

CITY OF MADISON ACTION ITEM DETAIL – AUGUST 9, 2022 (UPDATED)

ACTION TITLE: Approval of Fare Collection contract with Masabi Inc, and amending the Metro Capital Budget

PRESENTER: Metro Transit, Justin Stuehrenberg

CONTACT FOR

QUESTIONS: Justin Stuehrenberg, jstuehrenberg@cityofmadison.com

ACTION SUMMARY

This action both approves a contract with the high scoring vendor, Masabi, Inc., as well as amends the Metro 2022 capital budget to allocate additional federal rescue funds.

BACKGROUND

In 2021, the City of Madison completed a detailed examination of various fare system types, including a fare-free system. This detail was presented in whole or in part at various meetings, including Transportation Policy and Planning Board on May 3 and June 28, 2021, a public information meeting on July 21, 2021, and a public hearing on August 2, 2021. Finally, on August 16, 2021, the Transportation Planning and Policy Board authorized a framework for a Fare Collection Request for Proposals (RFP) which included the following elements:

- A new fare system is to be operational on or before the start of BRT operations in the Summer of 2024
- New system to be implemented on both BRT and Local (non-BRT) routes
- Allow users to add monetary value to accounts to be used for transit travel
- Allow users to validate their account media at any door of the bus
- A reduced fare program is to be created for eligible users, with the ability to pay balances after a ride
- Cash to continue to be accepted on board local buses for single ride fares only
- BRT stations to include cash reload kiosks that can dispense new fare media
- Contract with retailers to enable reloading accounts with cash at those retailers
- Utilize fare capping to allow users to pay up to a limit, with rides after that limit being free
- Accepts payment via mobile phone and other third party media enabled by the new fare system
- Integrate with Identification Cards used by major partners to be used as fare media as technology permits
- Create a time duration transfer period to replace transfer slips
- Accept payments via this new system on Paratransit providers

Based on this framework, staff began to develop and RFP. **This system is independent of cash collection on the bus, which will continue to be handled using our legacy equipment.**

DESCRIPTION

The Masabi solution is one of the most widely used in the United States, including the following cities:

- Las Vegas
- Denver
- Anchorage
- Fort Collins
- Cleveland
- Cincinnati
- Dayton
- Rochester
- St. Louis
- Santa Cruz
- Duluth
- San Antonio
- Columbus

The proposed system meets all of the requirements spelled out in the TPPB framework. Sample images of the mobile app is shown in figure 1. Masabi will use two major partners – Ventek will provide the kiosks for reloading accounts

and Incomm will provide the network to reload accounts at retail locations. Retail outlet locations are shown in figure 2.

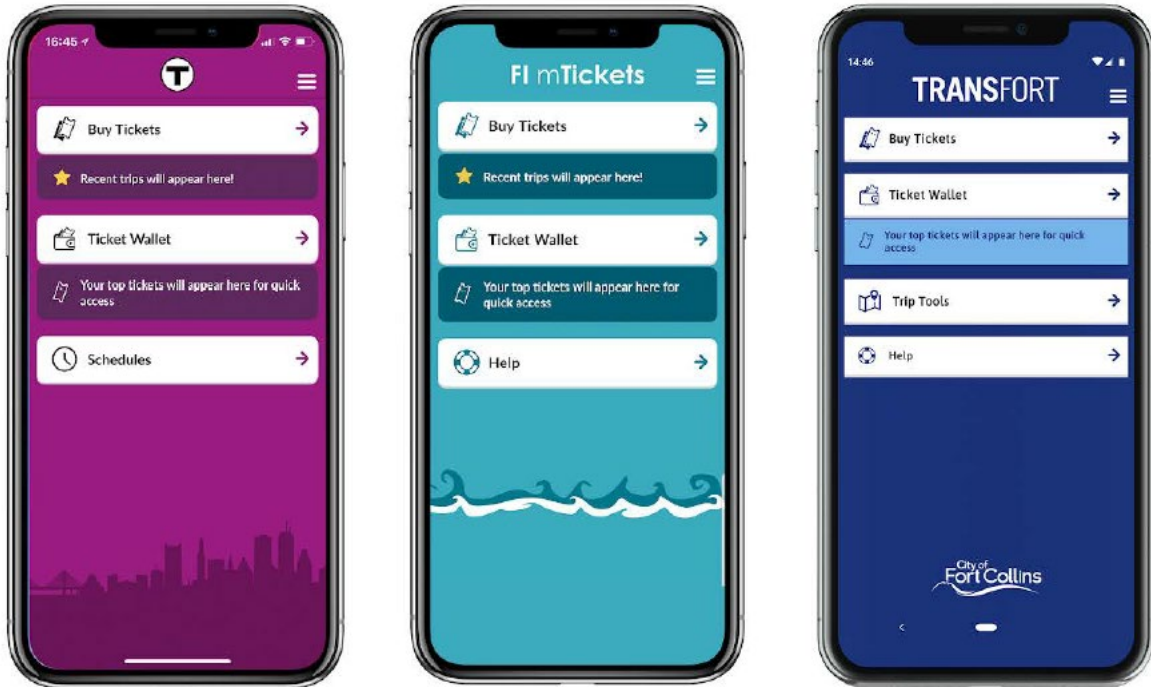


Figure 1: Sample apps



Figure 2: Retail Outlets

Future TC actions would approve include implementation details related to transit fares that are not covered by this action, such as:

- What registration is required by users, if any
- Fare amount for full fare and reduced fare program
- Eligibility requirements for the reduced fare program
- Minimum balance of reduced fare program accounts
- Cost and replacement criteria for fare media
- Fare cap amounts and time duration
- Transfer period duration
- Retailer selection criteria
- Approval of third parties to integrate with

EQUITY GOAL IMPACTS

The creation of a reduced fare program and the introduction of fare capping have great potential to enhance equity. By lowering the cost overall and the barriers of an upfront lump sum payment, low income users can realize the benefits of a pass program much more readily. This policy proposes to continue cash collection, which was a desire and equity concern voiced by the community.

FISCAL DETAILS

This contract would total \$3,983,291 in upfront capital costs, plus approximately \$70,000 per year in transaction costs, such as credit card fees, which are passed through the vendor. Metro intends to use 100% federal funding dedicated to Metro for this purpose. Metro has secured these funds and no local funds are required, however, the budget must still be amended to add \$3,983,291 in 100% federal funds.

PROCUREMENT DETAILS

Metro published the RFP on February 7, 2022. On April 15, 2022, Metro received nine proposals which ranged in price from \$3.1 to \$7.3 million. After an evaluation panel review of the proposals, two shortlisted vendors (Masabi and Flowbird) conducted in depth product demonstrations on June 14 and 15, 2022. Subsequently, both vendors provided clarifications on their proposals as well as a best and final offer. Finally, on July 22, 2022 the evaluation panel compiled score and named Masabi as the high scoring vendor.