

Clipper® Executive Board

June 1, 2026

Agenda Item 3c – 26-0700

Change Order Amendment – Amendment 2 to Clipper System (C1) and Customer Service Center Contract Change Order 218: Cubic Transportation Systems (Cubic) (\$3,100,000)

Subject:

Extension of the Clipper Contract with Cubic for ongoing support and operations of the Clipper legacy system, subject to approval of the FY 2026-27 MTC Budget.

Background:

In September 2024, this Board authorized an Amendment to the operations and maintenance (O&M) extension of the Cubic Contract, which is set to expire on June 30, 2026. Given that the transition to the Next Generation Clipper System (C2) is not yet fully complete, MTC engaged Cubic to further amend the existing legacy Clipper contract.

The proposed amendment does not change the scope or terms of the previous amendment, but extends the O&M of the legacy Clipper system for nine months to account for the additional time required by the contractor to complete customer transition from the existing Clipper system to the Next Generation Clipper System (C2).

The proposed contract extension would be a sole-source contract change order amendment, based on Cubic's unique capability to perform the operations and maintenance work on the existing system.

Scope of Work as previously negotiated:

- November 3, 2024 to beginning of Customer Transition/NTP (Phase 1)
- Beginning of Customer Transition (NTP) through last C1 Card Transition (Phase 2)
- Post Customer Transition through C1 System Shutdown (Phase 3)

During Phase 1, a reduction of the original C1 O&M payments was negotiated. During Phase 2, staff negotiated a significant reduction in O&M payments, which is further reduced based on the number of customers using the Legacy C1 system. During Phase 3, only a flat fee would apply as at this point all credit and debit processing would be done through the new system. There would

also be a prorated portion of software licensing fees that are paid annually. Existing Contract terms for the legacy system remain in force through the term of the extension.

Cubic is not a small business enterprise and currently has no subcontractors.

Issues:

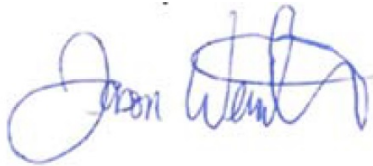
None identified.

Recommendation:

Staff recommends that the Board approve a contract change order amendment with Cubic in an amount not to exceed \$3,100,000, to provide extended support and operations for the Clipper legacy system, as described above.

Attachments:

- Attachment A: Request for Committee Approval – Summary of Proposed Contract Change Order Amendment



Jason Weinstein

Request for Board Approval

Summary of Proposed Contract Change Order Amendment

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

Work Project Title: C1 Operations and Maintenance (O&M) Extension

Purpose of Project: Extend the O&M period under the current Clipper Contract for nine months past the current June 30, 2026 expiration date.

Brief Scope of Work: Continued Operations and Maintenance of the legacy Clipper System (C1) for up to nine months, as needed to complete transition from C1 to the Next Generation Clipper System (C2)

Project Cost Not to Exceed: \$3,100,000 (this Change Order Amendment)

Funding Source: Regional Measure 2 Operating

Fiscal Impact: Funds dependent upon the adoption of the FY 2026-27 MTC agency budget

Motion by Board: That a contract change order amendment with Cubic for the purposes described above and in the Clipper Executive Director’s summary sheet dated June 1, 2026, is hereby approved by the Clipper Executive Board, subject to approval of the FY 2026-27 MTC Budget.

Clipper Executive Board: _____
Julie Kirschbaum, Chair

Approved: June 1, 2026