

Transport Ticketing 2024

Procurement of the Future Public Transport Ticketing (PTT) Program



Department
of Transport
and Planning

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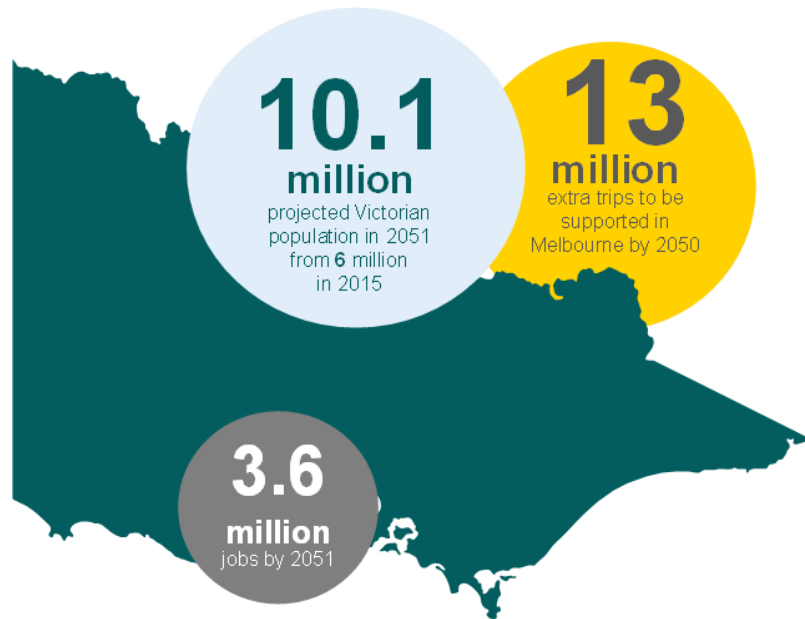
Agenda

- This presentation describes the Victorian Government's priorities in transport and the outcomes that were sought from the procurement
- This session will describe the technology and procurement strategy of Victoria's Department of Transport and Planning for the delivery of a new Account Based Ticketing System across the State.
- Explore some aspects of the procurement design, structure and its implementation.
- Share some of the lessons learnt
- Provide a very brief update on how the ticketing program is progressing



Victorian Government Priorities & Procurement Outcomes Sought

Victoria's population and its transport infrastructure is growing. The Ticketing System needs to support this and make public transport travel across the network easier and more convenient.



The demographic challenge for the Victorian transport network:

- 10.1M projected Victorian population by 2051
- 5.2M projected Victorian jobs by 2051
- 11.4M extra motorised trips (car and PT) supported in Victoria by 2051
- 1.1M extra trips public transport supported in Greater Melbourne by 2051



Plan Melbourne is a long-term plan to accommodate Melbourne's future growth in population and employment



It aims to create **20-minute neighbourhoods** with good access to public transport and services and improved local travel options



Recommendations of the **30 Year Infrastructure Strategy** include public transport enhancement, with open access ticketing platforms, improved accessibility, and steering changes in travel behaviour

The delivery of new customer features for the myki system is a key initiative of the Department

The PTT Program aims to meet customers' expectations, the challenges of the transport network, a more efficient way to collect ~\$13 billion in fare revenues over the life of the contract, whilst unlocking additional benefits.

Future Public Transport Ticketing Program is a key initiative under Focus Area #3

THE DEPARTMENT'S STRATEGIC PLAN 2022-2026 HAS SEVEN FOCUS AREAS AND 27 STRATEGIC PRIORITIES



1. SAFE JOURNEYS FOR ALL

Operate a transport system that is safe and inclusive, and inspires confidence for all journeys and users.



2. NEW TRAVEL PATTERNS AND PLACES

Deliver a people-focused system that enhances communities with sustainable new travel patterns, public and active transport and shared mobility services.



3. ADVANCE TECHNOLOGY AND ASSETS

Leverage new technologies and optimise the performance of transport system assets.



4. SERVICE AND NETWORK REFORMS

Maximise and reform how transport policy, plans, infrastructure and services deliver social outcomes and drive economic recovery.



5. ENVIRONMENTAL SUSTAINABILITY

The transport network is public space that contributes to healthy, sustainable and liveable communities.



6. INNOVATION THROUGH ENGAGEMENT

Strengthen industry and community partnerships to test, trial and rapidly deploy improvements.



7. EMPOWER OUR PEOPLE

Be a diverse, adaptable and connected workforce, empowered to deliver simple, safe, connected journeys.

With the expiry of the current contract in Nov 2023, the PTT Program was developed to ensure Victoria's ticketing system is fit for purpose for over 15 years

PTT VISION

To deliver a solution which is **accessible and equitable** for all Victorians, **innovates** into the future, and is **flexible** to change.

PTT PRIORITIES



1. Flexibility and agility



2. Value for Money



3. Future-proofing



4. Performance and usage insights

DIRECT BENEFITS



Improved customer experience



Reduced operating costs



Attracts new customers to the network



Supports agile decision making



Improved transport data analytics



Future proofs the solution for emerging technologies



CUSTOMER

- Elevates the experience
- Reduces travel costs
- Provides peace of mind
- Saves time and effort
- Provides flexibility



PUBLIC

- Purposeful spaces
- Improved cost efficiency
- Environmental
- Social inclusiveness
- Health & safety



GOVERNMENT

- Departmental reputation
- Operating efficiency
- Financial impact

Upgrade to the myki system for customers

Customers will be able to pay from their own online account using their choice of payment devices, providing more flexibility and accessibility to manage journeys across the network

Back office

Account Based Back Office; provide real time data capability



Future Public Transport Ticketing Program

Mobile App

Customer Mobile App will allow customers to access and manage their account at any time



Sales channels

The PTT system will support sales across a mix of on-system, retail and digital channels



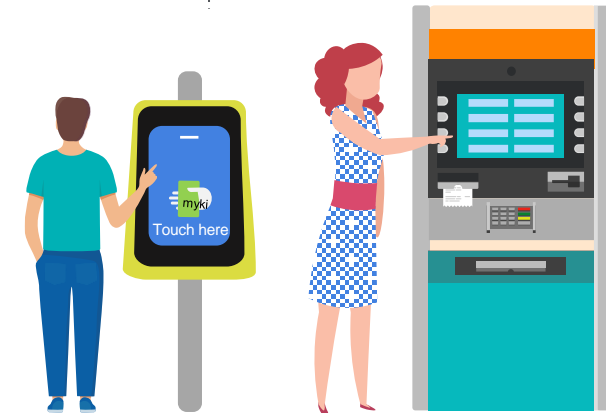
Payment options

Passengers will be able to use additional (to myki) and multiple payment options to tap on and off the network



Readers, Operator Devices

Devices integrated with the PTT system will be future proofed to enable the introduction of QR codes and other payment tokens on the network



Key features of new ABT ticketing solution

Unlocks a range of additional convenient additional ways to pay

- In addition to existing myki products
- 'Tap and go' credit and debit card payments
- Google and Apple Pay, digital watches
- QR code tickets for single use tickets, events, etc.

Upgrades to new, modern ticket readers across the network, including regional Victoria

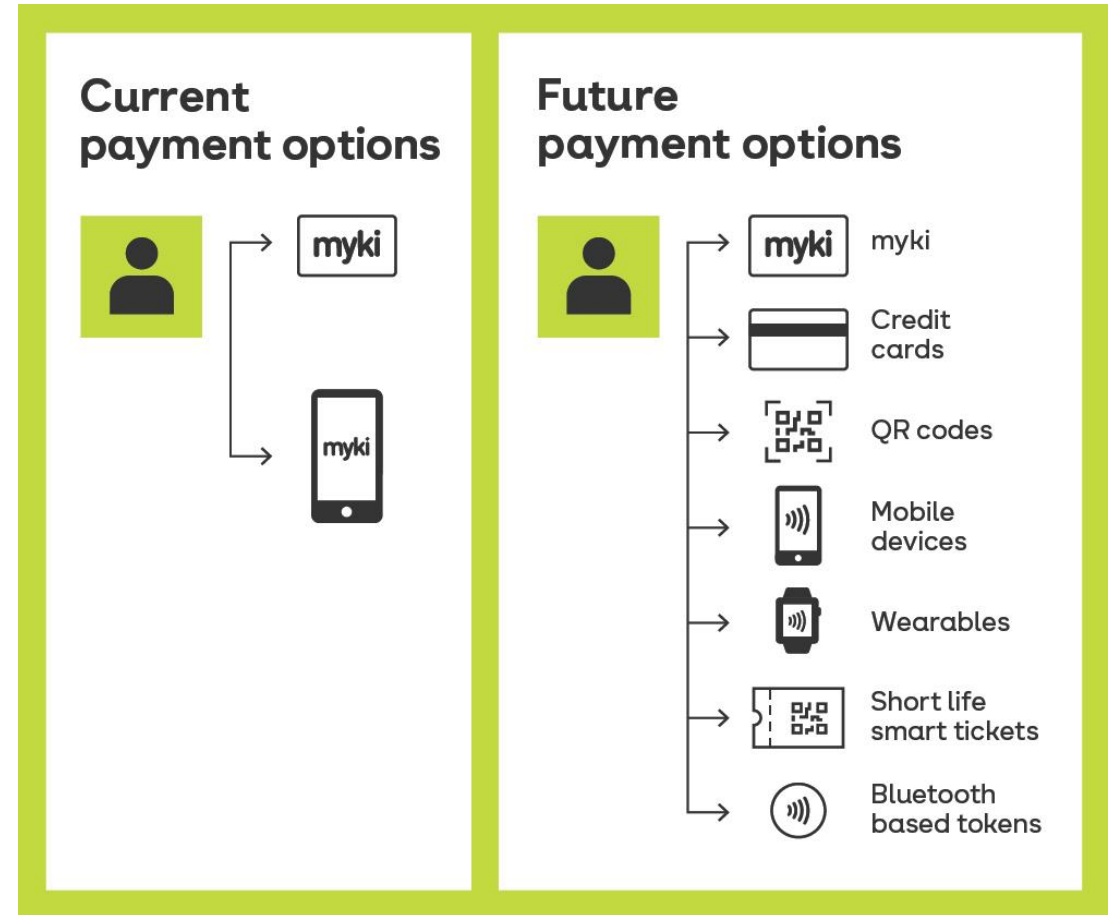
- Holistic, progressive network-wide asset refresh
- Uniform customer experience, fully certified solution
- Integration with Major Project rollout – 'Big Build'

Enhanced, cloud-based ticketing experience for customers

- Choice of multiple tokens (data in back-office, not in the transit card)
- Less risk of losing your balance when you misplace your myki card

Easier facilitation of real-time Concession entitlement validation

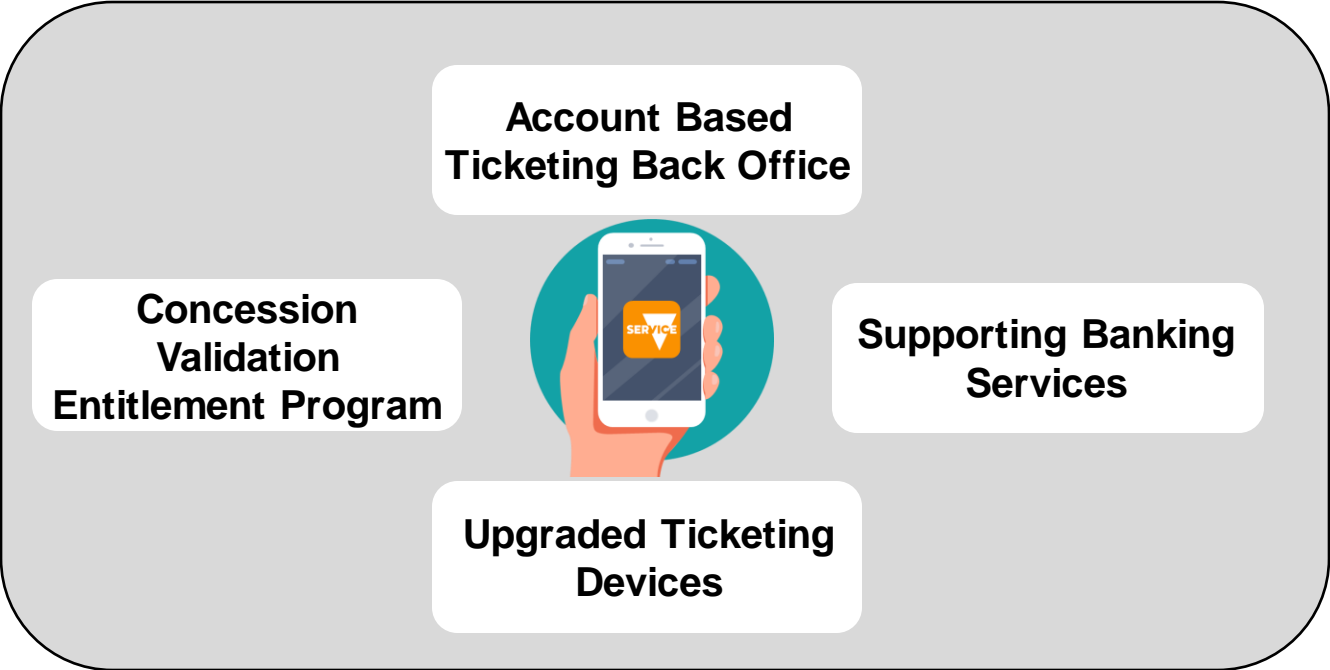
- Allows eligible customers to opt for credit/debit card payments for concession fares



A multi-faceted ticketing procurement & delivery program for Victoria

Upgraded Customer Channels

Big Build Integration



Data Strategy

Customer Strategy



Procurement design & implementation

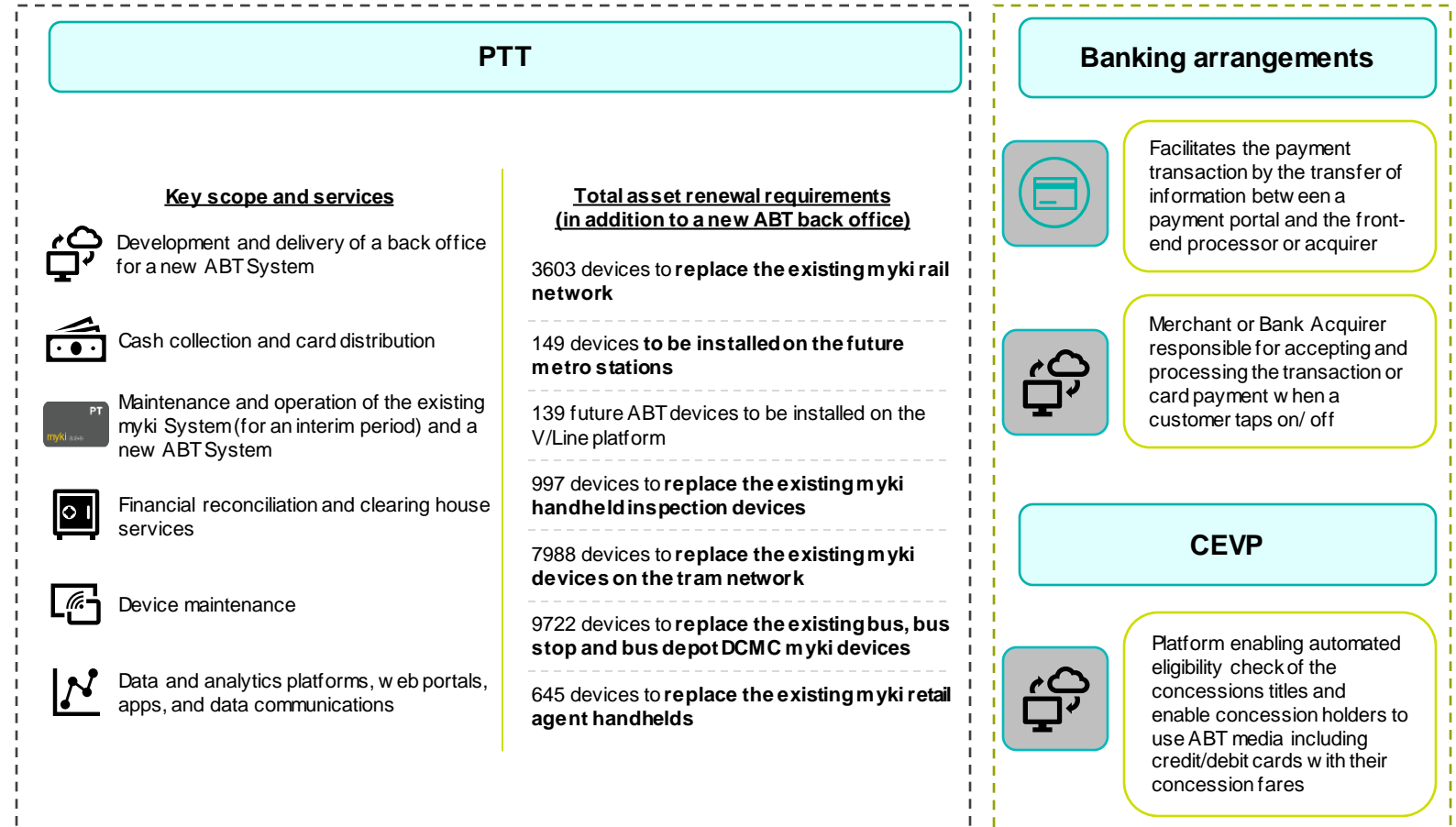
Procurement Scope

The PTT Team has managed three separate procurements, the Core PTT, the Concession Entitlement Validation Platform (CEVP) and Banking Arrangements, to deliver the State's vision and core objectives for the future of ticketing in Victoria.

The proposed operating and service models was developed to **utilise the innovation and capability of the market, while maintaining the required level of central control and oversight of the ticketing system.**

The scope has multiple components, such as:

- build component for the new ABT System
- operation of legacy myki system
- operation of new ABT system (once build is complete).



Overview of the PTT Procurement Process

Market Sounding

- More than 30 leading providers of ticketing system and new technologies
- Gained understanding of market capability
- Received feedback on commercial and financial considerations



Feb 2021

EOI & Interactive Workshop Phase

- Receipt of EOIs from consortia
- Shortlist participated in an Interactive Workshop Process (IWP).
- IWP maximised the alignment of State's requirements with the marketplace ahead of the RFP.



Nov 2021 – Mid 2022

RFP Phase

- Shortlisted parties from EOI
- Received fully priced, detailed and binding proposals.
- Further interactive workshops
- Evaluation of Proposals
- Selection of Preferred Respondent.



Mid 22 – May 2023

Contract Award

Three work packages awarded:

- 1) **Core PTT Solution and Services**
- 2) **Banking Services**
- 3) **Concession Entitlement Validation Platform**



May 2023



Transition & Lessons Learnt

Lessons learnt Procurement – General

- Manage your timelines – ensure Government support.
- Don't under-estimate the resources you need and how hard it will be to find the right ones and then mobilise them.
- Agencies will want the procurement to solve all their problems – internal scope has to be managed carefully and enabling projects (major built, retail, applications, etc.) should be fully considered.
- Unsuccessful bidders will often consider and lodge complaints about the process – have effective processes and probity advice through-out the duration of the procurement

Lessons Learnt – Transition of Supplier

Dealing effectively with incumbency in a ticketing procurement is quite important.

- Create a level playing field.
- Make sure your existing contract has sufficient obligations for incumbent to provide effective information, novation of sub-contracts, transfer of employees and rights to the current core solution.
- Look at your supplier's transition obligations well ahead of procurement.
- Effective & Comprehensive due diligence (available to all bidders)
 - Full suite of technical and operational documentation
 - Legal & Commercial review of all sub-contracts and other third-party arrangements
 - Performance metrics
 - Operational processes, plans and procedures
- You will need an effective internal transition management team (they will be busy).
- The relationship for ensured support and collaboration with an unsuccessful predecessor service provide will have to be anticipated and actively managed.

Procurement to Delivery - Transition & ABT Build

A successful procurement does not always lead to a successful delivery, but an unsuccessful procurement never leads to a successful delivery.

Transition

Contract execution occurred on 15th May 2023. The new service provider took control **successfully** of the entire ticketing system on 1st December 2023.

- No service disruptions on transition and the system continue to be stable.
- Massive effort from both the supplier and internal transition team to make this a success.
- No other jurisdiction of this size in recent history has managed to successfully transition from an incumbent supplier to a new supplier of the incumbent's legacy system.

Delivery of ABT System

The mobilisation of effort and resources for the design and build phase of the ABT program continues to require constant effort from both parties. You need to anticipate and address key risks and challenges:

- Build opportunities for much greater customer and operators testing of proposed devices
- Clear Communications protocols in place both externally and between the supplier and Government
- Plan for more trials and pilots – OP trials to start in 2024 in Victoria.



Thank you

For further information visit:
www.ptv.vic.gov.au/mykiupgrade