



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

Meeting Agenda

Clipper Executive Board

Members:

Rick Ramacier, Chair Robert Powers, Vice Chair

*Nuria Fernandez, Jim Hartnett, Michael Hursh,
Therese W. McMillan, Denis Mulligan,
Nina Rannells, and Jeffrey Tumlin*

Monday, May 11, 2020

1:40 PM

Board Room - 1st Floor (REMOTE)

***** PLEASE NOTE MEETING START TIME *****

The Clipper® Executive Board will be meeting on May 11, 2020 at 1:40 p.m., in the Bay Area Metro Center (Remotely). In light of Governor Newsom's State of Emergency declaration regarding the COVID-19 outbreak and in accordance with Executive Order N-29-20 issued by Governor Newsom on March 17, 2020 and the Guidance for Gatherings issued by the California Department of Public Health, the meeting will be conducted via webcast, teleconference, and Zoom for committee, commission, or board members who will participate in the meeting from individual remote locations.

A Zoom panelist link for meeting participants will be sent separately to board members.

The meeting webcast will be available at <http://mtc.ca.gov/whats-happening/meetings>
Members of the public are encouraged to participate remotely via Zoom at the following link or phone number.

Attendee Link: <https://bayareametro.zoom.us/j/95137229907>

Join by Telephone: 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)

Webinar ID: 951 3722 9907

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

1. Roll Call / Confirm Quorum

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

2. Consent Calendar

- 2a. [20-0632](#) Minutes of the April 13, 2020 Meeting

Action: Board Approval

Attachments: [2a_CEB Minutes_Apr 13 2020.pdf](#)

3. Approval

- 3a. [20-0652](#) Clipper® Two Year Budget and Work Plan

The Clipper budget and work plan for Fiscal Years (FY) 2020-2021 and 2021-22 for the Executive Board's review and approval.

Action: Board Approval

Presenter: Edward Meng

Attachments: [3a_Clipper Two Year Budget and Work Plan.pdf](#)

- 3b. [20-0653](#) Clipper® Contract Amendments - Customer Research, Education and Outreach: MIG, Inc. (\$1,335,000), Caribou Public Relations (\$150,000) and Resource Development Associates (\$150,000)

Request for approval of contract actions for Clipper customer research, education and outreach: contract amendments for MIG, Inc. (\$1,335,000), Caribou Public Relations (\$150,000) and Resource Development Associates (\$150,000).

Action: Board Approval

Presenter: Lysa Hale

Attachments: [3b_Clipper Customer Education Contracts_rev.pdf](#)

- 3c.** [20-0654](#) Clipper® In-Person Customer Service Centers (IPCSCs) Contract Actions: Contract Amendment - Faneuil, Inc. (\$425,000); Contract - Nematode Holdings, LLC (\$335,000) and Funding Agreement Amendment - Alameda-Contra Costa Transit District (\$250,000)

Request for approval of contract actions for Clipper in-person customer service centers: Faneuil, Inc. (\$425,000), Nematode Holdings, LLC (\$335,000) and Alameda-Contra Costa Transit District (\$250,000).

Action: Board Approval

Presenter: Kelley Jackson

Attachments: [3c Clipper In-Person Customer Service.pdf](#)

- 3d.** [20-0655](#) Proposed Amendment to Clipper® Memorandum of Understanding (MOU)

Executive Board's review and approval of regional cost-sharing agreements incorporated in proposed Amendment 2 to the Amended and Restated Clipper® Memorandum of Understanding.

Action: Board Approval

Presenter: Edward Meng

Attachments: [3d Clipper MOU Amendment 2.pdf](#)

- 3e.** [20-0656](#) Next Generation Clipper® Contract Change Order - Computer Aided Dispatch and Automated Vehicle Location (CAD/AVL) Integration Implementation: Cubic Transportation Systems, Inc. (Cubic) (\$1,800,000)

Request for approval of a Change Order for integration of Next Generation Clipper onboard equipment with CAD/AVL systems.

Action: Board Approval

Presenter: Jason Weinstein

Attachments: [3e Change Order Cubic CAD AVL.pdf](#)

4. Executive Director's Report – Kuester

5. Public Comment / Other Business

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

6. Adjournment / Next Meeting

The next meeting of the Clipper® Executive Board will be Monday, June 22, 2020 at 1:30 p.m. in the 1st Floor Board Room of the Bay Area Metro Center, 375 Beale Street, San Francisco, CA 94105 or remotely and by webcast as appropriate depending on the status of any shelter in place orders. Any changes to the schedule will be duly noticed to the public.

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

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

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

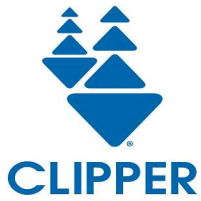
Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We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

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

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

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

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



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 20-0632 **Version:** 1 **Name:**
Type: Minutes **Status:** Consent
File created: 4/10/2020 **In control:** Clipper Executive Board
On agenda: 5/11/2020 **Final action:**
Title: Minutes of the April 13, 2020 Meeting
Sponsors:
Indexes:
Code sections:
Attachments: [2a_CEB Minutes_Apr 13 2020.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Minutes of the April 13, 2020 Meeting

Recommended Action:
Board Approval

Attachments:



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

Meeting Minutes - Draft

Clipper Executive Board

Members:

Rick Ramacier, Chair Robert Powers, Vice Chair

*Nuria Fernandez, Jim Hartnett, Michael Hursh,
Therese W. McMillan, Denis Mulligan,
Nina Rannells, and Jeffrey Tumlin*

Monday, April 13, 2020

1:30 PM

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
Board Room – 1st Floor (Remotely)

The Clipper® Executive Board will be meeting on April 13, 2020 at 1:30 p.m., in the Bay Area Metro Center (Remotely). In light of Governor Newsom's State of Emergency declaration regarding the COVID-19 outbreak and in accordance with Executive Order N-29-20 issued by Governor Newsom on March 17, 2020 and the Guidance for Gatherings issued by the California Department of Public Health, the meeting will be conducted via webcast, teleconference, and Zoom for committee, commission, or board members who will participate in the meeting from individual remote locations.

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Attendee Link: <https://bayareametro.zoom.us/j/212785296>

Join by Telephone: 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)

Webinar ID: 212 785 296

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

1. Roll Call / Confirm Quorum

Present: 9 - Board Member Mulligan, Board Member Fernandez, Board Member Hartnett, Board Member Hursh, Chair Ramacier, Board Member Rannells, Board Member McMillan, Vice Chair Powers, and Board Member Tumlin

2. Consent Calendar

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

Aye: 9 - Board Member Mulligan, Board Member Fernandez, Board Member Hartnett, Board Member Hursh, Chair Ramacier, Board Member Rannells, Board Member McMillan, Vice Chair Powers and Board Member Tumlin

2a. [20-0364](#) Minutes of the February 24, 2020 Meeting

Action: Board Approval

Attachments: [2a_CEB Minutes_Feb 24 2020.pdf](#)

2b. [20-0440](#) Reappointment of Fare Integration Task Force Members

Action: Board Approval

Presenter: William Bacon

Attachments: [2b Fare Integration Task Force.pdf](#)

3. Approval

3a. [20-0441](#) Clipper® Two Year Budget and Work Plan

The Clipper budget and work plan for Fiscal Years (FY) 2020-2021 and 2021-22 for the Executive Board's review and approval.

Action: Board Approval

Presenter: Edward Meng

Attachments: [3a Clipper Two Year Budget and Work Plan.pdf](#)

Upon the motion by Board Member Hursh and second by Board Member Fernandez, the Clipper® Two Year Budget and Work Plan was deferred to the May 11, 2020 Clipper Executive Board Meeting. The motion was unanimously carried by the following vote:

Aye: 9 - Board Member Mulligan, Board Member Fernandez, Board Member Hartnett, Board Member Hursh, Chair Ramacier, Board Member Rannells, Board Member McMillan, Vice Chair Powers and Board Member Tumlin

- 3b.** [20-0589](#) Clipper® Contract Amendments - Customer Research, Education and Outreach: MIG, Inc. (\$1,135,000), Caribou Public Relations (\$150,000) and Resource Development Associates (\$150,000); Contract - Customer Research, Education and Outreach: MIG, Inc. (\$200,000)

Request for approval of contract actions for Clipper customer research, education and outreach: contract amendments for MIG, Inc. (\$1,135,000), Caribou Public Relations (\$150,000) and Resource Development Associates (\$150,000); contract for MIG, Inc. (\$200,000).

Action: Board Approval

Presenter: Lysa Hale

Attachments: [3b_Clipper Customer Education Contracts.pdf](#)

Upon the motion by Board Member McMillan and second by Board Member Mulligan, the Clipper® Contract Amendments - Customer Research, Education and Outreach: MIG, Inc. (\$1,135,000), Caribou Public Relations (\$150,000) and Resource Development Associates (\$150,000); Contract - Customer Research, Education and Outreach: MIG, Inc. (\$200,000) was deferred to the May 11, 2020 Clipper Executive Board Meeting. The motion was unanimously carried by the following vote:

Aye: 9 - Board Member Mulligan, Board Member Fernandez, Board Member Hartnett, Board Member Hursh, Chair Ramacier, Board Member Rannells, Board Member McMillan, Vice Chair Powers and Board Member Tumlin

- 3c.** [20-0590](#) Clipper® In-Person Customer Service Centers (IPCSCs) Contract Actions: Contract Amendment - Faneuil, Inc. (\$425,000); Contract - Nematode Holdings, LLC (\$335,000) and Funding Agreement Amendment - Alameda-Contra Costa Transit District (\$250,000)

Request for approval of contract actions for Clipper in-person customer service centers: Faneuil, Inc. (\$425,000), Nematode Holdings, LLC (\$335,000) and Alameda-Contra Costa Transit District (\$250,000).

Action: Board Approval

Presenter: Kelley Jackson

Attachments: [3c_Clipper In-Person Customer Service.pdf](#)

Upon the motion by Board Member Fernandez and second by Board Member Hartnett, the Clipper® In-Person Customer Service Centers (IPCSCs) Contract Actions: Contract Amendment - Faneuil, Inc. (\$425,000); Contract - Nematode Holdings, LLC (\$335,000) and Funding Agreement Amendment - Alameda-Contra Costa Transit District (\$250,000) was deferred to the May 11, 2020 Clipper Executive Board Meeting. The motion was unanimously carried by the following vote:

Aye: 9 - Board Member Mulligan, Board Member Fernandez, Board Member Hartnett, Board Member Hursh, Chair Ramacier, Board Member Rannells, Board Member McMillan, Vice Chair Powers and Board Member Tumlin

4. Information

- 4a. [20-0442](#) Clipper® Memorandum of Understanding (MOU) and Cost Sharing Agreements
- Update on the Clipper MOU Cost Sharing agreements between MTC and participating Clipper agencies.
- Action:** Information
- Presenter:** Edward Meng
- Attachments:** [4a Clipper MOU Cost Sharing_rev.pdf](#)
- 4b. [20-0443](#) Current Clipper® System Update
- Update Board members on the current Clipper program. Clipper staff last updated this Board on the ongoing work and projects related to the current Clipper system at the February 2020 meeting.
- Action:** Information
- Presenter:** Jason Weinstein
- Attachments:** [4b_C1 Program Update.pdf](#)
- 4c. [20-0444](#) Next Generation Clipper® System Update
- Update on key developments related to the implementation of the Next Generation Clipper System Integrator project.
- Action:** Information
- Presenter:** Jason Weinstein
- Attachments:** [4c_C2 Program Update.pdf](#)
- 4d. [20-0530](#) Clipper® START Means-Based Pilot Program Update
- Update on the Clipper START means-based pilot program.
- Action:** Information
- Presenter:** Lysa Hale
- Attachments:** [4d Clipper START Update.pdf](#)

4e. [20-0591](#) Clipper® Intercept Survey Results

Results of biennial survey of Clipper customers and non-Clipper customers.

Action: Information

Presenter: Helise Cohn

Attachments: [4e Clipper Intercept Surveys.pdf](#)

Aleta Dupree spoke on this item.

4f. [20-0613](#) Regional Transit Connection Discount Card (RTC) Program Administrative and Policy Change

Seek Board guidance to transition responsibility for the RTC program application and verification processes from the Bay Area Partnership Accessibility Committee (BAPAC) to the Clipper program and to modernize those processes and administer them consistently with regional youth and senior fare discounts.

Action: Information

Presenter: Lysa Hale

Attachments: [4f RTC Administrative and Policy Change.pdf](#)

Aleta Dupree spoke on this item.

5. Executive Director's Report – Kuester

6. Public Comment / Other Business

[20-0647](#) Correspondence Received

Attachments: [6 Public Comment Redacted.pdf](#)

Aleta Dupree spoke on this item.

7. Adjournment / Next Meeting

The next meeting of the Clipper® Executive Board will be Monday, May 11, 2020 at 1:30 p.m. in the BART Board Room, 3rd Floor, 344 20th Street, Oakland, CA or remotely and by webcast as appropriate depending on the status of any shelter in place orders. Any changes to the schedule will be duly noticed to the public.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 20-0652 **Version:** 1 **Name:**
Type: Report **Status:** Committee Approval
File created: 4/14/2020 **In control:** Clipper Executive Board
On agenda: 5/11/2020 **Final action:**
Title: Clipper® Two Year Budget and Work Plan

The Clipper budget and work plan for Fiscal Years (FY) 2020-2021 and 2021-22 for the Executive Board's review and approval.

Sponsors:

Indexes:

Code sections:

Attachments: [3a_Clipper Two Year Budget and Work Plan.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Clipper® Two Year Budget and Work Plan

The Clipper budget and work plan for Fiscal Years (FY) 2020-2021 and 2021-22 for the Executive Board's review and approval.

Presenter:

Edward Meng

Recommended Action:

Board Approval

Attachments:

Clipper® Executive Board

May 11, 2020

Agenda Item 3a

Clipper® Two Year Budget and Work Plan

Subject: The Clipper budget and work plan for Fiscal Years (FY) 2020-2021 and 2021-22 for the Executive Board's review and approval.

Background: Under the Memorandum of Understanding, the Executive Board reviews and adopts a biennial Clipper budget. The budget was reviewed by the Board at its February 2020 meeting, and in April 2020, the Board requested to defer the approval and adoption of the Clipper Two Year Budget and Work Plan to May 2020 in order to have the most updated information possible to understand the potential impacts that the COVID-19 pandemic may have on the Clipper program.

Attached for your review are the budget and work plan for FYs 2020-21 and 2021-22. Included as attachments to this memo are the Clipper Operating Budget (Attachment A), the Clipper Capital Budget (Attachment B) and a summary of the updates to the Clipper Operating Budget from April 2020 (Attachment C).

MTC's FY 2020-21 annual agency budget incorporates expected revenues and expenses from this Clipper budget, which is expected to be approved by the Commission at its June 2020 meeting.

Highlights and Updates from April 2020

1. The Capital Budget (Attachment B) expenses and fund sources remain stable, and staff believes that the grants and fund sources that fund Clipper's capital costs are relatively stable, pending litigation outcomes from Regional Measure 3 (RM3). This budget assumes that the implementation and deployment of the next-generation Clipper system continues as planned, and if there are any significant recommendations to change the program scope or delivery, that Clipper staff would return to update the Board on these recommendations and effects on the budget.
2. The Operating Budget (Attachment A) is balanced in the two-year timeframe only with the use of reserves built up from prior year surpluses and with the assumption that at least \$0.7M of Unregistered Inactive Funds (row 20) will be disbursed to the Clipper operating budget in FY 20-21, which will require Board approval.
3. Clipper operating costs for MTC (row 1) and transit operators (row 10) have been revised downwards to account for predicted decreased use of the system and based on actual system usage in March and April 2020. Customer Service and Outreach costs (rows 7 and 8) have also been revised based on updated Regional Measure 2 (RM2) Marketing estimates (rows 16 and 17). Both RM2 Operating and Float Account Interest fund source estimates (rows 18 and 21) have also been revised downwards.
4. MTC and Clipper staff are currently identifying potential areas where CARES (Coronavirus Aid, Relief, and Economic Security) Act funding for transit operations and services could be used and will return to the Board with proposals and updates to the Clipper Budget as a result.

Detail of FY 2020-21 and 2021-22 Budget and Work Plan

Details of the Clipper Two Year Budget are listed below.

1. In both Operating and Capital Budgets, costs for the current Clipper system are expected to decrease, while resources are shifted to next-generation implementation, accelerated deployment, and transition efforts, until Clipper is fully transitioned to the next-generation system in FY 2024-25.
2. Estimates of FY 2020-21 operating costs are based on actual and observed system usage in March and April 2020. Shelter in Place orders began in mid-March 2020, and many transit operators waived fare collection as operating policies were modified in light of the COVID-19 pandemic. System usage in April 2020 is down 95% compared to February 2020 and is expected to remain stable until Shelter in Place orders are lifted. FY 2020-21 estimates assume that Shelter in Place orders are lifted by July 2020, but that Clipper usage remains at significantly reduced levels for at least the first quarter in FY 2020-21, with slow growth throughout the next year to regular usage by July 2021. Other models were run to estimate varying Clipper system usage levels and these scenarios resulted in significant savings passed on to transit operators. However, MTC's portion of Clipper operating costs, which largely covers fixed and/or regional costs, stays consistent across different scenarios. Projected costs for FY 2021-22 assume that Clipper usage will have returned to regularly expected levels.
3. Senate Bill 1 State of Good Repair (SGR), Regional Measure 3 (RM3), and future Federal Transit Administration (FTA) formula funds in the amount of \$88M (line 15) were projected to fund next-generation system integrator costs at contract award. If RM3 funds are not available based on current best estimates and pending litigation, new fund sources and funding plans will need to be examined and identified. At the time of contract award, if SGR or RM3 funds were not available, FTA funds were identified to address potential deficits.
4. An additional \$48.1M of uncommitted funding (line 21), highlighted in yellow, is needed to fully fund current and next-generation Clipper capital expenses. These fund sources have yet to be identified.

Recommendation: MTC and transit operator staff recommend that the Clipper Executive Board approve the Clipper Two Year Operating and Capital Budget and Work Plan for FY 2020-21 and FY 2021-22.

Attachments: **Attachment A:** Clipper Operating Budget – April 21, 2020
Attachment B: Clipper Capital Budget - March 3, 2020
Attachment C: Minor Operating Budget Updates for May 2020



Carol Kuester

CLIPPER® PROJECTED OPERATING BUDGET - APRIL 21, 2020

Item No.	Descriptions	Current FY 19/20 (\$M)	FY 20/21 (\$M)	FY 21/22 (\$M)	FY 22/23 (\$M)	FY 23/24 (\$M)	FY 24/25 (\$M)	Total FY 19/20-FY 24/25
MTC Operating Costs								
1	Annual Current Clipper Operating Costs - MTC	\$10.5	\$10.9	\$11.6	\$6.0	\$2.0	\$0.3	\$41.2
2	Annual Next Gen Clipper SI Operating Costs - MTC	\$0.0	\$0.7	\$1.8	\$7.5	\$11.0	\$11.6	\$32.6
3	Annual Next Gen Clipper Other Operating Costs - MTC ¹	\$0.0	\$0.0	\$0.0	\$1.1	\$1.5	\$1.6	\$4.2
4	MTC Staff - Current Clipper Operating	\$1.4	\$1.4	\$1.3	\$0.7	\$0.2	\$0.0	\$5.1
5	MTC Staff - Next Gen Clipper Operating	\$0.0	\$0.1	\$0.2	\$1.0	\$1.5	\$1.8	\$4.5
6	Clipper® Operations - Misc.	\$0.6	\$0.7	\$0.7	\$0.7	\$0.8	\$0.8	\$4.3
7	In Person Customer Service Centers	\$1.2	\$1.1	\$1.2	\$1.2	\$1.3	\$1.3	\$7.3
8	Customer Education Program	\$1.8	\$1.4	\$1.8	\$1.9	\$2.0	\$2.1	\$10.9
9	<i>Subtotal MTC expenses</i>	<i>\$15.5</i>	<i>\$16.2</i>	<i>\$18.6</i>	<i>\$20.1</i>	<i>\$20.2</i>	<i>\$19.4</i>	<i>\$110.0</i>
Transit Agency Costs								
10	Annual Current Clipper Operating Costs - Transit Agencies	\$21.0	\$18.2	\$23.2	\$12.0	\$4.0	\$0.5	\$78.9
11	Annual Next Gen Clipper SI Operating Costs - Transit Agencies	\$0.0	\$0.7	\$1.8	\$7.5	\$11.0	\$11.6	\$32.6
12	Annual Next Gen Clipper Other Operating Costs - Transit Agencies ²	\$0.0	\$0.7	\$1.8	\$8.6	\$12.5	\$13.1	\$36.7
13	<i>Subtotal Transit Agency expenses</i>	<i>\$21.0</i>	<i>\$19.6</i>	<i>\$26.8</i>	<i>\$28.1</i>	<i>\$27.5</i>	<i>\$25.2</i>	<i>\$148.2</i>
14	Total Operating Costs (MTC+Transit)	\$36.5	\$35.8	\$45.4	\$48.2	\$47.7	\$44.6	\$258.2
Operating Revenues								
15	Total STA Revenues	\$7.1	\$7.5	\$7.3	\$7.5	\$7.7	\$7.8	\$44.9
16	Total RM2 Marketing Revenue	\$1.2	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1	\$6.7
17	Additional RM2 Marketing Revenue ³	\$1.8	\$1.5	\$1.7	\$1.7	\$1.7	\$1.7	\$10.1
18	Additional RM2 Operating Revenue ³	\$2.0	\$1.2	\$2.0	\$2.0	\$2.0	\$2.0	\$11.2
19	STA Reserve	\$0.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.6
20	Unregistered Inactive Funds	\$1.6	\$0.7	\$0.0	\$0.0	\$0.0	\$0.0	\$2.3
21	Float Account Interest	\$1.2	\$0.3	\$1.2	\$1.2	\$1.2	\$1.2	\$6.3
22	State of Good Repair (SB1) ⁴	\$0.0	\$0.8	\$1.0	\$1.0	\$0.0	\$0.0	\$2.8
23	Total Transit Agency Revenue	\$21.0	\$19.6	\$26.8	\$28.1	\$27.5	\$25.2	\$148.2
24	Total Operating Revenue	\$36.5	\$32.7	\$41.1	\$42.6	\$41.2	\$39.0	\$233.1
25	Cumulative Surplus/Deficit⁵	\$7.4	\$4.3	\$0.0	(\$5.5)	(\$12.1)	(\$17.7)	

¹ Includes O&M Estimate for CSC

² Includes O&M Estimate for CSC, Pass Through Fees (incl. Mobile Fees & Third Party Commissions), Payment Gateway Fees, etc.

³ Contingent upon availability and MTC Commission Approval

⁴ Used for Next-Gen Clipper Operating Startup Costs

⁵ Operations Carry Forward From Prior Year = \$7.4M

Assumes continuation of ~ 1/3 MTC, 2/3 Transit Agency split in C2 & Agencies can pay their share

Assumes 10% tax, no contingency

CLIPPER® PROJECTED CAPITAL BUDGET - MARCH 3, 2020

Item No.	Description	Current FY 19/20 (\$M)	FY 20/21 (\$M)	FY 21/22 (\$M)	FY 22/23 (\$M)	FY 23/24 (\$M)	FY 24/25 (\$M)	TOTAL FY 19/20 - 24/25 (\$M)
Capital Costs (See Table 1a for Cost Detail)								
1	Clipper Cards & Fare Media	\$4.0	\$4.0	\$3.0	\$3.0	\$2.0	\$1.0	\$17.0
	Current Clipper® System (C1)							
2	MTC Staff	\$1.3	\$1.3	\$0.7	\$0.0	\$0.0	\$0.0	\$3.3
3	Consultants	\$1.0	\$1.0	\$0.5	\$0.0	\$0.0	\$0.0	\$2.5
4	System Enhancements	\$0.5	\$0.6	\$0.0	\$0.0	\$0.0	\$0.0	\$1.1
5	System Enhancements - Operator Requested and Paid	\$1.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.6
6	Infrastructure Refresh/End-of-Lifecycle Replacement	\$1.0	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$1.4
	Next Generation Clipper® System							
7	MTC Staff	\$2.6	\$3.7	\$4.6	\$5.6	\$5.9	\$6.2	\$28.5
8	Consultants	\$2.0	\$4.7	\$2.0	\$2.1	\$2.2	\$2.3	\$15.3
9	System Integrator Contract ¹	\$24.2	\$37.6	\$48.5	\$11.6	\$7.3	\$0.0	\$129.2
10	Next-Gen Clipper Equipment ¹	\$0.0	\$0.0	\$46.7	\$0.0	\$5.1	\$1.3	\$53.1
11	Next-Gen Clipper Equipment - add'l ²	\$0.0	\$0.0	\$2.6	\$0.3	\$0.3	\$0.3	\$3.5
12	Integrate Existing Operator Equipment	\$0.0	\$0.0	\$1.5	\$1.0	\$0.0	\$0.0	\$2.5
13	Customer Service Center, Fare Media, Payment Gateway	\$0.0	\$1.0	\$0.5	\$0.5	\$0.5	\$0.0	\$2.5
14	Total Expenses	\$38.1	\$54.3	\$110.6	\$24.1	\$23.3	\$11.1	\$261.4
Revenue								
15	TCP - FTA / SGR / RM3 ³	\$10.2	\$9.9	\$61.6	\$6.3	\$0.0	\$0.0	\$88.0
16	TCP - FTA ⁴	\$5.0	\$14.1	\$0.0	\$0.0	\$0.0	\$0.0	\$19.1
17	TCP - OBAG2-STP/CMAQ ⁴	\$0.0	\$14.5	\$20.4	\$0.0	\$0.0	\$0.0	\$34.9
18	TCP - OBAG2-RM2 ⁴	\$0.0	\$13.0	\$0.0	\$0.0	\$0.0	\$0.0	\$13.0
19	Fare Media and Card Fee Revenue	\$5.0	\$5.0	\$5.0	\$5.0	\$5.0	\$5.0	\$30.0
20	Operator Paid Revenue	\$1.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.6
21	TBD - Uncommitted	\$0.0	\$0.0	\$10.9	\$12.8	\$18.3	\$6.0	\$48.1
22	Total Annual Revenue	\$21.8	\$56.5	\$97.9	\$24.1	\$23.3	\$11.0	\$234.6
23	Cumulative Surplus/Deficit⁵	\$10.5	\$12.7	\$0.0	\$0.0	\$0.0	\$0.0	

¹ Assumes No Open Payment Deployment, 10% tax where applicable

² Includes readers at all SFMTA light rail doors, add'l platform readers at Caltrain

³ Projected at Contract Award

⁴ Committed at Contract Award

⁵ Capital Carry Forward From Prior Year = \$26.8M (LCTOP, FTA, CMAQ, SB1, BATA Rehab)

Minor Operating Budget Updates for May 2020

- Budgets presented to April CEB and going to May CEB nearly identical, except for minor adjustments (below).
- Updated operating costs to reflect declining system use in FY20/21
 - MTC ↓\$0.2M
 - Transit Operator ↓\$4M
- Streamlined customer service offerings (↓\$0.5M)
 - Customer research, education, marketing, outreach
 - In-Person Customer Service Centers
- Updated fund source estimates
 - RM2 Marketing (↓\$0.2M)
 - RM2 Operating (↓\$0.8M)
 - Float Account Interest (↓\$0.9M)
- Tapped new revenue needed to balance budget
 - Inactive Unregistered Funds Disbursement ↑\$0.7M





Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 20-0653 **Version:** 1 **Name:**
Type: Contract **Status:** Committee Approval
File created: 4/14/2020 **In control:** Clipper Executive Board
On agenda: 5/11/2020 **Final action:**
Title: Clipper® Contract Amendments - Customer Research, Education and Outreach: MIG, Inc. (\$1,335,000), Caribou Public Relations (\$150,000) and Resource Development Associates (\$150,000)

Request for approval of contract actions for Clipper customer research, education and outreach: contract amendments for MIG, Inc. (\$1,335,000), Caribou Public Relations (\$150,000) and Resource Development Associates (\$150,000).

Sponsors:

Indexes:

Code sections:

Attachments: [3b_Clipper Customer Education Contracts_rev.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Clipper® Contract Amendments - Customer Research, Education and Outreach: MIG, Inc. (\$1,335,000), Caribou Public Relations (\$150,000) and Resource Development Associates (\$150,000)

Request for approval of contract actions for Clipper customer research, education and outreach: contract amendments for MIG, Inc. (\$1,335,000), Caribou Public Relations (\$150,000) and Resource Development Associates (\$150,000).

Presenter:

Lysa Hale

Recommended Action:

Board Approval

Attachments:

Clipper® Executive Board

May 11, 2020

Agenda Item 3b

Clipper® Contract Amendments – Customer Research, Education and Outreach: MIG, Inc. (\$1,335,000), Caribou Public Relations (\$150,000) and Resource Development Associates (\$150,000)

Subject: Request for approval of contract actions for Clipper customer research, education and outreach: contract amendments for MIG, Inc. (\$1,335,000), Caribou Public Relations (\$150,000) and Resource Development Associates (\$150,000).

Background: MTC engages contractors to assist with the implementation of customer research, education and outreach initiatives to benefit current and potential Clipper customers. A primary goal of MTC's customer education and marketing program is to support transit operator fare policy and service changes that create demand for Clipper cards and information.

MTC plans to continue into FY 2020-21 a campaign to dispel myths about Clipper, including delivering on MTC's mandate to provide Clipper information to Title VI and Environmental Justice-protected populations. The FY 2020-21 work plan includes completion of a redesigned website, signage and promotion of new transit services. Also in FY 2020-21, we will be launching the Clipper mobile app; the below requested contract amendment with MIG, Inc. includes creative development for that mobile app.

Attachment A is an overview of the customer education work plan for FY 2020-21 with a summary of projects of the prior three fiscal years.

These contract amendments were contemplated and are included in the Two Year Clipper Budget and Work Plan. All of the consultants are part of the pre-qualified Electronic Payment Implementation and Operations consultant bench competitively selected by MTC in May 2016:

i. **Contract Amendment – Customer Information Services: MIG, Inc. (MIG) (\$1,335,000)**

Under this contract amendment, MIG will implement campaigns to increase Clipper adoption and assist with the implementation of a new website, including accessibility design and review. MIG will continue to prepare updates to online and print materials in support for ongoing operational changes. MIG also will manage Clipper's social media program. MIG also will provide creative development for the launch of the Clipper mobile app. Clipper needs to increase awareness of the app upon launch, and significant customer education will be required to introduce how the app works. The current contract amount is \$3,495,000; the proposed amendment would add \$1,335,000. This contract will expire on June 30, 2021.

ii. **Contract Amendment – Customer Outreach Services: Caribou Public Relations (Caribou) (\$150,000)**

Under this contract amendment, Caribou will provide outreach services for Clipper. We anticipate using Caribou's services to support customer education campaigns as well as help publicize new transit services such as BART to San Jose, SFMTA's Central Subway and AC Transit's Bus Rapid Transit. The current contract amount is \$325,000; the proposed amendment would add \$150,000, extending the period of performance through June 30, 2021.

iii. **Contract Amendment – Electronic Payments Consultant Assistance Services: Resource Development Associates, Inc. (RDA) (\$150,000)**

Under this contract amendment, RDA will provide operational monitoring and reporting services, including reporting on the outcomes of outreach activities and tracking Clipper card distribution. RDA also would help manage relationships with social service agencies for the purpose of monitoring administrative feasibility of the Regional Means-Based Transit Fare Pilot. The current contract amount is \$780,000; the proposed amendment would add \$150,000, extending the period of performance through June 30, 2021.

These efforts are required for Clipper to meet Title VI requirements and are essential to the ongoing successful performance of the Clipper program, and critical to the program's and transit agencies' recovery from the service interruptions and fears caused by COVID-19. These contracts were approved in FY 2019-20. They are not dependent on subsequent work except to the extent that Clipper should comply with Title VI and provide successful performance.

Issues:


On April 13, 2020, the Clipper Executive Board deferred action on these contract actions to its May meeting. While for Clipper contract actions the normal sequence is for Executive Board approval to precede Operations Committee consideration, in light of the extraordinary circumstances presented by the COVID-19 pandemic, staff recommended that the Operations Committee approve these contract actions at its May 8, 2020 meeting subject to subsequent approval by the Clipper Executive Board.

Recommendation:

Staff recommends approval of contract amendments with MIG in an amount not to exceed \$1,335,000, with Caribou in an amount not to exceed \$150,000, and with RDA in an amount not to exceed \$150,000.

Attachments:

Attachment A: Clipper Customer Education Program Activities (FY 2017-18 through FY 2020-21)


Carol Kuester

Clipper Customer Education Program Activities (FY 2017-18 through FY 2020-21)

Fiscal Year 2020-21 (Draft)			
Activity	Primary Audience	Secondary Audience	Tactics
“Myth vs. Truth” campaign	<ul style="list-style-type: none"> Transit riders not using Clipper 		<ul style="list-style-type: none"> Advertising: digital and out-of-home media (i.e., transit shelters) Car cards and onboard signage Outreach events Social media announcements Website announcements
Mobile App launch campaign	<ul style="list-style-type: none"> Current Clipper card users 	<ul style="list-style-type: none"> Transit riders not using Clipper 	<ul style="list-style-type: none"> Advertising: digital and out-of-home media (i.e., transit shelters) Car cards and onboard signage Outreach events Social media announcements Website announcements
Expansion and enhancement projects	<ul style="list-style-type: none"> AC Transit BART SFMTA 		<ul style="list-style-type: none"> Outreach and support for: <ul style="list-style-type: none"> AC Transit Bus Rapid Transit BART to San Jose station openings Muni Central Subway station openings
General customer research as needed	<ul style="list-style-type: none"> Regional 		<ul style="list-style-type: none"> Surveys and focus groups as needed
Next-generation Clipper customer research	<ul style="list-style-type: none"> Regional 		<ul style="list-style-type: none"> Content and programming updates to futureofclipper.com Focus groups and surveys
Website improvements	<ul style="list-style-type: none"> Regional 		<ul style="list-style-type: none"> Manage testing and deployment of website redesign Improve account management interface
Miscellaneous regional events	<ul style="list-style-type: none"> BART Regional 		<ul style="list-style-type: none"> BART National Night Out outreach events Content and programming updates to clippercard.com
Miscellaneous fare policy and service changes	<ul style="list-style-type: none"> Golden Gate SFMTA TBD 		<ul style="list-style-type: none"> Content and programming updates to clippercard.com Social media announcements Website announcements Emails to targeted registered customers Customer service training
Social media management	<ul style="list-style-type: none"> Regional 		<ul style="list-style-type: none"> Develop new social media strategy to accompany mobile app launch Compose posts and share partner posts Respond to inquiries and address customer service escalations, as needed

Fiscal Year 2019-20			
Activity	Primary Audience	Secondary Audience	Tactics
“Clipper Works for You” campaign	<ul style="list-style-type: none"> • SFMTA • AC Transit • Marin Transit • Union City Transit • TBD 		<ul style="list-style-type: none"> • Advertising: digital and out-of-home media (i.e., transit shelters) • Car cards and onboard signage • Outreach events • Social media announcements • Website announcements
Expansion and enhancement projects	<ul style="list-style-type: none"> • AC Transit • BART • SFMTA 		<ul style="list-style-type: none"> • Outreach and support for: <ul style="list-style-type: none"> ○ AC Transit Bus Rapid Transit ○ BART to San Jose station openings ○ Muni Central Subway station openings
Implementation of more frequent actionlists	<ul style="list-style-type: none"> • Regional 		<ul style="list-style-type: none"> • Website updates • Social media announcements • Advertising (i.e., car cards)
Caltrain ticket vending machine integration	<ul style="list-style-type: none"> • Caltrain 	<ul style="list-style-type: none"> • SamTrans 	<ul style="list-style-type: none"> • Content and programming updates to clippercard.com • Social media announcements • Website announcements • Emails to targeted registered customers • Customer service training
Biannual customer research	<ul style="list-style-type: none"> • Regional 		<ul style="list-style-type: none"> • Surveys of Clipper and non-Clipper customers • Focus groups or other small-group research as needed
Next-generation Clipper customer research	<ul style="list-style-type: none"> • Regional 		<ul style="list-style-type: none"> • Content and programming updates to futureofclipper.com • Focus groups and surveys
Website improvements	<ul style="list-style-type: none"> • Regional 		<ul style="list-style-type: none"> • Manage testing and deployment of website redesign • Improve account management interface
Electronic newsletter	<ul style="list-style-type: none"> • Clipper opt-in customers 	<ul style="list-style-type: none"> • Participating transit operators 	<ul style="list-style-type: none"> • Work with Cubic to develop an electronic newsletter for opt-in customers (switched strategies to redirect to transit operator lists)
Miscellaneous regional events	<ul style="list-style-type: none"> • BART • Regional 		<ul style="list-style-type: none"> • BART National Night Out outreach events • Content and programming updates to clippercard.com
Miscellaneous fare policy and service changes	<ul style="list-style-type: none"> • Golden Gate • SFMTA • TBD 		<ul style="list-style-type: none"> • Content and programming updates to clippercard.com • Social media announcements • Website announcements • Emails to targeted registered customers • Customer service training
Social media management	<ul style="list-style-type: none"> • Regional 		<ul style="list-style-type: none"> • Compose posts and share partner posts • Respond to inquiries and address customer service escalations, as needed

Fiscal Year 2018-19			
Activity	Primary Audience	Secondary Audience	Tactics
“Clipper Works for You” campaign	<ul style="list-style-type: none"> • Caltrain • County Connection • Golden Gate Transit • SamTrans • VTA 		<ul style="list-style-type: none"> • Advertising: digital and out-of-home media (i.e., transit shelters) • Car cards and onboard signage • Outreach events • Coordinate with operators on website content and messaging • Website announcements
Clipper card vending at VTA light-rail stations	<ul style="list-style-type: none"> • VTA 	<ul style="list-style-type: none"> • Caltrain • SamTrans 	<ul style="list-style-type: none"> • Brochure updates • Social media announcements • Content and programming updates to clippercard.com • Customer service training
Miscellaneous regional events, including service expansions	<ul style="list-style-type: none"> • AC Transit • BART • VTA • WETA • Regional 		<ul style="list-style-type: none"> • BART National Night Out outreach events • WETA’s launch of Richmond service • Brochure updates • Social media announcements • Content and programming updates to clippercard.com • Customer service training
Miscellaneous fare policy changes and operations support	<ul style="list-style-type: none"> • AC Transit • Caltrain • FAST • Golden Gate Transit • Muni • SolTrans 		<ul style="list-style-type: none"> • Brochure changes • Content and programming updates to clippercard.com • Social media announcements • Website announcements • Emails to targeted registered customers • Customer service training
C2 public engagement	<ul style="list-style-type: none"> • Regional 	<ul style="list-style-type: none"> • Stakeholders 	<ul style="list-style-type: none"> • Ongoing collection of feedback via email, social media and phone • Content and programming updates to futureofclipper.com • Focus groups and research, as needed
Regional communications plan	<ul style="list-style-type: none"> • Participating transit operators 		<ul style="list-style-type: none"> • Develop criteria for distributing operator-specific announcements through Clipper email and online channels
Communications material archive	<ul style="list-style-type: none"> • Regional 		<ul style="list-style-type: none"> • Develop online archive for creative files and messaging for transit operator use
Brochure streamlining	<ul style="list-style-type: none"> • Regional 		<ul style="list-style-type: none"> • Identify opportunities to streamline print material content and better communicate ideas (i.e., infographics)
Website improvements	<ul style="list-style-type: none"> • Regional 		<ul style="list-style-type: none"> • Coordination with Cubic for implementation of new site that is optimized for different devices • Improve account management interface
Social media management	<ul style="list-style-type: none"> • Regional 		<ul style="list-style-type: none"> • Compose posts and share partner posts • Respond to inquiries and address customer service escalations, as needed

Fiscal Year 2017-18			
Activity	Primary Audience	Secondary Audience	Tactics
BART fare policy changes <ul style="list-style-type: none"> Fare increase Paper ticket surcharge Change in youth age and discount 	<ul style="list-style-type: none"> BART 		<ul style="list-style-type: none"> Outreach events Engage community-based organizations to participate in free card distribution program Brochure updates Social media announcements Website announcements Content and programming updates to clippercard.com
Downtown Berkeley BART station Clipper-only gates	<ul style="list-style-type: none"> BART 	<ul style="list-style-type: none"> AC Transit 	<ul style="list-style-type: none"> Design informational signage Review of BART signage and communications Social media announcements
Clipper card vending machines at BART stations	<ul style="list-style-type: none"> BART 	<ul style="list-style-type: none"> AC Transit County Connection Tri Delta Transit Union City Transit WestCAT Wheels 	<ul style="list-style-type: none"> Brochure updates Social media announcements Content and programming updates to clippercard.com Customer service training
Discontinuation of Park with Clipper pilot program	<ul style="list-style-type: none"> Park with Clipper customers 		<ul style="list-style-type: none"> Website announcements Content and programming updates to clippercard.com Development of notice for parking garage operators to post Coordinate signage removal Emails to targeted registered customers Customer service training
C2 public engagement	<ul style="list-style-type: none"> Regional 	<ul style="list-style-type: none"> Stakeholders, including community-based and accessibility organizations, employers, transit agency advisory groups 	<ul style="list-style-type: none"> Content and programming updates to futureofclipper.com Stakeholder interviews and presentations Final report Presentations on results
Cash-customer survey	<ul style="list-style-type: none"> Regional 		<ul style="list-style-type: none"> Intercept survey and report
Biannual customer research	<ul style="list-style-type: none"> Regional 		<ul style="list-style-type: none"> Intercept survey and report
Miscellaneous regional events	<ul style="list-style-type: none"> BART Regional 		<ul style="list-style-type: none"> BART National Night Out outreach events Outreach support for BART to Antioch station openings Content and programming updates to clippercard.com License agreements updates Signage for Clipper vending machines planned for Transbay Transit Center

Miscellaneous fare policy changes and operations support	<ul style="list-style-type: none"> • Caltrain • VTA 		<ul style="list-style-type: none"> • Brochure changes • Content and programming updates to clippercard.com • Social media announcements • Website announcements • Emails to targeted registered customers • Customer service training
Communications material archive	<ul style="list-style-type: none"> • Regional 		<ul style="list-style-type: none"> • Development of online archive for creative files and messaging for transit operator use
Brand Style Guide Update	<ul style="list-style-type: none"> • Program partners 	<ul style="list-style-type: none"> • Private industry 	<ul style="list-style-type: none"> • Update guidelines to reflect current standards • Develop brand compliance review form • Update clippercard.com content and post file
Website improvements	<ul style="list-style-type: none"> • Regional 		<ul style="list-style-type: none"> • Promote opportunity to opt-in for program communications • Accessibility improvements to online forms and account management pages • Developing plans for streamlined content and navigation • Coordination with Cubic for development of responsive site that is optimized for different devices
Social media management	<ul style="list-style-type: none"> • Regional 		<ul style="list-style-type: none"> • Compose posts and share partner posts • Respond to inquiries and address customer service escalations, as needed

REQUEST FOR CLIPPER EXECUTIVE BOARD APPROVAL

Summary of Proposed Contract Amendment

Contractor:	MIG, Inc. Berkeley, CA
Work Project Title:	Public Awareness and Customer Education Services
Purpose of Amendment:	Provide assistance with Clipper research, communications and customer education efforts
Brief Scope of Work:	Provide customer education information through print, online and paid media, i.e., advertisements
Project Cost Not to Exceed:	\$1,335,000 (this amendment) Total Contract value including amendments before this amendment = \$3,495,000 Total contract amount with this amendment = \$4,830,000
Funding Source:	Regional Measure 2 Marketing and Operations, STA, STP, Senate Bill 1 State of Good Repair
Fiscal Impact:	Funds dependent on the approval of the FY 2020-21 MTC agency budget
Motion:	That a contract amendment with MIG, Inc., for the purposes described herein and in the Executive Director's memorandum dated May 11, 2020, is hereby approved by the Clipper Executive Board, subject to adoption of the FY 2020-21 MTC agency budget.
Executive Board:	<hr/> Rick Ramacier, Chair
Approved:	Date: May 11, 2020

REQUEST FOR CLIPPER EXECUTIVE BOARD APPROVAL

Summary of Proposed Contract Amendment

Contractor:	Caribou Public Relations, Inc. Martinez, CA
Work Project Title:	Clipper Outreach Services
Purpose of Amendment:	Provide Clipper outreach services
Brief Scope of Work:	Provide in-person outreach services to distribute cards and provide public education in stations, at terminals and at bus stops
Project Cost Not to Exceed:	\$150,000 (this amendment) Total Contract value including amendments before this amendment = \$325,000 Total contract amount with this amendment = \$475,000
Funding Source:	TCP, STP, CMAQ, STA, Regional Measure 2 Marketing Operating
Fiscal Impact:	Funds dependent on the approval of the FY 2020-2021 MTC agency budget
Motion by Board:	That a contract amendment with Resource Development Associates, Inc., for the purposes described herein and in the Executive Director's memorandum dated May 11, 2020, is hereby approved by the Clipper Executive Board, subject to adoption of the FY 2020-21 MTC agency budget.
Executive Board:	<hr/> Rick Ramacier, Chair
Approved:	Date: May 11, 2020

REQUEST FOR CLIPPER EXECUTIVE BOARD APPROVAL

Summary of Proposed Contract Amendment

Contractor:	Research Development Associates, Inc. Oakland, CA
Work Project Title:	Operational Monitoring and Reporting Services
Purpose of Amendment:	Provide information about Clipper program performance through operational monitoring and reporting
Brief Scope of Work:	Operational monitoring and reporting on discounted Clipper card distribution, customer service issues, Regional Means-Based Transit Fare Pilot, and effectiveness of outreach activities, among other program areas
Project Cost Not to Exceed:	\$150,000 (this amendment) Total Contract value including amendments before this amendment = \$780,000 Total contract amount with this amendment = \$930,000
Funding Source:	TCP, STP, CMAQ, STA, Regional Measure 2 Marketing and Operating
Fiscal Impact:	Funds dependent on the approval of the FY 2020-21 MTC agency budget
Motion by Board:	That a contract amendment with Resource Development Associates, Inc., for the purposes described herein and in the Executive Director's memorandum dated May 11, 2020, is hereby approved by the Clipper Executive Board, subject to adoption of the FY 2020-21 MTC agency budget.
Executive Board:	<hr/> Rick Ramacier, Chair
Approved:	Date: May 11, 2020



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #:	20-0654	Version:	1	Name:	
Type:	Contract	Status:		Committee Approval	
File created:	4/14/2020	In control:		Clipper Executive Board	
On agenda:	5/11/2020	Final action:			
Title:	Clipper® In-Person Customer Service Centers (IPCSCs) Contract Actions: Contract Amendment - Faneuil, Inc. (\$425,000); Contract - Nematode Holdings, LLC (\$335,000) and Funding Agreement Amendment - Alameda-Contra Costa Transit District (\$250,000)				
	Request for approval of contract actions for Clipper in-person customer service centers: Faneuil, Inc. (\$425,000), Nematode Holdings, LLC (\$335,000) and Alameda-Contra Costa Transit District (\$250,000).				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	3c_Clipper In-Person Customer Service.pdf				

Date	Ver.	Action By	Action	Result
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Subject:

Clipper® In-Person Customer Service Centers (IPCSCs) Contract Actions: Contract Amendment - Faneuil, Inc. (\$425,000); Contract - Nematode Holdings, LLC (\$335,000) and Funding Agreement Amendment - Alameda-Contra Costa Transit District (\$250,000)

Request for approval of contract actions for Clipper in-person customer service centers: Faneuil, Inc. (\$425,000), Nematode Holdings, LLC (\$335,000) and Alameda-Contra Costa Transit District (\$250,000).

Presenter:

Kelley Jackson

Recommended Action:

Board Approval

Attachments:

Clipper® Executive Board

May 11, 2020

Agenda Item 3c

Clipper® In-Person Customer Service Centers (IPCSCs) Contract Actions: Contract Amendment - Faneuil, Inc. (\$425,000); Contract - Nematode Holdings, LLC (\$335,000) and Funding Agreement Amendment - Alameda-Contra Costa Transit District (\$250,000)

Subject: Request for approval of contract actions for Clipper in-person customer service centers: Faneuil, Inc. (\$425,000), Nematode Holdings, LLC (\$335,000) and Alameda-Contra Costa Transit District (\$250,000).

Background: The Clipper program funds in-person customer service centers at two San Francisco locations and the Alameda-Contra Costa Transit District (AC Transit) Oakland headquarters. In addition to issuing adult, Youth and Senior Clipper cards and selling value, these service centers issue replacement cards, register adult cards that have been purchased through other channels, and accept cash payment for card replacement fees.

Located near rail, bus and ferry hubs, these service centers provide a convenient location for transit riders to obtain a new or replacement cards so that they have immediate access to the savings and benefits offered to Clipper customers (i.e., balance protection, age-based discounts, and avoidance of surcharges for cash payment).

These contract and funding agreement actions were contemplated and are included in the Two Year Clipper Budget and Work Plan. Staff recommends that the Executive Board approve the following contract actions.

i. Contract Amendment – Clipper Customer Service Center Operations at Embarcadero Station: Faneuil, Inc. (Faneuil) (\$425,000)

In March 2017, this Board approved the recommendation to award Faneuil a contract to operate the Clipper Customer Service Center at the Embarcadero BART/Muni Metro station following a competitive procurement. The procurement terms included a two-year initial operating period with an option to extend annually for up to five years (through Fiscal Year 2023-24). This location continues to experience high demand - replacing over 1,100 cards and completing over 7,000 sales on average each month. The current contract amount is \$1,232,888; the amendment would add \$425,000, extending operations through June 30, 2021.

ii. Contract – Clipper Customer Service Center Operations at San Francisco Ferry Building (Bay Crossings): Nematode Holdings, LLC (Nematode) (\$335,000)

In December 2010, MTC entered into a sole source contract with Nematode to offer Clipper customer services based on its Bay Crossings store being the only vendor in the San Francisco Bay Ferry Building to provide transportation information and sell transit tickets to commuters and tourists. Nematode also contracts with Blue and Gold Fleet to sell fare media, including passes for the Water Emergency Transportation Authority (SF Bay Ferry). As we prepare for the launch of the next generation Clipper system's Accelerated Deployment

phase, including a new mobile app and new fare payment validators, staff is recommending that we execute a new contract with an expanded scope of work to bridge transition to the launch of the account-based system. The initial term of the proposed contract would be one year, but staff anticipates the contract may be extended on an annual basis through Fiscal Year 2022-23. The Bay Crossings store continues to be a popular location that complements services offered at the overburdened Embarcadero BART/Muni Metro station location. During the first half of Fiscal Year 2019-20, Bay Crossings completed an average of 260 card replacements and 5,500 Clipper sales each month. Under this contract, Nematode also would maintain the ferry departure flap sign in the Ferry Building's central lobby. The proposed sole source contract would be for \$335,000 for the initial one-year term through June 30, 2021.

iii. Funding Agreement Amendment – Clipper Customer Service Center Operations at Alameda-Contra Costa Transit District (AC Transit) Headquarters: AC Transit (\$250,000)


In April 2012, MTC executed a funding agreement with AC Transit to provide expanded Clipper customer services at AC Transit's headquarters in Oakland. During the first half of FY 2019-20, AC Transit's multilingual staff issued an average of 470 replacement cards each month – a 16% year-over-year increase. The current funding agreement amount is \$2,055,000; the proposed amendment would add \$250,000, funding these ongoing activities through June 30, 2021.

Issues:

On April 13, 2020, the Clipper Executive Board deferred action on these contract actions to its May meeting. While for Clipper contract actions the normal sequence is for Executive Board approval to precede Operations Committee consideration, in light of the extraordinary circumstances presented by the COVID-19 pandemic, staff recommended that the Operations Committee approve these contract actions at its May 8, 2020 meeting subject to subsequent approval by the Clipper Executive Board.

Recommendation:

Staff recommends approval of a contract amendment with Faneuil in an amount not to exceed \$425,000, a contract with Nematode in an amount not to exceed \$335,000, and a funding agreement amendment with AC Transit in an amount not to exceed \$250,000, to provide in-person Clipper customer services as described above.


Carol Kuester

REQUEST FOR CLIPPER EXECUTIVE BOARD APPROVAL

Summary of Proposed Contract Amendment

Contractor:	Faneuil, Inc. Hampton, VA
Work Project Title:	Clipper Customer Service Center Operations at Embarcadero San Francisco Bay Area Rapid Transit (BART) Station
Purpose of Amendment:	Provide Clipper in-person customer service, such as issuance of new and replacement cards
Brief Scope of Work:	Contractor shall provide trained staff to support a range of Clipper customer services
Project Cost Not to Exceed:	\$425,000 (this amendment) Total Contract value including amendments before this amendment = \$1,232,888 Total contract amount with this amendment = \$1,657,888
Funding Source:	Regional Measure 2 Marketing and Operations, STA, STP
Fiscal Impact:	Funds dependent on the approval of the FY 2020-21 MTC agency budget
Motion:	That a contract amendment with Faneuil, for the purposes described herein and in the Executive Director's memorandum dated May 11, 2020, is hereby approved by the Clipper Executive Board, subject to adoption of the FY 2020- 21 MTC agency budget.
Executive Board:	<hr/> Rick Ramacier, Chair
Approved:	Date: May 11, 2020

REQUEST FOR CLIPPER EXECUTIVE BOARD APPROVAL

Summary of Proposed Contract

Contractor:	Nematode Holdings, LLC San Francisco, CA
Work Project Title:	Clipper Customer Service Operations at San Francisco Ferry Building (Bay Crossings) Operations
Purpose of Amendment:	Provide Clipper in-person customer service, such as issuance of new and replacement cards; distribute MTC project materials; and maintain ferry schedule flap sign display
Brief Scope of Work:	Contractor shall provide trained staff to support a range of Clipper customer services and the operations and maintenance of the ferry schedule flap sign display
Project Cost Not to Exceed:	\$335,000
Funding Source:	Regional Measure 2 Marketing and Operations, STA, STP
Fiscal Impact:	Funds dependent on the approval of the FY 2020-2021 MTC agency budget
Motion by Board:	That a contract with Nematode Holdings, for the purposes described herein and in the Executive Director's memorandum dated May 11, 2020, is hereby approved by the Clipper Executive Board, subject to adoption of the FY 2020-21 MTC agency budget.
Executive Board:	<hr/> Rick Ramacier, Chair
Approved:	Date: May 11, 2020

REQUEST FOR CLIPPER EXECUTIVE BOARD APPROVAL

Summary of Proposed Funding Agreement Amendment

Contractor:	Alameda-Contra Costa Transit District Oakland, CA
Work Project Title:	Clipper Customer Service Center Operations at AC Transit Headquarters
Purpose of Amendment:	Provide Clipper in-person customer service center in the East Bay
Brief Scope of Work:	Operate Clipper in-person customer service center at AC Transit's District Headquarters building located at 1600 Franklin Street in Oakland
Project Cost Not to Exceed:	\$250,000 (this amendment) Total Contract value including amendments before this amendment = \$2,055,000 Total contract amount with this amendment = \$2,305,000
Funding Source:	Regional Measure 2 Marketing and Operations, STA, STP
Fiscal Impact:	Funds dependent on the approval of the FY 2020-21 MTC agency budget
Motion by Board:	That a funding agreement amendment with Resource Development Associates, Inc., for the purposes described herein and in the Executive Director's memorandum dated May 11, 2020, is hereby approved by the Clipper Executive Board, subject to adoption of the FY 2020-21 MTC agency budget.
Executive Board:	<hr/> Rick Ramacier, Chair
Approved:	Date: May 11, 2020



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 20-0655 **Version:** 1 **Name:**
Type: Report **Status:** Committee Approval
File created: 4/16/2020 **In control:** Clipper Executive Board
On agenda: 5/11/2020 **Final action:**
Title: Proposed Amendment to Clipper® Memorandum of Understanding (MOU)

Executive Board's review and approval of regional cost-sharing agreements incorporated in proposed Amendment 2 to the Amended and Restated Clipper® Memorandum of Understanding.

Sponsors:

Indexes:

Code sections:

Attachments: [3d_Clipper MOU Amendment 2.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Proposed Amendment to Clipper® Memorandum of Understanding (MOU)

Executive Board's review and approval of regional cost-sharing agreements incorporated in proposed Amendment 2 to the Amended and Restated Clipper® Memorandum of Understanding.

Presenter:

Edward Meng

Recommended Action:

Board Approval

Attachments:

Clipper® Executive Board

May 11, 2020

Agenda Item 3d

Proposed Amendment to Clipper® Memorandum of Understanding (MOU)

Subject: Executive Board’s review and approval of regional cost-sharing agreements incorporated in proposed Amendment 2 to the Amended and Restated Clipper® Memorandum of Understanding.

Background: The current Amended and Restated Clipper® Memorandum of Understanding (“MOU”) established the Clipper® Executive Board and was entered into on February 19, 2016 by and among the Metropolitan Transportation Commission and the transit operators participating in the Clipper® program. The MOU was subsequently amended on April 17, 2017 (“Amendment 1”) to update Board attendance requirements and add an article regarding common interest and joint cooperation in legal matters relating to Clipper®.

The proposed amendment to the MOU (“Amendment 2”) would update the regional cost-sharing agreements between MTC and the transit operators, as well as incorporate other updates, including: additional language concerning Personally Identifiable Information (“PII”), inclusion of references to contracts needed to support the overall Next-Generation Clipper program, additional references and clarifications about “Affiliate Participant” agreements for transit operators based outside the Bay Area or for entities that are not transit operators, and general clean-up and clarifications.

Proposal

At its April 13, 2020 meeting, the Board was informed of planned adjustments to the cost-sharing agreements between MTC and the transit operators, and specifically how costs should be regionally allocated under the terms of the current Clipper® contract’s Operations and Maintenance (“O&M”) Extension, as well as O&M costs and fees associated with Accelerated Deployment of the Next-Generation Clipper system. These cost-sharing agreements will be integrated into Proposed Amendment 2 to the MOU (Attachment A) as follows:

1. Appendix B-3 is amended to identify and define the cost allocation agreements among MTC and the transit operators during the current Clipper Contract O&M Extension Period, including costs incurred based on the current line item price structure, as well as costs incurred during any time and materials payment structure, as described in the April 13, 2020 Clipper Executive Board memo detailing cost-sharing agreements among the parties (Attachment B).
2. Appendix B-4 is added to identify and define the cost allocation agreements among MTC and the transit operators during the Accelerated Deployment period of the Next-Generation Clipper System Integrator contract, as described in the April 13, 2020 Clipper Executive Board memo detailing cost-sharing agreements among the parties (Attachment B).

Issues: Under the terms of the MOU, Board approval is required for “significant business matters” which are defined to include any matter that can reasonably be expected to have a substantial financial impact over \$250,000. Appendices B-3 and B-4 in the Proposed Amendment 2, which as described above detail the cost sharing agreements between MTC and the transit operators, are expected to have a financial impact on a scale large enough to constitute a significant business matter. Other terms and conditions in this Proposed Amendment 2 will become valid and enforceable once the amendment is approved and signed by all parties.

Recommendation: MTC and transit operator staff recommend that the Clipper Executive Board:

1. Approve Appendices B-3 and B-4 to the Proposed Amendment 2 as included in Attachment A to this packet; and
2. Approve the circulation of the remainder of Proposed Amendment 2 to the parties for approval and signatures.

Attachments: **Attachment A:** Proposed Amendment No. 2 to the MOU
Attachment B: Clipper MOU and Cost Sharing Agreements memo, Clipper Executive Board, April 13, 2020



Carol Kuester

AMENDMENT NO. 2 to

AMENDED AND RESTATED CLIPPER® MEMORANDUM OF UNDERSTANDING

This is Amendment No. 2, effective as of _____, 2020 ("Amendment No. 2 Effective Date") to the Amended and Restated Clipper Memorandum of Understanding (the "MOU") dated February 19, 2016, as amended on April 17, 2017, 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 Valley Transportation Authority; 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 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. *On September 26, 2018, MTC, as Contracting Agency under this MOU, entered into a contract (the "Next-Generation Clipper Contract") with Cubic Transportation Systems, Inc. (the "Clipper Contractor"), to act as system integrator for the next-generation Clipper fare payment system (the "Next-Generation Clipper system"), including system design, development and testing, installation and transition, operations and maintenance, and end of term transition.*
2. *In order to ensure a smooth transition from the current Clipper fare payment system to the Next-generation Clipper system, MTC extended its contract with the Clipper Contractor to implement, operate and maintain the Clipper fare payment system through November 2, 2019 (the "Clipper Contract"), for a period of up to five years ("Clipper Contract O&M Extension Period") through November 2, 2024.*
3. *During the four years since the Parties entered into the MOU, the use of Clipper has expanded beyond public transit and outside the nine counties represented by the Operators.*

4. *The Parties now wish to amend the MOU to address changes to the Clipper program, including the expanded use of Clipper and the implementation, operation and maintenance of the Next-Generation Clipper fare payment system, including cost allocation agreements among MTC and the Operators to pay for the Accelerated Deployment operation and maintenance costs associated with the implementation of a Clipper mobile app and procurement and installation of next-generation devices during the Clipper Contract O&M Extension Period.*
5. *For purposes of this Amendment #2, references to the “Clipper program” or “Clipper” refer collectively to the systems implemented under the Clipper Contract, the Next-Generation Clipper Contract, and other contracts to be entered into to implement and operate the current and next- generation Clipper fare payment system.*

The MOU is hereby amended as follows:

1. Article I, Operator Responsibilities, is deleted in its entirety and the following is substituted:

ARTICLE I, Operator Responsibilities

Each Operator agrees to:

- A. Implement and operate the Clipper program in accordance with the Clipper Operating Rules, as adopted and amended from time to time, consistent with the consultation and approval process set forth in Appendix A, Process for Amending Clipper Operating Rules, attached hereto and incorporated herein by this reference. The Clipper Operating Rules establish operating parameters and procedures for the consistent and efficient operation of Clipper throughout the region. The current version of the Clipper Operating Rules is available on MTC's website at <http://clipper.mtc.ca.gov>
- B. Pay its share of Clipper costs, including costs of the salary of additional Clipper staff necessary to support the Executive Board, according to Appendix B, Clipper Cost and Revenue Allocation, *as amended*, attached hereto and incorporated herein by this reference. Changes to Appendix B require an amendment to the MOU in accordance with Article XI.A.
- C. Make its facilities and staff available for implementation and operation of Clipper. Any Operator and the Contracting Agency may agree to an Operator-specific implementation plan, setting forth specific requirements regarding implementation and operation of Clipper for such Operator.
- D. Make determinations regarding the placement of Clipper equipment on the Operator's facilities and equipment; perform necessary site preparation; attend Clipper Contractor training on the use of the Clipper equipment; and provide training to employees using the equipment.

- E. ~~Beginning two years after the effective date of this Agreement, and every two years thereafter,~~ *Participate in regular reviews of the cost and revenue allocation formulas in Appendix B to support fairness among Operators and to accommodate changes in shared operation costs.*
 - F. *Comply with the conditions and restrictions on protection and use of personally identifiable information set forth in Appendix G, Special Conditions Relating to Personally Identifiable Information, as they may be amended from time to time by MTC.*
2. Article II, MTC Responsibilities, is amended to add subsection G, as follows:
- G. *Enter into Affiliate Participant agreements in accordance with Article VI.B.*
3. Article III: Contracting Agency Responsibilities, is amended to add new subsection M, as follows:
- M. *Comply with the information handling and confidentiality requirements outlined in California Streets and Highways Code Section 31490.*
4. Article IV, Clipper Executive Board, is deleted in its entirety and the following is substituted:

ARTICLE IV, Clipper Executive Board

- A. Role; Composition. The Parties agree that responsibility for the *policy oversight and* 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 program, 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 *Program Contracts and* Change Orders that exceed the maximum authority levels established by the Contracting Agency's procurement rules for its chief executive officer, or \$250,000, whichever is less, or that are not funded in the biennial budget. Contracting Agency governing board approval may also be required.
 2. Amendments to the Clipper Operating Rules, pursuant to Appendix A.
 3. Acceptance of new Parties to the Clipper program. The Executive Board delegates to MTC the authority to sign supplemental agreements with new Parties accepted into the program, as provided in Article VI.
 4. *Acceptance of Clipper Affiliate Participants, as described in Article VI.B,* and implementation of new business ventures or opportunities for the Clipper program.
 - ~~5. 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.~~
 5. Assignment of the *Next-Generation* Clipper Contract. Contracting Agency approval shall also be required.

6. Approval of expenses (administrative, operating and legal) incurred by the Contracting Agency if in excess of or not contemplated by the current approved budget.
- ~~7. Approval of the Clipper® 2.0 rollout strategy.~~
7. Decision whether any other matter, not expressly included or excluded as a Significant Business Matter in this list, is a Significant Business Matter in accordance with the definition above.

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

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

The title of Article VI is amended to read: “*New Operator and Affiliate Participants*” and a new Article VI.B is added to Article VI, entitled “*Affiliate Participants*”.

- A. *New Operator Participants.* Any Bay Area transit operator not a Party to this Agreement must be approved by the Executive Board and agree to the terms of the MOU then in effect as a condition of implementing Clipper, by entering into a supplemental agreement to this MOU accepting the then-current terms of this MOU. Signature by the other Parties to the MOU is not required. MTC shall not enter into a supplemental agreement

with a 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. "Bay Area", for purposes of this Article VI means transit operators with headquarters located within the nine counties within MTC's jurisdiction.

- B. *Affiliate Participants.* *The Executive Board must approve implementation of Clipper or use of the Clipper card, brand, or application on any transit operator with headquarters located outside the operating outside the Bay Area or by a business that is not a transit operator (collectively, "Affiliate Participants"). Affiliate participants shall be required to enter into an agreement with the Contracting Agency accepting the then-current terms of the MOU and agreeing to additional terms and conditions for implementation of Clipper or use of the Clipper card, brand, or application. Any additional costs incurred by the Clipper program shall be paid for in accordance with such agreements. In addition, the Contracting Agency shall include indemnification provisions in such agreements at least as stringent as those set forth in Article VII.*

6. Article VIII, Term, is amended as follows:

The term of the MOU shall begin upon the Effective Date and continue through *the term of the Next Generation Clipper Contract* ~~June 30, 2025~~, unless terminated by written agreement of the Parties.

7. All other terms of the MOU not amended herein shall remain in full force and effect.

SIGNATURES ON SUBSEQUENT PAGES

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

Metropolitan Transportation Commission

Approved as to form:
Adrienne D. Weil, General Counsel

Name: Therese W. McMillan
Title: Executive Director

Leslie G. Miessner, Senior Counsel

Date:_____

Appendix B-3, Clipper Contract Cost and Revenue Allocation Effective January 1, 2017, is amended as follows:

Purpose of amendment:

The purpose of this amendment to Appendix B-3 is to identify and define the cost allocation agreements among MTC and the Operators during the Clipper Contract O&M Extension Period.

The Clipper Contract O&M Extension Period includes two payment mechanisms: a line item based price structure as described in the Clipper Contract and a time and materials reimbursement. Under the terms of the Clipper Contract O&M Extension, the line item price structure will apply through at least November 2, 2021. Thereafter, payment may continue in accordance with the Clipper Contract line item price structure, or, if mutually agreed to by MTC and the Clipper Contractor, and with one year's advance notice, transition to time and materials payment.

Sections 1 and 2 establish the cost allocation agreements among the Parties through at least November 2, 2021, and apply also to any subsequent Clipper Contract O&M Extension Period years paid for according to the line item price structure in the Clipper Contract. Section 3 allocates costs among the Parties during any time and materials payment years in the Clipper Contract O&M Extension Period. Section 4 allocates revenue from the Clipper Contract, regardless of the form of payment to the Clipper Contractor.

1. Cost Allocation Among Operators

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

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

MOU Section 2.B.i	Fee Category	Allocation Formula

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

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

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

2. Clipper Costs

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

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

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

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

- i. Operators shall pay the following listed Clipper operating costs in accordance with the cost sharing formula in Section I, reduced by any amounts payable by MTC pursuant to Section 2.A. References to Item numbers refer to the corresponding prices payable to the Clipper Contractor under the Price Schedule, which are subject to annual price adjustment as specified in Article 13.6 of the Clipper Contract:
 - a. Item 9.24 Balance Protection Services Registration
 - b. Item 9.25 Lock/unlock Clipper Application
 - c. Item 9.41 Fixed and Incremental Fees Per Active Card Account (50% of the invoiced amount)
 - d. Item 10.11 Clipper E-purse Load
 - e. Item 10.12 Pass/Stored Ride Load
 - f. Item 10.24 Employer Program Commission
 - g. Item 11.0 Autoload Services

- h. Item 13.22.45 Supplemental Monthly Operations and Admin
 - i. Item 13.31 Clipper Transaction Fee
 - j. Item 13.60 Incremental Gateway Fees
 - k. Item 13.70 Incremental Debit Card Interchange Fees
 - l. Item 13.80 Incremental Credit Card Interchange Fees
 - m. Item 13.90 Pass Through Website Credit Card Processing Fees
 - n. Reimbursement of Contracting Agency bank fees and direct bank charges in connection with the Clipper bank account(s) in excess of the amounts reimbursed under Section 3.A below
 - o. Direct payment or reimbursement of Contracting Agency costs for network communication.
 - p. Direct payment or reimbursement of Contracting Agency costs for materials necessary for additional printing, e.g. secondary printing or personalization, on Clipper cards
 - q. Reimbursement of Contracting Agency costs for a portion of salary and benefits of any additional staffing as approved by the Executive Board to support the Clipper program.
 - r. Reimbursement of Contracting Agency costs for a portion (at least fifty percent) of the salary and benefits of the Clipper Executive Director as approved by the Executive Board.
 - s. Reimbursement of Operator costs for credit/debit interchange fees 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.
 - iii. Contracting Agency shall invoice each Operator on a monthly basis for its share of the operating costs. The Operators shall pay Contracting Agency within fifteen (15) calendar days of receipt of such invoice.

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

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

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

4. Revenue Allocation

Revenues generated by Clipper during any period of time, ~~including~~ *excluding* 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:

- ~~—— To offset Contracting Agency's bank fees and direct bank charges related to the managing of the Clipper accounts;~~
- A. ~~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 or in Section 3 above;~~ and
- B. 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 I herein, unless otherwise authorized by the Executive Board.

Interest on funds held by the clearinghouse will be applied towards MTC's share of operating costs. Also, 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.)

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 B-4, Next-Generation Clipper Contract O&M Cost Allocation, is added as follows:

Appendix B-4
Next-Generation Clipper Contract O&M Cost Allocation

1. *Allocation of Fixed Monthly Accelerated Deployment O&M Payments*

Payments to the Clipper Contractor for Accelerated Deployment of the Next-Generation Clipper system under the Next-Generation Clipper Contract will be triggered by issuance of a Notice to Proceed (NTP) from MTC to the Clipper Contractor for the Accelerated Deployment Mobile Application and another NTP for Accelerated Deployment of Next-Generation Clipper system equipment.

- a. Accelerated Deployment fixed monthly O&M payments triggered by MTC issuance of a NTP for the Clipper mobile application shall be split 50%/50% between MTC and the Operators. Each Operator's share would then be determined based 50% on its Percentage of Unique Cards Used and 50% on its percentage of Fee Generating Transit Transactions.*
- b. Accelerated Deployment fixed monthly O&M payments triggered by issuance of a NTP for the procurement and installation of Next-Generation Clipper equipment shall be split 50%/50% between MTC and the Operators. Each Operator's share would then be determined based 50% on its Percentage of Cards Used and 50% on its percentage of Fee Generating Transit Transactions (excluding BART's Fee Generating Transit Transactions from the total count).*
- c. MTC shall pay for 100% of the pass-through fees associated with the conversion of physical Clipper cards to virtual mobile cards.*
- d. On-going pass-through fees associated with the use of virtual mobile cards shall be split 50%/50% between MTC and the Operators. Each Operator's share would then be determined based on its Percentage of Unique Cards Used.*

2. *Allocation of Next-Generation Clipper Contract O&M Payments following Next-Generation system NTP*

(TBD)

Appendix G, Special Conditions Relating to Personally Identifiable Information, is added as follows:

Appendix G
Special Conditions Relating to 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 Clipper account. Examples of PII include name, mailing address, email address, business name, phone number, date of birth, credit card information, bank account information, Clipper card (or other fare media) serial number, C2 System account number, and travel pattern data. The following special conditions related to the confidentiality and use of 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, including third party hosting or service provider systems; and (iii) Operator’s security practices and procedures, data protection, business continuity and recovery facilities, resources, plans and procedures. The audit and inspection rights hereunder shall be for the purpose of verifying Operator’s compliance with this Attachment G, and all applicable laws.

2. Protecting PII:

All PII made available to or independently obtained by 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. This includes, but is not limited to, the secure transport, transmission and storage of PII used or acquired in the performance of Operator’s responsibilities and activities for the Clipper Program.

Operator agrees to properly secure at all times any computer systems (hardware and software applications), third party hosting or cloud services, or electronic media that it will use in the performance of Operator’s responsibilities and activities for the Clipper Program, and shall ensure that any third party hosting or service providers with access to PII adhere to the terms of this Attachment G. This includes ensuring all security patches, upgrades, and anti-virus updates are applied as appropriate to secure PII that may be used, transmitted, or stored on such systems in the performance of Operator’s responsibilities and activities for the Clipper Program.

Operator is prohibited from storing PII on portable media including, but not limited to, laptops, thumbdrives, disks and so forth.

Operator agrees to retain PII for no longer than four years and six months. At the conclusion of this retention period, Operator agrees to use purge methods described in National Institute of

Standards and Technology (NIST) Special Publication 800-88, as may be revised or superseded ("NIST Publication") to remove PII from any files. Discarded PII will be unavailable and unrecoverable following the purge on any storage media including, but not limited to, magnetic disk, optical disk, memory chips, cloud storage, or other computing system ("Storage Media"). Operator agrees to destroy hard-copy documents containing PII by means of a cross-cut shredding machine. Operator also agrees to use purge or destroy methods, as described in NIST Publication, to sanitize any Storage Media prior to disposal (including selling, discarding, donating, transferring, and abandoning).

3. 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.) and in California Streets and Highways Code Section 31490. In addition, Operator warrants and certifies that in the performance of Operator's 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, including the terms and conditions contained in this Attachment G, Special Conditions Relating to Personally Identifiable Information and agrees to indemnify, hold harmless, and defend MTC against any loss, cost, damage or liability by reason of Operator's violation of this provision.

4. Consultants/Contractors:

MTC's approval in writing is required prior to any disclosure by Operator of PII to a consultant/contractor or prior to any work being done by a 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 that 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 that may injure or cause loss, either directly or indirectly, to MTC.

Operator shall not use or process PII for any purpose other than performance of Operator's responsibilities and activities for the Clipper Program.

Operator shall ensure that all PII that is stored, processed, or transmitted is encrypted, using at least then-current best industry practices (or encryption methods mandated by law, whichever provides higher levels of protection).

Operator shall comply, and shall cause its employees, representatives, agents, consultants and contractors to comply, with such directions as MTC may make to ensure the safeguarding or confidentiality of PII.

If requested by MTC, Operator shall sign an information security and confidentiality agreement provided by MTC and attest that its employees, representatives, agents, consultants and contractors involved in the performance of Operator's responsibilities and activities for 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 unauthorized access 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@bayareametro.gov
(415) 778-6700*

Clipper® Executive Board

April 13, 2020

Agenda Item 4a

Clipper® Memorandum of Understanding (MOU) and Cost Sharing Agreements

Subject: Update on the Clipper MOU Cost Sharing agreements between MTC and participating Clipper agencies.

Background: MTC and transit operator staff established a working group consisting of AC Transit, BART, Caltrain/SamTrans, County Connection, MTC, SFMTA, SMART, and VTA to start devising a new cost allocation formula in preparation for an amendment to the current MOU, which does not address how costs are shared regionally in several upcoming scenarios. The working group met several times and multiple scenarios were discussed, including:

1. MTC and transit operator cost sharing agreements under a potential Time and Materials billing structure that may be implemented as early as Year 3 of the current Clipper Contract Operations and Maintenance (O&M) extension;
2. MTC and transit operator cost sharing agreements under fixed monthly Accelerated Deployment O&M triggered by:
 - a. MTC's Notice to Proceed to Cubic on deployment of the next-generation Clipper mobile app;
 - b. MTC's Notice to Proceed to Cubic on installation of the next-generation Clipper equipment in accelerated deployment;
3. MTC and transit operator cost sharing agreements for estimated pass-through fees associated with conversion of physical Clipper cards to virtual mobile cards; and
4. MTC and transit operator cost sharing agreements for ongoing estimated pass-through fees associated with virtual mobile cards.

MTC modeled estimated financial impacts by transit operator and transit operator group, shown in Attachment A to this memo. The working group mutually agreed to several recommendations to be incorporated into an amendment to the MOU listed below:

1. Under the current Clipper Contract O&M extension, if invoices continue to be based on the current contract's line item pricing invoice structure, cost sharing agreements would continue based on today's current practice;
2. Under the current Clipper Contract O&M extension, if invoices are based on a time and materials structure, MTC would continue to allocate pass-through fees to operators based on today's current practice, while non-pass through fees would be split evenly between MTC and the transit operators (50% MTC, 50% transit operators).
 - a. Each transit operator's share would then be further allocated based on equal split of each transit operator's Percentage of Cards Used (50%) and percentage of Fee Generating Transit Transactions (50%) during the specified billing period.
3. Under the next-generation Clipper Contract, fixed monthly O&M payments triggered by the next-generation Clipper mobile app in Accelerated Deployment would be split evenly between MTC and the transit operators (50% MTC, 50% transit operators).
 - a. Each transit operator's share would then be further allocated based on equal split of each transit operator's Percentage of Cards Used (50%) and percentage of Fee Generating Transit Transactions (50%) during the specified billing period.

4. Under the next-generation Clipper Contract, fixed monthly O&M payments triggered by the installation of next-generation Clipper devices in Accelerated Deployment would be split evenly between MTC and the transit operators (50% MTC, 50% transit operators).
 - a. Each transit operator's share would then be further allocated based on equal split of each transit operator's Percentage of Cards Used (50%) and percentage of Fee Generating Transit Transactions minus BART transactions (50%).
5. Under the next-generation Clipper Contract, MTC proposes to cover 100% of pass-through fees associated with conversion of physical Clipper cards to virtual mobile cards.
6. Under the next-generation Clipper Contract, ongoing pass-through fees associated with virtual mobile cards are proposed to be split evenly between MTC and the transit operators (50% MTC, 50% transit operators).
 - a. Each transit operator's share would then be further allocated based on each transit operator's respective Percentage of Cards Used (100%)

MTC and transit operator staff plan to incorporate these agreements into a draft amendment to the MOU for further staff review and to be shared with the Board for approval in May 2020, so that the amendment to the MOU can be fully executed by September 30, 2020 prior to payments and invoicing of Accelerated Deployment O&M. Amendments to the MOU require signatures from each Clipper agency General Manager and Counsel.

The draft amendment to the MOU will likely incorporate other modifications, such as:

- General clean-up and clarifications;
- Additional language around Personally Identifiable Information (PII);
- Inclusion of references to the additional contracts needed to support the Next-Generation Clipper System; and
- Additional references to and clarification about the "Affiliate Participant" agreement for transit operators based outside the Bay Area or for entities that aren't transit operators.

As a reminder, discussions on cost sharing principles will continue among MTC and transit operator staff regarding next-generation Account-Based O&M, and O&M associated with other next-generation Clipper contracts (Customer Service Center, Payment Gateway, and Fare Media). Agreements on the cost sharing allocations for these items will need to be incorporated into a future amendment to the MOU prior to the next-generation Account-Based Revenue Ready milestone currently expected in November 2022.

Attachments:

Attachment A: Estimated Monthly O/M Impacts
Attachment B: Clipper MOU and Cost Sharing Update


Carol Kuester



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 20-0656 **Version:** 1 **Name:**
Type: Contract **Status:** Committee Approval
File created: 4/16/2020 **In control:** Clipper Executive Board
On agenda: 5/11/2020 **Final action:**
Title: Next Generation Clipper® Contract Change Order - Computer Aided Dispatch and Automated Vehicle Location (CAD/AVL) Integration Implementation: Cubic Transportation Systems, Inc. (Cubic) (\$1,800,000)

Request for approval of a Change Order for integration of Next Generation Clipper onboard equipment with CAD/AVL systems.

Sponsors:

Indexes:

Code sections:

Attachments: [3e_Change Order Cubic CAD AVL.pdf](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Subject:

Next Generation Clipper® Contract Change Order - Computer Aided Dispatch and Automated Vehicle Location (CAD/AVL) Integration Implementation: Cubic Transportation Systems, Inc. (Cubic) (\$1,800,000)

Request for approval of a Change Order for integration of Next Generation Clipper onboard equipment with CAD/AVL systems.

Presenter:

Jason Weinstein

Recommended Action:

Board Approval

Attachments:

Clipper[®] Executive Board

May 11, 2020

Agenda Item 3e

Next Generation Clipper[®] Contract Change Order – Computer Aided Dispatch and Automated Vehicle Location (CAD/AVL) Integration Implementation: Cubic Transportation Systems, Inc. (Cubic) (\$1,800,000)

Subject: Request for approval of a Change Order for integration of Next Generation Clipper onboard equipment with CAD/AVL systems.

Background: The Next Generation Clipper[®] System Integrator Contract between MTC and Cubic provides for an integration between existing transit operator onboard Computer-Aided Dispatch/Automatic Vehicle Location (CAD/AVL) systems and the Next Generation Clipper System.

In November and December 2019, MTC, transit operator staff, Cubic, and CAD/AVL vendors met in a series of workshops intended to identify operator requests and develop the design requirements for other potential integration opportunities with Next Generation Clipper equipment and existing onboard bus systems. This resulted in the identification of three additional integration options requested by the transit operators to meet the technical and operational needs of the region's 18 bus operators, including options that would not require the purchase and ongoing maintenance and operation of an operator control unit. The inclusion of these options would free up precious space in the front of the bus where an operator control unit would normally be installed, and would allow Next Generation Clipper equipment to seamlessly communicate and receive information from existing onboard systems. Bus operators are already interacting with this existing equipment to correctly identify routes, calculate fares and transfers, and collect additional trip information.

The region's 18 bus operators have communicated their preferred integration options with MTC and strongly support this approach. The proposed change order would provide for the development of the three additional CAD/AVL integration options, as well as testing and support for operators and CAD/AVL vendors. Cubic has indicated that if work begins this summer, there would be no discernible impacts to the guaranteed completion dates in the Next Generation Clipper System Integrator contract.

Issues: The region's bus operators have also identified additional costs for their CAD/AVL providers to fully implement software integration of onboard systems with Next Generation Clipper equipment. The estimated costs for software upgrades and integration are estimated between \$1,000,000 and \$1,750,000 and when fully identified, Clipper staff will return to this Board for approval of this work. MTC has been assessing the overall Clipper program budget and given the regional benefits and overwhelming transit operator support for this work, has identified funding to cover these costs. Notwithstanding the proposed change order costs and the additional costs that would be paid to CAD/AVL providers there would be a savings of approximately \$7 million to the Clipper capital budget from the reduction of equipment needed. Hardware upgrades of CAD/AVL on-board equipment would remain the responsibility of each operator.

Recommendation: Staff recommends that the Clipper Executive Board approve a Contract Change Order with Cubic in an amount not to exceed \$1,800,000 for CAD/AVL integration as described above.



Carol Kuester

REQUEST FOR BOARD APPROVAL

Summary of Proposed Contract Amendment

Consultant:	Cubic Transportation Systems, Inc. San Diego, CA
Work Project Title:	Next Generation Clipper® CAD/AVL Integration Implementation
Purpose of Project:	Provide integration and support of CAD/AVL systems with Next Generation Clipper®
Brief Scope of Work:	To develop and implement CAD/AVL integration solutions as well as provide testing and support for Operators and vendors
Project Cost Not to Exceed:	\$1,800,000
Funding Source:	FTA, FHWA, OBAG2, STP, CMAQ, STA, STP Exchange, Regional Measure 2 Capital and Regional Measure 2 Operating, Regional Measure 3, SB1 State of Good Repair
Fiscal Impact:	Funds available in the FY 2019-20 MTC agency budget.
Motion by Board:	That the Contract Change Order with Cubic Transportation Systems, Inc. as described herein and in the Clipper Executive Director's May 11, 2020 memorandum, is hereby approved by the Clipper Executive Board.
Clipper Executive Board:	
	<hr/> Rick Ramacier, Chair
Approved:	May 11, 2020