

# Request for Information

## Utah Transit Authority – Electronic Fare Collection

### Account Management and Payment Processing via a Program Manager

December 2, 2011

The Utah Transit Authority launched its electronic fare collection system (EFC) in January of 2009. It is the first full transit system fare collection deployment that accepts contactless open payment instruments – bank issued credit and debit cards including the MasterCard PayPass, Visa PayWave, American Express ExpressPay and Discover Zip brands – directly at the farebox and rail platform entry points. It is an account based system where fare calculations take place in the back office. It is a check-in/check-out or tap-on/tap-off system requiring patrons to tap their cards upon both entry and exit for each trip. The first two fare products for the system include (1) acceptance of bank issued contactless cards (BICC) for a full adult fare, including transfers, with transactions authorized and settled at the completion of each trip and (2) accounting for trips taken using third party issued contactless cards (TPICC) that constitute yearly or seasonal passes issued by employer (ECO Pass), school (Ed Pass) and ski resort (Ski Pass) partners.

UTA is considering in its next phase for electronic fare collection to move all of its fares to a pay per trip, distance based fare model. This would be accompanied by making available prepaid, post paid and pay-as-you-go products to cover all of UTA's customer market segments. All payment media would comply with open payment card, processing and security standards. All products and customer accounts would be administered by a Program Manager that excels in payment processing and prepaid card programs in the U.S. Based on its experience to date, UTA would own and operate prepayment processing or middle-ware that would turn taps to distance based trips and calculate the distance based full fare for each passenger trip. UTA would then pass that trip/fare data to a Program Manager to perform account management and payment processing functions. This includes application of passenger qualified discounts; transaction settlement against prepaid, post-paid or pay as you go open payment accounts; customer service; media issuance services and/or support; configuration management; and a data mart. The UTA middle-ware would also obtain account authentication data from the Program Manager for use by the real-time validation server that determines card acceptance/rejection at the validator.

This Request for Information (RFI) presents UTA's operational concept for this new developmental phase, seeks answers to a number of technical and business questions, and requests submission of information from interested parties that will aid the agency in developing a Request for Proposal (RFP) that would be the basis for a competitive negotiation in the selection of one or more partners to perform the Program Manager functions described above.

UTA therefore requests information and/or expressions of interest from potential partners, contractors or participants in this new program. UTA's purpose in advertising this RFI is primarily to generate the informal discussions, conversations and information gathering to help UTA access their options and opportunities in the development of a distance based fare collection system. Not responding to this RFI shall not preclude firms from participation in the procurement phase that is anticipated to be conducted in the near future, however submissions will be very important in shaping the final requirements or the RFP.

Responses to this initial Request for Information and Expressions of Interest should be received by UTA not later than **December 23, 2011**.

UTA encourages responses to this RFI by email. Responses should be sent to Craig Roberts in UTA's Technology Office at [croberts@rideuta.com](mailto:croberts@rideuta.com). Please put "UTA EFC Program Manager RFI" in the subject field of the email. Also please be sure to include full contact information (name, address, phone, fax, email and web site) for your organization regarding this matter.

Hard copy responses may be submitted: c/o Craig Roberts, Technology Development Manager, Utah Transit Authority, 699 West 200 South, Salt Lake City, UT 84101.

UTA encourages informal discussions regarding the subject matter of this RFI prior to and in addition to written submissions. This may be undertaken through discussions at UTA or by telephone. Arrangements for such may be made through Beth Wavrek at 801-287-2430 or [bwavrek@rideuta.com](mailto:bwavrek@rideuta.com) or Craig Roberts at 801-287 2218 or [croberts@rideuta.com](mailto:croberts@rideuta.com).

## **1. Media**

UTA would use open payment standard cards for all transactions. UTA's current system accepts many contactless cards for pass products. Validators read the chip unique identifier (UID) on ISO 14443 or 15693 standard cards and compare it with a "cold" list of cards that are to be accepted by the system. This has worked well for the essential function of passenger counting. It has allowed UTA to accept a variety of inexpensive cards along with cards issued by partners for other uses such as access and identity. These cards do not provide a security handshake, are vulnerable to counterfeiting with NFC or other mobile devices, and are not appropriate for use in decrementing against stored value or prepaid accounts. UTA desires to rely on open industry standards for its pay per trip architecture and feels that open payment standards offer a proven and secure standard. UTA is willing, however, to consider acceptance of other secure contactless media, but is unwilling to be responsible for development costs or licensing fees.

## **2. Program Manager**

UTA desires to utilize a single partner/contractor as a Program Manager that excels in

payment processing and prepaid card programs in the U.S to manage all card products and account functions.

### 3. Fare Categories

UTA anticipates collecting in excess of 95% of all of its fares through the product categories listed below, the remainder being acceptance of cash via fareboxes on buses and ticket vending machines for trains.

- a. **Bank issued contactless card (BICC) pay as you go (PAYG) (cleared in open payment networks)** – UTA currently has this product with fare calculation and payment processing handled by MetraNet software linked to an acquirer payment gateway. Under its new approach, UTA would prefer that the all account management and payment processing activities take place through the Program Manager. The Program Manager should have maximum control of Payment Card Industry Data Security Standard compliance. The Program Manager should be able to manage and benefit the business arrangements with the payment brands for such factors as aggregation, real time vs. near real time vs. batch authorization or settlement, and negotiation of acquiring fees.
- b. **Prepaid card distribution and reloading networks through local merchants** – UTA envisions replacement of all of its monthly passes sold through grocery stores and migration of a large majority of its cash paying customers to a UTA branded prepaid product distributed through almost every convenience, grocery and general big box store in its service area. Ideally an outlet for such media would be available within a quarter mile of every bus and rail stop. This product would be produced, distributed, supported, sold, activated and revalued through retail merchant networks managed by the Program Manager. The revaluing network could also be used for adding value to the accounts of cards distributed under fare category 3d. and perhaps 3c. Customers should also be able to order prepaid cards and revalue them and other prepaid products through Program Manager administered web site.
- c. **Third party sponsored prepaid or postpaid card program (replacing ECO, ED, and Ski Passes)** – Currently, half of UTA ridership and a third of its revenue is generated through the ECO, Ed and Ski pass programs. Two alternatives for migration of these programs to distance based/pay per trip charging are being considered:
  - (1) Distribution of cards by each third party institution with post paid invoicing to each periodically (monthly or quarterly). Institutions would be billed on the basis of the distance based trips taken by its constituents per UTA standard rates with perhaps a discount and with a cap (either per card or per institution) after which cards would be deactivated. The program manager would provide cards and web based applications for institution card issuance, management, customer service and invoicing. *What complications would this create with regard to current prepaid program business models and*

*processes?*

- (2) Distribution of individual account prepaid cards by the third party institution. Card distribution, account management and revaluing would take place analogous to retail merchant issuance in 3b. There may be a discount for students.
- d. **Discounted fare card with picture IDs and certification administered by UTA** – Pursuant to federal mandate, UTA provides transit service at half its standard fares to disabled and senior citizens. A program is envisioned wherein program eligibility determination and issuance of picture ID cards with the contactless payment application will take place at UTA staffed service centers. Prepaid value would be associated with each card and the discount against a regular fare would be applied by the Program Manager in its back office. UTA is considering an option wherein seniors might be able to register for their discount to be associated with another instrument (BICC or prepaid general card) and a requirement to have proof of age documentation if requested by a bus driver or rail inspector. *Do you have experience in designing or administering such a program? How would you suggest we set it up?*
- e. **Registered prepaid accounts with BICC cards** – Customers with bank issued contactless cards should be able to register their cards with the Program Manager to create a prepaid account. The bank card would be used for transit payment but the charge would be decremented against the prepaid account. When the prepaid account is depleted, (1) auto-reload could occur as authorized against the underlying bank credit or debit account associated with the card, (2) email notice of low account balance would go to the customer inviting him/her to reload the account, or (3) payment would revert to a pay-as-you-go basis. It is assumed that transaction costs for the prepaid account would be less than the interchange/transaction fees associated with pay-as-you-go. A price advantage to the customer would be given for prepaid vs. pay-as-you-go modes. *Is there a problem with approach associated with open payment brand rules, administration of dynamic cvv/cvc security or for other reasons?*
- f. **Platform prepaid contactless card vending machines** – UTA currently has Ready Credit contactless prepaid card dispensing machines or kiosks on two of its platforms. We are considering placement of such media dispensing machines on all of our rail platforms. *What should be the business model for placement and operation of such machines? Can or should our existing ticket vending machines be retrofit to perform this function?*
- g. **Acceptance of Work Force Services (WFS) One Card and billing thereto** – The Utah Department of Work Force Services is in the process of consolidating all state administered benefits through a single payment card administered in partnership with JP Morgan/Chase. UTA is in discussions regarding inclusion of the open payment standard contactless interface into these cards. If this is

successful, such cards would be used for payment of transit trips in the UTA system and the charges for such trips would be passed on by the Program Manager to the state's payment processor.

- h. **UTA employee and dependant cards** – UTA has distributed contactless cards to all employees, their dependants and retirees. UTA may need to replace these cards with open payment standard cards and would rely on the Program Manager to support such an effort.

#### **4. Customer Service**

The Program Manager will provide customer service for all products and payment processing that it manages. This will include a web site and call center. Concerns regarding charges, trips than have been made, account balance, value loading and auto-reloading should be addressed. *What other customer service functions should be included or not included?*

#### **5. Projected Functions and Architecture**

The Account Management Program Manager would be responsible for:

- Product Configuration & Management to maintain transit products and discount rules.
- Prepaid Card Distribution & Card Fulfillment to distribute cards to retail sales channels, institutions, and/or patrons.
- Settlement API & Processing to apply discounts to fare transactions, and provide ability to settle closed loop cards and open loop cards.
- Card Valuation Network to initialize and/or reload value on account cards through multiple channels (Brick and Mortar / Web).
- Account Management & Access to maintain institution accounts and individual patron card accounts, as well as provide access to institution data and/or patron level data.
- Technical Interfaces to UTA Electronic Fare Collection (EFC) System for fare settlement, account authorization, and data warehousing.
- Patron Account Management tools for viewing a patrons account balance, reloading cards, and view account activity.

Attachment 1 is a visual overview of the proposed architecture.

Each functional area, with questions for each area, is described in further detail in Attachment 2. Such questions are consolidated in a table at the end of the attachment.

#### **6. Payment as a Service**

UTA may be willing to consider combining the Program Manager and “middleware” taps to trips, distance calculation and distance based fare calculation functions into a “payment as a service” framework. *We invite comments regarding this concept. We*

*also invite comments regarding different allocations of responsibilities than the functional description and architecture described in item 5 above and attachments 1 and 2.*

**7. Program Manager Compensation**

*What would be the most appropriate compensation business model for the Program Manager to develop and administer this program?*

*Please comment on the following framework:*

- a. Development activities of the Program Manager system would be based on a proposed fixed price tied to the achievement of measurable performance milestones with accompanying incentives and/or penalties.
- b. Charges for processing transactions by the Program Manager would be based on a transaction fee or per cent discount model for each product – for example, the program manager might return 90 cents on every dollar collected for the UTA branded prepaid closed loop card distributed and revalued through convenience and grocery store networks but 93 cents for cards distributed and funded for through the ECO Ed and Ski card programs.
- c. There would be a card issuance fee to encourage reloading as opposed to repurchase of new media.

**8. Selection criteria for the RFP**

*UTA requests suggestions as to criteria it should use in its selection of a Program Manager.*

The following were used in the selection of the contractor for UTA’s current Electronic Fare Collection Full System Deployment:

Proposals considered responsive will be evaluated for the following areas of responsiveness, expertise and experience:

1. Responses to the various RFP topics and requirements, including, but not limited to:
  - a. Fulfillment of project purposes,
  - b. Satisfaction of requirements,
  - c. Provisions, approach and demonstrated ability for open systems development
  - d. Provision, approach and demonstrated ability for collaborative development
2. Experience and qualifications, including references; and
3. What is determined by the selection committee to be the best value to the Utah Transit Authority.

**9. Projected Schedule – Attachment 3.**

*Comments are requested regarding the reasonableness of the draft proposed schedule with emphasis on which items create the greatest risk and suggestions regarding tradeoffs between lengthened frames and strategies for achieving the projected timeframes with additional resources.*

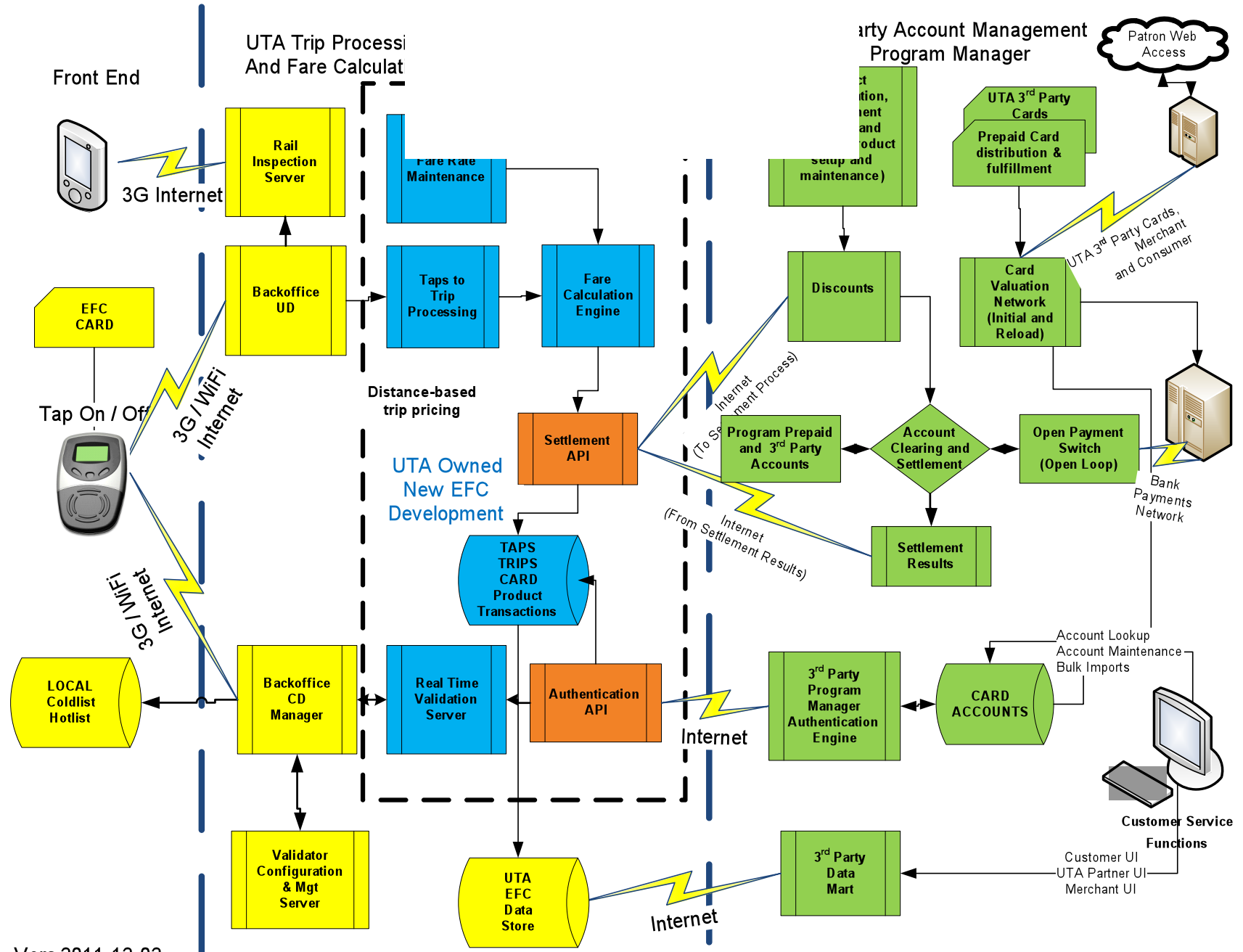
## **10. Other Questions**

- a. *What kind of teaming arrangement would be needed to satisfy all of the projected Program Manager functions?*
- b. *What would be appropriate, customary or effective key performance indicators for an agreement between UTA and the Program Manager?*
- c. *What additional information should UTA include in its Request for Proposal to assist respondents in preparing their proposals?*
- d. *Who should own the funds repository for the prepaid accounts? Why?*

## **11. Attachments**

1. Architecture
2. Functions
3. Strawman Schedule
4. Electronic Fare Collection Full System Deployment - Existing System Description

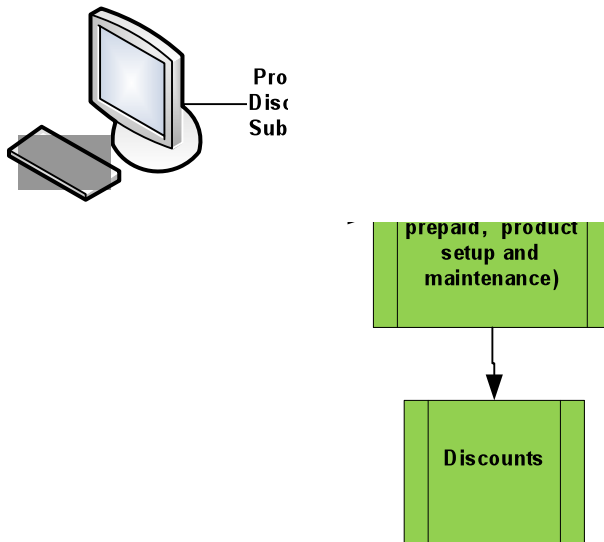
# Attachment 1 - Architecture



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## Attachment 2 - Functions



**Product Configuration & Management** is central for UTA to manage all transit products, as well as defining special discounts and fees available on UTA transit products and UTA service types (e.g. Ski Bus, Express Bus, Regular Bus, TRAX, FrontRunner, MAX). Product maintenance should be flexible to accommodate various types of contactless products ranging from prepaid cards and bank issued cards, to third-party issued cards (e.g. Student ID cards, Employee ID cards, government-issued cards, etc). Product types can include fare payments of Prepaid (UTA Closed Loop), Pay-as-you-go ( Open Loop Bank Cards) .

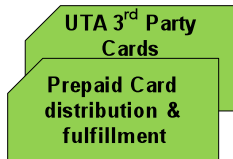
Expected business functions include:

- **Manage Product Rules:** Defines the UTA transit products and UTA service types available for each product. Defines rules for which types of contactless cards can be accepted for each product.
- **Manage Patron Discounts & Fees by Product:** Defines the patron-level discounts and/or fees available for each product. Discounts should be allowed to be defined in a hierarchical order to control the order in which discounts are applied. Patron discounts or fees may include:
  - Mandatory discounts (e.g. senior citizen, disabled)
  - Discretionary discounts (e.g. low income, youth)
  - UTA discretionary discounts (e.g. promotional, loyalty)
  - Card Fees (e.g. one time activation charges or reoccurring reload charges)

### Questions:

- Does your solution currently support a way to define multiple types of products with flexible product definitions and customizable rules?
- What types of discount and/or promotional programs does your product solution support?
  - Does it include any loyalty programs?

- Does it include any promotional discounts (for limited dates/times)?
- What types of subsidy programs can be associated with products defined and managed in your firm's solution?
- What other services and features does your firm offer in regards to Product Configuration & Management?
- What other services and features does your firm offer in regards to the support of discount and subsidy programs for your defined products?

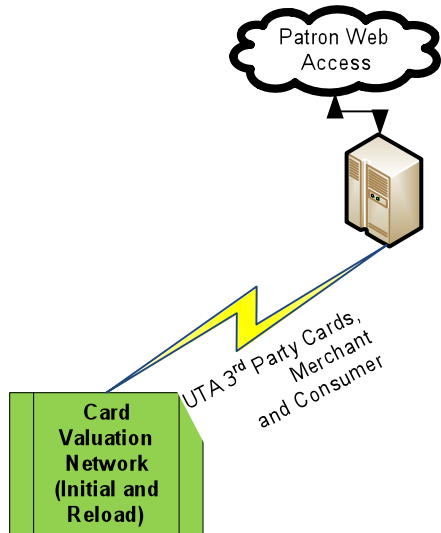


**Prepaid card distribution and card fulfillment** deals with all the steps required to manufacture, distribute and place the cards into the retail sales channel and consumer hands. Expected business functions include:

- Manufacture and/or procurement of contactless NFC program cards that can be read with UTA's NFC readers. (ISO 14443 A/B and ISO 15693)
- Inventory and distribution of program cards to the key retailers in the UTA service area.
- Contracts with merchants to acquire, display, sell and authorize UTA program cards to the public.
- On-line channel to sell, authorize and fulfill web sales orders for UTA program cards.
- Support of multiple concurrent product offerings for UTA in the retail channel.
- Distribution and support of UTA 3<sup>rd</sup> Party contract program cards. Today this includes contracts with various educational institution and business customers.

### Questions

- Which retail outlets do you service/support in the UTA market area?
- Does your on-line channel support a UTA look and feel?
- What sales volumes are required to use your retail channel?
- What are your product refresh cycles and procedures? (Getting new UTA cards and products out to the channel.)
- Do you have experience with no value 3<sup>rd</sup> party contract cards?
- What experience does your firm have with the manufacture, distribution and authorization of contactless NFC cards? (Please explain)
- What other services and features does your firm offer in regards to prepaid card distribution and card fulfillment?



**Card Valuation Network** deals with the program managers' ability to initialize / reload (sell) the account cards at a merchant's POS register or online. Through the program manager's network, merchants sell or add value to program cards. The program manager transfers those funds to a UTA accessible account. The program manager also creates or adds value to the customer's card account so that future rides charged against that account can lower the account's remaining balance. The program manager has a means to reconcile the merchant sales and the open balances with the financial reporting requirements of UTA.

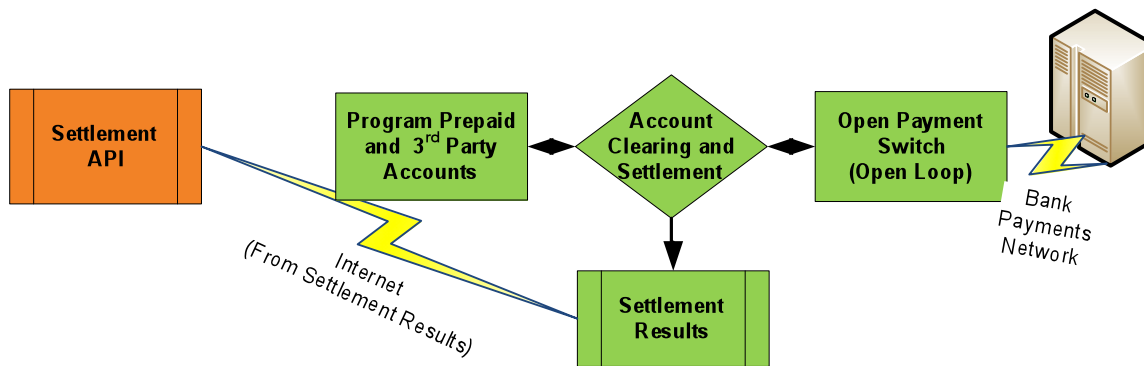
In addition, UTA desires that the program manager support UTA's 3<sup>rd</sup> party pass products through the same account management system. While the 3<sup>rd</sup> party cards may be provided directly to the contracted customer, activation and account management would be done with the Program Manager's solution. These 3<sup>rd</sup> party cards may or may not have any financial value associated with them. As an example, UTA employee pass cards may fall into the 3<sup>rd</sup> party pass category.

Expected business functions include:

- Sell, reload and activate program cards through merchant's front-end POS system.
- Sell, reload and activate program cards through program manager's online channel.
- Reserve and guarantee UTA funds through a mutually agreeable financial institution.
- Process, record and account for any / all appropriate merchant fees and commissions.
- Provide financial reporting and reconciliation between activated program cards, UTA and the merchant / online sales channel.
- Provide the ability to register a customer payment instrument and automatically reload a prescribed value to the customer's UTA card account once a remaining card balance is reached.
- Activate, extend and record funds to a card account once the program manager's valuation processes have been completed. Provide that information to UTA through the program manager's Authentication Engine and Authentication API.
- Activation of the UTA 3<sup>rd</sup> Party Cards through a "mass update" function.

## Questions

- Does your valuation process meet the appropriate PCI compliance levels?
- Do you operate your own financial institution or do you partner with a set of financial institutions?
- Is your financial institution (agent) regulated under OCC and SEC rules? Are they in good standing with these agencies?
- Are you approved or licensed to provide these financial services in the State of Utah?
- Do you serve as a financial agent for any other agency in the State of Utah or any other state?
- Do you require any minimum transaction or sales volume to provide this type of financial services?
- Besides the program manager management fees, are there any additional fees UTA would be responsible for to conduct these financial services with you?
- How do your services address the client, financial and business risks associated with the operation of a Card Valuation Network?
- What other services and features does your firm offer in regards to the operation of a Card Valuation Network?



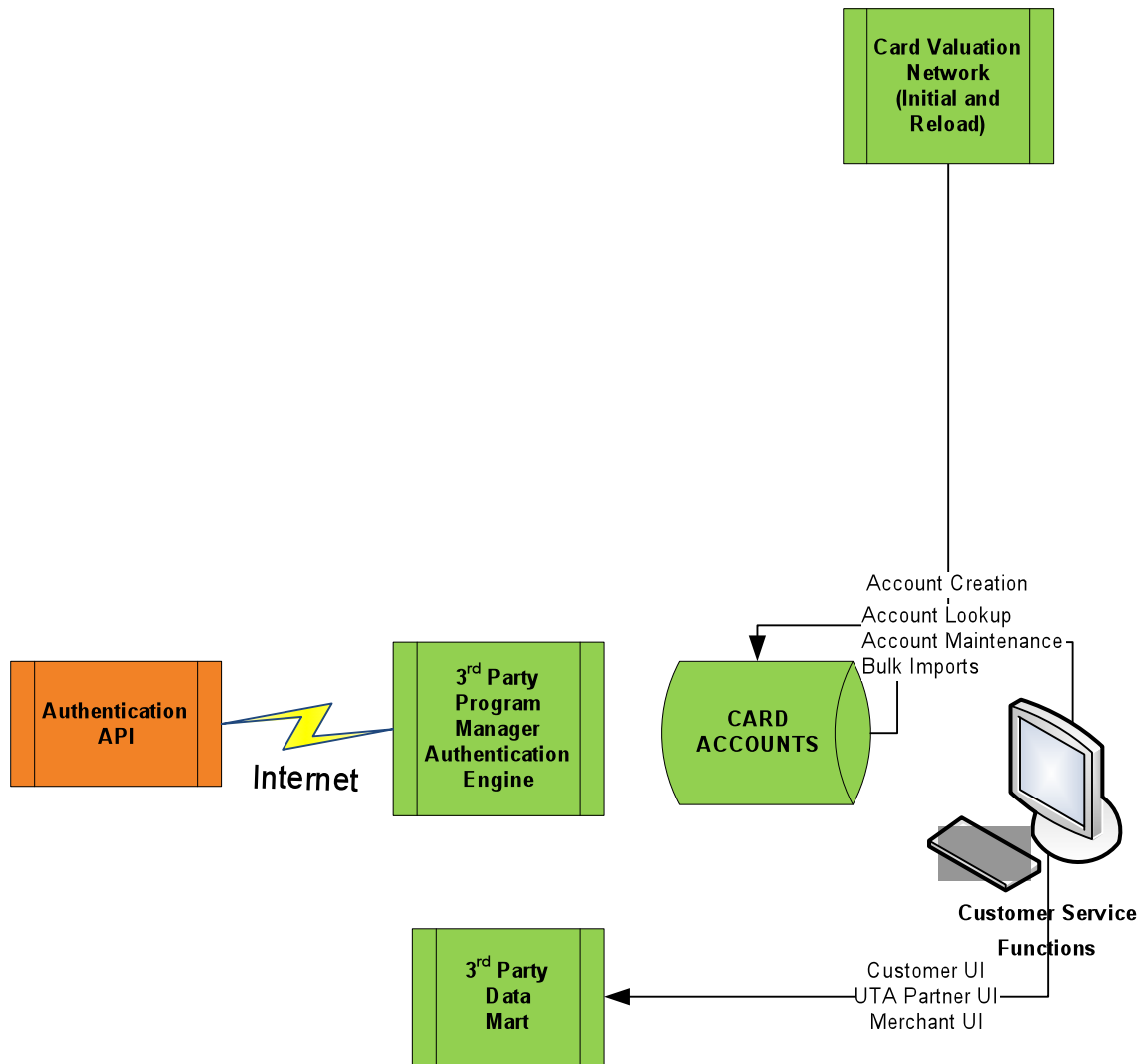
**The Program Manager’s Settlement API and settlement process** enables UTA to pass a card account number and a calculated full distance based fare to the Program Manager. Once the Program Manager receives the account number and fare, all appropriate discounts and subsidies get applied to the transaction. The account transaction then gets processed for financial authorization and settlement in the Program Manager’s system. *(Descriptions and questions surrounding the discount expectations appear elsewhere in this document.)* Settlement may be for closed loop cards in the Program Manager’s system, for UTA 3<sup>rd</sup> Party Cards or for open loop credit/debit bank cards using gateway(s) to the Visa, MasterCard, Discover, and American Express payment card networks. The settlement results are recorded for reporting and reconciliation in the Program Manager’s system and returned as a transaction response to UTA in the Settlement API.

Expected business functions include:

- Transaction settlement support of Program Manager's closed loop product cards through the program Manager's system.
- Transaction settlement support of UTA 3<sup>rd</sup> Party product cards through the program Manager's system.
- Transaction settlement support of open loop credit and debit products through a standard payment gateway processor for Visa/MasterCard/American Express/Discover to UTA's Merchant Bank.
- Recording of the final settlement results for both open and closed loop transactions for future reporting and inquiry by the Program Manager and UTA.
- Return of the final settlement results for both open and closed loop transactions to UTA by the settlement API.
- Program Manager will provide a means to reconciliation, review and audit open loop, closed loop and UTA 3<sup>rd</sup> Party transactions.
- Program Manager will provide support to UTA in problem resolution between the processor and UTA's Merchant bank for open loop payments.

**Questions**

- Does your firm currently provide these "settlement services" for 3<sup>rd</sup> party, closed and open loop products?
- What outside independent certifications do your settlement process / service currently hold? Are any additional certifications in progress?
- Is your Settlement API currently deployed? Would UTA's solution be unique to UTA?
- How quickly are settled open loop transactions available to UTA?
- Are closed loop funds available to UTA before a closed loop transaction is settled?
- What happens to unused closed loop funds that have gone dormant?
- How and when do funds settled on an open loop bank card become available to UTA?
- What other services and features does your firm offer in regards to transaction settlement services?



**Account Management & Access** is central to managing and retaining data related to all institution accounts and individual patron card accounts for UTA. Third-party institutions have the option to enter into a yearly contract with UTA for transit services. The contract may include card limits, discount rules, subsidy rules, and/or fare caps. Patrons may be associated with an Institution, register as an individual (outside of an institution), or remain anonymous by using a prepaid product. The Account information, together with the Product Configuration, is used to provide authentication to the UTA Transit Validators (card readers on buses and train platforms) when a patron taps a contactless card for payment of transit services. The Account Management component is also critical for collecting fare transactions (regardless of settlement status) and for online review / reporting by UTA, Institutions, and/or Patrons. Account Management is responsible for automated notifications to UTA personnel, Institution primary contacts, and/or individual patrons based on configurable account settings (e.g. when account balances are low, account limits are reached). Expected business functions include:

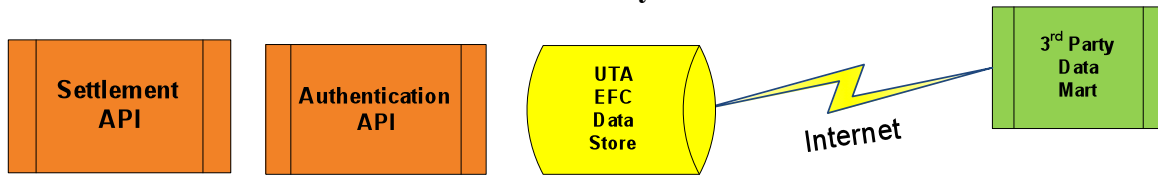
- **Manage Institution Accounts:** Includes Institution Fare Discount Rules and Subsidy Rules. Also includes the ability to manage contract limits for an institution. Service Type limitations may be applied to an Institution. UTA can define each Institution's billing and/or payment options. Institutions can be set up to utilize one or more transit products.
- **Manage Patron Card Accounts:** Includes Patron Fare Discount and Fee Rules. Each individual patron can be assigned to an institution or may register as an independent account. Validation must take place to ensure the patron is assigned to the correct institution. The Institution should also have the ability to review and manage individual Patrons assigned to their institution. Patrons may also have limitations defined by service type.
- **User Interfaces for Institutions:** UTA will need the ability to create Institution Accounts, manage institution contractual limits, define discount rules for the Institution, define subsidy rules for the institution, and review patron card accounts and activities for patrons assigned to the institution. Institutions should be able to review all institution-level limits and rules, as well as review patron card accounts and activities for patrons assigned to their institution. Institutions should also be able to review and manage individual patrons assigned to their institution, as well as assign specific discounts to individual patrons. In addition, Institutions should be able to review subsidy utilization and UTA billings within their institution.
- **User Interface for Patrons:** Patrons should have the ability to review their account activities (fares per trip/journey), review discounts or fees associated with their account, define their debit payment instrument (debit card, credit card, prepaid card), add value or automated reloads to their accounts, request alerts, and review the status of their account.
- **Customer Service for Patrons:** Patrons should be able to contact Program Manager's Customer Service for further assistance at any time.
- **User Interface for UTA:** UTA Fare Operations will need the ability to review and manage both Institutions and Patron Card Accounts, as well as manage discounts, fees, and/or subsidies applicable to Institutions and Patrons. UTA Fare Operations will need the ability to reconcile Patron and Institution Accounts for payments and/or contractual limits as needed. UTA Accounting will need the ability to collect financial transaction summaries in order to reconcile payments received at UTA's banks. UTA Accounting will need the ability to generate Institution billing reports for postpaid payments as needed.

#### Questions:

- Do you have the ability to manage Institution Accounts and Patron Card Accounts?
- Do you have standard reporting tools to access account data? Does it provide customizable ad-hoc query reports?

- Describe the types of phone applications currently available in your solution that can be used to support account management or account access.
- How can you support Patron privacy of personal information? UTA does not wish to access personal information on Patrons; however Institutions and Patrons will need to access different levels of personal information.
- Do you currently support the ability for individual Patrons to receive automated alerts (e.g. low balance, etc)?

### Technical Interfaces to UTA Electronic Fare System



Three important interfaces share data between the Program Manager solution and the UTA EFC application:

- **Fare Settlement API**  
The Fare Settlement API will be responsible for receiving the Base Fare from UTA for each trip/journey and computing a final fare based on discounts, fees, and fare caps. The Fare Settlement API will be responsible for processing the final fare for settlement against the appropriate payment provider and tracking the results of the each settlement.
- **Account Authentication API**  
The Account Authentication API is responsible in real-time for receiving a card account and service type from UTA and determining if the card account is valid as payment, and if the card account is valid for the service type. In addition, the Account Authentication API is responsible for submitting bad card account information to UTA as needed for bank-issued card accounts that need to be 'hot listed' on the UTA Front End Validators (for when real-time validation is not possible) and to submit good card account information for other card accounts that should be 'cold listed' on the UTA Front End Validators (for when real-time validation is not possible).
- **Data Extracts to UTA Data Warehouse (Data Store)**  
A UTA Data Warehouse (referred to as the Data Store) currently retains all data pertaining to Institution Account, Patron Card Accounts, Taps, Trips, Journeys, and Payment Transactions. The Data Store is used as a final repository for all EFC-related data and for EFC ad-hoc reporting/analysis. The new Program Manager will be responsible for providing a nightly feed of Institution Accounts, Patron Card Accounts, and Payment Transaction information into the Data Store.

### Questions:



- Do you already have a Fare Settlement API available to accept a transaction and complete final pricing and settlement of the transaction?
- Do you already have an Account Authentication Engine that can be utilized?
- What tools in your system support data exports to an external UTA data repository?
- Are these interfaces standardized and currently being used by existing customers?
- Does UTA have the ability to customize or define additional data elements in the interfaces without incurring additional development? (Can these changes be accomplished through configuration adjustments?)

UTA Request for Information - Account Management and Payment Processing  
Questions by Functional Area Summary

Product Configuration & Management Questions	Explanation	Feature fully deployed and in use at a Customer location? Where and who?	Feature in active development? Release targeted for?	On Product Roadmap?
<p>Does your solution currently support a way to define multiple types of products with flexible product definitions and customizable rules?</p>				
<p>What types of discount and/or promotional programs does your product solution support?</p> <ul style="list-style-type: none"> <li>• Does it include any loyalty programs?</li> <li>• Does it include</li> </ul>				

UTA Request for Information - Account Management and Payment Processing  
Questions by Functional Area Summary

Product Configuration & Management Questions	Explanation	Feature fully deployed and in use at a Customer location? Where and who?	Feature in active development? Release targeted for?	On Product Roadmap?
<p>any promotional discounts (for limited dates/times)?</p> <p>What types of subsidy programs can be associated with products defined and managed in your firm's solution?</p>				
<p>What other services and features does your firm offer in regards to Product Configuration &amp; Management?</p>				
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Product Configuration & Management Questions	Explanation	Feature fully deployed and in use at a Customer location? Where and who?	Feature in active development? Release targeted for?	On Product Roadmap?
support of discount and subsidy programs for your defined products?				
Prepaid card distribution and card fulfillment questions	Explanation	Feature fully deployed and in use at a Customer location? Where and who?	Feature in active development? Release targeted for?	On Product Roadmap?
Which retail outlets do you service/support in the UTA market area?				
Does your on-line channel support a UTA look and feel?				

UTA Request for Information - Account Management and Payment Processing  
Questions by Functional Area Summary

Product Configuration & Management Questions	Explanation	Feature fully deployed and in use at a Customer location? Where and who?	Feature in active development? Release targeted for?	On Product Roadmap?
What sales volumes are required to use your retail channel?				
What are your product refresh cycles and procedures? (Getting new UTA cards and products out to the channel.)				
Do you have experience with no value 3 <sup>rd</sup> party contract cards? What experience does your firm have with the manufacture, distribution and authorization of				

UTA Request for Information - Account Management and Payment Processing  
Questions by Functional Area Summary

Product Configuration & Management Questions	Explanation	Feature fully deployed and in use at a Customer location? Where and who?	Feature in active development? Release targeted for?	On Product Roadmap?
contactless NFC cards? (Please explain)				
What other services and features does your firm offer in regards to prepaid card distribution and card fulfillment?				

UTA Request for Information - Account Management and Payment Processing  
Questions by Functional Area Summary

<b>Card Valuation Network</b>	<b>Explanation</b>	<b>Feature fully deployed and in use at a Customer location? Where and who?</b>	<b>Feature in active development? Release targeted for?</b>	<b>On Product Roadmap?</b>
Does your valuation process meet the appropriate PCI compliance levels?				
Do you operate your own financial institution or do you partner with a set of financial institutions?				
Is your financial institution (agent) regulated under OCC and SEC rules? Are they in good standing with these agencies?				

UTA Request for Information - Account Management and Payment Processing  
Questions by Functional Area Summary

<b>Card Valuation Network</b>	<b>Explanation</b>	<b>Feature fully deployed and in use at a Customer location? Where and who?</b>	<b>Feature in active development? Release targeted for?</b>	<b>On Product Roadmap?</b>
Are you approved or licensed to provide these financial services in the State of Utah?				
Do you serve as a financial agent for any other agency in the State of Utah or any other state?				
Do you require any minimum transaction or sales volume to provide this type of financial services?				



UTA Request for Information - Account Management and Payment Processing  
Questions by Functional Area Summary

<b>Card Valuation Network</b>	<b>Explanation</b>	<b>Feature fully deployed and in use at a Customer location? Where and who?</b>	<b>Feature in active development? Release targeted for?</b>	<b>On Product Roadmap?</b>
<p>Besides the program manager management fees, are there any additional fees UTA would be responsible for to conduct these financial services with you?</p>				
<p>How do your services address the client, financial and business risks associated with the operation of a Card Valuation Network?</p>				

UTA Request for Information - Account Management and Payment Processing  
Questions by Functional Area Summary

<b>Card Valuation Network</b>	<b>Explanation</b>	<b>Feature fully deployed and in use at a Customer location? Where and who?</b>	<b>Feature in active development? Release targeted for?</b>	<b>On Product Roadmap?</b>
What other services and features does your firm offer in regards to the operation of a Card Valuation Network?				
<b>The Program Manager's Settlement API and Settlement Process</b>	<b>Explanation</b>	<b>Feature fully deployed and in use at a Customer location? Where and who?</b>	<b>Feature in active development? Release targeted for?</b>	<b>On Product Roadmap?</b>
Does your firm currently provide these "settlement services" for 3 <sup>rd</sup> party, closed and open loop products?				

UTA Request for Information - Account Management and Payment Processing  
Questions by Functional Area Summary

<b>Card Valuation Network</b>	<b>Explanation</b>	<b>Feature fully deployed and in use at a Customer location? Where and who?</b>	<b>Feature in active development? Release targeted for?</b>	<b>On Product Roadmap?</b>
What outside independent certifications do your settlement process / service currently hold? Are any additional certifications in progress?				
Is your Settlement API currently deployed? Would UTA's solution be unique to UTA?				
How quickly are settled open loop transactions available to UTA?				

UTA Request for Information - Account Management and Payment Processing  
Questions by Functional Area Summary

<b>Card Valuation Network</b>	<b>Explanation</b>	<b>Feature fully deployed and in use at a Customer location? Where and who?</b>	<b>Feature in active development? Release targeted for?</b>	<b>On Product Roadmap?</b>
Are closed loop funds available to UTA before a closed loop transaction is settled?				
What happens to unused closed loop funds that have gone dormant?				
How and when do funds settled on an open loop bank card become available to UTA?				
What other services and features does your firm offer in regards to transaction settlement services?				

## Attachment 3 – Strawman Schedule

### UTA EFC Full System Deployment - Development and Acquisition - Draft

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December 2011	Program Manager RFI
January 2012	Program Manager RFP Distance based fare model viability analysis
February	Program Manager negotiations
March	Program Manager contract award and notice to proceed
March – April	Requirements and design development and approval
May – July	Development
August	Testing
September 1	Go/No go on launch
January 2013	Distance based fare and prepaid products launch

## Attachment 4

# Electronic Fare Collection Full System Deployment Existing System Description

The Utah Transit Authority (UTA) is the regional transit provider for the primary urbanized areas of Utah. Its service area primarily consists of a 100 by 20 mile corridor bounded by the west face of the Wasatch Mountains and the Great Salt Lake and Utah Lake. A population of 1.8 million is served. UTA operates 520 buses out of four garages, 80 paratransit vehicles, four light rail lines over 35 miles and a 44 mile commuter rail line. Two additional light rail lines and a doubling of commuter rail mileage will be added by 2015.

When UTA began its investigation of electronic fare collection system in 2005, its primary concerns were, and continue to be, the convenience and ease of use of its customers; the efficiency and effectiveness of revenue collection; and the data that could be gleaned to understand transit system use and guide service planning. UTA started its effort with virtually no legacy in automated fare collection systems, and was therefore free to explore the latest advances and opportunities in fare collection technology. At this time, the payments industry had just announced its launch of contactless micropayment media under the brands of American Express ExpressPay, MasterCard PayPass and Visa PayWave.

Acceptance of contactless credit and debit cards issued by banks and other financial institutions for direct payment of transit fares was appealing to UTA based on the following factors:

- Others issue payment media
- Integration with payment mainstream: payment at the fare box, gate or platform as a merchant POS transaction
- Automatic interagency interoperability
- Customer service with issuers
- Security standard
- Architecture provides flexibility in product development
- Robustness of open payments ecosystem
- Commoditization of devices
- Potential for pathway to elimination of cash
- Speed of deployment
- Cost
- Co-promotion by issuers

In 2006 UTA began a pilot of electronic fare collection on forty-one ski service buses. The purpose of the pilot was to learn about development and deployment of such a system by actually operating it on a manageable number of buses. The pilot objectives were to (1) solve an immediate problem – accounting for the use of resort customer season and employee passes issued by and paid for by ski resorts and (2) learn whether transit fares could be collected using the new contactless credit and debit cards being issued under the open payment brands. As partners in the pilot, each of four ski resorts issued their picture passes with contactless

technology embedded. Based upon its concurrent experience on open payments in the first New York City Transit pilot, MasterCard agreed to participate in the Utah pilot. American Express and Visa also agreed to participate.

The pilot was deemed a success. UTA was able to learn about most of the processes that it would have to manage in a full system deployment. All of the internal and external stakeholders interested in such a system were able to get real world exposure to the technology. The pilot was continued for another year. UTA decided to aggressively proceed to build and deploy an open payments fare collection system on all of its fixed route bus and rail service. Included would be support for its third party paid pass program associated with employers, universities and the ski resorts.

On January 1, 2009 UTA launched the new system. It included an infrastructure of readers at all doors of 520 fixed route buses and 170 validators installed on 35 TRAX light rail and FrontRunner commuter rail platforms; communications wireless gateways on buses with both 3G connectivity and WIFI connections at garages and optical fiber to all platforms; and internet links from each device to a hosted back office. The initial fare products were and are contactless bank card acceptance for single adults fares, including honor of transfer rules and use of third party paid passes (ECO Pass for employers, Ed Pass for colleges and universities and Ski Pass for five ski resorts within the UTA service area).

Special characteristics of the UTA system architecture include:

- Tap-on/Tap-off – tapping at the entrance and exit of each bus or rail trip segment allows collection of linked origin/destination data that is invaluable for service planning. It also provides information necessary for calculation of distance based fares for commuter services and possible migration to such fare pricing system-wide.
- Account based – fares are calculated and transactions are processed in the back office easing implementation of fare changes and creation and launch of new fare products.
- Open payments acceptance – the system and card acceptance devices are certified and process contactless cards issued under the American Express ExpressPay, Discover Zip, MasterCard PayPass and Visa PayWay brands.
- Hosted back office – connected through the internet to each device enables flexibility, portability and eases PCI compliance.
- Cold and hot lists – a list of third party pass card numbers to be accepted are maintained on each validator and in the back office as submitted or modified by the ECO, Ed and Ski pass card issues. Bank cards that are declined by issuers are placed on hot lists that speed their rejection.
- Near real time and real time authentication – in the initial launch with the use of bank cards, the price of each trip is calculated as the tap-on/tap-off actions are received and then submitted for a full authorization and settlement. If the card is declined, it is hot

listed and will not be accepted by the system going forward unless and until the customer arranges for payment for the unpaid trip and restoration of card acceptance. Real time authentication will be added as the technical viability and business case for that approach is demonstrated.

- Inspection devices for proof of payment rail services utilizing near field communication and 3G smart phones to interrogate payment cards and determine through the back office that they had been previously presented and accepted by the platform validators.

UTA is unusual as a merchant accepting open payment brand products directly for access to its transit vehicles in that it accepts contactless media only. It requires transaction speeds of 300 milliseconds from presentation of a card to the green or red light response. The price of the trip is determined in the back office only after completion of the trip with tap-on/tap-off. Ultimately, it must assure that media for use in its system are available to all of its customers, including those who do not have banking relationships with credit and debit cards.

Privacy has been a priority and has been addressed from the initial planning of the electronic fare collection system. UTA values the linked origination-destination data enabled by this system for service evaluation and planning, but does not need nor want to know *who* is traveling. Third party payers keep identities of who is authorized to ride and provide UTA only with the card numbers. UTA provides information about system use by third party employees or students in an aggregated form. With regard to acceptance of open payment bank cards, the hosted back office contractor separately maintains records and processes for application of business rules and credit/debit processing. Customer security is also assured by contractor and agency compliance with the Payment Card Industry (PCI) data security standards.