



June 28, 2016

**The Honorable Members of the Board of Supervisors
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102**

Subject: Approval of Transit Vehicle Farebox System Agreement with SPX Genfare

Honorable Members of the Board of Supervisors:

The SFMTA is requesting your approval to execute a new agreement to commence on August 1, 2016 with SPX Genfare to provide a complete Transit Vehicle Farebox System for SFMTA bus and rail vehicles. The Farebox System will allow the SFMTA to collect cash fares onboard Muni vehicles securely. The vendor was selected by an evaluation committee based on an open request for proposal process.

Key benefits of the new system include:

- Improving security through improved accountability and tracking of revenues and the elimination of pre-printed paper tear-off transfer/fare receipt books
- Introducing real-time printing of transfers/fare receipts with consistent expiration times
- Collecting and maintaining fare payment data to improve the SFMTA's understanding of where and when customers pay cash fares

The following summarizes the major components of the Farebox System. Further detailed information is included in the report presented to the SFMTA Board of Directors at its June 28, 2016 meeting and available at this link (<https://www.sfmta.com/about-sfmta/organization/divisions-and-units/board-directors>).

- **Fareboxes:** The Contractor will provide currency-validating fareboxes for SFMTA's fleet of light rail vehicles, historic streetcars, electric trolley coaches and motor coaches. The fareboxes will meet Americans with Disabilities Act (ADA) requirements, and will issue transfers/fare receipts printed in a real-time that indicate the expiration time and type of fare paid. The farebox will record the time, date and location of each fare transaction.
- **Revenue Transfer and Collection System:** The Revenue Transfer and Collection System will consist of equipment and software to facilitate the secure transfer of cash revenues from each SFMTA operating division to the agency's Revenue Collection Facility. The Farebox System will prevent unauthorized access to bill and coin fare revenues.
- **Data Collection and Reporting System:** The Data Collection and Reporting System includes hardware and software that enables the SFMTA to register individual fare

transactions, analyze and reconcile revenues, monitor security, and manage and configure farebox settings.

- ***Computer Aided Dispatch/Automatic Vehicle Location (CAD/AVL) System Integration:***
The Farebox System will fully integrate with the SFMTA's CAD/AVL System, which will allow individual fare transactions to be associated with routes and customer boarding locations. This feature will help the SFMTA better understand where and when customers are currently paying cash.

The Contractor will also provide preventative maintenance services, including replacement parts, on an annual cycle for each farebox. Preventative maintenance will ensure that fareboxes are kept in a state of good repair.

Cost: The complete Transit Vehicle Farebox System includes 1,336 fareboxes, ancillary software, equipment, CAD/AVL system integration, and all related goods and installation, spare parts, an initial five-year warranty and testing and implementation services required to provide farebox revenue collection on the existing SFMTA transit fleet. The capital cost of this base system is \$21.9 million.

For the initial five-year maintenance period, annual expenditures will primarily consist of \$0.6 million for preventative maintenance, which includes replacement parts, and approximately \$0.3 million for transfers/fare receipts assuming an order of 20 million tickets per year. A warranty is included at no additional cost. The Total Not to Exceed amount for the initial term of the contract is \$30.0 million.

Exercising the 5-year extension will require returning to both the SFMTA Board of Directors and Board of Supervisors for approval.

Recommendation:

The SFMTA recommends that the San Francisco Board of Supervisors adopt the resolution approving the Transit Vehicle Farebox System Agreement with SPX Genfare to provide Fareboxes, a Revenue Transfer and Collection System, a Data Collection and Reporting System, Computer Aided Dispatch/Automatic Vehicle Location (CAD/AVL) System Integration, and five years of warranty and preventative maintenance services for an amount not to exceed \$30 million. The initial term would include an installation period plus five years commencing on August 1, 2016, or later, with the option to extend for up to two five-year terms for a total term not to exceed sixteen years.

Should you have any questions or require more information, please contact Sonali Bose, SFMTA's Chief Financial Officer. Thank you for your support of SFMTA and the transportation system!

Sincerely,



Edward D. Reiskin
Director of Transportation