



# Metropolitan Transportation Commission

101 Eighth Street,  
Joseph P. Bort  
MetroCenter  
Oakland, CA

## Meeting Agenda

### Operations Committee

*Scott Haggerty, Chair Julie Pierce, Vice Chair*

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Friday, October 9, 2015

9:00 AM

Lawrence D. Dahms Auditorium

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#### Call Meeting to Order

#### 1. Roll Call / Confirm Quorum

*Quorum: A quorum of this committee shall be a majority of its regular non-ex-officio voting members (4).*

#### 2. Pledge of Allegiance

#### 3. Compensation Announcement - Committee Secretary

#### 4. Consent Calendar

4a. [15-0872](#) Minutes of September 11, 2015 meeting

Action: Committee Approval

Attachments: [Minutes September.pdf](#)

4b. [15-0874](#) MTC SAFE Resolution No. 61- Small Business Enterprise (SBE)  
Construction Project Program

Action: MTC SAFE Authority Approval

Presenter: Denise Rodrigues

Attachments: [MTC SAFE Res. No. 61.pdf](#)

4c. [15-0875](#) Plan Bay Area 2040 Call for Projects: Submittal of Regional Active  
Operational Management Program

Action: Committee Approval

Presenter: Ashley Nguyen

Attachments: [Plan Bay Area 2040 Call for Projects.pdf](#)

## 5. Amended and Restated Clipper® Memorandum of Understanding

- 5a. [15-0771](#) Contract Approval: Amended and Restated Clipper® Memorandum of Understanding (MOU)

Refer an amendment and restatement of the 2011 MOU between MTC and transit operators participating in the Clipper® program to clarify existing roles and responsibilities and define new roles and responsibilities for the ongoing operation and maintenance of Clipper® to the Commission for approval.

**Action:** Commission Approval

**Presenter:** Carol Kuester

**Attachments:** [Contract Approval- Amanded and Restated Clipper MOU.pdf](#)

- 5b. [15-0831](#) MTC Resolution No. 3983, Revised: Clipper® Fare Payment System Operating Rules

Refer Resolution No. 3983, Revised, which would delegate future revisions to the Clipper® Fare Payment System Operating Rules to a regional Clipper® Executive Board effective upon the full execution of the Amended and Restated Clipper® MOU, to the Commission for approval.

**Action:** Commission Approval

**Presenter:** Carol Kuester

**Attachments:** [MTC Res. No. 3983, Revised - Revised.pdf](#)

## 6. Public Comment / Other Business

## 7. Adjournment / Next Meeting

The next meeting of the Operations Committee will be November 13, 2015, 9:30 a.m. in the Lawrence D. Dahms Auditorium, First Floor, 101 Eighth Street, Oakland, CA.

**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 judgement, 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:** MTC 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](http://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 510.817.5757 or 510.810.5769 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 510.817.5757 或 510.817.5769 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 510.817.5757 o al 510.817.5769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

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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.

MTC's Chair and Vice-Chair are ex-officio voting members of all standing committees.



# Metropolitan Transportation Commission

101 Eighth Street,  
Joseph P. Bort MetroCenter  
Oakland, CA

## Legislation Details (With Text)

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**File #:** 15-0872      **Version:** 1      **Name:**  
**Type:** Minutes      **Status:** Consent  
**File created:** 9/11/2015      **In control:** Operations Committee  
**On agenda:** 10/9/2015      **Final action:**  
**Title:** Minutes of September 11, 2015 meeting  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Minutes\\_September.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**  
Minutes of September 11, 2015 meeting

**Recommended Action:**  
Committee Approval

### Attachments





# Metropolitan Transportation Commission

101 Eighth Street,  
Joseph P. Bort  
MetroCenter  
Oakland, CA

## Meeting Minutes - Draft

### Operations Committee

*Scott Haggerty, Chair Julie Pierce, Vice Chair*

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Friday, September 11, 2015

9:40 AM

Lawrence D. Dahms Auditorium

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#### Call Meeting to Order

#### 1. Roll Call / Confirm Quorum

**Present:** 6 - Commissioner Aguirre, Chairperson Haggerty, Commissioner Halsted,  
Commissioner Kinsey, Vice Chair Pierce and Commissioner Spering

**Absent:** 1 - Commissioner Liccardo

Non-Voting Member Present: Commissioner Giacomini

Non-Voting Member Absent: Commissioner Azumbrado

Ex Officio Voting Member Present: Commission Chair Cortese

Ad Hoc Non-Voting Members Present: Commissioner Bates, Commissioner Campos, Commissioner Luce and Commissioner Tissier

#### 2. Consent Calendar

**Upon the motion by Vice Chair Pierce and second by Commissioner Halsted, the  
Consent Calendar was approved by the following vote:**

**Aye:** 6 - Commissioner Aguirre, Chairperson Haggerty, Commissioner Halsted,  
Commissioner Kinsey, Vice Chair Pierce and Commissioner Spering

**Absent:** 1 - Commissioner Liccardo

**2a.** [15-0762](#) Minutes of July 10, 2015 meeting

**Action:** Committee Approval

**2b.** [15-0764](#) Contract Amendment - Electronic Payment Implementation and Operations  
On-Call Consultants: Kimley-Horn and Associates, Inc. (\$150,000)

**Action:** Committee Approval

**Presenter:** Derek Toups

**2c.** [15-0765](#) Contract Amendment - Freeway Service Patrol (FSP) Towing Services:  
Lima Towing and Transportation (\$351,412)

**Action:** Committee Approval

**Presenter:** Anika Jesi

- 2d. [15-0766](#) Contract Amendment - On-Call Transportation Engineering and Planning Services - Contra Costa I-680 (North) Northbound Design Alternative Assessment: Fehr & Peers (\$300,000)  
*Action:* Committee Approval  
*Presenter:* Toshi Shepard-Ohta
- 2e. [15-0767](#) Fourth Quarter SAFE Financial Statements June 2015 (Unaudited)  
*Action:* Committee Approval  
*Presenter:* Sonia Elsonbaty
- 2f. [15-0770](#) Purchase Order Agreement - Maintenance and Support for 511 Interactive Voice Response Software: Nuance Communications, Inc. (\$68,337)  
*Action:* Committee approval  
*Presenter:* Janet Banner
3. [15-0854](#) Clipper® Policy Regarding Transactions on Lost or Stolen Cards  
  
Staff and transit operators will review Clipper® policy regarding responsibility for transactions on registered Clipper® cards that are lost or stolen.  
*Action:* Information  
*Presenter:* Jason Weinstein
4. [15-0772](#) Closed Session  
  
The Operations Committee met in Closed Session pursuant to Government Code Section 54956.9(a) and paragraph (2) of subdivision (d) of Section 54956.9 to confer with counsel regarding significant exposure to anticipated litigation based on written communications from counsel to two sets of potential plaintiffs threatening litigation with respect to the Clipper® system and use by blind or visually-impaired patrons.  
  
Meeting went into Recess  
  
Meeting Reconvened

**5. [15-0773](#) Open Session**

**Action:** Committee Approval

The Operations Committee reconvened in open session. MTC General Counsel, Adrienne Weil, reported that the Operations Committee met pursuant to Government Code Section 54956.9(a) and paragraph (2) of subdivision (d) of Section 54956.9 in closed session to confer with counsel regarding significant exposure to anticipated litigation based on written communications from counsel to two sets of potential plaintiffs threatening litigation with respect to the Clipper® system and use by blind or visually-impaired patrons and that no reportable action was taken.

**6. Public Comment / Other Business****7. Adjournment / Next Meeting**

The next meeting of the Operations Committee will be held on October 9, 2015 at 9:00 a.m. in the Lawrence D. Dahms Auditorium, First Floor, 101 Eighth Street, Oakland, CA.



# Metropolitan Transportation Commission

101 Eighth Street,  
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## Legislation Details (With Text)

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**File #:** 15-0874      **Version:** 1      **Name:**

**Type:** Resolution      **Status:** Consent

**File created:** 9/11/2015      **In control:** Operations Committee

**On agenda:** 10/9/2015      **Final action:**

**Title:** MTC SAFE Resolution No. 61- Small Business Enterprise (SBE) Construction Project Program

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [MTC SAFE Res. No. 61.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**  
MTC SAFE Resolution No. 61- Small Business Enterprise (SBE) Construction Project Program

**Presenter:**  
Denise Rodrigues

**Recommended Action:**  
MTC SAFE Authority Approval

### Attachments



METROPOLITAN TRANSPORTATION COMMISSION  
SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS

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TO: Operations Committee

DATE: October 2, 2015

FR: Executive Director

W.I. 1231 and 1232

RE: MTC SAFE Resolution No. 61 – Small Business Enterprise (SBE) Construction Project Program

This memo requests that the Committee refer Metropolitan Transportation Commission Service Authority for Freeways and Expressways (MTC SAFE) Resolution No. 116, Construction Project Small Business Enterprise (SBE) Program, to the Authority for approval.

### **Background**

In an effort to increase competition on MTC SAFE construction projects, promote SBE firm participation on MTC SAFE construction contracts, and increase SBE construction contracting opportunities with MTC SAFE, staff has developed a proposed Construction Project SBE Program (“Program”).

There are a variety of programs giving certain types of contractor preference in place in the region. The types of programs and preferences vary greatly throughout the region and are applied based on requirements for size (SBE programs), ownership (Disadvantaged Business Enterprise (DBE) programs), or location (Local Business Enterprise (LBE) programs).

Since MTC SAFE is a regional agency and MTC SAFE’s construction projects are state and locally funded, it was determined that a SBE Program was most appropriate for MTC SAFE as it is intended to:

1. Increase the number of certified SBEs competing for MTC SAFE’s construction projects and increase overall competition on these projects, potentially allowing for the completion of projects at a lower overall cost;
2. Ensure that only firms (prime or subcontractor) that are certified by the State of California as SBEs per the requirements listed at <http://www.dgs.ca.gov/pd/Programs/OSDS/SBEligibilityBenefits.aspx> (see Attachment A) are eligible for the bid preference allowed under the Program; and
3. Help remove barriers to the participation of SBEs in MTC SAFE’s construction contracts.

### **DBE and SBE Outreach**

Staff works with other transportation partner agencies as the Business Outreach Committee (BOC) to implement race-neutral measures to increase SBE and DBE participation in contracting. The BOC provides business outreach, networking events with prime contractors and agency procurement officers, a quarterly newsletter that includes upcoming procurement opportunities, and direct referral of SBEs and DBEs to prime contractors.

Recent events hosted by the BOC and MTC SAFE were the “Meet the Buyers” event on March 25<sup>th</sup>, and the “Why Get Certified” webinar in July 2015. Staff also participated in the Caltrans District 4 Quarterly Professional Liaison and Cal-Mentor Program meeting and networking

events on May 5<sup>th</sup> and July 23<sup>rd</sup>, and in the Northern California Construction Management Association of America (CMAA) Owners' Night on July 15<sup>th</sup>. The most recent newsletters and flyers for the outreach events staff planned and participated in are included in Attachment B.

### **DBE and SBE Monitoring**

Staff has implemented contract compliance software that will facilitate monitoring and reporting of SBE/DBE utilization for all agency contracts regardless of fund type. The software will facilitate automated workflows to reduce the manual paper processing currently in place. In addition to the current practice of noting SBE/DBE status on committee memoranda, staff will include SBE/DBE utilization information in all committee memoranda requesting contract approval or additional funding for contract amendments after the compliance software is fully implemented. This will allow Authority members to be better informed of SBE/DBE participation on all agency contracts.

### **SBE Program**

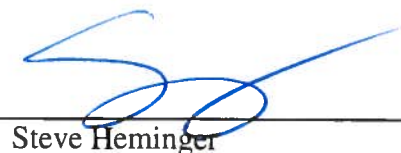
The Program, attached as Attachment C, includes:

- Designation of a SBE Liaison Officer (SBELO), who will be Mamie Lai of MTC staff;
- A requirement for State of California Department of General Services (DGS) SBE certification;
- A SBE preference of 5% in the form of a bid discount, when the bidder meeting specifications is a certified SBE and is performing 40% of the work **or** a SBE preference of 5% when a non-SBE prime contractor subcontracts with a SBE firm or firms for 40% of the work;
- A requirement that SBE subcontractors not be removed or replaced, unless prior written concurrence of SBE substitution is provided by the SBELO; and
- A compliance component that requires monitoring and refinement of these initiatives.

Staff reviewed the Santa Clara Valley Transportation Authority, the City of Oakland, and San Francisco Bay Area Rapid Transit District SBE programs to assist in the development of this Program.

### **Recommendation**

Staff recommends that the Committee refer MTC SAFE Resolution No. 61, Construction Project Small Business Enterprise (SBE) Program, to the Authority for approval.



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Steve Heminger

### **Attachments**

J:\COMMITTEE\Operations\2015 Operations Comm Packet\10\_Ops\_Oct\_2015\4b\_SBE Memo.docx

# Attachment A



## Procurement Division

[Programs & Services \(http://www.dgs.ca.gov/pd/Programs.aspx\)](http://www.dgs.ca.gov/pd/Programs.aspx) > [Office of Small Business & Disabled Veteran Business Enterprise Services \(OSDS\) \(http://www.dgs.ca.gov/pd/Programs/OSDS.aspx\)](http://www.dgs.ca.gov/pd/Programs/OSDS.aspx) > [Small Business Certification Eligibility Requirements & Benefits \(http://www.dgs.ca.gov/pd/Programs/OSDS/SBEligibilityBenefits.aspx\)](http://www.dgs.ca.gov/pd/Programs/OSDS/SBEligibilityBenefits.aspx)

## Small Business Eligibility Requirements

In order for a small business to be eligible for certification, the small business must meet the following requirements:

- Be independently owned and operated;
- Not dominant in field of operation;
- Principal office located in California;
- Owners (officers, if a corporation) domiciled in California; and,
- Including affiliates, be either,
  - A business with 100 or fewer employees; an average annual gross receipts of \$14 million or less, over the last three tax years;
  - A manufacturer\* with 100 or fewer employees; or,
  - A microbusiness. A small business will automatically be designated as a microbusiness, if gross annual receipts are less than \$3,500,000; or the small business is a manufacturer with 25 or fewer employees.

\* For Small Business Certification purposes, a manufacturer is a business that is both of the following:

1. Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
2. Classified between Codes 31 to 339999, inclusive, of the North American Industrial Classification System (NAICS) Manual, published by the United States Census Bureau, 2007 edition.

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## Small Business Certification Benefits

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Upon meeting the Small Business Certification eligibility requirements, certified small business (SBs) and microbusinesses (MBs) are entitled to the following benefits:

- A five percent (5%) bid preference on applicable State solicitations;
- As a certified small business/microbusiness, you are eligible for the State's Small Business Participation Program. This program sets a goal for the use of small businesses in at least 25% of the State's overall annual contract dollars;
- Under the Prompt Payment Act, the State must pay a certified SB / MB higher interest penalties for late payment of an undisputed invoice. Prompt payment penalties for construction firms are addressed separately under Public Contract Code, Section 10261.5);
- State agencies may use a streamlined process, known as the SB/DVBE Option, by contracting directly with a California certified small business/microbusiness for goods, services, information technology and Public Works projects. The solicitation must be valued at more than \$5,000 and the State agency must obtain price quotes from at least two California certified small business/microbusiness;

Effective January 1, 2010, the maximum thresholds are:

Goods, Services, or Information Technology - \$249,999.99

Public Works - \$250,000

Effective January 12, 2012, the maximum thresholds are:

Goods, Services, or Information Technology - \$249,999.99

Public Works - \$281,000 (Effective 1/30/14: BL 14-01)

- The DGS-PD charges State and local agencies an administrative fee, when contracting with a California Multiple Award Schedules

## Attachment A

(CMAS) vendor. As an incentive, the fee is waived, if the CMAS vendor is a certified small business/microbusiness;

- As an incentive, a non-small business prime contractor, who uses certified small business/microbusiness subcontractors for at least 25% of its net bid price, is eligible for a bid preference of five percent (5%) of the lowest responsible bid, when competing against another non-small business; and, When applying bidder preferences, in which non-small business bidders may be eligible, certified small business/microbusiness bidders have precedence over non-small business bidders.

NOTE: Small business/microbusiness bids cannot be displaced by non-small business/microbusiness bids, when applying any applicable lawful preferences.

If you have any questions regarding the Small Business Certification eligibility requirements and benefits, please contact OSDS Help at (916) 375-4940 or by [email \(mailto:OSDSHelp@dgs.ca.gov\)](mailto:OSDSHelp@dgs.ca.gov).

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### What's New

- [How to do Business with the State Webinars ... \(/pd/NewsEvents.aspx#1079\)](/pd/NewsEvents.aspx#1079)
- [Release of Cloud Computing Special Provisions for ... \(/pd/NewsEvents.aspx#1040\)](/pd/NewsEvents.aspx#1040)
- [Small Business & DVBE Outreach Events 2015 ... \(/pd/NewsEvents.aspx#856\)](/pd/NewsEvents.aspx#856)

[View All news and events items \(/pd/NewsEvents.aspx\)](/pd/NewsEvents.aspx)

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### PD Quick Links

- [Notice of Rulemaking \(/pd/Programs/OSDS/NoticeofRulemaking.aspx\)](/pd/Programs/OSDS/NoticeofRulemaking.aspx)
- [SB/DVBE Legislation & Executive Orders \(/pd/Programs/OSDS/legislation.aspx\)](/pd/Programs/OSDS/legislation.aspx)
- [Broadcast Bulletins \(/pd/Resources/BroadcastBulletins.aspx\)](/pd/Resources/BroadcastBulletins.aspx)
- [Communications & Outreach \(/pd/Programs/OSDS/CommunicationsOutreach.aspx\)](/pd/Programs/OSDS/CommunicationsOutreach.aspx)
- [RESD Small Business and DVBE Outreach Program \(/resd/RESDSBDVBEOutreach.aspx\)](/resd/RESDSBDVBEOutreach.aspx)
- [SB/DVBE Reports \(/pd/Programs/OSDS/ContractReporting.aspx\)](/pd/Programs/OSDS/ContractReporting.aspx)
- [eProcurement \(/pd/Programs/eprocure.aspx\)](/pd/Programs/eprocure.aspx)
- [Prompt Payment \(/pd/Programs/OSDS/PromptPayment.aspx\)](/pd/Programs/OSDS/PromptPayment.aspx)
- [DVBE Substitution Instructions and Form \(http://www.documents.dgs.ca.gov/pd/delegations/pac011910\\_DVBE.pdf\)](http://www.documents.dgs.ca.gov/pd/delegations/pac011910_DVBE.pdf)
- [How to Establish Disabled Veteran Business Enterprise \(DVBE\) Equipment Ownership for \*\*New Certifications\*\* \(http://www.documents.dgs.ca.gov/pd/smallbus/DVBE\\_Equipment\\_Ownership\\_Requirements-New.pdf\)](http://www.documents.dgs.ca.gov/pd/smallbus/DVBE_Equipment_Ownership_Requirements-New.pdf)
- [How to Establish Disabled Veteran Business Enterprise \(DVBE\) Equipment Ownership for \*\*Renewal Certifications\*\* \(http://www.documents.dgs.ca.gov/pd/smallbus/DVBE\\_Equipment\\_Ownership\\_Requirements-Renewal.pdf\)](http://www.documents.dgs.ca.gov/pd/smallbus/DVBE_Equipment_Ownership_Requirements-Renewal.pdf)

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**Calmentor**

Professional Liaison

# NEW DATE: FEBRUARY 24, 2015

Enhancing the growth potential of small business

**What:** Caltrans District 4 Jt. Professional Liaison — Calmentor Program Quarterly Meeting

**When:** February 24, 2015, 1:00 p.m. to 3:00 p.m.

**Where:** Caltrans District 4 Office, 111 Grand Avenue, 15th Floor, Park View Room, Oakland.

## Meeting Agenda

- ⇒ Caltrans Look Ahead
- ⇒ Local Public Agency Updates
- ⇒ Presentation on California High Speed Rail Project
- ⇒ Protégé Firm 5-Minute Marketing Pitches
- ⇒ Formal Networking Session with Senior Public Transportation Agency Managers, Mentor Firms & Protégé Firms

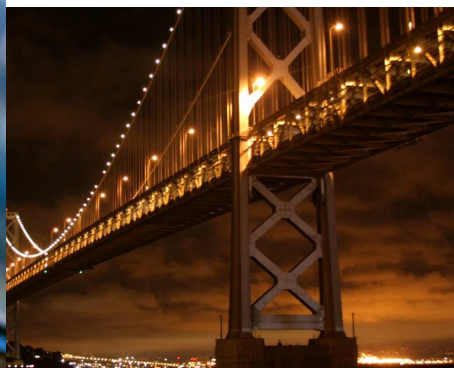
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*The Joint Professional Liaison—Calmentor Program Quarterly Meeting facilitates networking opportunities with senior public transportation agency managers.*

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**Register online today:**

<http://goo.gl/forms/HyKe4gi1Xf>





**CALTRANS DISTRICT 4 OFFICE  
JOINT PROFESSIONAL LIAISON-CALMENTOR PROGRAM  
QUARTERLY MEETING**

## AGENDA

Thursday, February 24, 2015  
1:00 p.m. - 3:00 p.m.  
Park View Room, 15<sup>th</sup> Floor, 15-700  
111 Grand Avenue, Oakland, California

Item	Topics	Presenter(s)
1	<b>Welcome and Introductions</b> (5 min.) • Introductions & Executive Staff Welcome	Bijan Sartipi, Caltrans District 4 Director
2	<b>Approvals</b> (2 min.) • Approval of the 10/30/14 meeting minutes	Ali M. Banani, Office Chief, Consultant Services Unit, Caltrans District 4
3	<b>District 4/Statewide Reports and Updates</b> (8 min.) • Caltrans A&E Procurement Look Ahead • Governor's Budget Highlights	Ali M. Banani, Office Chief, Consultant Services Unit, Caltrans District 4
4	<b>California High-Speed Rail Project</b> (40 min.) • Presentation – 25 min. • Participant Questions – 15 min.	Karen Massie, Information Officer, California High-Speed Rail Authority  Ricci Graham, Information Officer, Northern California High-Speed Rail Authority
5	<b>Calmentor Steering Committee Update</b> (10 min.) • Committee Report • Pledge Forms	Jim Dickey, Cinquini & Passarino, Chair, District 4 Calmentor Steering Committee
6	<b>Public Agency Partner Reports</b> (10 min.)	Liz Brazil, DBE Program Manager, Santa Clara VTA  Luz Campos, Purchasing Technician, MTC
7	<b>Protégé Firms: Give Us Your Best Pitch!</b> (45 min.) • Albion Environmental, Inc. • Alfred Civil Engineering • HSI Engineering, Inc. • Lantex Landscape Architecture, Inc. • Surf to Snow Environmental Resource Management	<b>Public Agency Partner Review Panel</b> Liz Brazil, DBE Program Manager, Santa Clara VTA  Luz Campos, Purchasing Technician, MTC  Romy F. Fuentes, Branch Chief, Consultant Services Unit, Caltrans District 4
8	<b>Adjourn Meeting</b>  <b>Next Meeting:</b> Annual Awards Luncheon & Public Agency Manager Networking Sessions – Cinco de Mayo, Tuesday, May 5, 2015, 12 noon – 3:00 p.m.	Romy F. Fuentes, Branch Chief, Consultant Services Unit, Caltrans District 4



**Calmentor**

Professional Liaison

# SAVE THE DATE: MAY 5, 2015

Enhancing the growth potential of small business

## 2015 Annual Caltrans District 4 Calmentor Program Awards and Business Networking Event

**Registration: 11:00 a.m. - 11:30 a.m., 1st Floor Lobby, Caltrans District 4 Office**

**Keynote & Awards Presentation: 11:30 a.m. - 12:15 p.m.**

Please join Caltrans District 4 Director Bijan Sartipi, Caltrans project managers, and regional and local public transportation managers from the nine Bay Area Counties to celebrate small business success!

### 2015 Annual Mentor Firm Recognition Awards

Silver Award presented to Harris & Associates, Inc.

Bronze Award presented to PSOMAS Engineering, Inc.

### Quarterly Protégé Firm Graduation Recognition

Adanta, Inc., CBL Professional Services, and Designlab 252

**Hosted Networking Lunch: 12:30 p.m. - 1:30 p.m.**

**Meet & Greet Public Agency Managers: 1:30 p.m. - 3:30 p.m.**

Following lunch, meeting participants are invited to attend small group networking sessions with senior state, regional and local public agency transportation infrastructure managers including Caltrans, MTC, VTA, ACTC and others!

**Registration is on a first come, first serve basis. Space is limited.**

**Register online today: <http://goo.gl/forms/PD33IUVVHD>**

**Event Location: Caltrans District 4 Office, 111 Grand Avenue, Oakland, California**



### Event Sponsors



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**Ghirardelli  
ASSOCIATES**



**CMPROS**

**THE HANNA GROUP**

**PSOMAS**



**Vali Cooper & Associates, Inc.**



Professional Liaison

## 2015 Annual Caltrans District 4 Calmentor Program Awards & Business Networking Event

Tuesday, May 5, 2015

### Official Program

#### Welcome & Acknowledgements

Jim Dickey, Principal, Cinquini & Passarino, Inc.  
Caltrans District 4 Calmentor Program Steering Committee Chairperson

#### Keynote Address

Bijan Sartipi, District 4 Director  
California Department of Transportation

#### 2015 Transportation Infrastructure Small Business Advocate Award Presentations

The Honorable Edmund G. Brown, Governor of California  
The Honorable Gavin Newsom, Lt. Governor of California

#### Caltrans District 4 Calmentor Program Protégé Firm Graduations

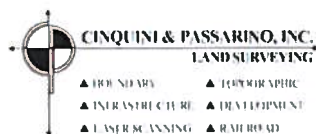
Adanta, Inc.  
CBL Professional Services  
Designlab 252

#### Caltrans District 4 Calmentor Program Mentor Firm Awards

Harris & Associates, Inc.—Silver Award  
Psomas—Bronze Award

#### Calmentor Program Luncheon & Business Networking Sessions

#### Event Sponsors





## **Business Outreach Committee (BOC)** **Contracting Newsletter #27, Spring 2015**

*The goal of the BOC is to assist small and disadvantaged companies in doing business with Bay Area transportation agencies.*

### **UPCOMING CONTRACTING OPPORTUNITIES (SELECTED AGENCIES):**

#### **GOLDEN GATE BRIDGE, HIGHWAY & TRANSPORTATION DISTRICT (GGBHTD)**

Solicitation Letter: Purchase and Installation of a Wireless Infrastructure Upgrade	Due Date*: May 2015	Est.\$: 90K
Third Party Administrator for Public Liability and Fleet Claims Investigation and Adjustment Services	Due Date*: May 2015	Est.\$: 350K
Toll Plaza Administration Building Improvements	Due Date*: May 2015	Est.\$: 500K
San Rafael Improvements Employee Parking Lot	Due Date*: TBD	Est.\$: 1.5M
Larkspur Ferry Terminal Sewer and Fuel Systems Rehabilitation	Due Date*: TBD	Est.\$: 800K
Bus Stop Shelter & Signage Improvements	Due Date*: TBD	Est.\$: 500K
South Approach and Pier Security Improvements	Due Date*: TBD	Est.\$: 4M
Sausalito Ferry Terminal Gangway and Pier Improvements, Construction	Due Date*: TBD	Est.\$: 10M
San Francisco Ferry Terminal Gangway and Pier Improvements, Construction	Due Date*: TBD	Est.\$: 20M

#### **METROPOLITAN TRANSPORTATION COMMISSION (MTC)**

Business Process Identification and Documentation Project	Due Date*: May 8, 2015	Est. \$: TBD
Compensation Study	Due Date*: May 13, 2015	Est. \$: TBD
Program for Arterial System Synchronization (PASS)	Due Date*: May 15, 2015	Est. \$: TBD
SHRP2 Implementation Assistance and Technical Guidance and Support	Due Date*: May 22, 2015	Est. \$: TBD
511 System Integrator, Data Management & Dissemination, and Interactive Voice Response (IVR) Phone System	Issue Date*: TBD	Est. \$: TBD
Bay Area Infrastructure Financing Authority (BAIFA) I-680 Express Lanes Civil Construction Project	Issue Date*: TBD	Est. \$: TBD
Maintenance, Diagnostic and Repair Services of Traffic Operations System (TOS) Devices	Issue Date*: TBD	Est. \$: TBD
Transit Oriented Workforce Housing Assessment	Issue Date*: TBD	Est. \$: TBD
Express Lanes Backhaul Communications Network	Issue Date*: TBD	Est. \$: TBD

#### **SAN FRANCISCO BAY FERRY (WETA)**

San Francisco Bay Ferry Ridership Database	Issue Date*: May 2015	Est. \$: TBD
On-Call Planning, Engineering, and Professional Services	Issue Date*: May/June 2015	Est. \$: TBD
Vallejo Ferry Terminal Dredging (IFB)	Issue Date*: June 2015	Est. \$: TBD
Ferry Vessel Peralta Major Refit Phase 2	Issue Date*: July 2015	Est. \$: TBD
Central Bay Maintenance Facility	Issue Date*: Aug 2015	Est. \$: TBD
Vallejo Ferry Terminal Maintenance Dredging (RFP)	Issue Date*: Summer 2015	Est. \$: TBD
Harbor Bay Ferry Terminal Piling Replacement	Issue Date*: Sept 2015	Est. \$: TBD
Ferry Vessel Taurus Minor Refit	Issue Date*: Sept 2015	Est. \$: TBD
Ferry Vessels Gemini Class Emissions Reduction Systems Rehab	Issue Date*: Sept 2015	Est. \$: TBD
Ferry Vessel Replacement and New Ferry Vessels	Issue Date*: Fall 2015	Est. \$: TBD

#### **SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)**

CCTV Surveillance Equipment	Issue Date*: May 2015	Est. \$: TBD
Montague Expressway & South Milpitas Blvd. Improvements	Issue Date*: June 2015	Est. \$: TBD
GFCI Switchgear Testing & Repair	Issue Date*: Aug 2015	Est. \$: TBD
VTA Communications Backbone	Issue Date*: Aug 2015	Est. \$: TBD
Pavement Manager	Issue Date*: Sept 2015	Est. \$: TBD



## UPCOMING EVENTS



The Business Outreach Committee (BOC) will be hosting a

### “How to Get Certified” Webinar

More information to follow.

A date and corresponding link will be available to all interested firms as soon as possible.



## **WHERE TO FIND CONTRACTING OPPORTUNITIES:**

<b>AC TRANSIT:</b> <a href="http://www.actransit.org/purchasing/">http://www.actransit.org/purchasing/</a>	<b>NCTPA:</b> <a href="http://www.nctpa.net/procurement-opportunities">http://www.nctpa.net/procurement-opportunities</a>
<b>ALAMEDA CTC:</b> <a href="http://www.alamedactc.org/app_page_s/view/3999">http://www.alamedactc.org/app_page_s/view/3999</a>	<b>SAMTRANS/CALTRAIN:</b> <a href="http://procurement.samtrans.com">http://procurement.samtrans.com</a>
<b>BART:</b> <a href="http://www.bart.gov/about/business/procurement/">http://www.bart.gov/about/business/procurement/</a>	<b>SFMTA:</b> <a href="http://sfgsa.org/index.aspx?page=4767">http://sfgsa.org/index.aspx?page=4767</a>
<b>COUNTY CONNECTION:</b> <a href="http://countyconnection.com/about/business-advertising/procurements/">http://countyconnection.com/about/business-advertising/procurements/</a>	<b>SOLTRANS:</b> <a href="http://www.soltransride.com/procurement">http://www.soltransride.com/procurement</a>
<b>RIO VISTA:</b> <a href="http://riovistacity.com">http://riovistacity.com</a>	<b>TJPA:</b> <a href="http://transbaycenter.org/tjpa/doin-g-business-with-the-tjpa">http://transbaycenter.org/tjpa/doin-g-business-with-the-tjpa</a>
<b>GGBHTD:</b> <a href="http://www.goldengate.org/contracts/">http://www.goldengate.org/contracts/</a>	<b>VTa:</b> <a href="http://www.vta.org/procurement/solicitations/">http://www.vta.org/procurement/solicitations/</a>
<b>MARIN TRANSIT:</b> <a href="http://www.marintransit.org/purchasing.html">http://www.marintransit.org/purchasing.html</a>	<b>WETA:</b> <a href="https://watertransit.org/contract_opportunities.aspx">https://watertransit.org/contract_opportunities.aspx</a>
<b>MTC:</b> <a href="http://procurements.mtc.ca.gov">http://procurements.mtc.ca.gov</a>	<b>WESTCAT:</b> <a href="http://www.westcat.org">http://www.westcat.org</a>

The BOC wants your help to make sure this newsletter brings you the information you want. Send suggestions and topics to improve newsletter content to:

Kristina Martinez, County Connection

[kmartinez@cccta.org](mailto:kmartinez@cccta.org)

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[laura@westcat.org](mailto:laura@westcat.org)



**YOU ARE INVITED  
TO THE BUSINESS OUTREACH COMMITTEE (BOC)  
MEET THE BUYERS  
PROCUREMENT FORUM**

**Wednesday, March 25, 2015**

**1:30 p.m. to 3:30 p.m.**

**at the Metropolitan Transportation Commission (MTC),  
101 8<sup>th</sup> Street, Oakland, California**

**(Conveniently located next to the Lake Merritt BART Station, see attached directions)**

This event will provide the opportunity for Small, Local and Disadvantaged businesses to introduce their products and services and receive information from participating San Francisco Bay Area Transit and Transportation Agencies and the following Contractors:

**Stacy and  
Witbeck**

ROBERT A.  
**BOTHMAN**  
CONSTRUCTION **B**



***MCK Services, Inc.***

***Asphalt Paving/Resurfacing/Rehabilitation***

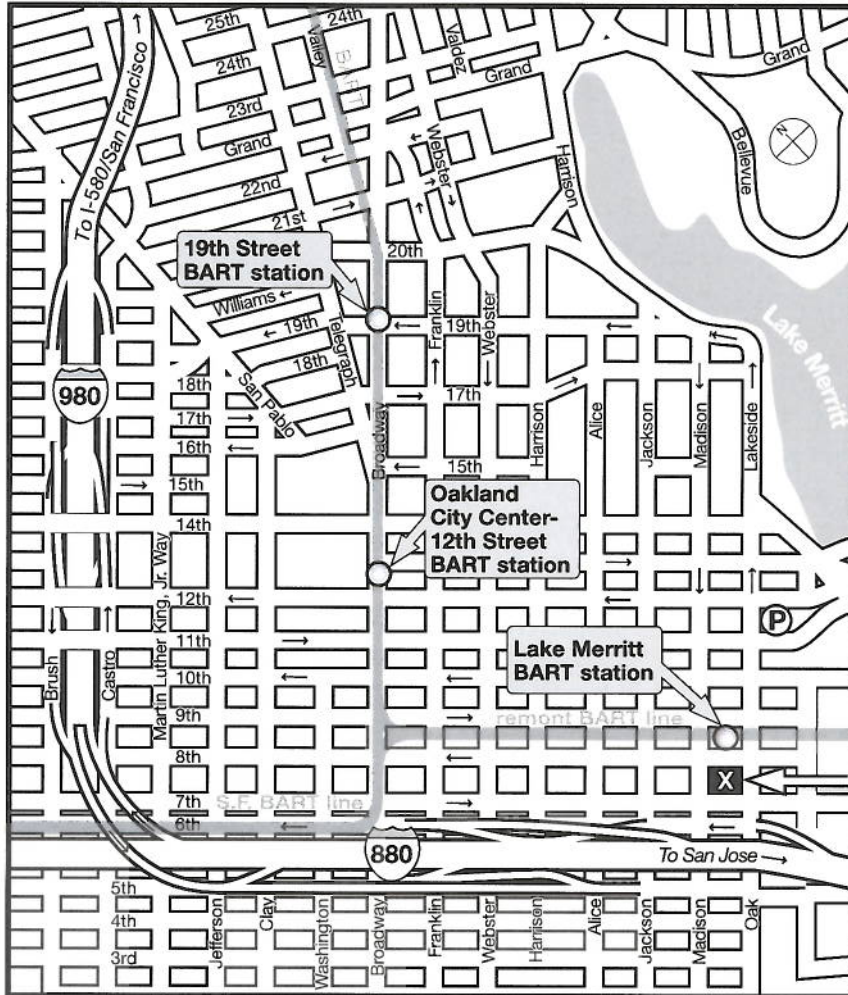
**Don't miss your opportunity to show your products to prospective buyers. Please complete and bring copies of the attached Business Profile Form to distribute to the buyers.**

RSVP is **not** required



# Metropolitan Transportation Commission

Joseph P. Bort MetroCenter  
101 Eighth Street, 3rd Floor  
Oakland, CA 94607



- **BART**  
Lake Merritt station
- **AC Transit**  
11 from Piedmont or Montclair; 59 or 59A from Montclair; 62 from East or West Oakland; 88 from Berkeley.
- **Amtrak**  
C.L. Dellums Station (2nd and Alice Streets)
- **Auto**  
From the San Francisco Bay Bridge, take I-580 East, exit onto I-980 West, merge onto I-880 South, take the Jackson St. exit and go straight on 5th, left on Oak and left on 8th.  
  
Travelling south on I-980, merge onto I-880 South, take the Jackson St. exit and go straight on 5th, left on Oak and left on 8th.  
  
Travelling north on the Nimitz Freeway (I-880), take the Oak St. exit.
- **Parking**  
Oakland Museum – 11th and Oak (underground parking, entrance on Oak between 11th and 12th). Metered parking is available on streets in the MetroCenter vicinity. Parking lot behind the MetroCenter is for BART patrons only.
- **From the Oakland Airport**  
AIR BART shuttle from Oakland Airport to BART is near baggage claim, but outside terminal. Cost is \$3 (no change given). Take BART to Lake Merritt station.

For detailed transit directions, visit: [www.511.org](http://www.511.org)



## Business Profile Form

Please complete this form and attach a business card, line card, brochure, and/or other marketing materials that describe your company's products and/or services and bring it with you to the Meet the Buyers Event to help inform Bay Area agencies and contractors about your business.

Name of Company: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

My firm is a: ☐ Manufacturer ☐ Retailer ☐ Wholesaler

Check all that apply: ☐ DBE ☐ SBE ☐ WBE ☐ MBE ☐ LBE

Certified By (list all applicable certifying agencies):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Describe the major type(s) of product(s) or services your firm provides:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Suggestion: Make several copies of completed form and distribute to buyers.**

## **Business Outreach Committee (BOC)** **Contracting Newsletter #28, Summer 2015**

*The goal of the BOC is to assist small and disadvantaged companies in doing business with Bay Area transportation agencies.*

### **UPCOMING CONTRACTING OPPORTUNITIES (SELECTED AGENCIES):**

#### **ALAMEDA-CONTRA COSTA TRANSIT DISTRICT (AC TRANSIT)**

Division 2 Transit Building Roof Replacement Construction	Issue Date*: July 2015	Est.\$: TBD
Division 6 Roof Replacement Construction	Issue Date*: July 2015	Est.\$: TBD
Division 3 Bid Package 1 – Fueling & Soils Remediation	Issue Date*: Aug 2015	Est.\$: TBD
Facilities Rehab, Construction, Division 3	Issue Date*: Aug 2015	Est.\$: TBD
Division 2 Storm Drain Construction	Issue Date*: Sept 2015	Est.\$: TBD
General Office Weatherization Construction	Issue Date*: Sept 2015	Est.\$: TBD
Bus Rapid Transit Bid Package 3	Issue Date*: Oct 2015	Est.\$: TBD

#### **ALAMEDA COUNTY TRANSPORTATION COMMISSION (ACTC)**

I-680 Northbound HOV/Express Lane Project	Issue Date*: July 2015	Est. \$: TBD
East Bay Greenway Maintenance: 75th Ave to 85th Ave, Oakland	Issue Date*: July 2015	Est. \$: TBD
Overall Monitoring Services	Issue Date*: Summer 2015	Est. \$: TBD

#### **GOLDEN GATE BRIDGE, HIGHWAY & TRANSPORTATION DISTRICT (GGBHTD)**

Golden Gate Bridge Physical Suicide Deterrent System & Wind Retrofit	Issue Date*: Summer 2015	Est.\$: 62M
Toll Plaza Administration Building Roof and HVAC Renovations	Issue Date*: Winter 2015	Est.\$: 1.75M
San Rafael Employee Parking Lot Improvements	Issue Date*: TBD	Est.\$: 1.5M
Bus Stop Shelter & Signage Improvements	Issue Date*: TBD	Est.\$: 500K
South Approach and Pier Security Improvements	Issue Date*: TBD	Est.\$: 4M
Sausalito Ferry Terminal Gangway & Pier Improvements, Construction	Issue Date*: TBD	Est.\$: 10M
San Francisco Ferry Terminal Gangway & Pier Improvements, Construction	Issue Date*: TBD	Est.\$: 20M

#### **METROPOLITAN TRANSPORTATION COMMISSION (MTC)**

375 Beale Street Mover Services RFP	Issue Date*: July 2015	Est. \$: TBD
Bridgeyard Building Seismic Retrofit	Issue Date*: TBD	Est. \$: TBD
I-880 Integrated Corridor Management (ICM)	Issue Date*: TBD	Est. \$: TBD
Transit Oriented Workforce Housing Assessment	Issue Date*: TBD	Est. \$: TBD

#### **SAN FRANCISCO BAY FERRY (WETA)**

Vessel Quarter Life Refurbishment (M/V Vallejo), RFP	Issue Date*: Aug 2015	Est. \$: TBD
Harbor Bay Ferry Terminal Piling Replacement, IFB	Issue Date*: Aug 2015	Est. \$: TBD
Vessel Midlife Refurbishment Phase 2 ( M/V Peralta), RFP	Issue Date*: Aug 2015	Est. \$: TBD
Selective Catalyst Reduction (SCR) System Overhaul – 4 Vessels, RFP	Issue Date*: Aug 2015	Est. \$: TBD
Vessel Major Component Overhaul (M/V Intintoli), RFP	Issue Date*: Aug 2015	Est. \$: TBD
Vessel Construction Management Services (M/V Vallejo replacement, Richmond vessel), RFQ	Issue Date*: Aug 2015	Est. \$: TBD
Central Bay Operations & Maintenance Facility Construction, RFP	Issue Date*: Summer 2015	Est. \$: TBD
San Francisco Bay Ferry Ridership Database, RFP	Issue Date*: Summer 2015	Est. \$: TBD

#### **SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)**

Bus Stop Pavement/Duckout Improvements	Issue Date*: Sept 2015	Est. \$: TBD
Capitol Expressway Pedestrian Connection to Eastridge	Issue Date*: Oct 2015	Est. \$: TBD
Pavement Management - North Yard	Issue Date*: Oct 2015	Est. \$: TBD
Younger Half-Grand and LRT Crossovers & Switches	Issue Date*: Nov 2015	Est. \$: TBD
Tasman Drive Sanitary Sewer	Issue Date*: Nov 2015	Est. \$: TBD
GFCI Switchgear Testing & Repair	Issue Date*: Nov 2015	Est. \$: TBD
Santa Clara Pedestrian Underpass Extension	Issue Date*: Dec 2015	Est. \$: TBD

**ALL DATES SUBJECT TO CHANGE. PLEASE VISIT AGENCY WEBSITES FOR MORE INFORMATION.**



## UPCOMING EVENTS



### **“MEET THE PRIMES”**

Friday, October 2<sup>nd</sup>, 2015

Napa County Transportation & Planning Agency (NCTPA)  
625 Burnell Street, Napa, CA 94559



The Business Outreach will be hosting its annual “Meet the Primes” event. Businesses are encouraged to attend to connect with prime contractors and learn about upcoming projects and opportunities.

*More information, including how to register for this event, will follow.*

### **WHERE TO FIND CONTRACTING OPPORTUNITIES:**

AC TRANSIT: <a href="http://www.actransit.org/purchasing/">http://www.actransit.org/purchasing/</a>	NCTPA: <a href="http://www.nctpa.net/procurement-opportunities">http://www.nctpa.net/procurement-opportunities</a>
ALAMEDA CTC: <a href="http://www.alamedactc.org/app_page_s/view/3999">http://www.alamedactc.org/app_page_s/view/3999</a>	SAMTRANS/CALTRAIN: <a href="http://procurement.samtrans.com">http://procurement.samtrans.com</a>
BART: <a href="http://www.bart.gov/about/business/procurement/">http://www.bart.gov/about/business/procurement/</a>	SFMTA: <a href="http://sfgsa.org/index.aspx?page=4767">http://sfgsa.org/index.aspx?page=4767</a>
COUNTY CONNECTION: <a href="http://countyconnection.com/about/business-advertising/procurements/">http://countyconnection.com/about/business-advertising/procurements/</a>	SOLTRANS: <a href="http://www.soltransride.com/procurement">http://www.soltransride.com/procurement</a>
RIO VISTA: <a href="http://riovistacity.com">http://riovistacity.com</a>	TJPA: <a href="http://transbaycenter.org/tjpa/doin-business-with-the-tjpa">http://transbaycenter.org/tjpa/doin-business-with-the-tjpa</a>
GGBHTD: <a href="http://www.goldengate.org/contracts/">http://www.goldengate.org/contracts/</a>	VTa: <a href="http://www.vta.org/procurement/solicitations/">http://www.vta.org/procurement/solicitations/</a>
MARIN TRANSIT: <a href="http://www.marintransit.org/purchasing.html">http://www.marintransit.org/purchasing.html</a>	WETA: <a href="https://watertransit.org/contract_opportunities.aspx">https://watertransit.org/contract_opportunities.aspx</a>
MTC: <a href="http://procurements.mtc.ca.gov">http://procurements.mtc.ca.gov</a>	WESTCAT: <a href="http://www.westcat.org">http://www.westcat.org</a>

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DBE Liaison Officer  
(510) 724-3331 Ext. 113 or  
[laura@westcat.org](mailto:laura@westcat.org)



# SAVE THE DATE: JULY 23, 2015

Enhancing the growth potential of small business

**What:** Caltrans District 4 Jt. Professional Liaison — Calmentor Program Quarterly Meeting

**When:** July 23, 2015, 1:00 p.m. to 3:00 p.m.

**Where:** Caltrans District 4 Office, 111 Grand Avenue, 15th Floor, Park View Room, Oakland.

## Meeting Agenda

- ⇒ Caltrans District 4 Look Ahead:
  1. On-Call Hydraulic Engineering District Wide Contract
  2. On-Call Environmental Support Services- South Region
  3. On-Call Environmental Support Services – East Region
- ⇒ DPAC: Contracting Rules and Regulations Update
- ⇒ Local Public Agency Partner Updates
- ⇒ Firm 5-Minute Marketing Pitches
- ⇒ Informal Networking Session with Senior Public Transportation Agency Managers, Mentor Firms & Protégé Firms

---

*The Joint Professional Liaison—Calmentor Program Quarterly Meeting facilitates networking opportunities with senior public transportation agency managers.*

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**Register online today: <http://goo.gl/forms/mUhFLQyZXx>**





## OWNERS' NIGHT

### *Capital Program Updates*

#### Confirmed Owners *as of June 20th*

CALTRANS  
CALTRAIN  
Contra Costa Transportation Authority  
County of Alameda General Services  
Metropolitan Transportation Commission  
San Francisco Public Utilities Commission  
San Francisco Public Works  
State of CA - Dept. of Water Resources

#### Join us to learn about:

- Upcoming projects
- Opportunities for construction, engineering and professional services
- Small business opportunities

#### Gold Sponsors



#### OWNERS' NIGHT

Wednesday  
July 15, 2015  
5:30 - 8:00 pm

5:30 - 8:00 pm  
Networking, Exhibits,  
Light Buffet Dinner

#### Location:

Union Square Marriott  
480 Sutter Street (at Powell)  
San Francisco, CA

*Valet Parking available  
BART / MUNI—Powell St. Station*

#### Cost:

\$65/person CMAA Members  
\$85/person Non-Members

After July 10  
\$105/person Non-members

**Pre Registration Required  
Guarantee Admission**

On-line registration /  
pay by credit card at  
[www.cmaanorcal.org](http://www.cmaanorcal.org)

CMAA Northern California Chapter  
*Construction Management Association of America*  
[www.cmaanorcal.org](http://www.cmaanorcal.org)



METROPOLITAN TRANSPORTATION COMMISSION  
SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS

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# **Metropolitan Transportation Commission Service Authority for Freeways and Expressways**

## **Construction Project Small Business Enterprise (SBE) Program**

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## **OBJECTIVES/POLICY STATEMENT**

In order to provide economic opportunity for the residents and businesses, and stimulate economic development in the San Francisco Bay Area Region, the Metropolitan Transportation Commission Service Authority for Freeways and Expressways (MTC SAFE) has established a Construction Project Small Business Enterprise (SBE) Program (“Program”) for its construction contracts to assist SBE firms in participating in MTC SAFE’s construction contracts. This Program is aimed at using the power of the public purse to stimulate economic development.

The objectives of the Program include:

1. To increase the number of certified SBEs participating in non-federally funded construction contracts;
2. To increase overall competition on non-federally-funded construction contracts potentially allowing for the completion of projects at a lower overall cost;
3. To create a level playing field on which SBEs can compete fairly on non-federally funded construction contracts;
4. To confirm that only firms (prime or subcontractor) certified by the State of California as SBEs per the requirements listed at <http://www.dgs.ca.gov/pd/Programs/OSDS/SBEligibilityBenefits.aspx> are eligible for the bid preference allowed under the Program; and
5. To help remove barriers to the participation of SBEs in non-federally funded construction contracts.

Mamie Lai, Director of Administrative Services Section (ADS), has been designated as the SBE Liaison Officer (SBELO). In that capacity, Mamie Lai is responsible for implementing all aspects of the Program.



## **SUBPART A – GENERAL REQUIREMENTS**

### **A.1 Objectives**

The objectives are found in the policy statement on the first page of this Program.

### **A.2 Applicability**

MTC SAFE is a recipient of state and local funds. As a condition of this assistance, and in compliance with Proposition 209, MTC SAFE shall implement this Program without consideration of race, sex, or ethnicity. This Program sets forth the policies and procedures to be implemented by MTC SAFE to confirm that all small businesses have the maximum opportunity to participate in MTC SAFE non-federally funded construction contracts.

When a non-federally funded construction contract is awarded to a Contractor based on the bid preference described in C.1 of this Program, the Contractor must adhere to all the requirements included in this Program.

This Program applies solely to non-federally funded construction contracts with a budget in excess of \$25,000. This Program does not apply to construction contracts with a budget of \$25,000 or less or to contracts with federal funding.

### **A.3 Definitions**

MTC SAFE adopts the following definitions listed below for this Program:

1st Tier Subcontractor – A subcontractor to a Contractor.

ADS – Administrative Services Section.

Bid – The offer of the bidder for the construction project when completed and submitted in response to an IFB on the prescribed bid form.

Bid Preference – The application of a percentage discount to the total amount of a bid submitted by a Bidder for a Contract solely for the purpose of bid comparisons when determining the lowest and best bid, or lowest responsible bid. The use of a bid preference for bid comparison does not alter the total amount of the bid submitted by a bidder or the contract executed based on a bid.

Business Suppliers – An individual or business entity that makes available a certain commodity for meeting demand or for purchase at a given price.

Commercially Useful Function (CUF) – A SBE performs a commercially useful function when it is responsible for the execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. A SBE

does not perform a CUF if it does not perform or exercise responsibility for at least 60 percent of the total cost of its contract than would be expected on the basis of normal industry practice for the type of work involved. If, in MTC SAFE's judgment, the SBE does not perform a CUF in the transaction, no bid preference will be awarded.

Community Based Organization (CBO) – A non-government agency created to provide training, employment or community assistance.

Contractor/Vendor – The individual, partnership, corporation, joint venture or other legal entity entering into a contractual agreement with MTC SAFE.

Invitation for Bid (IFB) – Invitation for Bid issued by MTC SAFE for construction services.

Manufacturer – A firm that operates or maintains a factory or establishment that produces on the premises the materials or supplies purchased.

MTC SAFE - Metropolitan Transportation Commission Service Authority for Freeways and Expressways.

Monitoring – The system established to measure compliance with the Program.

Post Award – The meeting held between MTC SAFE and Contractors after the award of a construction project and before the issuance of a notice to proceed. Post award meetings occur at the request of either MTC SAFE or Contractor.

Program – The MTC SAFE Construction Project SBE Program.

Public works contract – As further defined in California Public Contract Code Section 22002, public works generally includes such work as construction, reconstruction, erection, alteration, renovation, improvement, and repair including painting and repainting of publicly-owned property. It does not include maintenance work such as routine or recurring work for protection or preservation, minor painting, or landscape maintenance.

Small Business Enterprise (SBE) – Firms certified by the State of California as SBEs per the requirements listed at <http://www.dgs.ca.gov/pd/Programs/OSDS/SBEligibilityBenefits.aspx>.

SBE Directory – The list of firms certified by the State of California which is used by MTC SAFE and its Contractors to identify SBE potential contractors and subcontractors and suppliers. The SBE directory can be accessed at the website link at <http://www.bidsync.com/DPXBisCASB>.

SBELO – Small Business Enterprise Liaison Officer.

Subcontractor - The individual, partnership, corporation or other legal entity that contracts to perform part of or all of the obligations of another's contract.

Subrecipient – Any agency that receives funds from MTC SAFE via statute, an interagency, cooperative or funding agreement.

Web-based Diversity Tracking System - The diversity software provided by MTC SAFE to Contractors accessible from any internet browser on any platform or operating system.

## **SUBPART B - ADMINISTRATIVE REQUIREMENTS**

### **B.1 Program Updates**

The SBELO or designee will provide the Operations Committee with updates representing significant changes in the Program.

### **B.2 SBELO and Program Implementation**

MTC SAFE has designated the following individual as its SBE Liaison Officer (SBELO):

Mamie Lai, Director of Administrative Services Section  
Metropolitan Transportation Commission  
101 8<sup>th</sup> Street, Oakland, CA 94607  
Phone: (510) 817-5860, Email: [mlai@mtc.ca.gov](mailto:mlai@mtc.ca.gov)

In that capacity, the SBELO is responsible for implementing all aspects of the Program and ensuring that MTC SAFE complies with all provisions of the Program. The SBELO has direct, independent access to the Executive Director concerning Program matters.

The SBELO is responsible for developing, implementing and monitoring the SBE program, in coordination with other appropriate officials. The SBELO has staff to assist in the administration of the Program. The duties and responsibilities include the following:

1. Gathers and reports statistical data and other information as required.
2. Reviews third party contracts and purchase requisitions for compliance with the Program.
3. Works with ADS staff to determine if a Contractor has achieved the requirements for the bid preference.
4. Confirms that bid notices and Invitation for Bid are available to SBEs in a timely manner.
5. Identifies contracts and procurements so that SBE preferences are included in construction projects.
6. Analyzes MTC SAFE's progress toward SBE attainment and identifies ways to improve progress.
7. Participates in pre-bid meetings.
8. Advise the Executive Director and/or MTC SAFE Commissioners on SBE matters and achievement.
9. Provides outreach to SBEs and community based organizations to advise them of opportunities and technical assistance to SBEs to assist in bid preparation and obtaining bonding and insurance.

### **B.3 Certification Standards and SBE Directory**

MTC SAFE does not administer a SBE certification program. Only firms (prime or subcontractor) that are certified by the State of California as SBEs per the requirements

listed at <http://www.dgs.ca.gov/pd/Programs/OSDS/SBEligibilityBenefits.aspx> are eligible for the bid preference allowed under the Program.

The State of California SBE Directory can be accessed at <http://www.bidsync.com/DPXBisCASB>.

#### **B.4 Record Keeping Requirements**

When a non-federally funded construction contract is awarded to a Contractor based on the bid preference listed in Subpart C, Section C.1 of this Program, ADS will monitor the contract as per Subpart D, to confirm that the Contractors are in compliance with the requirements of the Program. ADS staff will report SBE participation to the Operations Committee via reports generated from the web-based diversity tracking system.

MTC SAFE will require Contractors to maintain records and documents of payments to all subcontractors (SBEs and non-SBEs) for four years following the completion of the contract. MTC SAFE will perform interim reviews of contract payments to SBEs. Payments to SBE subcontractors will be reviewed to verify that the actual amount paid to SBE subcontractors equals or exceeds the dollar amounts stated in the schedule of SBE participation included in the contract.

#### **B.5 Public Outreach**

MTC SAFE will participate in outreach events with other San Francisco Bay Area transportation agencies and community based organizations to leverage its efforts to assist SBE firms. MTC SAFE will also participate in Caltrans' CalMentor Protégé Program for small business development.

## **SUBPART C – BID PREFERENCE AND SBE PARTICIPATION**

### **C.1 Bid Preference**

MTC SAFE will allow a bid preference applied as a percentage discount to the total amount of a bid submitted by a Bidder for a contract solely for the purpose of bid comparisons when determining the lowest and best bid, or lowest responsible bid. The use of a bid preference for bid comparison does not alter the total amount of the bid submitted by a bidder or the contract executed based on a bid. The bid preference will be applied to all locally-funded construction contracts with a budget in excess of \$25,000, based on the level of participation proposed prior to the award of a contract. Bid preferences will be applied as follows after MTC SAFE verifies responsiveness requirements have been met:

- A discount of five percent (5%) to the total amount bid, when the bidder meeting specifications is a certified SBE and is performing at least forty percent (40%) of the work, **or**
- A discount of five percent (5%) to the total amount bid, when the bidder is a non-SBE prime Contractor that commits to subcontract with SBE firms for at least forty percent (40%) of the work in its bid submittal.

ADS staff will monitor MTC SAFE's Program to confirm that the Contractors are in compliance with the requirements the Program. The report of SBE awards, commitments and payments will be generated from the web-based diversity tracking system.

### **C.2 Maintaining Participation**

Once a project begins, it is important to achieve and maintain the participation that allowed the bid preference. Prime Contractors must maintain the SBE percentages indicated in the bid documents at the time of bid submittal throughout the term of the contract.

If MTC SAFE modifies the original scope of work, the Contractor must make reasonable efforts to maintain the SBE participation for the bid preference. In the event of change orders, ADS staff may use their discretion to allow adjustments to SBE percentages for the change order portion of the work. Upon request, MTC SAFE staff will help firms to determine methods of maintaining percentages.

Should the prime Contractor fail to maintain the SBE participation listed at the time of bid submittal, MTC SAFE reserves the right to enforce Contractors' compliance with this Program through one or more of the remedies included in Section D.3 of this Program.

### **C.3 Substitution of Listed Subcontractors**

Substitution of listed subcontractors shall be in accordance with Public Contracts Code Section 4107. In addition, the SBELO must concur in any decision to permit substitution of a SBE subcontractor(s) when the award was made on the basis of the bid preference listed in Section C.1 above.

## **C.4 Joint Venture Agreements**

A business that is bidding or competing for MTC SAFE contracts may associate with a certified SBE business to compete for contracts as a joint venture. A joint venture should be between two entities with the same discipline or license as required by MTC SAFE. Joint ventures receive a bid preference depending upon the SBE percentage of participation as set forth in Section C.1 of Subpart C, Bid Preference and SBE Participation. The parties must agree to enter into the relationship for at least the term of the project.

### Basic Elements of the Joint Venture Agreement

A Joint Venture must submit a Joint Venture Management Plan and/or a Joint Venture Agreement in their bid. Each agreement or management plan must include, but is not limited to the following:

- Detailed explanation of the financial contribution of each partner;
- List of the personnel and equipment used by each partner;
- Detailed breakdown of the responsibilities of each partner;
- Explanation of how the profits and losses will be distributed;
- Description of the bonding capacity of each partner; and
- Management or incentive fees available for any one of the partners (if any).

### Commercially Useful Functions (CUF) Performed by Joint Venture Partners

Each JV partner must perform a “commercially useful function” as that term is defined herein. A SBE that relies on the resources and personnel of a non-SBE firm will not be deemed to perform a CUF.

### Joint Venture License Requirements

Each joint venture partner must possess licenses appropriate for the discipline for which a bid is being submitted. If a joint venture is bidding on a single trade project, at the time of bid submittal, each of the joint venture partners must hold a Joint Venture License and possess the requisite specialty license for that trade bid.

### Delineation of Joint Venture Work

The SBE partner must clearly define the portion of the work to be performed during the project. This work must be of the similar type of work the SBE partner performs in the normal course of its business. The Joint Venture Participation Form must specify the project bid items to be performed by each individual joint venture partner. Lump sum joint venture participation is not acceptable.

### Responsibilities of the SBE Joint Venture Partners

The SBE partner must share in the ownership, control, management responsibilities, risks, and profits of the joint venture in proportion with level of participation in the project; the SBE partner must perform work that is commensurate with its experience. The SBE partner

must use its own employees and equipment to perform its portion of the project. Only the portion of the total dollar value of the contract equal to the distinct, clearly-defined portion of the work of the contract that the SBE performs with its own forces will be counted toward SBE participation

#### Application of Bid Discounts for Joint Venture Agreements

To be eligible for a bid discount, at the time of bid submittal, each joint venture partner must each have the license that is appropriate for the project as required in the contract document of the contract award authority. Unless permission is granted by the SBELO or designee for good cause shown, based on sudden and unexpected necessity, the following actions are not permitted: i) the non-SBE partner performing work for the SBE partner; ii) leasing of equipment or property by the SBE partner from the non-SBE partner; and iii) the hiring of the non-SBE partner's employees by the SBE partner.

#### Other Joint Venture Conditions

The SBELO or a designee must first approve the SBE Joint Venture Agreement/Management Plan before the joint venture is eligible for a bid preference. Any changes must also receive the prior approval of the SBELO or designee. In addition to any other information required by conditions specified herein, each SBE joint venture must provide upon request, cancelled checks and any other financial records to MTC SAFE.

### **C.5 Counting SBE Participation**

SBEs may perform as Contractors, or 1st tier subcontractors. Only the value of the work to be performed by the SBE, including materials and supplies, will be counted toward SBE participation.

A SBE must perform a commercially useful function, i.e., must be responsible for the execution of a distinct element of the work and must carry out its responsibility by actually performing, managing and supervising the work. If a SBE 1<sup>st</sup> Tier Subcontractor does not perform or exercise responsibility for at least sixty percent (60%) of the total cost of its contract with its own work force, or if the SBE subcontracts a greater portion of work of a contract than would be expected on the basis of normal industry practice, then it will be presumed that the SBE is not performing a CUF.

Credit for a SBE vendor of materials or supplies is limited to sixty percent (60%) of the amount to be paid to the vendor for the materials or supplies unless the vendor manufactures or substantially alters the goods. Credit for SBE brokers is limited to only the fees and commissions portion of the amount paid. All other firms receive 100% credit, less work subcontracted by the SBE to non-SBE firms.

During the term of a contract, work performed by SBE firms whose certification has expired will continue to be counted toward the SBE participation.



## **SUBPART D – COMPLIANCE AND ENFORCEMENT**

### **D.1 Monitoring**

When a contract is awarded to a Contractor based on the bid preference listed in Subpart C, Section C.1 of this Program, ADS will monitor the contract as per Subpart D, to confirm that the Contractors are in compliance with the requirements of the Program. ADS staff will report SBE participation to the appropriate MTC SAFE Operations Committee via reports generated from the web-based diversity tracking system.

MTC SAFE will require Contractors to maintain records and documents of payments to all subcontractors (SBEs and non-SBEs) for four years following the performance of the contract. MTC SAFE will perform interim reviews of contract payments to SBEs. Payments to SBE subcontractors will be reviewed to verify that the actual amount paid to SBE subcontractors equals or exceeds the dollar amounts stated in the schedule of SBE participation included in the contract.

Subrecipients may be required to submit verification of the SBE Program adopted for non-federal funds allocated construction projects and provide annual reports of SBE utilization on construction projects achieved under the adopted program.

MTC SAFE has implemented the following monitoring mechanisms to monitor Contractor compliance with Program requirements:

1. The SBELO or designee will verify that work committed to SBEs at contract award is actually performed by the SBEs.
2. The SBELO or designee will keep a running tally of actual payments to SBE firms for work committed to them at the time of contract award with the use of MTC SAFE's web-based diversity tracking system.

For public works projects valued over \$1,000.00, the State's Labor Code requires Contractors to pay their employees in accordance with general prevailing wages. The prime Contractor and all subcontractors including truckers and owner/operators are required to submit certified payroll records in accordance with Labor Code section 1776 upon request from MTC SAFE. Failure to submit certified payroll records could result in withholding of progress payment(s).

Upon request, Contractors will provide MTC SAFE with executed copies of its subcontractor agreements to verify dollar amounts stated for all SBEs.

### **D.2 SBE Utilization Report**

Contractors are required to submit monthly SBE Utilization Reports electronically to MTC SAFE ADS. These monthly reports shall be submitted electronically and the Contractor will document the dollar value of payments to SBE firms and the percentage of the contract completed. MTC SAFE will monitor the contract for

compliance with SBE requirements.

This system is web-based, accessible from any computer via the internet. Each Contractor and subcontractor will receive an email providing them with Log On identification, and a temporary password and instructions on how to use the system. Training will also be provided upon request. Contractor will include this requirement in all of its subcontracts and purchase orders when required to provide or verify SBE utilization documentation.

If the SBE Utilization Reports indicate potential problems, such as a failure to comply with the contract SBE participation, the Contractor shall meet with the MTC SAFE SBELO or designee to address any deficiencies and discuss appropriate corrective actions. When the Contract completion reaches 50% and the SBE participation completed is less than 50%, a detailed report of the reasons why must be submitted to MTC SAFE stating a plan to reach the SBE participation by Contract completion.

Prior to final payment, Contractor will be required to submit a final SBE Utilization Report by selecting the "Final Audit" reporting designation within the web-based diversity tracking system. In addition to payments to the SBEs, the final report must include payments to and other information about all other businesses, including non-SBE subcontractors, suppliers of materials and others.

### **D.3 Program Enforcement**

MTC SAFE has available several remedies to enforce compliance of the Program requirements contained in its contracts, including, but not limited to, the following:

1. Breach of contract action, pursuant to the terms of the IFB and contract.
2. Assessment of a penalty of up to one and one half times the amount that should have been awarded to SBE(s).
3. Termination of Contractor's performance of work under the contract.
4. Any other remedy available to MTC SAFE in the contract or the relevant IFB.



Date: \_\_\_\_\_, 20\_\_\_\_  
W.I.: 1231 and 1232  
Referred by: Operations Committee

ABSTRACT

MTC SAFE Resolution No. 61

This resolution adopts a Construction Project Small Business Enterprise (SBE) Program (“Program”) to assist SBE firms in participating in MTC SAFE’s contracts for locally funded formal construction projects. The Program is intended to provide economic opportunity for the residents and businesses, and stimulate economic development in the San Francisco Bay region.

Discussion of this action is contained in the Executive Director’s Memorandum to the Operations Committee, dated October 2, 2015.

Date: \_\_\_\_\_, 20\_\_\_\_  
W.I.: 1231 and 1232  
Referred by: Operations Committee

METROPOLITAN TRANSPORTATION COMMISSION  
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

Resolution No. 61

WHEREAS, SAFE Resolution No. 1 established a Metropolitan Transportation Commission Service Authority for Freeways and Expressways (MTC SAFE or SAFE) pursuant to Streets and Highways Code §§ 2550-2556, which provides for the design, installation, operation and maintenance of a motorist aid call box system in any of the Bay Area counties that elect to join SAFE; and

WHEREAS, SAFE issues and oversees construction contracts from time to time; and

WHEREAS, SAFE wishes to assist Small Business Enterprise (SBE) firms in participating in SAFE's construction contracts, to provide economic opportunity for the residents and businesses, and stimulate economic development in the San Francisco Bay region; and

WHEREAS, providing assistance to SBE firms could increase competition for such contracts potentially allowing SAFE to complete projects at a lower overall cost; and

WHEREAS, SAFE has developed a Construction Project SBE Program ("Program") for its construction projects to assist SBE firms in participating in SAFE's construction contracts, and

WHEREAS, the Program allows for a bid preference to be applied to locally funded construction projects when the requirements for participation are met; and

WHEREAS, the Program describes the monitoring and oversight requirements to ensure that SBE participation is achieved; now, therefore, be it further

RESOLVED, that SAFE hereby adopts the Program described in Attachment A; and be it

Date: March 24, 2004  
W.I.: 1231 and 1232  
Referred by: Operations Committee  
Revised: 04/25/07-SAFE  
06/23/10-SAFE

Attachment A  
SAFE Resolution No. 44  
Page 2 of 2

RESOLVED, that the Executive Director is hereby authorized to revise Attachment A as may be required from time to time due to changes in law, regulation or procedures relating to the Program and to take such actions as may be necessary or appropriate to implement the Program; and be it further

RESOLVED, that this Resolution shall take effect from and after its adoption.

METROPOLITAN TRANSPORTATION  
COMMISSION SERVICE AUTHORITY FOR  
FREEWAYS AND EXPRESSWAYS

---

Dave Cortese, Chair

The above resolution was entered into by  
the Metropolitan Transportation Commission  
Service Authority for Freeways and Expressways  
at a regular meeting of the Authority held in \_\_\_\_\_,  
California on \_\_\_\_\_, 20\_\_.



# Metropolitan Transportation Commission

101 Eighth Street,  
Joseph P. Bort MetroCenter  
Oakland, CA

## Legislation Details (With Text)

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**File #:** 15-0875      **Version:** 1      **Name:**

**Type:** Report      **Status:** Consent

**File created:** 9/11/2015      **In control:** Operations Committee

**On agenda:** 10/9/2015      **Final action:**

**Title:** Plan Bay Area 2040 Call for Projects: Submittal of Regional Active Operational Management Program

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Plan Bay Area 2040 Call for Projects.pdf](#)

Date	Ver.	Action By	Action	Result
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### Subject:

Plan Bay Area 2040 Call for Projects: Submittal of Regional Active Operational Management Program

### Presenter:

Ashley Nguyen

### Recommended Action:

Committee Approval

### Attachments



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 4c

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## *Memorandum*

TO: Operations Committee

DATE: October 2, 2015

FR: Executive Director

W. I. 1237

RE: Plan Bay Area 2040 Call for Projects: Submittal of Regional Active Operational Management Program

In response to the Plan Bay Area 2040 Call for Projects issued by MTC on April 29, 2015, staff developed a comprehensive suite of advanced technology-driven operational strategies under the umbrella of “Regional Active Operational Management Program” for consideration in the financially constrained long-range plan. Staff requests Committee approval of our submission of the Regional Active Operational Management Program into the Plan Bay Area 2040 process. This allows the suite of projects to initially undergo project performance assessment and ultimately be considered for a place in the final transportation investment strategy for Plan Bay Area 2040.

### **Managing Congestion: Make Every Day Columbus Day**

Traffic congestion has two main causes: 1) too many cars, trucks, and buses traveling on the same road at the same time (i.e., demand exceeds capacity); and 2) incidents such as a flat tire, a rear-end accident, overturned truck, work zones, and weather happen unexpectedly and frequently (i.e., non-recurring events reduce available capacity and reliability of the transportation system). The consequences of traffic congestion are many, including significant delays, compromised roadway safety, increased emissions due to stop-go traffic, and loss of economic productivity and competitiveness due to delays.

The core goals of the Regional Active Operational Management Program are to:

- **Create “Capacity” Through Operational Strategies, Not Expansion**  
*Deploying operational strategies tailored to match fluctuating travel demand and traffic conditions to improve system efficiency and safety and to reduce delay and emissions.*
- **Increase Person Throughput**  
*Increasing person throughput by moving more people through carpools and buses allows us to make greater use of the existing roadway capacity in the region.*
- **Assist Motorists and Clear Incidents Quickly**  
*Providing prompt aid to motorists helps to clear incidents quickly, prevent secondary incidents, and minimize further delay to travelers.*
- **Provide “Decision-Quality” Information to Travelers**  
*Getting timely and detailed information about traffic conditions, transit departures, planned and emergency disruptions, special events, construction activities, etc., in the hands of travelers allows them to choose the most efficient mode and route for their trip.*
- **Keep Our Regional Technology Infrastructure Well-Maintained and Operational**  
*As MTC makes investments in the region’s technology infrastructure on highways and arterials, it must protect these investments by maintaining our transportation management system (i.e., field equipment, Traffic Management Centers, etc.).*



### **Active Operational Management Program**

The Active Operational Management Program ( the “Program”) is administered at the regional level by MTC to actively manage congestion. MTC deploys cost-effective, technology-driven operational strategies that improve mobility and system efficiency across freeways, arterials and transit modes. MTC will partner with Caltrans, Congestion Management Agencies and transit operators to leverage our regional dollars with other federal, State and local funding to deliver these operational strategies.

The anchor for this Program is a suite of long-standing MTC operational programs, such as Clipper<sup>®</sup>, 511 traveler information, Motorist Aid Services (i.e., Freeway Service Patrol and Call Boxes), and Rideshare (i.e., Carpool and Vanpool services) – all of which continue to evolve to reflect changing needs and technology. For instance, Clipper<sup>®</sup> has established a coalition of transit operators that are working well together, and as the region moves forward, MTC will continue to use the Clipper<sup>®</sup> platform for transit coordination and expansion to other transportation payments. MTC and the Bay Area Infrastructure Financing Authority are also making steady progress in delivering the Regional Express Lanes Network program, which converts 150 miles of existing High Occupancy Vehicle lanes to express lanes and adds 120 miles of new lanes to close network gaps.

Building on the success of the Freeway Performance Initiative, this Program launches the new Columbus Day Initiative that deploys advanced technologies to help manage congestion today and prepare the region for the Connected Vehicle environment of tomorrow. To protect and maintain the region’s technology assets, the Transportation Management System ensures the existing and new technology infrastructure is operational and well-maintained. Advancing the Regional Express Lanes Network work further, MTC is pursuing regional managed lanes implementation strategies that look to close gaps in the managed lanes network, provide improved or new express bus services using managed lanes, and establish new park-ride facilities to support greater carpool and transit use. See **Attachment A** for fact sheets that detail the goals, project description and cost information for these various projects/programs.

### **Bridge Rehabilitation & Bridge Access Improvements**

The Bay Area Toll Authority will also submit a host of bridge rehabilitation and bridge-related access improvement projects for consideration in Plan Bay Area 2040. The Regional Measure 1 State-Owned Toll Bridge Rehabilitation/Replacement/Retrofit Program and the Richmond-San Rafael Bridge Access Improvement Project will be carried over into the Plan. New projects such as the West Span Bicycle/Pedestrian Pathway, Bay Bridge Park, and The Link (which is a connection to the Bay Bridge Trail) will be introduced in the Plan. See **Attachment B** for fact sheets that detail the goals, project description and cost information for the three new bridge-related connectivity projects.

### **Recommendation**

As required for all projects sponsors, staff recommends that the Operations Committee approve the submittal MTC Active Operational Management Program of projects for consideration for inclusion in Plan Bay Area 2040.

  
\_\_\_\_\_  
Steve Heminger

# Columbus Day Initiative

## Project Description

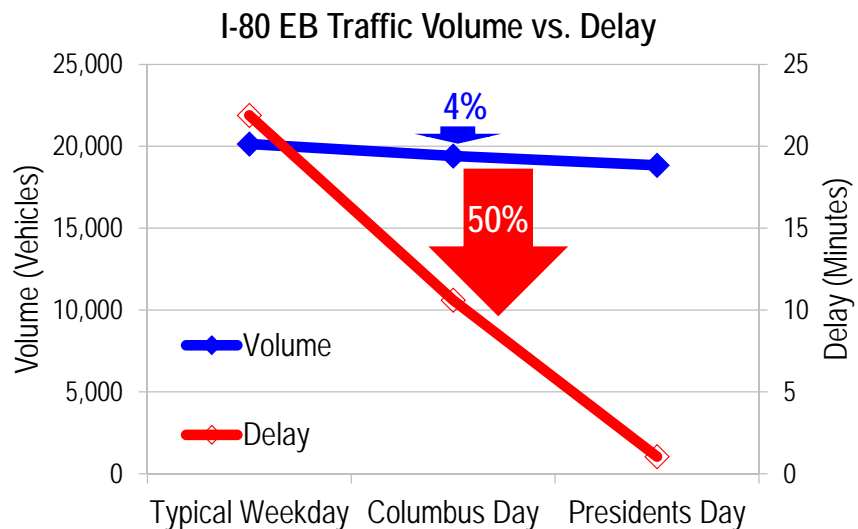
The Columbus Day Initiative (CDI) is a suite of cost-effective technology-based strategies aimed at maximizing the efficiency of the existing freeway and arterial systems through active operational management.

<b>Total Cost over Plan Bay Area 2040 Period</b>	\$595 million (YOE)
<b>Goals Furthered</b>	Economic Vitality, Healthy and Safe Communities, Transportation System Effectiveness, Climate Protection

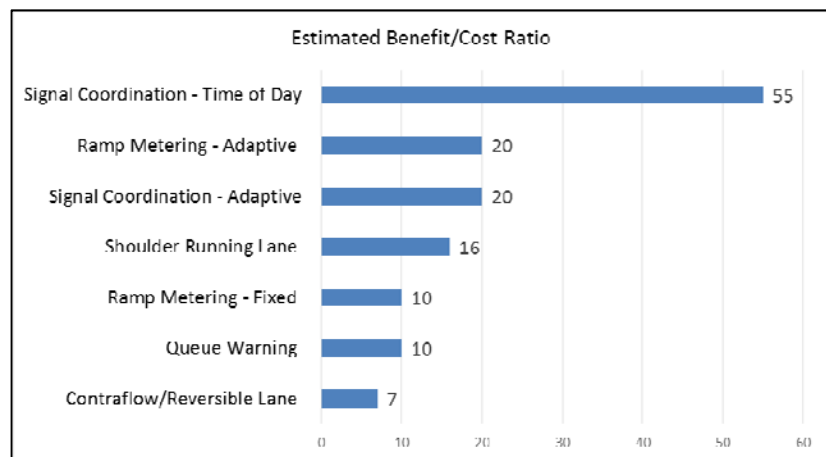
Strategy	Description
Adaptive Ramp Metering	Dynamically optimizes corridor operations through metering
Adaptive Signal Timing with TSP	Dynamically optimizes signal coordination with priority to transit vehicles
Connected Vehicles	Deploys wireless communications among vehicles/infrastructure/mobile devices to improve safety, mobility, and environment
Hard Shoulder Running Lane	Converts existing shoulder into a transit and HOV3+ carpool lane
Queue Warning	Provides real-time warning messages to alert motorists
Contra-Flow Lane	Utilizes available capacity from the off-peak direction.
Shared Mobility	Deploys transportation services shared among users for more mobility choices

## Project Motivation – Make Everyday a Columbus Day

- A small reduction in traffic volume on Columbus Day leads to a significant reduction in vehicle delay



## Cost-Effective Strategies



# Transportation Management

## Project Description

The Transportation Management System (TMS) project improves and maintains vital operational infrastructure that monitors travel conditions, disseminates information, responds to freeway incidents and controls traffic management systems.

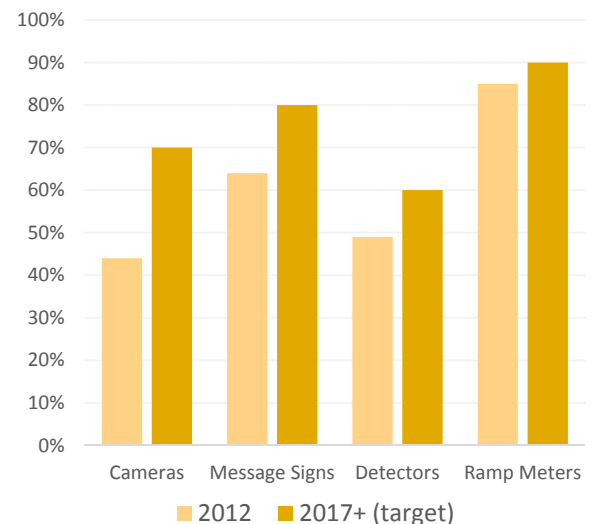
TMS is the foundation for the Bay Area Express Lanes and the Columbus Day Initiative, providing system maintenance and access to field devices and communication infrastructure. It facilitates successful implementation of these emerging programs.

<b>Total Cost over Plan Bay Area 2040 Period</b>	\$800 million (YOE)
<b>PBA 2040 Goals Furthered</b>	Transportation System Effectiveness, Climate Protection, Healthy and Safe Communities

Focus Areas	Project Highlight	Return on Investment
<b>Performance-Based Operations &amp; Maintenance</b>	Focus limited resources to maintain field devices on critical corridors.	Improves equipment reliability and sustainability.  Mitigates device degradation (5% monthly) and supports system growth (10% annually).
<b>Incident Management</b>	A variety of strategies to enhance mobility, improve safety and reduce the impacts of traffic incidents.	Ranges from 25:1 (Integrated Corridor Management) to 35:1 (Incident Management Task Force).
<b>Transportation Management Center, Communications &amp; Detection</b>	Centralized monitoring and control of field devices.  Data collection for planning & maintenance.	Essential to the effectiveness of traveler information services, intelligent transportation systems (ITS) and incident response.



## Field Device Operational Status



## Benefits of TMS

- Every minute saved in clearing an incident eliminates 4 min of delay per vehicle, on average.
- Traveler information on electronic signs can save 5–30 min of delay per vehicle during incidents.



# Express Lanes

## Project Description

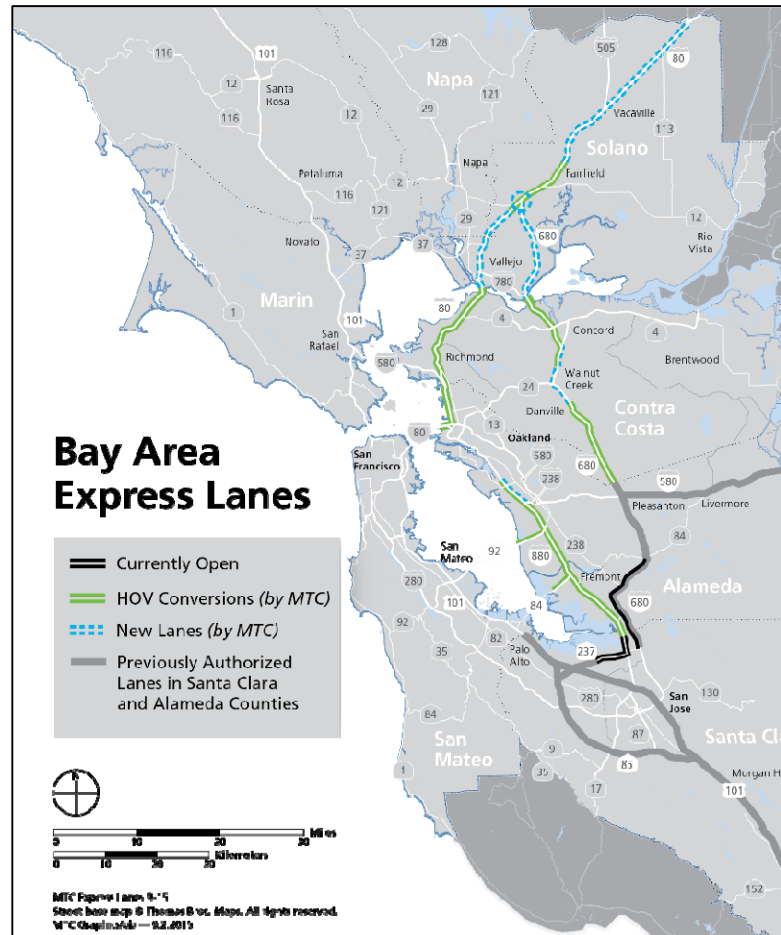
Bay Area transportation agencies are developing Bay Area Express Lanes to:

- Make use of available space in existing carpool lanes to move more people;
- Give everyone the choice to carpool for free or pay for a more reliable trip; and
- Fill gaps in the carpool system to encourage more carpools, vanpools and buses.

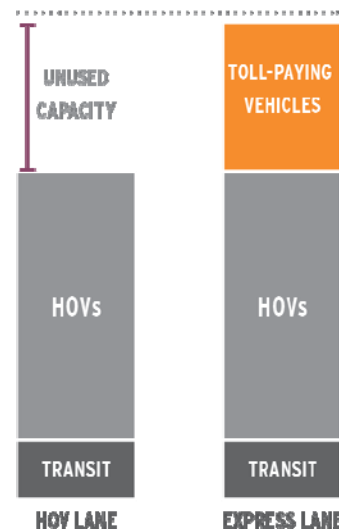
MTC's project is part of a 550-mile regional express lane system. To date, over half of MTC's 270 miles of express lanes are in the environmental clearance, design or construction phase. Conversion of existing HOV lanes on I-680 and I-880, a total of 85 lane miles, are fully funded.

<b>Gross Cost over Plan Bay Area (PBA) 2040 Period</b>	\$3.3 billion (YOE)
<b>Net Cost over PBA 2040 Period</b>	-\$0.7 billion (YOE) (net positive revenue)
<b>PBA 2040 Goals Furthered</b>	Economic Vitality, Transportation System Effectiveness, Climate Protection

Capital Costs	\$2 billion (YOE)
Capital Funding Secured	\$0.3 billion
Operations & Maintenance Costs through 2040	\$1.3 billion (YOE)
Projected Gross Revenue through 2040	\$4 billion (YOE)
HOV conversions	150 miles
New lanes	120 miles



## LANE CAPACITY



Express lanes better use carpool lane (HOV) capacity

## Looking Forward

- In early 2017, MTC is scheduled to begin operation of its first express lane on I-680.
- In 2019, MTC is scheduled to extend the I-680 express lane and open express lanes on I-880.

# Managed Lanes Implementation Plan

## Project Description

The Managed Lanes Implementation Plan (MLIP) is a suite of complementary projects that will expand the managed lanes network and enhance express bus services and park and ride facilities serving managed lanes. These strategies will maximize the efficiency of and increase person throughput on the Bay Area's managed lanes network.

<b>Total Cost over Plan Bay Area 2040 Period</b>	\$2.7 billion YOE
<b>PBA 2040 Goals Furthered</b>	Climate Protection, Economic Vitality, Transportation System Effectiveness

## MLIP strategies include:

- Expansion of managed lanes network
- New and enhanced express bus services and capital improvements
- New and expanded park-ride facilities
- Shared parking and public private partnerships
- Parking management and real-time information
- Guidance on clean air vehicles, hours of operation, and occupancy
- Enhanced outreach and education

<i>Express Lane Expansion</i>	253 lane-miles
<i>Improved Express Bus Service</i>	15 routes improved 15 new routes
<i>New Park and Ride Capacity</i>	Over 2,000 new spaces



Regional Benefits	
<b>Connectivity</b>	<ul style="list-style-type: none"> <li>• Close network gaps to serve carpools and transit</li> <li>• Provide regional consistency</li> </ul>
<b>Efficiency</b>	<ul style="list-style-type: none"> <li>• Increase person throughput on existing freeway capacity</li> <li>• Enhance transit service</li> <li>• Maximize existing park and ride capacity</li> </ul>
<b>Reliability</b>	<ul style="list-style-type: none"> <li>• Expand reliable travel options</li> </ul>

# 511

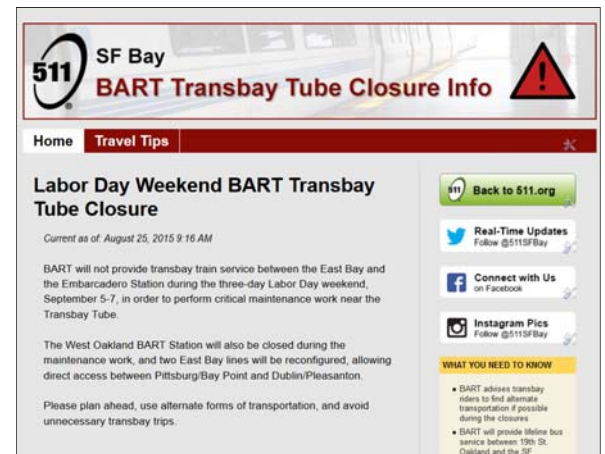
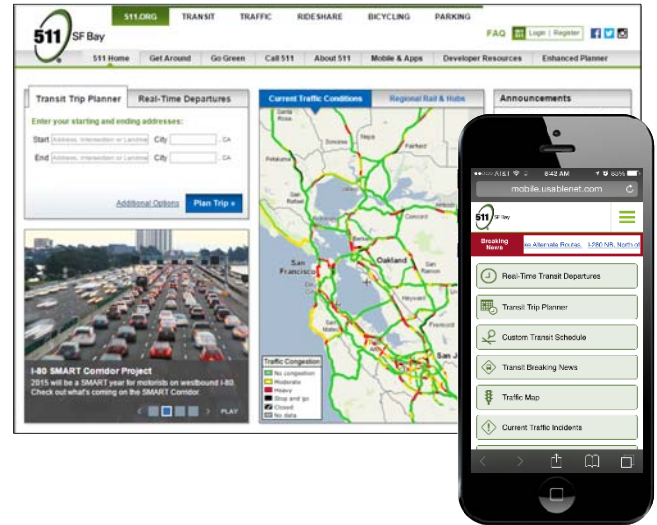
## Project Description

The 511 program provides multi-modal traveler information on multiple dissemination platforms, serves as the go-to source for travelers and media in major disruptions and regional emergencies, partners with many agencies and businesses for transportation information during regional events, and supports numerous MTC and partner objectives.

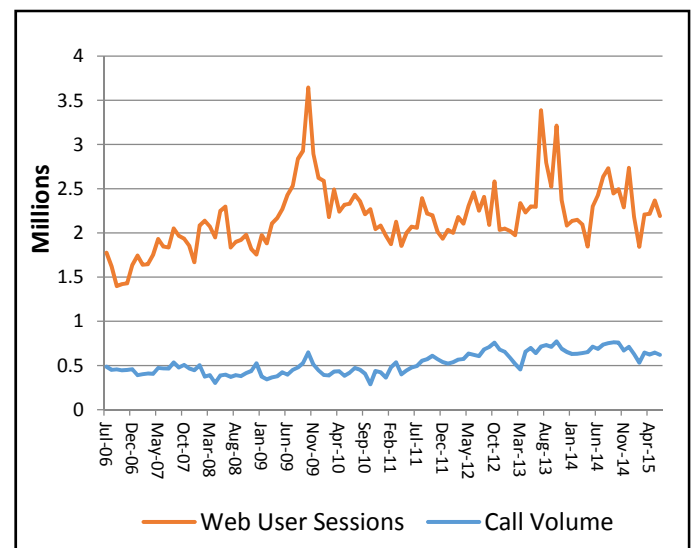
<b>Total Cost over Plan Bay Area 2040 Period</b>	\$280 Million (YOE)
<b>PBA 2040 Goals Furthered</b>	Transportation System Effectiveness, Climate Protection

MTC's 511 system is unprecedented in the breadth and quality of traveler information services provided. Information services are free and available on-demand via phone, mobile and web, and include:

- Alerts and traveler guidance during transportation disruptions and emergencies
- Transit fares, schedules, and trip plans
- Live traffic conditions, incidents, and driving times
- Construction projects and special events affecting traffic
- Real-time transit departures and parking availability
- Green commute, smart driving, and bicycling information
- Online ride-matching for carpools and vanpools



## 511 Usage



## Traveler Information Metrics

<b>Service Area</b>	9 County Bay Area, (including roadways in San Joaquin and Santa Cruz counties)
<b>Non-Auto Mode Shift Increase</b>	4%
<b>System Delay Reduction</b>	4.5% to 30%
<b>Benefit Cost Ratio</b>	16:1 to 25:1

# Carpool & Vanpool

## Project Description

The greatest untapped mobility resource in the Bay Area is the unfilled seats in vehicles. Increasing vehicle occupancy reduces vehicle miles traveled and greenhouse gas emissions.

MTC's Carpool Program provides carpool matching tools, offers carpool incentives and performs outreach and education.

MTC's Vanpool Program forms and maintains vanpools by organizing pools of interested commuters, helping drivers comply with vanpool requirements and making it easier to vanpool by offsetting costs and distributing toll tags for toll-free bridge passage.

<b>Gross Cost over Plan Bay Area (PBA) 2040 Period</b>	\$135 million (YOE)
<b>Net Cost over PBA 2040 Period</b>	\$40 million (YOE)
<b>PBA 2040 Goals Furthered</b>	Climate Protection, Economic Vitality, Healthy and Safe Communities, Equitable Access

## New Strategies & Value Added

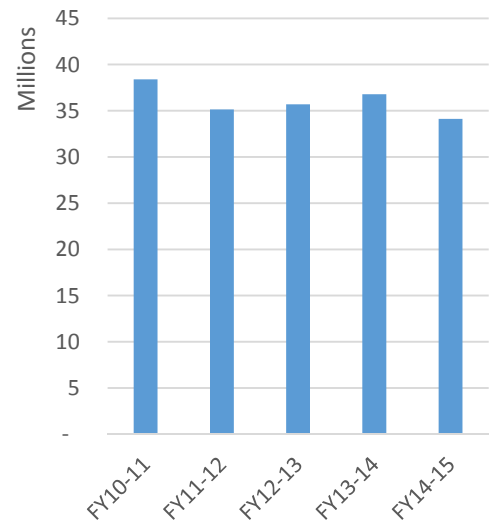
- MTC is shifting its focus to direct-to-customer outreach to promote carpooling and vanpooling.
- MTC will also support the administration of the Commuter Benefits Program and provide a library of employer self-help tools to implement employer-based trip reduction programs.
- The Carpool Program is partnering with private-sector ridematch apps to encourage their growth and adoption in the Bay Area.
- MTC will start off-setting vanpool lease costs, track vanpool miles and receive FTA revenue for those miles to pay for the Vanpool Program and grow the vanpool fleet.
- With the transition of some carpool lanes to express lanes, the Carpool & Vanpool Programs will be an important regional resource.

## Additional Information

<b>Vanpool Program Revenue</b>	\$94.8 million
<b>Service Area</b>	9 County Bay Area
<b>Greenhouse Gas Reduction</b>	15,814 metric tons



Annual VMT Reduced



## Average Annual Outcomes FY06 to FY15

- 1,360,000 vehicle trips reduced
- \$2.60 per vehicle trip reduced
- 65 new vanpools formed and Bay Area vanpool fleet of 530 vans
- 16,000 people actively seeking carpools via ridematching database
- 19,000 new database registrants
- 170,000 unique website users



# Motorist Aid Services

## Project Description

The Motorist Aid Services project primarily consists of the Freeway Service Patrol (FSP) and Call Box (CBX) programs but also funds other motorist aid activities.

FSP tow drivers patrol the region's busiest traffic corridors at peak hours to provide free motorist aid and improve incident clearance time thus increasing safety, reducing air pollution from stop and go traffic and reducing travel delay.

Motorists may either use a call box - which are located on all major highways, bridges and tunnels - or dial '511' to access assistance on the freeway.

<b>Total Cost over Plan Bay Area 2040 Period</b>	\$360 million
<b>PBA 2040 Goals Furthered</b>	Economic Vitality, Healthy and Safe Communities, Climate Protection

## FSP

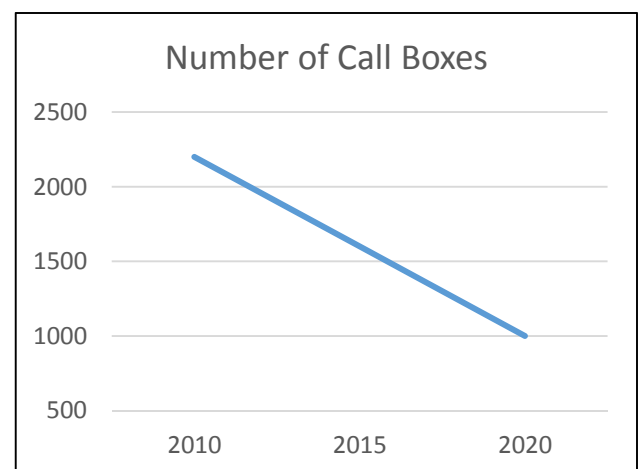
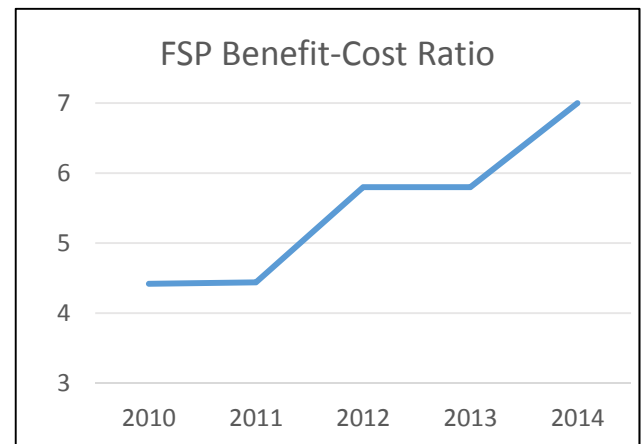
<i>Service Area</i>	470 center lane miles
<i>Service Provided</i>	150,000+ truck-hours / year
<i>Motorist Assists</i>	100,000 / year
<i>CO2 Reduction</i>	34.3 million kg in FY13-14

## CBX

<i>Call Boxes</i>	1,550 boxes
<i>511 Freeway Assist signs</i>	450 signs
<i>Number of Calls</i>	45,000 / year

## Looking Forward

- FSP has been focusing service on the most busy traffic areas and times to enhance its effectiveness.
- CBX is downsizing and shifting to mobile platforms by encouraging use of cell phones to dial 511 for the 'Freeway Assist' option.





# Emergency Management

## Project Description

Since the 1989 Loma Prieta Earthquake, MTC has spearheaded regional transportation emergency preparedness activities in the Bay Area, while also leading emergency transportation response during real-life events. The Emergency Management program enhances the region's transportation agencies' emergency coordination and response capabilities, which are critical to resumption of transportation service and economic resiliency. The program facilitates coordination across jurisdictional and modal boundaries.

<b>Total Cost over Plan Bay Area 2040 Period</b>	\$25 Million (YOE)
<b>PBA 2040 Goals Furthered</b>	Transportation System Effectiveness, Economic Vitality, Equitable Access

Specific emergency planning services include:

- Regional transportation emergency plan management and development
- Managing the \$1M Emergency Transit Fund
- Staff trainings
- Exercises that test emergency plans
- Supplying satellite phone hardware and service
- Promulgating incident management software

MTC's emergency role and responsibilities during a disaster include:

- (1) Leading regional emergency transportation response
- (2) Emergency coordination with the California Office of Emergency Services (Cal OES);
- (3) Serving as a regional information clearinghouse for agencies; and
- (4) Disseminating information to the public.

MTC has responded with operational staff support to a number of incidents, including: 2007 MacArthur Maze Structure Fire, 2009 Bay Bridge Eyebars Failure, 2013 BART Strike, 2013 Labor Day Bridge Closure, 2015 BART Transbay Tube closure



*MTC led regional coordination during BART strike*

## Selection of Agency Partners



# West Span Bike/Pedestrian/Maintenance Path

## Project Description

The project will address the lack of bicycle, pedestrian and maintenance access on the West Span of the San Francisco-Oakland Bay Bridge by constructing a path from downtown San Francisco to Yerba Buena Island.

The proposed San Francisco-Oakland Bay Bridge West Span Bike/Pedestrian/Maintenance (WSBPM) path will provide non-motorized modes of transportation across the San Francisco Bay, increasing the capacity of the bridge.

The project also supports the California Department of Transportation’s “complete streets” vision and the Association of Bay Area Governments’ Bay Trail Plan.



<b><i>Total Cost over Plan Bay Area 2040 Period</i></b>	\$691 million (YOE)
<b><i>PBA 2040 Goals Furthered</i></b>	Healthy and Safe Communities, Transportation System Effectiveness

## Additional Information

- Path Length: 27,000 feet
- Current Phase: Alternatives Development & Preliminary Engineering
- Anticipated environmental document: EIR/EA (Environmental Impact Report for the California Environmental Quality Act and Environmental Assessment for the National Environmental Policy Act)



# Bay Bridge Park

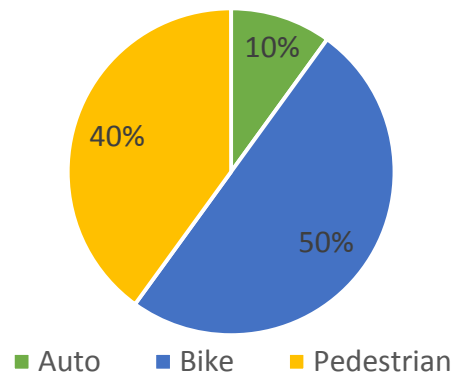
## Project Description

The creation of a new park is proposed at the east touchdown of the San Francisco-Oakland Bay Bridge (Bay Bridge) in Oakland. The project site encompasses approximately 45 acres and will extend from the waterfront near the touchdown of the new Eastern Span of the Bay Bridge on the west to Maritime Street in West Oakland on the east. Its working title is Gateway Park.

The new park would provide access to the Bay and would include recreation opportunities and features to showcase the natural, maritime, industrial, and transportation history of the East Bay.



Benefit by Mode



<b>Total Cost over Plan Bay Area 2040 Period</b>	\$195 million (YOE)
<b>PBA 2040 Goals Furthered</b>	Healthy and Safe Communities, Open Space Preservation

At this time, it is envisioned the park would be a regional park operated by the East Bay Regional Park District (EBRPD) or a Joint Powers Authority. Specific amenities within the Park may be operated by a philanthropic organization and/or private concessionaires.

## Additional Information

- The environmental document is under way for this project
- The current Gateway Park Working Group is comprised of nine local, regional and state agencies.

Committed Future Funding	
Bay Conservation and Development Commission (BCDC)	\$1.1 million
EBRPD (Measure WW)	\$5 million

Estimated Construction Schedule	
Begin	2020
End	2030

# Link

## to Bay Bridge Regional Bicycle and Pedestrian Path

### Project Description

A new bicycle/pedestrian path between West Oakland and the new East Span of the San Francisco Oakland Bay Bridge (Bay Bridge) in Oakland, California. The Link would provide safe access to the existing bicycle/pedestrian path on the Bay Bridge (Bay Bridge Trail), as well as access to existing and planned segments of the regional San Francisco Bay Trail.

### Project Purpose

Provide a safe connection for bicyclists and pedestrians to travel between West Oakland and the Bay Bridge Trail.



<b>Total Cost over Plan Bay Area 2040 Period</b>	\$62 million (YOE)
<b>PBA 2040 Goals Furthered</b>	Economic Vitality, Healthy and Safe Communities

Committed Future Funding	
Federal Congestion Mitigation and Air Quality Improvement (CMAQ)	\$15 million
Statewide Transportation Improvement Program (STIP)	\$15 million



Current access for bicyclists and pedestrians is on roadways extending through industrial areas with heavy truck traffic

### Additional Information

The environmental document is under way for this project



# **Regional Active Operational Management Program**

## **Plan Bay Area 2040**

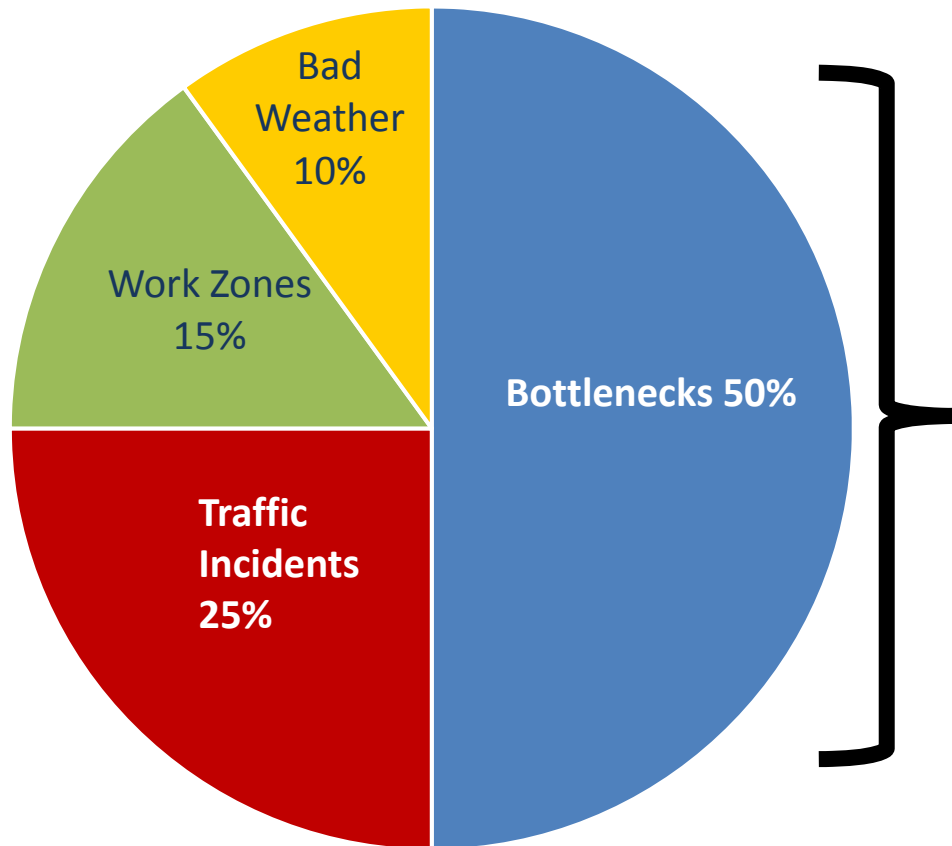
**MTC Operations Committee  
October 9, 2015**



**METROPOLITAN TRANSPORTATION COMMISSION**

# Managing Congestion

## Causes of Congestion



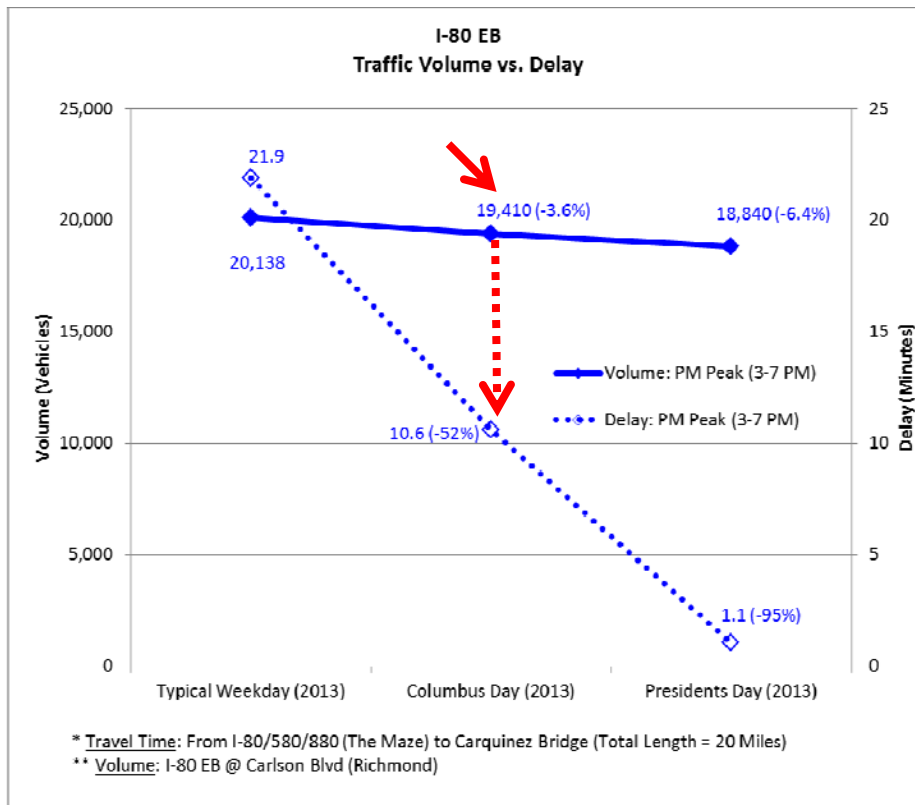
## Congestion Mitigation: Regional Active Operational Management Program



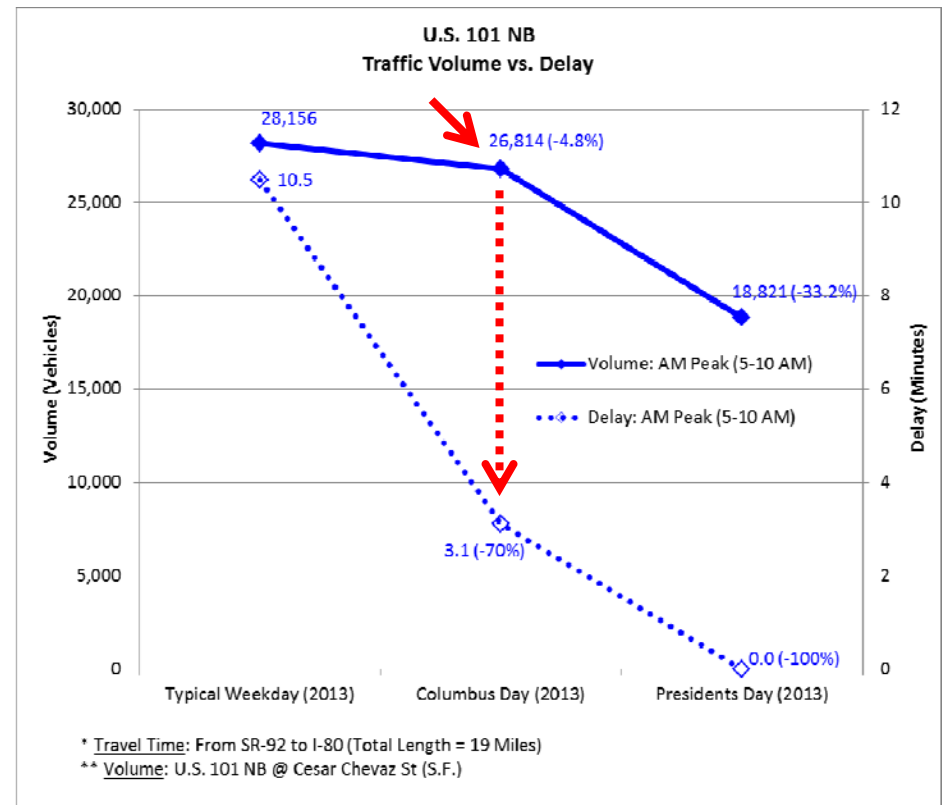
# Make Every Day Columbus Day

**3% to 5% Lower Traffic Demand on Columbus Day  
Yields 50% to 70% Less Delay**

Alameda I-80 Eastbound



San Mateo US-101 Northbound



# Columbus Day Initiative

Using Technology and Cost-Effective Strategies to Maximize Roadway Efficiency



Regional Benefits	
Mobility	<ul style="list-style-type: none"> <li>Reduces Freeway and Arterial Delay: Recurring and Non-Recurring Congestion</li> <li>Improves Travel Time Reliability</li> </ul>
	<ul style="list-style-type: none"> <li>Reduces Primary and Secondary Incident Rates on Freeways and Arterial</li> </ul>
Safety	<ul style="list-style-type: none"> <li>Reduces Greenhouse Gas Emissions</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Reduces VMT Through Improved Transit Services and Shared Mobility</li> </ul>

PBA 2040 Program Cost (YOE):  
\$595 M





# Transportation Management System

Building a Foundation for 21<sup>st</sup> Century Operations



Regional Benefits	
Mobility	<ul style="list-style-type: none"> <li>Reduces Freeway and Arterial Delay</li> <li>Improves Travel Time Reliability</li> <li>Optimizes Express Lane Operations</li> <li>Improves Freight Mobility</li> </ul>
	<ul style="list-style-type: none"> <li>Operates and Maintains Intelligent Transportation System Infrastructure in a State of Good Repair</li> <li>Optimizes Performance of Existing Infrastructure</li> <li>Optimizes and Unifies Communication Investments Across Multiple Systems</li> </ul>
	<ul style="list-style-type: none"> <li>Reduces Fuel Consumption and Vehicle Emissions</li> <li>Reduces Incidents for All Transportation Modes</li> </ul>

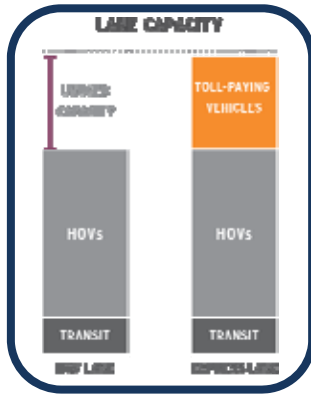
PBA 2040 Program Cost (YOE):  
\$800 M



# Express Lanes Network

## Building a Regional Network to Maximize Roadway Efficiency

### Maximize Lane Capacity



### Transit and Carpool Travel Time Reliability



### 270-Mile Network (Conversions & New Lanes)



### Increasing Person Throughput

### Customer Education



### Enhanced Enforcement



### Regional Benefits

#### Connectivity

- Closes Network Gaps to Serve Carpools and Transit
- Builds 270 Miles of the 550-Mile Bay Area Express Lanes Network

#### Efficiency

- Increases Person Throughput on Existing Lanes
- Improves Operations Through Better Enforcement

#### Reliability

- Improves Travel Time Reliability
- Increases Travel Choices

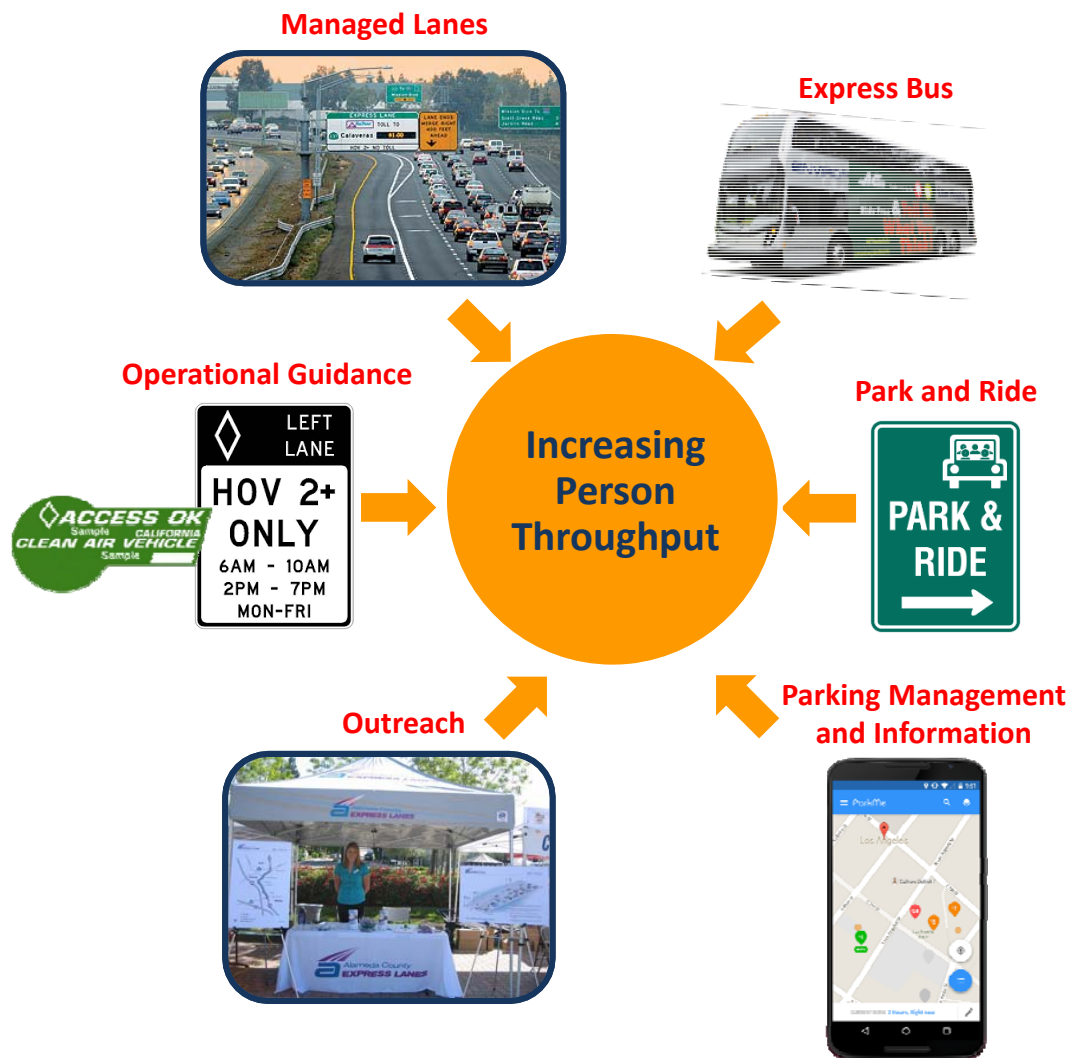
Over half of MTC's project is in the environmental clearance, design or construction phase

PBA 2040 Program Cost (YOE):  
\$3,300 M



# Managed Lanes Implementation Plan

Improving Regional Connectivity and Reliability for Transit and Carpool Travelers



Regional Benefits	
Connectivity	<ul style="list-style-type: none"> <li>Closes Network Gaps to Serve Carpools and Transit</li> <li>Provides Regional Consistency</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>Increases Person Throughput on Existing Freeway Capacity</li> <li>Enhances Transit Service</li> <li>Maximizes Existing Park-and-Ride Capacity</li> </ul>
Reliability	<ul style="list-style-type: none"> <li>Expands Reliable Travel Options</li> </ul>

PBA 2040 Program Cost (YOE):  
\$2,700 M



# 511 Traveler Information

Providing Traveler Information to Improve Transportation System Effectiveness

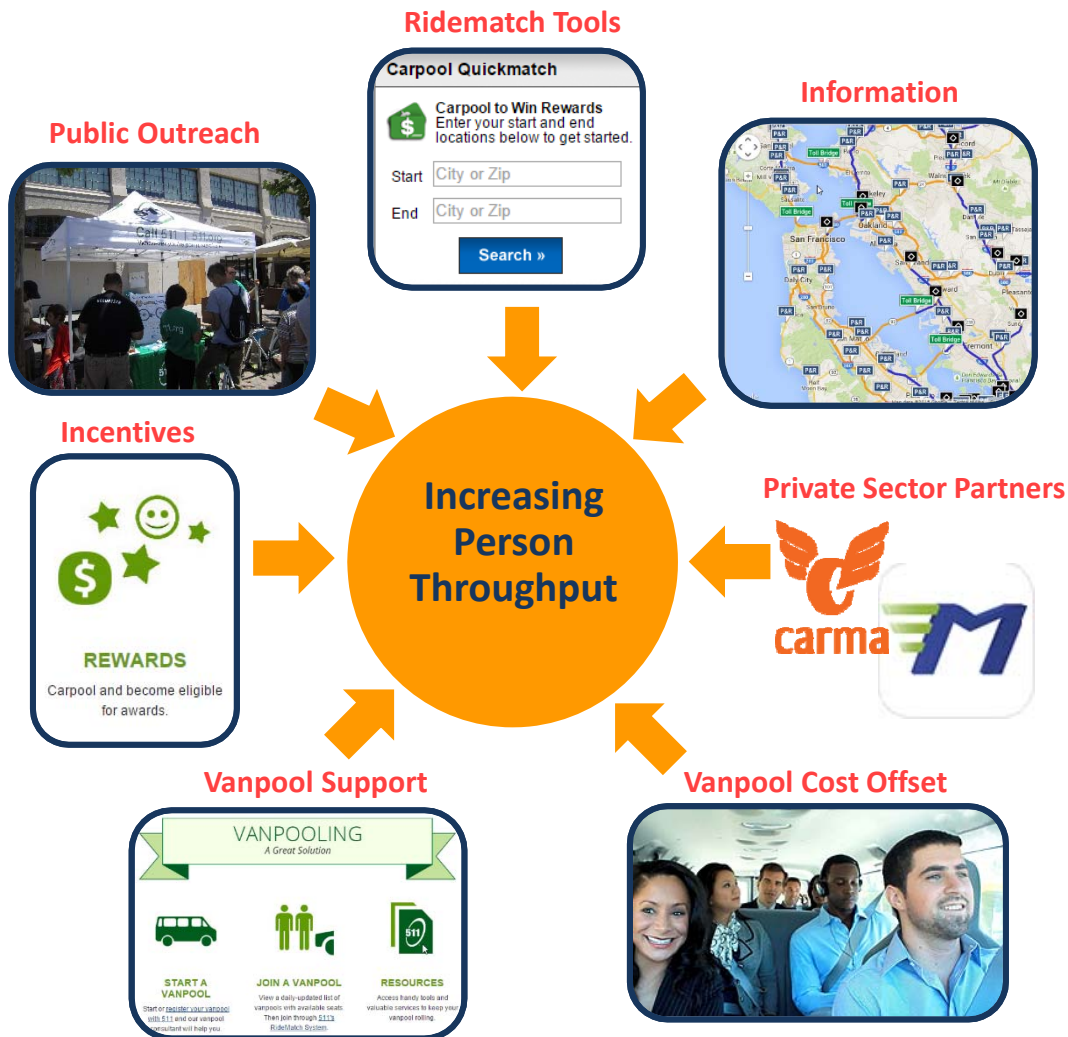


Regional Benefits	
Mobility	<ul style="list-style-type: none"> <li>Improves Travel Time Reliability</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Increases Non-auto Mode Shift to Reduce VMT and Greenhouse Gas Emissions</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>Maximizes Transportation System Efficiency by Influencing Travel Demand</li> </ul>

PBA 2040 Program Cost (YOE):  
\$280 M

# Carpool and Vanpool Services

## Leveraging the Shared Economy to Increase Person Throughput



Regional Benefits	
Mobility	<ul style="list-style-type: none"> <li>Increases Person Throughput in Carpool Lanes and Express Lanes</li> <li>Improves Travel Time Reliability</li> </ul>
	<ul style="list-style-type: none"> <li>Increases Vehicle Occupancy to Reduce VMT and Greenhouse Gas Emissions</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Grows Vanpool Fleet, Especially in Areas with Less Transit</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>Returns Federal Funds to Region</li> <li>Provides Cost Efficiencies</li> </ul>

PBA 2040 Program Cost (YOE):  
\$40 M\*

\*Gross Cost = \$135 M; Net Cost = \$40 M





# Motorist Aid Services

Providing Roadside Services to Keep Motorists Safe and the Bay Area Moving



Regional Benefits	
Mobility	<ul style="list-style-type: none"> <li>Reduces Freeway Delay from Non-Recurring Congestion</li> <li>Improves Travel Time Reliability</li> </ul>
	<ul style="list-style-type: none"> <li>Clears Primary Incidents Quickly to Prevent Secondary Incidents</li> <li>Improves Safety Through Free Tows to CHP-designated "Safe-Zones"</li> <li>Provides Access to Emergency Assistance Through Roadside Call Box or Personal Cell Phones (via 511 Freeway Assist)</li> </ul>
Safety	
Environment	<ul style="list-style-type: none"> <li>Reduces Auto Carbon Emissions by 67,000 tons per year</li> </ul>

PBA 2040 Program Cost (YOE):  
\$360 M



# Emergency Management

## Enhancing the Region's Emergency Coordination and Response Capabilities



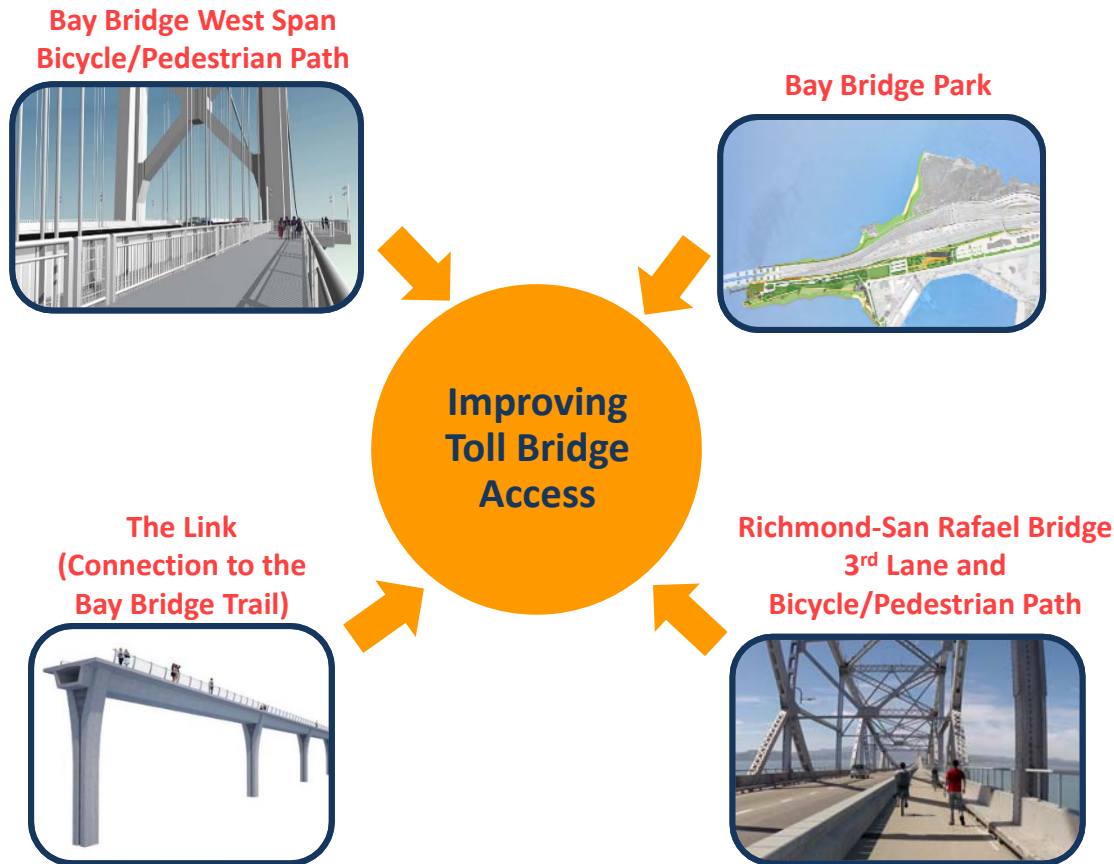
Regional Benefits	
Resilience	<ul style="list-style-type: none"> <li>Increases Transportation Agencies' Response Capabilities</li> <li>Provides Funding to Support Mutual Aid Response</li> </ul>
Preparedness	<ul style="list-style-type: none"> <li>Ensures Emergency Plans are Updated and Effective</li> <li>Enhances Real-Time Communication</li> <li>Provides Leadership for Planning and Response Efforts</li> </ul>
Mobility	<ul style="list-style-type: none"> <li>Reduces Travel Times During Emergency Events</li> </ul>

PBA 2040 Program Cost (YOE):  
\$25 M



# Toll Bridge Access Improvements

## Improving Regional Connectivity and Public Access to Bridge Facilities



Regional Benefits	
Mobility	<ul style="list-style-type: none"> <li>Reduces Congestion to Accommodate Current and Future Traffic Demand</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Provides Non-motorized Access to State-owned Toll Bridges</li> <li>Supports Healthy and Safe Communities</li> <li>Preserves Open Space</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>Improves Transportation System Effectiveness</li> <li>Closes Critical Gaps in the Bay Trail</li> </ul>

PBA 2040 Program Cost (YOE):  
\$948 M\*

\*Excludes Richmond-San Rafael project



# Metropolitan Transportation Commission

101 Eighth Street,  
Joseph P. Bort MetroCenter  
Oakland, CA

## Legislation Details (With Text)

<b>File #:</b>	15-0771	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Report	<b>Status:</b>		Commission Approval	
<b>File created:</b>	8/12/2015	<b>In control:</b>		Operations Committee	
<b>On agenda:</b>	10/9/2015	<b>Final action:</b>			
<b>Title:</b>	Contract Approval: Amended and Restated Clipper® Memorandum of Understanding (MOU)				
	Refer an amendment and restatement of the 2011 MOU between MTC and transit operators participating in the Clipper® program to clarify existing roles and responsibilities and define new roles and responsibilities for the ongoing operation and maintenance of Clipper® to the Commission for approval.				

### Sponsors:

### Indexes:

### Code sections:

**Attachments:** [Contract Approval- Amended and Restated Clipper MOU.pdf](#)

Date	Ver.	Action By	Action	Result
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### Subject:

Contract Approval: Amended and Restated Clipper® Memorandum of Understanding (MOU)

Refer an amendment and restatement of the 2011 MOU between MTC and transit operators participating in the Clipper® program to clarify existing roles and responsibilities and define new roles and responsibilities for the ongoing operation and maintenance of Clipper® to the Commission for approval.

### Presenter:

Carol Kuester

### Recommended Action:

Commission Approval

### Attachments



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 5a

Joseph P. Bort MetroCenter  
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Oakland, CA 94607-4700  
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WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

*Memorandum*

TO: Operations Committee

DATE: October 2, 2015

FR: Executive Director

W.I. 1221

RE: Contract Approval: Amended and Restated Clipper<sup>®</sup> Memorandum of Understanding (MOU)

This item requests the Committee to forward the amended and restated Clipper<sup>®</sup> MOU to the Commission for approval.

**Background**

MTC and seven transit agencies<sup>1</sup> entered into an MOU effective November 10, 2011 under which MTC operates the Clipper<sup>®</sup> electronic fare payment system. Subsequently an additional fifteen transit agencies<sup>2</sup> have signed on to the MOU, and the MOU has been amended twice.

The existing MOU identifies:

- MTC's Clipper<sup>®</sup>-related responsibilities,
- the transit agencies' Clipper<sup>®</sup>-related responsibilities,
- the process for amending the Clipper<sup>®</sup> Operating Rules,
- the process for resolving disputes among the program participants, and
- the method by which MTC and transit operators divide Clipper<sup>®</sup> costs and revenues.

**Changes from the Original MOU**

In May 2013, MTC received correspondence from transit agency general managers which outlined the transit agencies' desire to have more input and control with respect to the current Clipper<sup>®</sup> system and planning for the next generation Clipper<sup>®</sup> system. Over several months, the transit agency general managers and the MTC executive director met regularly to discuss how best to implement this greater degree of input and control for transit agencies. Ultimately, it was mutually agreed to amend and restate the existing Clipper<sup>®</sup> MOU to reflect the changes listed below:

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<sup>1</sup> Alameda-Contra Costa Transit District (AC Transit), San Francisco Bay Area Rapid Transit (BART), Peninsula Corridor Joint Powers Board (Caltrain), Golden Gate Bridge Highway and Transportation District (GGBHTD), San Mateo County Transit District (SamTrans), City and County of San Francisco Municipal Transportation Agency (SFMTA), and the Santa Clara Valley Transportation Authority (VTA)

<sup>2</sup> 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 County Transportation and Planning Agency, Solano County Transit, Sonoma County Transit, Sonoma-Marín Area Rail Transit, Vacaville City Coach, Western Contra Costa Transit Authority, San Francisco Bay Area Water Emergency Transportation Authority, City of Santa Rosa, and Union City Transit.

- **Clipper® Executive Board:** A Clipper® Executive Board comprised of nine members (one each from SFMTA, BART, Caltrain/SamTrans, AC Transit, VTA, GGBHTD and MTC, and two representatives who are selected by the remaining MOU parties to represent all other MOU parties) would have responsibility to meet regularly, establish goals and a budget and work plan for the Clipper® program, and approve significant business matters (as defined in the amended and restated MOU and subject to revision by unanimous vote of the Clipper® Executive Board).
- **Clipper® Program Goals and Objectives:** An initial set of goals and objectives for the Clipper® program are included in the amended and restated MOU and could be amended by unanimous vote of the Executive Board.
- **Contracting Agency:** A role for a Clipper® Contracting Agency would be defined, with MTC serving as the initial Contracting Agency. The Contracting Agency would serve as the agency counterparty to any contracts related to the Clipper® system, provide staffing for the Clipper® program and fulfill related duties. The Executive Board would have authority to review the designation of the Contracting Agency from time to time (but not more often than once every three years) and could designate a new Contracting Agency, subject to approval by MTC (or the then-current Contracting Agency) and its proposed successor.
- **Clipper® Executive Director:** A Clipper® Executive Director engaged by the Contracting Agency would coordinate the Clipper® program among the agencies and contractors, carry out the program goals and work plan in accordance with the budget, develop goals and objectives for the position jointly with the Executive Board, and be subject to annual performance evaluations by the Clipper® Executive Board. Carol Kuester, MTC Director of Electronic Payments, will serve as the initial Clipper® Executive Director. The Contracting Agency is to consult with the Clipper® Executive Board before selecting and appointing the Clipper® Executive Director.

Implementation of the amended and restated MOU requires a change to MTC Resolution No. 3983, Revised, which established the Clipper® Operating Rules. The proposed changes to MTC Resolution No. 3983, Revised, are discussed in agenda item 4b and would delegate authority to approve changes to the Operating Rules to the new Clipper® Executive Board established under the amended and restated MOU. The amended and restated MOU would still require a consultation process regarding changes to the Clipper® Operating Rule.

### **Recommendation**

Staff recommends that the Operations Committee forward the amended and restated MOU to the Commission for approval and authorization of the Executive Director or his designee to enter into the amended and restated MOU in substantially the form attached as Attachment A.



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Steve Heminger

SH: jw

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## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Amended and Restated Memorandum of Understanding

Work Item No.:	310-1221, 320-2700, 320-2780
Parties:	MTC, Alameda-Contra Costa Transit District, San Francisco Bay Area Rapid Transit, Peninsula Corridor Joint Powers Board, Golden Gate Bridge Highway and Transportation District, San Mateo County Transit District, City and County of San Francisco Municipal Transportation Agency, Santa Clara Valley Transportation Authority, Central Contra Costa Transit Authority, City of Fairfield, City of Petaluma, Eastern Contra Costa Transit Authority, Livermore/Amador Valley Transit Authority, Marin County Transit District, Napa County Transportation and Planning Agency, 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 Union City Transit
Project Title:	Amended and Restated Clipper <sup>®</sup> Memorandum of Understanding
Purpose of Project:	Amendment and restatement of the 2011 MOU to clarify existing roles and responsibilities and define new roles and responsibilities for the ongoing operation and maintenance of Clipper <sup>®</sup> .
Project Cost Not to Exceed:	Clipper program costs are borne by MTC and the transit operators based on a cost sharing allocation included in the MOU. MTC's cost share is proposed and adopted annually as part of the agency budget process and is subject to approval of applicable annual agency budgets.
Fiscal Impact:	None.
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into the amended and restated Clipper <sup>®</sup> Memorandum of Understanding with the Parties as described above.
Operations Committee:	
	<hr/> Scott Haggerty, Chair
Approved:	Date: October 9, 2015

## AMENDED AND RESTATED CLIPPER® MEMORANDUM OF UNDERSTANDING

This Amended and Restated Clipper® Memorandum of Understanding (this "MOU") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2015 (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"):

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 County Transportation and Planning Agency; 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 transit operators that implement Clipper® and execute a Supplemental Agreement to the MOU.

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

### Recitals

1. Clipper® (formerly TransLink®) is an automated fare payment system for intra- and inter-Operator transit trips in the San Francisco Bay Area that has been implemented and is currently being operated on Operators' transit systems.
2. MTC entered into a contract (the "Clipper® Contract") with Cubic Transportation Systems, Inc. (the "Clipper® Contractor"), to implement, operate and maintain the Clipper® fare payment system through November 2, 2019.
3. On December 12, 2003, MTC and six of the Operators entered into an interagency participation agreement (the "IPA") to create a forum for joint agency decision-making (the "TransLink® Consortium") to work towards the successful implementation of the TransLink® automated fare payment system. The IPA was superseded and replaced by a Memorandum of Understanding Regarding Operations and Maintenance of Clipper® Fare Collection System dated November 10, 2011, by and among MTC and, initially, seven of the Operators (the "2011 MOU"). The 2011 MOU delineated, among other things, MTC's responsibilities, including as contracting agency, the Operators' responsibilities, a consultation process for amending the Clipper® Operating Rules, allocation of operating expenses among the Operators and MTC, and a dispute resolution process.
4. The Parties have examined the successes and challenges of the program to date and have identified certain areas in which existing arrangements should be modified or clarified to maximize the benefits to the Parties and Bay Area transit customers of the continued expansion, modification, operation and maintenance of the Clipper® program.

5. The Parties now wish to amend and restate the 2011 MOU in its entirety to clarify their respective roles and responsibilities, define roles and responsibilities for a newly-defined "Contracting Agency," establish a "Clipper® Executive Board," and establish a Clipper® Executive Director to ensure the successful operation and maintenance of Clipper®.

## **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://www.mtc.ca.gov/planning/tcip/>.
- 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, 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. Beginning two years after the effective date of this Agreement, and every two years thereafter, participate in a review of the cost and revenue allocation formula in Appendix B, to support fairness among Operators and to accommodate changes in shared operation costs.

## **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.*).
- 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 initial 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.J.
- E. Continue to create and maintain all copyrights and other intellectual property necessary or convenient for the operation of the Clipper® fare payment system 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.

### **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 counterparty 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 and any successor contract and any contracts for associated professional 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 annual 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 annual 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 Section 6250 *et seq.*).
- I. Serve as the Application Issuer and Card Issuer, as those terms are defined in the Clipper® Operating Rules.
- J. 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 it 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.
- K. 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.
- L. Provide necessary logistical and technological support to the Executive Board and any committees thereof, except as provided in Article IV.H.

#### **ARTICLE IV**

##### **Clipper® Executive Board**

- A. Role; Composition. The Parties agree that responsibility for the management of the current Clipper® program, as well as the strategic planning effort to procure and implement a future system on or before the termination of the current Clipper® Contract, 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 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 expense.
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 will outline staffing requirements and resources needed to accomplish the work plan. The budget will 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® Contract 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. Implementation of new business ventures or opportunities for the Clipper® program.
5. Contract awards for contract amounts that exceed the maximum authority levels established by the then-current Contracting Agency's procurement rules for its chief executive officer, or \$250,000, whichever is less. Contracting Agency governing board approval may also be required.
6. Assignment of the Clipper® Contract. Contracting Agency approval shall also be required.
7. Approval of expenses (administrative, operating and legal) incurred by the Contracting Agency if in excess of or not contemplated by the current approved budget.

8. Approval of the Clipper® 2.0 rollout strategy.
9. 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 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 two (2) meetings per calendar year. No voting rights are accorded to alternates, nor do alternates count toward a quorum of the Executive Board, when alternates are representing an Executive Board member for meetings after two (2) 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 initial Clipper® Executive Director shall be Carol Kuester and shall be an employee of MTC.

## ARTICLE VI 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 particular operator prior to the issuance of a Change Notice to the Clipper® Contract 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.

## 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 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, 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.

## **ARTICLE VIII**

### **Term**

The term of the MOU shall begin upon the Effective Date and continue through June 30, 2025, 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 any expenditure 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 and replaces the Memorandum of Understanding Regarding Operations and Maintenance of Clipper Fare Collection System dated November 10, 2011, as amended, in its entirety.
- I. By its execution of this MOU, each Party (i) acknowledges that, although the City of Rio Vista executed a Supplemental Agreement to the 2011 MOU, it subsequently declined to have Clipper® implemented on its bus system, (ii) waives the requirement for 240 days' advance notice to it of the City of Rio Vista's withdrawal from the 2011 MOU, and (iii) acknowledges that the City of Rio Vista is therefore not a Party to this MOU upon its initial execution and delivery.

IN WITNESS WHEREOF, this MOU 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:

\_\_\_\_\_  
Steve Heminger, Executive Director

\_\_\_\_\_  
Adrienne Weil, General Counsel

Date:\_\_\_\_\_

**Alameda-Contra Costa Transit District**

Approved as to form:

\_\_\_\_\_  
Name:\_\_\_\_\_

\_\_\_\_\_  
Denise C. Standridge, General Counsel

Title:\_\_\_\_\_

Date:\_\_\_\_\_

**Golden Gate Bridge, Highway and  
Transportation District**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_, General Counsel

**San Francisco Bay Area Rapid Transit District**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Matthew Burrows, General Counsel

**City and County of San Francisco  
Municipal Transportation Agency**

Approved as to form:  
Dennis J. Herrera, City Attorney

\_\_\_\_\_  
Name: Edward D. Reiskin  
Title: Director of Transportation  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name: Robin M. Reitzes  
Title: Deputy City Attorney

Municipal Transportation Agency Board of Directors  
Resolution No. \_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_  
Secretary, SFMTAB

**San Mateo County Transit District**

Approved as to form:

\_\_\_\_\_  
Name: Jim Hartnett  
Title: General Manager/CEO  
Date: \_\_\_\_\_

\_\_\_\_\_  
Joan L. Cassman, General Counsel

**Santa Clara Valley Transportation Authority**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Peninsula Corridor Joint Powers Board**

Approved as to form:

\_\_\_\_\_  
Name: Jim Hartnett

\_\_\_\_\_  
Title: Executive Director

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Joan L. Cassman, General Counsel

**Central Contra Costa Transit Authority**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Madeline Chun, General Counsel

**City of Fairfield  
Fairfield and Suisun Transit**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**City of Petaluma**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Eastern Contra Costa Transit Authority**

Approved as to form:

\_\_\_\_\_  
Name:\_\_\_\_\_

\_\_\_\_\_  
Title:\_\_\_\_\_

\_\_\_\_\_  
Date:\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Livermore/Amador Valley Transit Authority**

Approved as to form:

\_\_\_\_\_  
Name:\_\_\_\_\_

\_\_\_\_\_  
Title:\_\_\_\_\_

\_\_\_\_\_  
Date:\_\_\_\_\_

\_\_\_\_\_  
Michael N. Conneran, General Counsel

**Marin County Transit District**

Approved as to form:

\_\_\_\_\_  
Name:\_\_\_\_\_

\_\_\_\_\_  
Title:\_\_\_\_\_

\_\_\_\_\_  
Date:\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Napa County Transportation and Planning Agency**

Approved as to form:

\_\_\_\_\_  
Name:\_\_\_\_\_

\_\_\_\_\_  
Title:\_\_\_\_\_

\_\_\_\_\_  
Date:\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Solano County Transit**

Approved as to form:

\_\_\_\_\_  
Name:\_\_\_\_\_

\_\_\_\_\_  
Title:\_\_\_\_\_

\_\_\_\_\_  
Date:\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**Sonoma County Transit**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_, General Counsel

**Sonoma-Marin Area Rail Transit District**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_, General Counsel

**Vacaville City Coach**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_, General Counsel

**Western Contra Costa Transit Authority**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_, General Counsel

**San Francisco Bay Area Water Emergency  
Transportation Authority**

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Stanley S. Taylor III, General Counsel

**City of Santa Rosa**

Approved as to form:

\_\_\_\_\_  
Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel

**City of Union City**

Approved as to form:

\_\_\_\_\_  
Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_, General Counsel



## **LIST OF APPENDICES**

Appendix A	Process for Amending Clipper® Operating Rules
Appendix B	Clipper® Cost and Revenue Allocation, comprised of:
Appendix B-1	Effective upon execution of Amended and Restated MOU through June 30, 2016
Appendix B-2	Effective July 1, 2016 through December 31, 2016
Appendix B-3	Effective January 1, 2017
Appendix C	Program Goals and Performance Measures
Appendix D	Dispute Resolution
Appendix E	Special Provisions for the City and County of San Francisco
Appendix F	Notices

## **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.
9. Upon MTC's approval of this MOU, MTC Commission approval of changes to the Operating Rules will no longer be required.

## Appendix B-1

### Clipper<sup>®</sup> Cost and Revenue Allocation Effective upon execution of Amended and Restated MOU through June 30, 2016

#### 1. Cost Allocation Among Operators

The allocation of Clipper<sup>®</sup> operating costs to each Operator shall be based on a combination of revenue collected and the number of fee payment transactions processed. “Revenue collected” shall mean the fee collected on behalf of each Operator by the Clipper<sup>®</sup> 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). A “fee payment transaction” shall mean any activity in which a Clipper<sup>®</sup> card is used to receive service on or from an Operator’s system (*e.g.*, to ride on the Operator’s transit system, to park on the Operator’s property). A fee payment transaction shall be attributed to the Operator on whose system the service was provided, except that a transaction in which a patron uses a Muni monthly pass to ride BART will be attributed to SFMTA. All fee payment transactions are included for purposes of allocating Clipper<sup>®</sup> operating costs, regardless of whether the transaction results in a reduction of the amount of stored value or stored rides on a Clipper<sup>®</sup> card (*e.g.*, use of a monthly pass on a transit system, intra-operator transfers, entry and exit transactions for a single ride where both transactions are required to compute the appropriate fare payment).

One-third (1/3) of Clipper<sup>®</sup> operating costs shall be allocated to Operators based on each Operator’s share of total revenue collected by the Clipper<sup>®</sup> clearinghouse, as defined above. Two-thirds (2/3) of Clipper<sup>®</sup> operating costs shall be allocated to Operators based on each Operator’s share of total fee payment transactions processed by the Clipper<sup>®</sup> clearinghouse, as defined above.

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

- a. Clipper<sup>®</sup> Data Server (CDS) Store operating costs specified below for any CDS Store implemented on such Operator’s site;
- b. Credit/debit interchange fees charged through an Operator-specific credit/debit gateway associated with Clipper<sup>®</sup> sales through add value machines, ticket office terminal devices and ticket vending machines. This responsibility is subject to review pursuant to Article I.E of the MOU to ensure that no single Operator is unfairly burdened by such fees; and
- c. Incremental Clipper<sup>®</sup> operating costs established by and/or resulting from Clipper<sup>®</sup> Contract change orders requested and funded by an Operator for such 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 Section 2.A herein.

## 2. **Clipper<sup>®</sup> Costs**

### A. MTC Operating and Maintenance Costs. MTC shall pay the following Clipper<sup>®</sup> operating costs:

- i. All fixed operating costs of the Clipper<sup>®</sup> clearinghouse and equipment maintenance services costs as specified in the Clipper<sup>®</sup> Contract's Price Schedule (Attachment 2 to the Clipper<sup>®</sup> Contract) (the "Price Schedule"), including:
  - a. Item 3.20 Program Management – Operations and Maintenance
  - b. Item 3.30 Clipper<sup>®</sup> 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<sup>®</sup> operating costs as specified in the Price Schedule (Attachment 2 to the Clipper<sup>®</sup> 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.

- i. Operators shall pay the following listed Clipper<sup>®</sup> operating costs in accordance with the cost sharing formula in Section 1, 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<sup>®</sup> Contractor under the Price Schedule, which are subject to annual price adjustment as specified in Article 13.6 of the Clipper<sup>®</sup> 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.
- ii. Changes or Additions to Operator Operating Costs Items. Except as reserved for Executive Board approval in Section 2.B(i)(q), 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.
- C. 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. 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 3.A, to reduce the Operators' Clipper® operating costs listed in Section 2.B(i); and
- C. After payment of Operators' Clipper® operating costs listed in Section 2.B(i), to be allocated to Operators using the formula specified in Section 1.

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.)

#### **4. Review**

The Parties acknowledge that this Appendix B is based upon and specific to the payment terms of the existing Clipper® Contract which has a term through November 2, 2019. Therefore, the Parties agree to commence timely, good-faith negotiations to implement revisions to this Appendix B necessitated by any Executive Board approval of (a) any extension of the existing Clipper contract or (b) any contracts that succeed or replace the existing Clipper contract, whether in whole or in part.



## Appendix B-2

### Clipper<sup>®</sup> Cost and Revenue Allocation Effective July 1, 2016 through December 31, 2016

#### 1. Cost Allocation Among Operators

The allocation of Clipper<sup>®</sup> operating costs to each Operator shall be based on a combination of revenue collected and the number of fee payment transactions processed. “Revenue collected” shall mean the fee collected on behalf of each Operator by the Clipper<sup>®</sup> 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). A “fee payment transaction” shall mean any activity in which a Clipper<sup>®</sup> card is used to receive service on or from an Operator’s system (*e.g.*, to ride on the Operator’s transit system, to park on the Operator’s property). A fee payment transaction shall be attributed to the Operator on whose system the service was provided, except that a transaction in which a patron uses a Muni monthly pass to ride BART will be attributed to SFMTA. All fee payment transactions are included for purposes of allocating Clipper<sup>®</sup> operating costs, regardless of whether the transaction results in a reduction of the amount of stored value or stored rides on a Clipper<sup>®</sup> card (*e.g.*, use of a monthly pass on a transit system, intra-operator transfers, entry and exit transactions for a single ride where both transactions are required to compute the appropriate fare payment).

One-third (1/3) of Clipper<sup>®</sup> operating costs shall be allocated to Operators based on each Operator’s share of total revenue collected by the Clipper<sup>®</sup> clearinghouse, as defined above. Two-thirds (2/3) of Clipper<sup>®</sup> operating costs shall be allocated to Operators based on each Operator’s share of total fee payment transactions processed by the Clipper<sup>®</sup> clearinghouse, as defined above.

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

- a. Clipper<sup>®</sup> Data Server (CDS) Store operating costs specified below for any CDS Store implemented on such Operator’s site;
- b. Credit/debit interchange fees charged through ticket office terminal devices using an Operator specific credit/debit gateway. This responsibility is subject to review pursuant to Article I.E of the MOU to ensure that no single Operator is unfairly burdened by such fees; and
- c. Incremental Clipper<sup>®</sup> operating costs established by and/or resulting from Clipper<sup>®</sup> Contract change orders requested and funded by an Operator for such 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:

- 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.

- i. Operators shall pay the following listed Clipper® operating costs in accordance with the cost sharing formula in Section 1, 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 staffing to support the Clipper program as approved by the Executive Board.
  - r. Reimbursement of Contracting Agency costs for a portion of (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 charged through an Operator-specific gateway associated with Clipper® sales through add value and ticket vending machines, as long as the total average fees do not substantially exceed the average Clipper fees. Reimbursement procedures are subject to the adoption by the Clipper® Executive Board at least 90 days in advance.
- 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.
- C. 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. 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<sup>®</sup> accounts;
- B. After deduction of Contracting Agency's bank fees and charges under Section 3.A above, to reduce the Operators' Clipper<sup>®</sup> operating costs listed in Section 2.B(i) above; and
- C. After payment of Operators' Clipper<sup>®</sup> operating costs listed in Section 2.B(i) above, to be allocated to Operators using the formula specified in Section 1 herein.

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.)

#### **4. Review**

The Parties acknowledge that this Appendix B is based upon and specific to the payment terms of the existing Clipper<sup>®</sup> Contract which has a term through November 2, 2019. Therefore, the Parties agree to commence timely, good-faith negotiations to implement revisions to this Appendix B necessitated by any Executive Board approval of (a) any extension of the existing Clipper contract or (b) any contracts that succeed or replace the existing Clipper contract, whether in whole or in part.

### Appendix B-3

#### Clipper® Cost and Revenue Allocation Effective January 1, 2017

##### 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 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;

- b. Credit/debit interchange fees charged through ticket office terminal devices using an Operator specific credit/debit gateway. This responsibility is subject to review pursuant to Article I.E to ensure that no single Operator is unfairly burdened by such fees; and
- c. Incremental Clipper<sup>®</sup> operating costs established by and/or resulting from Clipper<sup>®</sup> Contract change orders requested and funded by an Operator for such 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<sup>®</sup> Costs**

### A. MTC Operating and Maintenance Costs. MTC shall pay the following Clipper<sup>®</sup> operating costs:

- i. All fixed operating costs of the Clipper<sup>®</sup> clearinghouse and equipment maintenance services costs as specified in the Clipper<sup>®</sup> Contract's Price Schedule (Attachment 2 to the Clipper<sup>®</sup> Contract) (the "Price Schedule"), including:
  - a. Item 3.20 Program Management – Operations and Maintenance
  - b. Item 3.30 Clipper<sup>®</sup> 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<sup>®</sup> operating costs as specified in the Price Schedule (Attachment 2 to the Clipper<sup>®</sup> 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.

- i. Operators shall pay the following listed Clipper® operating costs in accordance with the cost sharing formula in Section 1, 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 charged through an Operator-specific gateway associated with Clipper® sales through add value and ticket vending machines, as long as the total average fees do not substantially exceed the average Clipper fees. Reimbursement procedures are subject to the adoption by the Clipper® Executive Board at least 90 days in advance.
- 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.

- C. 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. 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 3.A above, to reduce the Operators' Clipper® operating costs listed in Section 2.B(i) above; and
- C. After payment of Operators' Clipper® operating costs listed in Section 2.B(i) above, to be allocated to Operators by applying the percentage of cards used by Operator specified in Section 1 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.)

### **4. Review**

The Parties acknowledge that this Appendix B is based upon and specific to the payment terms of the existing Clipper® Contract which has a term through November 2, 2019. Therefore, the Parties agree to commence timely, good-faith negotiations to implement revisions to this Appendix B necessitated by any Executive Board approval of (a) any extension to the existing Clipper contract or (b) any contracts that succeed or replace the existing Clipper contract, whether in whole or in part, that would take effect on such successor contract's effective date."

## Appendix C

### Program Goals and Performance Measures

*The program goals and performance measures 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 is 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®

**Goal: Provide excellent, proactive customer service**

- Customers can easily obtain and use Clipper®
  - ✓ Media dispensing and reloading options are widely available
  - ✓ Ticket 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
- 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

## **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, whether documents are exchanged in preparation for the ADR session, etc. 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 have their ADR process completed 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, 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 and 2 refer to the City and County of San Francisco)

**1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City’s Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City’s obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor’s assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

**2. Guaranteed Maximum Costs.** The City’s obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

**3. Sunshine Ordinance.** In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors’ bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization’s net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

**Appendix F****Notices**

<b>Contact:</b>	<b>Mailing Address:</b>
Metropolitan Transportation Commission Name: Carol Kuester Title: Director, Electronic Payments Email: ckuester@mtc.ca.gov Phone: 510-817-5853 Fax: 510-817-5848	<i>Until February 1, 2016</i> 101 – 8th Street Oakland, CA 94607  <i>After February 1, 2016:</i> 375 Beale Street San Francisco, CA 94105
Alameda-Contra Costa Transit District Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	1600 Franklin Street Oakland, CA 94612
Central Contra Costa Transit Authority Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	2477 Arnold Industrial Way Concord, CA 94520
City of Fairfield, as the operator of Fairfield and Suisun Transit Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	
City of Petaluma Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	
City and County of San Francisco, acting by and through its Municipal Transportation Agency Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	1 South Van Ness Avenue, 7th Floor San Francisco, CA 94103

Eastern Contra Costa Transit Authority Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	
Golden Gate Bridge Highway and Transportation District Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	P.O. Box 9000, Presidio Station San Francisco, CA 94129-0601
Livermore/Amador Valley Transit Authority Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	
Marin County Transit District Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	
Napa County Transportation and Planning Agency Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	
Peninsula Corridor Joint Powers Board Name: Rita P. Haskin Title: Executive Officer, Customer Service and Marketing Email: haskinr@samtrans.com Phone: 650-508-6248 Fax: 650-508-7919	P.O. Box 3006 San Carlos, CA 94070-1306
San Francisco Bay Area Rapid Transit District Name: Patricia Nelson Title: Project Manager, Clipper Program Email: <a href="mailto:pnelson@bart.gov">pnelson@bart.gov</a> Phone: 510-874-7323 Fax: 510-287-4747	300 Lakeside Drive, 16th floor Oakland, CA 94612



San Francisco Bay Area Water Emergency Transportation Authority Name: _____ Title: _____ Phone: _____ Fax: _____	
San Mateo County Transit District Name: Rita P. Haskin Title: Executive Officer, Customer Service and Marketing Email: <a href="mailto:haskinr@samtrans.com">haskinr@samtrans.com</a> Phone: 650-508-6248 Fax: 650-508-7919	P.O. Box 3006 San Carlos, CA 94070-1306
Santa Clara Valley Transportation Authority Name: Ali Hudda Title: Deputy Director, Accounting Email: <a href="mailto:ali-hudda@vta.org">ali-hudda@vta.org</a> Phone: 408-546-7922 Fax: _____	3331 N. First Street, Building C San Jose, CA 95134-1906
Solano County Transit Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	
Sonoma County Transit Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	
Sonoma-Marín Area Rail Transit Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	
Vacaville City Coach Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	

Western Contra Costa Transit Authority Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	
City of Santa Rosa Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	
City of Union City Name: _____ Title: _____ Email: _____ Phone: _____ Fax: _____	



# Metropolitan Transportation Commission

101 Eighth Street,  
Joseph P. Bort MetroCenter  
Oakland, CA

## Legislation Details (With Text)

**File #:** 15-0831      **Version:** 1      **Name:**  
**Type:** Resolution      **Status:** Commission Approval  
**File created:** 8/14/2015      **In control:** Operations Committee  
**On agenda:** 10/9/2015      **Final action:**  
**Title:** MTC Resolution No. 3983, Revised: Clipper® Fare Payment System Operating Rules

Refer Resolution No. 3983, Revised, which would delegate future revisions to the Clipper® Fare Payment System Operating Rules to a regional Clipper® Executive Board effective upon the full execution of the Amended and Restated Clipper® MOU, to the Commission for approval.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [MTC Res. No. 3983, Revised - Revised.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**

MTC Resolution No. 3983, Revised: Clipper® Fare Payment System Operating Rules

*Refer Resolution No. 3983, Revised, which would delegate future revisions to the Clipper® Fare Payment System Operating Rules to a regional Clipper® Executive Board effective upon the full execution of the Amended and Restated Clipper® MOU, to the Commission for approval.*

**Presenter:**

Carol Kuester

**Recommended Action:**

Commission Approval



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 5b

Joseph P. Bort MetroCenter  
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Oakland, CA 94607-4700  
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***Memorandum***

TO: Operations Committee

DATE: October 2, 2015

FR: Executive Director

W.I. 1221

RE: MTC Resolution No. 3983, Revised: Clipper® Fare Payment System Operating Rules

This item requests the Committee to forward MTC Resolution No. 3983, Revised, to the Commission for approval.

**Background**

MTC Resolution No. 3983, Revised, Clipper® Fare Payment System Operating Rules, was originally adopted by the Commission on February 22, 2012. The Operating Rules attached to the Resolution identify and define MTC responsibilities, transit operator responsibilities, and key system operating policies, including policies that serve as the basis for the Clipper® Cardholder License Agreement. MTC adopted the Operating Rules after MTC and transit operator staff worked collaboratively to modernize and update the TransLink® Phase II Operating Rules adopted by the TransLink® Consortium.

The existing Clipper® MOU requires MTC to engage with operators in a consultation process regarding changes to the operator roles and responsibilities in the Operating Rules, but provides that MTC has the final decision on changes to the Operating Rules. The amended and restated MOU being submitted for referral to the Commission as item 4a today would still require a consultation process regarding changes to the Operating Rules, but would delegate authority to approve changes to the Operating Rules to the new Clipper® Executive Board established under the amended and restated MOU. In order to implement this contractual term of the amended and restated MOU, Resolution No. 3983, Revised, would need to be amended to delegate authority over changes to the Operating Rules to the Clipper® Executive Board, effective upon full execution and delivery of the amended and restated Clipper® MOU.

**Recommendation**

Staff recommends that the Operations Committee refer MTC Resolution No. 3983, Revised, Clipper® Fare Payment System Operating Rules, to the Commission for approval.

  
\_\_\_\_\_  
Steve Heminger

SH: jw

J:\COMMITTEE\Operations\2015 Operations Comm Packet\10\_Ops\_Oct\_2015\5b\_MTC Reso 3983 Revised memo.doc

Date: February 22, 2012  
W.I.: 310-2700, 320-1221  
Referred by: MTC Operations  
Revised: 06/27/12-C  
10/28/15-C

ABSTRACT

MTC Resolution No. 3983, Revised

This resolution adopts the Clipper<sup>®</sup> Operating Rules for the Clipper<sup>®</sup> fare payment system, effective February 22, 2012.

This resolution was revised on June 27, 2012 to update the following Sections of the Clipper<sup>®</sup> Operating Rules: 2.4.1, 4.2.4.3.2, 4.2.4.3.3, 4.2.7.3.1, 4.2.8, 4.6.1, and 4.6.2.

This resolution was revised on October 28, 2015 to delegate authority for changes to the Clipper<sup>®</sup> Operating Rules in Appendix A to the Clipper<sup>®</sup> Executive Board

Date: February 22, 2012  
W.I.: 310-2700, 320-1221  
Referred by: MTC Operations  
Revised:

Re: Clipper® Fare Payment System Operating Rules

METROPOLITAN TRANSPORTATION COMMISSION  
RESOLUTION No. 3983

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq.; and

Whereas, the Clipper® fare payment system, currently operating on seven Bay Area transit systems (AC Transit, BART, Caltrain, Golden Gate Transit bus and ferry, SamTrans, San Francisco Municipal Transportation Agency, and VTA) requires a common set of operating rules;

WHEREAS, pursuant to the requirements of California Government Code §§ 66516 and 66516.5 and Public Utilities Code §§ 99282.5, MTC has adopted the MTC Transit Coordination Implementation Plan (Resolution No. 3866), according to which MTC is responsible for adopting and maintaining operating rules for the Clipper® fare payment system; and

WHEREAS, MTC and the seven Clipper® transit operators have executed a Clipper® Memorandum of Understanding (MOU), pursuant to which MTC has agreed to notify and consult with the operators concerning changes to the Operating Rules affecting transit operator roles and responsibilities; and

WHEREAS, MTC has developed Clipper® Operating Rules, consistent with the MOU, that identify MTC and transit operator roles and responsibilities pertaining to the operation and maintenance of the Clipper® fare payment system; and

WHEREAS, MTC and the Clipper® transit operators are seeking approval to execute an Amended and Restated Clipper® MOU, pursuant to which MTC would agree to delegate its

authority to approve further amendments to the Clipper® Operating Rules to a new Clipper® Executive Board formed pursuant to the Amended and Restated Clipper® MOU; now therefore, be it

RESOLVED, that MTC hereby adopts the Clipper® Operating Rules , as set forth in Attachment A to this Resolution, and incorporated herein as though set forth at length; and be it further

RESOLVED, that MTC hereby delegates to the Executive Director or his designated representative the authority to authorize non-substantive changes to the Operating Rules or changes affecting the transit operator roles and responsibilities, and, effective upon full execution of the Amended and Restated Clipper® MOU approved by MTC on October 28, 2015, MTC hereby delegates to the Clipper® Executive Board the authority to authorize changes to the Operating Rules, in each case in accordance with any applicable requirements of the Clipper® MOU or the Amended and Restated Clipper® MOU, as applicable, and as needed for the efficient operation of the Clipper® fare payment system.

METROPOLITAN TRANSPORTATION COMMISSION

---

Dave Cortese, Chair

The above resolution, revising and superseding the resolution approved on February 22, 2012, was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California, on October 28, 2015.



Date: February 22, 2012  
W.I.: 310-2700, 320-1221  
Referred by: MTC Operations

Attachment A  
Resolution No. 3983  
Page 1 of 40

**Clipper<sup>®</sup> Operating Rules,  
Effective June 27, 2012  
For the  
Clipper<sup>®</sup> Fare Payment System**



# CLIPPER

## **Operating Rules**

**MTC Resolution No. 3983, Revised  
June 27, 2012**

**DOCUMENT HISTORY**

1. Draft version 1.0 distributed to transit agencies by MTC on June 29, 2010.
2. Draft version 1.1 approved by MTC Operations Committee on October 8, 2010; approval by MTC Commission deferred pending changes to Section 3.12.1.
3. MTC Resolution No. 3983 includes changes to Section 2.8.1, 3.2.2, 3.2.3, 3.2.6, 3.2.8, 3.5.1, 3.5.2, 3.9.2, 3.12.1, 4.2.1, 4.2.4.3.2, 4.2.4.3.3, 4.2.7.3.1, 4.2.8.1, 4.2.9, 4.2.9.1, 4.2.10.2, 4.11.2, and the Glossary and addition of Section 3.14, 4.6.3, and Attachment 1.
4. MTC adopts Resolution No. 3983 on February 22, 2012.
5. MTC Resolution No. 3983, Revised, adopted June 27, 2012, includes substantive changes to Sections 4.2.4.3.2, 4.2.4.3.3, 4.2.8, 4.6.1 and 4.6.2.

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## **1. INTRODUCTION**

### **1.1 CLIPPER® OVERVIEW**

Clipper® is an Automated Fare Collection (“AFC”) program cooperatively developed and implemented by the transit operators (“operators”) in the nine-county San Francisco Bay Area and the Metropolitan Transportation Commission (“MTC”). The program was previously known as TransLink® until June 2010. The Clipper® card is a fare instrument that can operate in all of the different transit modes in the Bay Area (“the Region”) and can be used to pay fares for both inter-operator and intra-operator services. MTC (also, “Contracting Agency”) has a contract with Cubic Transportation Systems, Inc. to design, build, operate, and maintain the Clipper® system (“Clipper® Contract”).

### **1.2 PURPOSE OF THIS DOCUMENT**

These operating rules establish operating parameters and procedures for the operation and maintenance of the Clipper® system. This document identifies transit operators’ responsibilities related to implementation, operation, and maintenance of the system, MTC’s responsibilities related to implementation, operation and maintenance of the system, and system policies. The rules and policies contained in this document are not intended to describe procedures for every scenario that will arise related to the implementation, operation and maintenance of the Clipper® system. Where any rules and/or policies conflict either with the Clipper® Memorandum of Understanding (“MOU”) or the Clipper® Contract, the MOU or Contract, respectively, shall prevail.

## **2. MTC RESPONSIBILITIES**

### **2.1 CARD ISSUANCE**

#### **2.1.1 Definition of Application Issuer**

An application issuer is any single entity or a joint entity of multiple parties that owns and distributes any specific application on a smart card. MTC retains the right to issue cards with the Clipper® Application.

#### **2.1.2 Clipper® Application Issuer**

MTC shall be the Application Issuer of the Clipper® Application, and MTC shall retain ownership of the Clipper® Application and brand regardless of which party issues the Clipper® card. MTC reserves the right to utilize the Clipper® e-purse for payments for transit services and for non-transit applications such as parking facilities.

#### **2.1.3 Definition of Card Issuer**

A Clipper® Card Issuer is any single entity or a joint entity of multiple parties that MTC has formally approved to issue smart cards containing the Clipper® Application or a functioning subset of this application that enables them to be accepted as a form of payment. MTC is currently the sole Clipper® Card Issuer.

#### **2.1.4 Card Issuer for Regionwide Implementation of Clipper®**

MTC shall have the sole right to issue reloadable (“extended use”) or limited use cards with the Clipper® Application or a subset of this application on the card. A subset of the application may need to be issued in circumstances where the entire Clipper® Application is not required or will not fit on a card, i.e., limited use smart cards.

The MTC policy on card issuance in the Clipper® program is to encourage all qualified Card Issuers to issue cards with the Clipper® Application. No Card Issuer may issue a card with a Clipper® Application without the express written agreement of MTC. Such approval may be granted by MTC to entire classes of issuers under a single agreement.

### **2.2 CARD BASE MANAGEMENT**

#### **2.2.1 Clipper® Card Inventory**

MTC shall be responsible for monitoring the Clipper® card inventory and maintaining a sufficient card inventory to meet regional demand.

#### **2.2.2 Design of Personalized Cards**

The design of personalized cards will be subject to approval by MTC regardless of whether the Clipper® Service Bureau (“CSB”) operated by the Clipper® Contractor distributes a personalized card.

### **2.3 DISTRIBUTION**

#### **2.3.1 Right to Determine Access to Distribution Devices**

MTC retains the sole right to decide which cards shall have access to the distribution devices owned by MTC and/or the operators and which services are to be extended to them.

### **2.3.2 Minimum Value Required When Acquiring Clipper® Card**

MTC may establish temporary or permanent policies whereby a cardholder shall be required to load a minimum amount of value when acquiring a Clipper® card.

## **2.4 CARDHOLDER FEES**

### **2.4.1 Setting Cardholder Fees**

As the Clipper® Card Issuer and Application Issuer, as defined in Sections 2.1.2 and 2.1.3 above, MTC shall have the right to set, modify and/or waive the cardholder fees identified in Section 4.6.

### **2.4.2 Waiving of Cardholder Fees**

MTC shall monitor the waiving of fees by the CSB Customer Services Manager.

## **2.5 CARDHOLDER CONFIDENTIALITY**

### **2.5.1 Confidentiality of Information**

MTC shall ensure that the Clipper® Contractor maintains the confidentiality and privacy on the use of individual cards unless waived by a cardholder or under order of a court with jurisdiction over MTC. MTC shall define Special Conditions Regarding Personally Identifiable Information, as included in Attachment 1, with which the Operators shall comply.

## **2.6 SYSTEM FAILURE PLAN**

### **2.6.1 Responsibility for Reviewing and Approving the Disaster Recovery Plan**

MTC shall review the *Disaster Recovery Plan* and provide comments to the Contractor. MTC is responsible for either approving or rejecting the *Plan* and subsequent updates.

## **2.7 CLIPPER® FINANCIAL SETTLEMENT AND RELATED SERVICES**

### **2.7.1 Treasury/Cash Management**

The functions within treasury/cash management are the responsibility of the Application Issuer. The following processes will help account for funds held by the Application Issuer and protect the Application Issuer and operators from fraud, loss exposure, and expense.

For cards with the Clipper® Application, the following will be tracked and reported to the operators:

- The amount of funds collected from the initial distribution of Clipper® cards, i.e. card acquisition fees as described in Section 4.6.1 of this document, by operators or third party distributors;
- The amount of funds held as unrealized revenue; and
- The amount of funds generated from the investment of the funds pool.

#### **2.7.1.1 Funds Pool Accounting**

The Application Issuer shall be responsible for all Clipper® Funds Pool Accounting functions for those pool funds it holds.

### **2.7.2 Claims**

MTC shall oversee all claim investigation and assessment although an operator may participate at its option.

## **2.8 MARKETING**

### **2.8.1 Clipper® Marketing Materials/Advertisements**

MTC shall be responsible for designing, developing, and publishing/printing Clipper®-related marketing materials/advertisements. Where applicable, MTC and the operators shall be responsible for purchasing advertising space, etc. MTC shall provide Clipper® information in multiple languages, primarily English, Spanish and Chinese.

### **2.8.2 Updates to Cardholder Education Materials**

MTC shall update cardholder education materials including cardholder education materials in alternate formats and foreign languages to reflect changes in the availability of Clipper®, modifications to the fees described in Section 4.6, and changes to the Clipper® Cardholder Agreement.

### **2.8.3 Card Graphics**

All Clipper® cards including limited use cards shall conform to a common design standard. MTC shall finalize the graphics standard(s).

### **2.8.4 Advertising and Promotion General Policy**

MTC in coordination with the participating transit operators shall coordinate the development of advertising to support the operation of the Clipper® program.

### **2.8.5 Monitoring of Card Promotions**

MTC shall monitor the number of cards distributed by operators in accordance with Section 4.11.2.

### **3. OPERATOR RESPONSIBILITIES**

#### **3.1 ACCEPTANCE AND CONDITIONS OF USE**

##### **3.1.1 Acceptance of Clipper® Branded Cards**

All participating operators are obligated to accept all Clipper® branded cards, regardless of the issuer. Operators shall accept Clipper® cards as payment for all the fixed-route transit services they offer.

##### **3.1.2 Fraud Detection and Control**

Operators are responsible for ensuring that Clipper® cards and systems are used in a manner consistent with defined policies and procedures. Operators shall have the right to determine if customers are using cards fraudulently and confiscate the cards. The operator must mail confiscated cards to the CSB, which will block the card from further use. A fraud investigation may be initiated by an Operator, MTC or CSB. Operators are required to cooperate with any investigation of fraud undertaken by MTC and/or CSB.

#### **3.2 CARD BASE MANAGEMENT**

##### **3.2.1 Order Acceptance and Shipment**

Operators shall provide to MTC the names and contact information for representatives eligible to order cards in bulk quantities. Operators shall notify MTC of changes in authorized personnel. Operators shall submit requests for cards to the CSB using the approved form. CSB shall process orders signed by authorized operator representatives.

##### **3.2.2 Operator Responsibility for Lost or Stolen Clipper® Cards**

Operators shall store Clipper® cards in a secure manner and report any loss or theft of cards to MTC. An operator must notify CSB and MTC in the event the operator discovers cards are missing.

##### **3.2.3 Proof of Eligibility for Discount Fares**

When a patron requests a card configured for the Youth or Senior Citizen fare category, transit operator personnel shall require the patron to present a government-issued identification showing the patron's date of birth. Specific forms of identification that shall be accepted are the following:

- Birth certificate;
- Driver's license or state identification card issued by any state;
- Federal government-issued "Green Card" (Alien Registration card, Permanent Resident card);
- Matricula Consular card issued by the Mexican government (also referred to as a Consular Identification Card);
- Passport from any nation;
- San Francisco or other City Identification Card; and
- Other identification that transit operator personnel determine to be adequate for determining the patron's date of birth.

Operators may accept expired forms of photo identification (i.e. passport and driver's license) if the applicant is present and a visual match can be made.

### **3.2.4 Management of Personalized Cards Distributed to Institutional Program Participants**

The Operator or third-party institutional program manager shall monitor the eligibility status of persons with personalized cards and either retrieve cards from ineligible persons or notify CSB that a patron's card and/or institutional pass should be blocked.

### **3.2.5 Senior/Disabled (RTC Discount) Card Eligibility Tracking**

Operators shall manage the RTC Discount Card Central Processor. At the operator's direction, the RTC Discount Card Central Processor shall monitor the eligibility status of persons with cards configured for the Senior/Disabled (RTC Discount) fare category.

### **3.2.6 Availability of Additional Senior/Disabled (RTC Discount) Cards for Patrons Qualified to Travel with an Attendant**

Upon request by a patron, Operators, through the Regional Transit Connection Discount Card Program, shall provide a second valid card to patrons who both qualify for cards configured for the Senior/Disabled (RTC Discount) fare category and who qualify to travel with an attendant. Operators participating in the RTC Discount Card Program shall establish consistent procedures for accepting requests for second cards from eligible patrons and blocking cards in the event that an operator determines a patron has fraudulently used a card.

### **3.2.7 Tracking of Cards with Operator Employee Products**

The appropriate transit operator shall monitor the eligibility status of persons with cards with operator employee products and either retrieve cards with employee products from ineligible persons or notify CSB that a patron's card and/or employee pass should be blocked.

### **3.2.8 Card Registration at Ticket Offices**

Operators shall register patrons' cards at ticket offices equipped with Ticket Office Terminals ("TOTs"). Operators shall immediately register the patrons' cards upon receipt of the patrons' information.

## **3.3 DISTRIBUTION**

### **3.3.1 Card Distribution by Operators**

Operators shall be responsible for distributing Youth, Senior and Adult Clipper® cards to their patrons. Operators shall distribute cards at ticket offices that have been equipped with TOTs; operators may also distribute cards at other locations approved by MTC.

### **3.3.2 Collection of Cash from Distributors and Vending Machines**

CSB will debit operators for Clipper® cards, e-cash and other operators' products sold on their properties.

### **3.3.3 Initial Card Value**

Where operators intend to distribute cards preloaded with value, operators shall be responsible for funding the addition of any value to the cards.

### **3.3.4 Distribution of Cards to Operator Employees**

Operators shall be responsible for making cards available to their employees, the dependents of their employees, retirees, board members, consultants, and others, as determined by individual operator policies. If necessary, the participating operators will assist CSB in monitoring the distribution of Operator Employee passes by providing CSB with both the name of each individual to whom a card with an Operator Employee pass is distributed and the card serial number of the respective card.

## **3.4 FARES AND PASSES**

### **3.4.1 General Fare Policy**

Transit fare policy shall remain the exclusive right of the operators and their respective policy boards. Operators set their own fares, acting singly for services within that operator's property and in conjunction with contiguous operators for inter-operator fares.

### **3.4.2 Passes**

Operators shall establish vending windows for their calendar passes.

### **3.4.3 Stored Rides**

Operators shall establish rules regarding the expiration of their stored ride products.

### **3.4.4 Senior/Disabled (RTC Discount) Fare Category**

Operators shall individually determine whether to limit the availability of certain senior citizen fares and/or fare products to senior citizens with personalized cards for the Senior/Disabled (RTC Discount) fare category.

### **3.4.5 Operator Employee Passes**

Operators loading an Operator Employee pass to a card may require that the card be personalized with a photograph, the logo of the operator with which the cardholder is associated, and/or the cardholder's name. Where an operator requires personalization of a card loaded with an Operators Employee pass, operators shall be responsible for any incremental charges associated with the design, development, manufacture, and/or printing of the card as indicated in Section 3.12.3 of this document.

## **3.5 CLIPPER® CARD REFUNDS**

### **3.5.1 Operator Products**

The value of operator products may be refunded at the discretion of the operator(s) on which the product is valid. If an operator approves the refund of a product, CSB will block the product so that it is no longer valid.

Operators shall provide authorization to CSB's Customer Services Manager to grant or deny a refund of e-cash and/or an operator product at his/her discretion up to limits specified by the operator. Beyond these limits, the Customer Services Manager will grant or deny refunds after consultation with designated personnel from the affected transit operator.



### **3.5.2 Identification of Designated Operator Personnel Authorized to Approve Refunds**

Each participating transit operator shall identify at least two representatives authorized to provide approval for the granting of refunds by the CSB Customer Service Manager where the refund affects the amount due to a respective transit operator.

## **3.6 CARDHOLDER FEES**

### **3.6.1 Cards Configured for the Senior/Disabled (RTC Discount) Fare Category**

Operators participating in the RTC Discount Card Program shall be responsible for setting cardholder fees associated with the acquisition, replacement and renewal of cards configured for the Senior/Disabled (RTC Discount) fare category. The Clipper<sup>®</sup> Operating Rules do not govern the RTC Discount Card Program fees.

## **3.7 DISTRIBUTION AND FARE PAYMENT DEVICE NETWORK MANAGEMENT**

### **3.7.1 Distribution Device Network Management**

Operators that have procured equipment outside of the Clipper<sup>®</sup> Contract shall be responsible for monitoring and managing their own devices and networks for those devices.

### **3.7.2 Reporting to the Clipper<sup>®</sup> Central System**

All Clipper<sup>®</sup> transactions shall be reported to the Clipper<sup>®</sup> Central System (“CCS”). Where operators manage devices, operators shall ensure that those devices report all transactions to the CCS.

### **3.7.3 Software Application and Configuration Data Downloads**

Operators shall ensure that devices are powered on to enable receipt of software and Configuration Data (“CD”) downloads. Operators shall cooperate with CSB and perform first-line maintenance if requested by CSB as part of the troubleshooting process.

### **3.7.4 Authorization for Software Application Downloads**

Each operator shall designate an individual who will be responsible for authorizing software and CD downloads. After completing internal testing of a pending software application release, CSB shall issue detailed release notes and schedule time for MTC and/or the operators to witness testing of the release in the CSB test-bed. MTC or CSB shall propose a deployment date and request operators to authorize the software download. Operators shall not unreasonably withhold such authorization, particularly when the release is intended to implement a required fare change.

### **3.7.5 Fare Table Updates**

The responsible operator will report to MTC the fare tables and transfer policies to be changed or added (e.g., a fare increase). MTC shall forward the operator data to the Clipper<sup>®</sup> Contractor for implementation.

### **3.7.6 Changes to Clipper<sup>®</sup> Configuration Data to Enable Fare Changes**

Transit operators shall notify MTC at least 60 days prior to the effective date of the changes to the fare tables and transfer policies. More time is required for significant or structural changes.

The date of the download may be prior to the effective date of the change. A transit operator with mobile devices (i.e., installed on vehicles) may opt to select a download date one or two weeks prior to the effective date of the change in order to maximize the percentage of devices that have received the download when the effective date is reached.

### **3.7.7 Field Testing**

At their option, operators may conduct field tests of software/CD releases to confirm that the software/CD functions as documented in the release notes and as demonstrated in the test-bed. Operators shall report any negative findings from such field testing to MTC and/or CSB.

### **3.7.8 Notification of Issues Following Software/CD Deployment**

Operators shall immediately notify CSB of any problems arising from a software/CD download.

## **3.8 CLIPPER® ASSET MANAGEMENT SERVICES**

### **3.8.1 Software Management Services**

An operator may assume responsibility for software installation for the systems installed at its facilities or on its vehicles subject to MTC's approval of such transfer of responsibility. Otherwise, the Contractor shall be responsible for software installation at all levels of the system.

### **3.8.2 Transit Operator Asset Management Responsibilities**

Operators are responsible for ensuring that access to Clipper® devices is controlled, protected, and limited to authorized personnel within their organizations.

## **3.9 TECHNICAL SUPPORT AND MAINTENANCE LEVELS**

### **3.9.1 Responsibility for Failure Detection**

Operators, as well as the Contractor and MTC, shall be responsible for reporting device failures and events that could indicate a failure affecting information processing systems at the CCS.

### **3.9.2 Operation and Maintenance of Clipper® Equipment**

All participating operators are obligated to operate and maintain Clipper® equipment in accordance with these rules, and maintain equipment to ensure the highest level of availability for use by consumers. Operational and maintenance responsibilities include, but are not limited to:

- a. Managing the inventory of spare components stored on each Operator's property;
- b. Isolating failed Card Interface Devices ("CIDs") and components (e.g., Add Value Machine ("AVM") modules) and replace with spares;
- c. Returning failed CIDs and components to the CSB for replacement;
- d. Revenue servicing TOTs, AVMs and Ticket Vending Machines ("TVMs");
- e. Maintaining inventory of Clipper® cards and limited use Clipper® tickets in TVMs;
- f. Performing fingertip maintenance; and
- g. Operating Clipper® equipment (e.g., driver consoles, TOTs, Handheld Card Readers ("HCRs"), etc.) as required.

### 3.9.3 Responsibilities Shared by the Contractor and the Operators

Maintenance of equipment installed at operators' sites will be a shared responsibility between operator staff and the Contractor. Operator staff will be responsible for first-line maintenance, which includes preventive maintenance and depot maintenance item diagnosis, removal and installation. The Contractor shall be responsible for the overall depot maintenance program and on-call maintenance when escalated beyond the operator's handling of the situation.

#### 3.9.3.1 Maintenance Responsibilities by Device

The following table provides an overview of the maintenance responsibilities of the operators that are further described in this section.

MAINTENANCE SERVICES	
EQUIPMENT	Operator Responsibility
On-Board CID (CID 1)	1 <sup>st</sup> Line Maintenance
Stand-Alone CID (CID 2)	1 <sup>st</sup> Line Maintenance
CID Faregates	1 <sup>st</sup> Line Maintenance
Wireless Data Transmission System ("WDTS")	1 <sup>st</sup> Line Maintenance
Handheld Card Reader	1 <sup>st</sup> Line Maintenance
Add Value Machine	1 <sup>st</sup> Line Maintenance
Ticket Office Terminal	1 <sup>st</sup> Line Maintenance
Clipper® Data Server ("CDS")	1 <sup>st</sup> Line Maintenance
Automatic Zone Determination System ("AZDS")	1 <sup>st</sup> Line Maintenance
Clipper® Ticket Vending Machines ("TVM")	1 <sup>st</sup> Line Maintenance

#### 3.9.3.2 First Line Maintenance

Certified operator personnel will perform first line maintenance.

## 3.10 DATA COMMUNICATIONS AND REPORTING

### 3.10.1 Data Communications Links

Operators share responsibility with the Contractor for maintaining the data communications links between Clipper® devices on their properties. In addition, if operators purchase Clipper® equipment independently (i.e., not through MTC), they are responsible for extracting data from that equipment and transmitting it to the CCS in accordance with message and data format and security standards as defined by the Clipper® Contractor.

## 3.11 CLIPPER® FINANCIAL SETTLEMENT AND RELATED SERVICES

### 3.11.1 Establishment of Settlement Accounts

Each operator shall establish bank accounts and account agreements with CSB to enable their participation in the settlement process.

### 3.11.2 Deposit of Cash

Operators are responsible for depositing cash from Clipper® card and value distribution transactions into their accounts to cover funds due to the Clipper® funds pool. Net settlement will debit operators for card and value distribution transactions of value during the cycle in which the transactions take place regardless of whether operators have deposited the cash collected.

### **3.11.3 Collection of Cash from Distributors and Vending Machines**

Distributors, including operators, will be debited for Clipper® e-cash, cards, and other operators' products sold on their properties and will be responsible for collecting cash from vending machines on their properties. Operators will be debited according to Clipper® records. For devices revenue serviced by the transit operators, cash shortfalls or overages shall be the responsibility of the operators.

## **3.12 MARKETING**

### **3.12.1 General Responsibility**

Operators shall promote the use of Clipper® cards to their respective customers. Operators shall provide Clipper® information in multiple languages, primarily English, Spanish and Chinese.

### **3.12.2 Responsibility for Maintaining Inventory of Cardholder Education Materials**

Operators shall maintain a sufficient inventory of cardholder education materials at locations that they operate. When needed, operators shall request additional cardholder education materials from CSB or MTC.

### **3.12.3 Operator-Specific Card Graphics**

Any operator that wishes to develop an operator-specific card graphic will fund incremental charges associated with the design, development, manufacture, and/or printing of that card.

## **3.13 CUSTOMER SERVICES**

### **3.13.1 Coordination between CSB Customer Service Center And Transit Operator Customer Service Centers**

Operators shall work cooperatively with the CSB to resolve customer service issues.

## **3.14 PERSONALLY IDENTIFIABLE INFORMATION**

### **3.14.1 Security of Clipper® Customers' Personally Identifiable Information**

Operators shall comply, and shall cause all contractors/consultants who have access to Personally-Identifiable Information ("PII"), as defined in Section 5, Glossary of Terms, to comply, with the special provisions related to the access and protection of PII set forth in Attachment 1 to these Operating Rules, Special Conditions Regarding Personally Identifiable Information.

## **4. SYSTEM POLICIES**

### **4.1 ACCEPTANCE AND CONDITIONS OF USE**

#### **4.1.1 Conditions of Use**

The cardholder, while using the services and facilities of the operators, shall be subject to and comply with the bylaws, rules, and regulations of the respective operators. Upon distribution, a card may be used in accordance with these conditions by a cardholder who is:

- The bearer of the card; and
- The person identified as being entitled to use of the card in the card data with respect to any registered card.

#### **4.1.2 Transferability of the Card**

The card (except for registered cards and unregistered personalized cards, such as cards configured for the Senior/Disabled [RTC Discount] fare category) is transferable, and it is valid for use by the bearer. Registered cards, as defined in Section 4.2.4, and personalized cards, as defined in Section 4.2.7, are not transferable and can only be used by the person identified in the card data as authorized to use the card.

#### **4.1.3 Operator Fees, Charges, Discounts, Etc.**

Payment by deduction of the encoded value in the card for transit services is subject to the fee, charge, discount and/or concession and other relevant conditions of the respective operators effective at the time when service is offered and used.

#### **4.1.4 Rejection of Clipper® Card for Fare Payment**

Operators may demand fare payment in a form other than the Clipper® card under the following conditions:

- a. E-cash balance on the card upon entry is insufficient to pay the fare;
- b. E-cash balance on the card upon entry has a negative value;
- c. The pass and/or stored rides on the Clipper® card have expired;
- d. The value stored in the BART High Value Discount E-purse is lower than the fare for the least expensive one way trip on BART;
- e. Clipper® card is expired;
- f. Upon request by transit operator personnel, the patron cannot verify eligibility for a discount fare enabled by his/her card;
- g. The patron is attempting to use a card fraudulently;
- h. Clipper® card has been added to the hotlist or blocked from the system; or
- i. Clipper® card is damaged or defective.

#### **4.1.5 Card Reader Failure**

In the event of a card reader failure, operators may at their option either demand an alternative form of payment or allow Clipper® cardholders a free ride. Neither MTC nor the Contractor shall reimburse operators for free rides granted due to malfunctioning readers and in accordance with individual operator policies.

## **4.2 CARD BASE MANAGEMENT**

### **4.2.1 Expiration of Clipper® Cards**

Clipper® cards configured for the Adult, Youth and Senior Citizen fare categories will expire 20 years after issuance, and patrons shall be able to transfer value from an expired card to a replacement card. Senior/Disabled (RTC Discount) Cards shall expire in accordance with the policies established by the RTC Discount Card Program.

### **4.2.2 Adding Cards to the Hotlist**

Clipper® cards can be blocked from use in the system under the following circumstances:

- The card is reported as lost, stolen, or damaged;
- Fraudulent use of the card is suspected or has been established; and
- Funding for the Autoload feature is denied.

Clipper® products can be blocked from use in the system under the following circumstances:

- Funding for the Autoload feature is denied;
- An employee's tenure terminates with an employer that funds value and/or authorizes eligibility for a particular product on a particular employee's card; or
- An individual is no longer a participant in an institutional program.

### **4.2.3 Unregistered Cards**

Unregistered cards are those where the Card Issuer does not know the identity of the cardholder. If distributed by the RTC Discount Card Program Central Processor, unregistered cards will be personalized with a cardholder's name and photograph, but the Central Processor may only provide the card serial number to the Card Issuer. CSB will not receive the cardholder's information from the Central Processor.

- All unregistered cards distributed by operators or third party distributors will be configured for the Adult fare category.
- All unregistered cards distributed by the RTC Discount Card Program Central Processor will be configured for the Senior/Disabled (RTC Discount) fare category.
- All unregistered cards distributed by the RTC Discount Card Program Central Processor will be personalized (see Section 4.2.7).
- Unregistered cards and any confirmed value remaining on unregistered cards cannot be replaced if lost, stolen, or non-functioning, unless the card is determined to be defective by CSB or the card is configured for the Senior/Disabled (RTC Discount) fare category.<sup>1</sup>

### **4.2.4 Registered Cards**

Registered cards are those where the Card Issuer knows the identity of the cardholder. Some registered cards may have distinguishing physical features such as the printed word "Senior" and/or a colored stripe in the case of registered cards used by senior citizens or the cardholder's printed name and/or photograph in the case of personalized cards.

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<sup>1</sup> If a cardholder claims his/her card is defective and submits the card to CSB in exchange for a replacement card, the cardholder will need to provide his/her name and mailing address to CSB.

A cardholder must register his/her card to:

- Receive the card via mail from CSB;
- Utilize optional features such as Balance Restoration, Autoload, and automatic enabling of audio and/or alternate language functions when using AVMs;
- Receive value through employers, employer benefit programs (except where the cardholder redeems a voucher or a benefit program debit card) and/or institutional programs;
- Receive a refund of any confirmed remaining e-cash value on his/her card;
- Receive a card that is configured for either the Youth fare category or the Senior Citizen fare category; and
- Enable the retrieval of a lost or stolen card that is returned to CSB or an operator.

The process of registering a card and the processes of electing to utilize Clipper<sup>®</sup>'s optional features; arranging to receive loads through an institutional program; or seeking to qualify for discount fares and/or products may be distinct. This will be the case for patrons with cards configured for the Senior/Disabled (RTC Discount) fare category.

#### **4.2.4.1 Information Required for Card Registration**

To register a card, a patron must provide his/her name, a mailing address, a telephone number, and a security question and answer. Patrons may submit this information to CSB in writing, via telephone, or through the Clipper<sup>®</sup> website; at a transit operator ticket office or Clipper<sup>®</sup> in-person customer service center equipped with a TOT; or a location that accepts the Clipper<sup>®</sup> Youth and Senior Card Application. Where a patron registers a card through the Clipper<sup>®</sup> website, the patron must provide an e-mail address. An institutional program may also furnish the registration data to CSB.

#### **4.2.4.2 Additional Information that May Be Captured When Registering a Card**

Additional cardholder account information may include, but is not limited to, the cardholder's fax number, e-mail address, bank account number, credit card account number, and/or birth date.

The specific required additional cardholder information depends on whether a patron registers for optional features; receives value through an employer, employer benefit program, or institutional program; or seeks to qualify for discount fares and/or products.

#### **4.2.4.3 Availability of Registered Cards**

##### **4.2.4.3.1 Availability of Registered Cards Configured for the Adult Fare Category**

A cardholder may acquire a registered card configured for the Adult Fare Category directly from CSB, a transit operator ticket office or Clipper<sup>®</sup> in-person customer service center equipped with a TOT, or an institutional program.

##### **4.2.4.3.2 Availability of Registered Cards Configured for the Senior Citizen Fare Category**

To pay discount fares based on age, a senior citizen may acquire a Clipper<sup>®</sup> card configured for the Senior Citizen fare category. A senior citizen may apply for and receive a card upon submission of a qualifying application at: a transit operator ticket office; one of the Clipper<sup>®</sup> in-

person customer service centers overseen by MTC; an MTC or operator-sponsored outreach event; other locations approved by the operators that may or may not be equipped with TOTs, but which have agreed to the provisions in Attachment 1; or by mail or email using a MTC-approved card application form and accompanied by copies of documentation that indicates proof of eligibility in accordance with Section 3.2.3. Except for applications submitted by mail or email, all senior citizens applying for senior Clipper® cards must apply in person and present valid identification verifying they meet the minimum age requirement.

Transit operator ticket offices may select from two options that provide a senior Clipper® card to the patron immediately upon submission of a qualifying application: (1) The TOT option requires operator verification of the eligibility of the date of birth, entering the applicant information into the TOT directly, and providing a registered card to the patron. (2) The pre-initialized card issuance option requires the verification of the patron's application and the submission of the completed application to CSB for processing.

#### **4.2.4.3.3 Availability of Registered Cards Configured for the Youth Fare Category**

A youth, or his/her representative, may apply for a Clipper® card encoded with his/her birth date at transit operator ticket offices; at in-person customer service centers overseen by MTC and equipped with TOTs; by mail or email; or at a location operated by a third party operating under a written agreement with MTC or a transit operator where the written agreement includes the provisions of Attachment 1. Transit operators and in-person customer service centers will provide Clipper® youth cards on-site upon receipt of qualifying applications and verification of age eligibility. Operators that require personalized youth cards may require additional time to produce the card. These cards will be sent via mail within an acceptable time frame. A youth does not need to appear in-person when acquiring a card configured for the Youth fare category.

CSB may only fulfill requests for new youth cards if the request is made by:

- a. Approved transit operator personnel;
- b. An entity authorized by the operators to receive, review, and approve requests for youth cards (e.g., a school);
- c. In-person customer service center personnel; or
- d. Mail or email using a MTC-approved card application form and accompanied by copies of documentation that indicates proof of eligibility in accordance with Section 3.2.3.

Except for applications submitted by mail or email, an applicant for a card configured for the Youth fare category must appear in person to present approved identification indicating the applicant's age in order to acquire a Clipper® card encoded with the applicant's birth date.

#### **4.2.4.4 Tracking of Registered Youth and Senior Citizen Clipper® Cards**

In order to issue a card configured for either the Youth or Senior Citizen fare categories, the authorized Clipper® distributor will need to enter the following information for upload into the card database:

- a. Name of the cardholder for whom the card is being encoded;
- b. Date of birth being encoded on the card, where appropriate;



- c. The address of the cardholder for whom the card is being encoded; and
- d. The type and complete serial number of the document presented as proof of eligibility.

#### **4.2.5 Converting an Unregistered Card to a Registered Card**

A cardholder may convert an unregistered card to a registered card through the recording of the cardholder's personal information as described in Section 4.2.4.1.

#### **4.2.6 Proof of Eligibility for Discount Fares**

Transit operators may establish additional age verification procedures for determining eligibility for the Youth fare category, subject to the approval of MTC. These may include card personalization or the limitation of specific products to personalized cards.

Per the requirements of the RTC Discount Card Program, persons with disabilities and senior citizens seeking Senior/Disabled (RTC Discount) Cards must demonstrate their eligibility for discounts based on age or disability by submitting a complete RTC Discount Card Application to a participating transit operator, which forwards the applications to the RTC Discount Card Program Central Processor.

Patrons who obtain a Clipper<sup>®</sup> card configured for either the Youth fare category or the Senior Citizen fare category must be prepared to show proof of eligibility when using the card if requested by transit operator personnel.

#### **4.2.7 Personalized Cards**

All cards configured for the Senior/Disabled (RTC Discount) fare category will be personalized.

A cardholder may be required to personalize his/her card:

- To participate in certain employer benefit or institutional programs;
- To utilize an operator employee pass; and
- To use a discounted fare product on certain transit operators.

##### **4.2.7.1 Information Required for Card Personalization**

The information that a patron must provide in order to receive a personalized card depends on why the patron is receiving a personalized card. A patron requesting a card configured for the Senior/Disabled (RTC Discount) fare category must provide all information required by the policies of the RTC Discount Card Program. For other personalized cards, a patron may be required to provide his/her name, contact information, security question and answer, proof of eligibility for a discount, a photograph, and/or an employee identification number. A cardholder seeking to qualify for a card that enables payment of discount fare other than discounts available to a patron with a Senior/Disabled (RTC Discount) Card must prove the accuracy of his/her personal information according to the policies of the specific discount for which the cardholder is seeking to qualify.

##### **4.2.7.2 Management of Personalized Cards Distributed to Institutional Program Participants**

An institutional program may require a patron participating in that program to have a personalized card, subject to the approval of MTC.

#### **4.2.7.3 Availability of Personalized Cards**

The availability of personalized cards is limited to qualifying persons.

Personalized cards may be available through distributors that are qualified by the Operators. In some cases, an employer, transit operator, or institution may process requests for personalized cards, though the actual distribution of a personalized card may be through CSB.

**4.2.7.3.1 Availability of Cards Configured for the Senior/Disabled (RTC Discount) Fare Category**  
In accordance with the policies of the RTC Discount Card Program, patrons will submit applications for cards configured for the Senior/Disabled (RTC Discount) fare category through transit operator ticket offices or through the mail for card renewals. The RTC Discount Card Program Central Processor will be responsible for processing applications and verifying the eligibility of applicants for the RTC Discount Card Program. Either the RTC Discount Card Program Central Processor or CSB will distribute the cards directly to patrons.

Patrons who qualify for the RTC Discount Card Program and who qualify to travel with an attendant may request a second card configured for the Senior/Disabled (RTC Discount) fare category for use by the attendant.

#### **4.2.8 Balance Restoration**

A patron who either registers his/her card in accordance with Section 4.2.4.1 or is the bearer of a card configured for the Senior/Disabled (RTC Discount) fare category may use the Balance Restoration feature to obtain a replacement of any confirmed remaining value on his/her card if s/he reports his/her card as lost, damaged, or stolen. A patron obtaining a replacement of value from a lost, stolen, or damaged card must acquire a new card and pay any fees, as indicated in Section 4.6.1 of this document. For a cardholder requesting replacement of a lost, stolen, or damaged card configured for the Senior/Disabled (RTC Discount) fare category, the RTC Discount Card Program Central Processor or CSB will restore the balance from the lost, stolen, or damaged card to a replacement card. Neither the RTC Discount Card Program Central Processor nor CSB will not provide a refund of value from a lost, stolen, or damaged card.

##### **4.2.8.1 Requesting a Transfer of Value to a Replacement Card**

To request the transfer of value from a lost, damaged, or stolen registered card configured for the Adult, Youth, or Senior Citizen fare categories to a replacement, the cardholder must contact CSB or visit a Clipper® in-person customer service centers overseen by MTC to report that his/her card is lost, damaged, or stolen. CSB or the Clipper® in-person customer service center will require that the cardholder verify his/her identity prior to adding the patron's card to the hotlist and transferring the remaining value on the card to a replacement.

A cardholder requesting replacement of a card configured for the Senior/Disabled (RTC Discount) fare category must request a replacement card in accordance with the rules established by the RTC Discount Card Program. A cardholder requesting replacements of a card configured for the Senior/Disabled (RTC Discount) fare category will receive a replacement card with any remaining value from the lost, stolen, or damaged card.

#### **4.2.9 Card Replacement**

The cardholder holds the card at his/her own risk. If the card malfunctions due to no fault of the cardholder within one year of the cardholder first using the card, the cardholder may obtain a replacement card and transfer any confirmed remaining value (e.g., e-cash, transit pass, stored rides, and/or value in the BART High Value Discount E-purse) to the replacement card at no cost to the cardholder.

If CSB or Clipper® in-person customer service center determines that a card has been in use for longer than a year, CSB will handle the card replacement as it would the replacement of a damaged card.

##### **4.2.9.1 Requesting Replacement of a Card Suspected of Being Defective**

To request a replacement for a card suspected of being defective, a cardholder must submit a completed replacement request form and provide his/her non-functioning Clipper® card to CSB or an third-party authorized by MTC to perform this function, e.g. the Clipper® in-person customer service centers, for testing. When requesting replacement of a non-functioning card via mail, a cardholder must provide CSB with a valid mailing address, even if the non-functioning card is unregistered.

#### **4.2.10 Replacement of Non-Functioning Cards**

##### **4.2.10.1 Defective Cards**

If CSB or an authorized third-party determines that a card is defective, CSB or the authorized third-party will issue, at no charge, a replacement card pre-loaded with any confirmed remaining value on the original card.

If CSB receives a card and determines that it is defective after the cardholder has already paid fees for the card replacement and balance restoration, CSB will refund the fees back to the credit/debit card that was used to pay the fees.

##### **4.2.10.2 Other Non-Functioning Cards**

If CSB or an authorized third-party determines that a card does not function for a reason other than a defect in the card's hardware or software, the cardholder will be responsible for the replacement of the card.

#### **4.2.11 Blocked Cards and Products**

##### **4.2.11.1 Blocking Value Due to Change in Eligibility for Specific Product**

For cardholders who receive operator products on the basis of employment with a particular employer or other similar qualifications where an employer or another entity controls eligibility for a particular product (Eco Pass, etc.), the employer or other entity may request that CSB block the product if the cardholder no longer qualifies for the product.

For cardholders who receive operator products on the basis of fare category eligibility (e.g., an agency's youth pass) but who have been determined to be ineligible according to the specific requirements set by the transit agency, the transit agency may request that CSB block the product.

## **4.3 DISTRIBUTION**

### **4.3.1 Loading E-cash**

A cardholder may add e-cash to his/her Clipper<sup>®</sup> card at any time up to the maximum allowable balance of \$300.00. E-cash value does not expire.

### **4.3.2 Minimum Value Required When Acquiring Clipper<sup>®</sup> Card**

As indicated in Section 2.3.2, MTC may establish temporary or permanent policies whereby a cardholder shall be required to load a minimum amount of value when acquiring a Clipper<sup>®</sup> card.

### **4.3.3 Autoload**

#### **4.3.3.1 Value Thresholds for Autoload**

When a cardholder subscribes to the Autoload Program, value reloads on the specified card whenever one of the following occurs: (1) the cardholder's e-cash balance falls below \$10.00; (2) the cardholder's transit pass expires; (3) the number of stored rides remaining on the card falls below three; or (4) the balance of the BART High Value Discount E-purse falls below \$10.00.

##### **4.3.3.1.1 Minimum E-cash Value for Autoload**

The minimum amount of e-cash that can be loaded via Autoload is \$20.00.

##### **4.3.3.1.2 Maximum E-cash Value for Autoload**

The maximum amount of e-cash that can be loaded via Autoload is \$290.00.

## **4.4 FARES AND PASSES**

### **4.4.1 Application of Fare Discount When Fare Is Paid Using E-cash**

When using Clipper<sup>®</sup> e-cash, discounts will be applied at point-of-use not at point of purchase. (Note that this rule does not apply to value loaded to the BART High Value Discount E-purse.)

### **4.4.2 Expiration of Senior/Disabled (RTC Discount) Cards**

Eligibility for the Senior/Disabled (RTC Discount) Card must be renewed at least every three years. A patron's Senior/Disabled (RTC Discount) Card shall be encoded with an expiration date in accordance with the policies of the RTC Discount Card Program so that the bearer may only use the card until 11:59 p.m. on that date, unless the date is extended per the instructions of the RTC Discount Card Program Central Processor. A patron may transfer the e-cash value from an expired card to a valid replacement card.

### **4.4.3 Operator Employee Passes**

When a cardholder presents a card with an Operator Employee pass anywhere other than at the operator where the Operator Employee pass is valid, the card shall be treated as an Adult, Youth, Senior Citizen or Senior/Disabled (RTC Discount) card, as applicable to the cardholder.

## **4.5 CLIPPER<sup>®</sup> CARD REFUNDS**

### **4.5.1 General Refund Policy**

A patron with a functioning unregistered card is not entitled to a refund of his/her confirmed remaining e-cash balance under any circumstances. A patron with a registered card may request a refund of e-cash under the condition that s/he also relinquishes his/her card to CSB.

#### **4.5.2 Exceptions to the General Refund Policy**

The following is an exception to the general refund policy described above in Section 4.5.1. The CSB Customer Service Manager will consider such exceptions on a case-by-case basis and consult with designated personnel from the affected transit operator and/or distributor.

A patron may receive a refund of e-cash via remote add value if the system overcharges the patron. For example, if a patron must tag his/her card when exiting a vehicle/station to receive an e-cash credit, and the system overcharges a patron because the CID is not available when the cardholder exits the vehicle/station.

In the cases outlined above, a patron may receive a refund of e-cash value via remote add value. The patron does not need to relinquish his/her card to receive a refund via remote add value.

#### **4.5.3 Responsibility for Processing Refunds**

Only CSB will have authorization to process a Clipper<sup>®</sup> card refund. In any case where a refund will affect the funds due to a transit operator, the CSB Customer Service Manager will request authorization to provide a refund from designated personnel from the affected transit operator. The CSB Customer Service Manager will not need to request authorization to provide a refund of e-cash, subject to the limitations in Sections 4.5.1 and 4.5.2 of this document.

#### **4.5.4 Processing of a Refund**

CSB will only provide a refund to the person to whom the card is registered.

##### **4.5.4.1 Request for Refund of Products Offered to Participants in Operator-Managed Group/Employer Benefit Programs (Eco Pass, EasyPass, etc.)**

A patron may not request a refund of a product offered to participants in operator-managed group/employer benefit programs such as VTA's Eco Pass or the AC Transit EasyPass. CSB may block these products on a patron's card at the request of the cardholder or the operator for which the product is valid, but the patron is entitled to no refund after CSB blocks the product.

#### **4.5.5 Refund of Value Loaded as Pre-Tax Employee Benefit**

CSB shall not provide refunds of the value remaining on a card if the bearer of the card previously added value to the card via a pre-tax employee benefit program.

#### **4.5.6 Method of Providing Refunds**

Subject to the restrictions described in Section 4.5.5, CSB will provide refunds by the method of payment used to load the value being refunded, where possible. If a patron loads value with cash and then requests a refund, the refund will be provided by check. If a patron requests a refund of value loaded using multiple methods of payment, the refund will be provided by check.

### **4.6 CARDHOLDER FEES**

#### **4.6.1 Schedule of Cardholder Fees**

The following nonrefundable fees may be charged to Clipper<sup>®</sup> cardholders. MTC may waive these fees at its discretion with the exception of fees set by transit operators in accordance with Section 3.6.1 of this document.

The Clipper<sup>®</sup> program does not govern the fees for RTC Discount cards. The administrative fees associated with RTC Discount cards will be set by the Operators participating in the RTC Discount Card Program.

Description	Fee
Card Acquisition for Standard Adult Cards	\$3
Card Acquisition for Special/Limited Edition/Commemorative Adult Cards	TBD
Card Acquisition for Senior Citizen Card	\$0
Card Acquisition for Youth Card	\$0
Card Replacement and Balance Restoration*	\$5
Failed Autoload Authorization	\$5**
Administrative Fee for Card Refund Processing	\$5

\* CSB will not assess this fee for a cardholder requesting balance restoration for the Senior/Disabled (RTC Discount) fare category.

\*\* CSB will assess this fee on the second occasion that an Autoload funding source associated with a patron's card is declined and on every occasion thereafter.

#### **4.6.2 Card Replacement and Balance Restoration Fee**

Each time a patron reports a card as lost, stolen, or damaged and requests the transfer of value from the lost, stolen, or damaged card to a new card, CSB will charge a single fee covering both Card Replacement and Balance Restoration as indicated in Section 4.6.1 of this document.

Transit operators will not assess this fee for a cardholder requesting balance restoration for a card configured for the Senior/Disabled (RTC Discount) fare category.

#### **4.6.3 Transit Benefit Program Administrative Fees**

Third-party transit benefit programs that enable patrons to request Clipper<sup>®</sup> value through a website interface may charge patrons up to \$2 per month when a patron arranges to purchase Clipper<sup>®</sup> value on an ongoing basis through the benefit program's website. Neither MTC nor the transit operators are responsible for collecting this fee; revenue generated by this fee is not payable either to MTC or the transit operators.

#### **4.6.4 Payment of Cardholder Fees**

CSB shall not deduct value from the e-cash balance on a patron's card in order to pay a fee. Patrons acquiring cards at third party distributors and transit operator ticket offices may use any form of payment accepted by the distributor or transit operator.

#### **4.6.5 Waiving of the Card Acquisition Fee for Patrons Who Register for Autoload or Receive Value through an Institutional Program**

The card acquisition fee will be waived for patrons who acquire a card and simultaneously either submit a completed Autoload application or arrange to receive value on an ongoing basis through an Institutional Program.

#### **4.6.6 Waiving of the Cardholder Fees during Promotional Periods and/or for Marketing Purposes**

The card acquisition and balance restoration fees may be waived during promotional periods. The process for establishing promotions is described in Section 4.11.2.

#### **4.6.7 Waiving of Fees at the Discretion of the CSB Customer Services Manager**

The CSB Customer Services Manager may waive fees described above in Section 4.6.1 on a case-by-case basis at his/her discretion. As indicated in Section 2.4.1 of this document, MTC shall monitor the waiving of fees by the CSB Customer Services Manager.

### **4.7 CARDHOLDER CONFIDENTIALITY**

#### **4.7.1 Cardholder Data**

All aggregate information and data relating to cardholders collected by the Fare Payment System shall be used by MTC and the operators for the purposes of the operation and management of the Fare Payment System (“FPS”) and shall serve as a source of information and data for transit and/or related services, in general, but information about individual cardholders shall be dealt with in a confidential manner unless:

- a. MTC obtains the express written consent of the cardholder;
- b. The patron indicates at the point of card registration that s/he would like to receive Clipper<sup>®</sup>/transit-related information from CSB, MTC and/or their partners; and/or
- c. There is legal requirement to the contrary.

### **4.8 DISTRIBUTION AND FARE PAYMENT DEVICE NETWORK MANAGEMENT**

There are three classes of configuration data (CD) – daily (hotlists and action lists), fare-related (e.g., fare tables) and administrative (e.g., operator names, route names, location names, product names, and calendar).

#### **4.8.1 Daily CD**

CSB shall download daily CD automatically. No pre-authorization by operators is required.

#### **4.8.2 Fare-Related CD**

After completing internal testing of a pending fare-related CD release, CSB shall issue detailed release notes and schedule time for MTC and/or the operators to witness testing of the release in the CSB test-bed. MTC or CSB shall propose a deployment date and request operators to authorize the fare-related CD download. Operators shall not unreasonably withhold such authorization, particularly when the release is intended to implement a required fare change.

#### **4.8.3 Administrative CD**

After completing internal testing of a pending Administrative CD release, CSB shall issue detailed release notes and notify operators of the intended deployment date. No pre-authorization by operators is required.

## **4.9 DATA COLLECTION AND REPORTING**

### **4.9.1 Data Communications Links**

Operators will have full access to Clipper<sup>®</sup> usage data that is collected by Clipper<sup>®</sup> devices installed at their facilities or on their vehicles.

## **4.10 CLIPPER<sup>®</sup> FINANCIAL SETTLEMENT AND RELATED SERVICES**

### **4.10.1 Add Value Transactions**

Add value transactions can occur at distribution devices (AVMs, TOTs, TransLink<sup>®</sup> Retail Units, Ticket Vending Machines, and CIDs). The distribution devices provide for direct sales of Clipper<sup>®</sup> products and the CIDs provide for fulfillment of Autoload and remote add value transactions.

If a missing add value transaction does not appear within a 21-day window, the associated gap is resolved through identification of the amount of missing value, and the participants that collected funds and are due funds for the missing transaction. This information is identified using previous add value transaction history data that is stored on the card and is transmitted along with every subsequent transaction following an add value. The associated funds are automatically moved between the appropriate parties as a part of daily settlement and the gaps are closed, as follows:

- a. The party responsible for collecting cash for the sale of Clipper<sup>®</sup> value will be debited during settlement; and
- b. The party due reimbursement for the sale of Clipper<sup>®</sup> value will be credited during settlement.

Information regarding settlement of recovered add value transactions will be available on the next business day. CSB will notify transit operators of any anomalies in add value transaction gaps, should they occur.

If duplicate add value data for a gap is not available, and the original transaction cannot be recovered, e-cash gaps shall be resolved through standard gaps processing. The amount of the gap shall be determined through the examination of pre-gap and post-gap transactions, and moved from the Participant Claim Fund (“PCF”) account to the Float account when the gap is closed.

An operator may file a grievance for disputes related to settlement of missing add value transactions in accordance with the procedures set forth in Section 4.10.8.

### **4.10.2 Missing Transactions**

CSB processes all transaction records for settlement at the end of each calendar day. While most transactions are settled on the day they occur there are instances that result in missing transactions:

- Transactions stored on mobile devices that do not connect to the Clipper<sup>®</sup> wireless network on the day transactions occur;
- Equipment failure or destruction of devices from external causes; or



- Any other situation resulting in transaction records not being received by the CCS, either temporarily or permanently.

#### **4.10.3 Fare Payment Transactions and the Participant Claim Fund**

The CCS creates transaction gaps for missing fare payment transactions. Fare payment transaction gaps then remain “at large” on the gap list for 21-days to allow sufficient time for most late transactions to appear. If missing transactions appear within the 21-day window, they will be a part of daily settlement on that date, and the associated transaction gaps will be closed automatically.

The only funds directly associated with fare payment transaction gaps will be e-cash funds initially accounted for in the Float Account. During the 21-day period that these gaps are on the gaps list, these funds would remain in the Float Account. If missing transactions appear within the 21-day window, they would be settled out of the Float Account as if they had appeared on the date the transaction occurred.

If a fare payment transaction gap is not closed by the appearance of missing transactions within the 21-day window, the transaction gap will be automatically “expired” by removal from the gaps list. Any e-cash value associated with the gap will then be moved automatically from the Float Account to a special Clipper® account known as the Participant Claim Fund (“PCF”), as described in Section 4.10.4 below.

If missing transactions appear after the 21-day window has passed, they will not be included with daily settlement. The associated transaction gaps will have expired and the corresponding funds will be in the PCF. These funds will no longer be available for daily settlement, and the funds will be disbursed in accordance with Section 4.10.4.

*Note that the fare payment transaction “gap” process is only applicable to e-cash fare payment transactions. There is no financial processing of monthly pass, stored ride or High Value Discount purse fare payment transaction, since these do not directly affect settlement.*

#### **4.10.4 Disbursement of the Participant Claim Fund**

The PCF will hold all e-cash funds associated with fare payment transaction gaps that have been expired from the system. Allocation of PCF funds will be based on operator-based claims and system-based claims. Operators may file claims on the PCF at any time. While valid operator-based claims will be settled first, system-based claims are expected to be the primary method for fund disbursement.

- With the exception of disbursements for operator-based claims, no disbursement from the PCF shall be made until the PCF meets or exceeds \$20,000, and no system-based disbursements shall be made that would reduce the PCF below a minimum balance of \$10,000.
- Disbursements from the PCF for system-based claims or for any remaining PCF value shall be made monthly, when justified.

PCF disbursement is based on the following sequential process.

**a. Settle all valid operator-based claims against the PCF**

Operator-based claims provide a means to recover value if either a complete loss of Clipper® data has occurred or an operator experiences a significant single-day data discrepancy between transaction and audit register data. It is not anticipated that operator-based claims will be filed frequently. See Section 4.10.5 for a detailed description of operator-based claims.

**b. Settle all system-based claims - balance discrepancies between audit register and transaction data**

System-based claims will account for net discrepancies between the aggregate e-cash fare payment value recorded by device audit registers and the aggregate e-cash fare payment value settled through transaction data. CSB will calculate the net system-based claim to be credited or debited to each operator, as appropriate, according to the following formula:

$$(\$ \text{ Value of Audit Register}) - (\$ \text{ Value of Transaction Data}) = \text{Credit/Debit to Transit Operator}$$

**c. Disbursement of remaining PCF value**

After funds have been distributed from the PCF in accordance with Steps 1 and 2 above, any remaining value will be split among the operators based on the percentage of total e-cash business borne by each operator for that period, in accordance with the revenue allocation policies set forth in the *Clipper® Memorandum of Understanding*:

$$\text{Operator Disbursement} = \frac{\text{Value of Single Operator E-cash Business}}{\text{Value of Total E-cash Business}} \times \text{Remaining PCF Balance}$$

Calculation of the above distributions will occur sequentially and take into account the available funds in the PCF. Net PCF distribution will occur via one manual adjustment to each operator's settlement position. The table in Section (a) below summarizes the PCF disbursement process.

**a. PCF Settlement Process**

	<b>Parties</b>	<b>Funding</b>	<b>Determination Basis</b>
1. Settlement of Operator-Based Claims	Appropriate transit operators	a) Full funding, if available. Otherwise: b) Pro-rata based on all valid claims filed.	All validated claims filed since the previous distribution.
2. Settlement of System-Based Claims	Appropriate transit operators	a) Full funding, if available. Otherwise: b) Pro-rata based on total end-of-quarter discrepancies.	Discrepancies between audit register and transaction data
3. Remaining PCF Value	All transit operators	Any remaining PCF fund balance in excess of \$10,000.	Distribution based on the split of e-cash business among transit operators for the previous quarter.

Transit operators may file a grievance in accordance with the procedures set forth in Section 4.10.8 for any adjustments they believe have been made or omitted in error.

#### **4.10.5 Claims**

As indicated in Section 2.7.2 of this document, MTC shall oversee all claim investigation and assessment, although an operator may participate at its option. An operator may also be requested to assist under certain circumstances.

No claims will be entertained if transit operators fail to comply with the above procedures in furnishing supporting documentation.

#### **4.10.6 Operator-Based Claims Against the Participant Claim Fund**

Transit operators may only submit claims for reimbursement of transactions for:

- a. A total loss of both transaction and audit data records due to failure or damage of front-end devices;
- b. Other system failures resulting in such data loss (e.g., non-recoverable TDS failure); or
- c. A single business day discrepancy between transaction and audit records greater than 0.10% of the single business day overall totals received from all the devices of a transit operator (see below).

$$\text{Discrepancy level = (in \%)} = \frac{\text{One-Day Total Transaction Value from all Audit Registers} - \text{One-Day Total Transaction Value from Transaction Records}}{\text{Total Transaction Value from All Audit Registers}} \times 100$$

##### **4.10.6.1 Claims Processing**

Claims will be processed as follows:

- a. Operator files a claim with MTC.
- b. MTC reviews the claim and then forwards it to CSB.
- c. CSB investigates claim. If necessary, CSB may request additional documentation or assistance from the operator.
- d. If the claim is substantiated, CSB settles funds.
- e. If the claim is not substantiated, CSB advises operator.

Claims against the PCF will only be paid for missing fare payment transaction data. Clipper<sup>®</sup> data will be the only form of substantiating fare payment data considered in validation of claim amounts.

#### **4.10.7 Adjustments**

Transactions impacting a transit operator's financial position, and occurring outside the context of daily transaction processing and settlement, will be actioned by manual adjustments. Adjustments will be used to settle out-of-balance conditions and claims, correct for missing add value transactions, and rectify other miscellaneous financial discrepancies. Affected transit operators will be notified in advance of any adjustments.

#### **4.10.8 Disputes**

Transit operators may file grievances for missing add value and/or fare payment transactions if they are not satisfied with the settlement results. Grievances for missing transactions shall not be considered until the standard settlement processes outlined in Sections 4.10.1 and 4.10.5 have been completed. MTC and operators shall resolve all disputes in accordance with the *Clipper<sup>®</sup> Memorandum of Understanding*.

### **4.11 MARKETING**

#### **4.11.1 Card Design Features**

All Clipper<sup>®</sup> cards, with the exception of limited use cards, shall contain the following basic elements:

- a. A unique serial number;
- b. The Clipper<sup>®</sup> logo;
- c. A reference to the Clipper<sup>®</sup> Cardholder Agreement;
- d. The address of the Clipper<sup>®</sup> website; and
- e. The Clipper<sup>®</sup> Customer Service Center telephone number(s).

Other elements that may be included are as follows:

- f. Cardholder photo, cardholder name, and/or company name for some personalized cards;
- g. The RTC Discount Card program logo for some personalized cards;
- h. Advertisements, if either MTC or an operator (applies to limited use cards only) has entered into business arrangements for advertising on the card;
- i. “Special Services” account numbers, if MTC enters into special business relationships with commercial entities that require the ability to place additional information on the card; and
- j. “Special graphics,” if MTC chooses to issue collector cards.

##### **4.11.1.1 Limited Use Tickets**

Clipper<sup>®</sup> limited use tickets shall contain the following basic elements:

- a. A unique serial number; and
- b. The Clipper<sup>®</sup> logo.

#### **4.11.2 Card Giveaway Promotions**

To promote the availability of Clipper<sup>®</sup> and encourage use of the Clipper<sup>®</sup> card, MTC shall set aside up to 80,623 Clipper<sup>®</sup> cards for use as part of marketing promotions. The promotions may include waiving of the cardholder fees described in Section 4.6.1. The 80,623 cards shall be divided among the Operators as shown below with the expectation that each agency will use its allotment of Clipper<sup>®</sup> cards to encourage use of Clipper<sup>®</sup> in its service area. The number of cards available for use as part of marketing promotions does not include cards distributed to patrons at no charge in accordance with Section 4.6.5.

Agency	Number of Clipper <sup>®</sup> Cards Available for Marketing Promotions <sup>2</sup>	
	Previous Allocation	Updated 2011 Allocation
AC Transit	25,250	0
BART	40,361	39,361
Caltrain	2,900	0
Golden Gate Transit	100	0
SamTrans	6,990	0
San Francisco MTA	49,500	0
VTA	19,429	18,859
Other Operators	9,632	9,632
Additional Cards for Future Needs	12,771	12,771
<b>Total</b>	<b>176,933</b>	<b>80,623</b>

Operators shall notify MTC about all planned promotions. MTC shall monitor the timing of any promotion approved under this section to ensure maintenance of a sufficient inventory of Clipper<sup>®</sup> cards.

<sup>2</sup> The TransLink<sup>®</sup> Phase II Operating Rules allowed for a total of 225,000 cards to be available for use as part of marketing promotions. Prior to June 1, 2011, operators distributed cards as part of marketing promotions that reduced the total number of cards available to 80,623.

## 5. GLOSSARY OF TERMS

### **ACH**

See Automated Clearinghouse.

### **ADD VALUE MACHINE**

A distribution device that enables cardholders to both load value to a Clipper<sup>®</sup> card and check the balance of a Clipper<sup>®</sup> card.

### **ADJUSTMENT**

The process of modifying the settlement amount for any given settlement period for a specific transit operator due to an out-of-balance condition or claim.

### **APPLICATION ISSUER**

Any single entity or a joint entity of multiple parties that own and distribute any specific application that may be resident solely or jointly with other applications, on a smart card. MTC is the Clipper<sup>®</sup> Application Issuer in the Region.

### **AUTOLOAD**

By registering for the Autoload Program, a cardholder enables an automatic reload of value to his/her card. Clipper<sup>®</sup> cards can automatically be loaded with the fare type of a cardholder's choosing whenever the e-cash balance becomes low or a transit pass or stored ride book is due for renewal. The cardholder designates a bank account or credit card as the funding source.

### **AUTOMATED CLEARINGHOUSE**

The process by which funds are moved between participants in the Clipper<sup>®</sup> Program (see Funds Movement).

### **AVM**

See Add Value Machine.

### **BALANCE RESTORATION**

This optional feature enables a cardholder with a registered card to obtain a replacement of any confirmed remaining value on his/her card if his/her card is lost, stolen, or damaged.

### **BLOCKED CARD**

A card that is rendered inactive by the Clipper<sup>®</sup> Service Bureau. To block a card, the Clipper<sup>®</sup> Service Bureau will add the card to the Hotlist.

### **CARD**

The card is the Clipper<sup>®</sup> smart card licensed to cardholders to pay transit fares on select transit systems. The card is the property of MTC, the Card Issuer. Each card is uniquely identified by a serial number printed on the back of the card.

**CARD DISTRIBUTION**

The process of moving Clipper<sup>®</sup> cards from Issuers to card distributors and from card distributors to cardholders.

**CARD DISTRIBUTOR**

A transit operator or third-party that vends Clipper<sup>®</sup> cards.

**CARDHOLDER**

A patron who has a Clipper<sup>®</sup> card. A card that has been registered to an individual or personalized is not transferable and can only be used by the person identified in the Clipper<sup>®</sup> fare payment system and/or on the card itself.

**CARD ISSUER**

The Card Issuer is responsible for the operation and maintenance of the Clipper<sup>®</sup> fare payment system in which the value stored on the Card can be used as payment for certain services and/or goods provided or supplied by the transit agencies participating in the Clipper<sup>®</sup> fare payment system.

**CARD INTERFACE DEVICE (CID)**

The device that allows Clipper<sup>®</sup> cards to be read and encoded via the contactless interface that is used for fare payments.

**CCS**

See Clipper<sup>®</sup> Central System.

**CD**

See Configuration Data.

**CERTIFIED OPERATOR PERSONNEL**

Those who have successfully completed the Clipper<sup>®</sup> Contractor training program delivered by the Clipper<sup>®</sup> Contractor and/or operator trainers.

**CID**

See Card Interface Device.

**CLAIM**

A formal, written statement filed by an operator with the Clipper<sup>®</sup> Contract Manager to dispute the accuracy of the settlement process (e.g., when an operator believes that the amount due to the agency is greater than the Clipper<sup>®</sup> settlement process has determined).

**CLIPPER<sup>®</sup> CENTRAL SYSTEM (CCS)**

The back-end computer system that performs functions related to the management of third party distributors, card based management, network management, settlement, reporting, customer service, and asset management of the Clipper<sup>®</sup> System.

**CLIPPER® CONTRACTOR**

The party selected as a result of the TransLink® (Clipper®) Request for Best and Final Offer (“BAFO”) that has entered into the Contract to design, build, operate and maintain the Clipper® system (i.e., Cubic Transportation Systems).

**CLIPPER® SERVICE BUREAU (CSB)**

The Clipper® Service Bureau is operated by the Clipper® Contractor, an agent of the Card Issuer. CSB’s responsibilities include, but are not limited to: providing information, fulfilling card requests, handling requests to add value to cards, processing orders for optional features, and managing reports of lost or stolen cards.

**CONFIGURATION DATA (CD)**

Data that is sent to a device to configure its functionality (e.g., system settings).

**DAMAGED CARD**

A card that, while in the possession of a cardholder, has been rendered physically inoperable due to causes outside of the Clipper® Contractor’s control.

**DATA COLLECTION**

The process of moving the data captured at the point-of-use to the Clipper® Central System.

**DATA RECONCILIATION**

The process of checking Clipper® records for accuracy.

**DEFECTIVE CARDS**

A card that fails to operate properly because of a manufacturing or design problem within one year of the card’s being first used by a patron.

**DISTRIBUTION DEVICE**

The general term for terminals and devices for both vending of Clipper® cards and the loading of Clipper® cards. Distribution devices include attended and unattended terminals.

**DISTRIBUTOR**

A general term that refers to any party that either vends Clipper® cards or provides value loads.

**ELECTRONIC CASH (E-CASH)**

An electronic record maintained on a Clipper® card that represents a cash value that may be used as payment for transit at any participating transit operator.

**EMPLOYER PROGRAMS**

A method of distributing cards and value to cardholder through a financial subsidy by employers for travel on one or more operators’ fixed route services. A cardholder must register his/her card to participate in an employer program.



### **FIRST LINE MAINTENANCE**

This level of maintenance includes:

- Routine equipment checks;
- Resolution of minor operational problems such as dollar bill jams and card dispensing jams;
- External equipment cleaning;
- Internal component cleaning and lubrication (distribution devices only);
- Running diagnostics tests;
- Removal and replacement of depot maintenance devices and modules; and
- Labor for scheduled replacement of devices and modules.

### **FUNDS MOVEMENT**

The transfer of funds between participants in the Clipper<sup>®</sup> program. Funds movement must be accomplished by a settlement bank designated for that purpose. This is a separate process from financial settlement.

### **FUNDS POOL**

The central account into which Clipper<sup>®</sup> revenues are deposited. Payments to transit operators for Clipper<sup>®</sup> services they provide are made from this account.

### **INSTITUTIONAL PROGRAMS**

Institutional Programs include government agencies, schools/universities, or employers that provide funding for value on one or more cards by establishing an account with the Clipper<sup>®</sup> Service Bureau.

### **LOAD**

The function of adding e-cash, a period pass, or a number of stored rides to a Clipper<sup>®</sup> card.

### **METROPOLITAN TRANSPORTATION COMMISSION (MTC)**

The transportation planning, financing and coordinating agency for the nine-county San Francisco Bay Area. Under SB 1474, MTC is charged with coordinating and consolidating transit services in the Bay Area; Clipper<sup>®</sup> is one aspect of MTC's regional transit coordination program.

### **OPERATOR**

Transit agency participating in Clipper<sup>®</sup>.

### **PERSONALIZED CARD**

A card with distinguishing physical features, such as a printed name and/or photograph of the cardholder. A personalized card may be registered or unregistered.

### **PERSONALLY IDENTIFIABLE INFORMATION**

Personally identifiable information ("PII") is any information that is collected or maintained by a transit operator that identifies or describes a person or can be directly linked to a specific individual, including that individual's account. Examples of PII include name, address, phone or

fax number, signature, date of birth, Clipper<sup>®</sup> account number, and travel pattern data (i.e. a registered user's travel routes and times traveled).

**REGISTERED CARD**

A card where the Issuer knows the identity of the cardholder, but the card does not necessarily have physically distinguishing characteristics.

**SETTLEMENT**

The process of determining the funds between participants in the Clipper<sup>®</sup> program.

**STORED RIDE**

An electronic record maintained on a Clipper<sup>®</sup> card that permits one ride on a specific transit operator. Multiple active stored rides may be present on a single Clipper<sup>®</sup> card for different transit operators.

**THIRD PARTY DISTRIBUTOR**

Any party other than a transit operator and the Contractor that acts as a Clipper<sup>®</sup> distributor.

**TICKET OFFICE TERMINAL (TOT)**

A device located on the premises of a participating operator or authorized third party where a person may acquire a Clipper<sup>®</sup> card, load value to a card, register a card, and customize the language and audio features.-

**UD**

See usage data.

**UNREGISTERED CARD**

Cards where the identity of the cardholder is not known to the Card Issuer.

**USAGE DATA (UD)**

Generic term for data generated within the system, which includes data captured by the devices in the Clipper<sup>®</sup> system when patrons use a Clipper<sup>®</sup> card.

## **6. ATTACHMENT 1**

### **6.1.1 Special Conditions Regarding Personally Identifiable Information:**

Operator will have access to personally identifiable information (“PII”) in connection with the performance of its Clipper® Program responsibilities and activities. PII is any information that is collected or maintained by Operator that identifies or describes a person or can be directly linked to a specific individual, including that individual’s account. Examples of PII include name, address, phone or fax number, signature, date of birth, Clipper® card serial number, or travel pattern data (i.e., a registered user’s travel routes and times travelled). The following special conditions relate to the confidentiality and use of Clipper®-related PII by Operator

#### **1. Right to Audit**

Operator shall permit MTC and its authorized representatives to audit and inspect: (i) Operator’s facilities where PII is stored or maintained; (ii) any computerized systems used to share, disseminate or otherwise exchange PII; and (iii) Operator’s security practices and procedures, data protection, business continuity and recovery facilities, resources, plans and procedures.

#### **2. General Confidentiality of PII**

All PII made available to or independently obtained by an operator in connection with the Clipper® Program shall be protected by Operator from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to MTC in its privacy policy (Executive Director’s Management Memorandum No. 323). This includes, but is not limited to, the secure transport, transmission and storage of data used or acquired in the performance of Operator’s responsibilities and activities for the Clipper® Program.

Operator agrees to properly secure and maintain any computer systems (hardware and software applications) that it will use in the performance of its Clipper® Program responsibilities and activities. This includes ensuring all security patches, upgrades, and anti-virus updates are applied as Operator deems appropriate to secure PII that may be used, transmitted, or stored on such systems in the performance of Operator’s Clipper® Program responsibilities and activities.

Operator agrees to retain the PII of a Clipper® customer for no longer than four years and six months after the customer’s account is closed or terminated. At the conclusion of this retention period, Operator agrees to use Department of Defense (“DoD”) approved software to wipe any disks containing PII. Hard drives and computers shall be reformatted and reimaged in an equivalently secure fashion. Operator agrees to destroy hard-copy documents containing PII by means of a cross-cut shredding machine.

#### **4. Compliance with Statutes and Regulations**

Operator agrees to comply with the information handling and confidentiality requirements outlined in the California Information Practices Act (Civil Code sections 1798 *et.seq.*). In

addition, Operator warrants and certifies that in the performance of its responsibilities and activities for the Clipper® Program, it will comply with all applicable statutes, rules, regulations and orders of the United States, the State of California, and MTC relating to the handling and confidentiality of PII and agrees to indemnify MTC against any loss, cost, damage or liability by reason of Operator's violation of this provision.

#### 4. Consultants/Contractors

MTC approval in writing is required prior to any disclosure by Operator of PII to a consultant/contractor or prior to any work to be done by consultant/contractor that entails receipt of PII. Once approved, Operator agrees to require such consultant/contractor to sign an agreement in substantially identical terms as this attachment, binding the consultant/contractor to comply with its provisions.

#### 5. Operator Guarantees

Operator shall not, except as authorized or required by its duties by law, reveal or divulge to any person or entity any PII which becomes known to it in connection with the Clipper® Program.

Operator shall keep all PII entrusted to it completely secret and shall not use or attempt to use any such information in any manner inconsistent with or not contemplated by these Operating Rules.

Operator shall comply, and shall cause its employees, representatives, agents and contractors/consultants to comply, with such directions as MTC may make to ensure the safeguarding or confidentiality of all its resources.

If requested by MTC, Operator shall sign an information security and confidentiality agreement provided by MTC and attest that its employees, representatives, agents, and contractors involved in the performance of its responsibilities and activities in connection with the Clipper® Program shall be bound by terms of a confidentiality agreement with Operator substantially the same in its terms.

#### 6. Notice of Security Breach

Operator shall immediately notify MTC when it discovers that there may have been a breach in security which has or may have resulted in compromise to PII. For purposes of this section, immediately is defined as within two hours of discovery. The MTC contact for such notification is as follows:

Privacy Officer  
privacyofficer@mtc.ca.gov  
(510) 817-5700