

# Clipper® Executive Board

September 23, 2024

Agenda Item 4c

## Proposed Amendment 1 to 2022 Amended and Restated Clipper® Memorandum of Understanding (“MOU”)

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### **Subject:**

The Clipper Executive Board’s review and approval of proposed Amendment 1 to the 2022 Amended and Restated Clipper® MOU.

### **Background:**

The current 2022 Amended and Restated Clipper® Memorandum of Understanding (“MOU”) was entered into on October 1, 2022 by and among the Metropolitan Transportation Commission and the transit operators participating in the Clipper® program. In addition to the need to extend the card-based Clipper contract beyond its current term, which ends on November 2, 2024, Clipper staff have also identified the need to amend the MOU to remain updated with our current standard operating practices.

The proposed amendment to the MOU (“Amendment 1”), to be effective November 2, 2024, would amend the regional cost-sharing agreements between MTC and the transit operators by:

1. Permitting the extension of the current Clipper contract to a new end-date as may be authorized by the Clipper Executive Board;
2. Updating the cost-sharing language pertaining to cost-sharing agreements not under the current line-item pricing structure to allow for a different payment basis beyond just Time and Materials; and
3. Updating the Revenue Allocation sections so that the Clipper Executive Board may authorize changes in the allocation of program revenue.

As discussed at its June 2024 meeting, the MOU does not provide for the use of revenue generated by investment of the Clipper float account to be used for Clipper system operational problems. However, after substantial outreach and with the approval of transit operator staff on this use of funds to reimburse transit agency claims of lost fare revenue, Clipper staff included \$200,000 in revenue generated by the Clipper program for reimbursement of transit agency

claims for such lost fare revenue in the FY 23-24 Clipper Operating Budget with the authorization of the Clipper Executive Board. Amendment 1 to the MOU clarifies the Clipper Executive Board's authority to allocate program revenues.

**Issues:**

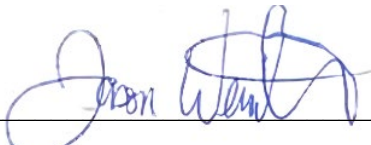
None identified.

**Recommendation:**

Clipper staff recommend that the Clipper Executive Board approve the proposed Amendment 1 as included in Attachment A to this packet and approve the circulation of the proposed Amendment 1 to the parties for approval and signatures.

**Attachments:**

Attachment A: Amendment No. 1 to the 2022 Amended and Restated Clipper MOU



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Jason Weinstein