



Fare Transformation Program: Scheidt & Bachman Contract

May 25, 2023



**Massachusetts Bay
Transportation Authority**

Summary

- In 2018, the MBTA entered into a P3 (public private partnership) contract with Cubic Transportations Systems to fully replace the MBTA's current fare collection system by the end of 2022. The project, known as AFC 2.0, has been delayed.
- To date, Cubic and its lenders have invested over \$300M into the AFC 2.0 project while the MBTA has expended approximately \$17.5M.
- Payment Card Industry (PCI) Data Security Standards are mandatory information security standards applicable to all entities that store, process, or transmit credit cardholder data. New PCI Standards become effective March 31, 2025.
- A contract with Scheidt & Bachman (S&B), valued at \$51.0M, will provide PCI compliance by March 2025. The contract also addresses State of Good Repair back office critical issues, moves to an account-based system, and extends the life of the current system.
- We will return to the Board with further recommendations regarding AFC 2.0.



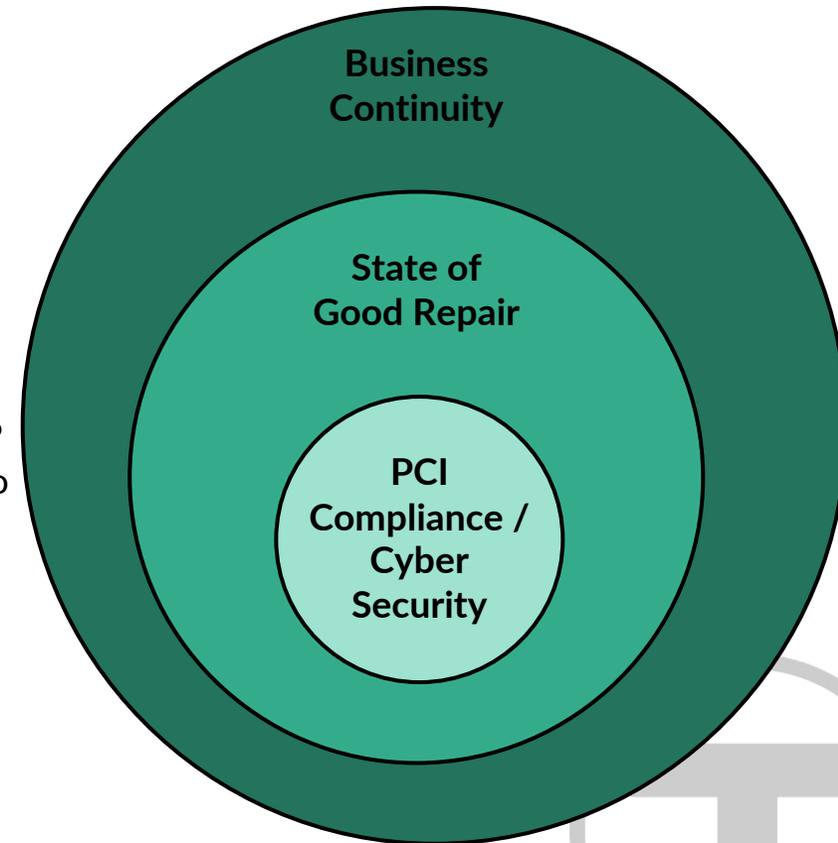
Business Continuity Plan - PCI Compliance and State of Good Repair

The Automated Fare Collection System is essential to MBTA operations, and PCI compliance and maintaining our legacy system is an integral part of our business continuity plan.

- **PCI / Cyber Security:**

- MBTA's current payment channels must be upgraded comply with new PCI 4.0 standards by March 31, 2025
- Upgrading and modernizing the legacy system mitigates known software and stability issues.
- Our PCI consultants and Qualified Security Assessors (QSA) will continue to identify and mitigate vulnerabilities in our current system.

- **State of Good Repair:** The current system and back-end software was purchased in 2006 is beyond its useful life and is no longer supported by S&B. Most importantly, it is not able to be updated to meet new PCI requirements.



S&B Budget

Item	Cost
S&B ¹	\$38.8M
S&B Maintenance ²	\$7.4M
S&B Optional Additional Services ³	\$4.8M
Total S&B Contract	\$51.0M
20% Contingency	\$10.2M
Total Project Budget	\$61.2M

¹ Amount includes \$4.7M in early works agreements.

² Includes three years of S&B maintenance; the first year funded by Capital, remaining years funded by Operating.

³ Amount includes known non-critical needs that improve ridership experience and MBTA fare operations.



Next Steps

- **Seek Board authorization** for a contract with S&B.

Proposed Board Vote:

IT IS VOTED:

That the MBTA Board of Directors hereby authorizes the General Manager or his designee, to enter into an agreement with Scheidt & Bachman in the amount of \$51 million dollars in a form approved by the Chief Counsel.

