

National Ticketing Solution

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Purpose

This paper is to update the Committee on progress establishing a National Ticketing Solution (NTS) and to highlight the risks and mitigations to Waka Kotahi of the proposed structure and operating model, including establishing the shared services function.

Recommendations

It is recommended the Committee:

- **Notes** the progress to date and likely timing for the next steps to implementing a national system
- **Notes** the key risks and mitigations in the Attachment.

Strategic relevance

Final selection of the National Ticketing Solution supplier and completion of negotiations is expected to be completed by the end of 2021, and ahead of this it is important to establish suitable organisational & financial foundations to enable subsequent design, build & transition phases. This is a complex multi-faceted task requiring various in-principle decisions to be made by Waka Kotahi and participant Public Transport Authorities (PTAs). Certainty for NTS participants will start to improve once a preferred ticketing supplier is confirmed, commercial terms agreed, and the scope & scale of the shared services function is determined.

Background

The National Ticketing work programme was last before the Board in February 2020, when the Board approved:

- the Transport Agency establishing a 'shared services' function to manage the back-office and contracting arrangements with suppliers of the National Ticketing Solution on behalf of all PTAs
- an increase in funding to support the NTP through to the end of the procurement phase ('Project NEXT'), including initial funding to support initial work on the new 'shared services' function
- release of the Request for Proposal to short-listed global ticketing suppliers

The previous paper also included support for the preparation and execution of Participation Agreements with PTAs, and provided background on the purpose and history of the National Ticketing programme and its importance in supporting a modern nationally consistent Public Transport (PT) system capable of delivering economies of scale as well as supporting wider Government Policy Statement objectives. All of these activities have been completed with the exception of the establishment of a shared services function which is an ongoing task.

Key issues

Progress

The RFP for a Ticket Solution Provider was released in accordance with a Waka Kotahi approved procurement process in April 2020 and, after a delay due to COVID 19, responses were received at the end of August 2020. Following a comprehensive evaluation process undertaken by Waka Kotahi and representatives from the PTAs, which included presentations by the bidders and due diligence with their existing users, a down-select was made to two providers. The RFP and procurement strategy allowed for down-select to a single preferred supplier, where there was a clear standout. This was deemed the case, verified through a rigorous analysis, and a single preferred supplier was advised at the end of April 2021.

We have now entered the design and negotiation phase. The gap analysis of the Preferred Supplier response showed a high level of alignment to their global system, used by five major cities and regions across the world including the Eastern seaboard of Australia, with the detailed requirements of PTAs and Waka Kotahi. The Preferred Supplier is moving quickly to a global platform for its fare collection systems. This 'out of the box' system offers advantages to New Zealand in terms of reducing risk and ensuring enhancements and upgrades can flow quickly through to the solution adopted here. Therefore the PTAs and Waka Kotahi have agreed we will predominantly adopt the global platform with very few engineering changes required. 98% of our original requirements will be delivered. This is expected to reduce the initially submitted price under the RFP from the Preferred Supplier.

As at the date of this paper, final requirements of the NTS have been agreed and the Preferred Supplier is completing their Best and Final Offer. This is expected in mid-October at which time final negotiations and the Detailed Business Case will be completed ready for recommendations to the approving Councils and Boards early in the New Year. All approvals and documents are expected to be executed by the end of March 2022

The wider benefits of an account-based solution are significant

Customer benefits	Operational benefits	Government and regional policy benefits
<ul style="list-style-type: none">• Convenience• Payment choice• Lowest fare guarantee• Nationally consistent customer experience• Better information• Improved accessibility both local and visitors• Patronage growth and flow on effects through mode shift	<ul style="list-style-type: none">• Detailed travel data including start and end points of journeys, transfers and journey patterns• Ability to quickly introduce/change fare products and policies• Reduce cash on board• Revenue protection• Easier adoption of new technologies	<ul style="list-style-type: none">• Simplified deployment of government policy – supporting national concessions• Significant improvements in data collection and information• Ability to quickly implement changes• Support for national emergencies• Enables seamless transition for other transport operators• National efficiency with one development path

Risks

The risks together with mitigations are contained in the Attachment

Health & safety, customer/stakeholder & environmental impact

The impact of this decision is considered by Waka Kotahi to be positive in terms of health and safety, the public and other stakeholders, and the environment.

Related documents

National Ticketing Project, February 2020 Board meeting

National Ticketing Project, April 2020 Board meeting

Attachments

Attachment 1 Key Risks and Mitigations

Resource Centre

Document 1 National Ticketing Solution slide pack presentation

Attachment 1

Key Risks and Mitigations

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