



October 24, 2019

Ulli Watkiss
City Clerk
Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Dear Ulli Watkiss:

Recommendation:

The Toronto Transit Commission Board recommends that City Council receive for information a report from the Auditor General titled “Review of Toronto Transit Commission’s Revenue Operations: Phase Two – PRESTO/TTC Fare Equipment and PRESTO Revenue”.

Background:

At its meeting on Thursday, October 24, 2019 the TTC Board considered the attached report titled “Review of Toronto Transit Commission’s Revenue Operations: Phase Two – PRESTO/TTC Fare Equipment and PRESTO Revenue”.

The Board adopted the recommendations in the Auditor General’s report, as follows:

The Auditor General recommends that:

1. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx and its vendors to:
 - a. identify the root cause for frozen and intermittent PRESTO card readers;
 - b. develop a method to detect above issues in the device monitoring software tool; and
 - c. ensure frozen and intermittent readers are included in the PRESTO card reader availability calculation.



2. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to determine the best method to capture complete and accurate information on in-service vehicles for the PRESTO card reader availability calculation, including assessing TTC's Vision system for this purpose.
3. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to:
 - a. explore ability to have more frequent pinging while ensuring impact on device performance and customer experience is minimized; and
 - b. discuss using the most frequent device status during an interval instead of the latest event for the availability rate calculation.
4. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to:
 - a. ensure missed devices in the device monitoring software tool are identified by PRESTO and communicated to TTC;
 - b. determine and address the underlying issue for missed devices in the device monitoring software tool; and
 - c. obtain back-up for the weekly card reader availability rate calculations.
5. The Board request the Chief Executive Officer, Toronto Transit Commission, to continue discussions with Metrolinx to:
 - a. obtain the daily PRESTO card reader availability spreadsheet for all seven days of the week, including weekends and holidays in Canada; and
 - b. ensure that TTC's availability calculation includes holidays in the country of PRESTO's vendor.
6. The Board request the Chief Executive Officer, Toronto Transit Commission, to:
 - a. ensure the availability calculation of PRESTO vending machines includes all out-of-service incidents, including the status when the coin box is full and the machine is not available for the customer to pay by coins; and



- b. provide TTC with the detailed back-up data/information that supports the weekly availability rate.
7. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to restore the contracted deliverable of the credit and debit card fare payment method on the new streetcars, with estimated timing provided by Metrolinx.
8. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to:
 - a. ensure that PRESTO's vendor's monitoring team is consistently logging tickets for all out-of-service card readers, even if able to successfully recover remotely; and
 - b. regularly receive a log of devices that successfully re-boot.
9. The Board request the Chief Executive Officer, Toronto Transit Commission, to:
 - a. provide training and communication to TTC forepersons for them to log all tickets in PRESTO's incident management system (ServiceNow) for PRESTO issues identified by TTC staff, including TTC operator sign-in sheets; and
 - b. require TTC technicians to maintain a log of PRESTO devices reset, including whether the reset was successful or not in resolving the PRESTO issue, and provide this to TTC forepersons and PRESTO repair staff.
10. The Board request the Chief Executive Officer, Toronto Transit Commission, to discuss with Metrolinx:
 - a. enabling data extraction from the device monitoring software tool in a usable format;
 - b. consideration of updating to a new version of device monitoring software tool that includes reporting capability; and



- c. the ability to maintain and obtain data logs for greater than 60 days from the device monitoring software tool.
11. The Board request the Chief Executive Officer, Toronto Transit Commission, to request Metrolinx to regularly provide a running list for all swapped devices, including the device IDs for both the original and swapped devices and mapping to the vehicle.
12. The Board request the Chief Executive Officer, Toronto Transit Commission, to request Metrolinx to ensure that for all PRESTO card readers, an inventory log is regularly provided to TTC, including mapping by device IDs to the vehicle numbers.
13. The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure the TTC Bus Transportation department:
 - a. reiterates the importance to TTC Operators to sign in all PRESTO issues, even if they are a daily or intermittent occurrence;
 - b. evaluates the need for additional communication and/or training for TTC Operators on the sign-in process; and
 - c. implements a process that reconciles all vehicles to the sign-in sheets to ensure all are signed in, and for any not signed in, a separate list is maintained which includes the reason for not being signed in and whether there were any issues.
14. The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure the TTC Bus Maintenance department provides an accurate listing of "bus out-of-service greater than seven days" to PRESTO.
15. The Board request the Chief Executive Officer, Toronto Transit Commission, to run daily reporting on warnings for the coin box being full or 75 per cent full, and ensure those streetcars, at a minimum, are made available for the nightly coin collection.



16. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to evaluate whether the coin collection needs to occur more frequently for new streetcar vending machines.
17. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to:
 - a. establish a governance framework that addresses the governance gap, by re-starting and continuing the Joint Executive Committee as envisioned in the Operational Services Agreement; and
 - b. formalize that TTC's contractual and operational issues are appropriate to address directly with Metrolinx at the Joint Executive Committee table, and includes regular status, service and planning review meetings.
18. The Board request the Chief Executive Officer, Toronto Transit Commission, to request a schedule and plan from Metrolinx for the remaining contracted deliverables of TTC
19. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to identify and agree upon outcome areas and targets, and to measure and monitor those areas.
20. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to agree upon and finalize the Service Level Agreement, and to utilize an Expert Panel as outlined in the Operational Services Agreement if needed.
21. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to obtain the required information to refine their estimate of revenue loss due to malfunctioning PRESTO fare equipment.
22. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to come to an agreement on a methodology for the revenue loss claim acceptable to both parties, and leverage its contractual governance framework of the Expert Panel if needed.



23. The Board request the Chief Executive Officer, Toronto Transit Commission, to make necessary changes to require proper approval sign-off by TTC for Metrolinx to be able to withdraw amounts from TTC's revenue bank account.
24. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with its vendor, to continue to make improvements to the functionality of fare gates, and to hold its vendor accountable to meet the target availability rate for TTC fare gates.
25. The Board request the Chief Executive Officer, Toronto Transit Commission, to consider refining its fare gate availability calculation methodology to better account for partially available fare gates.
26. The Board request the Chief Executive Officer, Toronto Transit Commission, to continue efforts in expediting the implementation of FareGo 3.9 in order to streamline the fare gate incident management process.
27. The Board request the Chief Executive Officer, Toronto Transit Commission, to identify fare gate incident priorities in TTC's work order management system and track targets for second line maintenance by its vendor based on those incident priorities.
28. The Board request the Chief Executive Officer, Toronto Transit Commission, to negotiate with its vendor to receive all relevant data and information regarding calculation of the fare gate service credit.
29. The Board request the Chief Executive Officer, Toronto Transit Commission, to work together with Metrolinx to:
 - a. ensure the required controls are both sufficiently and clearly covered in the CSAE 3416 report or through another mechanism(s); and
 - b. ensure the assurance specifically includes that the interface controls between the device level and subsystems are adequately designed and operating effectively.
30. The Board request the Chief Executive Officer, Toronto Transit Commission, to continue to pursue the receipt of device level data (revenue related transaction



and error event logs) from PRESTO in accordance with its Master Agreement with Metrolinx.

31. The Board request the Chief Executive Officer, Toronto Transit Commission, to ensure that there are transactions reported from all in-service vehicles and fare gates by doing a reconciliation against transactions received from PRESTO's central system.
32. The Board request the Chief Executive Officer, Toronto Transit Commission, to improve controls that verify whether there were transactions reported from offline devices when they reconnect back to the network.
33. The Board request the Chief Executive Officer, Toronto Transit Commission, to regularly follow-up with PRESTO on the results of their internal investigation regarding monthly discrepancies between the subsystem and central system, and perform validation to confirm the receivables of the missing transactions in the central system.
34. The Board request the Chief Executive Officer, Toronto Transit Commission, to request Metrolinx to:
 - a. include controls related to the retailer network in next year's CSAE 3416 report or obtain a separate CSAE 3416 report from its vendor for the retailer network; and
 - b. receive a reconciliation from Metrolinx of retailer sales transaction receipts listing with the sales extract report from PRESTO's central system, to monitor potential missing revenues.
35. The Board forward this report to City Council for information through the City's Audit Committee.

Decision Advice and Other Information:

The TTC Board also adopted the following member motions:

- i. To ensure that the TTC achieves its vision to provide customers a modern, efficient, customer focused fare collection system, the Board directs the CEO to use the Request for Information process to determine new service providers and



technologies, including open payment, being used by transit properties world-wide and how those providers and technologies could benefit the TTC and its customers. The Board directs the CEO to provide a comprehensive report back to the Board with recommendations by Q4 2020.

- ii) That the TTC CEO prepare a comprehensive plan to address the PRESTO findings in the Auditor General's report, specifying the responsibilities of TTC and Metrolinx and identifying timelines for execution and reporting back to the TTC Board.

The recommendation of the Toronto Transit Commission Board as set out above is submitted to City Council for information through the Audit Committee.

Sincerely,

Original signed by

Kevin Lee
Head of Commission Services

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Attachment