



STAFF REPORT

Title: Cold Lake Transit - Cashless Fare System Information

Meeting Date: February 18, 2020

Executive Summary:

During 2020 budget deliberations, Council requested administration to research options for Cashless fare collection system for Cold Lake Transit.

The information provided in this report includes high level costs for implementation and operations of a few fare systems currently being used by various transit agencies within Canada.

In summary, cash less fare collection systems has an anticipated initial roll out cost from \$130,000 to \$250,000 and around \$25,000 to \$100,000 annual operational costs not including commission and credit card processing charges. The systems also varies from tapping a smart card to tapping of credit or debit card.

Background:

During the 2020 budget deliberations Council was faced with the question of Cold Lake Transit being operated as a free ride system. Administration was directed by Council to provide and gather information on cash less transit fare systems which is a fare collection system not involving physical cash on the bus instead debit/credit card or pre-loaded card is tapped on a device on the bus to pay for fare.

Administration reached out to Canadian Urban Transit Association (CUTA) with a query as City is member of the association and was further connected with various municipalities and transit agencies (big and small).

Below is the summary of various systems in operation within Canada. The costs listed are based on what that specific agency paid or is paying and is based on the size and volume of the transit fleet and its operations. These are high level costs and can be further explored if Council desire and that will involve some sort of request for proposal or more detailed request to vendors.

- 1. Smart Fare (VIX) – Regional initiative Capital Region with 7 municipalities participating. Edmonton, St. Albert, Strathcona County, Fort Saskatchewan, Leduc, Spruce Grove and Beaumont**



- Customers use a Smart Fare card to tap on/off transit and pay a flat fee for their trip
- \$100,000 buy in to the Regional Smart Fare Solution (need to explore if this is available for Cold Lake)
- Existing real time tracking hardware and software that was purchased for the Cold Lake Transit System will need to be replaced with Smart Bus and Smart Fare bundles \$25,000 per bus, min 3 buses.
- External kiosk to reload smart card \$70,000
- 15% project management overheads
- 5% Commission charge on tap payments, 1.8% credit card processor fee and \$100 per hour training costs.
- In summary it will cost approx. \$185,000 for roll out, there is information available for operational costs, if any.

2. TRIP SPARK (Trapeze) - Brandon, MB

- \$130,000 to \$180,000 per bus for start-up, training etc.
- Typically use validating options on top of a cash fare box system but can customize any request at a price
- Commission charge on revenue, and bank fees for credit/debit transactions.

3. PAYMENT IN MOTION - Lethbridge, Saskatoon, Regina, St. John's, Brantford, Kingston

- Approx. \$220,000 for startup including kiosk, project management, installation etc.
- \$65,000/year annual fees, servers/database management etc.

4. GARIVAL - GFI Farebox (Genfare) - Fort McMurray, Prince Albert

- No kiosk options-restricted to physical pick up of card
- \$130,000 for start-up
- 5% commission
- \$10,000 year annual fees
- The two municipalities listed are not using it for cashless transactions.

5. Transit Fare – Fort Erie, Bradford Ontario

- Approximately \$50,000 startup cost
- Annual costs \$6000 to \$7000



As per the information collected and discussion with other agencies, cash less fare collection system aka smart card fare system will have initial roll out cost from \$130,000 to \$250,000 and around \$25,000 to \$100,000 annual operational costs not including commission and credit card processing charges. The system also varies from tapping a smart card to tapping of credit or debit card.

For reference purposes, in 2018, the Cold Lake Transit System Experienced over 172,000 rides.

Alternatives:

For discussion only.

Recommended Action:

For discussion only

Budget Implications (Yes or No):

Yes

Submitted by:

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