



Payment Acceptance Devices and Transit Processor Services Master Service Agreement

User Agreement Scope of Work Template and Guidance for Transit Providers

The purpose of this guidance document is to assist Transit Providers interested in implementing contactless payments with the drafting of a User Agreement Scope of Work (SOW), as required to participate in the Master Service Agreements (MSAs) for Payment Acceptance Devices (PADs) and Transit Processor Services.

This document provides a template with suggested information for Transit Providers to fill in when drafting their SOW document.

- Sections 1 – 4 of the SOW include information that pertains to the SOW for both Category A (PADs) and Category B (Transit Processor Services) of the MSAs
- Section 5 includes information only for Category A
- Section 6 includes information only for Category B
- Within Sections 5 and 6, this document provides additional guidance intended to inform the Transit Provider of important considerations that may affect scoping decisions for the project

As part of the ordering process, Transit Providers will share their initial User Agreement SOW with the PAD and Transit Processor Services MSA vendors and receive back a specific solution description and pricing.



User Agreement Scope of Work

1. Incorporate MSA by Reference

MSA # _____ and its amendments is hereby incorporated by reference as if attached hereto.

2. Transit Provider Description

Please provide a brief description of the Transit Provider including but not limited to the following items: service area, ridership profile, fare revenue, number of routes/route map, fleet size, interlining.

3. Transit Provider Objectives [optional]

Please provide a brief description of the Transit Provider's objectives in implementing contactless payments and thus purchasing PADs and associated services from these MSAs. Objectives may include some or all of the following (or additional objectives added by the Transit Provider): customer convenience, faster boarding, improved hygiene, ridership retention, ridership growth, fleet modernization. Including objectives may provide further clarity for internal scoping decisions, allow MSA vendors to better tailor their proposals to the Transit Provider's needs, and provide a rationale for negotiating default service level agreements (if needed).

Transit Providers wishing to test a contactless payment system may deploy a limited number of PADs before rolling the system out on an entire fleet. Transit Providers that already have contracts under these MSAs and wish to expand their existing contactless payment system may attach and incorporate prior executed User Agreement Scope of Work documents, as applicable.

4. Transit Provider Existing System

Please provide a brief description of the Transit Provider's existing fare collection system and infrastructure on its revenue-collecting fleet. The description should include current vendor relationships related to the following: Current fare collection methods and fare media being used (e.g., cash, paper ticket, smartcard, mobile application, etc.), existing customer information channels, the status of the Transit Provider's General Transit Feed Specification (GTFS) schedule and real-time data feeds, Computer-Aided Dispatch / Automatic Vehicle Location (CAD-AVL) systems, and whether the Transit Provider contracts out any bus operations to a private company. Please indicate whether the Transit Provider has different types of vehicles in its fleet, and specify how the existing infrastructure differs on different vehicles.

If possible, please provide an image of the vehicle (or vehicles, if contactless is being deployed on different types of vehicles).



5. Transit Provider Existing Revenue Protection Policies and Procedures

Please provide a brief description of the Transit Provider's existing revenue protection (e.g., fare inspection) policies and procedures.

6. Scope of Work for Category A (PADs)

Please provide a comprehensive description of the goods and services the Transit Provider wishes to purchase from Category A, including all details necessary for the MSA vendor to provide a bid to the Transit Provider. This includes the model/quantity of PADs requested (and where PADs will be deployed), the Transit Provider's fare structure and business rules, the Transit Provider's (intended) Category B Transit Processor and Payment Processor vendors, integrations needed with existing infrastructure, any Category A value-added services the Transit Provider wishes to purchase, any changes needed to the default service level agreements, and the intended Transit Provider personnel that will be involved with the project implementation and operations.

The Category A SOW will also be shared with the Category B MSA vendor.

Additional Guidance for Completing Section 5

6.1 Determining hardware quantities

- For this component of the SOW, the Transit Provider should create a simple table specifying the device(s) it wishes to purchase and the desired quantity.
- The key factors for determining how many fare validator / PAD units to purchase are 1) whether you are deploying validators on the entire fleet, or just a portion of the vehicles, 2) whether you need one, two, or more validators per vehicle, 3) whether you require mobile devices for fare inspection, and 4) how many spare validators you wish to purchase.
- The benefit of deploying contactless fare collection PADs on the entire fleet is that it tends to minimize any confusion from customers about the addition of the contactless fare payment option.
- Deploying at least one PAD per door is recommended if you will allow multi-door boarding and/or support zonal or distance-based fares. Multi-door boarding can allow for shorter dwell times, which may be of value to some Transit Providers.
- Although the Transit Provider will have the opportunity to order additional devices at any point during the contract, ordering some quantity of spare devices initially for your inventory is recommended if you wish to avoid any delays associated with ordering additional devices; 5%-10% is a reasonable range.

6.2 Determining and describing the base fare structure

- For this component of the SOW, the Transit Provider should describe the basic structure for how base fares are anticipated to be applied on the contactless payment system. Introducing contactless payments may present an opportunity to improve customer experience.
- If you want to implement a flat-fare system, you need to indicate whether this flat fare is applicable to all routes and vehicles in scope of this purchase, or whether it depends on a specific route.

- If you want to implement a zonal fare system, you need to indicate what this looks like and how fares depend on zones passed through during a trip. Zonal and distance-based fare systems will require passengers to tap off.
- If you want to implement a distance-based fare, you need to consider whether this distance is calculated as the crow flies between boarding and alighting locations, or as the bus drives. The first option is both easy to implement and communicate to your riders, but may lead to situations where a long trip may be cheaper than a short trip (e.g., if there's a bridge, over/underpass, or railway crossing that connects two large areas served by a single route). The second option is more aligned with your cost structure but requires a well-functioning integration between the fare calculation function and the CAD-AVL system to ensure a match between the PAD and the route it is on. GTFS Realtime (GTFS-RT) may be used for this as well.

6.3 Determining and describing applicable business rules

- In this component of the SOW, the Transit Provider should list all relevant business rules that will apply to the contactless fare payment system.
- Deploying new contactless fare collection technology provides an opportunity to simplify business rules, which may ease project implementation and have a net positive impact on customer experience. However, for any existing business rules that will be carrying over to the contactless fare system, please be comprehensive about all of the business rules that you do want to keep.
- Describe the exceptions to the base fares, such as:
 - Discounts offered to certain rider groups
 - Free-fare or other promotional days
 - Fare caps: These are replacements of daily, weekly, and monthly passes that are more equitable and are easy to use for riders. With a fare-capping scheme, fares are automatically capped once a certain threshold has been reached (e.g., number of trips or fare paid in a certain time period).
 - Fare discounts for multiple trips in a journey, which may include transfers between modes or neighboring Transit Provider routes.
- Describe any other relevant business rule details, such as:
 - Any time limits a passenger has to a travel right.
 - Any penalties associated with not tapping on or off in case of a zonal or distance-based fare. (Penalties provide an incentive for passengers to tap off.)

6.4 Determining and describing integration needs

- In this component of the SOW, the Transit Provider should describe the target operating environment for the PADs in more detail.
- This section should address the following key questions:

- If you know, where will your PADs be placed? Will they need supporting mounts?
- If you know, how will your PADs receive power?
- PADs require a network connection to transmit transaction data. Is there a LAN or WLAN available in the vehicle or on the platform with connectivity to the internet? If not, PADs can be fitted with a SIM card of your choice. (Contact Cal-ITP for the latest information on preferential rates.) For assessing the (additional) cost for connectivity of these PADs, you may assume less than 2 Gb per month per device. Indicate whether there is a WLAN available in the depot(s) and workshop so that larger data transfers can be performed at no cost before the start of operations or after the end of operations.
- What is the status of your GTFS Schedule (also known as Static) and Realtime feeds?
- For some use cases, PADs and/or Transit Processors need to map GPS coordinates on stop locations and route names/numbers. Please indicate where this information is or can be made available (e.g., through a high-quality GTFS-RT data feed, or through onboard or back-end integration with a CAD-AVL system).

6.5 Determining and describing value-added services

- Transit Providers with limited staff resources available may want to consider purchasing value-added services. If you are unsure whether you need any of these value-added services, it is recommended to discuss with the MSA vendor in more detail what is included in their base offering.
- In this component of the SOW, the Transit Provider should indicate any and all of the following value-added services that it may consider purchasing:
 - Do you potentially need a project manager from your PAD vendor as an additional service?
 - Do you potentially require extensive training of your staff by the PAD vendor as an additional service?
 - Will you (the agency) be undertaking the installation of the PADs, or do you require third-party support or installation services from the PAD vendor?

6.6 Determining whether any changes are needed to default service level agreements (SLAs) in the User Agreement

- In this component of the SOW, the Transit Provider should indicate whether it wishes to ask for changes to the default SLAs.
- Although the SLAs can be modified, MSA vendors are not obligated to agree to any SLAs set below or above the default levels.

6.7 Determining internal responsibilities for the project

- In this component of the SOW, the Transit Provider should address the following questions:
 - Who will be your primary contact for the PAD vendor?
 - Who will manage the contract with the PAD vendor?
- It is recommended that the Transit Provider have a clear understanding of where responsibilities lie internally with respect to monitoring the contactless payment system and corresponding with the MSA vendor.

6.8 What PAD vendors are expected to provide in response to your SOW

- Upon sharing your Category A SOW with the MSA vendor(s), you should expect to receive the following in response:
 - Solution description: Proposed device + mounting + back-end service
 - Considerations for implementation and integration
 - Suggested value-added services
 - Proposal for revenue inspection (if applicable)
 - Initial project implementation plan (including project timeline)
 - Initial acceptance testing plan (i.e., plan for technical and customer experience validation of the equipment)
 - Initial training plan
 - Pricing for mandatory items
 - Pricing for optional items

7. Scope of Work for Category B (Transit Processor Services)

Please provide a comprehensive description of the services that the Transit Provider wishes to purchase from Category B, including all details necessary for the MSA vendor to provide a bid to the Transit Provider. This includes any fare caps to be applied, any existing customer account and/or customer service channels, the Transit Provider's (intended) Category A PAD and Payment Processor vendors, any Category B value-added services the Transit Provider wishes to purchase, any changes needed to the default service level agreements, and the intended Transit Provider personnel that will be involved with the project implementation and operations.

The Category B SOW will also be shared with the Category A MSA vendor.

Additional Guidance for Completing Section 6

7.1 Determining and describing fare-capping policies for final charge management

- In this component of the SOW, the Transit Provider should include a comprehensive list of all fare-capping policies it wishes to implement on the contactless payment system, which may include:
 - Base fare discounted with a fixed percentage
 - Base fare discounted with a fixed amount
 - Capping on a period-basis either based on rolling period or calendar-based periods
 - Multi-agency transfer discounts and multi-agency fare caps for Transit Providers connected to the same Transit Processor

7.2 Determining and describing account management/customer support needs

- In this component of the SOW, the Transit Provider should describe any existing customer service channels it has and whether it wishes to use the Transit Processor's standard website to give its customers the ability to monitor their tap and transaction history.
- The description should address the following topics:
 - Do you currently give customers an opportunity to create an account? If so, how can customers access their accounts?
 - If you currently have a customer website, indicate whether you prefer for the Transit Processor to integrate with your website (by providing support to a third-party developer) or whether you prefer to use the Transit Processor's standard website for account management and customer support.
 - Describe any requirements for a website where passengers can get self-service.

7.3 Determining and describing reporting needs

- In this component of the SOW, the Transit Provider should describe its desired reporting output, addressing the following topics:
 - What format does the Transit Provider want reports in? What report information does it want to be included?
 - How will reporting revenue from contactless payment transactions fit together with your existing accounting and reporting processes?

7.4 Determining and describing value-added services

- In this component of the SOW, the Transit Provider should indicate any and all value-added services that it wishes to purchase.

7.5 Determining whether any changes are needed to default service level agreements (SLAs) in the User Agreement

- In this component of the SOW, the Transit Provider should indicate whether it wishes to ask for changes to the default SLAs.
- Although the SLAs can be modified, MSA vendors are not obligated to agree to any SLAs set below the default levels.

7.6 Determining internal responsibilities for the project

- In this component of the SOW, the Transit Provider should address the following questions
 - Who will be your primary contact for the Transit Processor Services vendor?
 - Who will manage the contract with the Transit Processor Services vendor?
- It is recommended that the Transit Provider have a clear understanding of where responsibilities lie internally with respect to monitoring the contactless payment system and corresponding with the MSA vendor.

7.7 What Transit Processors are expected to provide in response to your SOW

- Upon sharing your Category B SOW with the MSA vendor(s), you should expect to receive the following in response:
 - Solution description
 - Considerations for implementation and integration
 - Suggested value-added services
 - Proposal for revenue inspection (if applicable)
 - Initial project implementation plan (including project timeline)



- Initial acceptance testing plan (i.e., plan for technical and customer experience validation of the equipment)
- Initial training plan
- Pricing for mandatory items
- Pricing for optional items