



August 22, 2000

Metropolitan
Transportation
Authority

One Gateway Plaza
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TO: BOARD OF DIRECTORS

FROM: JULIAN BURKE 
CHIEF EXECUTIVE OFFICER

**SUBJECT: UFS PROCUREMENT PROGRESS AND ADDENDUM
UPDATE**

ISSUE

The Universal Fare System procurement is underway and the MTA is preparing to issue an addendum to the Request for Proposals (RFP), initially released on June 1, 2000. The issuance of an addendum is anticipated on projects of this complexity, and constitutes part of the discussion between potential vendors and the MTA. The addendum addresses questions raised by both vendors and by MTA staff in the bid process, and which will provide greater understanding of opportunities gained through our fare collection fact finding trip to Washington, D.C. and Chicago.

DISCUSSION

The addendum will basically provide more technical and contractual information to our vendors. Specific components include:

- MTA is providing proposers with detailed drawings and technical details related to mounting and positioning of ticket vending machines, fareboxes, and the physical conditions and environment of rail stations and bus divisions to support vendor cost estimation for installation.
- MTA is clarifying and including additional special provisions and contractual terms and conditions, particularly those addressing operations and safety issues during installation of hardware.

In addition, at the Board's request, we have had an outside legal firm engaged by County Counsel reviewing and enhancing the contractual language in the addendum particularly as it relates to the future enforcement of the contractor's proposed implementation plan of the UFS equipment and systems.

- MTA is also requesting that proposers provide costs for the UFS with both magnetic card and smart card capabilities, as well as smart card capabilities alone.

The change required under the last bullet will provide MTA and the regional transit operators with better information on costs related to the two independent fare collection technologies (i.e., magnetics and smart cards), and allow MTA to make the appropriate investment decisions. Such a decision needs to accommodate new MTA business practices and policies while concurrently supporting and ensuring regional integration and interface. Smart cards are rapidly becoming more prevalent in the transit industry in the United States (e.g., Washington D.C., Baltimore, Chicago, San Francisco, Seattle) and internationally (e.g., Hong Kong, Sydney, Melbourne, London, Manchester). Generally speaking, smart cards are more reliable and somewhat less costly than magnetic fare media for most activities. Magnetics provide better flexibility in addressing transfers and occasional riders. . Washington D.C. and Baltimore have taken a similar approach of requesting bid prices for smart cards alone, and combined smart cards and magnetic fare media. This does not commit MTA to a course of action, but allows for better information from vendors to support MTA in this significant procurement to permit maximum versatility for MTA's and the region's evolving mobility needs.

NEXT STEPS

The referenced addendum to proposers is expected for release in early September. The Bi-Monthly UFS Project Update is slated for the September Board cycle at the Operation Committee. Details of this addendum and related activities will be reported to the Board at that time. This correspondence is intended as an update prior to the issuance of the addendum.