



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

Meeting Agenda

Clipper Executive Board

Committee Members:

Denis Mulligan, Chair Edward D. Reiskin, Vice Chair

*Grace Crunican, Nuria Fernandez, Jim Hartnett,
Steve Heminger, Michael Hursh, Rick Ramacier,
Nina Rannells*

Monday, September 26, 2016

4:00 PM

Meeting Location:
San Francisco Bay Area Rapid Transit District
344 20th Street, 3rd Floor
Oakland CA, 94612
BART Board Room

This meeting will be recorded. Copies of recordings may be requested at the Metropolitan Transportation Commissioner (MTC) at nominal charge, or recordings may be listened to at MTC offices by appointment.

To access meeting location, please access through the Webster Street entrance between CVS Pharmacy and 24-Hour Fitness. Take the elevator to the 3rd floor and exit the elevator to your right where the agenda will be posted. Please enter the room through the double doors. For meeting location questions, please contact Angelica Dill-James at 510-464-6093.

1. Roll Call / Confirm Quorum

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

2. Consent Calendar

2a. [15-1861](#) Minutes of August 22, 2016 meeting

Action: Board Approval

Attachments: [2a_CEB Minutes_Aug 2016](#)

2b. [15-1916](#) Purchase Order - Network Services: AT&T (\$432,500)

Action: Board Approval

Presenter: Lynn Valdivia

Attachments: [2b Clipper Network Purchase Order](#)

3. Information

- 3a.** [15-1876](#) Regional Fare Coordination
- Update on regional efforts at fare coordination.
- Action:* Information
- Presenter:* Anne Richman and Jason Weinstein
- Attachments:* [3a Regional Fare Coordination](#)
-
- 3b.** [15-1877](#) Next-Generation Clipper® (C2) Technical Package
- Update on development of C2 requirements.
- Action:* Information
- Presenter:* Jason Weinstein
- Attachments:* [3b C2 Technical Package](#)
 [3b Handout_BayAreaVentra](#)
-
- 3c.** [15-1890](#) Next-Generation Clipper® (C2) Procurement Update
- Status of C2 procurement process.
- Action:* Information
- Presenter:* Denise Rodrigues
- Attachments:* [3c C2 Procurement Update](#)
-
- 3d.** [15-1891](#) Current Clipper® Program Update
- Current Clipper® System Operations Update.
- Action:* Information
- Presenter:* Lynn Valdivia
- Attachments:* [3d Current Clipper Program Update](#)

4. Executive Director's Report - Kuester

5. Public Comment / Other Business

6. Adjournment / Next Meeting

The next meeting of the Clipper Executive Board will be October 24, 2016, 4:00 p.m. in the Caltrain / SamTrans Auditorium, 2nd Floor, 1250 San Carlos Ave, San Carlos, CA 94070.

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

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

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

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

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

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

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

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



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 15-1861 **Version:** 1 **Name:**
Type: Minutes **Status:** Consent
File created: 8/10/2016 **In control:** Clipper Executive Board
On agenda: 9/26/2016 **Final action:**
Title: Minutes of August 22, 2016 meeting
Sponsors:
Indexes:
Code sections:
Attachments: [2a_CEB Minutes_Aug 2016](#)

Date	Ver.	Action By	Action	Result
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Subject:
Minutes of August 22, 2016 meeting

Recommended Action:
Board Approval

Attachments



Agenda Item 2a

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

Meeting Minutes - Draft

Clipper Executive Board

Committee Members:

Denis Mulligan, Chair Edward D. Reiskin, Vice Chair

*Grace Crunican, Nuria Fernandez, Jim Hartnett,
Steve Heminger, Michael Hursh, Rick Ramacier,
Nina Rannells*

Monday, August 22, 2016

4:00 PM

Meeting Location:
San Francisco Bay Area Rapid Transit District
344 20th Street, 3rd Floor
Oakland CA, 94612
BART Board Room

1. Roll Call / Confirm Quorum

Present: 7 - Rannells, Ramacier, Chair Mulligan, Vice Chair Reiskin, Crunican, Heminger, and Hartnett

Absent: 2 - Hursh, and Fernandez

Ali Hudda acted as a non-voting alternate to the Board in place of Nuria Fernandez.
Tom O'Neill acted as a non-voting alternate to the Board in place of Michael Hursh.

Board Member Ramacier arrived after the Next-Generation Clipper® (C2) Legal Services: Thompson Coburn LLP presentation.

2. Consent Calendar

Upon the motion by Heminger and second by Rannells, the Consent Calendar was unanimously approved. The motion carried by the following vote:

Aye: 6 - Rannells, Chair Mulligan, Vice Chair Reiskin, Crunican, Heminger and Hartnett

Absent: 3 - Hursh, Ramacier and Fernandez

2a. [15-1783](#) Minutes of July 25, 2016 meeting

Action: Board Approval

Attachments: [2a CEB Minutes July 2016 v4](#)

3. Information

- 3a.** [15-1837](#) Next-Generation Clipper® (C2) Legal Services: Thompson Coburn LLP
- Introduction of lead attorneys.
- Action:** Information
- Presenter:** Melanie Morgan
- Attachments:** [3a Next Gen Clipper Legal Services Thompson Coburn_v3](#)
-
- 3b.** [15-1797](#) Next-Generation One Regional Card for All (ORCA) Request for Information (RFI) Summary
- Update from Puget Sound / Seattle region's next-generation transit fare payment system RFI findings.
- Action:** Information
- Presenter:** Brittany Esdaile, Sound Transit
- Attachments:** [3b ORCA RFI Summary](#)
-
- 3c.** [15-1795](#) Next-Generation Clipper® (C2) Request for Expressions of Interest (RFEI) Update
- Initial results and findings following C2 RFEI vendor meetings.
- Action:** Information
- Presenter:** Edward Meng
- Attachments:** [3c C2 RFEI Update](#)
-
- 3d.** [15-1802](#) Next Generation Clipper® (C2) Project Approach
- Update on current overall C2 project approach.
- Action:** Information
- Presenter:** Jason Weinstein
- Attachments:** [3d C2 Project Approach](#)
-
- 3e.** [15-1796](#) Clipper® Customer Satisfaction Survey Results
- Findings from the bi-annual Clipper® Customer Satisfaction Survey.
- Action:** Information
- Presenter:** Kelley Jackson
- Attachments:** [3e Clipper Customer Satisfaction Survey Results](#)

4. Executive Director's Report - Kuester

4a. [15-1872](#)

Action: Information

Attachments: [4 ED Report v1](#)

5. Public Comment / Other Business

6. Adjournment / Next Meeting

The next meeting of the Clipper® Executive Board will be September 26, 2016, 4:00 p.m. in the BART Board Room, 3rd Floor, 344 20th Street, Oakland, CA.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 15-1916 **Version:** 1 **Name:**
Type: Contract **Status:** Committee Approval
File created: 9/9/2016 **In control:** Clipper Executive Board
On agenda: 9/26/2016 **Final action:**
Title: Purchase Order - Network Services: AT&T (\$432,500)
Sponsors:
Indexes:
Code sections:
Attachments: [2b_Clipper Network Purchase Order](#)

Date	Ver.	Action By	Action	Result
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Subject:
Purchase Order - Network Services: AT&T (\$432,500)

Presenter:
Lynn Valdivia

Recommended Action:
Board Approval

B
Attachments



Agenda Item 2b
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

TO: Clipper® Executive Board

DATE: September 19, 2016

FR: Carol Kuester

RE: Purchase Order – Network Services: AT&T (\$432,500)

Background

AT&T provides network services for the Clipper system that enable connections between card readers, other Clipper devices, data servers, and the Clipper Central System. Per the Clipper Memorandum of Understanding, this cost is reimbursed by Clipper transit agencies. This Purchase Order would cover network operations during FY 2016/17. AT&T is neither a small business nor a disadvantaged business enterprise.

Recommendation

MTC staff recommend that the Executive Board approve the issuance of a purchase order to AT&T in an amount not to exceed \$432,500 for the services described above.



Carol Kuester

REQUEST FOR CLIPPER® EXECUTIVE BOARD APPROVAL
Summary of Proposed Purchase Order

Firm:	AT&T
Work Project Title:	Network Services
Purpose of Project:	To provide network services for the Clipper system
Brief Scope of Work:	Provision of network services and operations to allow telecommunication connections between Clipper devices, data servers, and the Clipper Central System
Project Cost Not to Exceed:	\$432,500
Funding Source:	Transit Agencies, STA
Fiscal Impact:	Funding is included in the MTC FY 2016-17 budget
Motion:	That the Purchase Order with AT&T, for the purposes described herein and in the Executive Director's September 19, 2016 memorandum, is hereby approved by the Clipper® Executive Board.
Clipper® Executive Board:	<hr/>
	Denis Mulligan, Chair
Approved	Date: September 26, 2016



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 15-1876 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 8/16/2016 **In control:** Clipper Executive Board
On agenda: 9/26/2016 **Final action:**
Title: Regional Fare Coordination

Update on regional efforts at fare coordination.

Sponsors:

Indexes:

Code sections:

Attachments: [3a_Regional Fare Coordination](#)

Date	Ver.	Action By	Action	Result
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Subject:

Regional Fare Coordination

Update on regional efforts at fare coordination.

Presenter:

Anne Richman and Jason Weinstein

Recommended Action:

Information

Attachments



Agenda Item 3a
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

TO: Clipper® Executive Board

DATE: September 19, 2016

FR: Carol Kuester

RE: Regional Fare Coordination

Background

Today's Clipper system currently supports nearly 30,000 basic business rules and transfers, seen in Attachment A. In the Amended and Restated Clipper® Memorandum of Understanding (MOU) adopted by all Clipper agencies in February 2016, regional program goals included:

- Implementation of consistent discount and transfer rules to improve customer experience; and
- Simplification of fare table/rules to reduce complexity in C2 development.

Specifically, the MOU called for the standardization of youth and senior discount categories as well as the adoption of a \$0.50 inter-agency transfer discount for adult single ride fares between bus operators. Attachment B summarizes the region's efforts towards fare coordination, detailed below.

Fare Coordination

Youth and Senior Discount: The table on page four of Attachment B details youth and senior discounts offered. Effective January 1, 2017, all operators offering youth discounts will be standardized with discounts for youth through age 18 with the exception of BART, which currently has a discount through age 12. The East Bay operator group (County Connection, Tri-Delta Transit, WestCAT, Wheels) does not offer a discounted youth fare. Currently, all Clipper agencies offer discounts to seniors at age 65 and above.

Bus-to-Bus Transfers: Through Clipper, most connecting agencies offer bus-to-bus transfer discounts, but discounts levels are inconsistent. Depending on the operators involved, the transfer fare for the transit rider ranges from free to \$2.10 in fare credit.

In 2014, MTC and partner transit agencies commissioned an analysis of the financial and service impacts that might be expected with the implementation of a common regional inter-operator transfer discount between existing Clipper bus and light rail operators. The analysis found that a \$0.50 common inter-operator discount applied to Adult customers would result in a revenue gain of approximately \$500 per month for the existing Clipper operators and would have very little anticipated impact on average monthly Clipper fare revenue.

Previous Fare Coordination Efforts

In 2008, the TransLink® Management Group, the predecessor to the Clipper® Executive Board, commissioned an Integrated Fare Study which found minor increases in ridership and revenue loss with the adoption of a multi-agency regional fare product or Universal Pass.


In 2012, under the region's Transit Sustainability Project (TSP), MTC adopted Resolution 4060, which directed staff to consider customer-focused fare policies that improve connections and to implement two pilot fare product programs to provide incentives for customers to use AC Transit and BART interchangeably. Under TSP, MTC also conducted a Pricing Analysis of Fare Structure Barriers to Transit Ridership. The analysis found that eliminating transfer charges would increase ridership overall but also result in fare revenue loss across the region, with a loss for BART of \$3.5 million. The analysis also found that an East Bay pass could boost ridership, but would also result in revenue loss.

Universal Pass

A universal pass – a pass on Clipper allowing unlimited rides during a defined duration – was implemented on Clipper® in 2015. This pass provided free regional travel to attendees of the 2015 American Public Transportation Association annual meeting. The pass has also been approved for distribution at the 2016 Rail-Volution and California Transit Association conferences this Fall. Some Executive Board members have asked about the possibility of providing a similar unlimited, time-based pass for tourists. The challenge with this type of product is setting a price that would make it sufficiently attractive to tourists but would not undercut existing monthly passes. For example, the cost of a monthly pass on Caltrain is as much as \$350, therefore a weekly universal pass would need to be priced at \$90 or higher. Furthermore, operators would need to agree on a revenue distribution formula, since the pass would not be priced based on actual rides taken. We could experiment with a pilot universal pass program for conventions as detailed in slide 8 of Attachment B.

Means-Based Fare Study

MTC is currently conducting a Regional Means-Based Transit Fare Pricing Study to develop and analyze scenarios for funding and implementing a regional means-based transit fare program or programs and to determine the feasibility of implementing the scenarios. Attachment C is an update on the study, including fare and revenue alternatives being considered. MTC staff anticipates having recommendations to share with the Board regarding this study before the end of the year.



Carol Kuester

Attachment:

- Attachment A: Clipper Transit Operator Business Rules Overview – July 2016
- Attachment B: Regional Fare Coordination Update
- Attachment C: MTC Means Based Fare Study Update

Attachment A
Clipper Transit Operator Business Rules Overview – July 2016

Clipper Transit Operator with Transit Operator Group		EU Products	EU Institutional	EU Day Pass Accumulator	LU Product	Pre-Encoded LU	Youth Age	Fare Categories	Fare Payment Type	Number of Basic Business Rules including Transfers
AC Transit		M 2, Rol 3	I 4	DPA 1			18	A, Y, S, D	Single tag, Flat Fare	250
BART		HVD 2	I 1				12	A, Y, S, D	Dual tag, Distance based	10,100
Caltrain		M 12,Ri 12	I 1	DPA 1			18	A, Y, S, D	Dual tag, Zone based	530
Golden Gate Bus			I 1				18	A, Y, S, D	Dual tag, Zone based	13,150
Golden Gate Ferry			I 1		Ri 16	P 1	18	A, Y, S, D	Single tag, Flat Fare	540
Marin Transit (included with GGTBus)										
SF Muni		M 5, Rol 3	I 5		Ri 8	P 3	17	A, Y, S, D	Single tag, Flat Fare	320
SamTrans		M 4	I 1				18	A, Y, S, D	Single tag, Flat Fare	75
VTa		M 3	I 5	DPA 2			18	A, Y, S, D	Single tag, Flat Fare	220
WETA			I 2				18	A, Y, S, D	Dual tag, Distance based	790
Napa Solano	City Coach Vacaville	Rol 4	I 1				18	A, Y, S, D	Single tag, Flat Fare	1,100
	FAST	Rol 20								
	Napa VINE	Rol 8								
	SolTrans	Rol 5								
East Bay	County Connection	Rol 8	I 1	DPA 1			19	A, Y, S, D	Single tag, Flat Fare	460
	Wheels	Rol 12								
	WestCAT	Rol 12								
	Tri Delta Transit	Rol 10								
101 Sonoma	Petaluma	Rol 3	I 1				18	A, Y, S, D	Single tag, Flat Fare	140
	Santa Rosa CityBus	Rol 3								
Sonoma	Sonoma Transit	Rol 3	I 1				18	A, Y, S, D	Dual tag, Zone based	1,320
TOTAL		134	25	5	24	4		All four	Various	28,995

Extended Use (EU) cards: M – Monthly Pass, Rol – Rolling Pass, Ri – Ridebook, HVD – High Volume Discount, I – Institutional, DPA – Day Pass Accumulator
Limited Use (LU) cards: Ri – Ridebook
Pre-Encoded LU cards: P - products



Regional Fare Coordination Update

September 26, 2016

Clipper® Executive Board
September 26, 2016
Agenda Item 3a
Attachment B

Fare Coordination Goals

- 1) Implement consistent discount and transfer rules to improve customer experience
- 2) Simply fare table/rules to reduce complexity in C2 development



Consistent Discount and Transfer Policies

- Youth discount ages 5 through 18
- \$0.50 inter-agency transfer discount for adult single ride fares between bus operators.



Youth and Senior Discount

OPERATOR	Youth Age (inclusive)	Senior Age
AC Transit	18	65
BART	12	65
Caltrain	18	65
Golden Gate Transit and Ferry	18	65
SamTrans	18*	65
SFMTA	17**	65
VTA	18	65
WETA (San Francisco Bay Ferry)	18	65
101 Corridor / Sonoma County (Sonoma, Santa Rosa, Petaluma)	18	65
Napa / Solano (Napa VINE, SolTrans, FAST, Vacaville City Coach)	18	65

*SamTrans raised its youth age from 17-inclusive to 18-inclusive effective January 10, 2016

**SFMTA is raising its youth age from 17-inclusive to 18-inclusive effective January 1, 2017

Bus to Bus Transfers

Transfer Discount Type	# of Agencies	Discount Level	Participating Agencies
Free	15	Free Fare	AC Transit, County Connection, FAST Golden Gate Transit, Marin Transit, Napa VINE, Petaluma Transit, SamTrans, Santa Rosa CityBus, SFMTA, SolTrans, Tri-Delta Transit, VTA, WestCAT, Wheels
Discount Fare	6	\$0.15-1.25	County Connection, FAST, Tri-Delta Transit, WestCAT, Wheels
Fare Credit	6	\$0.50-2.10	AC Transit, Golden Gate Transit, SFMTA, Sonoma County Transit, VTA, WETA
No Discount	2	-	BART and Caltrain

Business Rule Simplification

- Accumulator pass evaluation – replace monthly/30 day passes
- Initial findings:
 - Challenges with customer education
 - Revenue loss
- Possible next steps – evaluate revenue impact (SFMTA & AC Transit)

Multi-Agency Regional Fare Product

- Easily accommodated (technically) in C1 or C2 (“Universal Pass”)
- Product pricing/revenue allocation challenge
- 2008 Integrated Fare Study
 - Commissioned by TransLink TMG - \$425,000

Universal Pass Pilot – Conventions & Events

- Offer Universal Pass for special events
 - Region must agree on pricing and revenue sharing
- Create and price a standard offering
 - Price will vary based on duration of pass/length of event
- Divide revenue amongst operators
 - Revenue share can be decided prior, or be based on actual usage
- Collect and distribute funds
 - Region must agree on fund collection and distribution to operators

Universal Pass Pilot – Conventions & Events

3 day pass	\$20
5 day pass	\$25
7 day pass	\$30

Assumptions:

- Includes \$3 card fee in price
 - Does not include any custom printing on cards
- Assumes one ride to airport on BART
 - (Cable cars are not included in Universal Pass)

Per APTA Universal Pass usage reporting, just over 50% of cards handed out were used. 1,150 unique cards were used for 3,663 transactions over 6 days. Approximate value of trips made during APTA using these cards was \$22,000.

MTC Means Based Fare Study Update

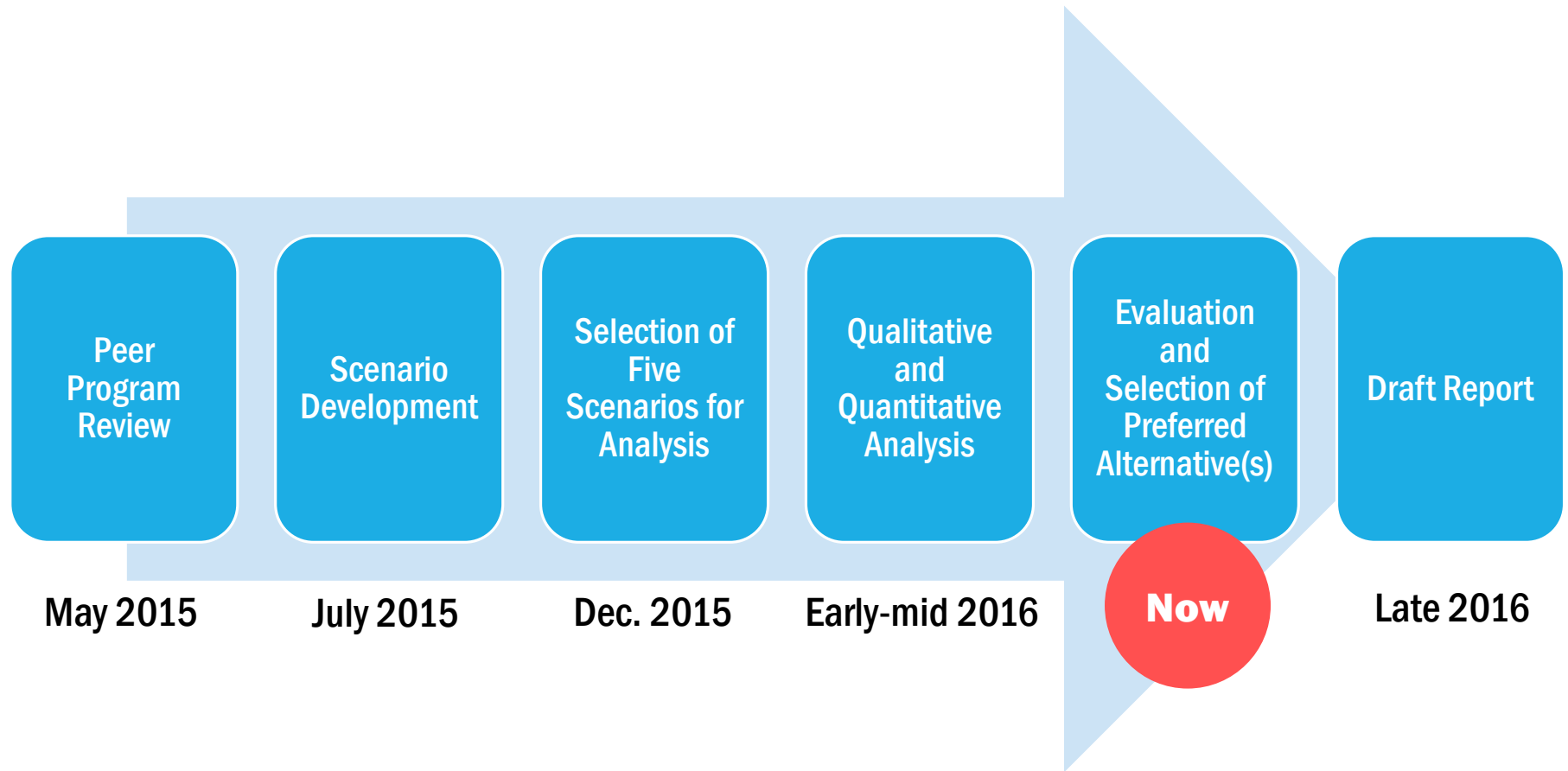
SEPTEMBER 26, 2016

Clipper® Executive Board
September 26, 2016
Agenda Item 3a
Attachment C

Study Goals

1. Make transit more **affordable** for the Bay Area's low-income residents
2. Move toward a more **consistent regional standard** for fare discount policies
3. Define a transit affordability solution that is **financially viable and administratively feasible**, and does not adversely affect the transit system's service levels and performance

Study Progress to Date



Scenarios

Affordability Scenarios	A1. Discounted fare media	<ul style="list-style-type: none"> • New discount category for low-income riders paying cash fares or purchasing passes
	A2. Fare Capping/ Accumulator Pass	<ul style="list-style-type: none"> • Fares are capped at a specific threshold within a given time period • Additional rides within the period are free once the cap is reached
	A3. Subsidized Clipper cards	<ul style="list-style-type: none"> • No change to operators' fare policies • Fare stipends delivered on pre-loaded Clipper cards
Revenue-Generating Scenarios	R1. Eliminate non-mandated discounts	<ul style="list-style-type: none"> • Eliminate current discounts provided to seniors, disabled, and youth in excess of federal requirements
	R2. 10% fare increase for non-low-income riders	<ul style="list-style-type: none"> • Raise all fares for all non-low-income riders 10% across the board

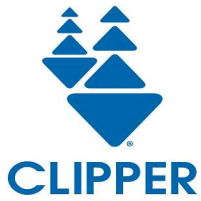
Draft Quantitative Analysis

Results: Key Findings

- Average fare paid out-of-pocket by low-income riders was reduced by 30-36%
- A low-income fare program targeting riders <200% of federal poverty level (household income <~\$35,000/yr) could potentially reduce regional fare revenues by \$80-\$100 million per year
 - Assumes maximum possible program participation by eligible riders; peer programs have far lower actual participation rates
- Ridership increases of 25-29 million boardings per year may require additional resources to serve, depending on operator
- The revenue-generating scenarios analyzed could recoup up to 1/2 to 3/4 of revenue losses, and would be challenging to implement

Questions for Discussion

- What considerations should inform the formal alternatives analysis in addition to the three study goals?
- If all scenarios require means-testing for riders to participate, which agencies or organizations are best positioned to fill this role?
- What are the challenges and opportunities afforded by the Clipper program to implement a program?
- Should a pilot program be considered, e.g. targeting a specific geographic area or operator(s)?



Metropolitan Transportation Commission

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San Francisco, CA 94105

Legislation Details (With Text)

File #: 15-1877 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 8/16/2016 **In control:** Clipper Executive Board
On agenda: 9/26/2016 **Final action:**
Title: Next-Generation Clipper® (C2) Technical Package
Update on development of C2 requirements.

Sponsors:

Indexes:

Code sections:

Attachments: [3b_C2 Technical Package](#)
[3b_Handout BayAreaVentra](#)

Date	Ver.	Action By	Action	Result
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Subject:
Next-Generation Clipper® (C2) Technical Package

Update on development of C2 requirements.

Presenter:
Jason Weinstein

Recommended Action:
Information

Attachments



Agenda Item 3b

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

TO: Clipper® Executive Board

DATE: September 19, 2016

FR: Carol Kuester

RE: Next-Generation Clipper® (C2) Technical Package

The IBI consultant team is currently preparing a Technical Package for the C2 System Integrator (SI) Request for Proposals (RFP) that will form the basis for a vendor to build, operate, and maintain C2. From September 23 to October 20 and December 12 to January 5, MTC and agency staff will be asked to review and validate Top Level Requirements for the C2 system, as well as confirming an overall system description of C2 and providing input on the C2 design process and specific requirements and system gaps. In the upcoming months, technical expertise and assistance from agency staff will be needed to support this process.

Background

The C2 technical package will be part of the C2 SI RFP, which will include six main elements:

- a technical package that describes what the SI needs to build, operate and maintain for C2;
- instructions to vendors on how to respond and what to submit;
- a draft of the contract and associated terms and conditions;
- price sheets;
- required forms and supplemental materials; and
- technical and cost/price evaluation criteria.

Technical Package

The technical package will include the following:

- A System Description summarizing scope of work and expectations for the C2 SI;
- A design process describing how the SI will be expected to work with the contracting agency and the transit operators to finalize the system requirements and design.
- Technical requirements that describe the functions, features and ongoing services that the C2 SI will need to provide.
- Implementation, testing and transition requirements that describe what the SI will need to do to implement C2 and transition from C1 to C2 in a way that minimizes customer and agency disruption.
- Performance/Service level requirements describing how the system will be evaluated on an ongoing basis during its operation.
- Change management requirements seeking to improve the timeliness, transparency and efficiency of the change management process.

The IBI consultant team is working through the elements listed above and expects to submit the technical package for review before the end of September. This technical package delivery aligns with the overall

schedule which will be discussed as part of agenda item 3c, the Next-Generation Clipper® (C2) Procurement.

Prior to the C2 SI RFP release for industry review, MTC and agency expertise in information technology, contracts, system installation and implementation, customer service, and finance will be required to review the C2 technical package. We look forward to working with agency staff towards an expected January 2017 release of the C2 SI RFP for Industry Review and will continue to update the Executive Board on any updates and developments.



Carol Kuester

Attachment:

- Attachment A: C2 Top Level Requirements for Agency Review

J:\COMMITTEE\Clipper Executive Board\CEB2016\09_CEB_Sept 2016\3b_C2 Technical Package_v3.docx

Attachment A

C2 Top Level Requirements for Agency Review

Version	Agency Review
Draft Top Level Requirements	9/23/2016 – 10/20/2016
Final Top Level Requirements	12/12/2016 – 1/5/2017

September 19, 2016

Handout - Agenda Item 3b

To: Clipper Executive Board
CC: Carol Kuester, MTC

Subject: Bay Area Ventra for Sept 26 Clipper Executive Board Meeting

Dear Clipper Executive Board,

“Bay Area Ventra” is defined below my signature. Please consider asking MTC staff to explore “Bay Area Ventra.” This could include:

1. Organize MTC staff and Bay Area transit agency staff that are attending the October 18-19 National Shared Use Mobility Conference in Chicago. Have this group a) use Ventra in Chicago, b) meet with CTA/PACE staff to obtain local Ventra insights, c) report back on the experience.
2. Undertake analysis from the Bay Area, rather than from Chicago.

Upgrading the Bay Area’s regional transit fare collection system is an important task that is already underway. It may be difficult to add Ventra-like capability. On the other hand, the Internet of Things is upon us. There may be an opportunity for the Bay Area to catch up and to provide an improved customer experience.

Thanks in advance for your consideration,

Steve Raney
Executive Director, Smart Mobility
Joint Venture Silicon Valley
100 West San Fernando Street, Suite 310, San Jose, CA 95113
www.jointventure.org/maas



Bay Area “Ventra” transit NFC tap and pay

Bring Chicago’s more-advanced technology to the Bay Area

June 2016, <http://bit.ly/28JDOT4>

In a mad rush in June, 2016, Joint Venture opportunistically created a non-binding draft project proposal for “Bay Area Ventra transit NFC¹ tap and pay.” (See feature set below.) This was to be a sub-task in a larger federal grant proposal for Joint Venture’s Fair Value Commuting project. Parties could not reach agreement in the short timeframe but the region should continue to consider this proposal.

Chicago Transit Authority’s Ventra is a partnership between the firms Cubic and Moovel. In the Bay Area, Cubic has the Clipper Card v1.0 contract through 2019, hence it is possible to bring Ventra functionality to the Bay Area using software teams that are already successfully working together, cutting and pasting existing, working lines of

¹ Near-field communication (NFC) is a set of communication protocols that enable two electronic devices, one of which is usually a portable device such as a smartphone, to establish communication by bringing them within about two inches of each other.

software code. Since 2013, Ventra has supported public transit NFC tap and pay using Apple Pay and Google Wallet (iPhone and Android). ²

Portland TriMet offers their mobile Tickets app integrated with Cubic's back end and Moovel's RideTap SDK, providing: mobile public transit e-payment, multimodal trip planning, Lyft, Car2go, bikeshare, etc. ³

In February 2016, American Public Transit Association and the industry lobbying group NFC Forum partnered to promote public transit NFC payment, via the NFC Forum Transport Special Interest Group (SIG). NFC Forum's high-level members/sponsors include Apple, Google, Samsung, Mastercard, and VISA. Hence there is a national priority for NFC transit payment, putting pressure on the Bay Area to close the technology gap with more advanced cities (Chicago, Portland, Phoenix, London, etc). Japan has had mobile phone transit payment for more than ten years.

In pursuit of an improved customer experience and if funding can be arranged, it may be possible to negotiate a win/win agreement between MTC and Cubic/Moovel for "Bay Area Ventra" extending the existing Clipper software platform.

One possible financing and staffing arrangement:

- \$700,000 federal funding
- \$500,000 funding from Cubic and partners
- MTC may be constrained on staff bandwidth and might only be able to contribute 400 person hours per year to this effort.

The desired feature set:

- An MTC/Clipper branded consumer Mobility Aggregation (MobAg) smartphone app that is issued/owned by MTC. MobAg provides a single smartphone app to replace your car. A seamless combination of public/private transit/microtransit, bikeshare, rideshare, carshare, vanpool, and advanced mobility services. MobAg apps integrate next-generation mobility services including Lyft, Uber, Scoop, ZipCar, and Car2Go. 20% of Lyft/Uber trips feed public transit. MobAgs provide multimodal trip planning, presenting compelling options for travelers to choose from. Bay Area Ventra will use the Cubic/Moovel software platform.
- Mobile NFC tap and pay at any Clipper reader in the Bay Area (every rail transit station, 96%+ of public transit buses). A "virtual Clipper card" is loaded onto the traveler's phone. 50% of mobile phones currently have NFC (iPhone 6 and beyond). By October of 2018, 90% of phones will have NFC. Low-income penetration of such phones is very similar to high-income penetration.
- Since 2013, Chicago Ventra has supported NFC tap and pay using Apple Pay and Google Wallet (iPhone and Android). 2013 video: https://www.youtube.com/watch?v=TtgOuULxn_Q
- A visual proof of payment and bar code ticket for legacy phones that don't support NFC.
- The ability for the smartphone NFC reader/writer function to physically update Clipper cards with value/product resulting from in-app payments.
- MTC may negotiate for open APIs that will be compatible with the upcoming Clipper 2.0 Project.
- MTC may negotiate for open APIs to better enable third party Mobility Aggregation apps such as Moovit, Transit App, Urban Engines, TripGo, Swiftly, Xerox's app (GoLA, etc), and Siemens' app can integrate easily.
- The "enterprise commute trip reduction" (ECTR) space (employer commute program automation with commuter benefits payroll software) includes vendors Luum and RideAmigos, both with significant employer "wins" in the Bay Area. MTC may negotiate open APIs to accelerate ECTR integration with Bay

² Ventra: <https://en.wikipedia.org/wiki/Ventra>

³ Trimet: <https://mobileticketingtoday.com/2016/05/06/moovel-n-a-launches-ridetap-pilot-in-portland-or-offers-lyft-and-car2go-within-trimet-tickets-application/> , <http://trimet.org/app/index.htm>, Moovel's Rider App and RideTap SDK: <http://www.moovel-transit.com/products/>.

Area Ventra. This allows employers to provide subsidies to the smartphone to pay for mobility services and allows Ventra to report travel mode for creation of ECTR real-time commute mode dashboards.

Third party projections for NFC tap and pay market penetration:

- Gartner Group predicts that by 2018, 50% of consumers in mature markets will use smartphones / wearables for Mobile Payments. Gartner differentiates between smartphone NFC payment (Apple Pay, Samsung Pay and Android Pay) versus branded mobile wallets from banks and credit card providers, but Gartner does not forecast how the market plays out.
- eMarketer defines “proximity mobile payments” as point-of-sale transactions that use mobile phones as a payment method, via tapping, waving and similar functionality. eMarketer projects about 40% of smartphone users will make such payments in 2019.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 15-1890 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 8/31/2016 **In control:** Clipper Executive Board
On agenda: 9/26/2016 **Final action:**
Title: Next-Generation Clipper® (C2) Procurement Update
Status of C2 procurement process.

Sponsors:

Indexes:

Code sections:

Attachments: [3c_C2 Procurement Update](#)

Date	Ver.	Action By	Action	Result
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Subject:

Next-Generation Clipper® (C2) Procurement Update

Status of C2 procurement process.

Presenter:

Denise Rodrigues

Recommended Action:

Information

Attachments



Agenda Item 3c
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

TO: Clipper® Executive Board

DATE: September 19, 2016

FR: Carol Kuester

RE: Next-Generation Clipper® (C2) Procurement Update

At the August 22, 2016 Executive Board meeting, staff presented an updated C2 System Integrator (SI) procurement schedule, and the Board inquired as to why the schedule was so lengthy. At the September 26, 2016 meeting, staff will elaborate on portions of the schedule to illuminate considerations behind schedule durations. The attached schedule (Attachment A), as did the schedule discussed in August, includes the elimination of the C2 SI Request for Qualifications (RFQ) to allow more time for the Request for Proposals (RFP) process, noting that several of the Request for Expressions of Interest (RFEI) respondents indicated that an RFQ process that removes some competition early may not be in the best interest of the Program. Adopting an RFP process with an Industry Review draft, rather than an RFQ/RFP could accommodate more vendors in the process, refine the RFP requirements to address industry capabilities and concerns, and allow more time for contract and Best and Final Offer (BAFO) negotiations, which should reduce back-end schedule slippage. The attached schedule adds to the August schedule by incorporating operation of the existing Clipper® system, C2 design, implementation, and transition of customers to C2 once a system integrator is selected. This memo is intended to clarify the current C2 SI RFP process for the Executive Board.

RFP Development, Industry Review DRAFT RFP and Final RFP

The C2 SI RFP distributed for industry review (targeted for late January 2017) will include design specifications, statement of work, a draft contract, cost sheets, evaluation criteria, and Service Level Agreements (SLAs) linked to payments. Time is allotted during the next 4 months for MTC staff and agency staff and Executive Board members who agree to MTC's procurement requirements on confidentiality to review the RFP prior to industry release. In addition, key requirements of the RFP will be reviewed with the Board at future meetings.

During industry review, we expect to receive feedback on our procurement and contracting approach, along with other elements of the RFP, and expect that these comments will be an indicator on the type of response and level of competition we will receive for the final RFP release. Prior to releasing the final RFP, we will take into consideration industry feedback and revise the RFP as appropriate, allowing time for agency staff and the Executive Board to offer feedback on what changes are appropriate, with the goal towards receiving as many viable proposals as possible.

Initial Evaluation, Discussions and Contract Negotiations

Eight months is allowed in the C2 SI project schedule for the evaluation of proposals, development of a "short list" of proposers with whom to conduct discussions and site visits, and contract negotiations. Detailed discussions with short-listed proposers will address costs and risk factors, technical approaches to implementation and operation, proposal deficiencies and weaknesses, and contractual terms and

conditions. Specialists in evaluating cost proposals and financial risk and the C2 SI contract terms (including Thompson Coburn, Clipper C2 SI outside counsel) will be included in the cost/price and legal discussions. The contract negotiations will result in a thorough, shared understanding on the part of short-listed vendors and the legal and procurement evaluators (including Clipper® outside counsel) of the final contract terms that will appear in the Request for Best and Final Offer (BAFO). During this time period, we will also be scheduling site visits, checking references, and determining which changes to make to the RFP technical requirements and scope of work in the BAFO to obtain the most favorable and acceptable terms for the C2 SI contract.

BAFO and Contract Finalization

The BAFO will include all changes to the RFP and contract that MTC and agency staff deem acceptable, as well as a requirement that the proposer return a signed contract indicating acceptance of the final contractual terms and conditions with the BAFO. Since the BAFO requires proposers to sign and accept contractual terms and conditions, there should not be a delay in signing the contract after Clipper Executive Board and MTC approval and expiration of the protest period.

MTC staff, IBI, and outside counsel believe this approach best allows for viable industry competition, while also reducing overall schedule risk for the procurement of the C2 System Integrator. We look forward to updating the Clipper Executive Board on any developments during this process.



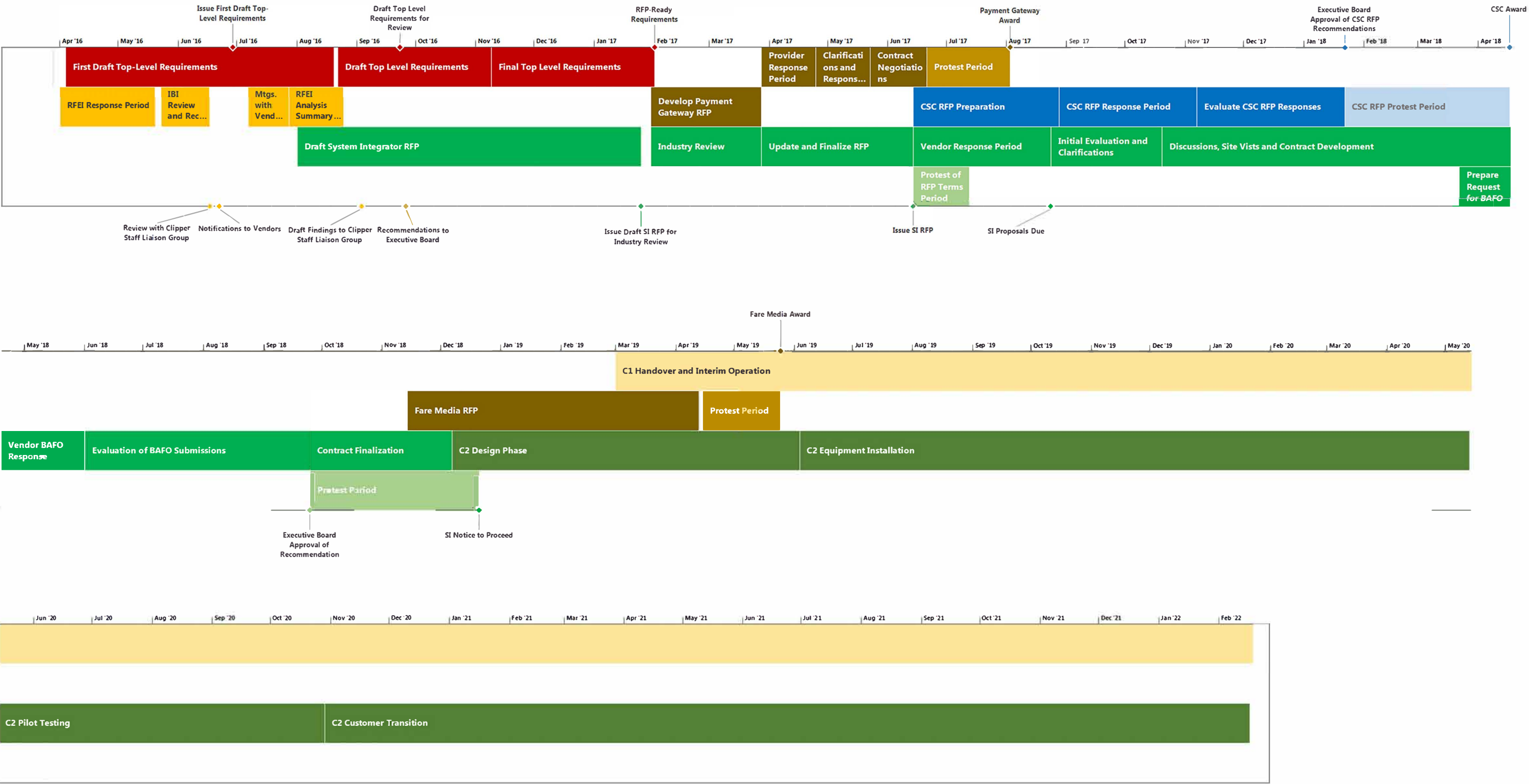
Carol Kuester

Attachment:

Attachment A: C2 High Level Schedule, August 30, 2016

Attachment B: Next-Generation Clipper® (C2) Procurement Update

C2 High Level Schedule - Updated 8/30/2016



Next-Generation Clipper[®] (C2) Procurement Update

Clipper[®] Executive Board
September 19, 2016
Agenda Item 3c
Attachment B



Industry Review of RFP

January 2017 to April 2017:

- Allows industry to review RFP process, specifications, Scope of Work (SOW), SLAs, contract
- Allows time for industry to provide feedback on procurement, contracting approach, and other elements.
- Industry comments will be a barometer on type of response MTC will expect to get to the final RFP.
- Feedback from industry will indicate whether or not we are on target in our approach to level the field and allow for full and open competition.

Update and Issue Final RFP

April 2017 to June 2017:

- Allows time to take into consideration feedback from industry and revise RFP as appropriate.
- Allows time for agency staff and Executive Board to review/ weigh in on what changes are appropriate for the RFP.
- Intended to help MTC receive as many viable proposals as possible.



Issuance of RFP, Initial Evaluation and Clarifications

1. Issuance of RFP

June 2017 to August 2017

Proposers conference will be held and a Q&A document will be issued to clarify any questions from potential proposers.

2. Initial Evaluation and Clarifications

August 2017 to October 2017

Will include a technical evaluation of cost, proposed approach, etc.
Opportunity for MTC to get clarifying information from proposers, if needed.



Site Visits and Reference Checks

October 2017 to April 2018:

- Allows time for the evaluation committee and technical advisors to perform site visits.
- Allows time for evaluation committee chair to check references and provide information to evaluation committee and technical advisors.



Discussions and Contract Development

October 2017 to April 2018:

- Allows time for the evaluation committee and technical advisors to have detailed discussions over multiple days with all short listed proposers on:
 - Proposed cost,
 - Technical approach to implementation and operations,
 - Deficiencies and weaknesses in short-listed proposals, and
 - Contractual terms and conditions.
- Will produce a list of final terms and conditions fully understood by all short-listed proposers.
- After discussions, changes will be made to the RFP, and to the contract, as appropriate, to obtain the most favorable and acceptable terms for the C2 contract.

Issuance and Evaluation of Best and Final Offer (BAFO)

April 2018 to September 2018:

- Request for BAFO will include all changes to RFP and the final contract developed during the discussions and contract development meetings.
- Will include requirement that proposer's return a signed contract indicating acceptance of final contractual terms and conditions.





Contract Finalization

September 2018 to December 2018:

- Since BAFO requires proposer's to sign and accept contractual terms and conditions, contract execution should not be delayed after Clipper Executive Board and MTC approval and expiration of protest period.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 15-1891 **Version:** 1 **Name:**
Type: Report **Status:** Informational
File created: 8/31/2016 **In control:** Clipper Executive Board
On agenda: 9/26/2016 **Final action:**
Title: Current Clipper® Program Update
Current Clipper® System Operations Update.

Sponsors:

Indexes:

Code sections:

Attachments: [3d Current Clipper Program Update](#)

Date	Ver.	Action By	Action	Result
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Subject:

Current Clipper® Program Update

Current Clipper® System Operations Update.

Presenter:

Lynn Valdivia

Recommended Action:

Information

Attachments



Agenda Item 3d
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

TO: Clipper® Executive Board

DATE: September 19, 2016

FR: Carol Kuester

RE: Current Clipper® Program Update

Background

This memorandum is intended to update the Clipper Executive Board on the ongoing work and projects for the current Clipper System. Since July 2009, Clipper has processed over 1.2 billion transactions and has settled over \$2.5 billion in revenue for the region.

Customer Service and Education

Clipper use continues to grow, with over 900,000 unique users generating over 20M transactions each month. Call center demands have not increased despite growth in system use, and about 80% of all value is purchased by Clipper cardholders in a manner that does not involve face-to-face interaction.

For customers who prefer face-to-face interaction, the Clipper In-Person Customer Service Centers (IPCSCs) at AC Transit Headquarters and in San Francisco continue to provide a convenient option for customers. The San Francisco locations consistently sell \$600K to \$700K in Clipper value monthly, and the Embarcadero Station kiosk sells more Clipper value than any other retail location. The IPCSCs also provide replacement cards instantly. MTC is working with Cubic to equip the two VTA CSCs in San Jose to replace cards instantly.

The most recent Clipper customer education campaign targeted low- income and limited English-proficient riders in the AC Transit and SamTrans service areas with a message that “Clipper is for everyone.” Multilingual ads appeared on buses, transit shelters, cable TV, and on digital media, and over 1000 Clipper cards were distributed at 41 outreach events.

In fall 2016, MTC is launching two customer education initiatives, which will focus on SMART’s launch and the introduction of the fare differential on SFMTA.

Institutional programs in development include the Fall 2016 Clipper AC Transit Class Pass/Easy Pass at UC Berkeley and the Fall 2017 Muni/BART pass developed in conjunction with San Francisco State University.

Technical Operations

Cubic is wrapping up a multi-year project to enhance the financial settlement process. Hardware upgrades and process automation have improved settlement reliability. Over 95% of customer orders through the website, Autoload, and employer programs are now automated; and work flow automation for fare refunds, card replacement, expired orders, benefit program refunds, bulk orders, opt out refunds, damaged /balance transfer card replacements, and product refunds have been completed. Additional

updates focused on improved credit card processing and fraud detection are underway. MTC staff are working on a series of related changes to enable the program to access the portion of the \$50M+ in the Clipper float account that can be attributed to inactive cards and undelivered orders. Details on this initiative will be forthcoming.

Implementation and Enhancement Projects

The final two operator implementations (SMART and Union City Transit) are expected to be completed by Fall 2016 and Spring 2017, respectively.

MTC is also supporting the following major expansion projects for existing Clipper operators:

- AC Transit East Bay Bus Rapid Transit Project;
- BART extension stations into Warm Springs, Silicon Valley, and Eastern Contra Costa County;
- Caltrain Audio Tones at station platforms for site-impaired patrons;
- SFMTA Central Subway;
- VTA Bus Devices replacement; and
- Handheld Card Readers replacements at Caltrain, SFMTA, and BART.

Upcoming work includes the implementation of a SMART 31 day pass and the procurement of additional spare devices and installation kits for old and new devices.

Despite its age, the current Clipper system continues to be a valuable regional resource and receives high scores in customer satisfaction.



Carol Kuester

Attachment:

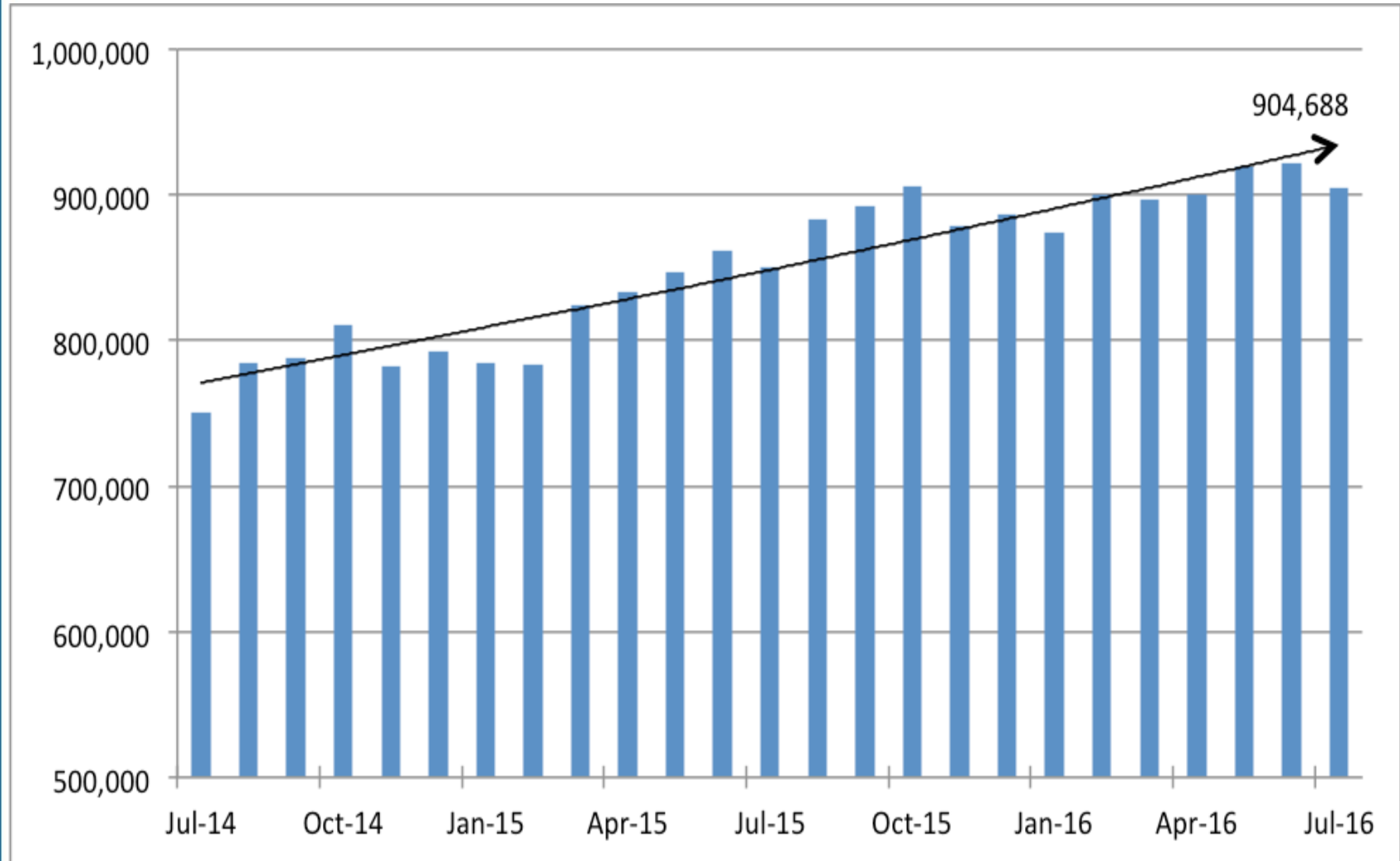
- Attachment A: Current Clipper® Program Update



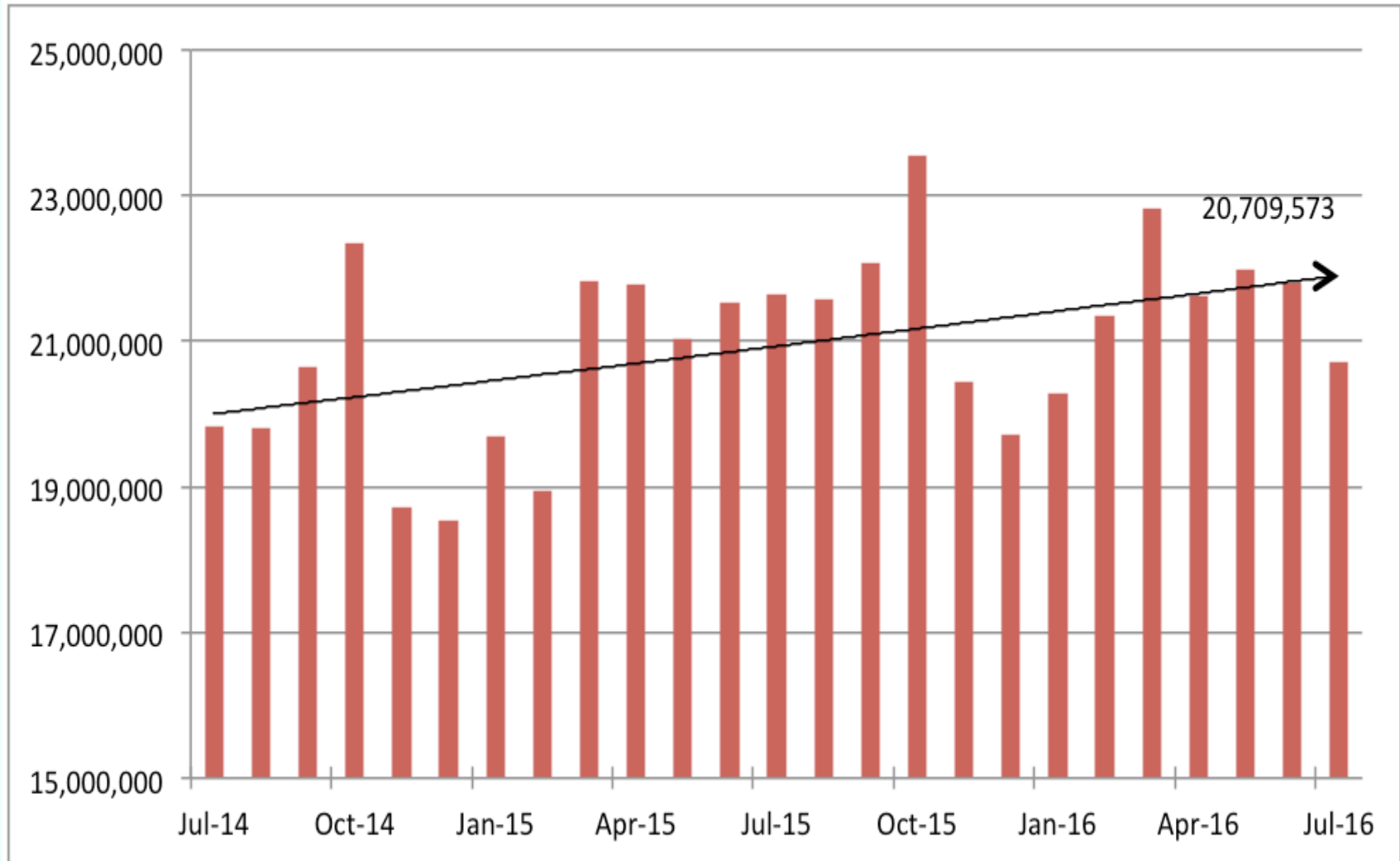
Current Clipper® Program Update

Clipper® Executive Board
September 26, 2016
Agenda Item 3d
Attachment A

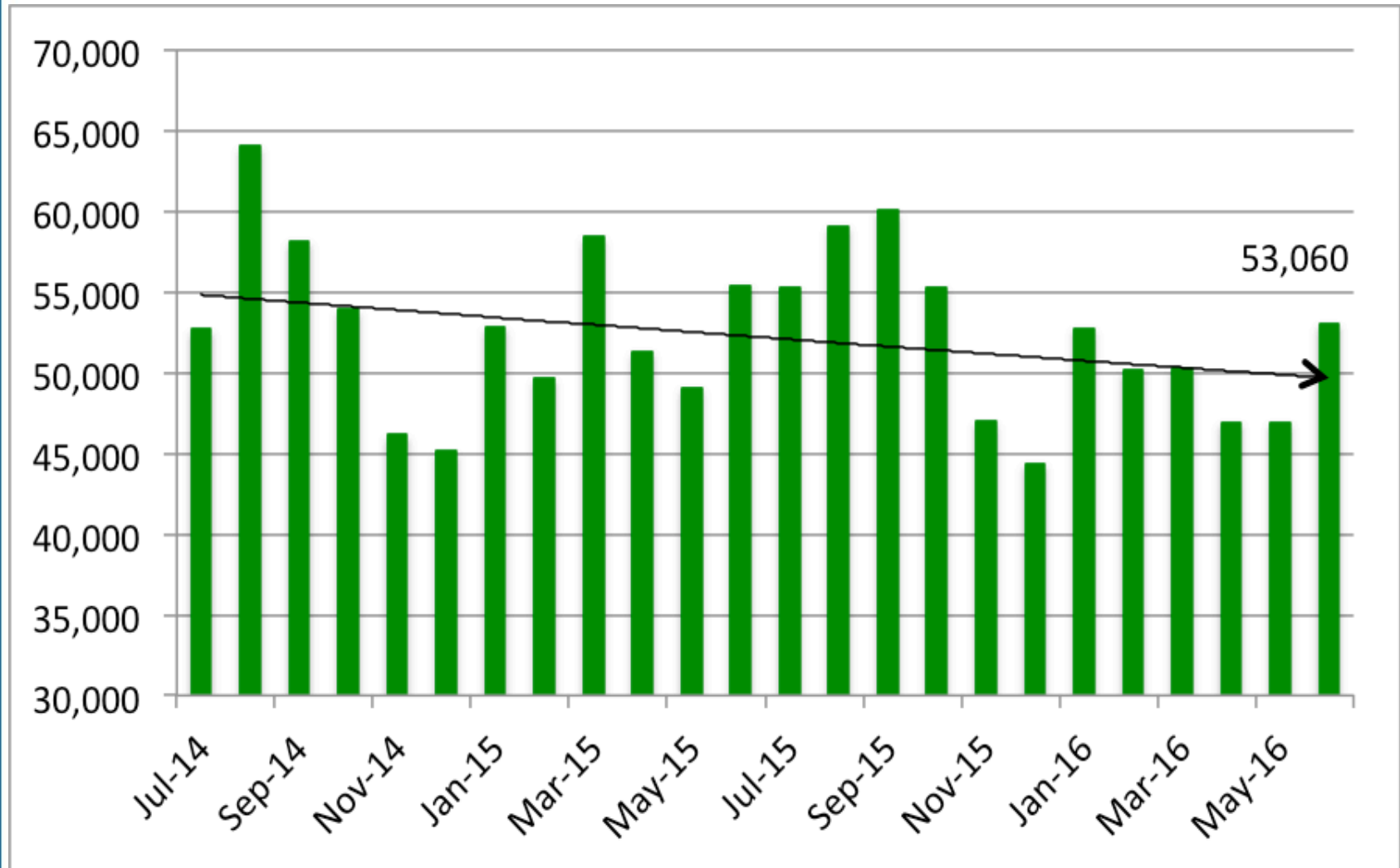
Monthly Unique Clipper Cards Used July 2014-July 2016



Monthly Clipper Transactions July 2014-July 2016

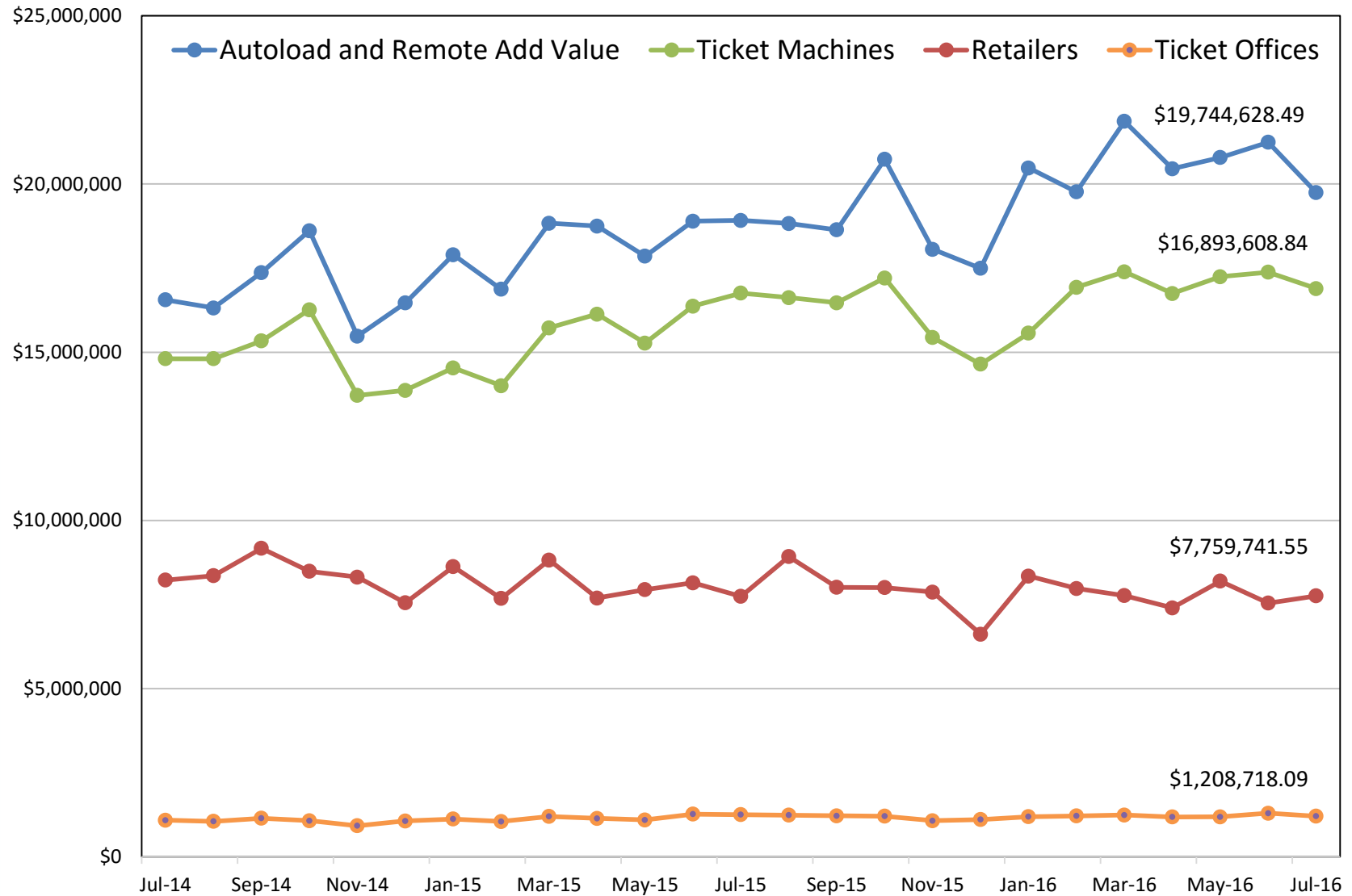


Total Calls Received by Clipper Customer Service Center July 2014-July 2016



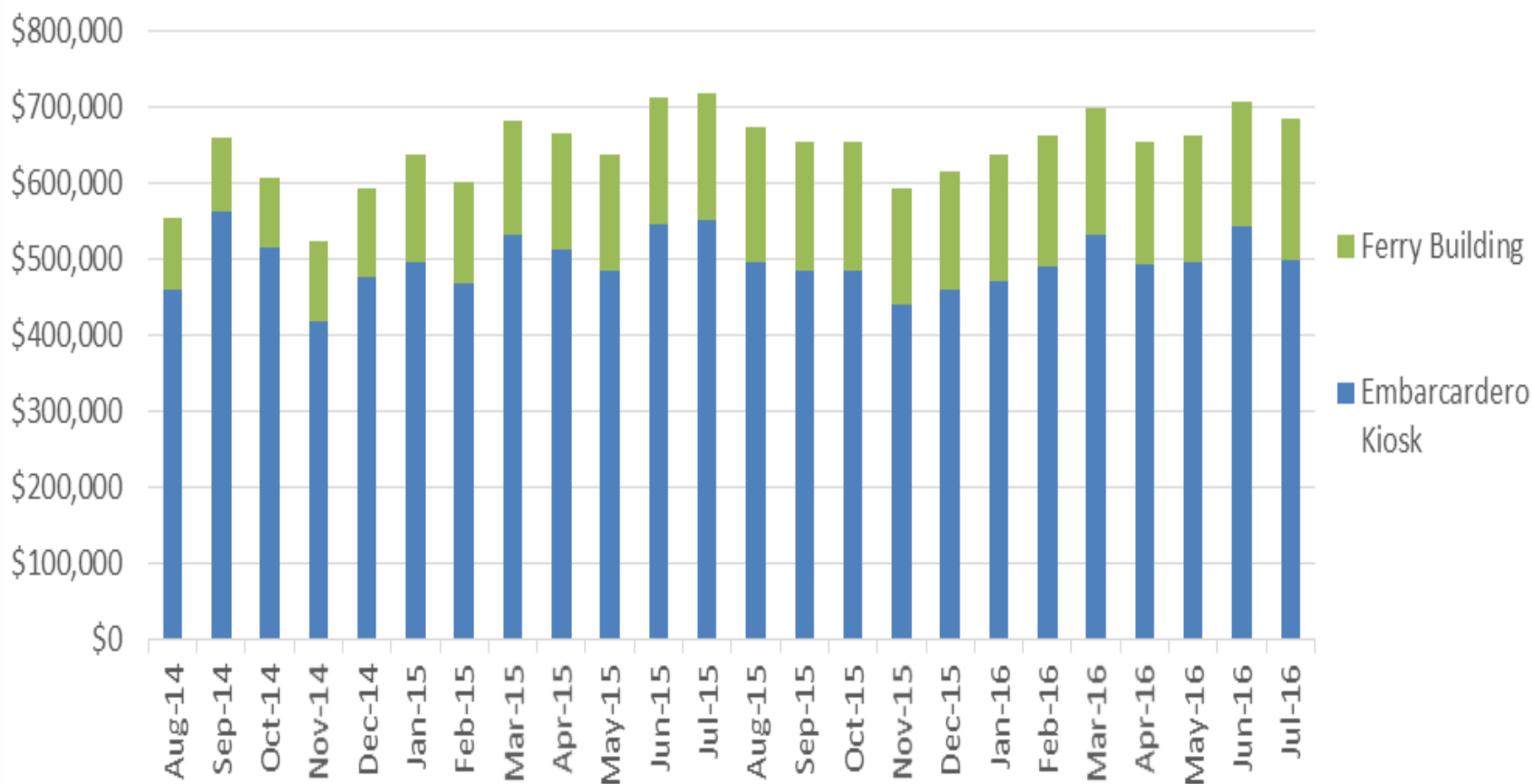
Clipper Sales by Channel

July 2014-July 2016



San Francisco IPCSC Clipper Transactions

July 2014-July 2016



Clipper® Customer Education



Bay Area Clipper
@BayAreaClipper

Follow

Access to "My Clipper" will be unavailable from 10pm–12am this Sat, Feb 18th due to maintenance. All other web services will be available.



Clipper for All Campaign

(Interior car cards)

PAGA COMO NOSOTROS.
VIAJA COMO TÚ.



No importa quién eres o cómo viajas, Clipper es mejor que efectivo. Únete a un millón de usuarios de transporte público con tu tarjeta Clipper – Disponible en tiendas participantes de Whole Foods Markets, Walgreens o en ClipperForAll.com



適用於每個人，
隨處皆通用。



不論你是何人，搭乘何種車，Clipper (路路通) 卡遠勝於使用現金。
現在就加入灣區百萬通車乘客可由加盟店 Walgreens, Whole Foods 商店 或 ClipperForAll.com 購得你的車卡。



MADE FOR EVERYONE.
ACCEPTED EVERYWHERE.

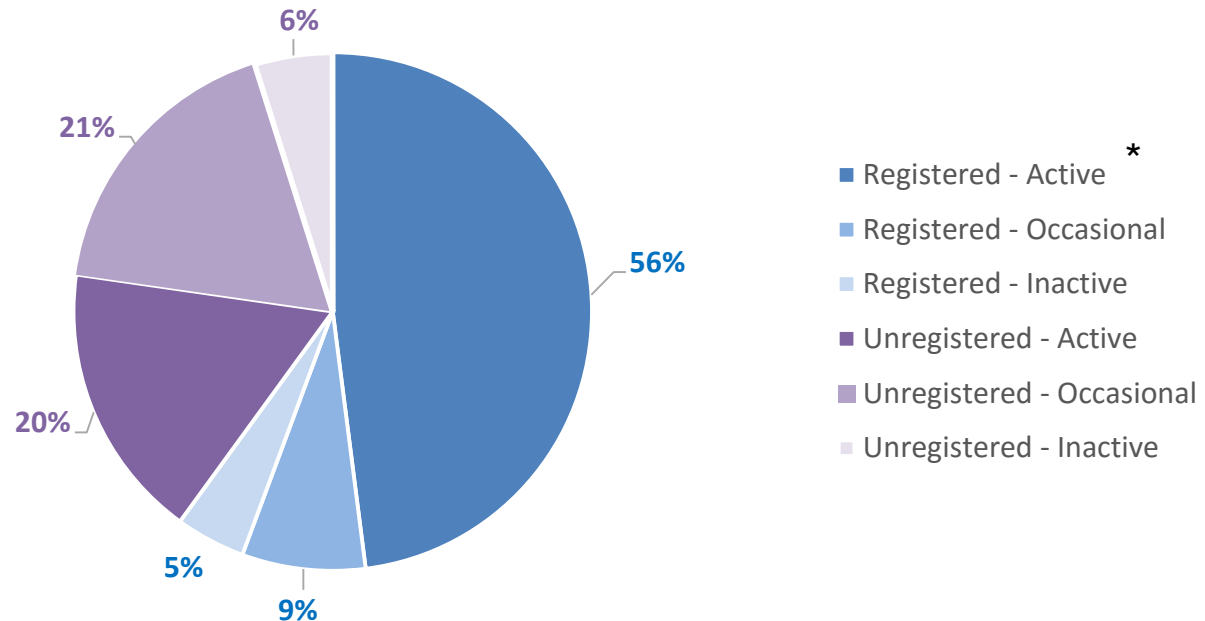


No matter who you are or how you ride, using Clipper is better than using cash. Join a million transit riders by getting your Clipper card at participating Walgreens, Whole Foods Market stores, or ClipperForAll.com



Float Balance by Account

July 2016



- Float account balance is approximately \$50M
- Currently 3M card accounts.
- Average balance of \$17.
- Represent about 2.5 months of value.
- Float has increased at a rate of 30% over the last 3 years.

*
Active accounts have activity with the last year.
Occasional accounts have had activity within 3 years.
Inactive are accounts without activity for 3 years.

Clipper Reader Implementation

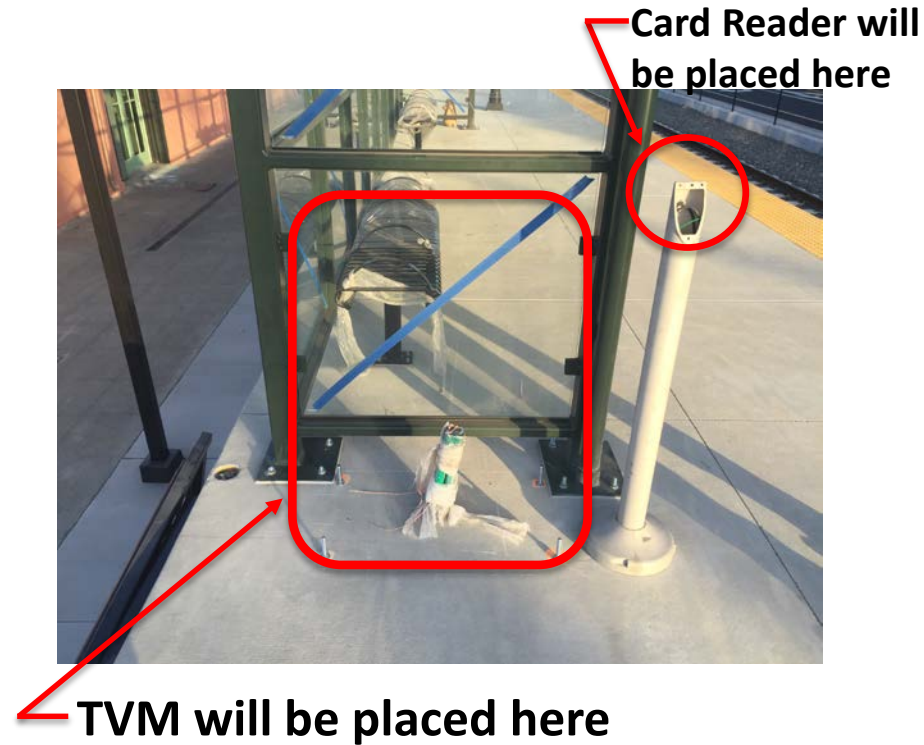
New Card Reader on Bus



Card Reader on BART Gate



SMART Train Station



Card Reader will be placed here

TVM will be placed here