

5. Approval

- 5a. [17-2475](#) Contract - High Occupancy Vehicle Enforcement Pilot Study: California Highway Patrol (\$575,000)

Contract with the California Highway Patrol to enforce vehicle occupancy levels at several High Occupancy Vehicle lane locations.

Action: Committee Approval

Presenter: Pierce Gould

Attachments: [5a_CHP HOV Enforcement Study Contract.pdf](#)

- 5b. [17-2484](#) Contract Change Order - Five Year Operation and Maintenance Extension: Cubic Transportation Systems, Inc. (Cubic) (\$25,000,000)

Five Year Operations and Maintenance Extension of the current Clipper® contract.

Action: Committee Approval

Presenter: Jason Weinstein

Attachments: [5b_Clipper Contract Extension.pdf](#)

6. Public Comment / Other Business

7. Adjournment / Next Meeting

The next meeting of the Operations Committee will be June 9, 2017, 9:35 a.m. at the Bay Area Metro Center, 375 Beale Street, San Francisco, 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 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.

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



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 17-2472 **Version:** 1 **Name:**
Type: Minutes **Status:** Consent
File created: 4/3/2017 **In control:** Operations Committee
On agenda: 5/12/2017 **Final action:**
Title: Minutes of April 14, 2017 Meeting
Sponsors:
Indexes:
Code sections:
Attachments: [4a Minutes Apr 2017.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Minutes of April 14, 2017 Meeting

Recommended Action:
Committee Approval

Attachments



Metropolitan Transportation Commission

Meeting Minutes - Draft

Operations Committee

Agenda Item 4a

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

Committee Members:

Dave Cortese, Chair Julie Pierce, Vice Chair

*Alicia Aguirre, Damon Connolly, Anne Halsted,
Sam Liccardo, Jim Spering*

Non-Voting Members: Tom Azumbrado, Dorene M. Giacopini

Friday, April 14, 2017

9:30 AM

Board Room - 1st Floor

1. Roll Call / Confirm Quorum

Present: 6 - Vice Chair Pierce, Commissioner Aguirre, Commissioner Connolly, Commissioner Halsted, Commissioner Liccardo and Commissioner Spering

Absent: 1 - Chair Cortese

Non-Voting Member Present: Commissioner Giacopini

Non-Voting Member Absent: Commissioner Azumbrado

Ex Officio Voting Members Present: Commission Chair Mackenzie and
Commission Vice Chair Haggerty

Ad Hoc Non-Voting Members Present: Commissioner Josefowitz and Commissioner Worth

2. Pledge of Allegiance

3. Compensation Announcement - Committee Secretary

4. Consent Calendar

Approval of the Consent Calendar

Upon the motion by Commissioner Aguirre and second by Commissioner Halsted, the Consent Calendar was approved by the following vote:

Aye: 6 - Vice Chair Pierce, Commissioner Aguirre, Commissioner Connolly, Commissioner Halsted, Commissioner Liccardo and Commissioner Spering

Absent: 1 - Chair Cortese

4a. [17-2385](#) Minutes of March 10, 2017 Meeting

Action: Committee Approval

4b. [17-2386](#) Contract Amendment - Call Box Maintenance Provider: CASE Systems, Inc. (\$1,200,000)

Action: Committee Approval

Presenter: Stephen Terrin

4c. [17-2387](#) Contract Actions - Clipper® Customer Communications and In-Person Customer Service

- i. Contract Amendment - In Person Customer Service Center Operations at San Francisco Ferry Building: Nematode Holdings, LLC (\$300,000)
- ii. Funding Agreement Amendment - In Person Customer Service Center at Alameda-Contra Costa Transit District (AC Transit) Headquarters: AC Transit (\$250,000)
- iii. Contract Amendment - Customer Information Services: MIG, Inc. (\$550,000)
- iv. Contract - Distribution and Communications Planning and Support Services: Synapse Strategies (\$260,000)
- v. Contract - Clipper® Customer Education/Outreach Services: Caribou Public Relations (\$200,000)

Action: Committee Approval

Presenter: Kelley Jackson

4d. [17-2389](#) Contract - Freeway Service Patrol Towing Services: Palace Garage (\$2,100,800)

Contract consideration for approval- Beat 22 Freeway Service Patrol Towing Services: (Palace Garage) (\$2,100,800)

Action: Committee Approval

Presenter: Giovanni Di Fabio

5. Approval

- 5a. [17-2388](#) Contract - Clipper® In-Person Customer Service Center at the Embarcadero BART / Muni Station: Faneuil, Inc. (\$900,000)

Award of contract to Faneuil, Inc., to operate the Clipper® In-Person Customer Service Center in downtown San Francisco.

Action: Committee Approval

Presenter: David Weir

Upon the motion by Commissioner Aguirre and second by Commissioner Halsted, the Contract - Clipper® In-Person Customer Service Center at the Embarcadero BART / Muni Station: Faneuil, Inc. (\$900,000) was approved. The motion carried by the following vote:

Aye: 6 - Vice Chair Pierce, Commissioner Aguirre, Commissioner Connolly, Commissioner Halsted, Commissioner Liccardo and Commissioner Spering

Absent: 1 - Chair Cortese

6. Information

- 6a. [17-2422](#) Next-Generation Clipper® (C2) System Project Update

Presentation on Clipper® today and the vision for the C2 project as well as the progress on the C2 project.

Action: Information

Presenter: Jason Weinstein

The following individuals spoke on this item:

Arielle Fleisher of SPUR;

Steve Pepple of San Francisco Transit Riders; and

Jane Kramer.

7. Public Comment / Other Business

8. Adjournment / Next Meeting

The next meeting of the Operations Committee will be May 12, 2017, 9:30 a.m. at the Bay Area Metro Center, 375 Beale Street, San Francisco, CA.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 17-2473 **Version:** 1 **Name:**

Type: Report **Status:** Consent

File created: 4/3/2017 **In control:** Operations Committee

On agenda: 5/12/2017 **Final action:**

Title: Third Quarter MTC SAFE Financial Statements - March 2017

Sponsors:

Indexes:

Code sections:

Attachments: [4b_3rd qtr. MTC SAFE Financial Statements – March 2017.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Third Quarter MTC SAFE Financial Statements - March 2017

Presenter:

Sonia Elsonbaty

Recommended Action:

Committee Approval

Attachments



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4b

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

Memorandum

TO: Operations Committee

DATE: May 5, 2017

FR: Executive Director

W.I.: 1231

RE: Third Quarter MTC SAFE Financial Statements – March 2017

Please find attached for Committee receipt the MTC SAFE financial statements for the third quarter ended March 31, 2017.

SAFE Program

The third quarter vehicle registration fees of \$4.9 million are slightly higher than the budgeted amount, due to an increase of registered vehicles.

Now that the audit is complete, funds totaling \$74,000 from FY 2015-16 are expected to be added to the budget as contract carryover encumbrances.

FSP Program

Total program expenditure through the third quarter is \$5.4 million and 89% is for the tow related expenses.

Capital Program

The total life-to-date budget for the Capital Programs is \$24 million. As of the end of the third quarter of FY 2016-17, life-to-date expenses for those programs plus encumbrances total \$17 million.

If you have any questions about this report, please contact Brian Mayhew at (415) 778-6730.



Steve Heminger

Attachment:

- Attachment A: MTC Service Authority for Freeways and Expressways Financial Statement as of March 2017

SH: se

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MTC Service Authority for Freeways and Expressways
Operating Budget
As of March 2017

	1	2	3	4	5	6
	FY 2016-17 Budget	Actual YTD	Budget Balance	% of Budget	% of Budget year Expired	Encumbrances
<u>SAFE Program</u>						
REVENUE:						
Vehicle Registration Fees	6,200,000	4,907,438	1,292,562	79.2%	75.0%	
BATA	300,000	300,000	-	100.0%	75.0%	
Interest Income	7,500	32,692	(25,192)	435.9%	75.0%	
Total Revenue	6,507,500	5,240,131	1,267,369	80.5%	75.0%	
EXPENSE:						
Salaries and Benefits	381,238	258,186	123,052	67.7%	75.0%	-
General Operations	861,254	416,452	444,802	48.4%	75.0%	315
Consultant Services	320,000	93,089	226,911	29.1%	75.0%	198,556
Callbox Operating Expense	650,000	342,311	307,689	52.7%	75.0%	274,581
Total Expense	2,212,492	1,110,038	1,102,454	50.2%	75.0%	473,452
OPERATING TRANSFERS In (Out):						
MTC	(435,700)	(65,661)	(370,039)	15.1%	75.0%	-
FSP	(1,746,520)	(1,211,099)	(535,421)	69.3%	75.0%	-
Operating Reserve	(2,112,788)	(2,853,333)	740,545	135.1%	75.0%	-
Total Transfers	(4,295,008)	(4,130,093)	(164,915)	96.2%	75.0%	-
NET Operating Revenue (Exp)	-	-	-			

	1	2	3	4	5	6
	FY 2016-17 Budget	Actual YTD	Budget Balance	% of Budget (col 2/1)	% of Budget year Expired	Encumbrances
<u>FSP Program</u>						
REVENUE:						
Local Assistance Program (LAP)	3,800,000	2,083,841	1,716,159	54.8%	75.0%	
Surface Transportation Program (STP)	4,500,000	2,121,075	2,378,925	47.1%	75.0%	
Traffic Mitigation Program	100,000	-	100,000	0.0%	75.0%	
Total Revenue	8,400,000	4,204,915	4,195,085	50.1%	75.0%	
EXPENSE:						
Salaries and Benefits	615,520	345,862	269,658	56.2%	75.0%	-
General Operations	332,000	198,149	133,851	59.7%	75.0%	6,195
Consultant Services	175,000	56,361	118,639	32.2%	75.0%	43,639
Freeway Serv Operating Expense	9,024,000	4,815,643	4,208,357	53.4%	75.0%	3,791,155
Total Expense	10,146,520	5,416,015	4,730,505	53.4%	75.0%	3,840,989
TRANSFERS In (Out):						
Transfers from Callbox	1,746,520	1,211,099	535,421	69.3%	75.0%	-
Total Transfers	1,746,520	1,211,099	535,421	69.3%	75.0%	-
Ending Balance	-	-	-			

**MTC Service Authority for Freeways and Expressways
Capital Budget
As of March 2017**

	1	2	3	4
<u>Capital Program</u>	LTD Budget			Project Balance
	Thru FY 2016-17	Actual LTD	Encumbrance	LTD
<u>Active Programs</u>				
REVENUE:				
1. CMAQ	6,810,390	6,873,991	-	(63,601)
2. STP	1,556,260	812,526	-	743,734
Total Revenue	8,366,650	7,686,517	-	680,133
EXPENSE:				
6301-Bridge Callboxes	3,771,000	3,324,982	7,908	438,110
6303-Bay Area Camera Upgrade	9,464,583	8,749,838	223,942	490,803
6306-Data - AVL telecom system update	3,342,000	2,077,695	148,418	1,115,887
6314-Callbox Site Mitigation	1,650,000	1,340,812	115,870	193,318
6318-Connected Vehicles & Telematic	2,500,000	-	-	2,500,000
6319-Active OPS Mgt Program	3,200,000	210,978	477,022	2,512,000
Total Expense	23,927,583	15,704,305	973,159	7,250,119
TRANSFERS In/(Out):				
BATA	3,711,000	3,711,000	-	-
SAFE	11,849,933	11,849,933	-	-
Total Transfer In/(Out)	15,560,933	15,560,933	-	-
Ending Balance	-	7,543,145	-	-

CONTRACTS EXECUTED BY EXECUTIVE DIRECTOR
\$200,000 and Under

Jan-Mar'17

OneWorld Communication

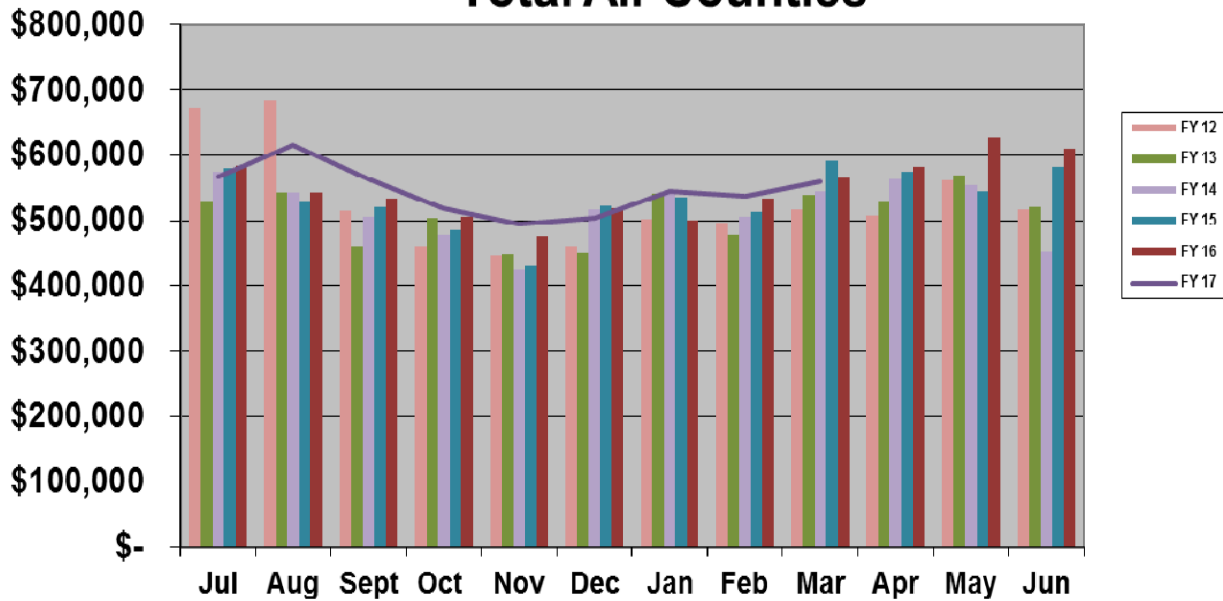
\$175,000

Raido air coverrage service for SAFE

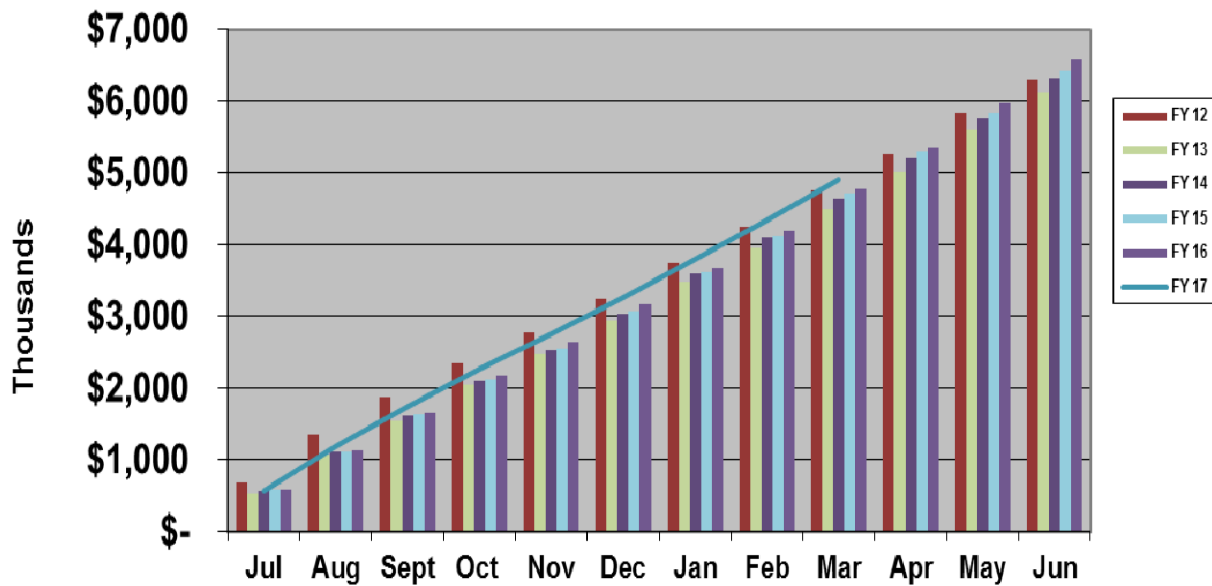
PURCHASE ORDERS EXECUTED BY EXECUTIVE DIRECTOR

\$2,500 - \$200,000		Jan-Mar'17
Traffic and Parking Control Co, Inc.		\$3,000
	<i>Supplies - Freeway Safety Patrol</i>	
Dakota Press		\$5,806
	<i>Supplies - Freeway Safety Patrol</i>	

Total DMV Revenue Total All Counties



Total YTD All Counties DMV Revenue (\$000)





Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 17-2531 **Version:** 1 **Name:**

Type: Contract **Status:** Consent

File created: 4/12/2017 **In control:** Operations Committee

On agenda: 5/12/2017 **Final action:**

Title: Contract Change Order Amendment - Clipper® Program SSAE 16 Audit: Cubic Transportation Systems, Inc. (Cubic) (\$200,000)

Sponsors:

Indexes:

Code sections:

Attachments: [4c Clipper Contract Action SSAE.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Contract Change Order Amendment - Clipper® Program SSAE 16 Audit: Cubic Transportation Systems, Inc. (Cubic) (\$200,000)

Presenter:
Stephen Abbanat

Recommended Action:
Committee Approval

Attachments



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4c
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Operations Committee

DATE: May 5, 2017

FR: Executive Director

W. I. 2700

RE: Contract Change Order Amendment – Clipper® Program SSAE 16 Audit: Cubic Transportation Systems, Inc. (Cubic) (\$200,000)

Background

In May 2012, the MTC Operations Committee approved a contract change order with Cubic to engage a firm to assess Cubic's financial and system controls associated with fare processing, financial reconciliation, cardholder support services, card fulfillment, information system operations and card account management functions. These tasks are completed via a standard approach called a Statement on Standards for Attestation Engagement No. 16 Report (SSAE 16 Audit). Transit operators require this as part of their annual audit, particularly as Clipper® collects an ever-larger share of their fares.

Industry leading practices recommend conducting annual audits to maintain vendor focus on controls. This change order amendment (Amendment 5) will allow Cubic to engage a firm to perform the SSAE 16 Audit for FY 2017-18.

The first SSAE 16 Audit was completed in November 2013. Following completion of this report, the change order was subsequently amended to include SSAE 16 Audits for FY 2013-14, FY 2014-15, and FY 2015-16. Each year, these audits provide an attestation report to state that management controls were tested as effectively meeting risk management objectives.

Cubic is neither a disadvantaged business enterprise (DBE) nor a small business enterprise (SBE) and currently has no subcontractors.

This item was approved by the Clipper® Executive Board on April 17, 2017.

Recommendation

Staff recommends that the Committee authorize the Executive Director or his designated representative to negotiate and enter into a contract change order amendment with Cubic for services as described in this memorandum, in an amount not to exceed \$200,000.



Steve Heminger

SH:ck

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REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order Amendment

Work Item No.: 310-2700

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

Work Project Title: Statement on Standards for Attestation Engagement No. 16 Report (SSAE 16) for FY 2017-18 (Am. #5 to CCO-159)

Purpose of Amendment: To produce a Statement on Standards for Attestation Engagement No. 16 Report (SSAE 16) for the 2017-18 Fiscal Year.

Brief Scope of Work: SSAE 16 audits provide an attestation report to state that management financial and information technology controls are tested as effectively meeting risk management objectives during the observation period of the report.

Project Cost Not to Exceed: \$200,000 (this Change Order Amendment)
Total contract value including amendments before this amendment = \$164,359,410
Total contract amount with this amendment = \$164,559,410

Funding Source: TCP, STP, CMAQ, STA, Regional Measure 2 Capital, STA, Regional Measure 2 Operating

Fiscal Impact: Funds available in the FY 2016-17 MTC agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract change order amendment with Cubic Transportation Systems, Inc. for the purposes described herein and in the Executive Director's memorandum dated May 5, 2017; and that the Chief Financial Officer is authorized to set aside \$200,000 for such change order amendment.

Operations Committee:

Dave Cortese, Chair

Approved: Date: May 12, 2017



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 17-2475 **Version:** 1 **Name:**

Type: Contract **Status:** Committee Approval

File created: 4/3/2017 **In control:** Operations Committee

On agenda: 5/12/2017 **Final action:**

Title: Contract - High Occupancy Vehicle Enforcement Pilot Study: California Highway Patrol (\$575,000)

Contract with the California Highway Patrol to enforce vehicle occupancy levels at several High Occupancy Vehicle lane locations.

Sponsors:

Indexes:

Code sections:

Attachments: [5a_CHP HOV Enforcement Study Contract.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Contract - High Occupancy Vehicle Enforcement Pilot Study: California Highway Patrol (\$575,000)

Contract with the California Highway Patrol to enforce vehicle occupancy levels at several High Occupancy Vehicle lane locations.

Presenter:

Pierce Gould

Recommended Action:

Committee Approval

Attachments



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 5a

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

Memorandum

TO: Operations Committee

DATE: May 5, 2017

FR: Executive Director

W. I. 1255

RE: Contract – High Occupancy Vehicle Enforcement Pilot Study: California Highway Patrol (\$575,000)

This memorandum requests Committee approval to enter into a contract with the California Highway Patrol (CHP) to provide enforcement services for the High Occupancy Vehicle (HOV) Enforcement Pilot Study in an amount not to exceed \$575,000, subject to the Executive Director's approval of Regional Measure 2 (RM2) Capital funds via delegated authority under MTC Resolution No. 3620. This approval is being requested early so that CHP can initiate its process to draft the contract.

Background

In May 2016, staff presented data to the Committee that showed that more than half of Bay Area HOV lanes fail to meet federal speed standards as reported by Caltrans (2014), and that HOV lane occupancy violations exceeded Caltrans' maximum acceptable threshold of 10% in many locations as reported by MTC (Managed Lanes Implementation Plan, 2015). The Committee tasked staff with identifying specific ways to improve HOV lane performance. More recently, in January and March of 2017, the Committee expressed interest in legislative solutions to occupancy enforcement such as establishing a new state or regional enforcement patrol separate from CHP. At this time, staff is pursuing two pilot projects it hopes will inform any potential legislative solution to enforcement:

1. Automated Vehicle Occupancy Detection (VOD) Technology Pilot - MTC released a Request for Qualifications in March, and expects to recommend award of contract(s) in June 2017; and
2. HOV Enforcement Pilot Study (this item) – MTC is requesting approval of a contract with CHP for enforcement services at the May 12 Committee meeting.

The HOV Enforcement Pilot will study how to improve HOV lane performance in the Bay Bridge and other bridge corridors through increased CHP resources. The pilot will:

- Test the impact of regularly enforcing HOV occupancy levels over a sustained period of time;
- Explore different enforcement strategies, including leveraging vehicle occupancy detection technology as applicable;
- Gather data on cost and effectiveness; and
- Produce a study that reports on pilot results to inform future decision-making.

The goal is to reduce HOV violation rates, which should improve HOV lane performance - increasing the attractiveness of carpooling and transit as alternatives to driving alone and boosting person-throughput in congested bridge corridors.

Staff proposes to enter into a contract with the CHP to perform more intensive HOV occupancy enforcement services at a few locations starting with the Sterling Street on-ramp to the Bay Bridge in San Francisco. CHP would be paid on an overtime basis, as is the case for other reimbursable services contracts with CHP. MTC and CHP would jointly identify several enforcement strategies and a timeline to test them. This pilot would also coordinate with the VOD Pilot to inform and test how technology could support CHP enforcement. MTC will collect before/after data on citations issued by CHP, observed HOV occupancy violations, person-throughput and other performance measures. The main product of this pilot will be a study to analyze and document impacts on HOV lane performance and inform future decision-making about how to provide the most cost-effective enforcement possible. The pilot is expected to take about one year from when the contract is executed, but depends on coordination with the VOD Pilot.

Recommendation

Staff recommends that the Committee authorize the Executive Director or his designated representative to negotiate and enter into a contract with CHP to provide enforcement services for the HOV Enforcement Pilot Study in an amount not to exceed \$575,000, subject to approval of RM2 Capital funds.



Steve Heminger

SH:pg

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract

Work Item No.:	1255
Contractor:	California Highway Patrol (CHP) Sacramento, CA
Work Project Title:	High Occupancy Vehicle (HOV) Occupancy Enforcement Pilot Study
Purpose of Project:	To provide enhanced enforcement services at various HOV locations, allowing MTC to study how to improve HOV lane performance
Brief Scope of Work:	CHP shall perform visual inspections of HOVs to confirm they meet occupancy requirements or have eligible clean air decals and issue citations as appropriate, as well as provide statistics.
Project Cost Not to Exceed:	\$575,000
Funding Source:	Regional Measure 2 (RM2) Capital
Fiscal Impact:	An allocation of \$730,000 of RM2 Capital from funds previously programmed for Bay Bridge Forward is requested for approval via the Executive Director's delegated authority under MTC Resolution No.3620. \$575,000 of this allocation will fund this CHP contract; the balance will fund data collection and the completion of the study.
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a contract with CHP in an amount not to exceed \$575,000 for enforcement services described above and in the Executive Director's memorandum dated May 5, 2017, and the Chief Financial Officer is directed to set aside funds in the amount of \$575,000, as specified above.
Operations:	<hr/>
	Dave Cortese, Chair
Approved:	Date: May 12, 2017



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 17-2484 **Version:** 1 **Name:**
Type: Contract **Status:** Committee Approval
File created: 4/4/2017 **In control:** Operations Committee
On agenda: 5/12/2017 **Final action:**
Title: Contract Change Order - Five Year Operation and Maintenance Extension: Cubic Transportation Systems, Inc. (Cubic) (\$25,000,000)

Five Year Operations and Maintenance Extension of the current Clipper® contract.

Sponsors:

Indexes:

Code sections:

Attachments: [5b_Clipper Contract Extension.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Contract Change Order - Five Year Operation and Maintenance Extension: Cubic Transportation Systems, Inc. (Cubic) (\$25,000,000)

Five Year Operations and Maintenance Extension of the current Clipper® contract.

Presenter:

Jason Weinstein

Recommended Action:

Committee Approval

Attachments



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 5b
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Operations Committee

DATE: May 5, 2017

FR: Deputy Executive Director, Operations

W. I. 1221

RE: Contract Change Order – Five Year Operation and Maintenance Extension: Cubic Transportation Systems, Inc. (Cubic) (\$25,000,000)

Background

Staff briefed this Committee last month on plans to procure a Next Generation Clipper® (C2) system. Based on the current schedule, a Next Generation Clipper® vendor would be selected in late 2018 and would then begin design of a new system. Transition from the existing Clipper® system to a new system would begin in late 2020.

The existing Clipper® contract with Cubic Transportation Systems, Inc. (“Cubic”) ends in November 2019. At the request of the Clipper® Executive Board, Clipper® staff have negotiated a change order to the existing contract with Cubic to extend the operation and maintenance (O&M) for up to five years in order to assure a smooth customer transition to C2. The \$25M annual cost of this change order is equivalent to the operating costs paid today (slightly more than \$2M per month). The Cubic contract extension is for a maximum of five years and could be terminated earlier, as detailed below.

Scope of Work

The proposed contract change order has the following key terms:

- An extension of the current O&M term beginning November 3, 2019 of not less than two and up to five years;
- MTC retains the right to terminate the contract for convenience at any time, by written notice, per the existing, federally-required clause in the current Clipper® Contract;
- If MTC provides at least one year advance notice of termination, Cubic’s termination cost recovery is limited to early rent termination costs;
- No change in existing O&M requirements or payment terms for the first two years of the extension;
- The remaining years (Years 3-5), if any, to be paid for on a Time & Materials (T&M), capped at the monthly average cost of the first year extension, plus any rent increases beyond Cubic’s current lease term;

- Key Performance Indicators (KPIs) will continue in full force as long as the current scope of work remains intact; after that, only those KPIs related to specific O&M services to be performed by Cubic in their entirety will be subject to KPIs;
- Cubic agrees to reasonably cooperate in good faith with the C2 Contractor in the event of a transition; and
- Cubic will maintain the system in a state of good repair pursuant to the current Contract during year one and any additional year performed under the current contract terms, after which asset replacement will be paid for by MTC, unless caused by Contractor's failure to perform maintenance.

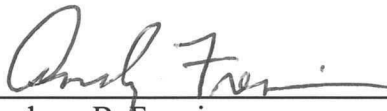
The proposed contract extension would be a sole source contract change order, based on Cubic's unique capability to perform the C1 O&M work on the existing system.

Cubic is neither a disadvantaged business enterprise nor a small business enterprise and currently has no subcontractors.

This item was approved by the Clipper® Executive Board on April 17, 2017.

Recommendation

Staff recommends that the Committee authorize the Executive Director or his designated representative to negotiate and enter into a contract change order with Cubic for services as described in this memorandum, in an amount not to exceed \$25,000,000 per year, subject to inclusion in each fiscal year's budget.



Andrew B. Fremier

SH:ck

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REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 320-1221

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

Work Project Title: Five Year Operation and Maintenance (O&M) Extension

Purpose of Amendment: Extend the Operation and Maintenance under the current Clipper® Contract for up to five years past the current November 2019 expiration date

Brief Scope of Work: Continued current Clipper® Contract Operations and Maintenance for up to five years, as needed to transition from C1 to C2

Project Cost Not to Exceed: \$25,000,000/year (this Change Order)

Funding Source: Participating Operator funds, STP, CMAQ, STA, STP Exchange, Regional Measure 2 Operating, LCTOP, other bridge toll revenue (if available)

Fiscal Impact: Funds subject to availability in each FY MTC agency budget. Participating Operators will cover a portion of the costs per the Clipper® Amended and Restated Memorandum of Understanding.

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract change order with Cubic Transportation Systems, Inc. for the purposes described herein and in the Executive Director's memorandum dated May 5, 2017; and that the Chief Financial Officer is authorized to set aside \$25,000,000 annually for such contract, subject to inclusion in each fiscal year's budget.

Operations Committee:

Dave Cortese, Chair

Approved: Date: May 12, 2017