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YORK REGION TRANSIT GREATER TORONTO AREA FARE SYSTEM (PRESTO) PROGRESS REPORT

The Transit Committee recommends the adoption of the recommendation contained in the following report, March 25, 2008, from the Commissioner of Transportation Services:

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

This report updates Transit Committee and Regional Council on the Greater Toronto Area (GTA) Fare System or “Presto” project. A previous update was provided at the November 2007 Transit Committee meeting.

3. BACKGROUND

The Presto card will allow seamless fare payment across municipal boundaries

The proposed GTA fare system, known as “Presto”, will provide a common fare card allowing customers to ride on any participating GTA transit system without pre-purchasing tickets or passes. Customers will not have to worry about the fare policies for each transit system or have the exact cash fare. The smart card will allow fare payment and accommodate the fare policies of all transit systems, including intersystem transfers, discounts and customer loyalty schemes, in a way that will be transparent to the customer. Customers will still be able to pay in cash if they choose. The smart card will help integrate transit systems throughout the GTA.

Fare payment and reconciliation will be managed by the central system and equipment installed on buses and at stations

There are two major components to an integrated smart card system:

- A computer system including fare transaction processors installed on all conventional buses and at Viva stations; and
- A central system enabling fare integration and reconciliation between the transit agencies.

The existing network of third party agents selling York Region Transit (YRT) fare media on behalf of the Region will be transferred to the system vendor who will then be responsible for managing agents.

The project is jointly funded by the Ministry of Transportation of Ontario (MTO) and the Region

In 2003, the Ministry of Transportation of Ontario (MTO) recognized the need for a new fare collection system to integrate the Greater Toronto Area transit systems and committed up to \$40 million to cover a portion of the two major components. The MTO will cover 33% of capital costs attributed to each transit system's needs, and 100% of the capital and ongoing operating expense of the common central system.

The administrative framework between MTO and municipalities for procurement was signed in 2003

In 2003, YRT signed an Administrative Framework Accord between MTO and GTA transit agencies. The accord constitutes the administrative framework needed to co-ordinate the design-related activities between the transit systems. The accord is not a legally-binding document, rather it was designed to enable the project Steering Committee to make timely decisions and recommendations to successfully complete procurement documents and address transit authority concerns during the design process.

The successful vendor, Accenture Inc., will supply, install and operate the system

In October 2006, an expert panel of representatives from the participating transit systems reviewed the proposals from vendors and conducted oral evaluations. Accenture Inc. was chosen as the successful vendor and awarded the contract for the supply, installation and operation of the smart card system.

4. ANALYSIS AND OPTIONS

4.1 IMPLEMENTATION STATUS

Presto is the brand name for the Smart Card

A brand development exercise was undertaken to create a compelling brand for the new GTA smart card. In June 2007, the GTA smart card Executive Committee approved the brand name "Presto" for the fare card.

A pilot project has been in operation since August 1, 2007

A pilot project including limited deployment of representative devices on the GO Transit Milton line, on Mississauga Transit and at the TTC Union Station has been in operation since August 1, 2007. Over the last seven months, the pilot project has received very positive feedback from customers.

The project office is working on system design documentation review for full-scale implementation

Launch 2 of the project includes full-scale certification and deployment of the Presto system on all the participating transit agencies. The Presto system will be tested in Burlington, Oakville and GO Lakeshore West corridor first before full-scale rollout.

Currently, the Presto project is completing its preliminary design review phase. This is the second step in the process of system design to ensure that the central system software, hardware and other software meet the intended functionalities. The first phase, conceptual design review, has been completed. The third phase, final design review, will follow the preliminary design review phase. An intermediate decision stage, known as blue print, is to be completed at the conclusion of the preliminary design review phase. The blue print stage allows a decision to be taken by all participants on whether or not to proceed with project implementation.

The participants are in the process of reviewing the preliminary design documents submitted by Accenture. The preliminary design review was planned to be completed in October 2007 but has not been completed to date. The project office has neither waived any contractual requirements that are to be completed during preliminary design review phase nor pulled back from any of the contract design specification requirements. It is anticipated that preliminary design review phase will be completed during the first quarter of 2008.

Due to the delay in the completion of preliminary design review phase, it is likely that certification and deployment will start in York Region in mid to late 2009.

4.2 YORK REGION TRANSIT IMPLEMENTATION

In preparation for Presto card implementation, YRT has been working to ensure the system integrates well with existing policies and infrastructure.

Integration with existing Viva stations to maintain look and feel

As part of the system, a customized fare transaction processor will be installed at existing Viva stations for off-board fare payment. YRT has finalized the detailed design and installation plan so that the fare transaction processor integrates well with the existing look and feel of the Viva stations.

Transition to a new fare system requires an updated fare policy

The implementation of the Presto card requires minor modification to YRT's existing fare policy so that all municipalities are working from a common set of business rules. A comprehensive review of the YRT fare policy has been completed and a separate report will be brought to Regional Council for approval.

4.3 OTHER MATTERS

Ottawa has decided to join the Presto Project

The City of Ottawa has approved OC Transpo participation in the Presto project as of December 7, 2007. The project office is preparing an amendment to the vendor contract for their participation.

Metrolinx to take over Presto Project

Metrolinx will be taking over the implementation and operation of the Presto system at a date to be determined. Metrolinx representatives have started attending project meetings as observers. The Metrolinx Board was briefed on the project status at its January 2008 meeting through an in-camera session.

4.4 RELATIONSHIP TO VISION 2026

The development of a smart card system using smart card technology supports the Vision 2026 goal to “have effective, efficient and environmentally sensitive transportation, waste management and water systems”, and the action areas around that goal, including “developing an integrated transportation network” and “making transit accessible”.

5. FINANCIAL IMPLICATIONS

In June 2006, Regional Council authorized an expenditure of up to \$7.39 million as the capital cost for the implementation of the GTA fare system on YRT/Viva, exclusive of applicable taxes.

One of the criteria to qualify for provincial gas tax funds is to demonstrate participation in the smart card project. York Region was one of the first municipalities to join the project.

The Region will be responsible for ongoing operating costs associated with the Municipal Service Provider System beginning in 2009. It is estimated that there will be a net saving in operating costs of approximately \$3.23 million over a ten-year period, or \$323,000 per year, resulting from a reduction in maintenance costs for Viva ticket validators and printing costs for fare media.

6. LOCAL MUNICIPAL IMPACT

The development of a smart card system will further enhance public transit as a transportation option. This, in turn, will support the modal split objectives of the Region and all local municipalities.

7. CONCLUSION

It is likely that the Presto smart card system will be fully operational in York Region by mid to late 2009. While there has been some delay on the project, the project office has taken remedial measures to ensure that there is no further delay and the overall impact to the schedule is minimized. YRT staff will continue to keep Transit Committee apprised of the progress and timelines as the project progresses and where Regional Council direction may be required.

It is recommended that this report be received for information.

For more information on this report, contact Rajeev Roy, Manager, Transit Management System (ext. 5682), of the Transit Branch of Transportation Services.

The Senior Management Group has reviewed this report.