Metropolitan Transportation Commission

July 23, 2025 **Agenda Item 8b - 25-1024**

Clipper Purchase Order with a Sole Source Single Provider Justification with Paragon ID High Point US ($2,000,000)

Subject:

Request for approval of a Purchase Order with a Sole Source Single Provider Justification with Paragon ID High Point US (Paragon) for procurement of Clipper cards: ($2,000,000).

Background:

Since its inception, the Clipper program has issued over twelve million cards. Demand has remained steady, with the program issuing approximately 150,000 new adult cards each month.

This Purchase Order is intended to make funds available should an additional order need to be placed to have sufficient inventory to last until the start of Next Generation Clipper fare media issuance. This Purchase Order allows MTC to purchase Clipper fare media directly from Paragon, using funds originally allocated in the FY 2025-26 budget for Next Generation Clipper fare media. Ordering directly from Paragon enables more timely ordering and delivery of the cards as opposed to ordering through a Cubic Change Order. This Purchase Order allows for an order of 500,000 Clipper cards for approximately $1,000,000 and allows for another $1,000,000 in contingency in the event additional Clipper cards are needed. If additional Clipper cards are ordered but not issued before the start of Customer Transition to the Next Generation Clipper system, they can still be issued through distribution channels such as BART Clipper vending machines and used on the Next Generation Clipper system.

Funds collected when customers pay the $3 fee to purchase an adult Clipper card will be used to partially fund this Purchase Order. The funds in this Purchase Order were fully contemplated in the Clipper Two-Year Budget and Work Plan approved by the Clipper Executive Board in June 2025. The funds for this Purchase Order are currently available in the Clipper Card Fee Revenue account.

This item is pending approval by the Clipper Executive Board (CEB) at its July 28, 2025, meeting. Paragon is neither a small business nor a disadvantaged business enterprise and has no subcontractors for this work.

Next Steps:

None.

Issues:

None identified.

Recommendations:

Staff recommends the Metropolitan Transportation Commission authorize the Executive Director or designee to negotiate and enter into a Purchase Order with Paragon in an amount not to exceed $2,000,000 to produce Clipper cards for distribution to customers.

Attachments:

- Request for Commission Approval – Summary of Proposed Purchase Order

Andrew B. Fremier

Request for Commission Approval

Summary of Proposed Purchase Order

Work Item No.:	1311
Consultant:	Paragon ID High Point US
Work Project Title:	Clipper Card Procurement (Purchase Order with Sole Source)
Purpose of Project:	To procure Clipper cards
Brief Scope of Work:	Under this Purchase Order, Paragon will produce Clipper cards as directed by MTC.
Project Cost Not to Exceed:	$2,000,000
Funding Source:	Clipper Card Fee Revenue account, 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 FY 2025-26 MTC agency budget
Motion by Committee:	That the Executive Director or designee is authorized to negotiate and enter into a Purchase Order for the purpose described above and in the Metropolitan Transportation Commission Summary Sheet dated July 23, 2025, and that the Chief Financial Officer is authorized to set aside $2,000,000 for such Purchase Order.
Metropolitan Transportation Commission:	_______________________________ Sue Noack, Chair
Approved:	July 23, 2025