

Memorandum

TO: Fox Cities Transit Commission, City of Appleton Common Council

FROM: Ron McDonald, General Manager

DATE: November 7, 2024

RE: Award Recommendation for WisGO Fare Collection System

BACKGROUND

Valley Transit’s fixed-route bus service implemented its first electronic fare collection system in 2010. The system, manufactured by Genfare, consisted of onboard fareboxes, cashbox vault system, ticket vending machine and software. The farebox featured acceptance of magstripe fare media using paper tickets, plastic tickets and institutional ID cards.

This proprietary system is now outdated and requires full replacement. The farebox model used by Valley Transit was discontinued by the vendor in 2022 and software releases are scheduled to end in 2025. Furthermore, magstripe fare media is outdated, limited in functionality and expensive to maintain.

In preparation for this transition, Valley Transit budgeted for the replacement of the Genfare system in 2024. Staff also researched modern fare collection systems, which offer riders contactless fare payments using a smart phone app or smart card. The next fare collection system would also enable a future rollout of open loop payments (debit card, Apple pay, Google pay, etc).

ANALYSIS

In 2023, Milwaukee County Transit System (MCTS) launched a modern fare collection system provided by a vendor called Cubic/UMO (San Diego, CA). In addition to launching the system for their riders, it was strategically designed as a regional fare collection solution. The awarded contract allows other Wisconsin transit systems to utilize the same system and partner via an intergovernmental agreement.

MCTS’s regional fare collection system was branded “WisGO.” It allows each rider to pay their fare using a reloadable smart card or a smart phone app. The system hardware includes a small onboard validator that scans the rider’s fare media when boarding. After scanning their device or card on the bus, a fare is deducted from the rider’s account. The system is account-based, which means riders load & store value in their own account. Riders can view their account online, with the WisGO app or by contacting the transit system. Account balances are also displayed to the rider during each boarding by the validator. Riders pay as they go and benefit from fare capping. Fare capping essentially means there is a daily, weekly and monthly fare limit. When the rider surpasses the fare cap, any additional rides are free. Riders no longer need to purchase day or monthly passes to access discounts.

Under WisGO, Valley Transit’s fare cap would be established to match our current fare structure as shown below. Fare capping is a great benefit to riders and is more equitable than the current fare system. Riders always get the best price possible, and transfers are still free.

Adult (\$2 cash fare)

Period	Current Fare	Fare Cap
Day	\$4	\$4
Weekly	n/a	\$20
Month	\$60	\$60

Reduced (\$1 cash fare)

Period	Current Fare	Fare Cap
Day	\$4	\$4
Weekly	n/a	\$20
Month	\$40	\$40

The WisGO fare system would also allow Valley Transit to continue revenue agreements with outside entities, like FVTC, Lawrence University, AASD or other interested organizations. These riders would have their organization's discount applied to their account and allow them to ride using their phone or assigned smart card.

Riders with the smart phone app can load value within the app or through a website. For riders that don't have access to the internet or a smart phone, WisGO includes a network of retail locations in the Fox Cities that are able to reload value on smart cards with cash or card. Utilizing the established InComm Retail Network, local Walgreens and CVS locations are already set up for riders to add value to their smart card. Existing pass outlets and organizations can also be added by Valley Transit to the network using the WisGO merchant portal.

In addition to fare payment, the WisGO app includes other features to benefit riders. The app will provide the user's ride history, fund balance, mapping and trip planning.

The WisGO package meets all fare payment system specifications required by Valley Transit. Beyond MCTS, other current WisGO partnering transit systems includes Oshkosh, Waukesha, Racine and Beloit. The account-based system comes with back-end software to manage all user accounts and provide detailed revenue and ridership data to replace the same reporting provided by the current fare collection system.

For more information about MCTS's WisGO system, visit: <https://www.ridemcts.com/fares>

Valley Transit will continue to maintain a cash payment option onboard buses. The existing fareboxes and fare media will operate in parallel to the WisGO system. However, the legacy system and sales/acceptance of current fare media will eventually sunset (date TBD) after an ample advanced notice to riders and the communities served.

FISCAL IMPACT

The project will have a total year-one fiscal impact of \$153,305. This amount includes system set-up, equipment costs, and a \$32,585 annual system fee (software maintenance and transaction fees). Valley Transit requests an additional 10% contingency for unknown costs expected during implementation. This brings the total year-one project cost to \$168,636.

Existing federal grants would cover 80% of the system set-up and capital costs. The remaining cost would be expensed from Valley Transit's annual budget. The intergovernmental agreement has an initial term of twenty-four (24) months with two successive one-year renewals. Ongoing annual system fees in contract years 2-4 will be included in Valley Transit's annual budget. These operating expenses are paid for by State and Federal grants (60%) and local share (40%).

RECOMMENDATION

Staff recommends authorization for Valley Transit to enter into an intergovernmental agreement with Milwaukee County Transit System to purchase the WisGO fare collection system.