

# Committee Report

Transportation Committee



**Committee Meeting Date:** December 12, 2022

**For the Metropolitan Council:** December 14, 2022

## Business Item: 2022-332 SW

Bus Farebox Replacement and Equipment Upgrade

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute a sole source contract with Genfare to provide Fastfare bus fareboxes and auxiliary equipment with options for future purchases until December 31, 2028, in an amount not to exceed \$12,000,000.

### Summary of Transportation Committee Discussion/Questions

Metro Transit Finance Director Ed Petrie and Revenue Collections Senior Manager Dennis Dworshak presented this item. Gonzalez asked about the difference between the larger and smaller ticket vending machines. Dworshak stated the bigger machines are used on the rail platforms due to being able to handle large ticket volumes and Petrie added the cost difference (bigger ones being about \$80k and smaller ones \$15k). Pacheco asked about vandalism. Dworshak stated overall the vandalism to the machines is very little.

Motion by Fredson, seconded by Chamblis. Motion carried.



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**Subject:** Bus Farebox Replacement and Equipment Upgrade

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	FM 14-2 - Expenditures for the Procurement of Goods, Services, and Real Estate Policy
<b>Staff Prepared/Presented:</b>	Wes Kooistra, General Manager (651) 602-1723 Edwin Petrie, Director Finance (612) 349-7624 Dennis Dworshak Sr Manager, Revenue Operations (612) 349-7364
<b>Division/Department:</b>	Metro Transit

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute a sole source contract with Genfare to provide Fastfare bus fareboxes and auxiliary equipment with options for futures purchases until December 31, 2028, in an amount not to exceed \$12,000,000.

### Background

Metro Transit and regional providers collect cash fares from bus customers using fareboxes. Metro Transit collected up to \$18M annually in cash fares prior to the pandemic and expects to collect a similar amount in future years as ridership increases. The current farebox model in use throughout the system, the Genfare "Cents-a-Bill" farebox, is 30 years old and no longer being manufactured. Parts are also becoming difficult to find and purchase based on the age of the farebox and advances in technology.

Metro Transit began phasing in Fastfare fareboxes in 2018 and is completing installation of the equipment on approximately 65% of Metro Transit buses and will soon have these fareboxes installed on 10% of the Metropolitan Transportation Services (MTS) fleet. Funding is now available to complete the project over the next five years. Based on a pilot test conducted in 2018-2019, and over 300 Fastfare fareboxes in service since 2019, the Fastfare has proven to be reliable, accurate and efficient. Metro Transit intends to replace all the current fareboxes with Fastfare over the next five years, including MTS and regional providers.

By creating a contract with Genfare to complete phasing in the Fastfare fareboxes over the next several years, Metro Transit will retain much of the current back-end infrastructure and vault station equipment, significantly decreasing the overall cost of a farebox upgrade/replacement. The fareboxes are compatible with our existing fare collection system, allowing for a mixed fleet of both old-style and new style fareboxes during the conversion. This plan also allows for a seamless transition for regional transit providers. The cost of the new farebox has been deemed fair and reasonable and Metro Transit takes advantage of quantity discount and cost savings by combining purchases with MTS.

## **Rationale**

The execution of a goods and services contract in excess of \$500,000 requires Council approval.

## **Thrive Lens Analysis**

Low-income and underbanked customers are more likely to use cash as compared to other customers. By continuing to accept cash fare payments on buses through the farebox, Metro Transit continues to ensure all regional customers will continue to have flexibility in how they pay their fares.

## **Funding**

Funding is planned in the Council Adopted CIP and will be available for this upgrade in a future Capital Budget amendment in early 2023.

