

## Clipper® Executive Board

February 27, 2023

Agenda Item 3a

### **Contract - Next Generation Clipper Fare Card Fulfillment: Cubic Transportation Systems, Inc. (\$6,000,000)**

---

#### **Subject:**

Request for approval of a contract for the provision of Clipper fare card fulfillment services for the Next Generation Clipper System: Cubic Transportation Systems, Inc. (Cubic) (\$6,000,000).

#### **Background:**

On September 26, 2022, staff issued a Request for Proposals (RFP) for a Next Generation Clipper Fare Card Fulfillment Contractor to manage the storage, personalization, issuance and shipment of physical Clipper fare cards to support the implementation and operations of the Next Generation Clipper System. The contractor would fulfill individual orders to customers, and bulk orders to card redistributors – including transit operators, retailers and institutional partners – using the fare media inventory management system being developed by the Next Generation Clipper System Integrator (Cubic) under its contract with MTC. The contract term under the RFP would continue through December 31, 2026, with an option to extend for up to six additional years.

The deadline to submit proposals closed on December 5, 2022. Three firms – ASK-intTag LLC dba Paragon ID (Paragon), Cubic Transportation Systems, Inc. (Cubic), and Vix Technology (USA), Inc. (Vix) – submitted proposals. A panel comprised of MTC, Bay Area Rapid Transit District (BART) and San Francisco Municipal Transportation Agency (SFMTA) staff evaluated the proposals based on firm and team qualifications and experience (30%); technical and operations approach (35%); price based on a hypothetical scenario used for evaluation purposes only (25%); and cost effectiveness (10%). Technical advisors representing MTC and transit operators provided additional input. After initial review, the evaluation panel decided to shortlist Cubic and Vix for further discussions. The panel did not select Paragon for the shortlist because its proposal focused on Paragon's expertise as a fare card manufacturer rather than its experience and approach in the delivery of card fulfillment services as required in the RFP Scope of Work. In discussions, Cubic and Vix clarified their respective technological and operational approaches, pricing and staff. Afterwards, both firms were invited to submit a Best and Final

Offer (BAFO). Cubic and Vix both submitted BAFO proposals by the deadline of February 3, 2023. However, the panel scored only the Cubic BAFO proposal after determining that Vix's BAFO did not contain information required by the RFP. The evaluation panel found that Cubic's proposal clearly demonstrated over 20 years of experience being engaged by numerous clients to fulfill fare media, including personalized media, in quantities comparable to what is needed by the Clipper program. The panel believed the proposed staffing levels and dedicated personnel in key management roles reflected a full understanding of the scope of work and the level of effort needed to meet the required service level standards.

**Issues:**

None identified.

**Recommendation:**

Staff recommends that the Board approve a contract with Cubic in an amount not to exceed \$6,000,000, to provide fare card fulfillment services for the Next Generation Clipper System, as described above.

**Attachments:**

- Request for Board Approval – Summary of Proposed Contract



---

Carol Kuester

## **Request for Board Approval**

---

### **Summary of Proposed Contract**

Contractor (or “Consultant”): Cubic Transportation Systems, Inc. (Cubic)  
San Diego, California

Work Project Title: Next Generation Clipper® (C2) Fare Card Fulfillment

Purpose of Project: To engage a contractor to fulfill orders of Next Generation Clipper cards using the inventory management system provided under the C2 System Integrator Contract

Brief Scope of Work: Manage the storage, personalization, issuance and shipment of fare cards to support Next Generation Clipper System operations

Project Cost Not to Exceed: \$6,000,000  
Capital: \$165,000  
Operations: \$5,835,000

Funding Source: Clipper Card Fee Account, Regional Measure 2 Capital, Regional Measure 2 Operating, Regional Measure 3, Inactive Card Funds, Float Account Interest, State of Good Repair, LCTOP

Fiscal Impact: Funds available in the 2022-23 MTC agency budget. Additional funds subject to the approval of future MTC agency budgets.

Motion by Board: That a contract with Cubic Transportation Systems, Inc. for the purposes described above and in the Clipper Executive Director’s summary sheet dated February 27, 2023, is hereby approved by the Clipper Executive Board.

Clipper Executive Board:

---

Robert Powers, Chair

Approved: February 27, 2023