

**Metropolitan Transportation Commission
Operations Committee**

November 4, 2022

Agenda Item 4b

**Change Order (CO) Amendment – CO 145, Clipper® Card Order: Cubic Transportation
Systems, Inc. (\$2,000,000)**

Subject:

Request for approval of a Change Order Amendment for procurement of Clipper cards: Cubic Transportation Systems, Inc. (Cubic) (\$2,000,000).

Background:

Since its inception, the Clipper program has issued nearly eight million cards. Demand has remained steady with the program issuing approximately 175,000 new adult cards each month. This amendment is intended to be the last order of cards for the current card-based Clipper system. The Clipper program partially offsets the cost of cards by charging most adults a \$3 card acquisition fee. In the early years of the program, there was no charge for Clipper cards, but transit operators encountered a loss of revenue due to some customers taking one ride and then disposing of the card with a negative balance. After the card fee was instituted, this loss was measurably reduced.

MTC does not recoup the full cost of producing a card with the \$3 card acquisition fee. With current supply chain issues, the actual cost of each card is approximately \$2.25, while the program cost of issuing each card is approximately \$1.85, bringing the total cost of issuing a new card to approximately \$4.10. Funds from the \$3 card fee will be used to partially fund this Change Order Amendment. The funds for this proposed change order amendment are currently available in the Clipper card fee account.

This item was approved by the Clipper Executive Board on October 17, 2022. Cubic is neither a small business nor a disadvantaged business enterprise and has no subcontractors for this work.

Issues:

None identified.

Recommendation:

Staff recommends the Operations Committee authorize the Executive Director or designee to approve a Change Order amendment with Cubic in an amount not to exceed \$2,000,000 to produce Clipper cards for distribution to customers.

Attachments:

None.



Therese W. McMillan

Request for Committee Approval

Summary of Proposed Change Order Amendment

Contractor: Cubic Transportation Systems
San Diego, California

Work Project Title: Clipper Card Procurement (Change Order Amendment, CO-145)

Purpose of Project: To procure Clipper cards

Brief Scope of Work: Under this Change Order Amendment, Cubic will purchase Clipper cards as directed by MTC. This Amendment adds funds to an already existing Change Order.

Project Cost Not to Exceed: \$2,000,000 (this Change Order Amendment)
Total contract value including amendments before this amendment = \$182,191,808
Total contract amount with this amendment = \$184,191,808

Funding Source: Clipper cardholder administrative fees, STP, CMAQ, STA, STP Exchange, Regional Measure 2 Capital and Regional Measure 2 Operating, Regional Measure 3, SB1 State of Good Repair

Fiscal Impact: Funds available in the Clipper card fee account and in the 2021-22 MTC agency budget

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a Change Order Amendment for the purpose described above and in the Operations Committee Summary Sheet dated November 4, 2022, and that the Chief Financial Officer is authorized to set aside \$2,000,000 for such amendment.

Operations Committee:

Carol Dutra-Vernaci, Chair

Approved: November 4, 2022