SUMMARY STATEMENT
O&M 4/20/05

ITEM NO. SUBJECT: Agreement between DRPA/PATCO and NJ TRANSIT for Smart Card Fare Collection System on NJ TRANSIT River LINE

COMMITTEE: Operations & Maintenance

COMMITTEE MEETING DATE: April 20, 2005

BOARD ACTION DATE: May 18, 2005

PROPOSAL: That the Board authorizes staff to negotiate an agreement with NJ TRANSIT that will include all terms and conditions for the use of PATCO-issued smart cards on NJ TRANSIT's River LINE and for NJ TRANSIT to reimburse DRPA/PATCO for all design and implementation costs associated with the installation of a smart card fare collection system on the River LINE and for that portion of the operating cost associated with the River LINE.

Amount: Not to exceed $960,000 plus annual operating costs

Agency: NJ TRANSIT
Newark, New Jersey

PURPOSE: The purpose is to establish the terms and conditions whereby NJ TRANSIT will be able to use PATCO-issued smart cards on its River LINE service and reimburse PATCO for the cost incurred with designing, installing, and operating a smart card fare collection system on NJ TRANSIT's River LINE in order that customers using the River LINE and PATCO's High Speed Line can transfer between facilities using one fare instrument.

BACKGROUND: The new fare collection system that is being designed and installed for PATCO has been specified such that it will have the ability to be integrated into a regional fare collection system should other transit agencies in the area decide to implement smart card fare collection technology in the future. When
DRPA/PATCO began developing the specifications for the new fare collection system, numerous meetings were held with other transit agencies who were implementing the smart card technology and with PATCO’s primary regional transit partners, SEPTA and NJ TRANSIT. During these meetings, NJ TRANSIT expressed an interest in exploring opportunities for using PATCO’s smart cards on NJ TRANSIT’s River LINE service as a pilot project. Staff has continued to work with NJ TRANSIT and, upon selecting a vendor (Cubic Transportation Systems, Inc.), staff facilitated sessions to explore methods for including the use of smart cards on the River LINE. Cubic Transportation Systems has developed a solution that is satisfactory to DRPA/PATCO and NJ TRANSIT and has provided a cost for designing and implementing a smart card solution for the River LINE that is acceptable to NJ TRANSIT. Since one of the primary goals for the new PATCO smart card system is that it integrate into a regional fare collection system and, as the use of smart cards on the River LINE is consistent with that goal, it is recommended that DRPA/PATCO support implementation of the NJ TRANSIT project. The use of smart cards on the River LINE will be a small but important step toward a regional common fare collection instrument.

Under the proposed arrangement, NJ TRANSIT will own, operate, and maintain its smart card fare collection hardware and equipment. However, since the River LINE represents only a small portion of NJ TRANSIT’s statewide operations and as the River LINE is intended to be a pilot project, NJ TRANSIT will utilize PATCO’s operating systems and back office functions. As such, the most efficient way to accomplish the NJ TRANSIT work is through an amendment to the contract between DRPA/PATCO and Cubic Transportation Systems, Inc. In this way, design and implementation of the two systems can progress in parallel. NJ TRANSIT will reimburse DRPA/PATCO for all incremental design costs, for all costs associated with installation of its system, and for its share of the costs associated with the operating system and back office functions. The terms and conditions of DRPA/PATCO and NJ TRANSIT responsibilities and obligations will be set forth in an agreement to be executed by the two parties.

It is recommended that the Board authorize staff to negotiate an agreement with NJ TRANSIT to cover all terms, conditions, and costs associated with designing and implementing a smart card fare collection system for the River LINE and for all operating costs associated with transactions for NJ TRANSIT’s River LINE service.
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<th>Summary Statement</th>
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<td>PD9906</td>
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<td>Master Plan Status:</td>
<td>1999 Update to the Master Plan, Project #PD9906</td>
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RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority authorizes staff to negotiate an agreement with NJ TRANSIT that will include all terms and conditions for the use of PATCO-issued smart cards on NJ TRANSIT’s River Line and for NJ TRANSIT to reimburse DRPA/PATCO for all design and implementation costs associated with the installation of a smart card fare collection system on the River Line in an amount not to exceed $960,000 and for that portion of the operating cost associated with the River Line smart card system; and be it further

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY: Amount: Not to exceed $960,000 plus annual operating costs
Source of Funds: 1999 Revenue Bonds
Capital Project #: PD9906
Operating Budget: N/A
Master Plan Status: 1999 Update to the Master Plan, Project #PD9906
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A