

1

YORK REGION TRANSIT GREATER TORONTO AREA FARE SYSTEM PROGRESS REPORT

The Joint Transit Committee and Rapid Transit Public/Private Partnership Steering Committee recommends the adoption of the recommendation contained in the following report October 25, 2005, from the Commissioner of Transportation and Works:

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

The purpose of this report is to provide an update to Transit Committee and Regional Council on the Greater Toronto Area (GTA) fare system project in follow-up to the staff presentation at the March, 2005 Transit Committee meeting.

3. BACKGROUND

The proposed GTA fare system is intended to provide a common fare card (smart card) that would allow customers to ride on any participating GTA transit system without pre-purchasing tickets or passes, and without knowing in advance the fare policies or having the exact cash fare for each transit system. This GTA fare card would provide fare payment on all systems and accommodate the fare policies of all service providers, including intersystem transfers, discounts and customer loyalty schemes, in a way that would be essentially transparent to the customer. Customers would still be able to pay in cash if they chose. A GTA fare system would act as an important enabler of transit integration in the GTA.

There are two major components to an integrated smart card system. York Region Transit, as well as all other participating Municipal Transit Service Provider System (MSPS) transit agencies, will require a computer system, and all buses will be equipped with card readers known as Fare Transaction Processors (FTP). A central system will enable fare integration between transit systems, and will reconcile transit system revenues on a daily basis to ensure each service provider agency receives the appropriate revenues. GO Transit defined a need for a new fare collection system, which coincided with the needs of surrounding GTA transit systems. Given the desirability of integrating transit services, a collaborative effort between operating authorities made sense. The Ministry of

Transportation of Ontario recognized this need and committed up to \$40 million to cover a portion of the two major components needed for successful fare integration. The Province will cover 33% of capital costs attributed to each local transit authority smart card system needs, and 100% of the capital and ongoing operating expense of the common central system.

In 2003, York Region Transit signed an Administrative Framework Accord between the Ontario Ministry of Transportation and GTA transit agencies. The accord constitutes the administrative framework needed to coordinate the design-related activities between the signatories. 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 Province is accountable for the GTA Fare System project. It is the Province's intention to move forward in a seamless fashion to provide the necessary resources to maximize the ability to meet established schedules.

4. ANALYSIS AND OPTIONS

There are six phases that are required to achieve full GTA fare integration by end 2009 to early 2010.

4.1 Phase 1 – Planning Process (Completed)

This process has been completed and is comprised of project planning, financial analysis and the development of business models. The business model revealed that there is a strong business case at York Region Transit (YRT) for an integrated fare collection system utilizing smart card technology. Savings will be realized through improvements such as the elimination of costs associated with fare collection, the production and distribution of various forms of fare media (i.e. tickets, transfers, and passes), security, and lower farebox maintenance-related costs, etc. Since operating conditions will change over time, the business model will be updated on an as-needed basis to reflect the most current information available.

The remainder of the phases and a preliminary indication of the overall time schedule is outlined as follows:

4.2 Phase 2 - Design (Completed)

The design phase has been completed comprising vendor specifications, contract conditions and procurement rules and processes. The approval has been obtained by the decision-making bodies.

4.3 Phase 3: Procurement (Ongoing)

The GTA fare system is comprised of four main components: the GO Transit Service Provider System, the Municipal Service Provider Systems, the Central System, and the GTA fare card. All the components must work together as a single system using a single common fare card (smart card) for use throughout the GTA.

The procurement agreement has been signed by all the participating agencies. The procurement agreement is structured to support the requirements as stated above.

The final RFP documents have been released to the short-listed vendors. The short-listed vendors have been given the opportunity to provide comments on the design specifications. Their comments were reviewed by the procurement, finance and legal subcommittees and incorporated into the RFP to the extent possible.

The approximate schedule for the RFP finalization is as follows:

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|----------------------------------|--------------------------------|
| • Issue final RFP to Proponents | October 7, 2005 |
| • RFP Closing Date | November 18, 2005 |
| • RFP Evaluation | November, 2005 – January, 2006 |
| • Approval to Recommended Vendor | February 2006 – March, 2006 |

4.4 Phase 4: Development – March 2006 to December 2007

This phase ends with a system that is developed, tested and accepted for initial revenue service demonstrations. The installation of the smart card system will be phased in a way that will make the transition to smart cards as smooth as possible. The learning curve will be instrumental in ensuring that the eventual full rollout is relatively problem-free.

4.5 Phase 5: Initial Service Demonstrations – January 2008 to July 2008

By Mid 2008, the full system will have been fully demonstrated on GO Transit and early adopter municipal systems, with inter-connection to GO Transit and a TTC subway interface. This phase will end when final modifications are confirmed.

4.6 Phase 6: Full Roll-out – Begins August 2008 to December 2009

The full roll-out will include all municipal systems, the full GO rail and bus network, the interfaces with TTC at subway terminals, and the central system.

After extended deliberations between the participating agencies, the following roll-out strategy has been agreed to and approved by the project Executive Committee:

4.6.1 Start early 2008

- GO Lakeshore West Corridor trains, train buses and Hamilton QEW bus as per GO's supplied rationale.

- Burlington/Oakville as the combined municipal certification site
- GO/MSP fare integration tests
- TTC Union Station faregates

4.6.2 Start mid 2008

- Certification and roll-out of York Region's unique features including the following:
 - Multi-fare zones
 - Bus Rapid Transit integration
 - TTC route interconnections/Finch faregates
- GO bus 'fare by distance' certification and long-range radio data transmission sign-off.

4.6.3 Start late 2008

Certification and roll-out in the following municipalities:

- Mississauga, roll-out and decommissioning of Pilot Launch
- Brampton roll-out to be co-ordinated with Mississauga and York to limit shared route issues
- Hamilton and Durham
- GO Lakeshore East Corridor Trains and Buses
- GO Northern Corridors for Train and Bus
- GO's 407 bus corridor
- TTC's Islington Faregates

TTC certification and roll-out is to be determined.

5. FINANCIAL IMPLICATIONS

It will not be until the finalization of the RFP that York Region will have the detailed information needed to commit financially to the GTA fare system initiative and proceed with the procurement stage. However, based on initial estimates, provisions have been made in the capital budget for 2007 (\$3.4 million) and 2008 (\$5.8 million).

One of the criteria to qualify for the provincial gas tax funds is to demonstrate participation in the GTA Fare System project. York Region was one of the first municipalities to join the GTA Fare System project. It is unclear at this time if the provincial gas tax will be available for offsetting operating or capital costs.

The Region will be responsible for ongoing operating costs associated with the Municipal Service Provider System beginning in 2008. The magnitude of these costs will be

clearer once the RFP closes and the detailed design work begins. YRT staff will report back on this at a later date.

6. LOCAL MUNICIPAL IMPACT

The development of GTA fare system using smart card technology 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

York Region Transit is of the opinion that satisfactory progress has been achieved on the GTA Fare System Project. YRT staff will continue to keep Transit Committee apprised of the progress and time lines as the project matures and where Transit Committee and Council direction will be required.

In the interim, it is recommended that this report be received for information.

The Senior Management Group has reviewed this report.