### III. Proposed P3 Technology Initiative



#### Overview

- Improve customer service and system reliability by:
  - Capitalizing on high-tech industry's interest in WMATA as a marquee transit agency
    - Have already been approached by industry including OnStar, ARINC, Panasonic, GE, Appear, and others
  - Marketing WMATA's marquee value
    - Daily access to a growing and prosperous metropolitan area of over 5 million residents and 1.2 million Metro trips per day
    - An in-place technology infrastructure, eg, fiber cables, ad space, tunnels, parking facilities
- Using innovative contracting techniques to create one or more technology partnerships
  - Through incentives, hire a P3 Consultant to assist in quantifying WMATA's marketplace value and locating potential Solution Providers
  - Under a competitive procurement process, negotiate agreements to deploy needed customer service and system reliability solutions and generate revenue or cost savings





# Proposed P3 Technology Initiative

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## Examples of Potential Technology Partnerships/Initiatives

- Integrated customer communication system (See Appendix 1)
- Advanced automatic fare collection system
- Integration of on-board bus systems and single sign-on for operators (See Appendix 2)
- Voice over IP (VOIP) telephone system



## IV. National Views on Public-Private Partnerships

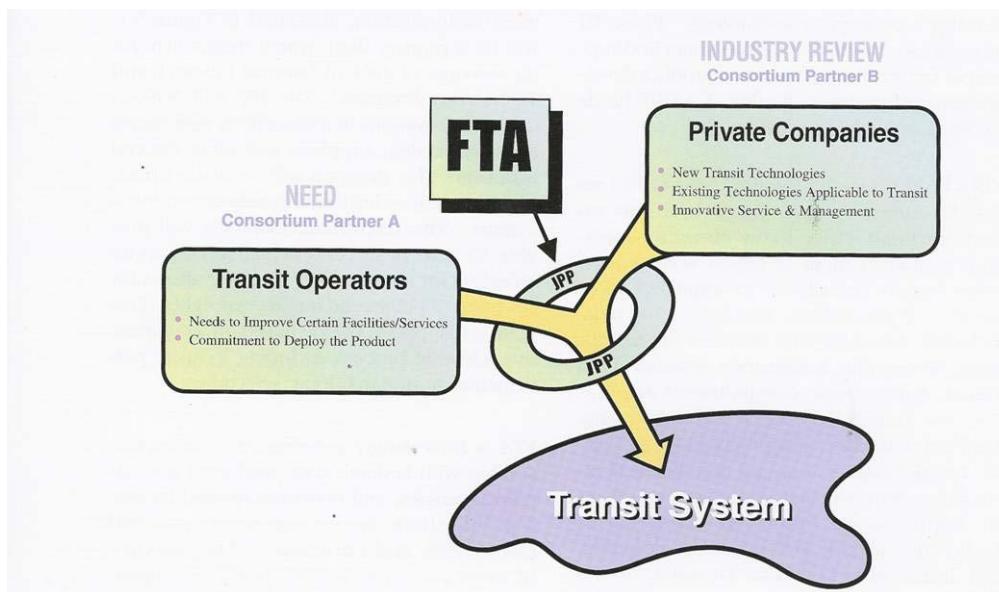


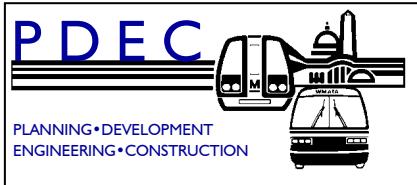
- “A Public-Private Partnership is a contractual agreement between a public agency (federal, state or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility.”



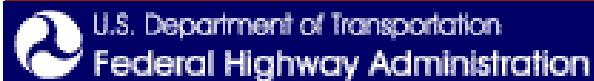
## IV. National Views on Public-Private Partnerships

- TEA-21 includes a Federal Transit Administration agency, the “Joint Partnership Program (JPP) for Deployment of Innovation... The JPP will seek to deploy innovations in cooperation with transit agencies, system suppliers and other Federal agencies...” through the use of a non-traditional procurement technique called “Other Agreement” (FTA)





## IV. National Views on Public-Private Partnerships

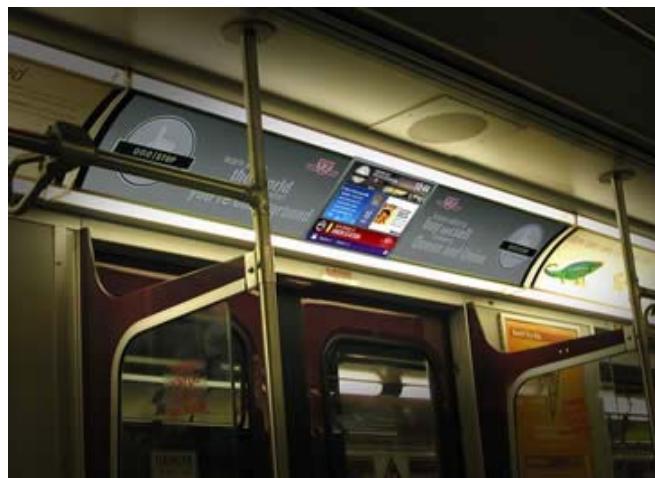


- "A public-private partnership is a contractual agreement formed between public and private sector partners, which allows more private sector participation than is traditional. The agreements usually involve a government agency contracting with a private company to renovate, construct, operate, maintain, and/or manage a facility or system. While the public sector usually retains ownership in the facility or system, the private party will be given additional decision rights in determining how the project or task will be completed... [The] term public-private partnership is used for any scenario under which the private sector would be more of a partner than they are under the traditional method of procurement. (FHWA)

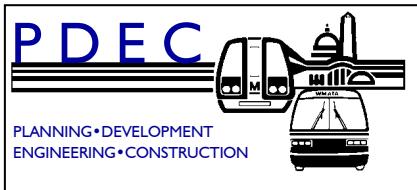


# V. Benefits of Technology Partnerships

- To WMATA:
  - Expedited implementation
  - Project cost savings
  - Improved quality and system performance
  - Substitution of private resources and personnel for constrained public resources
  - Access to new sources of private capital
  - Generate potential revenue streams
- To P3 Consultant and Solution Providers:
  - Expanded business opportunities
  - Ability to capitalize on WMATA's daily ridership
  - Leverage WMATA's assets
  - Opportunity to create a revenue-generating relationship using Performance Incentives
  - Experience that can be directly marketed to other transit properties



Train video monitor



# VI. Scope of the Effort

- WMATA Staff
  - Award work order for consultant services
  - Meet with regional technology councils of jurisdictions and industry associations
  - Develop concepts of operations and designs for technology applications (see appendix)
  - Conduct technology summit
  - Issue Request for Interest (RFI) to vendor community
  - Issue Request for Proposal (RFP) to vendor community
- Support
  - Develop materials for and document results of Technology Summit
  - Evaluate the marquee value of WMATA
  - Evaluate the marketplace value of WMATA's technology infrastructure
  - Propose creative funding arrangements to secure new technology investments
  - Find Solution Providers to take advantage of WMATA's marquee value and technology infrastructure
  - Assist WMATA in its RFI and RFP procurement processes
  - Document lessons learned from the first round of application



## VII. Budget and Deliverable Information

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### Support Services:

- \$300,000 from FY06 Project Development Program for support services
- \$250,000 for a consultant and \$50,000 for other expenses including a program brochure.
- Deliverables:
  - Technology Summit and Report
  - Report on marquee value
  - Report on value of technology infrastructure
  - Report on proposed funding
  - Locating potential solution providers
  - Assist in WMATA's RFI and RFP procurement processes
  - Lesson Learned Report from Technology Deployments

### Systems Solutions:

- Leverage available capital funding
- Install Board approved system-wide deployments



## VIII. Recommendations



- That the Planning and Development Committee concur and forward to the Board for approval to initiate a Technology Public-Private Partnership (P3) Initiative and to initiate/award consultant services to support this initiative



## IX. Next Steps

- Award work order for consultant services
- Meet with regional technology councils of Jurisdictions and industry associations to gain their insights
- Develop concepts of operations and designs for desired applications
- Conduct Technology Summit
- Issue RFI to gain additional insights
- Issue RFP
- Provide on-going status reports to Board Planning and Development committee throughout the process

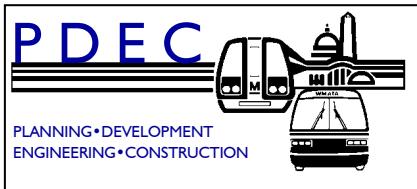




Washington Metropolitan Area Transit Authority

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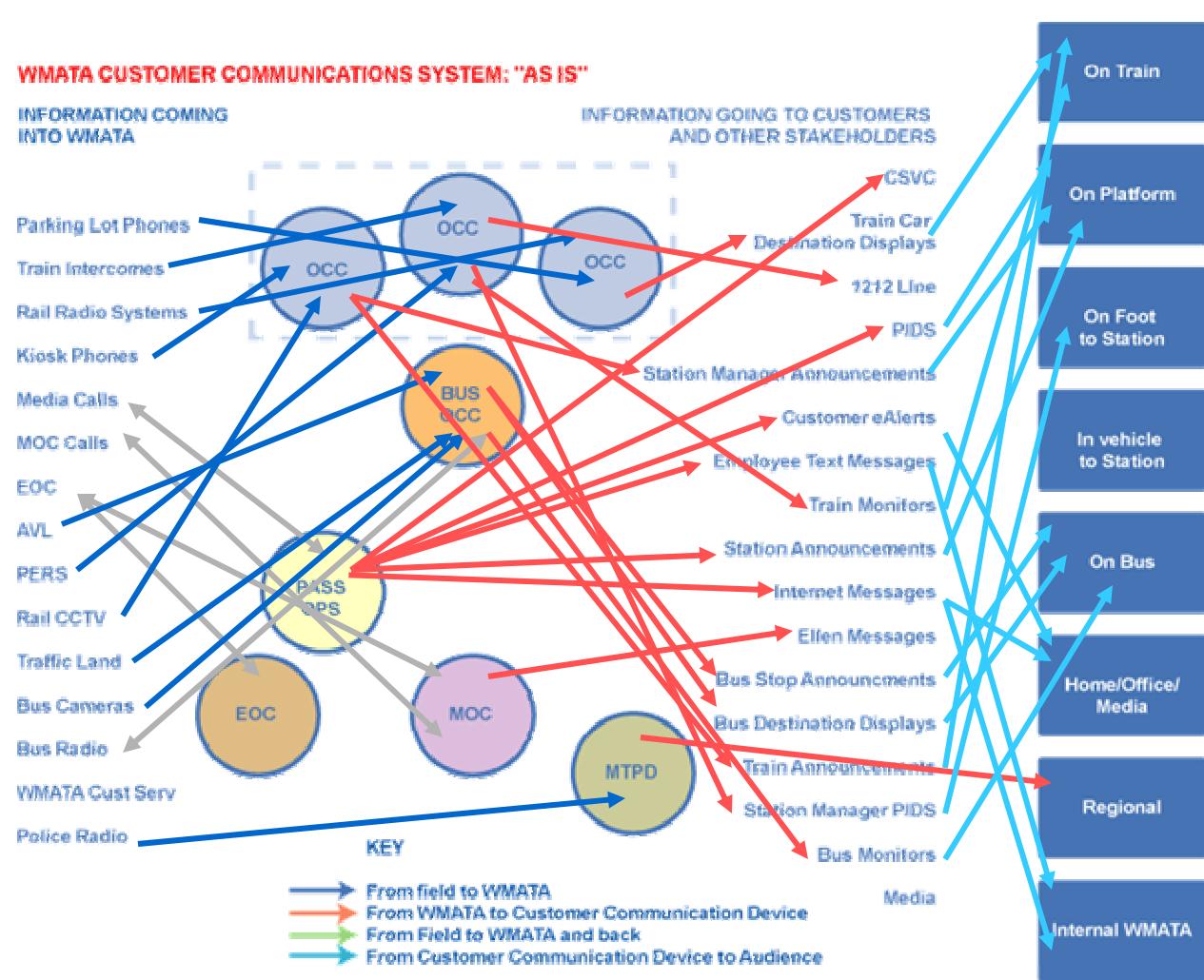
# Appendices

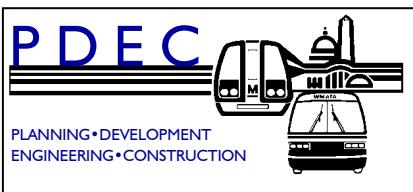


# Existing Communications

## Integrated Customer Communications Center “As Is”

- There are thousands of messages a day scattered between the Authority and our customers.
- The communications originate throughout the organization and are individually dispersed over various communications media.

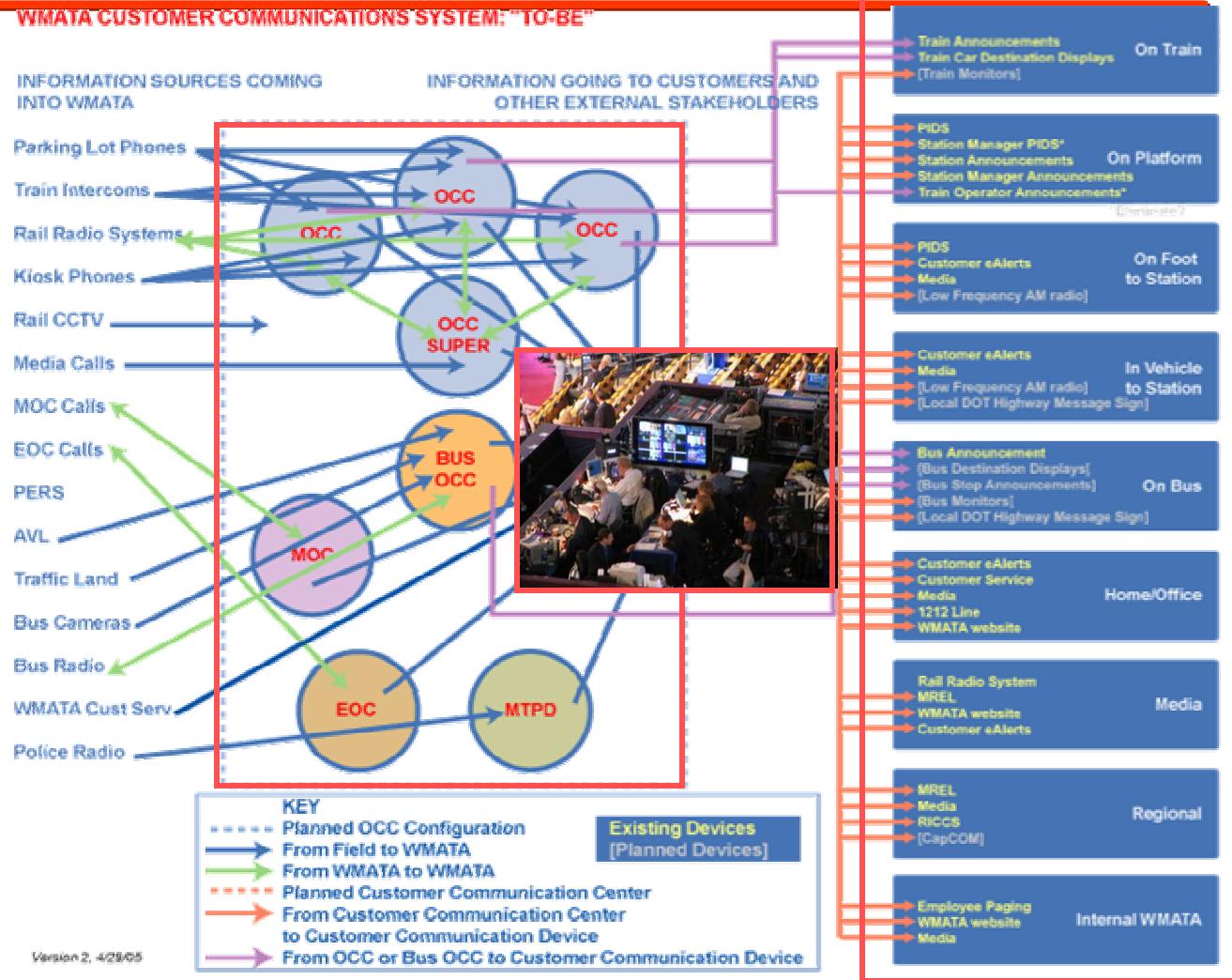




# Improved Communications

## *Integrated Customer Communications Center “To Be”*

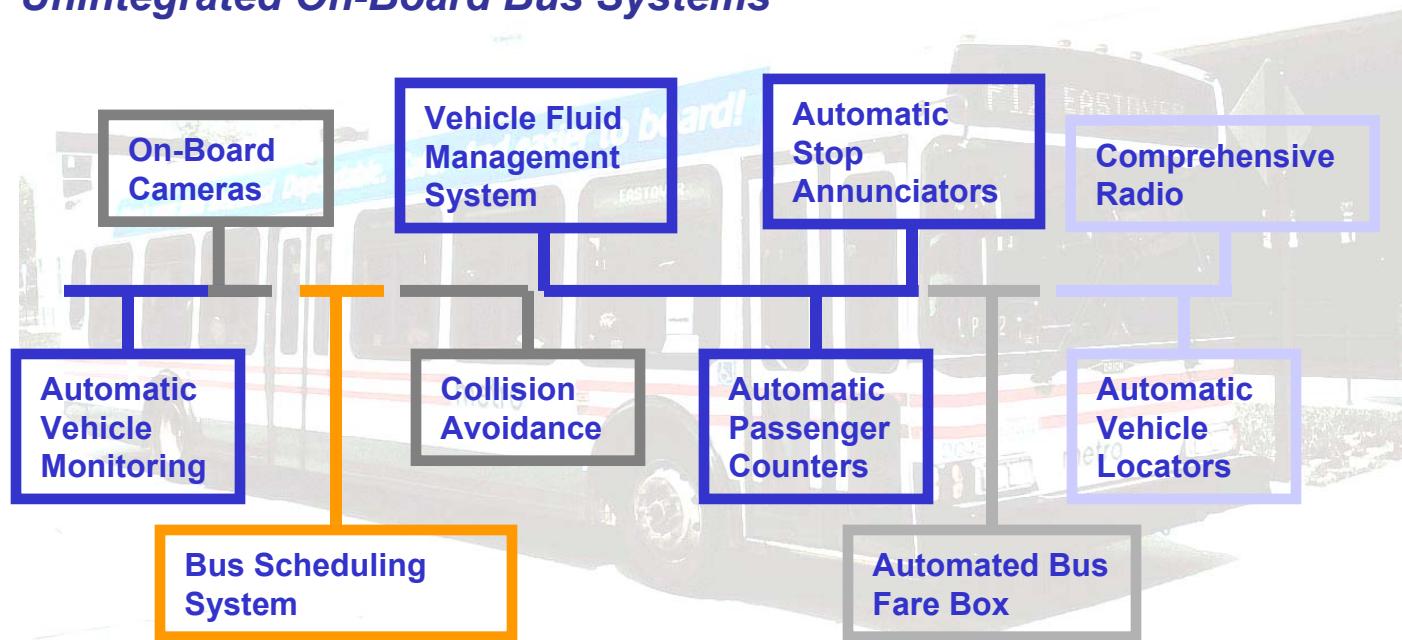
- The current ROCS upgrade program includes a business process reengineering effort and OCC reconfiguration.
- By creating a Customer Communications Center centered in the reconfigured OCC and integrating compatible systems to eliminate manual processing, our communication with our customers can become more consistent and helpful.
- Innovative technologies, such as flat panel displays in trains and buses, allows us to more comprehensively reach our customers.



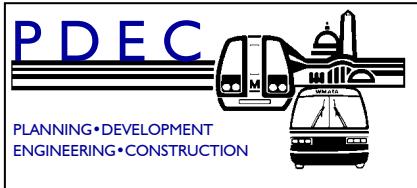


# The Reality – "As Is"

## *Unintegrated On-Board Bus Systems*

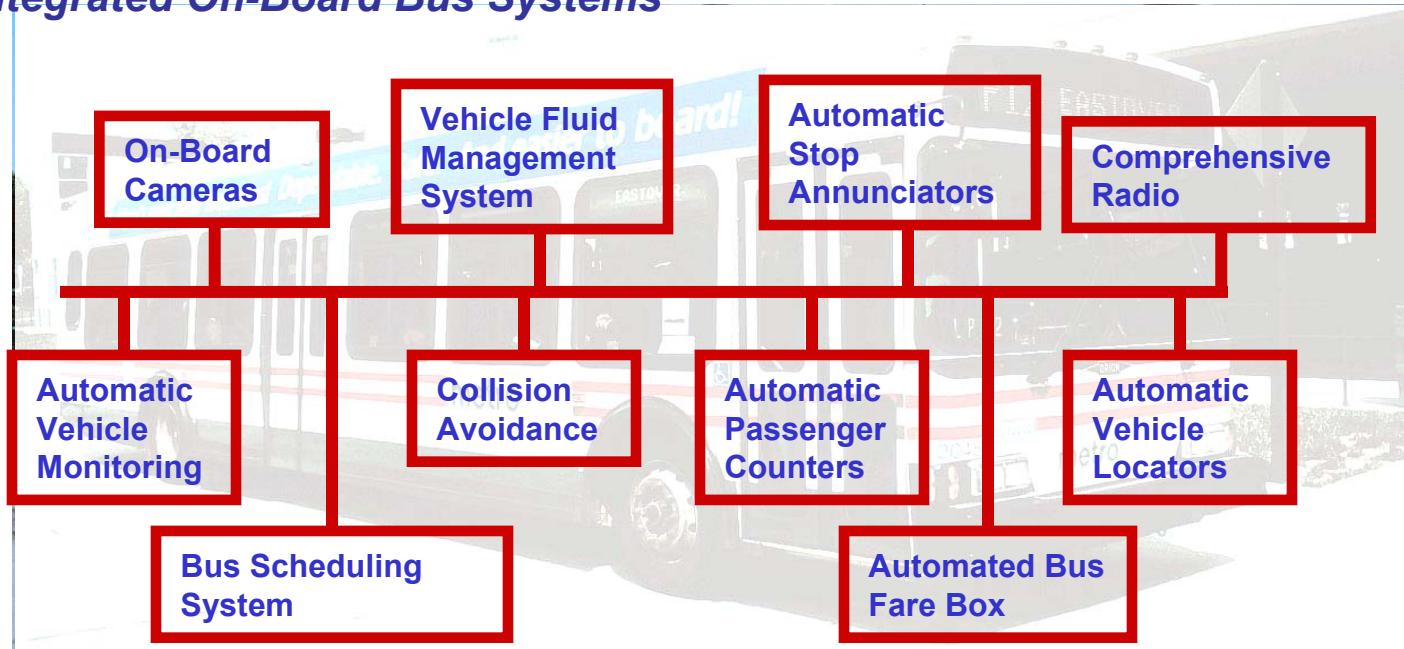


- A stovepiped bus ITS system procured on a project-by-project basis by different departments using different vendors.



# Vision – "To Be"

## Integrated On-Board Bus Systems



- An integrated bus ITS system that monitors the bus and allows us to deliver voice, video and text information about bus service to our customers at the appropriate part of their trip.



(Board Copy)  
Washington Metropolitan Area Transit Authority

## METRO ELECTRONIC ACTION DOCUMENT

<b>IDENTIFICATION</b>			
MEAD ID:	95362	ACTION:	Initiate & Award
AWARD VALUE:	(Not yet awarded)	CONTRACT: (Proposed)	
FUND SOURCES: <a href="#">(View)</a>	Infrastructure Renewal Program	CONTRACTOR:	
LAST MODIFIED:	05/27/2005		

<b>DESCRIPTION</b>			
SUBJECT:	Consultant services contract in support of the Technology Public-Private Partnerships(P3)Initiative		
PURPOSE:	To obtain Board approval to initiate and award a consultant contract in the amount of \$250,000 from the FY06 Project Development Program to support WMATA in implementing the Technology Public-Private Partnership (P3) Initiative.		

<b>ORIGINATION</b>		
INITIATOR		DEPARTMENTAL APPROVAL
DANIEL KLUG on 05/20/2005		Approved by THOMAS , EDWARD 05/25/2005
PHONE:	202-962-2618	OFFICE: ITSV DEPT: Planning and Strategic Pr

<b>COORDINATION (ROUTING)</b>		
OFFICE	NAME	ACTION/DATE
ITSV (8410)	MCCANLESS, DONALD	Approved 05/20/2005
IRPG (4700)	COUCH, DAVID	Approved 05/24/2005
AGMP (8100)	THOMAS, EDWARD	Approved w/ Comments 05/25/2005
BPPD (8310)	WASHINGTON, JOEL	Approved w/ Comments 05/23/2005
AGMM (4100)	SALPEAS, PANAGIOTIS	Approved 05/27/2005
(4310)	LUPIA, HARRY	Approved 05/27/2005
IRPG (4700)	COUCH, DAVID	Re-assigned 05/27/2005
SCOS (7100)	BARTLETT, HAROLD	Approved 05/27/2005

<b>FINAL APPROVALS</b>	
OFFICE	NAME/ACTION
PLN_DEV_CMTE	Approved for AGMM by PANAGIOTIS SALPEAS on 05/27/2005
JOINT_DEV	Approved for SCOS by HAROLD BARTLETT on 05/27/2005
BEMR	Approved for BEMR by PAMELA WILKINS on 05/27/2005
GM	Approved w/ Comments for GMGR by GMGR CEO on 05/27/2005
BOARD	BOARD WMATA (Not Yet Approved)



**Washington Metropolitan Area Transit Authority**  
**METRO ELECTRONIC ACTION DOCUMENT**

**NARRATIVE**

The Strategic Alliance and Risk Assessment (SARA) initiative was started in February 2004 in order to adapt WMATA business practices to a changing funding climate; enhance the long-term fiscal viability of WMATA; monetize and capture the full value of WMATA's assets and the benefits provided the region; position the Authority to quickly capitalize on opportunities for system expansion and carefully evaluate risk/reward considerations. The scope of SARA included: (1) development of the \$3.3 billion Metro Matters Financial Plan contained in the Metro Matters Funding Agreement; (2) a study of access fees; and (3) advise on WMATA's automatic fare collection system. There are two follow-on efforts to SARA: (1). A value capture study approved by the Board on May 19, 2005, and (2) the proposed Technology Public- Private Partnership (P3) Initiative.

The goal of this Technology P3 Initiative is to improve customer service and system reliability by taking advantage of WMATA's marquee value and in-place technology infrastructure. This marquee value is evident in part by a growing and prosperous metropolitan area of over 5.8 million residents and a recession resistant job market that is the fastest growing in the nation, has the lowest unemployment rate, produces a median household income of \$71,000 surpassed only by the San Francisco Bay area and contains the most educated workforce in the nation. WMATA's 1.2 million trips per day will provide business partners with access to metropolitan area residents and job market. One objective of the initiative is to use innovative contracting techniques to implement one or more technology partnerships. Examples being considered are: an integrated customer communication system, an advanced automatic fare collection system or a Voice Over IP telephone system, and generate new streams of revenue from leveraging WMATA's value and assets. To avoid challenges of past deployments, WMATA will be seeking systems with open-architectures that are integrateable and interoperable with other systems. Another objective is to have an on-board bus systems integration and single sign-on.

Under this action, the P3 consultant will assist WMATA with a Technology Summit; evaluate WMATA's marquee value; evaluate the marketplace value of WMATA's technology infrastructure; propose creative funding arrangements; find Solution Providers to take advantage of WMATA's marquee value and technology infrastructure; and document lessons learned from the first round of application(s).

Alternatives:

The alternative is to have WMATA staff to conduct the work identified for a consultant. Given other priorities, WMATA cannot allocate sufficient staff resources for all of the necessary tasks.

Impact on Funding

Budget: FY06 Capital Improvement Program, SEP  
 Project Title: Project Development

Budget Information

Budget Amount: \$3,100,000  
 This Action: 250,000  
 Prior Actions: -0-

Subtotal: 250,000  
 Remaining Budget: \$2,850,000

Remarks:

Funding is subject to Board approval of the FY06 Project Development Program, an element of the FY 06 CIP and

actual receipt of funds. This contract will be awarded under the A&E services contract.

Prior Approvals:

None

Recommendation:

That the Board of Directors approve the initiation and award of a consultant support contract to explore Public-Private Partnership (P3) technology opportunities.