

Clipper® Executive Board

August 15, 2022

Agenda Item 3a

2022 Amended and Restated Clipper® Memorandum of Understanding (MOU)

Subject:

2022 Amended and Restated Clipper Memorandum of Understanding (2022 MOU), updated to capture changes required to support the operation of the Next Generation Clipper (C2) System, including cost-sharing agreements for the System Integrator, Customer Service Center, Payment Services, and Fare Media Fulfillment Contracts.

Background:

Staff presented proposed 2022 MOU modifications and cost-sharing updates at the April 2022 Clipper Executive Board meeting. Staff presented a revised draft 2022 MOU at the Board's May and June 2022 meetings as information items. At the Board's July meeting, the 2022 MOU was discussed as part of the Clipper Executive Director's report. Having heard comments from transit operator staff and incorporated relevant recommendations, staff is requesting approval of the attached 2022 MOU. Approval by the MTC Operations Committee took place July 8, 2022. This memorandum summarizes the proposed changes and cost-sharing agreements to be incorporated into the 2022 MOU. The attached 2022 MOU builds on the core agreements of the 2016 MOU and includes:

- A cost-sharing agreement, developed jointly by transit operator and MTC staff, for the C2 account-based system, including the C2 System Integrator, Customer Service Center, Payment Services, and Fare Media Fulfillment contracts;
- Incorporation of Amendments 1 through 3 to the 2016 MOU, including the assumption by MTC of program management responsibilities for the Regional Transit Connection (RTC) Program and RTC cost-sharing agreements (Appendix B-2);
- Addition of Article XIII: mutual confidentiality provisions;
- Additions to the Program Goals and Performance Measures (Appendix C) agreed upon by Clipper and transit operator staff; and
- General clean-up and clarifications.

Appendix B-3 of the 2022 MOU includes the account-based cost-sharing agreements between MTC and the transit operators and how costs will be shared amongst the transit operators. Transit operator staff participating in the cost-sharing discussions have agreed in this MOU to share the operator portion of the costs based on their percentage of Clipper ridership.

Appendix C and Article 1.F of the 2022 MOU includes language that confirms the use of Clipper plastic and mobile cards as the primary transit fare payment system.

Appendix E of the 2022 MOU adds to provisions required by the City and County of San Francisco. This approval request will support full execution of the new MOU before the end of September 2022 since the 2022 MOU must be finalized by every Clipper member organization in order to appropriately apportion the Next Generation Clipper operations and maintenance invoices, which will start accruing this fall.

Issues:

None identified.

Recommendations:

Staff recommends the Board approve the 2022 Amended and Restated Clipper MOU.

Attachments:

- Attachment A: 2022 Amended and Restated Clipper MOU



Carol Kuester