

Clipper® Executive Board

November 21, 2022

Agenda Item 3a

Clipper Contract Change Order Amendment – Clipper Card Procurement: Cubic Transportation Systems, Inc. (\$2,000,000)

Subject:

Request for approval of a Change Order Amendment for procurement of Clipper cards: Cubic Transportation Systems, Inc. (Cubic) (\$2,000,000).

Background:

Since its inception, the Clipper program has issued nearly eight million cards. Demand has remained steady with the program issuing approximately 175,000 new adult cards each month. This amendment, in addition to the Clipper card request approved by this Board last month, is intended to order cards that when combined with other cards already ordered should last through the start of C2 fare media usage.

The Clipper program partially offsets the cost of cards by charging most adults a \$3 card acquisition fee. In the early years of the program, there was no charge for Clipper cards, but transit operators encountered a loss of revenue due to some customers taking one ride and then disposing of the card with a negative balance. After the card fee was instituted, this loss was measurably reduced.

MTC does not recoup the full cost of producing a card with the \$3 card acquisition fee. With current supply chain issues, the actual cost of each card is approximately \$2.25, while the program cost of issuing each card is approximately \$1.85, bringing the total cost of issuing a new card to approximately \$4.10. Funds from the \$3 card fee will be used to partially fund this Change Order Amendment. The funds in this Change Order Amendment were fully contemplated in the Two-Year Budget and Work Plan. The funds for this proposed change order amendment are currently available in the Clipper card fee account.

Issues:

None identified

Recommendation:

Staff recommends that the Board approve a Contract Change Order Amendment with Cubic in an amount not to exceed \$2,000,000, to produce Clipper cards for distribution to customers.

Attachments:

None.



Carol Kuester

Request for Board Approval

Summary of Proposed Contract Change Order Amendment

Contractor: Cubic Transportation Systems
Oakland, CA

Work Project Title: Clipper Card Procurement (Change Order Amendment, CO-145)

Purpose of Project: To procure Clipper cards

Brief Scope of Work: Under this Change Order Amendment, Cubic Transportation Systems will purchase Clipper cards as directed by MTC. This Amendment adds funds to an already existing Change Order.

Project Cost Not to Exceed: \$2,000,000 (this Change Order Amendment)

Total contract value including amendments before this amendment = \$184,191,808

Total contract amount with this amendment = \$186,191,808

Funding Source: Clipper cardholder administrative fees, STP, CMAQ, STA, STP Exchange, Regional Measure 2 Capital and Regional Measure 2 Operating, Regional Measure 3, SB1 State of Good Repair

Fiscal Impact: Funds available in the Clipper card fee account and in the 2022-23 MTC agency budget.

Motion by Board: That the Change Order Amendment with Cubic Transportation Systems for the purposes described above and in the Clipper Executive Director's summary sheet dated November 21, 2022, is hereby approved by the Clipper Executive Board.

Clipper Executive Board:

Robert Powers, Chair

Approved: November 21, 2022