



Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Agenda

Clipper Executive Board

Robert Powers, Chair Carter Mau, Vice Chair
Members

*Bill Churchill, Carolyn M. Gonot, Michael Hursh, Beth Kranda,
Therese W. McMillan, Denis Mulligan, and Jeffrey Tumlin*

Monday, June 27, 2022

1:30 PM

REMOTE

In light of Governor Newsom's State of Emergency declaration regarding COVID-19 and in accordance with the recently signed Assembly Bill 361 allowing remote meetings, this meeting will be accessible via webcast, teleconference, and Zoom for all participants.

A Zoom panelist link for meeting participants will be sent separately to Board Members.

The meeting webcast will be available at <http://mtc.ca.gov/whats-happening/meetings>. Members of the public are encouraged to participate remotely via Zoom at the following link or phone number. Board Members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. When called upon, unmute yourself or dial *6. In order to get the full Zoom experience, please make sure your application is up to date.

Attendee Link: <https://bayareametro.zoom.us/j/86977668801>

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<https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom>

Members of the public may participate by phone or Zoom or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name and agenda item number in the subject line. Due to the current circumstances there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

1. Call Meeting to Order / Roll Call / Confirm Quorum

Quorum: A quorum of this committee shall be a majority of its regular voting members (5).

2. Consent Calendar

- 2a. [22-1022](#) Minutes of the May 16, 2022 Meeting

Action: Board Approval

Attachments: [2a 2022-05-16 Clipper Executive Board Meeting Minutes Draft.pdf](#)

3. Approval

- 3a. [22-1073](#) Contract Amendment - On-Call Consultant Assistance Associated with Transition to and Deployment of the Next Generation Clipper® System: Jacobs Engineering, Inc. (\$1,100,000)

A contract amendment to provide support for the Next Generation Clipper System: Jacobs Engineering, Inc. (Jacobs).

Action: Board Approval

Presenter: Lysa Hale

Attachments: [3a Contract Amendment–On-Call Consultant Assist Asso with Transition tc](#)

- 3b. [22-1072](#) Clipper® Two Year Budget and Work Plan

The Clipper budget and work plan for Fiscal Years (FYs) 2022-23 and 2023-24 for the Executive Board's review and approval.

Action: Board Approval

Presenter: Kelley Jackson

Attachments: [3b Clipper Two Year Budget and Work Plan Summary Sheet Attachments](#)

- 3c. [22-1074](#) Next Generation Clipper Contract Amendment - Design, Development, Installation, Testing and Training for the Next Generation Clipper Customer Service Center - WSP USA Services, Inc. (\$996,060)

A contract amendment to revise the design and development scope of work and budget for the Next Generation Clipper (C2) Customer Service Center based on changes in C2 roll-out: WSP USA Services, Inc. (WSP) (\$996,060).

Action: Board Approval

Presenter: Lysa Hale

Attachments: [3c Next-Gen Clipper Contract Amendment–Design-Development-Installation-](#)

- 3d. [22-1075](#) Next Generation Clipper System Integrator Change Order - Implementation Support for the Next Generation Clipper Customer Service Center: Cubic Transportation Systems, Inc. (\$1,500,000)

A change order to provide support for the Next Generation Clipper® Customer Service Center: Cubic Transportation Services, Inc. (Cubic) (\$1,500,000).

Action: Board Approval

Presenter: Lysa Hale

Attachments: [3d Next-Gen Clipper System Integrator Change Order–Implementation Sup](#)

4. Information

- 4a. [22-1021](#) Clipper® Schedule and Implementation Update

Update on key developments related to the implementation of the current and Next Generation Clipper system.

Action: Information

Presenter: Jason Weinstein

Attachments: [4ai Clipper Schedule and Implementation Update Summary Sheet and Att](#)
[4aii PowerPoint Clipper Schedule and Implementation Update.pdf](#)

- 4b. [22-1020](#) Current Clipper® Operations and Performance Update

Update on current Clipper system operations and performance; Clipper staff last updated the Clipper Executive Board (CEB) on the ongoing work and projects related to the current Clipper system at the May 2022 meeting.

Action: Information

Presenter: Jason Weinstein

Attachments: [4bi Current Clipper Operations and Performance Update Summary Sheet,](#)
[4bii PowerPoint Current Clipper Operations and Performance Update.pdf](#)

- 4c. [22-1076](#) Clipper Customer & Non-User Research Survey Results Update

Update on the preliminary results of the 2022 survey to research Clipper customer and non-user travel behavior and attitudes.

Action: Information

Presenter: Helise Cohn

Attachments: [4c Clipper Customer and Non-User Research Survey Results Update.pdf](#)

- 4d. [22-1071](#) 2022 Clipper® Amended and Restated Memorandum of Understanding (MOU)
- 2022 Amended and Restated Clipper MOU, updated to capture changes required to support the operation of the Next Generation Clipper (C2) System, including cost-sharing agreements for the System Integrator, Customer Service Center, Payment Services, and Fare Media Fulfillment Contracts.
- Action:** Information
- Presenter:** Kelley Jackson
- Attachments:** [4d 2022 Clipper Amended and Restated Memorandum of Understanding](#) ↵

5. Executive Director’s Report – Kuester

6. Public Comment / Other Business

*Board Members and members of the public participating by Zoom wishing to speak should use the “raise hand” feature or dial *9. When called upon, unmute yourself or dial *6.*

7. Adjournment / Next Meeting

The next meeting of the Clipper® Executive Board will be held Monday, July 18, 2022, at 1:30 p.m. Any changes to the schedule will be duly noticed to the public.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.



Meeting Minutes - Draft

Clipper Executive Board

Robert Powers, Chair Carter Mau, Vice Chair
Members

*Bill Churchill, Carolyn M. Gonot, Michael Hursh, Beth Kranda,
Therese W. McMillan, Denis Mulligan, and Jeffrey Tumlin*

Monday, May 16, 2022

1:30 PM

REMOTE (In person option available)

The Clipper Executive Board is scheduled to meet at 1:30 p.m. or immediately following the 1:00 p.m. Fare Integration Task Force meeting. In light of Governor Newsom's State of Emergency declaration regarding COVID-19 and in accordance with the recently signed Assembly Bill 361 allowing remote meetings, this meeting will be accessible via webcast, teleconference, and Zoom for all participants.

A Zoom panelist link for meeting participants will be sent separately to Board Members.

Meeting attendees may opt to attend in person for public comment and observation at 375 Beale Street, Board Room (1st Floor). In-person attendees must adhere to posted public health protocols while in the building.

The meeting webcast will be available at <http://mtc.ca.gov/whats-happening/meetings> Members of the public are encouraged to participate remotely via Zoom at the following link or phone number. Board Members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. When called upon, unmute yourself or dial *6. In order to get the full Zoom experience, please make sure your application is up to date.

Attendee Link: <https://bayareametro.zoom.us/j/87586612058>

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Webinar ID: 875 8661 2058

International numbers available: <https://bayareametro.zoom.us/u/kQdYXx2L0>

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<https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom>

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1. Call Meeting to Order / Roll Call / Confirm Quorum

Present: 9 - Board Member Mulligan, Board Member Hursh, Board Member McMillan, Chair Powers, Board Member Tumlin, Board Member Kranda, Vice Chair Mau, Board Member Gonot, and Board Member Churchill

2. Consent Calendar

Upon the motion by Board Member Hursh and second by Board Member Kranda, the Consent Calendar was unanimously approved. The motion carried by the following vote:

Aye: 9 - Board Member Mulligan, Board Member Hursh, Board Member McMillan, Chair Powers, Board Member Tumlin, Board Member Kranda, Vice Chair Mau, Board Member Gonot and Board Member Churchill

2a. [22-0771](#) Minutes of the April 18, 2022 Meeting

Action: Board Approval

Attachments: [2a_2022-04-18_Clipper_Executive_Board_Meeting_Minutes_Draft.pdf](#)

2b. [22-0867](#) Clipper® Purchase Order - Network Services: AT&T (\$400,000)

Action: Board Approval

Presenter: Sarah Doggett

Attachments: [2b_CEB_Memo_for_Purchase_Order_AT&T_Network.pdf](#)

3. Approval

- 3a. [22-0868](#) Clipper In-Person Customer Service Centers Contract Actions:
- i. Contract Amendment - TTEC Government Solutions, LLC (\$485,000);
 - ii. Contract Amendment - Nematode Holdings, LLC (\$300,000); and
 - iii. Funding Agreement Amendment - Alameda-Contra Costa Transit District (\$250,000)

Approval of contract actions for Clipper in-person customer service centers: TTEC Government Solutions, LLC (\$485,000), Nematode Holdings, LLC (\$300,000) and Alameda-Contra Costa Transit District (\$250,000).

Action: Board Approval

Presenter: Kelley Jackson

Attachments: [3a_Clipper IPCSC_FY23 Amds_CEB.pdf](#)

Aleta Dupree spoke on this item.

Upon the motion by Board Member McMillan and second by Board Member Hursh, the Clipper In-Person Customer Service Centers Contract Actions: i. Contract Amendment - TTEC Government Solutions, LLC (\$485,000); ii. Contract Amendment - Nematode Holdings, LLC (\$300,000); and iii. Funding Agreement Amendment - Alameda-Contra Costa Transit District (\$250,000) were unanimously approved. The motion carried by the following vote:

Aye: 9 - Board Member Mulligan, Board Member Hursh, Board Member McMillan, Chair Powers, Board Member Tumlin, Board Member Kranda, Vice Chair Mau, Board Member Gonot and Board Member Churchill

4. Information

- 4a. [22-0773](#) Clipper® Schedule and Implementation Update

Update on key developments related to the implementation of the current and Next Generation Clipper system.

Action: Information

Presenter: Jason Weinstein

Attachments: [4a_Clipper Schedule and Implementation Update Summary sheet and attachment A.pdf](#)
[4a_ii_PowerPoint_Clipper Next Generation Equipment Pilot Installation Pictures.pdf](#)

Adina Levin, Seamless Bay Area, spoke on this item.
Aleta Dupree spoke on this item.

4b. [22-0772](#) Current Clipper® Operations and Performance Update

Update on current Clipper system operations and performance; Clipper staff last updated the Clipper Executive Board (CEB) on the ongoing work and projects related to the current Clipper system at the April 2022 meeting.

Action: Information

Presenter: Jason Weinstein

Attachments: [4b_Clipper Operations and Performance Update_Summary_sheet.pdf](#)
[4bi PowerPoint May Clipper Data Clipper Executive Board 20220516.pdf](#)

4c. [22-0869](#) Proposed Clipper® Amended and Restated Memorandum of Understanding (MOU)

MTC is preparing a draft of a new Clipper 2022 MOU to capture changes required to support the operation of the Next Generation Clipper System, including cost-sharing agreements for the System Integrator, Customer Service Center, Payment Services, and Fare Media Fulfillment Contracts.

Action: Information

Presenter: Edward Meng

Attachments: [4c Proposed Clipper® Memorandum of Understanding Summary Sheet and Attachment b.pdf](#)
[4ci PowerPoint Proposed Clipper® Memorandum of Understanding Slides.pdf](#)

4d. [22-0870](#) Draft Clipper® Two Year Budget and Work Plan

The Clipper budget and work plan for Fiscal Years (FYs) 2022-23 and 2023-24 for the Executive Board's review and discussion.

Action: Information

Presenter: Edward Meng

Attachments: [4d_Clipper Two Year Budget.pdf](#)

5. Executive Director's Report – Kuester

6. Public Comment / Other Business

Aleta Dupree was called to speak.

Adina Levin, Seamless Bay Area, was called to speak.

7. Adjournment / Next Meeting

The next meeting of the Clipper® Executive Board will be held Monday, June 20, 2022, at 1:30 p.m. Any changes to the schedule will be duly noticed to the public.

Clipper® Executive Board

June 27, 2022

Agenda Item 3a

Contract Amendment – On-Call Consultant Assistance Associated with Transition to and Deployment of the Next Generation Clipper® System: Jacobs Engineering, Inc. (\$1,100,000)

Subject:

A contract amendment to provide support for the Next Generation Clipper System: Jacobs Engineering, Inc. (Jacobs).

Background:

Jacobs proposed and was pre-qualified for professional services under the Electronic Payments Section (EPS) Consultant Assistant Bench that was competitively procured and established in 2020 for fare payment system and electronic tolling support. Under the EPS Consultant Assistant Bench, Jacobs is qualified to deliver services under four categories: program management, planning, operational monitoring and reporting, and technology oversight. In February 2022, this Committee approved a contract with Jacobs in an amount not to exceed \$400,000 to perform technical, planning and operational work. Since that approval date, additional work has been identified that necessitates adding funds to this contract. Tasks envisioned include:

- Support for third-party integration
- Liaison work with transit agencies
- Support for the new Next Generation Clipper fare media procurement
- Management and support for the new Next Generation Clipper portals, such as the institutional portal, discount portal and others
- Ongoing on-call support during the transition from the original Clipper system to the Next Generation Clipper system
- Close-out of the original Clipper contract

In addition, one member of the Clipper team is being deployed to work on the Regional Transit Connection (RTC) discount card program, and this position needs to be backfilled with consultant support. Jacobs is neither a small business nor a disadvantaged business enterprise. Jacobs has a single subcontractor for a portion of the work under the contract; Railcar Quality Services, Inc., is a California certified Disadvantaged Business Enterprise. Railcar's role is to provide field support of Next Generation Clipper equipment installations.

Issues:

None identified.

Recommendations:

Staff recommends that the Clipper Executive Board approve a contract amendment with Jacobs Engineering, Inc. in an amount not to exceed \$1,100,000 to provide technical, strategic, and implementation consulting services to support the Next Generation Clipper planning and implementation.

Attachments:

- Attachment A: Disadvantaged Business Enterprise and Small Business Enterprise Status



Carol Kuester

Attachment A

Disadvantaged Business Enterprise and Small Business Enterprise Status

	Firm Name	Role on Project	DBE* Yes / No	If DBE Yes, List #	SBE** Yes / No	If SBE Yes, List #
Prime Contractor	Jacobs Engineering Inc.	Technical, strategic, implementation planning	No		No	
Subcontractor	Railcar Quality Services, Inc.	Field support	Yes	33455	No	

*Denotes certification by the California Unified Certification Program (CUCP).

**Denotes certification by the State of California.

Request for Board Approval

Summary of Proposed Contract

Work Item No.: 2780

Consultant: Jacobs Engineering Inc.
San Francisco, CA

Work Project Title: On-Call Consultant Assistance for Next Generation Clipper®.

Purpose of Project: Consultant will provide support to implement Next Generation Clipper.

Brief Scope of Work: To provide technical, planning and implementation support for the Next Generation Clipper system, including support for third-party integration, management of portals, support for the new C2 fare media procurement and other tasks.

Project Cost Not to Exceed: This contract amendment: \$1,100,000
Current contract amount before this contract amendment: \$400,000
Maximum contract amount after this contract amendment: \$1,500,000

Funding Source: Safe and Seamless Mobility Quick-Strike Funds, Regional Measure 2 Capital, Regional Measure 3, OBAG, SB1 State of Good Repair, Inactive Card Funds, Float Account Interest, Transit Agencies.

Fiscal Impact: Funds to be included in the FY 2022-23 MTC budget, subject to approval.

Motion: That the Clipper Executive Board approve a contract amendment with Jacobs Engineering, Inc., for the purposes described above and in the Clipper Executive Director's memorandum dated June 27, 2022.

Executive Board:

Robert Powers, Chair

Approved: June 27, 2022

Clipper® Executive Board

June 27, 2022

Agenda Item 3b

Clipper® Two Year Budget and Work Plan

Subject:

The Clipper budget and work plan for Fiscal Years (FYs) 2022-23 and 2023-24 for the Executive Board's review and approval.

Background:

Under the Memorandum of Understanding, the Executive Board reviews and adopts a biennial Clipper budget. The budget is intended to provide an understanding of the scope and size of major expense categories, proposed funding plan, and overall summary of Clipper program work elements. The budget is updated annually and includes both current Clipper system and Next Generation Clipper system costs, as well as costs to operate, maintain, and implement the overall Clipper program, including staffing, customer education and marketing, and estimated costs from other next-generation Clipper procurements.

Attached for your approval are the budget and work plan for FYs 2022-23 and 2023-24. At its May 2022 meeting, the Clipper Draft Operating and Capital Budget was presented as an information item for the Board's review and discussion. Both the Clipper Operating Budget and the Clipper Capital Budget also include estimated projections of both the Operating and Capital Budget beyond the two-year approval to FY 2026-27 in order to show the Board projected costs and estimated fund sources for the next five fiscal years.

Highlights of the Clipper Two Year Operating and Capital Budget are listed below.

1. In both Operating and Capital Budgets, costs for the current Clipper system are expected to decrease, while resources are shifted to Next –Generation Clipper implementation, accelerated deployment, and transition efforts, until Clipper is fully transitioned to the Next Generation Clipper system in FY 2024-25.
2. This Clipper Operating Budget is balanced for both Fiscal Years (FYs) 2022-23 and 2023-24, with a projected deficit in the third year (FY 2024-25). Staff recognizes the need to offset that deficit, but has not yet identified funding sources or made assumptions about funding availability for the third year of the program.

3. Based on expected cost-sharing agreements and the need to operate two parallel systems until 2024, operational costs are expected to increase in FYs 2022-23 and 2023-24 for both MTC and the transit operators. Beginning in FY 2024-25, when the current Clipper system is entirely transitioned to the Next Generation Clipper account-based system, operating expenses are expected to decrease and stabilize as the Next Generation system becomes fully functional.
4. The Clipper Capital Budget is currently funded through the System Completion milestone in 2024. However, Clipper staff are planning additional capital work as well as additional procurement of equipment after System Completion, as capital needs are projected to continue after the System Completion milestone is achieved. Funding has not yet been identified for these additional capital expenditures, but staff will continue working with MTC's Funding Policy and Project staff to identify potential future funding sources.
5. Availability of Regional Measure 3 (RM3) funds continues to be dependent upon resolution of pending litigation outcomes, but new alternative funding sources such as OBAG3 have been identified to partially cover costs. If or when RM3 funds are available, these new alternative sources would be freed for other regional projects, as Clipper staff is not requesting alternative funds in addition to RM3 funds. Clipper staff have been following updates on the availability of RM3 funds and are working closely with MTC's Funding Policy and Programs staff to identify other fund sources in case they are needed.

MTC and transit operator staff will continue to work together to update the Operating and Capital budgets and plan to return to the Clipper Executive Board in six months after the approval of the Clipper Budgets on how expected costs align with actual costs

Issues:

None identified.

Recommendations:

MTC and transit operator staff recommend that the Clipper Executive Board approve the Clipper Two Year Operating and Capital Budgets for FY 2022-23 and FY 2023-24.

Attachments:

- Attachment A: Clipper Operating Budget – June 7, 2022
- Attachment B: Clipper Capital Budget – April 28, 2022



Carol Kuester

CLIPPER® OPERATING BUDGET - JUNE 6, 2022

Item No.	Descriptions	Current FY 21/22 (\$M)	FY 22/23 (\$M)	FY 23/24 (\$M)	FY 24/25 (\$M)	FY 25/26 (\$M)	FY 26/27 (\$M)	Total FY 22/23 - FY 26/27
MTC Operating Costs								
1	MTC Staff - Current Clipper Operating	\$0.7	\$0.6	\$0.4	\$0.0	\$0.0	\$0.0	\$1.0
2	MTC Staff - Next Gen Clipper Operating	\$0.7	\$1.0	\$1.3	\$1.7	\$1.8	\$1.9	\$7.8
3	Current Clipper Operating Costs - MTC	\$11.3	\$10.5	\$6.0	\$0.3	\$0.0	\$0.0	\$16.8
4	Next Gen Clipper SI Operating Costs - MTC	\$0.8	\$2.6	\$7.2	\$9.3	\$9.9	\$10.1	\$39.1
5	Next Gen Clipper CSC Operating Costs - MTC	\$0.0	\$1.0	\$2.0	\$1.6	\$1.6	\$2.1	\$8.3
6	Next Gen Clipper Fare Media Operating Costs - MTC	\$0.0	\$0.2	\$1.2	\$1.2	\$1.3	\$1.3	\$5.2
7	Mobile App Fees - MTC	\$0.4	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$5.0
8	Clipper Operations - Misc.	\$0.3	\$0.3	\$0.3	\$0.4	\$0.4	\$0.4	\$1.8
9	In Person Customer Service Centers	\$1.1	\$1.1	\$1.2	\$1.2	\$1.3	\$1.3	\$6.1
10	Customer Education Program	\$1.7	\$2.1	\$1.8	\$1.9	\$2.0	\$2.1	\$9.8
11	<i>Subtotal MTC expenses</i>	<i>\$17.0</i>	<i>\$20.4</i>	<i>\$22.4</i>	<i>\$18.6</i>	<i>\$19.2</i>	<i>\$20.2</i>	<i>\$100.8</i>
Transit Agency Operating Costs								
12	Current Clipper Operating Costs - Transit Agencies	\$10.7	\$12.5	\$12.0	\$0.5	\$0.0	\$0.0	\$25.0
13	Next Gen Clipper SI Operating Costs - Transit Agencies	\$0.8	\$2.6	\$7.2	\$9.3	\$9.9	\$10.1	\$39.1
14	Next Gen Clipper CSC Operating Costs - Transit Agencies	\$0.0	\$1.0	\$2.0	\$1.6	\$1.6	\$2.1	\$8.3
15	Next Gen Clipper Payment Services Operating Costs -Transit	\$0.0	\$2.2	\$4.0	\$4.1	\$4.2	\$4.4	\$18.9
16	Retail Commissions	\$0.0	\$1.3	\$1.8	\$1.8	\$1.9	\$2.0	\$8.8
17	RTC Program	\$0.0	\$0.5	\$0.6	\$0.6	\$0.6	\$0.6	\$2.9
18	<i>Subtotal Transit Agency expenses</i>	<i>\$11.5</i>	<i>\$20.1</i>	<i>\$27.6</i>	<i>\$17.9</i>	<i>\$18.2</i>	<i>\$19.2</i>	<i>\$103.0</i>
19	Total Operating Costs (MTC+Transit)	\$28.5	\$40.5	\$50.0	\$36.5	\$37.5	\$39.4	\$203.8
MTC Operating Revenues								
15	Total STA Revenues	\$6.3	\$7.5	\$7.7	\$7.8	\$8.0	\$8.0	\$39.0
16	Total RM2 Marketing Revenue	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1	\$5.5
17	Additional RM2 Marketing Revenue ³	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7	\$8.5
18	Additional RM2 Operating Revenue ³	\$1.7	\$1.7	\$2.0	\$2.0	\$2.0	\$2.0	\$9.7
19	CARES Act	\$4.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
20	Additional RM2 (Reclassified)	\$0.0	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5
21	STA Reserve	\$0.0	\$2.5	\$0.0	\$0.0	\$0.0	\$0.0	\$2.5
22	Card and Fare Media Fees	\$0.0	\$0.7	\$1.2	\$1.2	\$1.3	\$1.3	\$5.7
23	Unregistered Inactive Funds	\$0.0	\$0.0	\$3.4	\$0.0	\$0.0	\$0.0	\$3.4
24	Float Account Interest	\$0.0	\$0.0	\$1.2	\$1.2	\$1.2	\$1.2	\$4.8
25	State of Good Repair (SB1) ⁴	\$1.5	\$1.5	\$0.3	\$0.0	\$0.0	\$0.0	\$1.8
26	Total Transit Agency Revenue	\$11.5	\$20.1	\$27.6	\$17.9	\$18.2	\$19.2	\$103.0
27	Total Operating Revenue	\$28.5	\$37.3	\$46.2	\$33.0	\$33.5	\$34.5	\$184.4
28	Operations Reserve ⁵	\$7.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
29	Net Budget	\$7.0	\$3.8	\$0.0	(\$3.5)	(\$7.5)	(\$12.4)	

³ Contingent upon availability and MTC Commission Approval

⁴ Used for Next-Gen Clipper Operating Startup Costs

⁵ Operations Carry Forward From Prior Year = \$7.0M (\$2.5 STA Reserve, \$1.1M Float, \$3.4M Inactive Funds)

CLIPPER® CAPITAL BUDGET - APRIL 28, 2022

Item No.	Description	Current FY 21/22 (\$M)	FY 22/23 (\$M)	FY 23/24 (\$M)	FY 24/25 (\$M)	FY 25/26 (\$M)	FY 26/27 (\$M)	5 YEAR TOTAL - FY 22/23 - 26/27 (\$M)
Capital Costs								
1	Current Clipper Cards & Fare Media	\$4.0	\$2.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.0
2	Next Gen Clipper Cards & Fare Media	\$3.0	\$3.0	\$3.0	\$2.0	\$2.0	\$1.0	\$11.0
Current Clipper System								
3	MTC Staff	\$0.9	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5
4	Consultants	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
5	System Enhancements and Infrastructure Replacement	\$0.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Next Generation Clipper System								
6	MTC Staff	\$3.3	\$2.9	\$3.5	\$3.7	\$3.9	\$4.1	\$18.0
7	Consultants	\$2.5	\$2.2	\$2.3	\$2.0	\$1.5	\$1.5	\$9.5
8	System Integrator Contract	\$46.8	\$35.3	\$6.1	\$0.0	\$0.0	\$0.0	\$41.4
9	Next-Gen Clipper Equipment	\$0.0	\$51.7	\$0.0	\$0.0	\$0.0	\$0.0	\$51.7
10	Operator CAD/AVL Integration	\$1.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
11	TR4 Integration and Open Payment Deployment	\$7.3	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.4
12	Customer Service Center / Payment Services	\$3.0	\$0.0	\$0.0	\$0.0	\$1.0	\$1.0	\$2.0
13	System Enhancements and Infrastructure Replacement	\$0.0	\$0.0	\$0.0	\$6.5	\$6.5	\$6.5	\$19.5
14	Total Expenses	\$73.3	\$97.9	\$14.9	\$14.2	\$14.9	\$14.1	\$155.9
Capital Revenue								
15	TCP - FTA*	\$47.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
16	TCP - OBAG2-STP/CMAQ*	\$34.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
17	TCP - OBAG2-RM2*	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
18	SGR / RM3 / OBAG3*	\$0.0	\$39.6	\$7.0	\$3.2	\$0.0	\$0.0	\$49.8
19	SGR	\$11.0	\$10.3	\$0.0	\$0.0	\$0.0	\$0.0	\$10.3
20	Fare Media and Card Fee Revenue	\$2.0	\$4.0	\$4.0	\$4.0	\$4.0	\$4.0	\$20.0
21	Capital Reserve	\$33.4	\$0.0	\$0.0	\$0.0	\$0.0	\$1.0	\$1.0
22	Total Annual Revenue	\$128.9	\$53.9	\$11.0	\$7.2	\$4.0	\$5.0	\$81.1
24	Cumulative Surplus/Deficit	\$55.6	\$11.6	\$7.8	\$0.8	(\$10.1)	(\$19.1)	

* Committed to System Integrator Contract

Clipper® Executive Board

June 27, 2022

Agenda Item 3c

Next Generation Clipper Contract Amendment – Design, Development, Installation, Testing and Training for the Next Generation Clipper Customer Service Center – WSP USA Services, Inc. (\$996,060)

Subject:

A contract amendment to revise the design and development scope of work and budget for the Next Generation Clipper (C2) Customer Service Center based on changes in C2 roll-out: WSP USA Services, Inc. (WSP) (\$996,060).

Background:

After a competitive procurement, WSP was selected in May 2021 to serve as the Customer Service Center (CSC) vendor for the Next Generation Clipper regional fare payment system. Work commenced in the summer of 2021 and has been in the Design and Development phase. The subsequent phases are Installation and Testing and Training and Transition. We expected there would be additional work that would require extra effort when proposals were submitted for the CSC. Additional tasks have been identified since the commencement of the contract:

WSP's new work in the Design and Development phase will be:

- Additional design and development work necessary to support custom application program interfaces (APIs).
- Additional design and development work to address payment card industry compliance ensuring the safest transmission of payment card information.

WSP's new work in the Installation and Testing and Training and Transition phase will be:

- Reallocation of operations planning Contract Submittals from the Design and Development phase;
- Additional testing of the custom developed APIs and other non-standard integrations; and
- Additional training and transition tasks to help coordinate efforts with Cubic to support the current cutover approach for customer transition.

Issues:

None identified.

Recommendation:

Staff recommends that the Clipper Executive Board approve a contract amendment with WSP USA Services, Inc. in an amount not to exceed \$996,060 to revise the design and development scope of work and budget for the Next Generation Clipper Customer Service Center.

Attachments:

None.



Carol Kuester

Request for Board Approval

Summary of Proposed Contract Amendment

Work Item No.: 2780

Consultant: WSP USA Services, Inc.
San Francisco, CA

Work Project Title: Next Generation Clipper® Customer Service Center

Purpose of Project: To design, develop, install, test, train and transition to an omnichannel Next Generation Clipper customer service center

Brief Scope of Work: To revise the scope of work and budget for the Next Generation Clipper customer service center project to accommodate changes in the Next Generation Clipper system implementation.

Project Cost Not to Exceed: This contract amendment: \$996,060
Current contract amount before this contract amendment: \$20,709,014
Maximum contract amount after this contract amendment: \$21,705,074

Funding Source: SB1 State of Good Repair

Fiscal Impact: Funds to be included in the FY 2022-23 MTC budget, subject to approval

Motion by Committee: That the Clipper Executive Board approve a contract amendment with WSP USA Services, Inc., for the purposes described above and in the Clipper Executive Director's memorandum dated June 27, 2022.

Operations Committee:

Robert Powers, Chair

Approved: June 20, 2022

Clipper® Executive Board

June 27, 2022

Agenda Item 3d

Next Generation Clipper System Integrator Change Order – Implementation Support for the Next Generation Clipper Customer Service Center: Cubic Transportation Systems, Inc. (\$1,500,000)

Subject:

A change order to provide support for the Next Generation Clipper® Customer Service Center: Cubic Transportation Services, Inc. (Cubic) (\$1,500,000).

Background:

Cubic is the Next Generation Clipper system integrator, responsible for overall development and operations of the new Clipper system. WSP USA Services, Inc. (WSP) is responsible for design, implementation and operation of an omnichannel customer service center (CSC). Cubic and WSP are responsible for coordinating the design and delivery of the new Clipper customer service center for the Next Generation Clipper system. This requires integration between a Cubic-provided solution for the overall Clipper system and the WSP-provided customer service system. The two contractors have been collaborating since fall 2021 on design of new and improved customer services. We expected there would be additional work that would require extra effort when proposals were submitted for the CSC.

Cubic has scope changes necessary to support the WSP's technical approach. These changes are:

- Development work to support the integration with the omnichannel contact center solution provided by WSP;
- Development work to support single sign-on capability for WSP customer service representatives (CSRs) so that they will automatically be logged in to the customer relationship management (CRM) system when they log in to WSP's environment;
- Incorporation of the WSP-provided chat function with the Next Generation Clipper customer website and mobile app;
- Development work to support customer self-service options for the WSP-provided Interactive Voice Response (IVR) solution; and

- Revisions to the payment flow in the CRM to incorporate WSP's card masking solution to allow CSRs to accept payment card updates during an active call with a customer.

Issues:

None identified.

Recommendation:

Staff recommends that the Operations Committee approve a change order with Cubic Transportation Systems, Inc. in an amount not to exceed \$1,500,000 to provide support for the Next Generation Clipper Customer Service Center.

Attachments:

None.



Carol Kuester

Request for Board Approval

Summary of Proposed Contract Amendment

Work Item No.: 2780

Consultant: Cubic Transportation Systems, Inc.
San Diego, CA

Work Project Title: Next Generation Clipper® System Integration

Purpose of Project: To design, implement, install, test, operate and maintain the Next Generation Clipper system

Brief Scope of Work: To perform development work in connection with the design and implementation of the Next Generation Clipper customer service center, in cooperation with WSP, the Next Generation Clipper customer service center contractor.

Project Cost Not to Exceed: This contract amendment: \$1,500,000
Current contract amount before this contract amendment: \$434,186,058
Maximum contract amount after this contract amendment: \$435,686,058

Funding Source: Regional Measure 2 Capital, Regional Measure 3, OBAG, SB1 State of Good Repair, Inactive Card Funds, Float Account Interest, FTA Funds, Transit Agencies

Fiscal Impact: Funds to be included in the FY 2022-23 MTC budget, subject to approval

Motion by Committee: That the Clipper Executive Board approve a contract amendment with Cubic Transportation Systems, Inc., for the purposes described above and in the Clipper Executive Director's memorandum dated June 27, 2022.

Operations Committee:

Robert Powers, Chair

Approved: June 27, 2022

Clipper® Executive Board

June 27, 2022

Agenda Item 4a

Clipper® Schedule and Implementation Update

Subject:

Update on key developments related to the implementation of the current and Next Generation Clipper system.

Background:

Next Generation Project Schedule

The current schedule is consistent with the Change Order approved at the April 18, 2022 Clipper Executive Board (CEB) meeting, with the exception of the Contract's Guaranteed Completion Dates, which remain unchanged until the Change Order is executed. MTC and Cubic are close to finalizing the terms of the Change Order, after which Cubic's schedule submittal can be revised to reflect the January 31, 2023 Guaranteed Completion Date for Achievement of Revenue Ready.

Sonoma-Marin Area Rail Transit (SMART) has completed installation of Clipper readers at all of their stations. Installation of Clipper readers continues at San Francisco Bay Area Water Emergency Transportation Authority (WETA) ferry terminals, at Alameda-Contra Costa Transit District (AC Transit) stations, and on new San Francisco Municipal Transportation Agency (SFMTA) light rail vehicles.

Next Generation Implementation

Included as Attachment A to this memorandum is a summary of recently completed activities related to delivering the Next Generation Clipper program (C2); upcoming activities and deliverables for MTC, Cubic Transportation Services, and the transit operators; and noteworthy items that the project team is managing.

Issues:

None identified.

Recommendations:

Information

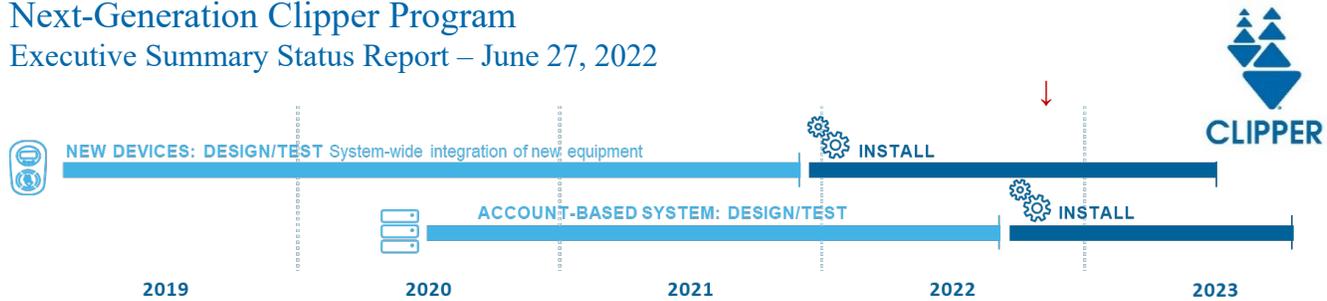
Attachments:

- Attachment A: Next Generation Clipper Program Executive Summary Status Report
- Attachment B: Clipper Next Generation Equipment Pilot Installation Pictures



Carol Kuester

Next-Generation Clipper Program
 Executive Summary Status Report – June 27, 2022



Summary

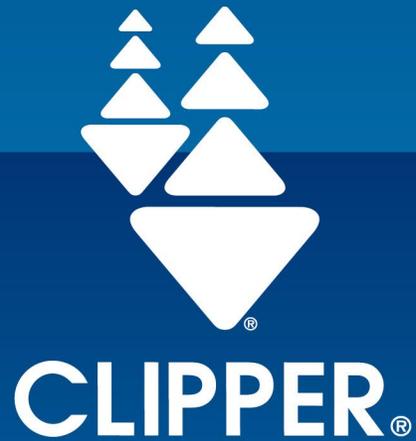
- Pilot testing of retail devices and standalone validators complete. Regionwide installation of standalone validators underway.
- Pilot testing completed for SFMTA onboard validators. Pilot testing and System Integration Testing (SIT) for remaining onboard validator integration options continues.
- Final Design Review (FDR) of account-based system documentation nearly complete.
- Factory Acceptance Test (FAT) procedures approved for Customer Service Terminal (CST) and Fare Inspection & Mobile Payment Solution (FIMPS). FAT witnessing scheduled.
- Review of account-based System Demonstration Test (SDT) and User Acceptance Test (UAT) procedures continues.
- Technical and planning discussions continue with operators on various topics, including CAD/AVL integration, paratransit/third-party integration, BART and Muni equipment, and new device installation.
- Joint coordination meetings ongoing between MTC and C2 Contractors Cubic (System Integrator), WSP (Customer Service Center), and Fiserv (Payment Services).
- Invitation for Bid (IFB) for C2 Fare Cards posted. Fare Media Fulfillment Contractor and Fare Ticket Supplier procurements in development.

Recently Completed Activities

	MTC/IBI	Cubic	Operators	Date
• New Devices:				
○ Regionwide installation of validators begins	●	●	●	May 17
○ SIT for onboard equipment (cont'd.)	●	●	●	Jun (expected)
• Account-based System Final Design Review:				
○ FDR resubmittal by Cubic		●		May 16; Jun 2, 9, 13
○ FDR comments to Cubic	●		●	Jun (expected)
• Account-based System Testing:				
○ FAT procedures approved for CST & FIMPS	●		●	Jun 2
○ SDT/UAT procedures comments to Cubic	●		●	May–Jun
• Fare Media Procurement:				
○ C2 Fare Card IFB posted		●		May 27

Upcoming Activities/Deliverables

	MTC/IBI	Cubic	Operators	Date
• New Devices:				
○ SIT for onboard equipment (cont'd.)	•	•	•	Jun–Jul
○ Pilot installation/testing (cont'd.)	•	•	•	Jun–Jul
• Account-based System Final Design Review:				
○ FDR approval	•		•	Jun/Jul
• Account-based System Testing:				
○ Factory Acceptance Test for CST & FIMPS	•	•	•	Jun–Jul
○ User Acceptance Testing	•	•	•	Jun–Jul
○ System Demonstration Testing	•	•	•	Jun–Jul
• Account-based Implementation Plans:				
○ Initial submittal by Cubic (Package 9)		•		Jun/Jul
○ Package 9 comments to Cubic	•		•	Jul/Aug
• Clipper Executive Board Meeting	•		•	Jul 18



Clipper® Next Generation Equipment Pilot Installation Pictures

Clipper Executive Board
June 27, 2022

SMART Standalone Readers – San Rafael, Downtown



SMART Standalone Reader – Larkspur



Clipper® Executive Board

June 27, 2022

Agenda Item 4b

Current Clipper® Operations and Performance Update

Subject:

Update on current Clipper system operations and performance; Clipper staff last updated the Clipper Executive Board (CEB) on the ongoing work and projects related to the current Clipper system at the May 2022 meeting.

Background:

Transaction and Sales

In May 2022, Clipper processed over 10 million transactions and settled about \$24 million in revenue. Vacaville continued to offer fare-free travel due to COVID-19.

Mobile App Performance and Usage

Regarding Clipper mobile app and ridership with the use of mobile cards:

- Over 264,000 plastic cards have been transferred to mobile wallets, and over 393,000 new mobile cards have been created.
- Customers have now taken approximately 11.5 million trips using Clipper mobile cards. This represents about 12% of the total trips taken with Clipper since the mid-April 2021 launch. This percentage continues to increase, and, for the month of May 2022 alone, over 17% of Clipper trips were taken using a mobile card.

Regarding Clipper START:

- Over 13,000 applications submitted as of May 2022, with over 12,000 approved
- As of May 2022, over 8,000 unique Clipper START cards had been used
- Of the over 890,000 Clipper START trips taken since the program launched, over 107,000 were taken using a virtual card. This represents around 12% of Clipper START trips.

Customer Service Update

- Training class of 4 agents started on 5/26/22 and will run through 6/10/22.
- The training will include an adjustment to the training plan which should give the agents more hands-on systems and content training.
- With the adjustment to the training plan, it will also give them at minimum 4 days of on the phone time.
- This will be in office training with a refresher training to be scheduled at a later time.
- Current CSRs taking only primary calls: 2
- Current CSRs taking primary/escalation calls: 35
- Total CSRs taking calls: 37
- Total CSRs: 41

Quarterly Fare Change Deadline

- As discussed during the November 15, 2021, CEB meeting, Cubic has requested fare changes occur on a quarterly schedule to limit demands on development and testing resources as work continues porting first generation Clipper business rules to the new devices and developing the next-generation account-based system.
- For October 1, 2022 fare changes, Cubic has set a deadline of Friday, July 1, 2022 for receiving any fare change requests.

Issues:

None identified.

Recommendations:

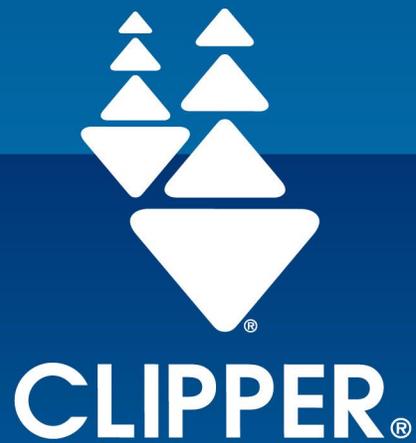
Information.

Attachments:

- Attachment A: Clipper System Transaction and Revenue & Mobile App Performance and Usage Charts and Figures



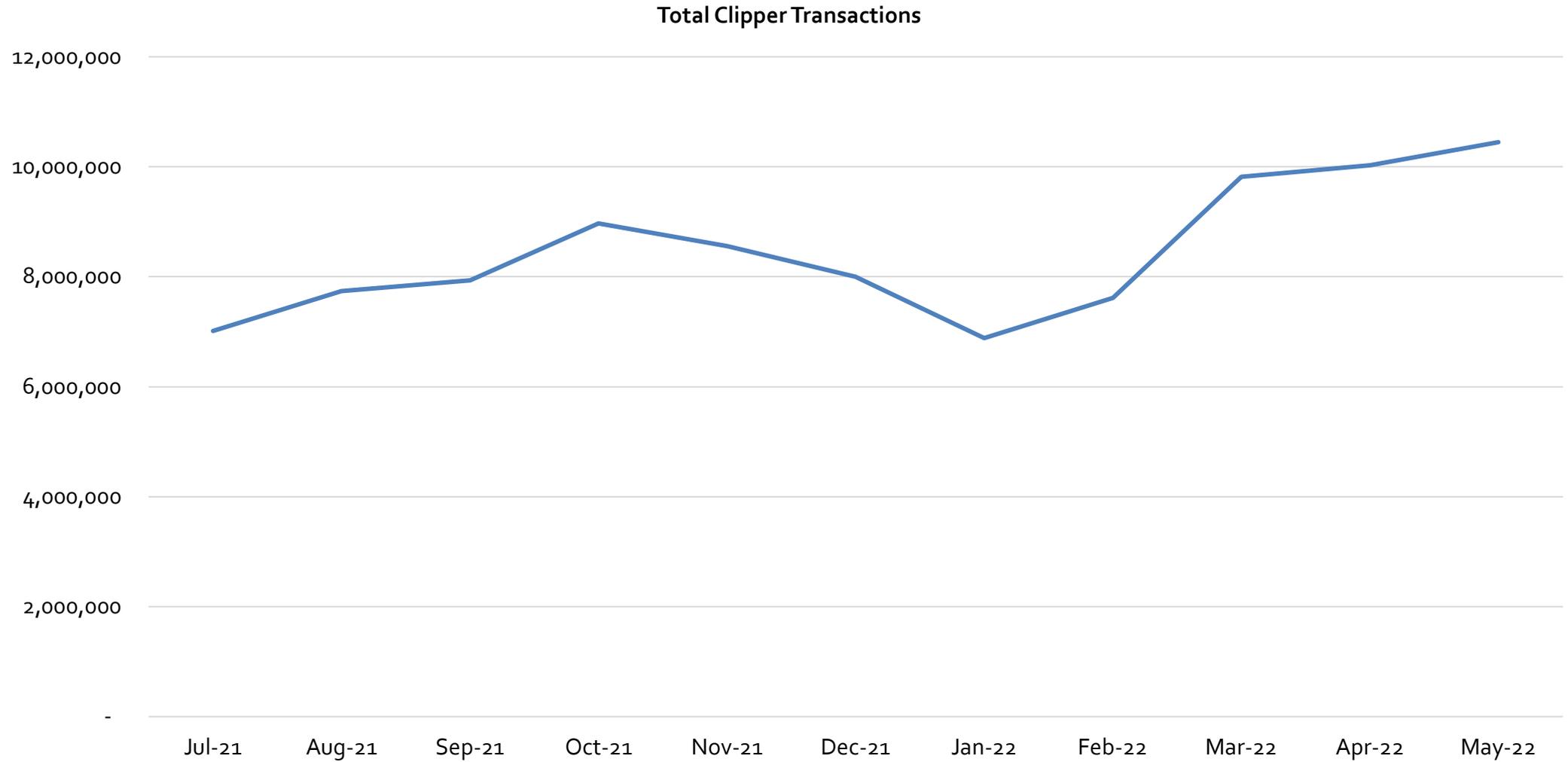
Carol Kuester



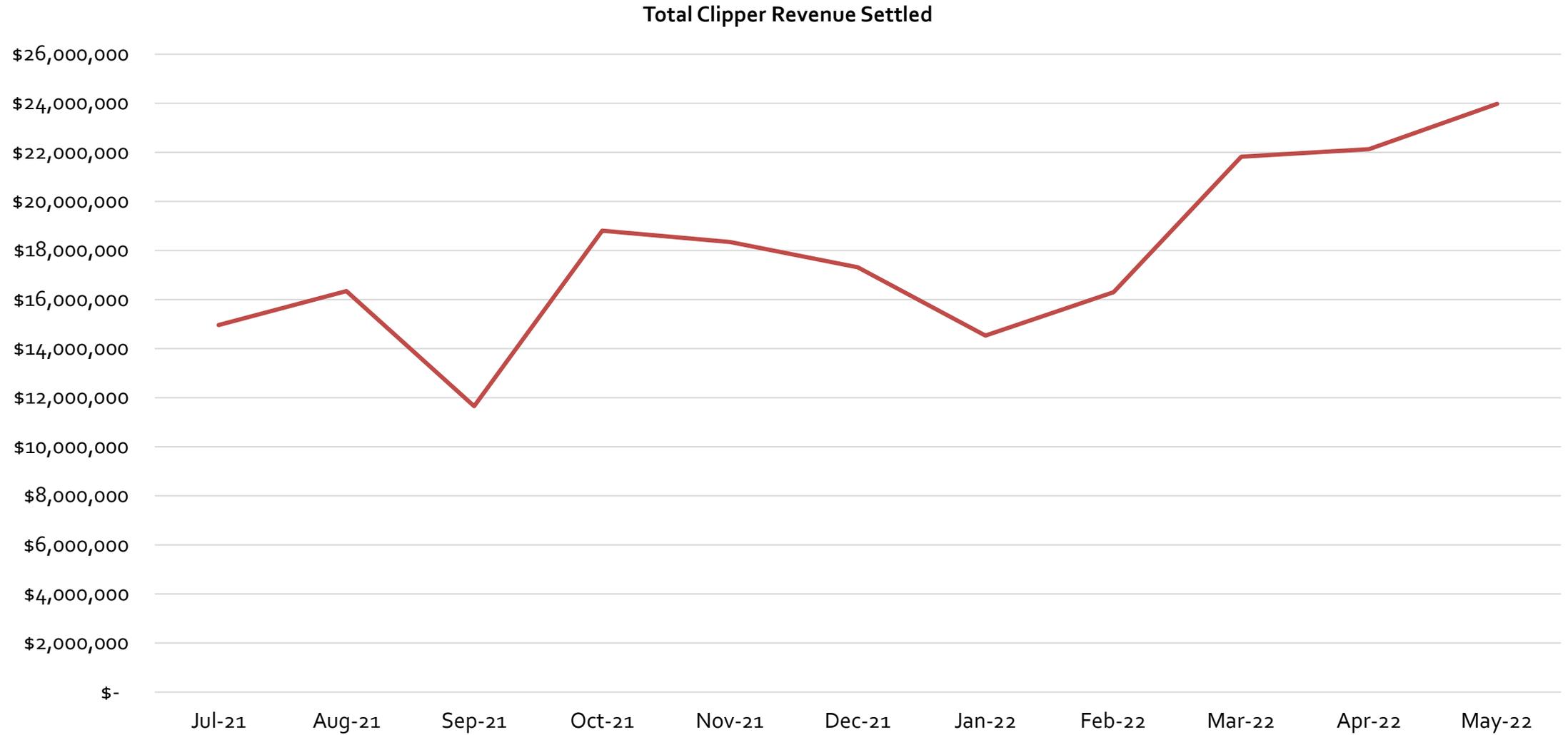
Clipper® System Transaction and Revenue & Mobile App Performance and Usage

Charts and Figures
Clipper Executive Board
June 27, 2022

Total Clipper Transactions



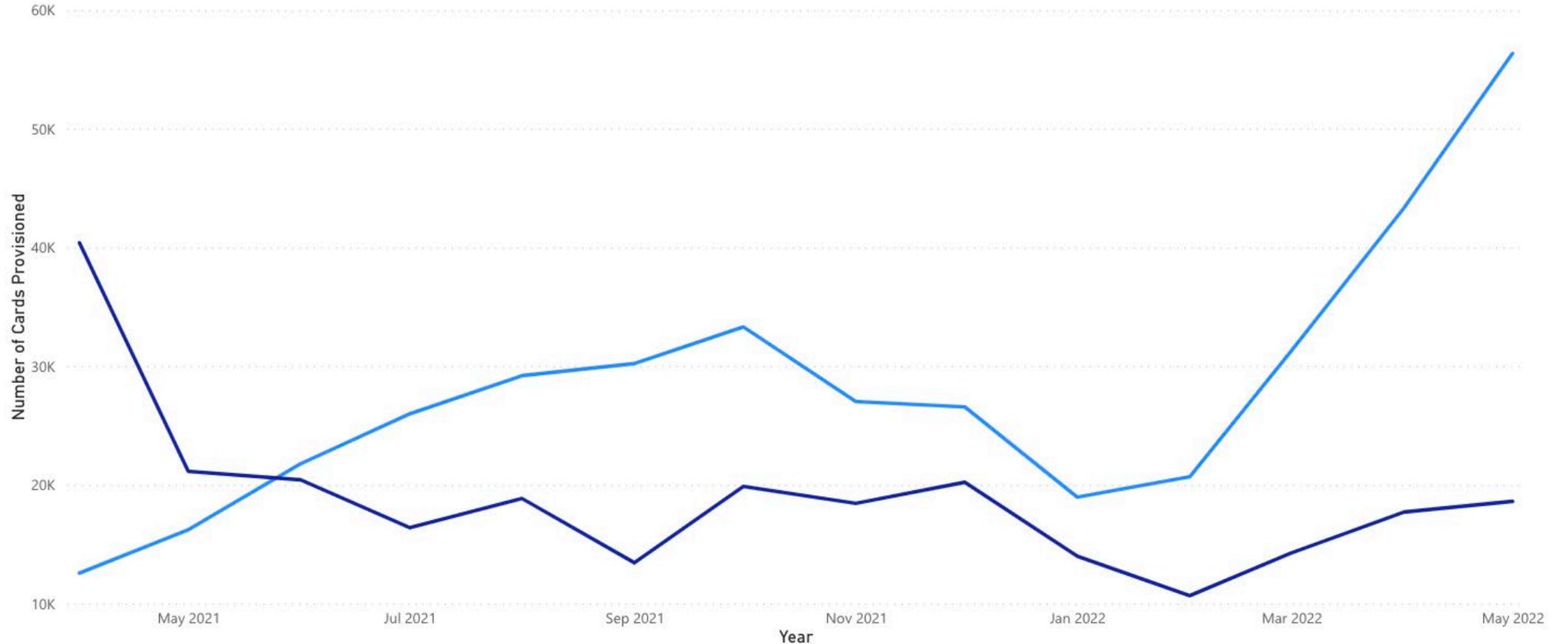
Total Clipper Revenue Settled



Number of Mobile Cards Provisioned by Year, Month, and Transaction Type

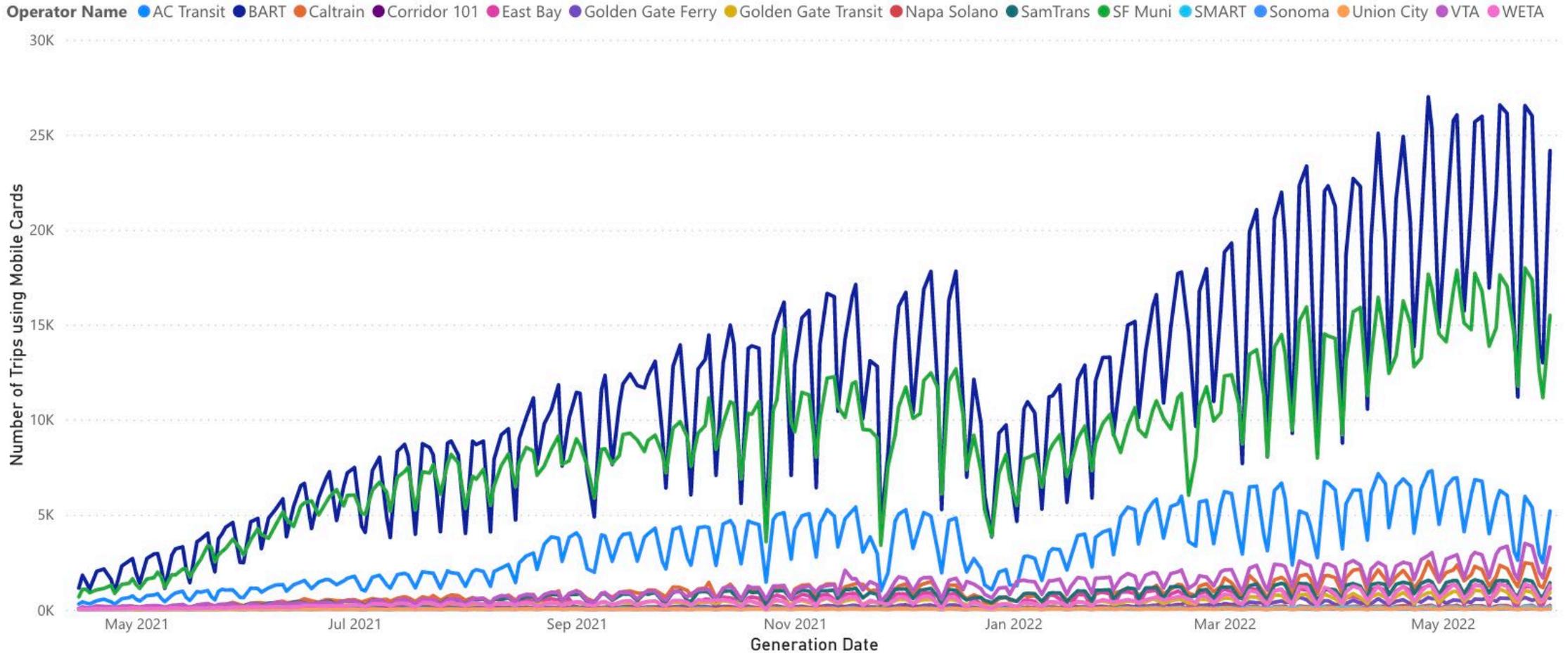
Number of Cards Provisioned by Year, Month and Transaction Type

Transaction Type ● New Card Issue ● Physical to Mobile Migration



Number of Trips Made with Mobile Cards by Generation Date and Operator Name

Number of Trips made with Mobile Cards by Generation Date and Operator Name



Number of Trips Using Mobile Cards, Number of Clipper Trips, and Percent Mobile Card Trips for each operator since April 2021 as well as just for the month of April 2022

Since April 2021 Launch

Operator Name	Number of Trips using Mobile Cards	Number of Clipper Trips	Percent Mobile Card Trips
AC Transit	1,351,030	12,555,008	10.76%
BART	4,681,889	35,491,180	13.19%
Caltrain	381,232	1,781,713	21.40%
Corridor 101	15,124	97,342	15.54%
East Bay	178,422	1,592,393	11.20%
Golden Gate Ferry	80,717	523,308	15.42%
Golden Gate Transit	156,888	865,854	18.12%
Napa Solano	35,395	281,723	12.56%
SamTrans	301,911	3,315,597	9.11%
SF Muni	3,637,942	31,313,616	11.62%
SMART	22,450	232,110	9.67%
Sonoma	5,262	30,551	17.22%
Union City	10,329	116,635	8.86%
VTA	477,287	6,671,947	7.15%
WETA	178,487	747,553	23.88%
Total	11,514,365	95,616,530	12.04%

Just May 2022

Operator Name	Number of Trips using Mobile Cards	Number of Clipper Trips	Percent Mobile Card Trips
AC Transit	160,070	1,112,568	14.39%
BART	646,699	3,559,387	18.17%
Caltrain	56,992	201,575	28.27%
Corridor 101	1,623	9,264	17.52%
East Bay	27,413	171,559	15.98%
Golden Gate Ferry	15,065	76,347	19.73%
Golden Gate Transit	22,404	88,668	25.27%
Napa Solano	4,848	25,388	19.10%
SamTrans	38,639	292,893	13.19%
SF Muni	471,671	2,834,600	16.64%
SMART	3,548	25,833	13.73%
Sonoma	768	3,105	24.73%
Union City	1,486	12,454	11.93%
VTA	80,470	663,397	12.13%
WETA	29,000	92,909	31.21%
Total	1,560,696	9,169,947	17.02%



Clipper Customer & Non-User Research Survey Results Update

Subject:

Update on the preliminary results of the 2022 survey to research Clipper customer and non-user travel behavior and attitudes.

Background:

Every two years, the Clipper program conducts a survey of Bay Area transit customers. The purpose of this effort is to understand current Clipper user satisfaction, transit habits, attitudes, and opinions of Clipper customers, as well as to identify barriers to using Clipper and to gauge potential for future usage among non-users.

This year, the research effort consisted of quantitative and qualitative elements. The quantitative portion of this research effort was conducted as a mail-driven survey. This approach casts a wider net than the intercept survey used in previous years for infrequent riders and riders who do not use Clipper. Furthermore, the multi-modal approach allows for more balanced representation both geographically and demographically, including low-income respondents.

The mail-driven survey ran for about six weeks in April and May 2022.

Preliminary Key Findings:

The surveys were offered in English, Spanish, Chinese and Vietnamese. Respondents were screened for transit ridership: 1,932 Clipper customers and 596 non-Clipper users completed interviews for a total of 2,528 completed interviews.

Clipper Customers

- Satisfaction among Clipper users remains very high across users on all agencies. Overall, 95 percent of Clipper users are satisfied with the experience of using Clipper.
- 97 percent of Clipper users (both mobile and plastic users) say they would recommend it to other transit riders.
- Transit station ticket machines remain the most common place to purchase and load value on a Clipper card, followed by autoload and the Clipper website.

- Nearly two-thirds of Clipper mobile users and just under 60 percent of plastic card users have registered their cards. Not knowing a card could be registered is the most cited barrier.
- A small subset of Clipper users has contacted customer service recently, and those who did are generally satisfied with their experience. Mobile Clipper users report slightly higher levels of satisfaction.
- Clipper customers who have the Clipper app on their smart phones report using it for purposes of registering a Clipper card, checking their balance, and adding value.
- Upon hearing about the app's features, almost three-quarters of those who do not have the app installed are interested in using it in the future.

Non-Users

- A majority of those non-Clipper user riders purchase single-ride fares and pay for their ride at a station. Just over one-in-ten reports using a transit agency mobile app to pay their fares.
- About one-third of non-users are familiar with Clipper, and 60 percent express interest in using Clipper in the future prior to being presented with any information. Additional information further increases interest.
- Three-quarters of non-users say they are more likely to use Clipper after hearing that they can receive discounted tickets, pay for most Bay Area transit services, and that the correct trip fares are automatically calculated when using Clipper.
- Half of those who express interest in using Clipper in the future say they are interested in the mobile card, and another one-in-three say they are interested in both plastic and mobile Clipper. iPhone users gravitate more towards the mobile card compared to Android users.

Issues:

None identified.

Recommendations:

Information.

Attachments:

None.



Carol Kuester

Clipper® Executive Board

June 27, 2022

Agenda Item 4d

2022 Clipper® Amended and Restated Memorandum of Understanding (MOU)

Subject:

2022 Amended and Restated Clipper MOU, updated to capture changes required to support the operation of the Next Generation Clipper (C2) System, including cost-sharing agreements for the System Integrator, Customer Service Center, Payment Services, and Fare Media Fulfillment Contracts.

Background:

Staff presented proposed Clipper MOU and cost-sharing updates at the April 2022 Clipper Executive Board meeting and discussed and shared a draft of the Clipper MOU with the Board, and with agency executives, legal counsels, and transit agency staff of the region's Clipper operators. Staff presented the draft MOU at the Board's May 2022 meeting as an information item and are preparing to request approval of the MOU at the July Board meeting.

This memo summarizes the proposed changes and cost-sharing agreements to be incorporated into an Amended & Restated Clipper 2022 MOU. The attached 2022 MOU builds on the core agreements of the 2016 MOU and includes:

- A cost-sharing agreement for the C2 account-based system, including the C2 System Integrator, Customer Service Center, Payment Services, and Fare Media Fulfillment contracts;
- Incorporation of Amendments 1 through 3 to the 2016 MOU, including the assumption by MTC of program management responsibilities for the Regional Transit Connection (RTC) Program and RTC cost-sharing agreements (Appendix B-2); and
- Additions to the Program Goals and Performance Measures (Appendix C); and
- General clean-up and clarifications.

Appendix B-3 of the 2022 MOU includes the account-based cost-sharing agreements between MTC and the operators and how costs will be shared amongst the operators. Transit operator staff participating in the cost-sharing discussions have agreed in this MOU to share the operator portion of the costs based on their percentage of Clipper ridership. As part of their agreement (but not part of this MOU), they have requested that a roadmap be developed that will plan for the transition of non-Clipper riders to Clipper to the extent possible by each agency, with regular updates to the Clipper Executive Board on the progress of achieving the goals of this roadmap. MTC Clipper staff's goal is to support full execution of the new MOU by September 2022 because the Amended & Restated MOU must be finalized in order to pay Next Generation Clipper operations and maintenance invoices, which will start coming in this fall.

Issues:

None identified.

Recommendations:

Information

Attachments:

- Attachment A: 2022 Amended & Restated Clipper MOU



Carol Kuester

2022 AMENDED AND RESTATED CLIPPER® MEMORANDUM OF UNDERSTANDING

This 2022 Amended and Restated Clipper® Memorandum of Understanding (the "MOU") is entered into as of the ____ day of ____, 2022 (the "Effective Date"), by and among the Metropolitan Transportation Commission ("MTC") and the following transit operators participating in the Clipper® Program (referred to herein individually as an "Operator" or collectively as the "Operators")¹:

Alameda-Contra Costa Transit District ("AC Transit"); Golden Gate Bridge Highway and Transportation District ("GGBHTD"); the San Francisco Bay Area Rapid Transit District ("BART"); the City and County of San Francisco, acting by and through its Municipal Transportation Agency ("SFMTA"); the San Mateo County Transit District ("SamTrans"); the Santa Clara Valley Transportation Authority ("VTA"); the Peninsula Corridor Joint Powers Board ("Caltrain"); Central Contra Costa Transit Authority; City of Fairfield, as the operator of Fairfield and Suisun Transit; City of Petaluma; Eastern Contra Costa Transit Authority; Livermore/Amador Valley Transit Authority; Marin County Transit District; Napa Valley Transportation Authority; Solano County Transit; Sonoma County Transit; Sonoma-Marin Area Rail Transit; Vacaville City Coach; Western Contra Costa Transit Authority; San Francisco Bay Area Water Emergency Transportation Authority; City of Santa Rosa; and City of Union City; *and any other New Operator Participants in accordance with Article VI.A of the MOU.*

MTC and the Operators are referred to herein collectively as the "Parties" or individually as a "Party".

Recitals

1. On July 2, 2009, MTC entered into a contract (the "Clipper Contract") with Cubic Transportation Systems, Inc., to implement, operate and maintain the Clipper fare payment system on behalf of the Operators ("Clipper Program") through November 2, 2019, which contract was extended on June 30, 2017, for a period of up to five years (November 2, 2024).
2. On February 19, 2016, MTC and the Operators entered into an Amended and Restated Clipper Memorandum of Understanding, replacing a previous MOU that delineated the MTC and Operator responsibilities for the Clipper Program, which was subsequently amended on April 17, 2017; October 1, 2020; and September 1, 2021 ("2016 MOU").
3. On September 26, 2018, MTC, as Contracting Agency under the 2016 MOU, entered into a contract (the "Next Generation Clipper Contract") with Cubic Transportation Systems, Inc. (the "Clipper Contractor") to act as system integrator for the Next Generation Clipper system, including system design, development and testing, installation and transition, operations and maintenance, and end-of-¹term transition. The Next Generation Clipper system will implement an account-based payment system.
4. Effective September 1, 2021, the 2016 MOU transferred responsibility for management and oversight of the Regional Transit Connection Discount Card Program ("RTC Program"), which provides people with disabilities with discounted access to fixed-route transit, to the Clipper

¹ Clipper® is a registered trademark of MTC. Henceforth, all references to Clipper, with or without the registered trademark designation, will be to the MTC registered trademark.

Executive Board and responsibility for the administration of the RTC Program to MTC, pending development and implementation of a new RTC Program database.

5. The Parties now wish to amend and restate the 2016 MOU to reflect changes to the Clipper program brought about by the implementation of the Next Generation Clipper system and the expanded use of Clipper since 2016, including a revised cost-sharing formula applicable to the RTC Program and tailored to the Next Generation Clipper account-based fare payment system.
6. For purposes of this MOU, references to the Clipper Program, Clipper fare payment system, or Clipper refer collectively to the systems implemented under the Clipper Contract, the Next Generation Clipper Contract, and other contracts to be entered into to implement and operate the Next Generation Clipper system. The term Clipper Contract refers to both the Clipper Contract and the Next Generation Clipper Contract, as appropriate.

ARTICLE I Operator Responsibilities

Each Operator agrees to:

- A. Implement and operate the Clipper fare payment system in accordance with the Clipper Operating Rules, as adopted and amended from time to time, consistent with the consultation and approval process set forth in Appendix A, Process for Amending Clipper Operating Rules, attached hereto and incorporated herein by this reference. The Clipper Operating Rules establish operating parameters and procedures for the consistent and efficient operation of Clipper throughout the region. The current version of the Clipper Operating Rules is available on MTC's website at <http://clipper.mtc.ca.gov>.
- B. Pay its share of Clipper costs, including costs of the salary of additional Clipper staff necessary to support the Executive Board, according to Appendix B, Clipper® Cost and Revenue Allocation, as amended, attached hereto and incorporated herein by this reference. Changes to Appendix B require an amendment to the MOU in accordance with Article XI.A.
- C. Make its facilities and staff available for implementation and operation of Clipper. Any Operator and the Contracting Agency may agree to an Operator-specific implementation plan, setting forth specific requirements regarding implementation and operation of Clipper for such Operator.
- D. Make determinations regarding the placement of Clipper equipment on the Operator's facilities and equipment; perform necessary site preparation; attend Clipper Contractor training on the use of the Clipper equipment; and provide training to employees using the equipment.
- E. Participate in as-needed reviews of the cost and revenue allocation formula in Appendix B, to support fairness among Operators and to accommodate changes in shared operation costs.
- F. *Implement, operate and promote Clipper as its primary fare payment system, including the primary mobile payment system, and refrain from establishing other fare payment systems or fare policies that could deter or discourage frequent transit riders' preference to use Clipper. Each Operator agrees to set fares so that fares paid with Clipper are equivalent or lower than fares paid either with cash or other forms of payment. No new*

non-Clipper prepaid fare product, other than for promotional, special event or limited-audience—e.g., tourist—fares, shall be created by any Operator without consulting with and receiving prior written approval from MTC.

- G. *Provide appropriate training to employees who have Clipper-related operations responsibilities, so that those personnel are able to carry out the requirements placed on Operators in this MOU, including, but not limited to, vehicle operators, station agents, conductors, customer service personnel, proof-of-payment officers, ticket sales staff and any other personnel responsible for interacting with customers concerning fare payment.*
- H. *Perform first-line maintenance on Clipper equipment located at their facilities or on their vehicles; promptly notify the Clipper Contractor when second-line maintenance of Clipper equipment is needed; promptly notify the Contracting Agency and the Clipper Contractor of any issues affecting daily financial reconciliation or accuracy of system reports; issue all types (including, but not limited to, cards configured as senior or youth) of Clipper cards; add value to existing Clipper cards from all customer service terminals located at their business facilities; and provide at least the same level of front-line customer service to their patrons using Clipper as to patrons using other forms of fare payment.*
- I. *Take financial responsibility for the cost of replacement of equipment damaged in-service due to vandalism or any other cause for which the risk of loss is not with the Clipper Contractor pursuant to the Clipper Contract or Next Generation Clipper Contract or covered by warranty under the applicable Clipper contract.*
- J. *Provide General Transit Feed Specifications (GTFS) for the development, implementation, operation, and maintenance of the Clipper mobile application.*
- K. Support the Contracting Agency in its administration and operation of the RTC Program, as set forth in Article III.M, and pay its share of RTC Program costs, according to Appendix B, attached hereto and incorporated herein by this reference, as *it may be amended, from time to time.*

ARTICLE II

MTC Responsibilities

MTC agrees to:

- A. Fund a portion of the Clipper operating and maintenance costs, including costs of the salary of additional Clipper staff necessary to support the Executive Board, as set forth in Appendix B. Subject to availability of necessary funds, inclusion of projects in the Regional Transportation Plan and Transportation Improvement Program where necessary, and receipt of all necessary Commission approvals, budget appropriations and allocations, MTC will continue to fund capital and Contracting Agency operating costs in the manner that it has funded capital and Contracting Agency operating costs to date through a dedicated allocation of federal, state and local funds, both discretionary and project-designated. Recommended annual capital allocations will be identified in the work plan approved by the Executive Board. (See Article IV.C.4.)
- B. Retain all books, papers, records, documents, and other materials pertaining to its responsibilities under Appendix B (the "Materials") in accordance with federal grant and

audit requirements and generally accepted accounting principles and make the Materials available to Parties upon request through reasonable means and at reasonable times. Parties may request that Materials be made available for the most recently closed fiscal year during the term of this MOU and for up to one year thereafter; provided, however, that nothing in this Article II.B is intended to limit a Party's rights to obtain records under the California Public Records Act (Government Code Section 6250 *et seq.*) or *San Francisco's Sunshine Ordinance* (see Appendix E).

- C. Continue to serve as the Contracting Agency (described in Article III), and continue to provide adequate staffing to support the Clipper program under the direction of the Clipper Executive Director (described in Article V), until such time as the Executive Board designates, and MTC's Commission approves, the assignment of MTC's duties as Contracting Agency to another Party pursuant to Article IV.D.
- D. Employ the Clipper Executive Director (described in Article V). MTC reserves the right to make decisions regarding hiring, promotion, termination, compensation, and removal of the initial Clipper Executive Director. Selection of a successor Executive Director shall be in accordance with Article III.I.
- E. Continue to create, maintain, *and protect* all copyrights and other intellectual property necessary or convenient for the operation of the Clipper fare payment system, *including the Clipper brand, trademark and design*, and provide any necessary licenses to use such intellectual property to the Contracting Agency, if other than MTC.
- F. Enter into supplemental agreements with new Operator Participants in accordance with Article VI.A.
- G. Enter into Affiliate Participant agreements in accordance with Article VI.B.

ARTICLE III Contracting Agency Responsibilities

The Contracting Agency agrees to:

- A. On behalf of the Parties, procure, award, manage and carry out the duties and responsibilities of the Clipper Program under all contracts necessary for the expansion, modification, modernization, operation, maintenance, marketing and customer service of the Clipper fare payment system, including the Clipper Contract, *Next Generation Clipper Contract, contracts for the Next Generation customer service center, the payment gateway, fare media contracts* ("Other Next Generation Clipper Contracts"; see Appendix B-3), and any contracts for associated professional or technical services for the Clipper program as a whole.
- B. Establish, manage, and implement Clipper Operating Rules in accordance with Appendix A.
- C. Provide regular updates (at least quarterly) on the Clipper Program to the Parties.
- D. Support the Parties with respect to Articles I.E and II.A by providing system data affecting the cost allocation formula.

- E. Own specified Clipper Program capital equipment, as may be required by grant or funding agency rules and regulations, and transfer ownership, to the greatest extent permitted under such rules and regulations, to any successor Contracting Agency.
- F. Hold and manage the Clipper bank accounts and act as an agency in trust for the benefit of the cardholders for funds deposited by the cardholders for the ultimate use on the services provided by the Operators, and for the benefit of the Operators for funds due to Operators until dispersed to such Operators.
- G. Conduct *an as-needed* contract compliance audit covering Clipper Program revenue collection and allocation and cost allocation responsibilities under the MOU and provide a copy of the complete audit report to all Parties upon conclusion of each such audit.
- H. Retain all books, papers, records, documents, and other materials pertaining to its responsibilities under Appendix B (the "Materials") in accordance with federal grant and audit requirements and generally accepted accounting principles and make the Materials available to Parties upon request through reasonable means and at reasonable times. Parties may request that Materials be made available for the most recently closed fiscal year during the term of this MOU and for up to one year thereafter; provided, however, that nothing in this Article III.H is intended to limit a Party's rights to obtain records under the California Public Records Act (Government Code §§ 6250 *et seq.*), subject to the restrictions on the handling and confidentiality of personally identifiable information ("PII") set forth in California Streets and Highways Code Section 31490.
- I. Engage the Clipper Executive Director in accordance with Article V. The Contracting Agency reserves the right to make decisions regarding hiring, promotion, termination, compensation, and removal of the Clipper Executive Director provided that *the Contracting Agency* shall not engage the successor to the initial and successor Executive Directors without the concurrence of the Executive Board. The Contracting Agency shall collaborate with the Executive Board in considering potential candidates for Executive Director.
- J. Provide adequate staffing (including program and legal staff) to support the Clipper program. The Contracting Agency reserves the right to make decisions regarding hiring, promotion, termination, compensation and removal of program staff.
- K. Provide necessary logistical and technological support to the Executive Board and any committees thereof, except as provided in Article IV.H.
- L. On behalf of the Parties and under the direction of the Clipper Executive Board, procure, award, and manage contracts and carry out the administrative and management duties and responsibilities necessary for the operation, maintenance, marketing and customer service of the RTC Program; provided, however, that the Contracting Agency shall not assume administrative, operational (including customer service), or maintenance duties prior to its issuance of a notice to Operators that a new RTC database has been tested and deployed.

ARTICLE IV Clipper Executive Board

- A. Role; Composition. The Parties agree that responsibility for the policy oversight and management of the Clipper Program and the RTC Program shall reside with a Clipper® Executive Board ("Executive Board"). The Executive Board's responsibilities shall be executed in a manner consistent with the Operator, MTC and Contracting Agency responsibilities set forth in Articles I, II and III, respectively. The Executive Board shall be comprised of nine members: one representative each from the SFMTA, BART, Caltrain/SamTrans, AC Transit, VTA, GGBHTD and MTC, and two representatives who are selected to represent all other Operators (the "Small Operators") in the sole discretion of the Small Operators. Each representative shall be at the General Manager or senior management level.
- B. Principles. The Executive Board shall adhere to the following principles:
1. The Clipper Program shall continue as the primary electronic fare collection system for the Operators.
 2. Each member of the Executive Board commits to actively advance the continued successful operation, maintenance and growth of the Clipper Program on a cost-effective, operationally efficient, and coordinated basis.
 3. Promote efforts to reduce the overall cost of the Clipper system, including operating costs, capital costs and consultant expenses.
 4. Promote regional efforts to simplify fare structures while protecting revenue levels.
- C. Duties. The Executive Board shall undertake the following duties:
1. Meet in accordance with a regular meeting schedule established by the Executive Board, not less than quarterly.
 2. Establish goals for the Clipper Program, including targets to increase market penetration and cost containment initiatives. The Program Goals and Performance Measures are attached as Appendix C, and may be amended by unanimous vote of the Executive Board from time to time.
 3. Propose for review by MTC, Operators and other funding sources (collectively, the "Funding Agencies") a biennial capital and operating budget for the Clipper Program. Revise and adopt the proposed budget in accordance with the Clipper budgets adopted and/or allocations made by each of the Funding Agencies. The biennial budget shall outline staffing requirements and resources needed to accomplish the work plan. The budget shall define required funding, identify funding sources, and specify the amount of individual agency contributions.
 4. Adopt a detailed biennial work plan to implement the established goals and budget.

5. Designate the Contracting Agency, as further described in and subject to Article IV.D, and provide policy oversight, advice, and direction to the Contracting Agency.
 6. Evaluate the performance of the Clipper Executive Director on at least an annual basis. The Board will develop goals and objectives jointly with the Clipper Executive Director, which will form the basis for the annual evaluation.
 7. Review and authorize Significant Business Matters as described in Article IV.E.
 8. Establish such procedures as shall be necessary or desirable to facilitate compliance by the Executive Board with the Ralph M. Brown Act (Government Code Section 54950 *et seq.*) (the "Brown Act") and other applicable laws.
- D. Designation of a Contracting Agency. The Executive Board shall designate one of the Parties to serve as the "Contracting Agency" with the responsibilities defined in Article III. MTC shall serve as the initial Contracting Agency. The Executive Board shall review the designation of the Contracting Agency not more often than once every three (3) years and may designate any of the Parties as a new Contracting Agency no later than one year prior to the proposed assignment date, which designation may be subject to the approval of the governing board of the proposed new Contracting Agency. In the event of a new designation, the then-current Contracting Agency shall seek approval from its governing board to assign all outstanding contracts, funding agreements, licenses, and accounts to the newly designated Contracting Agency and, if it receives approval from its governing board for such assignment, take such other actions as may be necessary or convenient to effect the transition of the Contracting Agency role. In the event of a change from the role of MTC as the Contracting Agency, the Executive Board will work with MTC and the successor Contracting Agency to protect or minimize loss or degradation of jobs for Clipper support staff at MTC.
- E. Significant Business Matters. The Executive Board shall decide all Significant Business Matters by a majority vote. "Significant Business Matter" shall mean any matter that can reasonably be expected to have a substantial financial impact (defined as an impact of \$250,000 or more) or a substantial operating impact (defined as causing operations to fall below then-current annual operational goals) on Clipper or any of the Parties. Significant Business Matters, include, but are not limited to, the following:
1. Approval of Clipper Program Contracts and Change Orders that exceed the maximum authority levels established by the Contracting Agency's procurement rules for its chief executive officer, or \$250,000, whichever is less, or that are not funded in the biennial budget. Contracting Agency governing board approval may also be required.
 2. Amendments to the Clipper Operating Rules, pursuant to Appendix A.
 3. Acceptance of new Parties to the Clipper Program. The Executive Board delegates to MTC the authority to sign supplemental agreements with new Parties accepted into the Program, as provided in Article VI.
 4. Acceptance of Clipper Affiliate Participants, as described in Article VI.B, and implementation of new business ventures or opportunities for the Clipper Program.

5. Assignment of the Next Generation Clipper Contracts. Contracting Agency approval shall also be required.
6. Approval of expenses (administrative, operating and legal) incurred by the Contracting Agency if in excess of or not contemplated by the current approved budget.
7. Decision whether any other matter, not expressly included or excluded as a Significant Business Matter in this list, is a Significant Business Matter in accordance with the definition above.

The foregoing definition of Significant Business Matters may be amended by unanimous vote of the Executive Board from time to time.

- F. Quorum. Five members of the Executive Board constitute a quorum. In the absence of a quorum, a smaller number of Executive Board members may secure the attendance of absent members by video conference, teleconference, or other means compliant with the Brown Act to establish a quorum. Only eligible voting members shall be counted to establish a quorum.
- G. Voting. Each member of the Executive Board shall have one vote. A vote of a majority of the Executive Board is required for approval. Executive Board members may not abstain from voting on any matter before the Executive Board, except in cases of conflicts of interest.
- H. Board Chair; Committees. The Executive Board shall bi-annually elect a Chair and Vice Chair from its members. The Chair shall provide administrative staff support to the Executive Board, as needed as determined by the Chair and the Clipper Executive Director. The Chair may appoint advisory committees or working groups for specified projects of limited duration. The Executive Board may establish standing committees from time to time.
- I. Delegates. Executive Board members may appoint, in writing, delegates to vote on their behalf in the event of a member's absence from any Executive Board meeting, for up to four (4) meetings per calendar year. No voting rights are accorded to delegates, nor do delegates count toward a quorum of the Executive Board, when they are representing an Executive Board member for meetings after four (4) missed meetings in a calendar year.

ARTICLE V Clipper Executive Director

The Clipper Executive Director shall be responsible for regional coordination of the Clipper program among the Parties, oversight of consultants and contractors retained for the design, operation and maintenance of the Clipper program, and effectuation of the goals and work plan adopted by the Executive Board in accordance with the budget. Clipper program support staff engaged by the Contracting Agency shall report to the Clipper Executive Director.

The Clipper Executive Director shall be selected and appointed by the Contracting Agency following consultation with the Executive Board to factor in any Executive Board concerns. The Contracting Agency will directly engage the Clipper Executive Director as its employee or independent contractor in accordance with any civil service or procurement rules applicable to the Contracting Agency. The Clipper Executive Director shall be Carol Kuester, *or her successor as MTC's Section Director of Electronic Payments (or comparable position)*, subject to Article III.I.

ARTICLE VI New Operator and Affiliate Participants

- A. New Operator Participants. Any Bay Area transit operator not a Party to this Agreement must be approved by the Executive Board and agree to the terms of the MOU then in effect as a condition of implementing Clipper, by entering into a supplemental agreement to this MOU accepting the then-current terms of this MOU. Signature by the other Parties to the MOU is not required. MTC shall not enter into a supplemental agreement with a New Operator Participant prior to the issuance of a Change Request (*as defined in the Next Generation Clipper Contract*) to the Clipper Contractor covering all or a portion of the work required to accept such operator into the system. MTC shall provide the other Parties to the MOU with written notice of each supplemental agreement. "Bay Area transit operator," for purposes of this Article VI means a transit operator with headquarters located within the nine counties within MTC's jurisdiction.
- B. Affiliate Participants. The Executive Board must approve implementation of Clipper or use of the Clipper card, brand, or application on any transit operator with headquarters located outside the Bay Area or by a business that is not a transit operator (collectively, "Affiliate Participants"). Affiliate participants shall be required to enter into an agreement with the Contracting Agency accepting the then-current terms of the MOU and agreeing to additional terms and conditions for implementation of Clipper or use of the Clipper card, brand, or application. Any additional costs incurred by the Clipper Program shall be paid for in accordance with such agreements. In addition, the Contracting Agency shall include indemnification provisions in such agreements at least as stringent as those set forth in Article VII.

ARTICLE VII Indemnification

- A. Mutual Indemnification. No Party to this MOU (including any of its directors, commissioners, officers, agents or employees) shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by any other Party under or in connection with this Agreement. Pursuant to Government Code Section 895.4, each Party agrees to fully indemnify and hold other Parties harmless from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by such indemnifying Party under or in connection with this Agreement and for which such indemnifying Party would otherwise be liable.

- B. Contracting Agency Indemnification of Other Parties. Notwithstanding the provisions of Subsection A above, the Contracting Agency shall indemnify, hold harmless, and defend the other Parties from any and all claims or liability resulting from any action or inaction on the part of Contracting Agency relating to the Clipper Contract and the RTC Program (except as provided in Subsection F below) or from its failure to carry out its responsibilities under Article III of this MOU. With respect only to MTC as Contracting Agency, this indemnification covers action or inaction on the part of MTC relating to the Clipper Contract prior to the Effective Date of this MOU. Except as stated in the previous sentence, this indemnification only covers action or inaction on the part of a Contracting Agency while it serves as Contracting Agency under this MOU.
- C. Other Parties' Indemnification of Contracting Agency. Notwithstanding the provisions of Subsection A above, each Party hereto that is not the Contracting Agency shall indemnify, hold harmless, and defend the Contracting Agency from any and all claims or liability resulting from any action or inaction on the part of such Party relating to its responsibilities under Article I or II, as applicable, of this MOU.
- D. Operator Indemnification of MTC. Notwithstanding the provisions of Subsection A above and subject to Subsection F below, each Operator shall indemnify, hold harmless, and defend MTC from any and all claims or liability resulting from any action or inaction on the part of such Operator relating to its responsibilities under Article I of this MOU.
- E. MTC Indemnification of Operators. Notwithstanding the provisions of Subsection A above, MTC shall indemnify, hold harmless, and defend each Operator from any and all claims or liability resulting from any action or inaction on the part of MTC relating to its responsibilities under Article II of this MOU.
- F. Indemnification of MTC as RTC Discount Card Program Administrator. Notwithstanding the provisions of Subsections B and D above, *the Operators shall indemnify, defend, and hold harmless MTC as Contracting Agency* against any and all claims or liability related to the RTC Program resulting after MTC's assumption of the responsibilities set forth in Article III.M as administrator and operator of the RTC Program to the extent that such claims or liability relate to actions or inactions taken by the Operators or their third party medical verifier contractor to administer, manage, and operate the RTC Program **prior to** MTC's assumption of such duties.

ARTICLE VIII

Term

The term of the MOU shall begin upon the Effective Date and *continue for a period of ten (10) years*, unless terminated by written agreement of the Parties.

ARTICLE IX

Dispute Resolution

The Parties agree to abide by the dispute resolution procedures in Appendix D, Dispute Resolution, attached hereto and incorporated herein by this reference to resolve disputes between or among Parties to the MOU. To invoke the dispute resolution process, two Executive Board members must request it.

ARTICLE X

Changed Circumstances

Any Party may initiate informal discussions among the Parties concerning the provisions of this MOU, based on its assessment that changes in technology or other factors external to the MOU or the Clipper Contract indicate that it would be in the best interests of one or more Parties to consider revisions to the MOU. If a majority of Parties agree, the Parties will then jointly evaluate the changed circumstances to determine what, if any, revisions to the MOU are necessary or desirable. Any agreed-upon changes shall require an amendment to the MOU approved and executed by all Parties.

ARTICLE XI

General Provisions

- A. The entire Agreement between and among the Parties is contained herein, and no change in or modification, termination or discharge of this MOU shall be valid or enforceable unless it is approved by the Parties and made in writing and signed by the Parties.
- B. Headings in this MOU are for convenience only and not intended to define, interpret or limit the terms and conditions herein.
- C. This MOU may be executed in one or more counterparts, each of which shall be considered an original and all of which shall constitute a single instrument.
- D. This MOU is intended for the sole benefit of the Parties and is not intended to nor shall be construed to confer any benefit or create any right in any third party.
- E. Appendix E, Special Provisions for the City and County of San Francisco, attached hereto and incorporated herein by this reference, sets forth the terms and conditions required by the City and County of San Francisco in *certain* contracts entered into by the City.
- F. If any provision of this MOU or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this MOU, or the application of such provision to persons, entities or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this MOU shall be valid and be enforceable to the fullest extent permitted by law.
- G. Notices provided under the MOU shall be provided to the individuals listed in Appendix F, Notices, attached hereto and incorporated herein by this reference. Each Party to the MOU is responsible for notifying other Parties of a change in the individual designated to receive notices in writing. Changes to Appendix F may be made by any Party without an amendment to this MOU. MTC will distribute to every other Party the notice information of new Parties to the MOU added pursuant to Article VI.
- H. This MOU supersedes, amends, and restates the 2016 MOU in its entirety.

ARTICLE XII
Legal Representation and *Common Interest*

The Parties recognize a mutuality of interest, and a need for joint cooperation in legal matters relating to Clipper. In furtherance of this common interest, any communications among Parties and counsel for any of the Parties shall be confidential and protected from disclosure to any third party by each and every privilege – including, but not limited to, the attorney-client privilege, the attorney work product privilege, and the pooled information privilege – notwithstanding the dissemination of the communications and work product among Parties by the counsel that made the information available in the first instance. If information covered by the privileges is requested by a third party pursuant to a subpoena or other discovery request, then counsel receiving the request shall notify in a timely fashion the counsel who disclosed the information so that the privileges against disclosure may be asserted.

Should any Party withdraw from or otherwise terminate its participation in the Clipper program, such withdrawal or termination shall not impair the privileges that protect any information that has been shared prior to such action. Any Party that withdraws or terminates its participation in the Clipper program shall promptly return all privileged materials that the Party has received.

SIGNATURES ON SUBSEQUENT PAGES

IN WITNESS WHEREOF, this Amendment has been duly authorized and executed by the Parties hereto on the dates specified below by their duly authorized representatives.

Metropolitan Transportation Commission

Approved as to form:
Kathleen Kane, General Counsel

Name: Therese W. McMillan
Title: Executive Director

Matthew Lavrinets, Senior Counsel

Date: _____

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Appendix A
Process for Amending Clipper Operating Rules

1. The Contracting Agency shall provide written notice to the other Parties at least ninety (90) days in advance of making any changes to the Operating Rules affecting Operator Roles and Responsibilities (Section 3 of the Clipper Operating Rules). Notice shall be provided by email to the contact named in Appendix F, or as subsequently revised or updated by the Parties, as provided in Article XI.G.
2. The Contracting Agency shall provide additional notice to the other Parties on possible changes to the Operating Rules affecting Operator Roles and Responsibilities in the regular Clipper program reports furnished under Article III.C.
3. The Contracting Agency's notices shall include enough information to enable the other Parties to determine the financial and other impacts of the proposed change.
4. If requested by any Party within 30 days of issuance of such notice, the Contracting Agency will consult with all affected Parties concerning the proposed change prior to its adoption.
5. Any Party that requires additional time in excess of the notice period specified by the Contracting Agency to implement a change may notify the Contracting Agency of the additional period of time required during the initial 30-day notice period. The Contracting Agency will then work with the Party(ies) during the consultation period to modify the effective date and/or content of the Operating Rules change, as necessary.
6. Following such consultation process, if any Party(ies) objects to the proposed change, as modified during the consultation process, such Party(ies) may initiate one or more of the dispute resolution processes described in Appendix D.
7. The Contracting Agency shall delay the implementation of the disputed change until the conclusion of the dispute resolution process.
8. All proposed changes to the Operating Rules shall be presented for approval to the Executive Board. The Contracting Agency agrees that it shall not implement changes to the Operating Rules that have not been approved by the Executive Board.

Appendix B

Clipper Cost and Revenue Allocation
[see applicable sub appendices on following pages]

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**Appendix B-1
Clipper Cost and Revenue Allocation for Clipper Contract**

This Appendix B-1 applies to cost and revenue allocation during the extended Operations & Maintenance (O/M) term of the Clipper Contract, which will extend through November 2, 2024, unless earlier terminated. The cost allocation formulas and principles in this Appendix B-1 were included in the 2016 MOU and apply only to the Clipper Contract.

1. Cost Allocation Among Operators

The allocation of Clipper operating costs to each Operator shall be tied to the cost driver of each category of operating expense outlined in Section 2.B. The percent allocation in each category will be based on actuals by Operator. "Percentage of Cards Used" by Operator will be used to assess operating fees for account-based, fixed or other costs not directly attributable to either transit transactions or revenue and will be based on the number of individual cards used at least once on an Operator's system. "Fee Generating Transit Transactions" shall mean any activity in which a Clipper card is used to receive service on or from an Operator's system that results in a charge pursuant to Attachment 2 to Part I of the contract between MTC and Cubic for the operation of Clipper. "Revenue Processed" shall mean the fee collected on behalf of each Operator by the Clipper clearinghouse (e.g., the price charged to ride on the Operator's transit system, the value of pass sales, the amount of parking fees paid).

The allocation of Clipper operating costs to each Operator while the current Clipper Contract line item pricing structure is applicable shall be based on the following formula:

MOU Section 2.B.i	Fee Category	Allocation Formula
a,b,c	9.0 Cardholder Support Services	Percentage of Cards Used
d,e,f	10.0 Third Party Load Service Fees	Percentage of Cards Used
g	11.0 Autoload Services	Percentage of Cards Used
h	13.22.45 Supplemental Operations	Percentage of Cards Used
i	13.31 Clipper Transaction Fee	Percentage of Fee Generating Transit Transactions
j,k,l,m	13.60-90 Incremental Credit/Debit Card Interchange Fees	Percentage of Revenue Processed
n	Reimbursement of Bank Fees/Direct Charges	Percentage of Revenue Processed
o	Network Communication Reimbursement	Direct Charge to Operator
p	Specialized Card Printing	Direct Charge to Operator
q,r	Operator Share of Staffing	Percentage of Cards Used
s	Add Value/TVM Debit Card Interchange Fees for Non-Clipper Gateways	Percentage of Revenue Processed

In addition to the Clipper operating costs allocated in accordance with Section 2.B(i) herein, each Operator shall be responsible for payment of:

- a. Clipper Data Server (CDS) Store operating costs specified below for any CDS Store implemented on such Operator's site; and
- b. Incremental Clipper operating costs established by and/or resulting from Clipper Contract change orders requested and funded by an Operator for Operator's use and benefit shall be the responsibility of such Operator. This applies to costs or portions of costs that would otherwise be MTC's responsibility as described below.

2. Clipper Costs

A. MTC Operating and Maintenance Costs. MTC shall pay the following Clipper operating costs under the Clipper Contract's line item pricing structure:

- i. All fixed operating costs of the Clipper clearinghouse and equipment maintenance services costs as specified in the Clipper Contract's Price Schedule (Attachment 2 to the Clipper Contract) (the "Price Schedule"), including:
 - a. Item 3.20 Program Management - Operations and Maintenance
 - b. Item 3.30 Clipper Testbed Operations & Maintenance
 - c. Item 5.31 Operator Help Desk
 - d. Item 5.32 Reporting
 - e. Item 5.33 Asset Management
 - f. Item 6.0 Equipment Maintenance Services
 - g. Item 10.21(a) Location Acquisition
 - h. Item 10.22 Location Servicing and Support
 - i. Item 10.23 (a) Acquisition Payment for Third Party Location
 - j. Item 12.0 Network Management
 - k. Item 13.22 Basic Monthly Operations and Admin
- ii. Variable Clipper operating costs as specified in the Price Schedule (Attachment 2 to the Clipper Contract), specifically:
 - a. Item 7.10-2 Senior and Youth Card Mail-In Applications
 - b. Item 8.10(a-g) Card Distribution Services
 - c. Item 8.11 Card Distribution Services
 - d. Item 8.12 Card Distribution Services
 - e. Item 8.20 Cardholder Education
 - f. Item 8.31 Location Acquisition for Completion of Distribution Network
 - g. Item 8.32 Location Acquisition for Completion of Distribution Network
 - h. Item 8.41 Pass Through of Amounts Paid for Installation of Phone Lines
 - i. Item 9.41 Fixed and Incremental Fees Per Active Card Account (50% of the invoiced amount)
 - j. Item 9.5 Service Level Standard Incentives and Abatements
 - k. Item 13.100 Mobile Website Operations and Maintenance
- iii. All other lump sum and capital expense items specified in the Price Schedule not enumerated above or covered by Section 2.B.

B. Operator Operating Costs under the Clipper Contract's Line Item Pricing Structure.

- i. Operators shall pay the following listed Clipper operating costs in accordance with the cost sharing formula in Section I, reduced by any amounts payable by MTC pursuant to Section 2.A. References to Item numbers refer to the corresponding prices payable to the Clipper Contractor under the Price Schedule, which are subject to annual price adjustment as specified in Article 13.6 of the Clipper Contract:
 - a. Item 9.24 Balance Protection Services Registration
 - b. Item 9.25 Lock/unlock Clipper Application
 - c. Item 9.41 Fixed and Incremental Fees Per Active Card Account (50% of the invoiced amount)
 - d. Item 10.11 Clipper E-purse Load
 - e. Item 10.12 Pass/Stored Ride Load
 - f. Item 10.24 Employer Program Commission
 - g. Item 11.0 Autoload Services
 - h. Item 13.22.45 Supplemental Monthly Operations and Admin
 - i. Item 13.31 Clipper Transaction Fee
 - j. Item 13.60 Incremental Gateway Fees
 - k. Item 13.70 Incremental Debit Card Interchange Fees
 - l. Item 13.80 Incremental Credit Card Interchange Fees
 - m. Item 13.90 Pass Through Website Credit Card Processing Fees
 - n. Reimbursement of Contracting Agency bank fees and direct bank charges in connection with the Clipper bank account(s) in excess of the amounts reimbursed under Section 3.A below
 - o. Direct payment or reimbursement of Contracting Agency costs for network communication.
 - p. Direct payment or reimbursement of Contracting Agency costs for materials necessary for additional printing, e.g. secondary printing or personalization, on Clipper cards
 - q. Reimbursement of Contracting Agency costs for a portion of salary and benefits of any additional staffing as approved by the Executive Board to support the Clipper program.
 - r. Reimbursement of Contracting Agency costs for a portion (at least fifty percent) of the salary and benefits of the Clipper Executive Director as approved by the Executive Board.
 - s. Reimbursement of Operator costs for credit/debit interchange fees generated through an Operator-specific gateway associated with Clipper sales through ticket officed terminal devices and add value and ticket vending machines, as long as the total average fees do not substantially exceed the average Clipper fees.
- ii. Changes or Additions to Operator Operating Costs Items. Except as reserved for Executive Board approval in 2.B(i)(q, r, s), substantive changes or additions to the Operator-paid operating cost items set forth in Section 2.B(i) require an amendment to this Appendix B and approval of all Parties to the MOU as of the date of the change or addition.
- iii. Contracting Agency shall invoice each Operator on a monthly basis for its share of the operating costs. The Operators shall pay Contracting Agency within fifteen (15) calendar days of receipt of such invoice.

3. Cost Allocation of Time and Materials Payments to Clipper Contractor during Clipper Contract O&M Extension Period

Any payments to the Clipper Contractor on a time and materials basis during the Clipper Contract O&M Extension Period, exclusive of pass-through fees, will be split equally (50%/50%) between MTC and the Operators. The Operators' share shall then be further allocated to each Operator based 50% on its Percentage of Cards Used and 50% on its percentage of Fee-Generating Transit Transactions.

Pass-through fees shall be allocated to Operators as set forth Sections 1 and 2 above.

4. Revenue Allocation

Revenues generated by Clipper during any period of time, including interest earnings on funds held by the clearinghouse and excluding fare revenues or parking fees collected on behalf of and distributed to Operators, shall be utilized as follows:

- A. To offset Contracting Agency's bank fees and direct bank charges related to the managing of the Clipper accounts;
- B. After deduction of Contracting Agency's bank fees and charges under Section 4.A above, To reduce the Operators' Clipper operating costs listed in Section 2.B(i) above or in Section 3 above; and
- C. After payment of Operators' Clipper operating costs listed in Section 2.B(i) or in Section 3 above, to be allocated to Operators by applying the percentage of cards used by Operator specified in Section I herein, unless otherwise authorized by the Executive Board.

Notwithstanding the above, fees charged cardholders for card acquisition, card replacement, balance restoration, failed Autoload funding recovery, card refund processing, and other card-related activities shall be reserved to pay for future card procurements; provided, however, that surcharges on limited use cards or other fare media imposed by an Operator to pay for the acquisition, implementation, administration and replacement of such fare media shall be distributed to and retained by such Operator. (For clarity, any surcharge imposed by an Operator as part of its fare structure shall be considered "fare revenue" and shall be distributed to and retained by such Operator.)

Appendix B-2

RTC Program Cost Allocation

1. RTC Program Cost Allocation Among Operators

"Percentage of RTC Cards Used" by Operator will be used to assess operating fees for account-based, fixed or other costs not directly attributable to either transit transactions or revenue and will be based on the number of individual RTC cards used at least once on an Operator's system during the specified billing period. The allocation of RTC Program operating costs (as defined in Section 2 below) to Operators shall be based on both an equivalent 1% share of RTC Program Operating Costs for each Operator with the remaining costs allocated based on a Percentage of RTC Cards Used by Operator during the specified billing period, initially a calendar month.

2. RTC Program Operating Costs

Operators shall pay the following listed RTC Program Operating Costs to the Contracting Agency, in accordance with the cost sharing formula in Section 1 above:

- A. Reimbursement of the RTC Program medical verifier contract costs;
- B. Card Fees for RTC Clipper Card Customization, currently Clipper Contract Price Schedule Item 7.10-1, Per-Card Fee for RTC Clipper Card Customization (subject to annual price adjustment as specified in Article 13.6 of the Clipper Contract);
- C. Reimbursement of the Salesforce Operations & Maintenance costs and license fees;
- D. \$75,000 annually for staff time for administration of the RTC Program; and
- E. Reimbursement of claims against MTC, in accordance with the indemnification provision in Article VII, Indemnification, Subsection F, resulting from actions or inactions taken by the Operators or their third party medical verifier contractor to administer, manage, and operate the RTC program **prior to** MTC's assumption of such duties.

Appendix B-3

Next Generation Clipper Cost and Revenue Allocation

1. Allocation of Fixed Monthly Accelerated Deployment O/M Payments

Payments to the Clipper Contractor for Accelerated Deployment Operations and Maintenance (O/M) and *Post-Revenue Ready Accelerated Deployment O/M* under the Next Generation Clipper Contract, Articles 3.8.4, Scaling of O/M Payments, and 3.8.5, O/M Payments for Accelerated C2 System Deployment and Attachment C-5, Payment Form for C2 System Operations & Maintenance will be allocated in accordance with this Appendix B-3.1.

- a. Accelerated Deployment fixed monthly O/M payments triggered by issuance of the Accelerated C2 System Deployment Mobile O/M NTP shall be split 50%/50% between MTC and the Operators. Each Operator's share shall then be determined based 50% on its Percentage of Cards Used and 50% on its Percentage of Fee-Generating Transit Transactions. *"Percentage of Cards Used" by Operator will be based on the number of individual cards used at least once on an Operator's system during the specified billing period. "Fee Generating Transit Transactions" shall mean any activity in which a Clipper card is used to receive service on or from an Operator's system that results in a charge pursuant to Attachment 2 to Part I of the Clipper Contract between MTC and Cubic.*
- b. Accelerated Deployment fixed monthly O/M payments triggered by issuance of Accelerated C2 System Deployment Equipment O/M NTP shall be split 50%/50% between MTC and the Operators. Each Operator's share would then be determined based 50% on its Percentage of Cards Used and 50% on its Percentage of Fee-Generating Transit Transactions (excluding BART's Fee-Generating Transit Transactions from the total count).
- c. *Post-Revenue Ready Accelerated Deployment fixed monthly O/M payments triggered by issuance of a notice by MTC that Revenue Ready has been achieved shall be split 50%/50% between MTC and the Operators. Each Operator's share shall then be determined based on its Percentage of Clipper Ridership. "Percentage of Clipper Ridership" by Operator will be based on the number of transit trips taken on an Operator's system and reported through the Clipper fare system during the specified billing period.*
- d. MTC shall pay for 100% of the pass-through fees associated with the conversion of physical Clipper cards to virtual mobile cards and on-going pass-through fees associated with the use of virtual mobile cards and the Clipper mobile app.

2. Allocation of Capital Costs

- a. MTC shall pay for the following Clipper capital costs:
 - i. *Capital costs associated with the initial design, development and testing, installation and transition, and end of term transition under the Next Generation Clipper Contract*

- ii. *Clipper Program equipment included in Attachment C-8, Payment Form for Equipment, not purchased by an Operator pursuant to Article 8.7 of the Next Generation Clipper Contract, Purchase and Ownership of Equipment by Transit Operators*
 - iii. *Capital costs associated with the initial implementation and ongoing costs of the Other Next Generation Clipper Contracts, not including capital costs associated with the purchase of limited use fare cards (tickets)*
 - iv. *Clipper Capital costs established by and/or resulting from Clipper Contract or Other Next Generation Clipper Contract change orders requested and funded by the region for the region's use and benefit*
 - v. *All other lump sum and capital expense items in Attachment C, Payment Forms of the C2 SI Contract not enumerated above or covered under Appendix B-3.2(b) below*
- b. *The Operators shall pay for the following Clipper capital costs:*
- i. *Capital costs associated with the purchase of limited use fare cards (tickets)*
 - ii. *Clipper Program equipment purchased by an Operator pursuant to Article 8.7 of the Next Generation Clipper Contract, Purchase and Ownership of Equipment by Transit Operators*
 - iii. *Clipper Capital costs established by and/or resulting from Clipper Contract or Other Next Generation Clipper Contract change orders requested and funded by an Operator for Operator's use and benefit*

3. Allocation of Monthly Account-Based O/M Payments

Payments to the Clipper Contractor for Account-Based Operations and Maintenance of the Next Generation Clipper system under the Next Generation Clipper Contract, Article 3.8 and Attachment C-5, Payment Form for Operations & Maintenance, will be triggered by issuance of a C2 System Transition Notice to Proceed (NTP) from MTC to the Clipper Contractor setting the agreed-upon O/M Commencement Date as set forth in Article 8.2, Commencement, and indicating that Customer Transition to the Next Generation Clipper system can occur.

- a. *Account-Based fixed monthly O/M payments shall be split 50%/50% between MTC and the Operators. Each Operator's share shall then be determined based on its Percentage of Clipper Ridership.*
- b. *Account-Based variable monthly KPI/SLA and retail incentive payments shall be split 50%/50% between MTC and the Operators. Each Operator's share shall then be determined based on its Percentage of Clipper Ridership.*
- c. *Operators shall pay for 100% of on-going pass-through fees associated with retailer commissions. Each Operator's share would then be determined based on its Percentage of Revenue Processed. "Percentage of Revenue Processed" shall mean the fee collected on behalf of each Operator by the Clipper clearinghouse (e.g., the price charged to ride on the Operator's transit system, the value of pass sales, the amount of parking fees paid) during the specified billing period.*
- d. *MTC shall pay for 100% of ongoing pass-through fees associated with the conversion of physical Clipper cards to virtual mobile cards and on-going pass-through fees associated with the use of virtual mobile cards and the Clipper mobile app.*

4. **Allocation of O/M Payments for Other Next Generation Clipper Contracts**

a. Customer Service Center.

- i. Fixed monthly O/M payments shall be split 50%/50% between MTC and the Operators. Each Operator's share shall then be determined based on its Percentage of Clipper Ridership.
- ii. Variable monthly KPI/SLA incentive payments shall be split 50%/50% between MTC and the Operators. Each Operator's share shall then be determined based on its Percentage of Clipper Ridership.

b. Payment Services. Operators shall pay for 100% of on-going pass-through fees associated with payment services. Each Operator's share would then be determined based on its Percentage of Revenue Processed.

c. Fare Media. MTC shall pay for 100% of monthly O/M payments associated with the fare media fulfillment contract.

5. **Additional Operating Costs to be Paid by Operators**

- a. Reimbursement of Contracting Agency bank fees and direct bank charges in connection with the Clipper bank account(s) in excess of the amounts reimbursed under Section 6.A below
- b. Direct payment or reimbursement of Contracting Agency costs for network communication.
- c. Direct payment or reimbursement of Contracting Agency costs for materials necessary for additional printing, e.g. secondary printing or personalization, on Clipper cards
- d. Reimbursement of Contracting Agency costs for a portion of salary and benefits of any additional staffing as approved by the Executive Board to support the Clipper program.
- e. Reimbursement of Contracting Agency costs for a portion (at least fifty percent) of the salary and benefits of the Clipper Executive Director as approved by the Executive Board.
- f. Reimbursement of Operator costs for credit/debit interchange fees generated through an Operator-specific gateway associated with Clipper sales through customer service terminal devices and add value and ticket vending machines, as long as the total average fees do not substantially exceed the average Clipper fees.
- g. Reimbursement of incremental Clipper operating costs established by and/or resulting from Clipper Contract or Other Next Generation Clipper Contract change orders requested and funded by an Operator for Operator's use and benefit shall be the responsibility of such Operator. This applies to costs or portions of costs that would otherwise be MTC's responsibility as described in Appendix B-3.3 and Appendix B-3.4 above.

6. **Revenue Allocation**

Revenues generated by the Clipper Program, exclusive of revenues related to the Clipper Contract addressed in Appendix B-1.4, including interest earnings on funds held by the clearinghouse and excluding fare revenues or parking fees collected on behalf of and distributed to Operators, shall be utilized as follows:

- A. *To offset Contracting Agency's bank fees and direct bank charges related to the managing of the Clipper accounts;*
- B. *After deduction of Contracting Agency's bank fees and charges under Section 6.A above, to reduce the Operators' Clipper operating costs listed in Section 3 above or in Section 4 above; and*
- C. *After payment of Operators' Clipper operating costs listed in Section 3 or in Section 4 above, to be allocated to Operators by applying the Percentage of Cards Used by Operator, unless otherwise authorized by the Executive Board.*

Notwithstanding the above, fees charged cardholders for card acquisition, card replacement, balance restoration, card refund processing, and other card- related activities shall be reserved to pay for fare media procurements and pass-through fees associated with virtual mobile cards and the Clipper mobile app; provided, however, that surcharges on limited use cards imposed by an Operator to pay for the acquisition, implementation, administration and replacement of such fare media shall be distributed to and retained by such Operator. (For clarity, any surcharge imposed by an Operator as part of its fare structure shall be considered "fare revenue" and shall be distributed to and retained by such Operator.)

Appendix C Program Goals and Performance Measures

The performance standards below are intended to guide the development and ongoing operations of Clipper, however, specific actions and targets may be constrained by legal, fiscal and system limitations.

Goal: Provide an intuitive, efficient, and familiar experience

- Electronic fare payment is the primary payment method for all transportation fares and fees
 - ✓ Mobile fare payment is integrated into and branded as Clipper
 - ✓ Parking at transit stations can be paid with Clipper
 - ✓ Bikeshare at transit stations can be paid with Clipper
 - ✓ Paratransit trips can be paid with Clipper
- Transit systems to move 100% to Clipper or incentivize use of Clipper, depending on mode
 - ✓ Heavy commuter rail and ferry systems accept only Clipper (extended and limited use)
 - ✓ Bus/light rail operators to adopt fare differentials to incentivize use of Clipper and transition remaining products to Clipper
- *Transit mobile payments are made only through the Clipper system once the account-based features are made available through the Clipper mobile app*
- *Acceptance of open payment is available only through the Clipper system*

Goal: Provide excellent, proactive customer service

- Customers can easily obtain and use Clipper
 - ✓ Media dispensing and reloading options are widely available
 - ✓ Clipper vending machines offering new cards and add-value are located at all heavy rail and ferry locations
 - ✓ Online transactions are immediately available for use
 - ✓ Third-party vendor locations are easily accessible in all service areas
 - ✓ Streamline process for refunds and replacements
 - ✓ Support payment for families, groups, institutional programs, and events

Goal: Create a transparent, consistent, inclusive and timely decision-making process

- Implement process for operator involvement in work plan development, field equipment procurement and change order process

Goal: Govern the program efficiently and cost-effectively

- Adopt standard fare categories and discount levels
 - ✓ Minimum \$0.50 discount for full-fare adult transfer customers to bus and light rail
 - ✓ Establish uniform youth discount for ages five to 18 and senior discount for ages 65 and older
 - ✓ *Establish uniform eligibility requirements for means-based discount program*
- *Enact recommendations of the Bay Area Transit Fare Coordination/Integration Study and implement actions of the Bay Area Transit Fare Policy Vision Statement through the Clipper system*
- Evaluate staffing plan to enhance internal program resources and reduce reliance on consultants

Goal: Ensure that accurate and complete data is available to support decision making at every level

- System integrates with vehicle on-board equipment to incorporate route, location and revenue information where necessary
- Clipper data is accessible to operators and the public to the full extent contemplated by the Clipper privacy policy

Goal: Ensure program flexibility and responsiveness

- System design and contract includes a streamlined process for common changes such as fare adjustments and route changes and additions

Goal: Ensure operational efficiency and reliability

- Ensure continued competitive equipment availability, automated status reporting and remote diagnostics
- Utilize open architecture

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Appendix D Dispute Resolution

The Parties agree to resolve disputes concerning this MOU between or among one or more Parties based on the following dispute resolution principles.

1. Informal Dispute Resolution

The Parties agree to attempt to resolve informally all disputes. In the event of a dispute among any Parties to the MOU, those Parties shall notify every other Party in writing about the substance of the dispute. The Parties to the dispute shall meet and confer by exchanging written positions on the dispute, and by meeting in person thereafter to discuss and resolve the dispute. If those representatives are unable to resolve the dispute, the chief executives of those Parties shall be informed of the substance of the dispute and provided all writings that have been exchanged regarding the dispute. The chief executives shall meet and confer in person or by telephone concerning the dispute, and may choose to exchange letters in preparation for the meet and confer.

2. Mediation

If the dispute is not resolved, the Parties may avail themselves by mutual consent to mediation, arbitration (binding or non-binding), or any other dispute resolution resource (collectively Alternate Dispute Resolution (ADR) processes"). All procedures and methodologies in ADR processes shall be by mutual consent of the Parties, including but not limited to the choice of the mediator or arbitrator, dates and times and timelines, and whether documents are exchanged in preparation for the ADR session. Fees and expenses of the mediator will be borne equally, unless otherwise agreed. The Parties to the dispute shall be represented by individuals of their choosing, except that the Parties must agree on the question of whether lawyers are present or not. The entire process shall be confidential and treated as a compromise negotiation for purposes of federal and state rules of evidence. If ADR processes are agreed on, the Parties shall agree on the identity of the mediator or arbitrator within 30 days of agreeing on the ADR process. The Parties shall not unreasonably withhold consent as to the choice of the mediator or arbitrator. Unless the schedule of the mediator or arbitrator does not permit, the Parties shall complete their ADR process within 60 days after agreement on the choice of the mediator or arbitrator. Nothing in this MOU affects the rights or abilities of the Parties to avail themselves of all rights and remedies they have under the law of California or federal law, as applicable, and to the state or federal courts to resolve their dispute.

3. Financial Obligations

A Party who disputes amounts claimed by the Contracting Agency to be due under the MOU agrees to pay the amount claimed pending dispute resolution.

Appendix E
Special Provisions for the City and County of San Francisco
(References to "City" in Paragraphs 1, 2 and 3 refer to the City and County of San Francisco)

UNDER DISCUSSION

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Appendix F
Notices

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