



Program Management Report

September 10, 2008

Smart Card. Smart Travel.

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I. Executive Summary

- MTC issued a Revenue Ready Certificate to the Contractor for SFMTA on September 5.
 - The 2.3 Revenue Ready punchlist for SFMTA and Regional Issues was attached to the certificate. Contractor has begun to correct several items.
 - Equipment (CID 1) availability was last measured at 95.5%
- Contractor has installed the remaining Caltrain CID2s at all stations (a punchlist item). Some are not yet fully operational due to network and site-prep issues, a Caltrain responsibility.
- Contractor is testing fixes for several items on the Caltrain punchlist.
- Caltrain and SFMTA have completed draft soft launch plans. Each includes a multiple phase approach.

- Contractor delivered BART faregate software on August 29 in preparation for resuming Integration 6 testing in October.
- Schedules received August 28th project the following Revenue Ready dates:
 - BART: April 8, 2009
 - VTA and SamTrans: January 22, 2010
- Contractor is ready to begin prototyping at VTA.
- The declaratory relief appeal hearing is set for October 23, 2008.

System Operations Key Performance Indicators

A. System Availability Performance (AC Transit and Golden Gate Transit/Ferry devices)

Device	Goal	Status
AVM	99.73%	99.99%
TOT	99.73%	99.96%
TDS	99.73%	99.99%
TCS	99.73%	100%
Data Store	99.73%	100%
Report Server	99.73%	100%

B. Phase 2.2 Reliability (60-Day Period) (AC Transit and Golden Gate Transit/Ferry devices only)

Device	Benchmark (MOHBF)	Status (MOHBF)
AVM	7,500	7,501
CID1	7,500	21,564
CID2	7,500	11,250
TOT	7,500	1,000 ¹
HCR3	15,000	36,750

C. Accuracy Performance – August 2008

Device	Requirement	Status
AVM	99.73%	N/A ²
TOT	99.73%	N/A ²
CID	99.73%	N/A ²

D. Customer Service Response Time Performance

Measure	Requirement	August 2008	Prior Month July 2008	Prior Year August 2007
Percentage of Calls Answered within 20 seconds	Greater than 80%	90.26%	89.52%	94.68%
Percentage of Calls Abandoned	Less than 8%	3.81%	3.01%	1.88%

1. The TransLink Contractor has been addressing problems with the Patron Interface Device (PID) component of the TOT by cleaning the devices and installing new base plates and brushes to mitigate communications problems. Additionally, the transit operators reported that the TOTs were hanging during the log in process. The TransLink Contractor eliminated the log in delay by disabling the TOT's USB drive, which is not critical to the device's functionality.
2. The Contractor has launched an extensive investigation into the reasons why the audit registers are being corrupted. Without accurate information from the audit registers, the accuracy measurement cannot be made. The results of this investigation will be provided in the next Program Management Report.



System Utilization

Measure	Last Month August 2008	Prior Month July 2008	Prior Year August 2007
Transaction Volume			
Average Number of Weekday Transactions	15,545	15,582	4,874
Fee-Generating Fare Payment Transactions (Not Including Free Transfers)	353,754	366,713	106,981
Fee-Generating Add Value Transactions	24,124	24,571	9,171
Unique Cards Used	18,799	18,328	6,115
Settled Transit Operator Revenue	\$970,652.18	\$1,011,334	\$389,591
Call Volume			
Customer Service Representative Calls	3,677	3,587	1,540
Help Desk Calls	97	143	56
Website Traffic			
Unique Visitors	11,755	N/A ¹	7,651
Visits	15,872	N/A ¹	13,949

1. Complete website traffic data is not available for July 2008 due to a mid-month server migration.

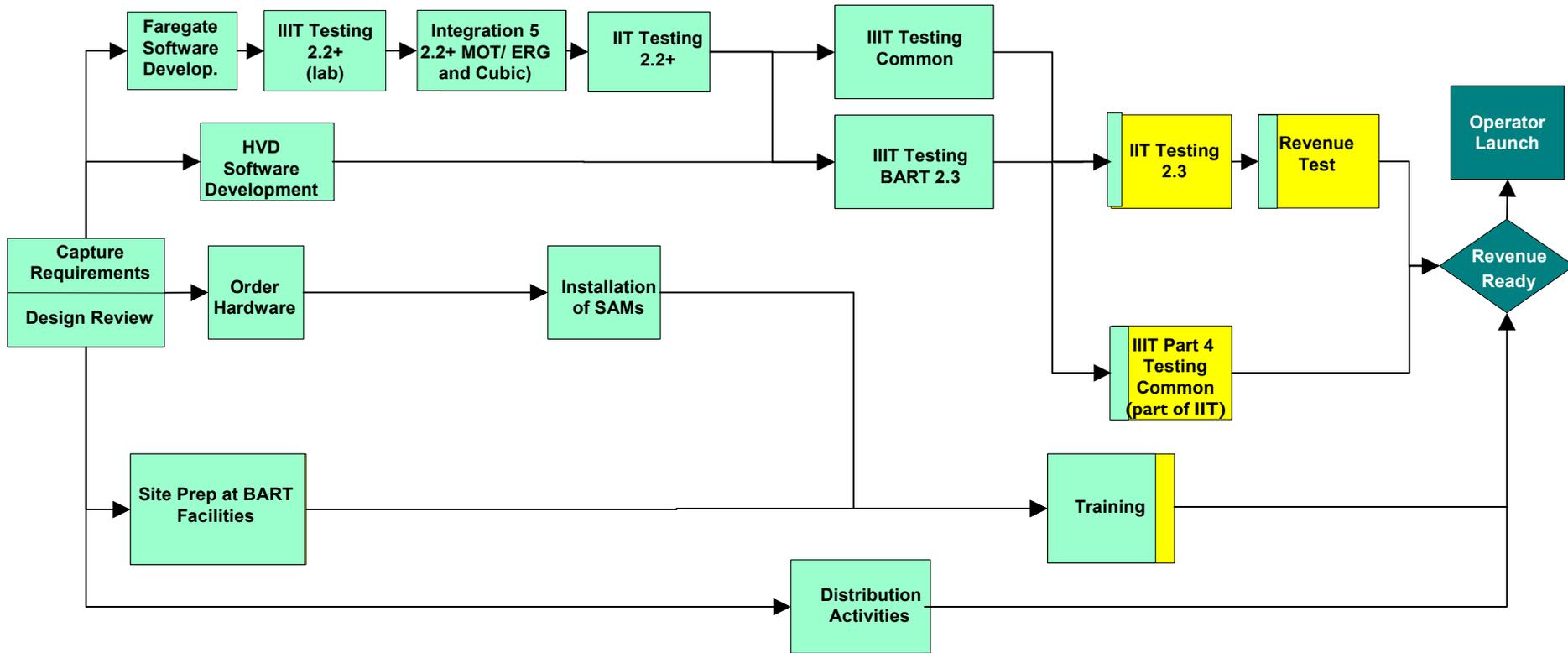
Issues & Actions

Topic	Issue	Status / Action
Schedule Delays	Revenue ready dates for several operators continue to be delayed.	<ul style="list-style-type: none"> Current schedules show Revenue Ready dates of: April 8, 2009 for BART and January 22, 2010 for VTA and SamTrans.
Declaratory Relief	MTC's outside counsel filed a request for declaratory relief with respect to Motorola's position as the prime contractor for TransLink®.	<ul style="list-style-type: none"> The U.S. District Court granted MTC's motion for judgment on the pleadings, in its declaratory relief action against Motorola on January 31, 2007, and Motorola appealed the order to the Ninth Circuit. The appeal hearing has been set for October 23, 2008.
Point of Sale Network Claim	The Contractor claims it is entitled to a 2.5% third party load service fee.	<ul style="list-style-type: none"> Mediation occurred on October 22, 2007. There were no clear agreements from the mediation. Motorola and MTC agreed to suspend the statute of limitations on the claim pending Revenue Ready for Phase 2.3.
BART Cycle Test Claim (new)	The Contractor claims the BART cycle test is out of scope and will require extra work that will cause a delay in the BART revenue ready milestone.	<ul style="list-style-type: none"> MTC notified Contractor of test criteria on September 4, 2008. MTC received a claim in the amount of \$334K on September 10, 2008.
Assurance Payments	Contractor claims that it will be entitled to assurance payments of \$80K/Mo. until TransLink reaches 20M transactions/Mo. MTC maintains that the Contractor's late delivery bars the Contractor's right to assurance payments. No formal claim has been filed.	<ul style="list-style-type: none"> This matter was included in the tolling agreement suspending the statute of limitations on a potential claim until Revenue Ready for Phase 2.3.



2. System Implementation

BART Revenue Ready Activities



Complete
 Not Complete

IIIT- Interface and Integration Inspection and Testing
 IIT- Installation Inspection and Testing
 2.2 Plus - Adds BART basic transactions for the faregates onto the 2.2 back-end
 HVD- High Value Discount

- Installation, inspection and rework activity is nearing completion on SFMTA's fleet.
 - CIDs are installed on 100% of SFMTA's vehicles
 - Contractor has completed necessary re-works and has submitted a change order request for work outside the original scope
 - MTC and SFMTA are working to finalize the estimate for out of scope work
 - MTC continues to use a consultant to check CIDI availability
- SFMTA West Portal Station AVM's should be back on-line this month.
- Contractor is working with Caltrain to remediate network issues on CID2 installations.
- Contractor is waiting for the go-ahead from VTA to begin installation of on-board equipment on prototype buses.

- Contractor is conducting internal tests on fixes for many of the items on the Caltrain punchlist.
- Contractor delivered BART faregate software on August 29.
- BART Integration 6 (I6) testing will resume as soon as the BART completes the build for the faregate software.
- MTC has directed Contractor to proceed with the BART cycle test as a revenue ready requirement, with MTC determining the pass/fail criteria for the test. MTC, BART, and Contractor are working through the details of the test.

- Caltrain is nearly complete in addressing site prep punchlist issues. The Contractor has completed the installation of the CID2s and is supporting Caltrain's effort to complete the network where necessary to make all devices operational.
- SFMTA's site preparation work continues at Metro East Yard. The Contractor is ready to install the wireless network.
- SamTrans is reviewing the site prep document to develop a scope and determine funding needs.

Phase 2.3 Training

- The Contractor completed development of training material and has conducted over 65% of courses for Phase 2.3 transit agency trainers.
- Two courses are on the punch list for SFMTA and four for Caltrain. Some of these courses are overviews of TransLink[®] intended for agency management.
- Contractor, SFMTA and Caltrain training will continue during soft launches.

Training Material Development

	Total Modules	Completed	To Complete
SFMTA	17	17	0
Caltrain	10	10	0
BART	5	5	0

Delivery of Training

	Total Modules	Conducted	To Deliver
SFMTA	18	16	2
Caltrain	11	7	4
BART	6	1	5



TransLink® Integration Programs

Operator	Description	Status
BART	Integration of TransLink® functionality into existing ticket vending machines	Initial software from the Contractor has been delivered to BART . Contractor expects completion Spring 2009.
BART	Integration of TransLink® functionality into existing faregates.	BART's Integration 6 testing will resume in October.
BART	Integration of high value discount product for BART.	BART's Integration 6 testing will resume in October.
Golden Gate Ferry	Introduction of new faregates with TransLink® functionality.	Golden Gate continues to consider alternative designs.
SFMTA	Replacement of existing faregates with new faregates that include TransLink® functionality.	Draft Functional Specification document is complete and work has begun on the Draft Technical Specification document.
VTA/Caltrain	Integration of TransLink® functionality into existing ticket vending machines.	VTA and Caltrain completed initial design review and TVM costing. VenTek is to build 2 prototypes with expected delivery in October. Testing of prototypes is expected to take about 45 days after delivery.



3. Program Financial Summary



Recent TransLink[®] Contractor Invoices

Invoice No.	Milestone/Cost Description	Date Received	Invoiced Amount	Total Amount Approved	Approval Status
50082857	TransLink Cards - Receipt of Cards by Contractor	7/14/2008	133,456.65	0.00	Under Review
50082858	Cardholder Education Materials - June 2008	7/14/2008	5,886.12	5,886.12	Approved (25% Withheld)
50083252	TSB Activities - June 2008	7/24/2008	368,310.14	358,337.50	Approved (25% Withheld)
80083211	TransLink Employer & Employer Prog. Website - May - June 2008	7/24/2008	37,100.00	37,100.00	Approved (25% Withheld)
50083208	TSB Activities - May 2008	7/24/2008	361,614.92	346,626.84	Approved (25% Withheld)
50083207	Support for TransLink Integration Initiatives - April - May 2008	7/25/2008	3,510.00	3,510.00	Approved (25% Withheld)
50083210	Caltrain HCR3, CID2, TOT, Customer Serv. - Phase 2.3 Training	7/25/2008	8,000.00	8,000.00	Approved (25% Withheld)
50083212	TransLink Website Content Changes - May - June 2008	7/29/2008	10,960.00	10,960.00	Approved (25% Withheld)
50083298	Retrofit of Phase I Fleet for Active Cradle - Jun - July 2008	8/1/2008	4,275.00	4,275.00	Approved (25% Withheld)
50083301	Touchscreen TOT - Design Milestone #4 Progress	8/1/2008	11,492.00	11,492.00	Approved (25% Withheld)
50083302	Muni Faregate Retrofit - Design Milestone #4 Progress	8/1/2008	12,635.00	12,635.00	Approved (25% Withheld)
50083303	Implementation of Muni Network - Design Milestone #4 Complete	8/1/2008	32,273.00	32,273.00	Approved (25% Withheld)
50083304	Complete	8/1/2008	53,291.00	53,291.00	Approved (25% Withheld)
50083305	Relocation of Muni LRV Driver Consoles - Design Milestone #4 Progress	8/1/2008	74,728.90	74,728.90	Approved (25% Withheld)
50083345	Phase 2.3 Equipment for Caltrain - Phase 2.3 Equipment	8/4/2008	634,427.03	634,427.03	Approved (25% Withheld)
50083346	Phase 2.3 Equipment for SFMTA - Phase 2.3 Equipment	8/4/2008	4,359,819.44	4,445,959.66	Approved (25% Withheld)
50083369	Caltrain/System Equipment Implementation Increment	8/14/2008	750,000.00	750,000.00	Approved (25% Withheld)
50083436	TSB Activities - July 2008	8/21/2008	364,716.82	355,167.35	Approved (25% Withheld)
50083434	TransLink Card Order	8/21/2008	11,173.87	0.00	Under Review
50083437	Caltrain Revenue Ready Progress	8/21/2008	189,965.34	189,965.34	Approved (25% Withheld)
50083300	Additional GGT TOT at Whistlestop Wheels	8/21/2008	4,362.00	4,362.00	Approved (25% Withheld)
Total			7,242,031.89	7,149,031.40	

The table above shows operating and capital invoices submitted to MTC by the TransLink[®] Contractor in the past two months.



Summary of Phase II TransLink[®] Contract Capital and Maintenance Costs

Phase II TransLink[®] Contract Capital and Maintenance Costs by Fiscal Year

Fiscal Year	Design	Implementation	TransLink [®] Cards	Equipment	Maintenance	Other	Total
FY 2002-03	\$581,500	\$1,584,958	\$0	\$0	\$0	\$3,200	\$2,169,658
FY 2003-04	\$621,273	\$1,011,519	\$0	\$3,085,125	\$0	\$0	\$4,717,916
FY 2004-05	\$2,047,522	\$1,136,406	\$1,502,838	\$46,565	\$0	\$0	\$4,733,331
FY 2005-06	\$1,371,865	\$194,058	\$0	\$133,750	\$0	\$0	\$1,699,672
FY 2006-07	\$2,644,946	\$908,733	\$17,391	\$3,696,265	\$341,342	\$10,700	\$7,619,378
FY 2007-08	\$1,183,540	\$563,373	\$44,625	\$205,631	\$567,631	\$0	\$2,564,800
FY 2008-09	\$0	\$10,960	\$0	\$0	\$0	\$0	\$10,960
Total	\$8,450,646	\$5,410,007	\$1,564,853	\$7,167,335	\$908,973	\$13,900	\$23,515,716

Note: Amounts for FY 2006-07, FY 2007-08 and FY 2008-09 do not reflect withholding of 25% of payments after April 26, 2007 because the full amount will be due to Contractor when Contractor achieves required milestones.

The table above shows all Phase II TransLink[®] Contract capital and maintenance costs by fiscal year. This table does not include capital costs not paid under the TransLink[®] Contract, e.g. consultant costs and transit agency funding agreements.



TransLink[®] Service Bureau Operations Payments

Invoice Description	Total Amount Paid	Estimated MTC Share	Estimated Transit Agency Share	Notes
TSB Activities - November 2006	\$286,182	\$285,149	\$1,033	
TSB Activities - December 2006	\$275,986	\$268,877	\$7,109	
TSB Activities - January 2007	\$272,555	\$268,513	\$4,042	
TSB Activities - February 2007	\$274,459	\$268,777	\$5,682	
TSB Activities - March 2007	\$274,166	\$268,163	\$6,004	25% Withheld
TSB Activities - April 2007	\$274,734	\$268,173	\$6,561	25% Withheld
TSB Activities - May 2007	\$275,192	\$268,397	\$6,794	25% Withheld
TSB Activities - June 2007	\$276,814	\$269,577	\$7,237	25% Withheld
TSB Activities - July 2007	\$321,859	\$313,625	\$8,234	25% Withheld
TSB Activities - August 2007	\$332,811	\$314,405	\$18,406	25% Withheld
TSB Activities - September 2007	\$349,473	\$329,749	\$19,724	25% Withheld
TSB Activities - October 2007	\$345,862	\$328,563	\$17,299	25% Withheld
TSB Activities - November 2007	\$343,423	\$325,783	\$17,640	25% Withheld
TSB Activities - December 2007	\$344,597	\$324,873	\$19,724	25% Withheld
TSB Activities - January 2008	\$343,447	\$326,148	\$17,299	25% Withheld
TSB Activities - February 2008	\$337,270	\$319,530	\$17,740	25% Withheld
TSB Activities - March 2008	\$345,805	\$326,928	\$18,876	25% Withheld
TSB Activities - April 2008	\$348,154	\$327,808	\$20,346	25% Withheld
TSB Activities - May 2008	\$344,948	\$323,102	\$21,846	25% Withheld
TSB Activities - June 2008	\$352,196	\$328,973	\$23,222	25% Withheld
TSB Activities - July 2008	\$353,683	\$330,662	\$23,021	25% Withheld
Total	\$6,673,614	\$6,385,776	\$287,838	

Note 1: In previous months, the "Total Amount Paid" incorrectly included both operating and capital payments related to TransLink[®] Service Bureau Activities. This table correctly shows only the operating amounts. Capital amounts are included elsewhere in the report.

Note 2: MTC recently reclassified TransLink[®] equipment maintenance payments for FY 2007/08 as "operating" expenses. Previously, these amounts were incorrectly categorized as "capital" expenses.



Drawdown of TransLink[®] Incentive Fund by Transit Operator

Transit Operator	AC Transit	BART	Caltrain	GGBHTD	SFMTA	VTA
TransLink Incentive	\$862,227.00	\$2,128,017.00	\$484,745.00	\$634,239.00	\$2,327,504.00	\$683,271.00
Total Share of Phase II Operating Fees as of July 2008 ¹	\$92,056.21	\$0.00	\$0.00	\$162,583.91	\$4,911.22	\$0.00
Remaining TransLink Incentive Credit	\$770,170.79	\$2,128,017.00	\$484,745.00	\$471,655.09	\$2,322,592.78	\$683,271.00

1. These amounts are subject to change pending the resolution of TransLink Contractor claims and retroactive price adjustments.

When the TransLink[®] program reached Revenue Ready for Phase II, the monthly program operating costs became the shared responsibility of the members of the TransLink[®] Consortium, in accordance with Appendix A of the TransLink[®] Interagency Participation Agreement (IPA). MTC has also agreed to assist the operators with Phase II operating costs up to a set dollar amount, which is typically referred to as the “TransLink[®] Incentive.”

The table above identifies the TransLink[®] Incentive amounts for six participating transit operators and the amount that each agency has drawn down since Phase 2.2 Revenue Ready.



4. Systems and Operations Data



TransLink® Point of Sale Network Activity

- Total point of sale volume for the month of August was approximately \$80,100 in e-cash value and \$36,200 in transit passes.
- Top sales locations for August were:
 - East Bay: Walgreens #2393 (1330 Broadway, Oakland) – \$9,300
 - North Bay: Raley's #337 (Rohnert Park) - \$5,350
 - San Francisco: News Spot Montgomery - \$5,800

TransLink® Fare Payment Transaction Volume

Figure 1: Average Weekday TransLink® Ridership during the Previous 52-Week Period

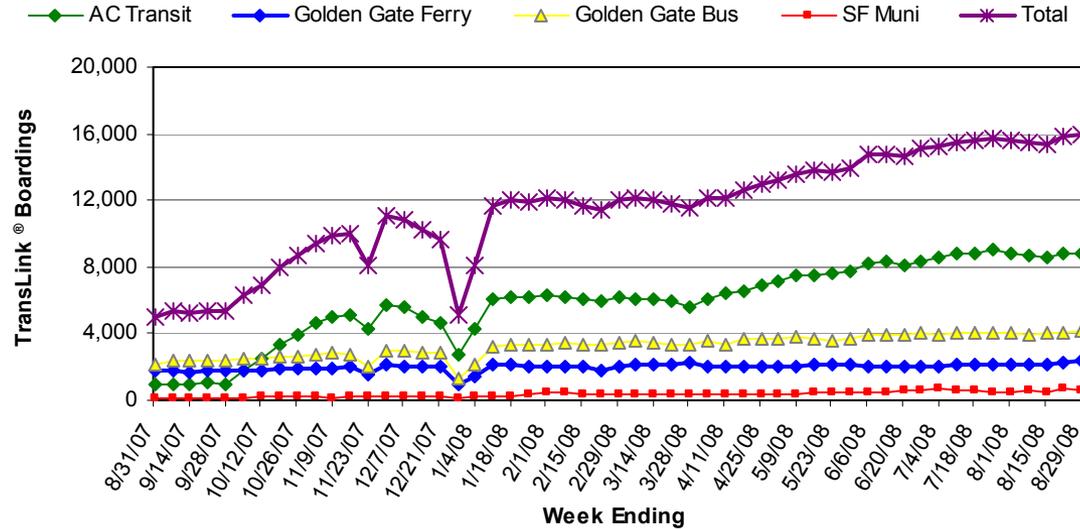


Figure 2: Daily TransLink® Ridership by Operator over a Rolling 60-Day Period

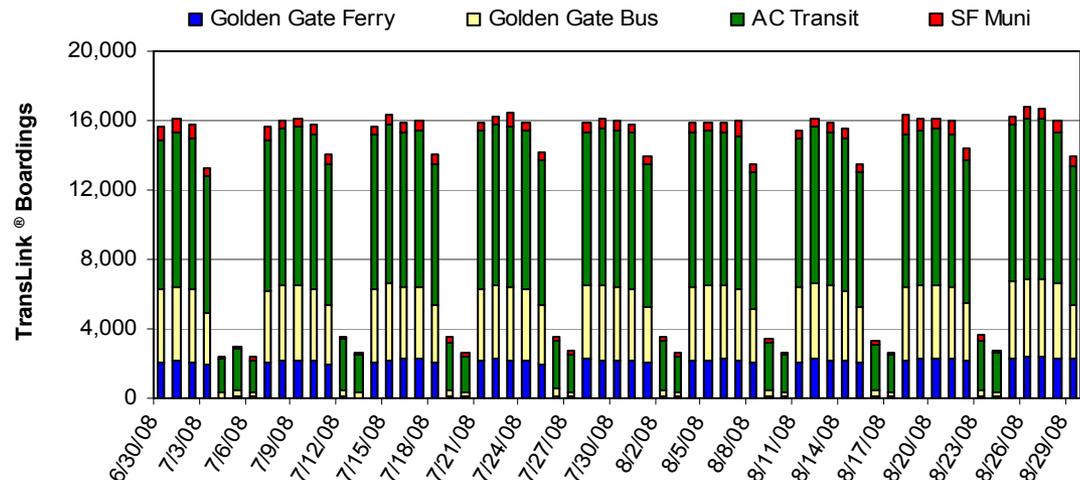
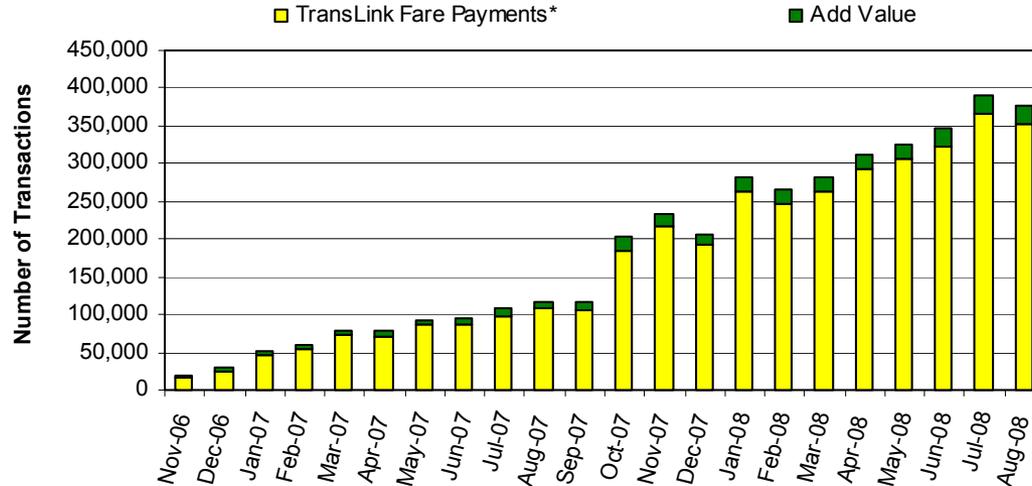
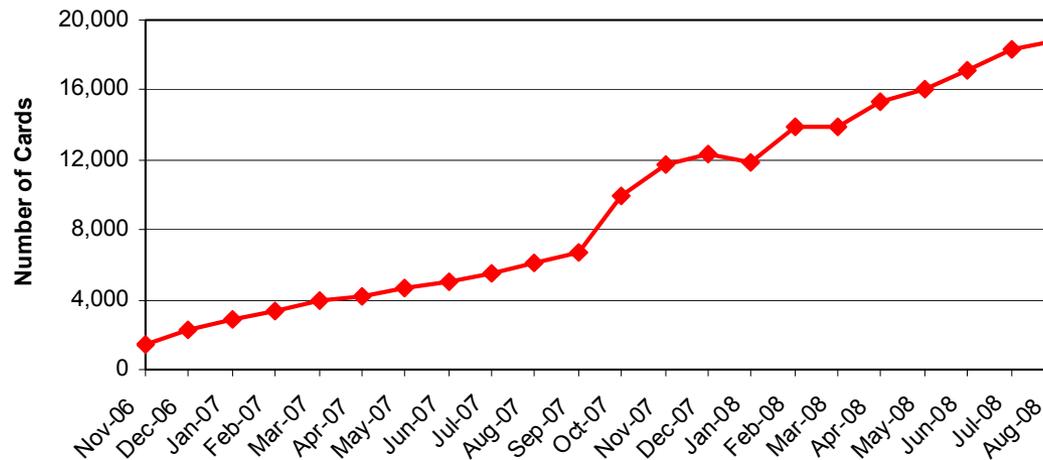


Figure 3: TransLink® Fee Generating Transactions on a Monthly Basis Since Phase 2.2 Revenue Ready



*Based on the TransLink® Contract, free transfers are not counted as fee generating transactions.

Figure 4: Number of Unique TransLink® Cards Used on a Monthly Basis Since Phase 2.2 Revenue Ready



Customer Service Center Performance

Figure 5: Customer Service Representative (CSR) Response Time

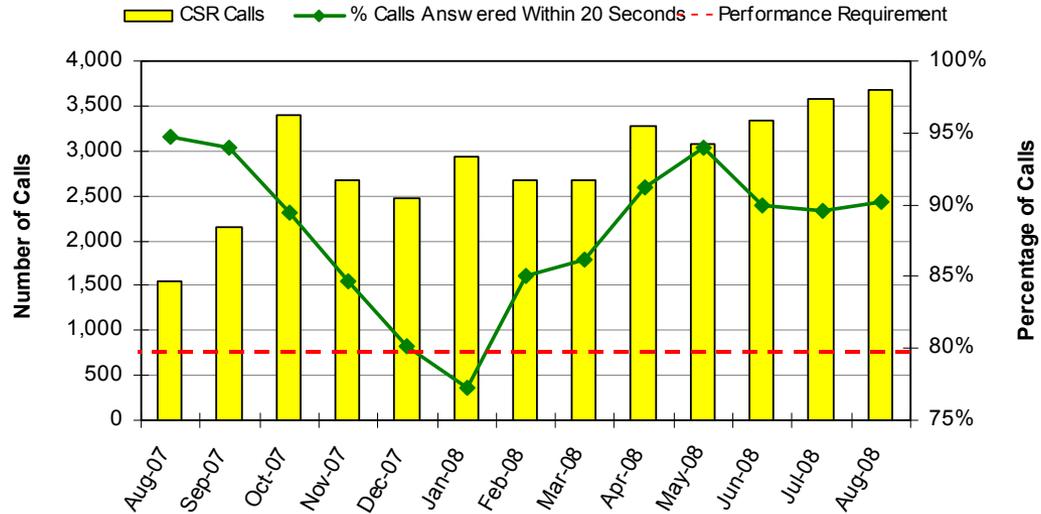
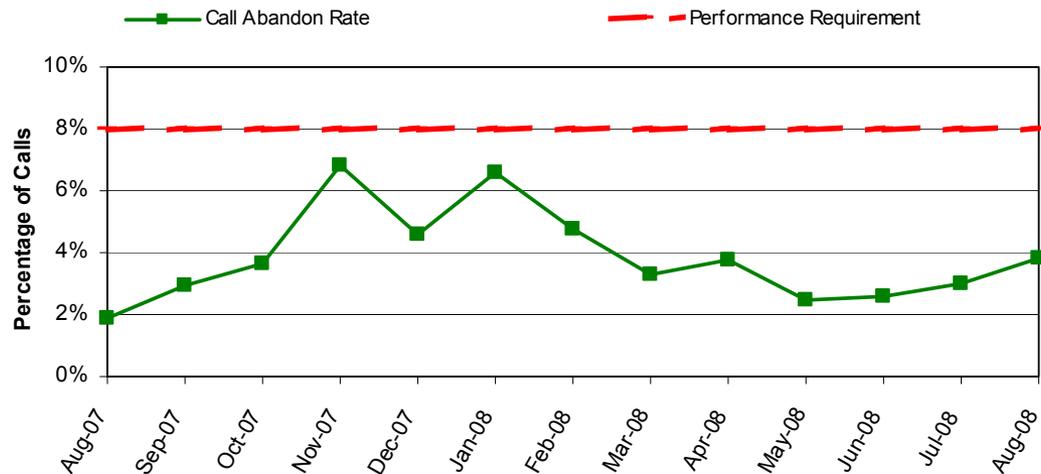


Figure 6: Percentage of Calls Abandoned in Customer Service Representative Phone Queue



Customer Service Center Activity

Figure 7: TransLink® Customer Service Center Activity (Phone and Website) During the Previous 12-Month Period

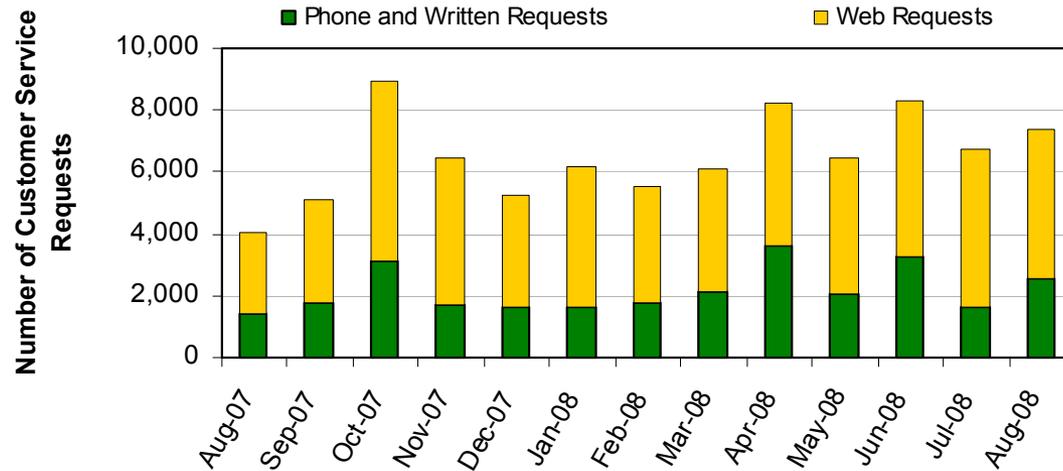


Table 1: TransLink[®] Service Bureau (TSB) Phase II Card Distribution Activity*

Card Distribution Period	Adult/Youth Cards**	Senior Cards	RTC Discount Cards	Total
Cards Distributed Prior to January 2007	18,159	504	3	18,666
January 2007	567	1	5	573
February 2007	591	1	488	1,080
March 2007	525	0	0	525
April 2007	546	0	0	546
May 2007	500	0	0	500
June 2007	680	0	1,160	1,840
July 2007	792	0	0	792
August 2007	6,150	1	1,960	8,111
September 2007	1,559	8	9,899	11,466
October 2007	5,180	37	3,000	8,217
November 2007	1,530	0	3,000	4,530
December 2007	1,920	2	3,000	4,922
January 2008	1,663	117	3,116	4,896
February 2008	1,302	48	3,048	4,398
March 2008	4,197	1	3,002	7,200
April 2008	6,041	23	3,015	9,079
May 2008	2,244	21	1,233	3,498
June 2008	6,062	1,009	932	8,003
July 2008	2,026	1	5,756	7,783
August 2008	9,229	2	3,000	12,231
Cumulative TSB Card Distribution	71,463	1,776	45,617	118,856
Unusable Cards (Due to Defects)	579	12	0	591
Current TSB Phase II Card Inventory	178,822	59,416	44,449	282,687

*Includes cards that TSB distributed to transit agencies, third-party distributors and patrons, as well as cards issued for system testing.

**Adult and Youth cards are counted together because both card types use the same card stock.

Figure 8: Distribution of TransLink® Cards to Patrons on a Monthly Basis Since Phase 2.2 Revenue Ready

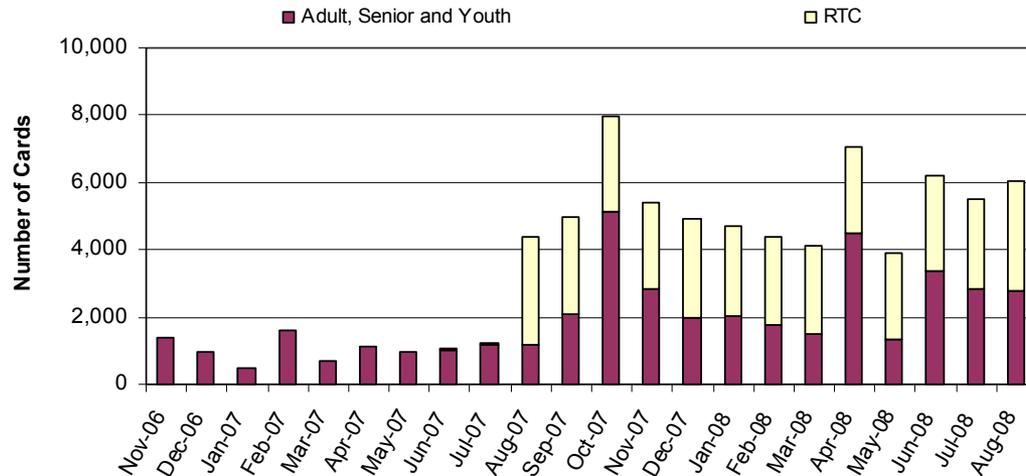


Figure 9: Monthly TransLink® Card Issuance by Distribution Channel Since Phase 2.2 Revenue Ready

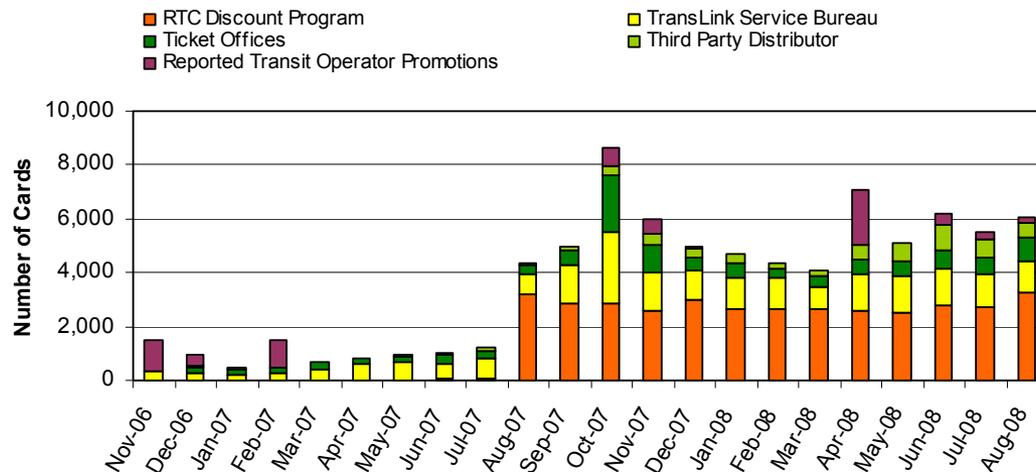
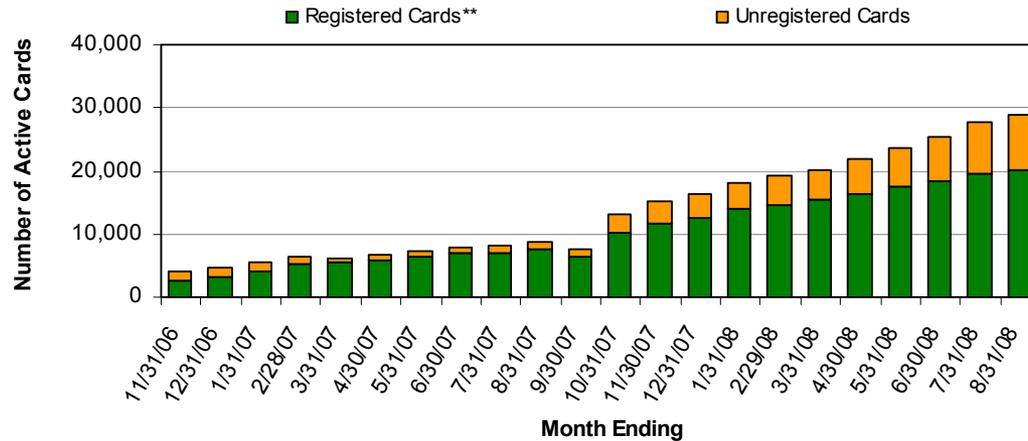


Figure 10: Number of Active* TransLink® Cards in Circulation



*Active cards are those that customers have used to complete a transaction during the previous 365-day period.

** A registered card has patron identification information associated with it in the TransLink Service Bureau database. Only registered cardholders can take advantage of features such as Autoload and TransLink Balance Restoration.

Figure 11: Cumulative Number of Cards Registered for Autoload Since Phase 2.2 Revenue Ready

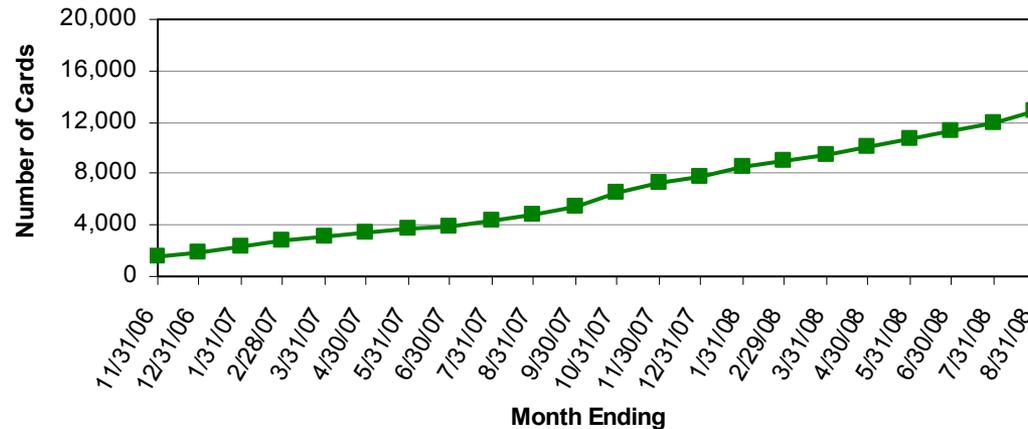


Figure 12: TransLink[®] Operator Revenue on a Monthly Basis Since Phase 2.2 Revenue Ready

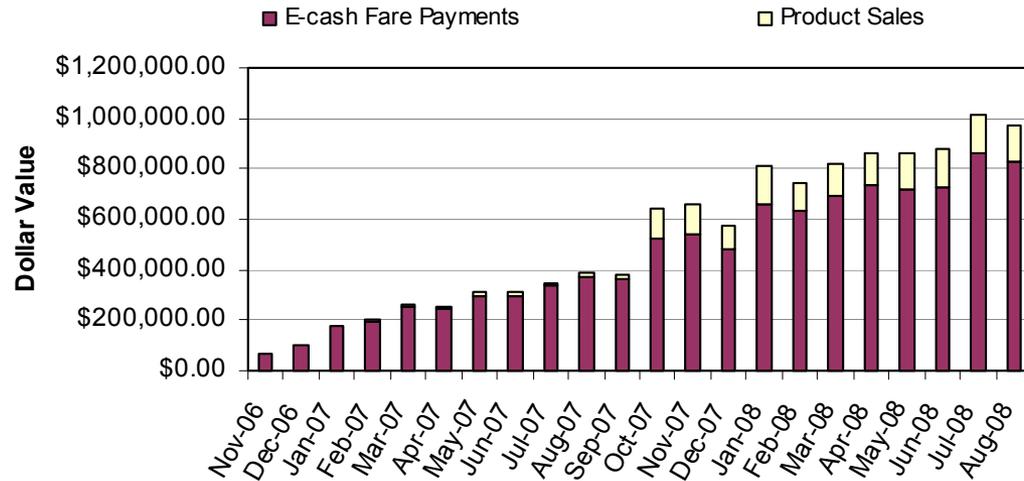


Figure 13: E-Cash Value Added by TransLink[®] Cardholders on a Monthly Basis

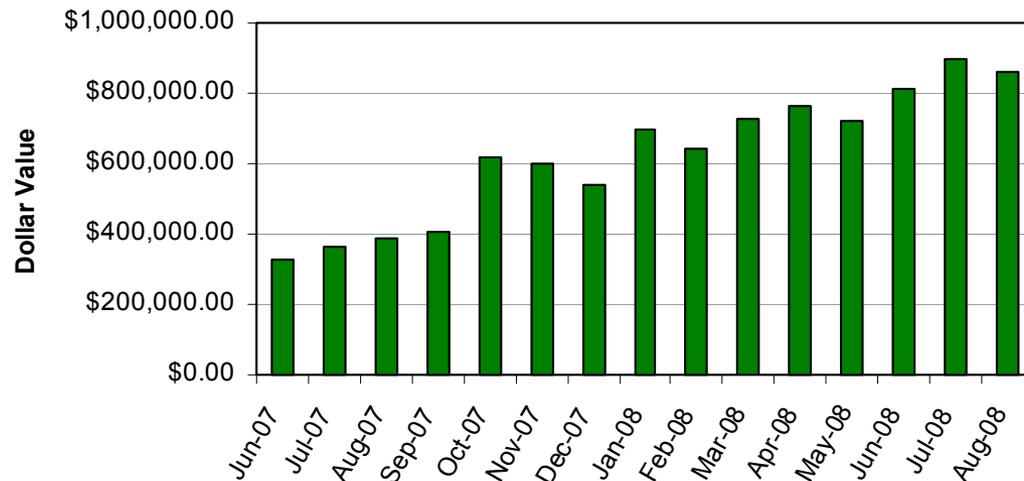


Figure 14: Monthly Sales of TransLink[®] Value by Distribution Channel

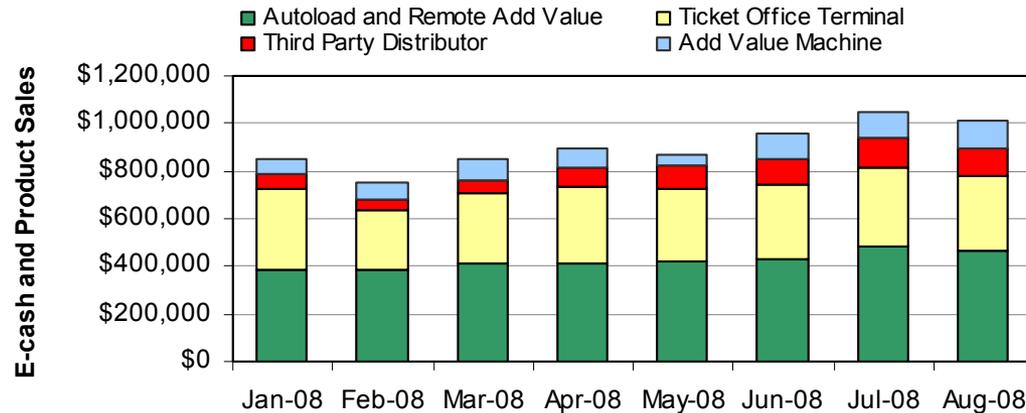


Table 2: TransLink[®] Bank Account Balances During the Previous 6-Month Period

Month End	TransLink [®] Float	TransLink [®] Cardholder Fees	TransLink [®] Participation Claim Fund (PCF)*	Walgreens Settlement
March 2008	\$782,986.37	\$55,650.00	\$24,357.48	\$180,000.00
April 2008	\$822,713.99	\$68,295.00	\$25,335.17	\$180,000.00
May 2008	\$823,692.40	\$78,065.00	\$29,876.53	\$180,000.00
June 2008	\$893,779.42	\$84,855.00	\$20,702.92	\$180,000.00
July 2008	\$900,230.19	\$96,020.00	\$10,132.40	\$180,000.00
August 2008	\$924,049.42	\$101,560.00	\$15,891.98	\$180,000.00

* If a fare payment transaction gap is not closed within a 21-day period, the e-cash value associated with the gap is moved from the Float Account to the PCF. Operators may file claims on the PCF at any time.



Appendix

- **AVM** Add Value Machine
- **CD** Configuration Data
- **CID** Card Interface Device
- **CIPP** Card Initialization, Printing and Personalization
- **FACI** First Article Confirmation Inspection
- **FAT** First Article Testing
- **FRB** Failure Review Board
- **HCR** Hand-held Card Reader
- **IIIT** Interface and Integration Inspection and Testing
- **IIT** Installation Inspection and Testing
- **KPI** Key Performance Indicator
- **MASS** Multiple Application Smartcard System
- **MTBF** Mean Transactions Between Failures
- **MOHBF** Mean Operating Hours Between Failures
- **OBE** On-Board Equipment
- **OCMS** Operations, Configuration and Management System
- **OFS** Off-Line Server
- **OLS** On-Line Server
- **OWS** Operator Work Station
- **PIO** Public Information Officer
- **RCDA** Referential Configuration Data Administrator
- **SAM** Security Access Module
- **TDS** TransLink® Data Server
- **TSB** TransLink® Service Bureau
- **TOT** Ticket Office Terminal
- **TRU** TransLink® Retail Unit
- **UD** Usage Data

- **Acceptance Testing** This testing will be conducted in stages as required in the Contract to verify that the equipment meets the specified reliability requirements. It will be carried out immediately after Conditional Acceptance of all of the 2.3 Operators.
- **Launch** This event occurs when a transit operator determines that its soft launch has been successful enough to allow entry into service with the general public. The Launch will include media events and appropriate advertising to promote the use of TransLink®.
- **Soft Launch** This occurs when a transit operator determines that all affected departments within the agency are ready to accept payment through the TransLink® system. A Soft Launch will likely include a select group of users for a set period of time. The general public is not precluded from using TransLink® during Soft Launch. A Soft Launch is not a requirement for operators.
- **Punch List** With respect to the TransLink® system, the Punch List is a collection of issues not completely addressed by the Contractor prior to Revenue Ready. Each item is agreed to by MTC and respective operator(s) affected and includes a date by which the Contractor will complete the work necessary to resolve the issue.
- **Revenue Ready** As defined in Article 8.2, Part I of the TransLink® Contract, MTC will issue one Certificate of Revenue Ready Status for each Phase II Operator when the Contractor has complied with the Contract requirements in the following areas:
 - All equipment has been installed and the Installation Inspection and Testing, as required under Volume B, Statement of Work, Section B4-4.3 has been completed;
 - The Contractor has hired all personnel designated for the operations and maintenance of the particular Phase in Contractor's Program Implementation Master Plan required under Volume B, Statement of Work, Section B4-4.1.1;
 - The Contractor has completed all of its contractual training obligations required by Volume B, Statement of Work, Section B4-4.6.