



# OPEN LOOP PAYMENT SYSTEM

*Item 11: Consider Approval of Contract  
Award of Contactless Credit and Debit Card  
Transit Fare Payment System*

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# WHY CONTACTLESS?

Open loop payments allow customers to pay by tapping their **contactless bank card or smartphone** to a validator, much like they do for many other purchases today.

From a transit rider's perspective, paying for transit should be as **easy** as paying for a cup of coffee. Allowing customers to use what's already in their pockets to pay for transit creates advantageous outcomes, including:



**Improved customer experience**



**Higher ridership**



**Lower cost for customers and providers**



**Reduced Emissions by reducing dwell times**



# WHY NOW?

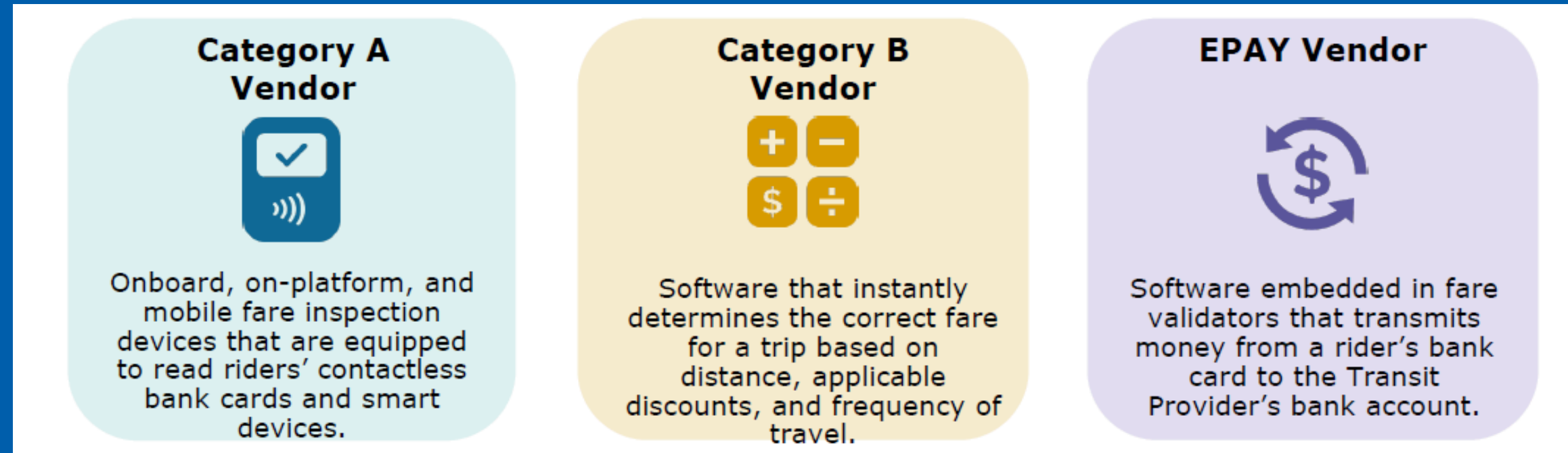
- VCTC has secured \$1 million funding for regional agencies to implement contactless payments.
- VCTC launched in June and will serve as a model to provide learnings ahead of our own launch.
- Cal-ITP is providing technical assistance and implementation support to all operators.

*Cal-ITP (CA Integrated Travel Project) is supported by the CA State Transportation Agency (CalSTA) and CALTRANS through a grant from the CA Intercity Rail Capital Program (TIRCP) and is a statewide solution to make travel simpler and improve transit technology.*



# MASTER AGREEMENTS

There are three components of the open loop payment system:



After a state procurement and selection process, there are 6 MSA vendors and two EPAY vendors available via state agreements.

VCTC staff solicited proposals from all available state contractors for the hardware and processing services. After evaluation, VCTC selected Kuba Inc. as the vendor for payment acceptance (category A), Enghouse for the transit processor (category B), and Elavon the the payment processor (category C).



# WHY ALIGN ON VENDORS

- **Interoperability:** Selecting the same vendors will allow riders to have a seamless experience as they tap their bank card to automatically leverage regional passes, discounts and transfers. As a region, we will set these rules, which will be implemented by our transit processor (Enghouse).
- **Cost Savings:** Price breakpoints are available for larger device orders. Agencies may be able to save if implementation is coordinated.





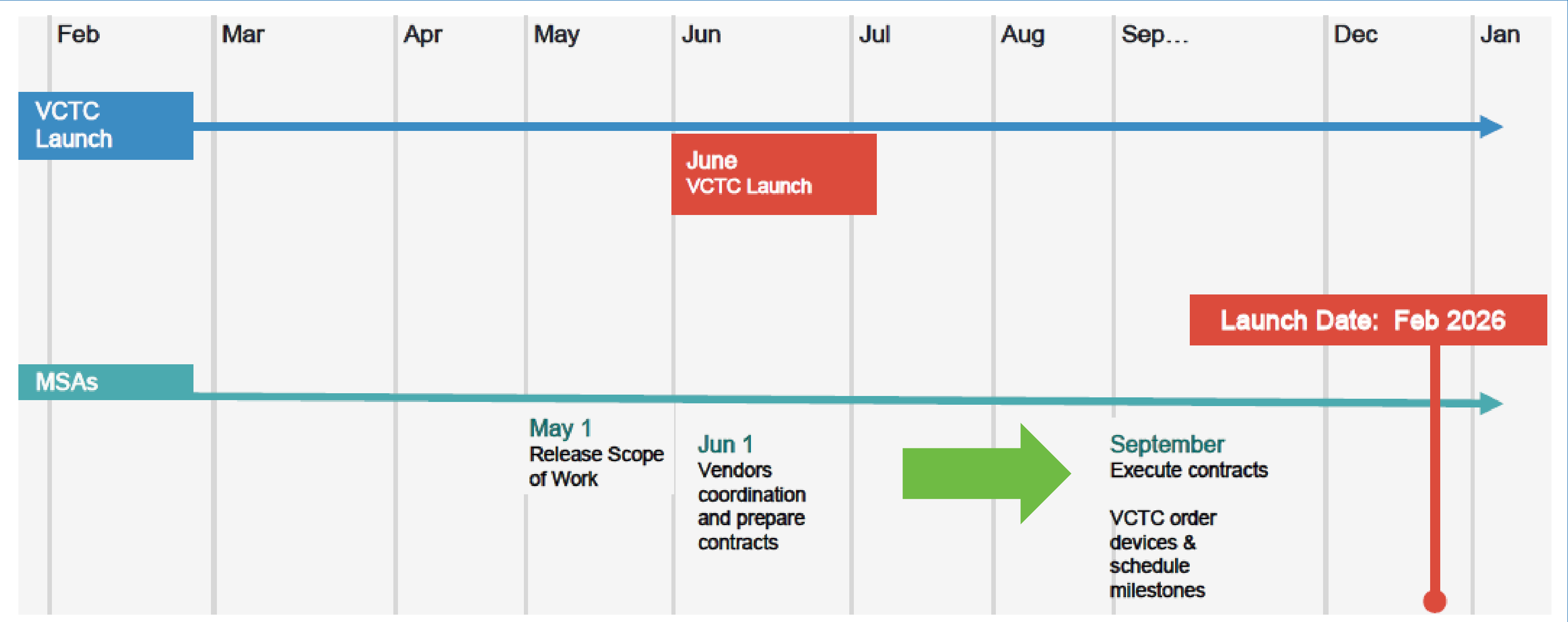
# WHAT IS GCTD RESPONSIBLE FOR?

## Contract Strategy, Financing and Task Summary

- **Kuba:** VCTC leading and executing
- **Enghouse**
  - VCTC shall hold a contract outlining regional capping, inter-agency transfers, and discounts across all fare products.
  - Each agency shall execute a contract outlining base fares and intra-agency transfers (between your own routes/services)
- **Elavon:** rate and contract is pre-negotiated at the state-level. This is to be signed 90 day prior to launch date.

	Kuba	Enghouse	Elavon
Description	<ul style="list-style-type: none"><li>• Provides/installs hardware</li><li>• Manages device updates/maintenance</li></ul>	<ul style="list-style-type: none"><li>• Fare calculation software,</li><li>• Admin portal to manage fare rules</li><li>• Rider portal to manage travel history</li></ul>	<ul style="list-style-type: none"><li>• Enables fare revenue to transfer from rider's account directly to your bank</li></ul>
Contract Information	VCTC will hold a single contract for the region – board in September	Each agency to take this contract to Board in September	Each agency to take this contract to Board in Fall - execution 90 days before testing
Capital Expenses	VCTC responsible	VCTC responsible	None
Ongoing Expenses	VCTC responsible	Agency shall pay per transaction fee (no more than 1.68%) per rider tap, and \$0.02 per free fare tap This is estimated to be less than \$36,000 per year for GCTD during the 5-year contract term.	Agency shall pay monthly invoice, includes Elavon and network fees (estimated \$0.12 per agency-Elavon transaction, aggregation can reduce this)

# OPEN LOOP DEPLOYMENT TIMELINE



# ACTION ITEM:

For this item, it is recommended the Board of Directors consider approval of two items:

- **Approve award of five-year contract for processor for contactless credit and debit card transactions with Enghouse.** The Ventura County Transportation Commission (VCTC) shall be invoiced for fees related to implementation, regional fare products, inter-agency transfers, and discounts. Additionally, Gold Coast Transit District shall be charged no more than 1.68% of revenue collected through the system as Enghouse's ongoing fee.
- **Authorize the General Manager to execute a five-year contract for the acquirer for contactless credit and debit card transactions with Elavon at a rate of \$.03 per transaction plus the network and interchange fees.** The total fee average per transaction is about \$0.12 or less. This \$.03 fixed amount is set in MSA in the State contract and will not change for the life of the 5-year term. This contract cannot be executed until 90 days before launch.