STUDY SESSION

Joint Study Session of
Valley Metro RPTA and Valley Metro Rail

Date:
August 27, 2020

Starting Time
10:30 a.m.

Location:
Valley Metro
VIA Webex
Phoenix

If you require assistance accessing the meetings on the 10th floor, please go to the 14th floor or call 602.262.7433.
Study Session Notice & Agenda

August 20, 2020

Joint Study Session Agenda
Valley Metro RPTA and Valley Metro Rail
Thursday, August 27, 2020
10:30 a.m.
Via Webex

Study sessions provide a less formal setting for the Boards of Directors to discuss specific topics, at length, with each other and Valley Metro staff members. Work study sessions provide an opportunity for staff to receive direction from the Boards and for the public to observe the discussions.

1. **Valley Metro Reduced Fare Update**

The current regional fare structure was adopted by the Valley Metro Board and City of Phoenix Council in 2007. The new structure took advantage of functionality with the fare collection system (FCS) being implemented in 2007/2008, purchased from Scheidt & Bachmann (S&B). The fare has been increased twice since the FCS was implemented, in 2009 and 2013.

The City of Phoenix recently awarded a contract to replace the FCS for both the bus and light rail modes. The new system will be open and flexible to easily allow changes to incorporate innovative technologies. City of Phoenix staff will present an update on the project.

2. **Downtown Phoenix Bus Service Reroute Plan**

Effective October 26, 2020 Valley Metro bus routes serving downtown Phoenix will be rerouted to avoid high-impact construction areas in an effort to maintain service reliability and passenger access to services. Two major construction projects in downtown Phoenix are the catalyst for the rerouting: Valley Metro’s South Central Extension/Downtown Hub (SCEDH) and City of Phoenix’s Central Station Joint-use Redevelopment (CSJUR).

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at [www.valleymetro.org](http://www.valleymetro.org).
DATE  
August 20, 2020

AGENDA ITEM 1

SUBJECT  
Valley Metro Reduced Fare Update

BACKGROUND | DISCUSSION
The current regional fare structure was adopted by the Valley Metro Board and City of Phoenix Council in 2007. The new structure took advantage of functionality with the fare collection system (FCS) being implemented in 2007/2008, purchased from Scheidt & Bachmann (S&B). The fare has been increased twice since the FCS was implemented, in 2009 and 2013.

The City of Phoenix recently awarded a contract to replace the FCS for both the bus and light rail modes. The new system will be open and flexible to easily allow changes to incorporate innovative technologies. City of Phoenix staff will present an update on the project.

The new FCS will provide greater control of fare media and usage through account-based technology. This will allow Valley Metro to address the increased use of reduced fare media. The reduced fare paper passes are widely available and historically have not required any identification to demonstrate eligibility. This has resulted in a significant increase in use of reduced fare passes far above what would be expected from the number of eligible riders.

In the interim while the new system was being procured, Valley Metro and the City of Phoenix began requiring retailers to check ID for persons wishing to purchase reduced fares. That new policy was implemented in January 2019. Data for calendar 2018 and 2019 on sales and uses of full and reduced fares show that there was a definite reduction in the retail sales of reduced fares, but no corresponding increase in full fare sales. The accompanying presentation provides more detail.

Additional strategies have been identified to further control the reduced fare abuse. Those strategies are identified in the accompanying presentation. The COVID-19 pandemic has certainly impacted fare collection and staff is not proposing implementing these solutions at this time. Once the system resumes normal fare collection and enforcement, the region could implement these additional strategies as appropriate.

CONTACT
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Chief Financial Officer  
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ATTACHMENT
Powerpoint
Reduced Fare Update
August 2020

Background

• Reduced Fare use increased significantly
  • Proliferation of retail outlets

• Requirement to check eligibility
  • Added to retail agreements
  • Implemented January 2019
  • Not all retailers have signed new agreement
Data Collected: Calendar 2018 v. 2019

• **Pass Sales**
  • Pass sales by type (reduced fare, full fare)
  • Pass sales by outlet (retail, TVM, cash, etc.)

• **Ridership**
  • Boardings by fare type for bus and light rail
    • Full fare pass use
    • Reduced fare pass use
    • All other fare types (cash, free, etc.)
Next Steps

- **Implement additional controls**
  - Immediate validation on sale at TVMs
  - Limit number of passes per transaction at retail outlets

- **Review additional controls for impacts**
  - Eliminate sales of reduced fares at TVMs
  - Eliminate retailers who don’t sign revised agreement
  - Eliminate retailers who aren’t checking eligibility
Regional Fare Collection System Project

Valley Metro Board Study Session, August 27, 2020

Current Fare Collection System (FCS)

- Project began in 2005
- Proprietary equipment and software
- Difficult to add features or make changes
- System has exceeded its useful life
New Features & Equipment

- New Fare Options
  - Mobile ticketing
  - Reloadable smart cards
  - Enables innovative fares ("fare capping")
  - Web-based fare purchases and account management
- New validators and Ticket Vending Machines (TVMs)
- All options and equipment will be ADA compliant

Phasing of Features

Phase 1 – Validators & Mobile Ticketing
- Gives transit users the ability to manage their account via a phone app or web browser.
- Validators installed on bus and light rail systems.

“Unbanked” riders will be able to load cash to app or smart card

Phase 2 – Reloadable Smartcard & Ticket Vending Machines
- Reloadable smartcard availability to all transit users, with ability to purchase and load fare online.
- Validate on both bus and light rail.
- Installation of new Ticket Vending Machines (TVMs).
Contract Details

Base Contract
- Maximum cost $33.23 million
  - FTA – 80%
  - Prop. 400 – 20%
- 3 years: installation period
- 1 year: warranty and hosting agreement

Operation and Maintenance Support
- Maximum cost $28.01 million
  - Prop. 400 & local funds
- 9 years initial agreement
- Two optional three-year extensions

Evaluation Process & Criteria

- Qualifications of firm & staff: 35%
- Technical solution & approach: 45%
- Cost: 20%

CRITERIA

<table>
<thead>
<tr>
<th>PROPOSER (post BAFO)</th>
<th>SCORE (1,000 max)</th>
<th>BASE SYSTEM COST (no options)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vix Technology Inc.</td>
<td>914</td>
<td>$54,906,116</td>
</tr>
<tr>
<td>INIT Innovations in Transportation, Inc.</td>
<td>870</td>
<td>$53,173,011</td>
</tr>
</tbody>
</table>

- 6 Proposals submitted
- 2 moved to Best and Final Offer stage
- Both invited to demonstrations
- Panel recommends award to Vix Technology

Contract total w/ options: $61,228,625
- Mobile app to include robust trip planner
- TVM security features
- Enhanced bill handling
- Cash payment features
**Project Timeline**

- **Dec. 2019**: Issued Notice to Award to Vix Technology
- **Mar. 4, 2020**: TI&I Subcommittee
- **Mar. 2022**: Phase 1 Pilot Launch
- **Feb. 27, 2020**: CTC
- **Mar. 18, 2020**: City Council
- **Aug. 31, 2020**: Project Kickoff
- **Jan. 2023**: Phase 2 Pilot Launch
Study Session Background

DATE
August 20, 2020

STUDY SESSION ITEM 2

SUBJECT
Downtown Phoenix Bus Service Reroute Plan

BACKGROUND | DISCUSSION
Effective October 26, 2020 Valley Metro bus routes serving downtown Phoenix will be rerouted to avoid high-impact construction areas in an effort to maintain service reliability and passenger access to services. Two major construction projects in downtown Phoenix are the catalyst for the rerouting: Valley Metro’s South Central Extension/Downtown Hub (SCEDH) and City of Phoenix’s Central Station Joint-use Redevelopment (CSJUR). The SCEDH will include construction activity in the area between 3rd Avenue and 1st Street and Jefferson and Washington streets. The CSJUR will require the full closure of the city’s downtown passenger transfer center facility located at Central Avenue and Van Buren Street (light rail passenger platforms at Central Station will remain open). The duration of construction for both projects is expected to be up to three years.

Service reliability, passenger access to services, passenger walk distance, and ability to consistently maintain the reroute structure for up to three years were key criteria in developing the plan. Overall, 28 bus routes are affected by the plan including 21 commuter express/RAPID routes, 6 local routes and 1 circulator. All commuter express/RAPID routes, which serve 14 Valley Metro cities, currently operate on Washington and Jefferson streets as well as Central and 1st avenues (See Appendix A and C for existing service maps). To avoid construction activity on Washington and Jefferson streets, Commuter express/RAPID routes will operate on either Adams Street or Van Buren Street (Appendix B and D for reroute service maps). An analysis of passenger boarding and alighting volumes by location and route was conducted to determine which routes will operate on Adams Street versus Van Buren Street. City of Phoenix operates all local and circulator routes in downtown; therefore, they completed the planning effort for these services. Exhibits depicting the current and reroute plan for the local bus network are provided in appendices E and F.

Communications Plan
Valley Metro Marketing and Communications staff have prepared a communications plan to communicate the bus reroute plan to current passengers, businesses and residents in the downtown Phoenix area. Communications channels identified in the plan include:
Transit vehicle announcements (Route Scout)
A-frame signage, bus signs or City of Phoenix Guide-a-Ride signs at all impacted transit locations
Email notices to riders and Trip Reduction Program employers
Press release resulting in news coverage
Social media posts
Website (valleymetro.org/service changes)
Internal communication to staff and contractors

**STRATEGIC PLAN ALIGNMENT**
This item addresses three goals in the Board-adopted FY16-20 Strategic Plan:
- Goal 1: Increase customer focus
- Goal 2: Advance performance based operations
- Goal 3: Grow transit ridership

**CONTACT**
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Director, Capital Services and Development
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**ATTACHMENT**
Appendix A: Express Network – Current Inbound Routing
Appendix B: Express Network – Future Inbound Routing
Appendix C: Express Network – Current Outbound Routing
Appendix D: Express Network – Future Outbound Routing
Appendix E: Existing Local Routing
Appendix F: Future Local Routing
Appendix A: Express Network – Current Inbound Routing
Appendix B: Express Network – Future Inbound Routing
Appendix C: Express Network – Current Outbound Routing
Appendix D: Express Network – Future Outbound Routing
Appendix E: Existing Local Routing
Appendix F: Future Local Routing

Future Local Routing

July 15, 2020

LEGEND
- Zono North
- Zono South
- CASH
- Major Construction Zone
- Minor Study Area

South Central Light Rail Extension / Downtown Hub
Future Local Routing
Downtown Phoenix Bus Reroute Plan

Valley Metro Board Study Session
August 27, 2020

Service Planning Objectives

• Maintain travel time reliability and minimize impact to passengers
• Avoid high activity construction areas
• Develop potential long-term routing solution
Affected Routes / Valley Metro Cities

- **21** Express / RAPID
- **6** Local
- **1** Circulator
- **14** VM Cities

Express Network – Current Inbound Routing
Express Network – Future Inbound Routing

Express Network – Current Outbound Routing
Future Local Routing

Downtown Bus Reroute Timeline

- Central Station Closure
- Central Avenue Closure at CityScape for LRT Construction
- Complete Bus Support Infrastructure Improvements Plan
- Complete Install/Construction of Bus Support Infrastructure Improvements
- Downtown Hub Reroute Workshop
- Implement Downtown Bus Reroute Plan
- 2020
- 2021

MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR
Community Outreach

- **Reroute plan outreach with current passengers, businesses, and residents in downtown Phoenix:**
  - Transit vehicle announcements (Route Scout)
  - A-frame signage, bus signs or City of Phoenix Guide-a-Ride signs at all impacted transit locations
  - Email notices to riders and Trip Reduction Program employers
  - Press release resulting in news coverage
  - Social media posts
  - Website (valleymetro.org/service changes)

Thank you!