

DATE: 20 March 2018

MEETING DATE: 26 March 2018

SUBMITTED BY: Mike Pieters, GM I & P

PREPARED BY: Mike Pieters, GM I & P

Kevin Wenzel, Manager, Public Transportation

REPORT TITLE: Leduc Transit Commitment for Smart Fare

REPORT NUMBER: 2018-CR-042

REPORT SUMMARY

City of Edmonton is seeking a commitment of \$100,000 for Leduc Transit to join the Smart Fare initiative by March 2018.

RECOMMENDATION

That Council direct Administration to participate in the regional Smart Fare initiative by committing to contribute \$100,000 to the initiative in 2018,

BACKGROUND

KEY ISSUE(S) / CONTEXT:

At the EIA Accord Oversight Committee on February 23, 2018, the City of Edmonton advised the group that Leduc Transit has not joined the Smart Fare initiative and is not where we need to be from a relationship point of view or progress overall. We were advised a commitment is required by March, 2018 although the system won't be operational until 2020.

At regional meetings, the City of Edmonton has requested that surrounding communities with transit services each contribute \$100,000 towards the Smart Fare initiative. Smart Fare will allow riders to pay for transit using a variety of methods starting in 2020. It will also make travel across the Edmonton Metropolitan Region easier for customers since one account could be used on all participating transit systems. Leduc Transit has been involved in discussions since the beginning dating back to Aug 27, 2013. In September 2017, we were asked for a commitment at a meeting with ETS, however, there was no Council approved budget and costs for long term were incomplete. Leduc Transit along with Fort Saskatchewan and Spruce Grove have not committed yet. The estimated cost of the initiative to Leduc Transit when fully implemented, based on current service is attached. The total estimated cost to Leduc Transit is \$469,000 capital and \$61,000 operating annually based on information provided by ETS. Based on the Joint Venture Agreement, the City of Leduc's share is \$304,850 capital (one-time) and \$39,650 operating (annual).

The impact on user fees is unknown as there are a number of items to be considered and/or negotiated including whether fares will be integrated and the amount of subsidy the municipality is willing to accept. On Feb 23, the partners of the EIA Accord oversight committee agreed that Leduc Transit will commit to the Smart Fare initiative by March.

LEGISLATION AND/OR POLICY:

Leduc Transit Joint Venture Agreement

COUNCIL REQUEST FOR DECISION

PAST COUNCIL CONSIDERATION:

On March 19, 2018 Administration presented Committee of the Whole with an update on City of Edmonton's request regarding Smart Fare.

CITY OF LEDUC PLANS:

This initiative aligns with the City of Leduc Corporate Strategic Plan Goal 3, Outcome 3.4 Support regional transportation initiatives.

IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL:

There are no organizational implications.

FINANCIAL:

The cost to commit Leduc Transit to Smart fare is estimated at \$100,000 which will be shared by Leduc County and City of Leduc at the rate set out in the agreement (65/35). The City of Leduc's share will be \$65,000 and is not in the 2018 capital budget, however, it can be captured within the Annexation and Accord project (079.135).

The longer term financial impact is attached and is subject to change as costs get refined, agreements are reached and decisions on future transit services are made. The estimated cost to the City of Leduc is \$304,850 capital (one-time) and \$39,650 operating (annual) and these costs have not been budgeted in either the capital or operating budget. The City of Leduc's Manager of Public Transportation is discussing the list with Edmonton Transit Services to identify which items are essential for Leduc Transit to operate within the regional framework.

POLICY:

The City Manager may need to reallocate funding for this initiative to be funded from the Annexation and Accord project (079.135).

IMPLEMENTATION / COMMUNICATIONS:

If approved, the City of Leduc will notify the City of Edmonton and Leduc County, our Leduc Transit partner.

ALTERNATIVES:

That Council direct administration to seek further information to support the recommendation.

ATTACHED REPORTS / DOCUMENTS:

Smart Fare/ Smart Buses Estimates dated 2 Mar 2018

Approval Information

*(Remove any signature blocks that are not required for this report.)
(Approval Information must not appear alone on a separate page.)*

P. Benedetto, City Manager / B. Loewen, City Solicitor / I. Sasyniuk, General Manager / M. Pieters, General Manager,
Infrastructure & Planning

Smart Bus				
Component	Description	Cost	Operating Cost	One-time & Capital Cost
Integrated Base Mapping System	Cost, staff effort - assumes agency has base map (not managed by province) - integration cost to single line street network	\$30k	\$ -	\$ 30,000
Leverage Edmonton's Hastus scheduling system	option 1 - Edmonton prepares schedules on behalf of other municipalities - cost per signup or staff time option 2 - municipality buys C-SCHED - license per vehicle option 3 - St. Albert or Strathcona County prepares schedules on behalf of other municipalities - cost per signup or staff time	Option 1 - \$10k annually Option 2 - \$15k annually Option 3 - TBD	\$ 10,000	\$ -
Equipment procurement and installation	\$25k per vehicle (Spruce Grove indicated this number is \$32k per vehicle based on their recent purchase); additional design costs if buses used are not same model as presently used by ETS/STA/SC. Assuming 9 buses.	\$32k per bus	\$ -	\$ 288,000
Equipment maintenance responsibilities	Swap defective equipment, maintenance contract fees. \$2.5K annually per vehicles, includes communication costs. Potential to sub-contract services via Edmonton. Assuming 9 buses.	\$2.5k per bus	\$ 22,500	
Trapeze annual fees	Assuming 9 buses.	\$2k per bus (to be confirmed)	\$ 18,000	
Trapeze upgrade costs (future)	Included in Trapeze annual fees. Note - last upgrade cost approximately \$200k in project management fees plus significant staff time. Cost per vehicle TBD. Assuming 9 buses.	TBD	?	?
Any other fees	e.g. for Edmonton to provide Transit Master services - initial staff training	TBD	?	?
Project Management Fees	Implementation, includes coordination of bus design and installation. Dependent on scope (# of municipalities joining concurrently, timing)	TBD	?	?
Internal staff resource commitments	anticipating minimal additional commitment	TBD	?	?
Total			\$ 50,500	\$ 318,000

Smart Fare				
Component	Description	Cost	Operating Cost	One-time & Capital Cost
Agency Fee	Adding new agencies to the Regional Smart Fare System (potential cost reductions if agencies are added prior to system implementation or if multiple agencies are added concurrently)	\$100k	\$ -	\$ 100,000
Equipment procurement and installation	Fare validators. Assuming 9 buses	\$4k per vehicle	\$ -	\$ 36,000
Smart Fare Vending Machine (optional)	\$70k per machine plus infrastructure modifications; operating expenditures for cash collection and servicing would be incurred. We would not purchase these in the foreseeable future.	\$0k		
Point of Sale Terminal (optional)	Assuming units at Civic Centre, LRC and County Centre	\$5k per terminal		\$ 15,000
Operating Fees	4% to 5% of fare box revenues based on Edmonton/St. Albert /Strathcona County participation	Based on 2018 budget this could be \$8.4 to \$10.5k per year	\$ 10,500	
Merchant processing	2% of credit card or debit payment	TBD	?	?
Vix Technology contract amendments	Costs, change orders	TBD	?	?
Internal staff resource commitments	Develop operating agreements, business rules, fare integration (may be established by ETS/STA/SC, revenue reconciliation, customer concerns/inquiries)	TBD	?	?
Project Management fees	Implementation - dependent on scope (# of municipalities joining concurrently, timing)	TBD	?	?
Back-office infrastructure, hosting fees (undertaken by ETS)		TBD (through development of operating agreement)	?	?
Internal staff resource commitments	Maintaining base maps, maintenance, customer information (Smart Fare inquires outside Vix call centre activities), accounting, IT support, point-of-sales	TBD	?	?
Long-term capital replacement	10-12 years	TBD	?	?
Spare equipment		TBD	?	?
Total			\$ 10,500	\$ 151,000

Component	Operating Cost	One-time & Capital Cost
Smart Bus	\$ 50,500	\$ 318,000
Smart Fare	\$ 10,500	\$ 151,000
	\$ 61,000	\$ 469,000
City of Leduc Portion - 65%	\$ 39,650	\$ 304,850
Leduc County Portion - 35%	\$ 21,350	\$ 164,150
	\$ 61,000	\$ 469,000