

Metro Fare Media Vendor Commissions

Receive and File

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Finance, Budget and Audit Committee
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Vendor Network

- 375 TAP vendor locations throughout Los Angeles County
- Commissions have remained idle since 2002
- No commission paid on stored value sales
- Second largest vendor, Nix Check Cashing (40 locations), withdrew from the TAP vendor network
- Largest vendor, Continental Currency Services (47 locations), informed us they lose time and money due to additional costs the program requires
- Loss in additional vendors will negatively impact ridership

FY 2014 Vendor Commissions

- Vendor transactions – 2.8M
- Total vendor sales \$67.3M, nearly half of overall fare media sales
- Pass commissions range from 25 cents to 40 cents per pass
- Commissions paid to third party vendors - \$984,200

Peer Transit Agency Commissions

Metropolitan Area	Transit Agency	Annual Ridership (Millions)	Fare Revenue (Millions)	Commission Rate	Payment Technology	
					Smart Card	Magnetic Farecard
Seattle, WA	KC Metro ²	109.0	\$130.8	2% of Total Sales	Y	
Boston, MA	MBTA	312.6	\$300.8	1.8% of Total Sales	Y	Y
Chicago, IL	CTA	516.9	\$511.0	1.5% of Total Sales	Y	Y
San Francisco, CA	Muni ¹	208.0	\$160.3	1.5% of Total Sales	Y	
Los Angeles, CA	LACMTA	460.4	\$316.4	1.46% Per Product	Y	
San Francisco, CA	BART ¹	108.3	\$331.4	1% of Total Sales	Y	Y

¹BART and Muni accept a common regional "Clipper" smart-card.

²Sells cards to vendors for wholesale price \$4, in turn vendors sell cards for \$5. (\$1 profit). Additionally, each vendor receives 2% commission of total sales.

Source: 2010 National Transit Database and individual agencies' websites/contacts

New Vendor Commission Structure

- Increase the commission rate from an average of 1.46% to 1.75%
- New structure based on total monthly gross sales will require less admin. work
- Increase of an estimated \$506K in annual paid commissions
- Changes will help maintain a stable vendor network

