



**Finance & Administration Committee**

**Information Item III-A**

**September 8, 2011**

## **New Electronic Payments Program Update**

Washington Metropolitan Area Transit Authority  
**Board Action/Information Summary**

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 101342	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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**TITLE:**

New Electronic Payments Program

**PURPOSE:**

To provide an update to the Board of Directors on Metro`s New Electronic Payments Program (NEPP). The presentation will outline the program, the steps taken to-date and outline next steps to achieve program goals.

**DESCRIPTION:**

Metro`s existing fare collection system is aging rapidly in the context of equipment and systems and it is severely limited in its flexibility to introduce new products and payments for its customers.

Core to implementation of the NEPP is a complete refresh of Metro`s fare collection system software and hardware including new gates and vendors in the Metrorail system and electronic targets on-board Metrobus. Further, this new system will integrate with other mission critical business systems such as Maximo, Trapeze and Peoplesoft.

Under the NEPP program, Metro will shift from an issuer of fare media to an acceptor of fare payments using a variety of International Standards Organization approved contactless cards including new SmarTrip® cards, bank-cards, Federal ID cards and the next generation of smart phones equipped with Near Field Communications payment capability. The NEPP systems and hardware will be standards-based and utilize standards from the financial services and smart card industries among others.

**FUNDING IMPACT:**

This presentation is for informational purposes only. In the future, the Board will be asked to approve a budget for this project.

**RECOMMENDATION:**

Presentation is for informational purposes only.



**Washington Metropolitan Area Transit Authority**

# **New Electronic Payments Program**

Finance and Administration Committee

September 8, 2011



## Purpose

- Update the Finance and Administration Committee on the New Electronic Payments Program (NEPP)
  - Program Goals
  - Accomplishments to-date from June 9, 2011 and next steps
  - Coordination with regional transit partners
  - Update on advancements in the payments industry



# Program Goals

- Partner with a systems integrator:
  - Make paying fares simple and easy for our customers
  - Optimize and reduce cost of collecting fares
  - Improve fare system reliability
  - Update look, touch, and feel to customer
  - Integrate with mission critical business systems
    - Maximo, Trapeze, and Peoplesoft
  - Adopt new payment technologies within the industry



## Program Goals

- Capitalize on outcomes of new fare model
- Increase ridership through ease of use and convenience
- Leverage work from Transit Agency Roundtable
- Expand fare media distribution channels
- Ensure accessibility for all, including cash paying patrons



# Accomplishments from Last Update

- Issued Step-2 of the two-step RFP
  - ACS, Accenture, CSC, Cubic, FIS, IBM and Revere Group
  - Responded to 180 technical questions from proposers
  - Coordinated internally with related fare and technology projects
  - Gathered suggested exceptions to contract terms and conditions
    - Under internal review with Procurement and Counsel
  - Conducted proposer's conference August 31, 2011
  - Technical proposals due September 2011
- Evaluated Financial Advisor Services proposals
  - Advisor will assist with financial and technical negotiations



## Next Steps

- Issued Step-1 RFP documents December 30, 2010
- Conducted pre-proposal conference January 12, 2011
- Received Step-1 proposals February 25, 2011
- Completed Step-1 process April 29, 2011
- Issued Step-2 documents June 30, 2011
- Conducted proposer conference August 31, 2011
  
- Receive Step-2 proposals September 2011
- Award Financial Advisor Services September 2011
- Evaluation and negotiations Fall 2011
- Award 1<sup>st</sup> Quarter 2012
- Proofs of concept Late Summer 2012
- Testing/pilots Late Summer 2013
- Phased implementation 2014 - 2017





# Regional Transit Partners

- Regional outreach and coordination activities
  - Individual agency and regional committees briefings
  - Reviewed scope of program and timing
  - Solicited input to technology and process
  - Pro forma to each regional partner for budgeting purposes
  - Plan for regular coordination meetings
  - Discussed participation in regional multi-operator pilot program



# Regional Transit Partners

- Regional outreach and briefings conducted:
  - Maryland Transit Administration
  - Montgomery County Ride-On
  - Prince George's County – TheBus
  - Virginia Railway Express - VRE
  - Loudoun County Transit
  - City of Fairfax – CUE
  - City of Alexandria – DASH
  - Arlington County Transit – ART
  - Potomac and Rappahannock Transportation Commission – PRTC
  - Fairfax County – Connector
- Regional committees
  - Jurisdictional Coordinating Committee
  - SmarTrip Regional Coordinating Committee



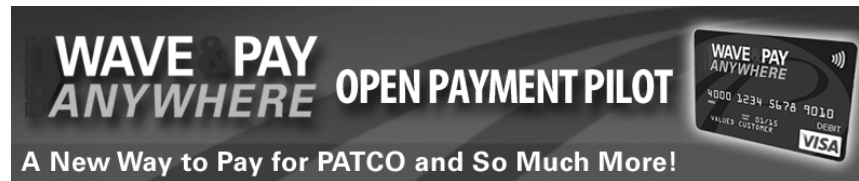
# Regional Transit Partners

- Common outcomes from meetings:
  - Streamline operations
  - Simplify driver control unit
  - Cash will still be accepted at farebox for fares
  - Budgets are tight for new capital investments
  - Broad support for the initiative



# Changes in the Payments Market

- Card payments
  - VISA endorses EMV chip cards for US market
- Mobile payments
  - Google's acquisition of Motorola Mobility
  - Isis partnership with major payment brands
- Transit payments
  - PATCO Pilot program starts September 2011



- NJT Pilot program Tap>Ride
  - Select NJ Transit bus routes and Newark Airport Rail Station AirTrain



# New Electronic Payments Program

## Current State



Today's Metrorail fare vendor.



Customers buying fares at Union Station.

## Future State



Next generation fare vendor, payment token, trip planner and service status tool at Metro.