



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*

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Monday, June 22, 2020

1:35 PM

Board Room - 1st Floor (REMOTE)

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The Clipper® Executive Board will be meeting on June 22, 2020 at 1:35 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. Board Members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial \*9. In order to get the full Zoom experience, please make sure your application is up to date.

Attendee Link: <https://bayareametro.zoom.us/j/98433218020>  
Join by Telephone: 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)  
Webinar ID: 984 3321 8020

Detailed instructions on participating via Zoom are available at:  
<https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom>.

Members of the public may participate by phone or Zoom or may submit comments by email at [info@bayareametro.gov](mailto: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. Executive Director's Report – Kuester

## 3. Consent Calendar

- 3a. [20-0853](#) Minutes of the May 11, 2020 Meeting
- Action:** Board Approval
- Attachments:** [3a 20-0853 CEB Minutes May 11 2020.pdf](#)
- 3b. [20-0915](#) Clipper® Purchase Order - Network Services: AT&T (\$400,000)
- Action:** Board Approval
- Presenter:** Edward Meng
- Attachments:** [3b 20-0915 Purchase Order ATT Network.pdf](#)
- 3c. [20-0916](#) Clipper® Contract Change Order - Price Adjustment: Cubic Transportation Systems, Inc. (Cubic) (\$56,498)
- Action:** Board Approval
- Presenter:** Lysa Hale
- Attachments:** [3c 20-0916 Change Order Cubic Transportation Systems.pdf](#)

## 4. Approval

- 4a. [20-0917](#) 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® MOU.
- Action:** Board Approval
- Presenter:** Edward Meng
- Attachments:** [4a 20-0917 Clipper MOU Amendment 2.pdf](#)

- 4b. [20-0981](#) Use of Program Contingency to Procure Next-Generation Equipment and Support Operator-Requested Enhancements

Request for approval to use program contingency to procure equipment and support operator-requested enhancements for the Next-Generation Clipper® Program.

**Action:** Board Approval

**Presenter:** Jason Weinstein

**Attachments:** [4b 20-0981 Use of program contingency.pdf](#)

## 5. Information

- 5a. [20-0919](#) Current Clipper® System

Update Board members on the current Clipper system. Clipper staff last updated this Board on the ongoing work and projects related to the current Clipper system at the April 2020 meeting.

**Action:** Information

**Presenter:** Jason Weinstein

**Attachments:** [5a 20-0919 C1 Program Update.pdf](#)

- 5b. [20-1023](#) Clipper® START Means-Based Pilot Program Update

Update on the Clipper START means-based pilot program.

**Action:** Information

**Presenter:** Lysa Hale

**Attachments:** [5b 20-1023 Clipper START Update.pdf](#)

- 5c. [20-0921](#) 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:** [5c 20-0921 C2 Program Update.pdf](#)

- 5d.     [20-0982](#)           Clipper® Fiscal Year 2020-2021 Operating Budget Update
- Update on the Coronavirus Aid, Relief, and Economic Security (CARES)  
Act funding and Impacts to the Clipper Budget.
- Action:**               Information
- Presenter:**       Edward Meng
- Attachments:**     [5d 20-0982 Clipper Op Budget CARES.pdf](#)

## 6. Public Comment / Other Business

*Board Members and members of the public participating by Zoom wishing to speak should use the “raise hand” feature or dial \*9.*

## 7. Adjournment / Next Meeting

**The next meeting of the Clipper® Executive Board will be Monday, July 27, 2020 at 1:35 p.m. remotely and by webcast as appropriate.**

**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](http://mtc.ca.gov)) for public review for at least one year.

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

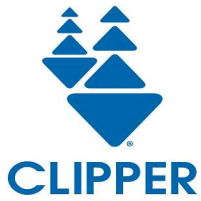
**可及性和法令第六章:** MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

**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.

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

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



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

**File #:** 20-0853      **Version:** 1      **Name:**  
**Type:** Minutes      **Status:** Consent  
**File created:** 5/21/2020      **In control:** Clipper Executive Board  
**On agenda:** 6/22/2020      **Final action:**  
**Title:** Minutes of the May 11, 2020 Meeting  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [3a\\_20-0853\\_CEB Minutes\\_May 11 2020.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**  
Minutes of the May 11, 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*

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Monday, May 11, 2020

1:40 PM

Board Room - 1st Floor (REMOTE)

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\*\*\* 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](mailto: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 Mulligan and second by Board Member Fernandez, 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. [20-0632](#) 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](#)

**Upon the motion by Board Member Tumlin and second by Board Member McMillan, the Clipper® Two Year Budget and Work Plan 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



- 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](#)

Aleta Dupree spoke on this item.

**Upon the motion by Board Member Fernandez and second by Board Member Tumlin, the Clipper® Contract Amendments - Customer Research, Education and Outreach: MIG, Inc. (\$1,335,000), Caribou Public Relations (\$150,000) and Resource Development Associates (\$150,000) were 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

- 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](#)

Aleta Dupree spoke on this item.

**Upon the motion by Board Member Hursh and second by Board Member Rannells, 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) were 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

**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](#)

**The Proposed Amendment to Clipper® Memorandum of Understanding (MOU) was deferred to a future meeting.**

**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](#)

**Upon the motion by Board Member Fernandez and second by Board Member Tumlin, the 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) 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

**4. Executive Director's Report – Kuester**

**5. Public Comment / Other Business**

Aleta Dupree was called to speak.

**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.**



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

**File #:** 20-0915      **Version:** 1      **Name:**  
**Type:** Contract      **Status:** Consent  
**File created:** 5/29/2020      **In control:** Clipper Executive Board  
**On agenda:** 6/22/2020      **Final action:**  
**Title:** Clipper® Purchase Order - Network Services: AT&T (\$400,000)  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [3b\\_20-0915\\_Purchase Order\\_ATT Network.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**  
Clipper® Purchase Order - Network Services: AT&T (\$400,000)

**Presenter:**  
Edward Meng

**Recommended Action:**  
Board Approval

**Attachments:**

# Clipper® Executive Board

June 22, 2020

Agenda Item 3b

## Clipper® Purchase Order – Network Services: AT&T (\$400,000)

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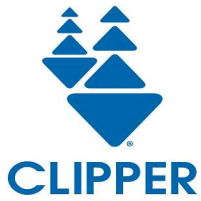
- Subject:** Request for approval of a Purchase Order for Clipper Network Services for Fiscal Year 2020-21: AT&T (\$400,000).
- Background:** AT&T provides network services for the Clipper system that enable connections between card readers, other Clipper devices, data servers, and the Clipper Central System. Per the Clipper Memorandum of Understanding, approximately 95% of this cost is reimbursed by Clipper transit agencies. This Purchase Order would cover network operations during Fiscal Year –2020-21.
- Issues:** None.
- Recommendation:** Staff recommends that the Clipper Executive Board approve a Purchase Order with AT&T in an amount not to exceed \$400,000 for the services described above.
- Attachments:** None.

  
\_\_\_\_\_  
Carol Kuester

## REQUEST FOR BOARD APPROVAL

### Summary of Proposed Purchase Order

Consultant:	AT&T Carol Stream, IL
Work Project Title:	Clipper® Network Services
Purpose of Project:	To provide network services for the Clipper system during FY 2020-2021
Brief Scope of Work:	Provision of network services and operations to allow telecommunications connections between Clipper devices, data servers and the central system.
Project Cost Not to Exceed:	\$400,000
Funding Source:	Participating Operator funds, STP, CMAQ, STA, STP Exchange, Regional Measure 2 Operating funds, CARES Act funds, Inactive Card funds, Float Account Interest
Fiscal Impact:	Approximately 95% of the funding will be provided by the participating transit operators. Additional funding is included in the MTC Fiscal Year 2020-21 budget.
Motion by Committee:	That the Purchase Order with AT&T as described herein and in the Clipper Executive Director's June 22, 2020 summary sheet, is hereby approved by the Clipper Executive Board.
Clipper Executive Board:	<hr/> Rick Ramacier, Chair
Approved:	June 22, 2020



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

**File #:** 20-0916      **Version:** 1      **Name:**

**Type:** Contract      **Status:** Consent

**File created:** 5/29/2020      **In control:** Clipper Executive Board

**On agenda:** 6/22/2020      **Final action:**

**Title:** Clipper® Contract Change Order - Price Adjustment: Cubic Transportation Systems, Inc. (Cubic) (\$56,498)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [3c 20-0916 Change Order Cubic Transportation Systems.pdf](#)

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

Clipper® Contract Change Order - Price Adjustment: Cubic Transportation Systems, Inc. (Cubic) (\$56,498)

### Presenter:

Lysa Hale

### Recommended Action:

Board Approval

### Attachments:

## Clipper Executive Board

June 22, 2020

Agenda Item 3c

### **Clipper® Contract Change Order – Price Adjustment: Cubic Transportation Systems, Inc. (Cubic) (\$56,498)**

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**Subject:** Request for approval of a Change Order for Contract price adjustment for Fiscal Years (FYs) 2016-2017 – FY 2018-2019.

**Background:** The Clipper Contract requires annual adjustment of specified Contract prices based on industry specific labor and materials indices published by the Bureau of Labor Statistics because of the Contract's multi-year time span. According to the terms of the Contract, a Provisional Price schedule is implemented with an across-the-board 3% increase at the beginning of each fiscal year; when the indices are published mid-fiscal year, a reconciliation is calculated and resolved via Contract Change Order.


The Change Order recommended for Board approval applies the contractual methodology to adjust prices in the Clipper Contract for three fiscal years. The following table summarizes the capital and operating adjustment for each fiscal year. In fiscal years 2017/2018 and 2018/2019 the percentage increase in operating costs was less than the provisional 3% escalation, which resulted in an overall operating credit.

<b>Fiscal Year</b>	<b>Capital % adjustment</b>	<b>Capital \$ adjustment</b>	<b>Operating % adjustment</b>	<b>Operating \$ adjustment</b>
FY 2016/2017	0.88%	\$7,615	4.47%	\$232,608
FY 2017/2018	1.20%	\$20,333	0.59%	\$(17,354)
FY 2018/2019	1.40%	\$28,550	1.89%	\$(229,718)
<b>TOTAL</b>		<b>\$56,498</b>		<b>\$(14,464)</b>

Per the Clipper Amended and Restated Memorandum of Understanding with the participating Operators, MTC will distribute the Operators' share of the operating cost adjustment.

**Issues:** There are no issues with this Change Order.

**Recommendation:** Staff recommends the Board's approval of a Contract Change Order with Cubic in an amount not to exceed \$56,498 for the price schedule adjustment described above.

  
Carol Kuester

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Contract Change Order

Work Item No.:	310-2700
Consultant:	Cubic Transportation Systems, Inc. San Diego, CA
Work Project Title:	Final FY 2016/2017-FY 2018/2019 Price Schedule for Clipper Contract
Purpose of Project:	Adopt a price-adjusted Clipper Contract Price Schedule for FY 2016/2017-FY 2018/2019 in accordance with the terms and conditions of the Clipper contract
Brief Scope of Work:	Finalize Clipper Contract Price Schedule for FY 2016/2017-FY 2018/2019, including \$56,498 in additional capital costs for MTC and the participating transit operators and distribution of \$14,464 in operating costs to the participating transit operators
Project Cost Not to Exceed:	\$56,498
Funding Source:	FTA, FHWA, OBAG2, STP, CMAQ, STA, STP Exchange, Regional Measure 2 Capital and Regional Measure 2 Operating, CARES Act funds, Regional Measure 3, SB1 State of Good Repair
Fiscal Impact:	Funds available in the FY 2020-21 MTC agency budget.
Motion by Committee:	That a contract change order with Cubic Transportation Systems, Inc. for the purpose described herein and in the Executive Director's summary sheet dated June 22, 2020, is hereby approved by the Clipper Executive Board.
Operations Committee:	<hr/> Rick Ramacier, Chair
Approved:	June 22, 2020





# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

<b>File #:</b>	20-0917	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Contract	<b>Status:</b>		Committee Approval	
<b>File created:</b>	5/29/2020	<b>In control:</b>		Clipper Executive Board	
<b>On agenda:</b>	6/22/2020	<b>Final action:</b>			
<b>Title:</b>	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® MOU.				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	<a href="#">4a_20-0917_Clipper MOU Amendment 2.pdf</a>				

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® MOU.

### Presenter:

Edward Meng

### Recommended Action:

Board Approval

### Attachments:

# Clipper<sup>®</sup> Executive Board

June 22, 2020

Agenda Item 4a

## Proposed Amendment to Clipper<sup>®</sup> Memorandum of Understanding (MOU)

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**Subject:** Executive Board's review and approval of regional cost-sharing agreements incorporated in proposed Amendment 2 to the Amended and Restated Clipper<sup>®</sup> MOU.

**Background:** The current Amended and Restated Clipper<sup>®</sup> Memorandum of Understanding ("MOU") established the Clipper<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup>.

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: inclusion of references to contracts needed to support the 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<sup>®</sup> 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 (Attachment B) detailing cost-sharing agreements among the parties, included as reference.
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 the 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 the 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-Marin Area Rail Transit; Vacaville City Coach; Western Contra Costa Transit Authority; San Francisco Bay Area Water Emergency Transportation Authority; City of Santa Rosa; and City of Union City; and any other transit operators that implement Clipper and execute a Supplemental Agreement to the MOU.

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

Recitals

1. *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, p~~Participate in a *regular as-needed* reviews of the cost and revenue allocation formulas in Appendix B; to support fairness among Operators and to accommodate changes in shared operation costs.
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 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 Contracts. Contracting Agency approval shall also be required.
  6. Approval of expenses (administrative, operating and legal) incurred by the Contracting Agency if in excess of or not contemplated by the current approved budget.
  - ~~7. 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.

4. 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 transit operator*”, 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 Bay Area or by a business that is not a transit operator (collectively, “*Affiliate Participants*”) with the exception of institutional programs such as university

*or employee programs. 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.*

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

The term of the MOU shall begin upon the Effective Date and continue through *February 19, 2026* ~~the term of the Next Generation Clipper Contract~~, unless terminated by written agreement of the Parties.

6. 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	Direct Charge to Operator
p	Specialized Card Printing	Direct Charge to Operator
q,r	Operator Share of Staffing	Percentage of Cards Used
s	Add Value/TVM Debit Card Interchange Fees for Non-Clipper Gateways	Percentage of Revenue Processed

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

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

## 2. Clipper Costs

- A. MTC Operating and Maintenance Costs. MTC shall pay the following Clipper operating costs *under the Clipper Contract's line item pricing structure*:
  - i. All fixed operating costs of the Clipper clearinghouse and equipment maintenance services costs as specified in the Clipper Contract's Price Schedule (Attachment 2 to the Clipper Contract) (the "Price Schedule"), including:
    - a. Item 3.20 Program Management – Operations and Maintenance
    - b. Item 3.30 Clipper Testbed Operations & Maintenance
    - c. Item 5.31 Operator Help Desk
    - d. Item 5.32 Reporting

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

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

- i. Operators shall pay the following listed Clipper operating costs in accordance with the cost sharing formula in Section I, reduced by any amounts payable by MTC pursuant to Section 2.A. References to Item numbers refer to the corresponding prices payable to the Clipper Contractor under the Price Schedule, which are subject to annual price adjustment as specified in Article 13.6 of the Clipper Contract:
  - a. Item 9.24 Balance Protection Services Registration
  - b. Item 9.25 Lock/unlock Clipper Application
  - c. Item 9.41 Fixed and Incremental Fees Per Active Card Account (50% of the invoiced amount)
  - d. Item 10.11 Clipper E-purse Load
  - e. Item 10.12 Pass/Stored Ride Load
  - f. Item 10.24 Employer Program Commission
  - g. Item 11.0 Autoload Services
  - h. Item 13.22.45 Supplemental Monthly Operations and Admin
  - i. Item 13.31 Clipper Transaction Fee
  - j. Item 13.60 Incremental Gateway Fees

- k. Item 13.70 Incremental Debit Card Interchange Fees
  - l. Item 13.80 Incremental Credit Card Interchange Fees
  - m. Item 13.90 Pass Through Website Credit Card Processing Fees
  - n. Reimbursement of Contracting Agency bank fees and direct bank charges in connection with the Clipper bank account(s) in excess of the amounts reimbursed under Section 34.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 generated through an Operator-specific gateway associated with Clipper sales through ticket office terminal (TOT) devices and 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 interest earnings on funds held by the clearinghouse and excluding fare revenues or parking fees collected on behalf of and distributed to Operators, shall be utilized as follows:

- A. To offset Contracting Agency's bank fees and direct bank charges related to the managing of the Clipper accounts;
- B. After deduction of Contracting Agency's bank fees and charges under Section 34.A above, To reduce the Operators' Clipper operating costs listed in Section 2.B(i) *or in Section 3* above; and
- C. After payment of Operators' Clipper operating costs listed in Section 2.B(i) *or in Section 3* above, to be allocated to Operators by applying the percentage of cards used by Operator specified in Section I herein, unless otherwise authorized by the Executive Board.

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

#### **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 Operations & Maintenance (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.*

## Clipper® Executive Board

April 13, 2020

Agenda Item 4a

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

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**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  
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## Legislation Details (With Text)

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**File #:** 20-0981      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Committee Approval  
**File created:** 6/9/2020      **In control:** Clipper Executive Board  
**On agenda:** 6/22/2020      **Final action:**  
**Title:** Use of Program Contingency to Procure Next-Generation Equipment and Support Operator-  
Requested Enhancements

Request for approval to use program contingency to procure equipment and support operator-requested enhancements for the Next-Generation Clipper® Program.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [4b 20-0981 Use of program contingency.pdf](#)

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

Use of Program Contingency to Procure Next-Generation Equipment and Support Operator-  
Requested Enhancements

Request for approval to use program contingency to procure equipment and support operator-requested enhancements for the Next-Generation Clipper® Program.

**Presenter:**

Jason Weinstein

**Recommended Action:**

Board Approval

**Attachments:**

# Clipper® Executive Board

June 22, 2020

Agenda Item 4b

## Use of Program Contingency to Procure Next-Generation Equipment and Support Operator-Requested Enhancements

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**Subject:** Request for approval to use program contingency to procure equipment and support operator-requested enhancements for the Next-Generation Clipper® Program.

**Background:** The Next-Generation Clipper System Integrator contract awarded to Cubic in September 2018 authorized:

- \$165M of capital expenditures for the base contract; and
- \$23.5M of contingency and \$5.5M for sales tax.

The capital cost in the executed contract with Cubic was \$163M and sales tax is now estimated at \$6.5M, resulting in a \$24.5M contingency balance. Since contract award, operator staff have provided extensive input that will change the program's net costs in the following ways:

- Operator fleet changes and new equipment requests since September 2017 **(\$10M)**
- Program design changes **(\$3M)**
  - CAD/AVL Integration (Saves \$8M)
    - Covers Cubic and CAD/AVL integration costs
      - Cubic Change Order approved in May 2020
    - Improved bus operator experience
  - Additional quantities for improved on-bus communications (Adds \$11M)
    - Integration improvement

The proposed changes noted above will require the use of approximately \$13M in contingency from the currently available \$24.5M. The Clipper Two Year Budget approved by this Board in May 2020 accounted for these changes, which have strong regional support for the following reasons:

- CAD/AVL integration reduces the amount of equipment on the buses, which Operators have been requesting for years;
- Provides improved communications in areas with poor cellular connections;
- Maintains project schedule and stays within budget; and
- Future requests for the use of the remaining \$11.5M in contingency are anticipated to be minimal, due to well-defined design requirements for the account-based system and contractual fixed price incentives.

**Issues:** Transit operator staff have not yet determined whether additional equipment should be procured to support all-door boarding procedures for transit operators who do not currently have this policy in effect. If additional equipment is required at a later date, staff would return to the board for approval of the use of additional contingency to procure equipment at higher unit costs. Costs to support all-door boarding depend on operator fleet size and when equipment is procured.

Transfer of funding to transit operators for CAD/AVL software integration will also need to be approved by the Board at a future date.

**Recommendation:** Staff recommends the Board's approval of the use of project contingency to support the procurement of equipment and enhancements to the Next-Generation Clipper program described above.

**Attachments:** Attachment A: Use of Next-Generation Clipper Program Contingency



Carol Kuester



# Use of Next-Generation Clipper® Program Contingency

Clipper Executive Board

June 22, 2020

# Approved System Integrator Contract Totals

		Capital (\$M)
Commission Approval	Cost	\$165
	Sales Tax (est.)*	\$5.5
	<u>Contingency (est.)</u>	<u>\$23.5</u>
	<b>Total</b>	<b>\$194</b>
	Actual Contract Cost	(\$163)
	<u>Estimated Sales Tax</u>	<u>(\$6.5)</u>
	<b>Estimated Contingency</b>	<b>\$24.5</b>

\*Notes

- Metropolitan Transportation Commission approval 9/26/18
- Sales tax was estimated based on equipment projections from 2017



# Summary of Equipment Price Changes

- Fleet changes and new equipment requests since September 2017 (\$10M)
- Program Changes to date (\$3M)
  - CAD/AVL Integration Design Approved at May 2020 CEB (Save \$8M)
    - Covers Cubic and CAD/AVL integration costs
    - Improved bus operator experience
  - Additional on-bus communication devices (Add \$11M)
- Included in the approved May 2020 Budget – contingency available
  - Use \$13M in contingency from the \$24.5M available
- Unanimous Operator support for changes:
  - Operators prefer Clipper & CAD/AVL system integration
  - Integration streamlines equipment on buses and provides future flexibility
  - Improved communications for continuous connectivity
  - Project stays on schedule and within budget
  - Remaining contingency anticipated to exceed future needs for system integrator contract



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

**File #:** 20-0919      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Informational  
**File created:** 5/29/2020      **In control:** Clipper Executive Board  
**On agenda:** 6/22/2020      **Final action:**  
**Title:** Current Clipper® System

Update Board members on the current Clipper system. Clipper staff last updated this Board on the ongoing work and projects related to the current Clipper system at the April 2020 meeting.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [5a\\_20-0919\\_C1 Program Update.pdf](#)

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

Current Clipper® System

Update Board members on the current Clipper system. Clipper staff last updated this Board on the ongoing work and projects related to the current Clipper system at the April 2020 meeting.

**Presenter:**

Jason Weinstein

**Recommended Action:**

Information

**Attachments:**

# Clipper® Executive Board

June 22, 2020

Agenda Item 5a

## Current Clipper® System

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**Subject:** Update Board members on the current Clipper system. Clipper staff last updated this Board on the ongoing work and projects related to the current Clipper system at the April 2020 meeting.

**Background:** **Transactions and Sales**  
In April 2020, Clipper processed 1.39 million transactions and settled \$2.8 million in revenue. In May 2020, Clipper processed 1.45 million transactions and settled \$3.2 million in revenue.

As of June 1, 2020, 15 of the 22 operators were still offering fare-free travel due to the COVID-19 emergency.

### Clipper Customer Education

Clipper has continued to provide COVID-19 related messaging and has been sharing transit operator information on social media. In addition, operators are relying on Clipper as a potentially touch-free fare payment system, with the ability to add value online and through Autoload.

The spring campaign is now slated to begin in October. The campaign will be multilingual and will focus on myths and truths about Clipper.

The new Clipper website is set to launch in July.

### Implementation and Enhancement Projects

MTC continues to coordinate with transit operators on Clipper equipment installation for several implementations, including:

- Caltrain Ticket Vending Machine Integration (CO-226) – Testing of Clipper integration is expected to be completed by July, with the initial twelve TVMs to be upgraded by October.

Clipper equipment continues to meet contractual performance requirements.

**Attachments:** **Attachment A:** Clipper Master Schedule



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Carol Kuester

ID	Task Name	Duration	Start	Finish	% Complete	<div><div>2019</div><div>2020</div></div>																											
						M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A		
2	CONTRACTING PHASE																																
771	End-of-Life Clipper Device Order (CO-230)	274 days	6/17/19	7/2/20	77%																												
393	IMPLEMENTATION PHASE																																
310	SFMTA Central Subway (CO-195)	1297 days	5/2/16	4/16/21	26%																												
493	AC Transit BRT Implementation, (CO-197 & CO-205)	300 days	7/17/19	9/8/20	86%																												
792	Caltrain TVM Clipper Integration (CO-226)	339 days	8/1/19	11/17/20	50%																												
807	BART Add Fare Machine (CO-229)	173 days	1/13/20	9/9/20	56%																												
1	BUS REPLACEMENT AND EXPANSION																																
798	AC Transit (36 MCI Buses)	123 days	6/2/20	11/19/20	0%																												
825	SFMTA (3 Proterra Coaches)	65 days	8/3/20	10/30/20	0%																												
819	AC Transit (1 Gilig)	1 day	8/4/20	8/4/20	0%																												
821	SFMTA (3 Historic Street Cars)	86 days	8/4/20	12/1/20	0%																												
796	SolTrans (4 MCI Coaches)	6 days	8/10/20	8/17/20	0%																												



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

**File #:** 20-1023      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Informational  
**File created:** 6/14/2020      **In control:** Clipper Executive Board  
**On agenda:** 6/22/2020      **Final action:**  
**Title:** Clipper® START Means-Based Pilot Program Update  
Update on the Clipper START means-based pilot program.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [5b\\_20-1023\\_Clipper START Update.pdf](#)

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

Clipper® START Means-Based Pilot Program Update

Update on the Clipper START means-based pilot program.

**Presenter:**

Lysa Hale

**Recommended Action:**

Information

**Attachments:**

# Clipper® Executive Board

June 22, 2020

Agenda Item 5b

## Clipper® START Means-Based Pilot Program Update

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**Subject:** Update on the Clipper START means-based pilot program.

**Background:** For most Bay Area households, transportation is the third-largest monthly expense, trailing only the cost of housing and food. As a result of a 2015 study and in consultation with transit operators, MTC approved the launch of the Regional Means-Based Transit Fare Pilot Program in May 2018. The pilot program has been branded Clipper START.

Staff has presented information about the Clipper START pilot program at several groups of community-based organizations, including MTC's Policy Advisory Council Equity & Access Subcommittee.

The Clipper START pilot program launch was delayed to the COVID-19 public health emergency. It is now scheduled to launch July 15, 2020. It will run for 18 months. It is designed to:

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

BART, Caltrain, Golden Gate Transit and Ferry, and SFMTA are participating in the pilot program. MTC and the transit operators will split the cost of the discount, up to a total of 20 percent. Three transit operators – SFMTA, Caltrain, and Golden Gate Transit and Ferry – are opting to provide a higher discount of 50 percent, with the agencies paying the difference for the higher discount amount. BART is offering a discount of 20 percent.

On June 4, Caltrain made the decision to change its discount from 20 percent to 50 percent. Cubic Transportation Systems, the Clipper contractor, is making this change in one-third of the time normally required, in order to accommodate the July 15 start date.

### Key Pilot Program Elements

The key pilot program elements are:

1. Eligibility: Adults who earn up to 200 percent of the Federal Poverty Level (approximately \$52,000 per year for a family of four) will be eligible to participate.
2. Available on Clipper: Clipper START participants will use Clipper cards to receive the transit fare discount, which will be granted automatically when a participant uses the card to pay a single cash value fare.
3. Single-Ride Discount: Clipper START participants will receive a 20 percent discount on each single-ride trip taken on BART and a 50 percent discount on each single-ride trip taken on Caltrain, Golden Gate Transit and Ferry, and SFMTA.

4. Promotion: The program will be promoted through social service agencies, community-based organizations and the media.

Eligible individuals will apply through a website, although a paper application will also be available. They will need to provide proof of identification as well as proof of annual household income. The following types of proof of household income will be accepted:

- Electronic Benefits Card
- Medi-Cal Card
- County Benefits Eligibility Letter
- Muni Lifeline Card or Number
- Most recent tax return

The program requirements did not envision immediate support for newly eligible individuals, such as those who recently became unemployed during the pandemic.

Organizations that want to help promote the pilot program to their clients, customers and constituents can do so by visiting the program website and ordering free materials, such as brochures and posters in two sizes. Print materials will be available in four languages: English, Spanish, Traditional Chinese and Tagalog.

**Attachments:** None

  
Carol Kuester



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

**File #:** 20-0921      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Informational  
**File created:** 5/29/2020      **In control:** Clipper Executive Board  
**On agenda:** 6/22/2020      **Final action:**  
**Title:** Next Generation Clipper® System Update

Update on key developments related to the implementation of the Next Generation Clipper System Integrator project.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [5c\\_20-0921\\_C2 Program Update.pdf](#)

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

Next Generation Clipper® System Update

Update on key developments related to the implementation of the Next Generation Clipper System Integrator project.

**Presenter:**

Jason Weinstein

**Recommended Action:**

Information

**Attachments:**



# Clipper<sup>®</sup> Executive Board

June 22, 2020

Agenda Item 5c

## Next Generation Clipper<sup>®</sup> System Update

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**Subject:** Update on key developments related to the implementation of the Next Generation Clipper System Integrator project.

**Background:** This summary reflects two months of updates, as the May 18, 2020 Clipper Executive Board meeting agenda did not include information items.

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


Highlights include:

- Continued discussions on preferred options for transit operator integration of the next-generation on-board validators with existing on-board vehicle systems;
- Approval of Review Cycle 3 documents and upcoming approval of Review Cycle 4 (which comprises the final set of documents for Accelerated Deployment); and
- Final stages of design review for user experience on the Clipper mobile app with testing beginning within the next several months.

Transit operators have been sending requests for additional features and functionality for the Next-Generation Clipper system. This functionality was included in the requirements of the Next-Generation system and will be incorporated in the planning of design of the Account-Based system beginning later this summer.

To date, no critical milestones have slipped beyond their contractual guaranteed completion dates, and the program is currently on schedule and within expected budget.

**Attachments:** **Attachment A:** Next Generation Clipper Program Executive Summary Status Report

  
Carol Kuester

The timeline illustrates the progression of four key strategic initiatives from 2019 to 2023:

- FASTER LOAD TIMES (on select operators):** Initiated in early 2019 and completed by mid-2019.
- MOBILE APP: Phase 1 development:** Initiated in early 2019 and completed by mid-2020.
- NEW DEVICES: DESIGN/TEST System-wide integration of new equipment\***: Initiated in early 2019, with design and testing completed by mid-2021, followed by an **INSTALL** phase through mid-2022.
- ACCOUNT-BASED SYSTEM: DESIGN/TEST**: Initiated in early 2020, with design and testing completed by mid-2022, followed by an **INSTALL** phase through mid-2023.

\* Includes integration of new equipment

- Review Cycle 3 for Accelerated Deployment design documents complete. Review Cycle 4 nearly complete.
- System Integration Test reports for Faster Load Times under review. Monitoring system activity to determine start date for additional daily actionlist distributions.
- Mobile App test procedures under revision by Cubic; initial testing to start in summer.
- Technical discussions continue with operators, including BART network design and CAD/AVL integration planning.

	MTC/IBI	Cubic	Operators	Date
<ul style="list-style-type: none"> <li>Review Cycle 3 documents:               <ul style="list-style-type: none"> <li>Mobile App design approved by MTC</li> <li>Remaining RC3 documents resubmitted by Cubic</li> <li>Approved by MTC</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li></li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li></li> <li>●</li> <li></li> </ul>		<ul style="list-style-type: none"> <li>April 16</li> <li>May 7, 14</li> <li>May 22</li> </ul>
<ul style="list-style-type: none"> <li>Review Cycle 4 documents:               <ul style="list-style-type: none"> <li>Comments sent to Cubic</li> <li>2<sup>nd</sup> submission received from Cubic</li> <li>Comments on 2<sup>nd</sup> submission sent to Cubic</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li></li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li></li> <li>●</li> <li></li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li></li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>Apr 20</li> <li>May 29</li> <li>Jun 15</li> </ul>
<ul style="list-style-type: none"> <li>Faster Load Times:               <ul style="list-style-type: none"> <li>Test Reports submitted by Cubic</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>●</li> </ul>		<ul style="list-style-type: none"> <li>Jun 9</li> </ul>
<ul style="list-style-type: none"> <li>Mobile App Test Plans:               <ul style="list-style-type: none"> <li>Comments sent to Cubic</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>●</li> </ul>		<ul style="list-style-type: none"> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>Apr 27</li> </ul>
<ul style="list-style-type: none"> <li>Operator site visits for onboard surveys:               <ul style="list-style-type: none"> <li>SFMTA</li> <li>SamTrans</li> <li>VTA</li> <li>AC Transit</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> <li>●</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> <li>●</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> <li>●</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>May 26–27</li> <li>May 28–29</li> <li>June 1–2</li> <li>June 3–4</li> </ul>
<ul style="list-style-type: none"> <li>Account-Based System design:               <ul style="list-style-type: none"> <li>BART integration/implementation overview document resubmitted by Cubic</li> <li>Review meeting with BART</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li></li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li></li> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>May 13</li> <li>June 10</li> </ul>
<ul style="list-style-type: none"> <li>Technical meetings with operators:               <ul style="list-style-type: none"> <li>SFMTA</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>June 18</li> </ul>

## Upcoming Activities/Deliverables

	MTC/IBI	Cubic	Operators	Date
• Review Cycle 4 documents:				
○ 3 <sup>rd</sup> submission expected from Cubic		●		TBD
• Faster Load Times:				
○ Add third daily actionlist distribution		●		TBD
• Mobile App Test Plans:				
○ 2 <sup>nd</sup> submission expected from Cubic		●		TBD
• Technical meetings with operators:				
○ BART	●	●	●	Jul 15
○ SFMTA	●	●	●	Jul 16
• Clipper Executive Board Meeting	●		●	Jul 27



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

<b>File #:</b>	20-0982	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Report	<b>Status:</b>		Informational	
<b>File created:</b>	6/9/2020	<b>In control:</b>		Clipper Executive Board	
<b>On agenda:</b>	6/22/2020	<b>Final action:</b>			
<b>Title:</b>	Clipper® Fiscal Year 2020-2021 Operating Budget Update				
	Update on the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding and Impacts to the Clipper Budget.				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	<a href="#">5d_20-0982_Clipper Op Budget CARES.pdf</a>				

Date	Ver.	Action By	Action	Result
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**Subject:**  
Clipper® Fiscal Year 2020-2021 Operating Budget Update

Update on the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding and Impacts to the Clipper Budget.

**Presenter:**  
Edward Meng

**Recommended Action:**  
Information

**Attachments:**

# Clipper® Executive Board

June 22, 2020

Agenda Item 5d

## Clipper® Fiscal Year 2020-2021 Operating Budget Update

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**Subject:** Update on the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding and Impacts to the Clipper Budget.

**Background:** At the May 22, 2020, Clipper Executive Board meeting, Board members voted to approve the Clipper Two Year Budget and Work Plan for the fiscal years 2020-21 and 2021-22. Staff indicated that the budget for approval did not include any Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748) funding but that the Board would be updated and informed of impacts of CARES Act funding on the Clipper budget.

At its June 10, 2020, meeting, the MTC Programming and Allocations Committee approved a \$7.8 million expenditure plan, or 1% of the initial \$781 million CARES Act distribution that was reserved for MTC regional transit projects and expenses related to support of transit recovery efforts. The principles developed to guide the distribution of CARES Act funding is included as Attachment A to this memo.

The staff proposal to use the CARES Act funds directly impacts the Clipper program specifically for two projects and initiatives. All projects and initiatives are detailed in Attachment B to this memo and the two that directly impact the Clipper program are summarized below:

- Address the revenue shortfall caused by COVID-19 by replacing lost funding for Clipper Operations (\$4.2M); and
- Fully preserve the planned operator subsidy for the Clipper START Means-based Fare Discount Pilot Program (\$1.7M).

This funding will be used to restore funding sources on the Clipper Operating Budget that have been reduced or were depleted due to COVID-19, particularly STA funds and expected interest earned on float account reserves, and to ensure that MTC's committed subsidy to transit operators for the Clipper START Means-based Pilot is preserved.

**Attachments:** **Attachment A:** Proposed Principles for Expenditure of MTC Share of CARES Act (H.R. 748) Supplemental Federal Transit Funds  
**Attachment B:** Proposed Expenditure of MTC Share of CARES Act (H.R. 748) Supplemental Federal Transit Funds

  
Carol Kuester

**Proposed Principles for Expenditure of MTC Share of CARES Act (H.R. 748)**  
**Supplemental Federal Transit Funds**

<b>Principles</b>	<b>Proposed Action</b>
1. Use funds for operating expenditures that provide or directly support the customer and public transit services.	<p>In addition to direct public transport by transit operators, CARES Act funds should be used to support the suite of customer-facing public transit services that MTC provides to the Bay Area including, but not limited to:</p> <ul style="list-style-type: none"><li>• Clipper</li><li>• 511/Mobility Management Services</li><li>• Regional Transit Discount Card (RTC) Administration</li><li>• Vanpool</li><li>• Means-Based Program</li></ul>
2. Use funds for operating projects or initiatives that will facilitate and support transit recovery with a focus on equity and financial sustainability.	<p>Support efforts to re-envision, reorganize, or transform the Bay Area's transit system – via greater coordination, fare integration, operations streamlining/efficiencies. Ensure that transit recovery efforts include a renewed emphasis on equity and consideration for the transit dependent.</p>
3. Use CARES Act funds to address revenue shortfalls caused by the impacts of COVID-19.	<p>Consistent with the intent of the CARES Act, where possible, use CARES Act funds to backfill lost revenues and eliminate the need to tap into funding reserved for future-year anticipated program needs.</p>

**Proposed Expenditure of MTC Share of CARES Act (H.R. 748)**  
**Supplemental Federal Transit Funds**

The following matrix proposes expenditure categories and funding amounts for the \$7,808,416 in CARES Act funding directed to MTC.

	<b>Expenditure Category</b>	<b>Description</b>	<b>Funding Amount</b>
1.	Clipper Operations	Support the implementation and operation of the Region's fare payment card. CARES Act funds are needed to replace significant revenue reductions to State Transit Assistance (STA) and Regional Measure 2 funding that support the Clipper operating budget.	\$4,200,000
2.	Regional Transit Connection (RTC) Card	An RTC Discount ID Card is made available to persons with qualifying disabilities and is used as proof of eligibility to receive discount fares on fixed-route public transit in the Bay Area. CARES Act funding will support the upgrade of data systems used to implement the program and the transfer of RTC operations to MTC.	\$1,000,000
3.	Vanpool	CARES Act funds would provide a replacement subsidy to Commute by Enterprise to support the continued operation of 130 Vanpool vehicles that have been idled due to the COVID-19 pandemic and Shelter in Place Order. Without this funding, vehicles may be permanently taken out of service and the expense to restart operations would be prohibitive. Vanpool service is viewed to be an important part of economic and mobility recovery in the wake of the pandemic.	\$ 400,000
4.	Means-based Pilot Operator Subsidy	\$8 million in STA funding had been planned to be set-aside to support the 18-month Clipper Start Means-based Transit Fare Pilot, scheduled to begin in July 2020. Due to the estimated 40 percent reduction in STA funding for FY 2020-21, CARES Act funding is proposed to keep the set aside-for the pilot whole and continue the provision of operator subsidies for reduced fares at the originally planned level. For administrative ease of use, staff proposes to exchange CARES Act funds for STA Regional Coordination funds previously intended for Clipper operations, and re-direct an equal amount of those STA funds to the Means-based program.	\$1,700,000
5.	Transit Recovery Planning	CARES Act funding is proposed to support efforts related to public transit recovery necessitated by the COVID-19 crisis. Activities may include planning, surveying, public outreach, public information, and other efforts to support the work of the Blue Ribbon Transit Recovery Task Force.	\$ 508,416
<b>Total:</b>			<b>\$7,808,416</b>