



Finance & Administration Committee

Information Item IV-A

July 8, 2010

SmarTrip[®] Implementation Plan

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input type="radio"/> Action <input checked="" type="radio"/> Information	MEAD Number:	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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TITLE:

SmarTrip Card Price Change

PURPOSE:

Present implementation plan to address the reduction in the SmarTrip® card sale price from \$5.00 per card to \$2.50 per card, as approved by the Board.

DESCRIPTION:

This decrease in price allows Metro to deliver better quality service to customers by making the SmarTrip card more affordable. Customers benefit from having a SmarTrip card because it's more durable than a paper farecard and it also allows them to pay a lower fare.

This decrease was approved by the Board on June 24, 2010.

FUNDING IMPACT:

The SmarTrip reserve account balance will cover the difference between the new price to the customer of \$2.50 and the cost to Metro of \$3.40. Therefore there is no impact on the capital or operating budgets. The SmarTrip reserve account balance is forecasted to decrease from approximately \$4 million as of June 30, 2010 to \$2 million by the end of FY12.

The project manager is Steve Holland (TRES / Director of Customer Service, Sales, and Fare Media Services).

RECOMMENDATION:

Presentation is for informational purposes only.



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SmarTrip[®] Implementation Plan

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Purpose

- Present implementation plan to address the reduction in the SmarTrip® card sale price from \$5.00 per card to \$2.50 per card that was approved by the Board on June 24, 2010
- The sale price reduction impacts the following areas:
 - Distribution
 - Financial/Budget



Distribution

- Lexis Dispensers (in rail stations)
 - Cards currently sell for \$10 (\$5 of stored value and \$5 for cost of card)
 - Do not accept coins or give change
 - Continue to sell card for \$10 (\$7.50 of stored value and \$2.50 for cost of card)

- CVS/Giant/Other Retailers
 - CVS requested at least 30 days notice to update Point-of-Sale system to reflect new UPC bar code on kits (\$7.50 of stored value and \$2.50 for cost of card) and to train sales clerks
 - Giant and other retailers sell cards with no stored value, however will require new kits reflecting the new \$2.50 price for the card

- Metro Sales Offices
 - Need the same updated kits as retailers

- Public Libraries
 - Need the same updated kits as retailers for the senior cards



Financial & Budget Impact

- The SmarTrip® reserve account balance represents the difference between cost of the card and the amount Metro sells it for
- The reserve is expected to have a balance of approximately \$4 million as of June 30, 2010
- The SmarTrip® reserve account balance will cover the difference between the new price to the customer of \$2.50 and the cost to Metro of \$3.40
- The SmarTrip® reserve account balance is forecasted to decline to approximately \$2 million by the end of FY2012
- There will be no budget impact in FY2011 and FY2012



Implementation Timeline

- By August 16: Complete initialization of 75,000 cards with \$7.50 stored value and 25,000 cards with no value
- By August 23: The Regional Customer Service Center (RCSC) complete assembly of 50,000 total regular, senior, and disabled kits
- August 23 – 29: RCSC, Fare Media Services and Revenue Collection mail and deliver regular, senior and disabled cards and kits as appropriate to Lexis dispensers, CVS, Giant, other retailers, Metro sales offices and public libraries
- August 29: Implement SmarTrip[®] card with a new price of \$2.50