Contract Award for Consulting Engagement for the Universal Payment Processing Platform (UP3) Feasibility Study

Committee-of-the-Whole
July 9, 2019

Tina Morch-Pierre
AVP, Payments and Statistical Reporting

Stephanie Schuchert
Senior Project Manager
Recommendation

• Approval of a resolution authorizing the President/Executive Director or his designee to award a three-month contract for a consulting engagement with KPMG LLP to conduct a feasibility study exploring the expansion of the GoPass mobile application for a total authorized amount not to exceed $673,801.
## Evolution of GoPass

To transform the DART customer experience:

### Challenges

- Ticket Vending Machines and Fareboxes were not user friendly point of sale devices
- Cash handling was less desirable for both the rider and the agency
- High attendance to events were a cause for frustration
- Trip planning, status data on bus and train schedules, information on fares scattered among websites
  - Other companies were making it easier to engage with their brands

### Objectives

- Make the purchase simple and stress free
- Meet the evolving lifestyle of customers through technology
- Increase convenience, reduce congestion of the platforms, and improve customer experience
- Create an integrated set of functionalities that include ticketing, information, and venue promotions
Why Mobile First?

• A Concept of Operations document was developed with LTK in 2011, which examined the DART’s current system fare collection system, limitations, and the availability of other technologies and approaches
  – Explored open architecture, payment trends in transit and DART goals
  – Outlined procurement and implementation approaches
  – Utilized a phased, structured deployment for an orderly transition to provide a strategic customer service improvement in the short term

• Providing a mobile ticketing application proved to be the best solution for DART and our riders:
  – Provided a short term solution to offset the challenges with fare collection
  – Substantially less investment than procuring a smart card solution
  – Allowed riders to use “Where’s my Bus” & “Where’s my Train”, purchase transit tickets and see events around town in one application
Top Cultural Trends

- Consumer trends are impacting how DART engages with the community

Source: Frost & Sullivan Top 20 Global Mega Trends and Their Impact on Business, Cultures and Society
GoPass Journey

GoPass 1.0
- Ticketing
- Trip planning
- Special events and offers

GoPass 2.0
- Real time
- Cash to mobile
- Fare capping
- Apple Pay
- GoPass Wallet

GoPass 3.0
- Multimodal
- Microtransit
- UberPool
- Bird
- Rideshare choices

Deep Linking
- Uber
- Lyft
- Zipcar

FTA Grant Recipient


Admission tickets
- State Fair of Texas
- Zoo
- CFC
- NCAA

Introduced Corporate and University passes
MaaS - ROADMAP OBJECTIVES

**FY 2019**

**Integrations**
- Uber full integration
- “See Something” integration
- Google Pay
- Real-time trip planning improvements
- Governance structure

**Functional needs:** On-demand for persons with disabilities, single payment acceptance, continued multi-modal integrations, add other agencies, safety/security integration

**FY 2020**

**Technology Improvements**
- Paratransit on-demand
- Tap & App integration (Phase 1 & 2)
- New trip planner
- Robust Analytic Tool
- 511/DFW integration
- Micromobility Full integrations
- Routematch Integration - TAP Taxi Subsidy - Microtransit
- AV & Mobility hub planning

**Functional needs:** Trip planning enhancements, traffic management, solutions for non-smartphone users, continued third-party integrations, automated vehicle planning

**FY 2021**

**Machine Learning**
- 5G technology
- Blockchain
- Real-Time Payments
- Interoperability with other agencies’ platforms
- AV business modeling
- Mobility behavior study
- Mobility hub design & build infrastructure

**Functional needs:** Automated vehicles design/pilot, blockchain, air travel, mobility studies, interoperability with other agencies’ platforms

**FY 2022**

**Process Redesign**
- Infrastructure changes platform/transit facilities
- Operator/admin personnel planning (AV)
- Contract considerations

**Functional needs:** Infrastructure to support automated vehicles & air taxi changes, resource planning and contractual considerations

*Mobility as a Service Initiative (5/2019)*
GoPass Expansion Benefits

- Overall improved and ubiquitous customer user experience:
  - Allows customers in other regional and national locations to use the app with the same look and feel they are used to seeing;
  - Promotes ease of use of the app for customers and interoperability when traveling to other locations
  - Added Mobility as a Service options provide additional transit options and choices to meet customer needs
    - Transfers for first and last mile options seamless through the use of APIs
  - Payment for all services processed in one app with settlement automatically taking place with all involved parties in the back end.
GoPass Expansion Opportunity

• Well received by customers in the DFW region;
• Recognized in the industry for both innovation and service;
• A number of regional and national transit agencies have inquired if DART could make the platform available to additional participants:
  ▪ Requests include the ability to utilize GoPass in their respective service areas to provide:
    o Mobile ticketing functionality;
    o Real-time trip planning; and
    o Mobility as a Service options.
Feasibility Study

- DART issued a request for proposals to conduct a feasibility study to provide the following:
  - Advise DART on the feasibility of the GoPass mobile app national platform value proposition;
  - Create the business case and conduct the market research required to determine if GoPass can be scaled up to the national level;
  - If feasible, develop a product roadmap for the agency to include the framework and direction required as well as the process for determining pricing and a go-to-market strategy.
Procurement Process

- Request for Qualifications (RFQ) issued on January 25, 2019:
  - 4 responses received
- Request for Proposal (RFP) issued to 2 firms on March 8, 2019:
  - 1 proposal received
- Vendor Selected:
  - KPMG LLP
- The pricing was determined to be fair and reasonable, and this firm is recommended for award.
Contract Details

- Term of Contract – 90 days
- Task Order Driven Contract:
  - The contract consists of three independent task orders:
    - Task Order 1:
      ▪ Product & Market Feasibility
    - Task Order 2:
      ▪ Organizational & Financial
    - Task Order 3:
      ▪ Technical Review & Analysis
Task Order #1
Product & Market Feasibility

- Market appetite for GoPass expansion;
- Advise the agency on how/if the expansion of GoPass will succeed in the market;
- Identify potential problems or risks and any barriers to entry;
- Provide recommendations on how to best position the GoPass expansion for the market.
Task Order #2
Organizational & Financial Feasibility

• Focus will be on the suitability of DART’s organizational structure and finances with the GoPass expansion as an active product in its portfolio.
  – It will research the current organization, identify risks and present recommendations for a future state organization or business model;
  – It will provide a description of current business structure, organizational structure, internal and external principles/practices of the business as well as professional skills and make recommendations for a business structure to support the expansion of GoPass;
  – From a financial perspective, it will identify any capital requirements, sources, potential ROI and on-going operating expenses.
Task Order #3
Technical Review and Analysis

- This will help DART determine from an overall technology perspective the feasibility of the GoPass expansion utilizing the existing framework of our GoPass platform.
  - This review will analyze the current state features and configuration against the future vision of the GoPass expansion and provide recommendations about whether the current platform can operate as is or identify gaps that need to be addressed.
## Contract Pricing

<table>
<thead>
<tr>
<th>Task Order</th>
<th>Description</th>
<th>Extended Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Product &amp; Market Feasibility</td>
<td>$234,858</td>
</tr>
<tr>
<td>2</td>
<td>Organizational &amp; Financial Feasibility</td>
<td>$162,264</td>
</tr>
<tr>
<td>3</td>
<td>Technical Feasibility</td>
<td>$201,679</td>
</tr>
<tr>
<td></td>
<td>Travel Allowance</td>
<td>$75,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total Contract Price</strong></td>
<td><strong>$673,801</strong></td>
</tr>
</tbody>
</table>
Recommendation

- Approval of a resolution authorizing the President/Executive Director or his designee to award a three-month contract for a consulting engagement with KPMG LLP to conduct a feasibility study exploring the expansion of the GoPass mobile application for a total authorized amount not to exceed $673,801.
QUESTIONS