REGIONAL INTEGRATED TICKETING SYSTEM (RITS) UPDATE

1. PURPOSE
1.1. The purpose of this paper is to provide the Committee with an update on the progress of the Regional Integrated Ticketing System (RITS) interim solution as part of the National Ticketing Programme (NTP).

2. EXECUTIVE SUMMARY
2.1. In early 2015, nine Regional Consortium Councils (Regional Consortium) signed up to a management and funding agreement clearly identifying the need for the procurement of a replacement shared on board ticketing solution.

2.2. In June 2016, the NTP Governance Group recommended a strategic approach that included the procurement of a short term (5 years) interim ticketing solution for the Regional Consortium.

2.3. In September 2016 a Request for Pricing (RFP) for the supply and operation of the Regional Consortium Interim solution was advertised on the Government Electronic Tender Service (GETS). The process was the first step in securing a replacement integrated ticketing system for all consortium councils by June 2018.

2.4. On 16 February 2017 the Governance Group endorsed the recommendation of the RFP evaluation team to proceed to negotiation with a preferred supplier.

2.5. In April 2017 the contract was awarded to the preferred supplier being INIT – (Innovation in Traffic Systems), and work has begun to implement the new system for all councils by June 2018.

3. RECOMMENDATION
That the Committee recommends that Council:

a. receives the information contained in Report No. 17-82.

b. notes that the contract has been awarded to the preferred supplier INIT and that implementation of the new ticketing system is scheduled for June 2018.

4. FINANCIAL IMPACT
4.1. There is no direct financial impact as a result of this report. The contract price falls within the budgeted amount in Council's Long Term Plan (LTP) and approval to procure the system has been provided by the Chief Executive under delegated authority. It can be noted that the New Zealand Transport Agency (NZTA) agreed to a 65% Financial Assistance Rate (FAR) with the remaining 35% being split between the nine Councils involved in the project, being pro-rated to the size of their public transport operation.

5. COMMUNITY ENGAGEMENT
5.1. Community engagement is not required as a result of this item. A community strategy will be developed closer to the implementation date assist the public with migration to the new system.
6. SIGNIFICANT BUSINESS RISK

6.1 No significant business risk exists.

7. BACKGROUND

7.1 The existing electronic ticketing systems in the nine Regional Consortium Councils are nearing the end of their technological life cycle, have become unfit for purpose and a replacement solution is urgently needed.

7.2 To maximise value for money, the Regional Consortium came together to jointly procure a single ticketing solution rather than each council securing its own separate system.

7.3 The nine Regional Consortium councils are:
   - Northland Regional Council;
   - Waikato Regional Council;
   - Bay of Plenty Regional Council;
   - Horizons Regional Council;
   - Hawkes Bay Regional Council;
   - Taranaki Regional Council;
   - Nelson City Council;
   - Otago Regional Council;
   - Invercargill City Council.

7.4 The Regional Consortium has been looking for an interim no-frills tried and tested ticketing system to minimise cost and risk, and has sought a vendor that will have support, a proven operating capability and use a proven technology solution able to be implemented with minimal disruption. To accomplish this as quickly as possible, the Regional Consortium used a closed tender invitation to current New Zealand ticketing system suppliers.

7.5 The Interim RITS solution has been sought to provide these key benefits:
   - Improved customer experience (including online top-up and card management);
   - Enhanced revenue collection and security;
   - Tag on and Tag off functionality;
   - Enhanced reporting and monitoring enabling efficient and effective network planning;
   - Ease of operational management;
   - Enhanced fare and product configuration capability.

7.6 It is anticipated that RITS will be in operation for a minimum period of five years or until a transition to a future NTP solution represents value for money. Appropriate governance, contract management and operating model is being finalised and will be put in place for the interim solution to support the Regional Consortium and its individual council members until that time.

8. DISCUSSION

8.1 As noted above, the existing electronic ticketing systems in the Regional Consortium are nearing the end of their technological life cycle and have become not fit for purpose. The current ticketing equipment is experiencing significant operational failures, offers no online top up, has suffered some fraudulent activity and presents a significant supplier risk.

8.2 Following a tender process and evaluation of supplier proposals, a supplier was recently appointed. The supplier contract has been awarded to INIT, an international transport technology provider with 30+ years experience in ticketing and transport solutions.
worldwide. The link to the company’s webpage can be found here http://www.initag.com/en/index.php.

8.3. In April 2017, all Regional Consortium councils signed a Funding and Management Agreement for the implementation and operation of the RITS. As noted NZTA are funding 65% of the RITS cost with the remaining 35% being shared between the Councils. Horizons’ share of this is 6.5%. The cost apportionment is addressed in the Funding and Management Agreement.

8.4. For Horizons it will mean that all buses operating within the region will have their ticketing systems upgraded to provide a more efficient and customer friendly service (note this does not apply to van operated services such as Raetihi to Ohakune and Taihape to Whanganui/Palmerston North).

8.5. The new system will provide the ability to track where passengers are getting on and off buses which will assist with network planning to better meet customer needs. Other features include passengers being able to check their balances and top-up the credit on their cards online, and they’ll be able to use their card in the nine regions where this new system is being installed.

8.6. Lastly, work is also underway with Massey University to look to integrate their student IDs with the new system travel card.

9. TIMELINE/NEXT STEPS

9.1 Officers have begun working with other consortium councils and with INIT to prepare for implementation by June 2018. A work programme is being developed and later in the year staff will be in a position to provide the committee with more detailed information on the new ticketing system.

10. SIGNIFICANCE

10.1. There is not a significant decision according to the Council's Policy on Significance and Engagement.

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ANNEXES

There are no attachments for this report.