

CAPITAL PROFILE REPORT

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PROFILE NAME: **TRANSIT SMART FARE SYSTEM (SMART CARD)**
 PROFILE NUMBER: **13-66-1294**
 DEPARTMENT: **City Operations**
 LEAD BRANCH: **Edmonton Transit**
 PROGRAM NAME:
 PARTNER: **Edmonton Transit**
 BUDGET CYCLE: **2012-2014**

FUNDED

PROFILE STAGE: **Approved**
 PROFILE TYPE: **Standalone**
 LEAD MANAGER: **Eddie Robar**
 PARTNER MANAGER: **Eddie Robar**
 ESTIMATED START: **January, 2013**
 ESTIMATED COMPLETION: **December, 2020**

Service Category: Public Transit		Major Initiative:	
GROWTH	RENEWAL	PREVIOUSLY APPROVED:	51,616
90	10	BUDGET REQUEST:	1,350
		TOTAL PROFILE BUDGET:	52,966

PROFILE DESCRIPTION

The Smart Fare initiative will undertake the necessary steps to procure and deploy an account based, open payment electronic fare system that will scale to accommodate the size and scope of the region and provide Edmonton Transit and its regional transit partners the ability to introduce innovative fare policy options.

The requirements gathering, currently underway, and procurement will require approximately one to 1.5 years to complete. It is anticipated that the Smart Fare initiative will be implemented in two years following the selection of a preferred Smart Fare vendor.

Much of the on-board equipment and communications infrastructure that supports Smart Fare will also support a potential future Smart Bus initiative (11-66-1293).

PROFILE BACKGROUND

ETS has seen significant growth in recent years and the capacity to accommodate continued growth is constrained by the limitations of the current fare collection system. In 2013 ETS sold over 8 million tickets, 60,000 U-Passes and 900,000 other types of passes. All are individually bar-coded and manually tracked and reconciled throughout the production, distribution and sales cycle. As ridership grows, this manual process is increasingly expensive. The manual fare system constrains Transit's ability to manage fares efficiently.

\$7 million was approved in the 2012-14 capital budget cycle to undertake the ground work for a regional smart fare system. Both Strathcona and St. Albert councils have approved motions to participate in the Smart Fare program. The current proposal would see Edmonton apply for GreenTRIP funding for 2/3 of the project costs, including St. Albert and Strathcona. A tri-party agreement would ensure an equitable distribution of the non-GreenTRIP funding.

PROFILE JUSTIFICATION

Smart Fare enables Transit to efficiently manage transit fare products by reducing / eliminating paper products, reducing the use of cash, easily introduce new fare products and reduce fare evasion.

Transit riders will use electronic account based products that are accessed through the use of a contactless card. Using this card, the Smart Fare initiative will allow transit riders to load / purchase additional fare products electronically and immediately ride the transit system. Similarly, if a rider loses their card, they will be able to disable it and assign a replacement card in real time / near real-time. Transit riders will be able to use Smart Fare to travel across the Capital Region, using one fare media.

The other Capital Region public transit agencies support the introduction of Smart Fare. This innovation is one of the top priorities defined by the Capital Region Board as part of the regional transit network program.

Each transit agency has unique characteristics depending on the nature of their operations. For example, both St. Albert and Strathcona operations have a much greater proportion of their service focused on regional and intermunicipal service and consequently they rely much more on interlining routes. Therefore, GPS and on-bus technology needs are much greater for their fleet as they implement Smart Fare and as a result their costs on a per-bus basis is greater than that for ETS.

STRATEGIC ALIGNMENT

Project allows ETS to:

- meet policy directions set out in the City Transportation Master Plan, with respect to achieving a modal shift to transit
- achieve the goals stated by the Capital Region Board for improving inter-municipal transit service

ALTERNATIVES CONSIDERED

Implementation alternatives were assessed with respect to a sequential (phased-in) approach as well as a parallel (accelerated) approach in conjunction with Smart Bus.

The primary alternatives that were assessed for fare collection systems are:

- Smart Fare - using an account based system
- Smart Fare - using a card based system
- using existing cash a pass based system

COST BENEFITS

Measurable tangible benefits are expected with reduced fare evasion, reduced fare sale and distribution costs, reduced fare media production, reduced commission fees, reduced cash handling costs, and reduced administration, marketing, and research costs. Intangible benefits are expected with reduced fare disputes, better data to support service planning and marketing improved fare policy flexibility, and improved customer experience.

KEY RISKS & MITIGATING STRATEGY

The primary risks involve uncertainty in entering a partnership model, ensuring fare autonomy, public acceptance of fare policy changes, as well as legislative privacy concerns.

RESOURCES

The project will involve coordination between internal and external resources. Specific allocation of responsibility between external and internal resources will be dependent on the results of the RFP.

CONCLUSIONS AND RECOMMENDATIONS

Administration recommends the implementation of an account based smart faring solution.

CHANGES TO APPROVED PROFILE

2015 Spring SCBA (AA#21): (GM.6) Transfer funds to cover shortfall in PAYG in 13-66-1294.

2015 Fall SCBA (CA#40):

(3.5.13) To amend funding source from MSI to ACP (Alberta Community Partnership) grant funds. Released MSI funds were re-allocated in the 2015 Spring SCBA.

(3.6.2) Switch funding source to cover MSI ineligible costs. Swap MSI/GF with profile 14-66-1041.

May 6th, 2016: Removed an operating impact line item that was entered in error.

June 13, 2017 #17-09: CR_4871: Allocate \$1,000,000 funding from Smart Bus profile (11-66-1293) to Smart Fare Profile (13-66-1294); \$8.3M additional funding required due to schedule delays, procurement of experienced program manager, and other scope issues.

CAPITAL PROFILE REPORT

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PROFILE NAME: **Transit Smart Fare System (Smart Card)**

FUNDED

PROFILE NUMBER: **13-66-1294**

PROFILE TYPE: **Standalone**

BRANCH: **Edmonton Transit**

CAPITAL BUDGET AND FUNDING SOURCES (000's)

		Prior Years	2018	2019	2020	2021	2022	2023	2024	2025	2026	Beyond 2026	Total
APPROVED BUDGET	Approved Budget												
	Original Budget Approved	7,000	-	-	-	-	-	-	-	-	-	-	7,000
	2013 Cap Carry Forward	-	-	-	-	-	-	-	-	-	-	-	-
	2014 Cap Budget Request for Next Cycle	27,200	8,019	-	-	-	-	-	-	-	-	-	35,219
	2014 Cap Carry Forward	-	-	-	-	-	-	-	-	-	-	-	-
	2014 SCBA Within Dept <\$250K	-	-	-	-	-	-	-	-	-	-	-	-
	2015 Cap Administrative	-	-	-	-	-	-	-	-	-	-	-	-
	2015 Cap Council	-	-	-	-	-	-	-	-	-	-	-	-
	2015 Cap Carry Forward	-	-	-	-	-	-	-	-	-	-	-	-
	2016 Cap Capital Budget Adj (one-off)	-	-	-	-	-	-	-	-	-	-	-	-
	2016 Cap Carry Forward	-	-	-	-	-	-	-	-	-	-	-	-
	2017 Cap Capital Budget Adj (one-off)	1,000	-	3,756	4,641	-	-	-	-	-	-	-	9,397
	2017 Cap Carry Forward	-25,528	25,528	-	-	-	-	-	-	-	-	-	-
	Current Approved Budget	9,672	33,547	3,756	4,641	-	-	-	-	-	-	-	51,616
	Approved Funding Sources												
BUDGET REQUEST	Alberta Community Partnership - ACP	4,689	780	-	-	-	-	-	-	-	-	-	5,469
	Green-trip	202	27,308	-	-	-	-	-	-	-	-	-	27,510
	Munc Sustain. Initiative - MSI	4,519	827	2,731	3,375	-	-	-	-	-	-	-	11,453
	Partnership Funding	-	2,350	1,025	1,266	-	-	-	-	-	-	-	4,641
	Pay-As-You-Go	262	2,282	-	-	-	-	-	-	-	-	-	2,544
	Current Approved Funding Sources	9,672	33,547	3,756	4,641	-	-	-	-	-	-	-	51,616

BUDGET REQUEST	Budget Request	-	500	500	350	-	-	-	-	-	-	-	1,350
	Revised Funding Sources (if approved)												
	Partnership Funding	-	500	500	350	-	-	-	-	-	-	-	1,350
	Requested Funding Source	-	500	500	350	-	-	-	-	-	-	-	1,350

REVISED BUDGET (IF APPROVED)	Revised Budget (if Approved)	9,672	34,047	4,256	4,991	-	-	-	-	-	-	-	52,966
	Requested Funding Source												
	Alberta Community Partnership - ACP	4,689	780	-	-	-	-	-	-	-	-	-	5,469
	Green-trip	202	27,308	-	-	-	-	-	-	-	-	-	27,510
	Munc Sustain. Initiative - MSI	4,519	827	2,731	3,375	-	-	-	-	-	-	-	11,453
	Partnership Funding	-	2,850	1,525	1,616	-	-	-	-	-	-	-	5,991
	Pay-As-You-Go	262	2,282	-	-	-	-	-	-	-	-	-	2,544
	Requested Funding Source	9,672	34,047	4,256	4,991	-	-	-	-	-	-	-	52,966

CAPITAL BUDGET BY ACTIVITY TYPE (000's)

	Activity Type	Prior Years	2018	2019	2020	2021	2022	2023	2024	2025	2026	Beyond 2026	Total
REVISED BUDGET (IF APPROVED)	Construction	-4,240	5,240	3,756	4,641	-	-	-	-	-	-	-	9,397
	Design	2,555	10,404	-	-	-	-	-	-	-	-	-	12,959
	Equip FurnFixt	4,358	18,402	500	350	-	-	-	-	-	-	-	23,610
	Other Costs	7,000	-	-	-	-	-	-	-	-	-	-	7,000
	Total	9,672	34,047	4,256	4,991	-	-	-	-	-	-	-	52,966

OPERATING IMPACT OF CAPITAL

Type of Impact: Material & Equipment, Personnel, Revenue, Utilities

Branch:	2018				2019				2020				2021			
	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE
Edmonton Transit	-	4,792	4,792	-	2,400	-3,131	-5,531	-	-	-	-	-	-	-	-	-
Total Operating Impact	-	4,792	4,792	-	2,400	-3,131	-5,531	-	-	-	-	-	-	-	-	-