



Umo and Fare Policy Updates

City of Kelowna – May 8, 2023

BC Transit has prepared this report for information and approval by the City of Kelowna in efforts to prepare for the introduction of the Umo fare collection technology in the Kelowna Regional Transit System.

1. Project and Solution Overview

In 2023, BC Transit will enter the next phase of its Electronic Fare Collection System project by introducing the Umo fare technology platform in 30 transit systems across the province. The Umo solution, provided by Cubic Transportation Systems, is being implemented to replace the existing, end-of-life fare collection equipment and technology and provide customers with new convenient ways to purchase and use their fares. A suite of new payment methods will be introduced to replace current magstripe passes and paper tickets following the successful introduction of Umo. Importantly, cash will remain as a payment option for those riders that choose or need to use it.

With Umo, customers will be able to pay for their fare using a mobile app that comes with additional features like trip planning and real-time bus location updates, or with a reloadable smart card that can be managed through a customer website or topped up at retail vendor locations. On the bus, new fare validators will be installed, and riders will present their mobile app or reloadable smart card for fare verification. In the near future, riders will also be able to tap their credit or debit card onboard to pay their fare when boarding. For BC Transit and its local government partners, Umo will be a new source of data on fare usage and transit ridership that will be used to inform future recommendations on fare policy and service delivery.

The customer experience with using Umo is at the centre of BC Transit's planning to introduce the new technology. As a part of this, BC Transit will be introducing a new dedicated Umo customer support centre upon launch that will assist customers with addressing questions, managing their accounts, and resolving any issues. As it relates to its local government partners, BC Transit is seeking to introduce universal fare





policies across the province to ensure that customers have the best possible experience and receive the maximum benefits of Umo regardless of where they use it.

2. Fare Policies – For Information

As part of Umo, BC Transit is introducing the following universal refund policy to provide a consistent customer experience and enable effective customer support through the dedicated call centre.

Refunds

Through reviewing existing refund policies in place across the province and researching examples of refund policies throughout the public transportation industry, BC Transit is adopting the following universal refund policy for use with Umo:

Full refunds are available for unused fare products purchased by the customer. No refunds will be made available for any partially used or expired fare products. Refunds will be available on stored value amounts of greater than ten dollars.

Importantly, product usage information is available through Umo and will be referenced as part of the verification of refund eligibility.

Fare Product Expiration

To encourage ridership and to protect local government partners from growing stale deferred revenue balances, BC Transit will be introducing an expiration policy for fare products types where this was previously not feasible. As such:

Pre-purchased packs of 10 rides (previously tickets), or portions thereof, and DayPASS fare products will expire after 365 days from the date of purchase.

Expiry information is to be included in the product description within the various Umo components and upon expiration the outstanding deferred revenue balance would be realized by the associated local government partner's realized revenue account and be included within the appropriate monthly adjustment. Stored value amounts on user accounts will not expire, which provides an option for those riders who do not ride transit frequently over the course of a year to not be impacted by the expiration policy above.



3. Fare Policies – For Approval

Similar to the section above, BC Transit is looking to introduce the following policies to provide an optimal customer experience with Umo. As these policies relate to items within the Annual Operating Agreement between BC Transit and the City of Kelowna, they are being presented for approval.

30-Day Pass

To improve the customer experience within Umo, BC Transit is recommending that current calendar-based monthly pass products be converted to more flexible 30-day passes. For customers, the 30-day pass can be purchased and used at any time in the month, removing the need to wait for the start of a month as is the case with the current product. The 30-day pass can also be set up to be automatically repurchased to a customer's account, removing the need to repurchase a new pass monthly.

For the City of Kelowna, the 30-day pass creates more opportunities for riders to transition to a product that will encourage increased transit ridership. It will also result in a marginal increase in transit fare revenues through the creation of an additional five days of pass revenue annually (30-day pass times twelve months equals 360 days). For the Kelowna Regional Transit System, the increase will be approximately an additional 0.65% of fare revenue annually.

Transfer Policy

As part of the configuration of the Umo solution, BC Transit is required to establish a universal transfer policy to be applied across the nineteen transit systems that have a transfer policy in place today. The need for a universal transfer policy is the result of the combination of the multi-tenant, Software-as-a-Service architecture of the Umo platform, whereby a standardized platform is utilized by multiple transit systems across the country, along with BC Transit's industry-unique operating environment in providing transit services in over thirty transit systems across the entire province. As the transfer policy is, in many cases, under the authority of local government partners, BC Transit went through a significant review and consultation process with its partners in Spring 2022 that included:

- Review of existing transfer policies in BC Transit systems

- Review of industry best practices for transfer policies
- Host an open webinar for partners to outline the options, considerations, and recommendations
- Seek partner feedback and approval through digital survey
- Receive endorsement from BC Transit executive on recommendations

From the consultation, the following transfer policy was established as most appropriate for BC Transit systems and is being presented to the City of Kelowna for approval:

Transfers are available for use on the next connecting bus within 90 minutes of the original fare payment or product use.

While the need for a universal transfer policy across all transit systems using Umo exists, BC Transit does acknowledge the concerns raised by the City of Kelowna Council in the meeting on February 6, 2023, with particular attention to occurrences of riders making multiple transfers on a single-directional trip within 90 minutes. To address that concern, BC Transit has worked with City of Kelowna staff to provide the following options:

Option 1: Reduce the DayPASS fare to two times the cash fare at \$5.00 (a reduction of \$1.50). This option provides riders with the ability to prepurchase an all-day pass and pay no more than two times the cash fare or the equivalent of one fare for each direction on a return trip. From the experience of introducing the onboard DayPASS product, whereby there are no transfers and riders instead pay two times the cash fare when boarding their first bus, in eleven transit systems across the province, BC Transit has observed that the majority of riders take multiple trips in a day and realize the benefit of the DayPASS fare.

As the ridership from cash and ticket fares represents 16 per cent of total ridership in the Kelowna Regional Transit System, it is expected that the number of riders making multi-transfer, single-directional journeys in a single day, and therefore being adversely affected by the new transfer policy and unable to benefit from the to the DayPASS fare, to be very low. As part of this option, BC Transit would also commit to working with City of Kelowna staff to undertake a more comprehensive review of Kelowna Regional Transit System fares with the intent of bringing forward recommendations on other fare

change options, including the potential to introduce the onboard DayPASS product, over the course of the next year.

Option 2 – Delay the launch of Umo in the Kelowna Regional Transit System and conduct a fare review. For this option, BC Transit would work with City of Kelowna staff to undertake a comprehensive review of the Kelowna Regional Transit System fare structure to further mitigate any concerns relating to the universal transfer policy prior to the launch of Umo. The current schedule has Umo being launched in the Kelowna Regional Transit System in the fall of 2023 and taking up this option would push the launch out to Spring or Summer 2024 and be dependent on the time required to install Umo in the other transit systems across the province and the completion of the fare review and approval of any fare changes. In principle, the fare review would look to assess a variety of approaches to fare pricing along with the potential for introducing the onboard DayPASS and subsequent removal of transfers.

4. Updated Fare Structure

Kelowna Regional Transit System

Current Fare Types	New Fare Types in Umo
Cash	Single Ride
Adult/College Tickets	Adult/College 10 Rides
Senior/Student Tickets	Senior/Student 10 Rides
DayPASS	DayPASS
Adult Monthly Pass	Adult 30-Day Pass
College Monthly Pass	College 30-Day Pass
Senior/Student Monthly Pass	Senior/Student 30-Day Pass
College Semester Pass	College Semester Pass

5. Recommendation

It is recommended that the City of Kelowna:

1. Receive the following as INFORMATION:
 - a. Universal refund policy for use with Umo being:
 - i. Full refunds are available for unused fare products purchased by the customer. No refunds are available for any partially used or expired fare products. Refunds are available on stored value amounts of greater than ten dollars.
 - b. Universal fare product expiration policy for use with Umo being:
 - i. Pre-purchased packs of 10 rides (previously tickets), or portions thereof, and DayPASS fare products will expire after 365 days from the date of purchase.
2. APPROVE the following:
 - a. Adoption of the 30-Day Pass fare in place of existing monthly pass fare.
 - b. A revised transfer policy being:
 - i. Transfers are available for use on the next connecting bus within 90 minutes of the original fare payment or product use.

along with:

 - ii. Option 1 – Reduce the DayPASS fare to two times the cash fare at \$5.00.