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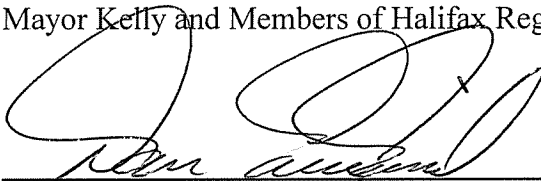


PO Box 1749
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Halifax Regional Council
August 1, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: July 7, 2006

SUBJECT: **RFP #05-074, Fare Collection System - Metro Transit**

ORIGIN

The Approved 2006/07 Capital Budget.

RECOMMENDATIONS

It is recommended that Regional Council approve the purchase of up to 225 fareboxes from RFP #05-074 plus necessary hardware from Garival Inc. for a total price of \$2,088,733 including net HST from Capital Account CHD00060, Farebox Replacement, with funding authorized as per the Budget Implications section of this report.

BACKGROUND

Metro Transit proposed in the 2004/05 business plan to replace the fare collection system used in the conventional transit fleet. The existing fare collection system is more than 30 years old and is beyond the end of its useful life. The fareboxes are also no longer manufactured and staff have exhausted all options and possibilities of acquiring units for expansion buses and replacement parts for servicing existing equipment.

A fare collection study was commissioned by Metro Transit and was completed in January 2005 by IBI Consultants. The study recommended a fare collection strategy to be adopted by Metro Transit which consisted of the acquisition of new non-registering fareboxes, transfer printers and smart cards. This strategy meets Metro Transit's objectives of increased ridership, reduced fare evasion and fraud, reduced cash processing, accommodation of multi-fare/premium fare recognition, reduced bus operator / customer fare conflicts and the provision of flexible fare payment options.

DISCUSSION

A request for proposal was issued on May 9, 2005 and closed on June 16, 2005 for the first two phases of the fare collection strategy: non-registering fareboxes and electronic transfer dispensers. At the November 1, 2005 Council Session, Regional Council approved the award of RFP #05-074, Fare Collection System to Garival Inc. and the purchase of 30 new fareboxes with an option to purchase an additional 20 farebox units as required. This report also identified a future commitment required to continue with the farebox replacement for the remainder of the transit fleet as well as acquiring electronic ticket dispensers and smart card technology.

Metro Transit is now in a position to continue with the farebox replacement for the remainder of the transit fleet and is recommending that Council approve the acquisition of up to 225 fareboxes, vault equipment and related hardware.

The following table presents a breakdown of costs and equipment:

Item	Quantity	Unit Cost (not incl. Net HST)	Total Cost (incl. net HST)
"Transview" non-registering farebox not including transfer dispensers	225	\$8,200	\$1,908,265
Receivers (#R00542-0007)	3	\$24,500	\$76,020
Electronic key	2	\$1,950	\$4,034
Installation (fareboxes and receivers)	--	--	\$71,495
Spare equipment	--	--	\$28,919
TOTAL			\$2,088,733

BUDGET IMPLICATIONS

Based on the total price of \$2,088,733 including net HST, funding is available from Capital Account CHD00060, Farebox Replacement. Staff has negotiated a discount of \$275 per farebox through the vendor from the original unit cost in RFP #05-074. The budget availability has been approved by Financial Services.

Budget Summary: Capital Account No. CHD00060, Farebox Replacement

Cumulative Unspent Budget	\$3,601,662
*Less: RFP #05-074	<u>\$2,088,733</u>
Remaining Unspent Budget	\$1,512,929

* The original capital budget for this project was \$1.78M as per the 2005/06 budget. RFP #05-074 resulted in cost estimates of approximately \$3.5 - \$4.0M which led to the additional funding commitment of \$2M in the 2006/07 budget.

The remainder of the budget will be used for the acquisition of transfer issuing machines as for the fare collection strategy.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality’s Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.


ALTERNATIVES

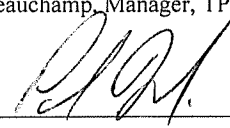
There are no recommended alternatives.

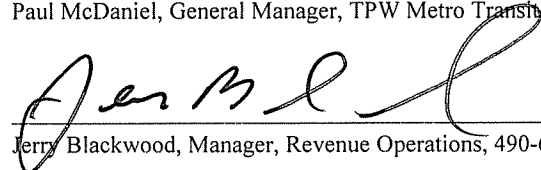
A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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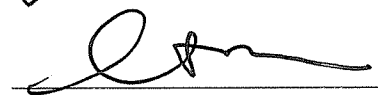
Report Approved by:

 *ACTING GM*
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Paul McDaniel, General Manager, TPW Metro Transit, 490-6608


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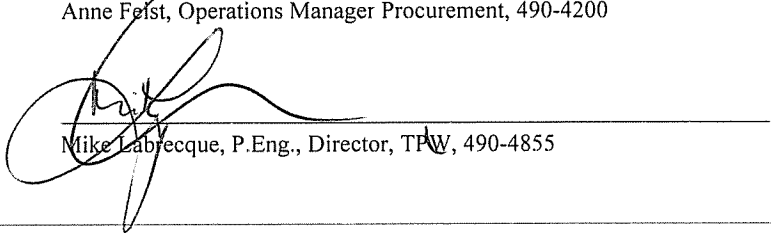
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