

**Contract Change Order Amendment – Operations and Maintenance Extension: Cubic Transportation Systems, Inc. (\$20,000,000)**

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**Subject:**

Request for approval of a Contract Change Order Amendment for a 20 Month operations and maintenance (O&M) period to the original Clipper (C1) Contract: Cubic Transportation Systems, Inc. (Cubic) (\$20,000,000).

**Background:**

In April 2017, this Board authorized a 5-year contract O&M extension of the C1 Contract which is set to expire on 11/2/2024. As discussed in agenda item 3a, the Next Generation Clipper® (C2) System will be launching in 2025. MTC engaged Cubic to negotiate contract extension terms that will allow for the smooth transition from C1 to C2. As has always been the plan, the proposed extension takes into consideration that the C1 back-office needs to continue running even after the full customer transition to C2. A controlled shutdown of the C1 system after customers are fully transitioned to C2 will allow for proper decommissioning of the system after transferring or archiving any required or desired C1 system data.

**Scope of Work:**

The proposed contract change order amendment provides for an extension of the current O&M term beginning November 3, 2024 with an end date of no later than June 30, 2026 and is broken up into three time periods:

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

During Phase 1, MTC would negotiate to reduce the current C1 O&M payments prior to Phase 2. During Phase 2, MTC would negotiate to move payments that reduces based on customer levels transitioning to C2. During Phase 3 only a flat fee would apply, plus software licensing fees that are paid annually. Additionally, staff is negotiating to have Cubic provide lost-revenue support from the C1 system through Phase 2. Staff will provide a verbal update on the status of the

negotiations at this meeting. The remainder of the existing Contract terms will remain in force throughout the proposed O&M extension.

**Issues:**

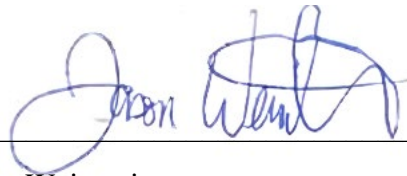
None identified

**Recommendation:**

Staff recommends that the Clipper® Executive Board approve a Contract Change Order Amendment with Cubic Transportation Systems, Inc., and allow the Executive Director of MTC to finalize negotiation beneficial to the operators and MTC.

**Attachments:**

None.

A handwritten signature in blue ink, appearing to read "Jason Weinstein", is written over a horizontal line.

Jason Weinstein



## Request for Board Approval

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### Summary of Proposed Contract Change Order Amendment

Contractor: Cubic Transportation Systems  
San Diego, CA

Work Project Title: 20 Month Operations and Maintenance Extension

Purpose of Project: Extend current Clipper® system Operations and Maintenance support for up to 20 months until C1 System shutdown.

Brief Scope of Work: Extend Current Clipper® Contract Operations and Maintenance term for up to 20 months to perform C1 Operations and Maintenance with updated payment terms and conditions until C1 system shutdown.

Project Cost Not to Exceed: \$20,000,000 (this Contract Change Order Amendment)

Total contract value including amendments before this amendment = \$189,617,405

Total contract amount with this amendment = \$209,617,405

Funding Source: Participating Operator funds, STP, CMAQ, STA, STP Exchange, Regional Measure 2 Operating, Regional Measure 2 Marketing, Float Account Interest, State of Good Repair, LCTOP

Fiscal Impact: Funds available in current MTC agency operating budget and subject to availability in future MTC agency budgets. Participating Operators will cover a portion of the costs per the 2022 Amended and Restated Clipper® Memorandum of Understanding and Amendments.

Motion by Board: That the Contract Change Order Amendment with Cubic for the purposes described above and in the Clipper Executive Director's summary sheet dated September 23, 2024, is hereby approved by the Clipper Executive Board.

Clipper Executive Board:

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Robert Powers, Chair

Approved:

September 23, 2024