

Problem identification and project progress
– Myki public transport ticketing system – A
failed project case study

Introduction

The objective of this report is to identify the relevant issues and project progress of MyKi public transport ticketing system project. This project was started in 2005 to develop a smartcard public transport ticketing system. The initial project budget was \$ 998.9 million. Project was sponsored by Public Transport Victoria (PTV). Finally project was completed in 2014. However, there were some issues related to the project.

Problem identification

Delaying implementing the project.

Initially, this project was planned to complete within two years. However, it had been spent nine years to complete the project. Even in other cities, it had been taken five years or more than that to complete similar projects. However, spending four times greater than expected time schedule is unacceptable. The most of these kind of projects have been taken more time than expected however, generally those projects have been completed within 5 – 6 years. Main reason for this delay was that changing the project scope time to time. Further, this delay led to many other problems. These delays caused to increase the project budget significantly compared to the initial project budget was \$ 998.9 million.

Issues in implementation process.

There were many implementation process issues in Myki ticketing system project. Main issues related to project were slow card reader response time, technical failures on buses and trams and issues of data accuracy for measuring patronage. During time period of 2010 to 2014, the public transport ombudsman received more than 5450 complaints about the system. These issues were related to account chargers, reimbursements and refunds. According to data of PTV, more than 200,000 complaints and inquiries were received during this time period. Further, there were significant increase of metropolitan fare evasion during 2009 to 2011 since reduce of effective implementation at the time which Myki replace previous method. Due to all these issues and

additional cost which incurred throughout the years, project scope has been reduced. Therefore, this project indicates the impact of lack of planning from the beginning. Thus, many amendments were done to the initial planning.

Project progress

As discussed before, there were multiple delays in the project and those delays dragged this project so long. Project was planned to complete in 2007 July. However, at the end of 2008, project was started in Geelong buses. In 2009, project rollout started on buses of five regional centers and on metropolitan trains. In 2010, it was extended to metropolitan buses. In 2012, Myki became the only form of ticket valid on public transportation sector in Melbourne and replaced previous ticketing system called Metcard. Then rollout started on regional commuter trains in 2013 and in 2014 February project completely replaced paper ticket by myki.

This project contract was changed by main six contract amendments which reduce the project scope significantly and extend the timeframe significantly. The main six amendments of the project are described in below.

Amending deed 1 (December 2006) – In this amendment, various matters such as KPIs, definition of card ordering processes and phase completion conditions were concluded.

Amending deed 2 (January 2008) – New rules sets for contractor through this amendment. This amendment gave new right to Transport Ticketing Authority (TTA) to refund the \$20 million from contractor and terminate the contract if contractor couldn't complete the Regional Bus pilot trail at the planned date.

Amending deed 3 (June 2008) – This settled the previous unclear scope and reset project schedule and time line to achieve the objectives of the project.

Amending deed 4 (June 2009) - This amendment change the ordering and payment process for smart cards. TTA agreed to make the payment for smartcard once they received them. Initially, TTA would pay on sales to customers.

Amending deed 5 (November 2011) – This amendment also resolved remaining issues of the project scope relevant to build phase and reset the project schedule. Scope changes were includes;

Remove the disposable smartcards.

Eliminate deployment of cards vending machines in trams.

V / Line Implementation Changes - Continue with the introduction of myki via V / Line interurban services and postponement of the implementing on the V / Line intercity services.

Amending deed 6 (March 2013) – This amendment set the parameters to myki operation. This amended the contract time to mid-2016 instead of April 2019 as scheduled in previous amendment. Further, this introduced the cost plus reimbursement model and change the risk allocation and commercial incentives. Further this introduced new incentives for achieving higher performances and also provide right to terminate the contract if show the significantly poor performances repeatedly.

All these changes indicate that the initial plan underestimated the complexity of the project. Further, it indicates the lack of planning related to contract and defining critical milestones and requirements. Among above amendments, amending deed 5 and 6 were highly critical. Amending deed 5 led to ensure deliverability by limiting the scope and ensure achieving expected outcomes according rescheduled time plan. Amending deed 6 mainly addressed possible financial risks. This mainly focused on payment process for Myki. Cost plus reimbursement model was the key change.