



**STAFF REPORT
ACTION REQUIRED**
with Confidential Attachment

PRESTO Civil Works – Fare Gates

Date:	May 18, 2017
To:	TTC Board
From:	Chief Executive Officer
Reasons for Confidential Information:	<ul style="list-style-type: none">• Litigation or potential litigation

Summary

The November 2012 PRESTO Agreement between TTC and Metrolinx identified a range of roles and responsibilities for each organization. The Agreement stipulates that PRESTO is responsible for the civil works necessary to support communication and electrical power to ensure the reliable operation of the PRESTO equipment in subway stations. TTC would be responsible for providing power to a demarcation point within the station.

The implementation plan for turnstiles included adding an initial two readers at the main entrances of subway stations to allow PRESTO customers access to these stations. Twenty-six of the TTC's subway stations were implemented in this manner. The intent was that the remaining turnstiles at these stations would be completed at a later date, once the remaining 43 stations were completed.

In June 2015, TTC staff requested the Board endorse a plan to replace all existing turnstiles and fareline equipment with new fare gates. In July 2015, the Board approved the replacement of turnstiles with fare gates. The overall cost for the supply, installation and maintenance of fare gates was estimated to be \$49.9 million. These would be TTC costs since TTC will own the fare gates, unlike other PRESTO related devices. The total cost of the contract with the fare gate supplier, Scheidt & Bachmann GmbH (S&B), is \$37.7 million. There are also TTC costs for civil works at subway stations necessary for the implementation of the fare gates and for the initial maintenance period for the gates;

these bring the total cost of the project to approximately \$49 million. Sufficient funds were included in the TTC's 2016-2025 Capital Budget, which was approved by the Board on November 23, 2015 and approved by City of Toronto Council on February 17, 2016.

The implementation of the fare gates has been divided into two phases – phase one includes the replacement of turnstiles at the 43 stations that did not have PRESTO readers attached to turnstiles, and phase two includes returning to the initial 26 stations that had PRESTO readers on turnstiles and replacing these with fare gates. Currently and on schedule, all turnstiles have been removed and replaced with fare gates at the 43 remaining stations.

PRESTO is now seeking to enter into a contract for the civil works at the original 26 stations that still have readers attached to the turnstiles. This contract is necessary because PRESTO is still primarily responsible for the civil works necessary to support the communication and power to the fare gates in the subway stations. The target was to have this contract in place to ensure that fare gates would be operational at these 26 stations by early 2018. The actual timing for this work cannot be determined until the contract is in place and a schedule has been determined with PRESTO and the contractor for the civil works.

This report provides the Board with an update on the status of PRESTO's plans to complete the civil works at the original 26 subway stations.

Recommendations

It is recommended that the Board:

1. Receive the information as set out in the Confidential Attachment;
2. Approve the confidential recommendations as set out in the Confidential Attachment;
3. Not release the information as set out in the Confidential Attachment until any outstanding matter relating to the implementation of the fare gates has been determined or resolved.

Decision History

December 2012 – TTC/Metrolinx Agreement. The TTC entered into the Master E-Fare Collection Outsourcing Agreement (the Agreement), dated Nov. 28, 2012 with Metrolinx to implement the PRESTO farecard system at the TTC. The Agreement includes provisions for Metrolinx to design, procure, build, install, operate, service and maintain the PRESTO farecard system consistent with agreed upon TTC business and performance

requirements. Metrolinx will retain 5.25% of revenue collected by the PRESTO system. The TTC's scope of work within the Agreement includes supporting Metrolinx activities and the overall project management and oversight to ensure the PRESTO farecard system fully meets TTC's business requirements

http://www.metrolinx.com/en/projectsandprograms/presto/presto_reports.aspx

August 2014 – The Board received a status update on the implementation of PRESTO at the TTC. The presentation included a new plan for farelines that would include both fare gates and integrated turnstiles. The presentation identified that 60 fare gates were to be acquired from Metrolinx through a special arrangement between TTC and Metrolinx.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2014/August 19/Agenda/index.jsp](http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2014/August_19/Agenda/index.jsp)

January 2015 - Metrolinx Contract Award. Metrolinx awards contracts to S&B for the design, development, installation and maintenance of three categories of Electronic Fare Management devices.

June 2015 - Board Report provided PRESTO implementation update and discussed changes to station operations that would be supported by installation of fare gates.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2015/June 22/Agenda/index.jsp](http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/June_22/Agenda/index.jsp)

July 2015 – Board Report approved a contract up to a maximum value of \$17.1 million for the purchase of up to 450 fare gates from Scheidt & Bachmann GmbH, including associated implementation work and maintenance. Report also authorized staff to negotiate and execute an acceptable agreement with Scheidt & Bachmann (based on the terms of the Metrolinx Master Agreement) and conditions acceptable to TTC's General Counsel.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2015/July 29/index.jsp](http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/July_29/index.jsp)

May 2016 – Board Report approves issuance of a contract amendment up to a maximum value of \$20.6 million for the purchase of up to an additional 600 fare gates from Scheidt & Bachmann GmbH (S&B), including associated implementation work and maintenance.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2016/May 31/index.jsp](http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2016/May_31/index.jsp)

Accessibility/Equity Matters

The implementation of the new fare gates at subway stations includes two fully accessible aisles at most station entrances. This is an improvement over the previous configuration with turnstiles that typically included a single accessible gate per fareline.

The new fare gates are also wider than TTC's current turnstiles and this will improve the customer experience across the entire subway network and increase accessibility for all customers requiring more space (e.g. customers with small children, walking aids, strollers, bikes etc.).

Comments

The replacement of turnstiles with new fare gates has been identified as a key initiative to TTC's plans to modernize the system and improve the overall customer experience. The implementation of fare gates is important for the overall transition from legacy fare media to the PRESTO electronic fare payment system. It will be challenging to eliminate legacy fare media until such time as fare gates are implemented and other PRESTO self-serve devices are available at all subway entrances.

Further, the completion of fare gate installations will also have an impact on the timing for the TTC being able to remove collectors from booths and introducing Customer Service Agents to TTC customers at subway stations.

It is important that TTC continue to move forward with the implementation of PRESTO for the benefit of customers and the TTC's plans to modernize its customer experience within the subway system.

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