



October 31, 2016

Attn: Kelowna Regional Transit Partners.

Re: Real-Time Technology Expansion Initiative

Dear local government partner,

I am writing you as you are among the local government partners who have expressed interest in participating in the first phase of BC Transit's SmartBus program. The SmartBus program includes, beyond automated passenger counters and Closed Circuit Television, the implementation of real-time technology within your transit system. The scope of the real-time project involves the installation of automatic vehicle locator (AVL) technology on all existing buses¹ operating on conventional routes, passenger information displays at seven locations (UBCO, Queensway exchange, Westbank exchange, Orchard Park, Okanagan College, Mission, and Rutland exchange), corporate software for operational oversight, data analysis and reporting, and the integration of real-time information in a web and/or mobile-enabled format for customer information purposes.

This program has been approved under the Government of Canada's Public Transit Infrastructure Fund (PTIF), which will decrease the Local Government share of lease fees to 17 per cent for the first five years. The Government of Canada will fund 50 per cent, and the Province of British Columbia will fund the remaining 33 per cent. In order to qualify for the full share of federal funding, the project must be complete by no later than March 31, 2019.

Lease fees associated with the replacement of this technology once it has reached the end of its useful life (not anticipated to be earlier than year 6), as well as technology required for expansion buses, will be per the traditional funding splits between Local Governments and the Province. Anticipated replacement timing and costs for this technology is subject to the RFP process and vendor selection. Ongoing annual operating costs associated with this project, including cellular and WIFI charges, licensing fees, and maintenance support, will also be shared per traditional funding splits.

This letter, combined with the attached memorandum of understanding, documents your commitment to the real-time technology project and your willingness to budget accordingly per the attached estimates. These estimates will be reflected in your Three Year Budget, based on anticipated in-service dates. Budget estimates will be updated, if necessary, following the award to the successful real-time technology proponent.

Please return the approved MOU by no later than December 16, 2016 so that your transit system can be confirmed for inclusion in the first phase of implementation.

¹ Based on your 2016/17 fleet composition.

Yours truly,

A handwritten signature in blue ink, appearing to be 'Dm' or similar, with a small blue circular mark above the first letter.

Senior Regional Transit Manager
BC Transit

Expansion Memorandum of Understanding

SmartBus Real-Time Technology

Date	October 31, 2016
Expiry	December 16, 2016
System	Kelowna Regional Transit

Expansion Initiatives Agreement

The following outlines the real-time expansion initiative identified for your transit system, based upon your 2016/17 fleet composition, along with a high level annual costing based on anticipated project costs and operating expenditures. Please confirm these initiatives are aligned with the expectations of your local government. Upon confirmation of your local government's intent to commit to the expansion and budget accordingly, we will include your transit community as part of the Phase 1 implementation plan.

Real-Time Costs	2017/18			2018/19			2019/20		
Local Partner	Local Share of Operating Costs	Local Share of Lease Fees	Net Local Share	Local Share of Operating Costs	Local Share of Lease Fees	Net Local Share	Local Share of Operating Costs	Local Share of Lease Fees	Net Local Share
City of Kelowna	59,244	31,516	90,760	59,501	31,516	91,017	60,380	31,516	91,896
City of West Kelowna	9,829	5,229	15,058	9,872	5,229	15,100	10,017	5,229	15,246
Westbank First Nation	3,378	1,797	5,175	3,393	1,797	5,190	3,443	1,797	5,240
District of Lake Country	3,975	2,115	6,089	3,992	2,115	6,107	4,051	2,115	6,166
Regional District of Central Okanagan	59	32	91	59	32	91	60	32	92
District of Peachland	624	332	956	627	332	959	636	332	968
Total	77,109	41,020	118,129	77,443	41,020	118,463	78,587	41,020	119,607
Operating Cost Description	Annual operating costs include cellular and WIFI charges, on-bus hardware maintenance and support, ongoing software licensing and hosting charges, and maintenance for on-street passenger information displays (if applicable)								
Lease Fee Description	Lease fees include project costs associated with the installation of real-time technology on buses in the existing fleet, software licensing, customer interface (web and/or mobile platform), WIFI upgrades at the facility, passenger information displays (if applicable), and project soft costs (ex. installation, project management, etc.). *Lease fees quoted are based on 17 per cent municipal share for the first five years only.								

Approval

On behalf of the City of Kelowna, I am confirming to BC Transit our commitment to the real-time technology project for the Kelowna Regional Transit System and that we will budget accordingly as per the advice provided and with the knowledge a more detailed budget will follow once details of the contract with the selected vendor have been determined.

On behalf of the Local Gov't Partner

City of Kelowna

Signature: _____ Date: _____

Name: _____ Position: _____

City of West Kelowna

Signature: _____ Date: _____

Name: _____ Position: _____

District of Lake Country

Signature: _____ Date: _____

Name: _____ Position: _____

Regional District of Central Okanagan

Signature: _____ Date: _____

Name: _____ Position: _____

Westbank First Nation

Signature: _____ Date: _____

Name: _____ Position: _____

District of Peachland

Signature: _____ Date: _____

Name: _____ Position: _____

On behalf of BC Transit, prepared by

Signature:  _____ Date: October 31, 2016

Name: Rob Williams Position: Senior Regional Transit Manager