



METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
Tel: 510.464.7700
TDD/TTY: 510.464.7769
Fax: 510.464.7848

Memorandum

TO: Operations Committee

DATE: March 4, 2016

FR: Executive Director

W.I. 310-2700, 320-1221

RE: Clipper® Program Contract Actions

- i. Contract Change Order – Replacement of Clipper® Handheld Card Readers: Cubic Transportation Systems, Inc. (\$1,000,000)
- ii. Contract Change Order – Implement New BART Product for San Francisco State University Institutional Program: Cubic Transportation Systems, Inc. (\$200,000)
- iii. Contract – Clipper® Customer Communications Program: Sidecar (\$325,000)

Attachment 1 includes information about current Clipper® system operations.

Contract Actions

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into the following contract actions:

i. Contract Change Order – Replacement of Clipper® Handheld Card Readers: Cubic Transportation Systems, Inc. (Cubic) (\$1,000,000)

The Clipper® handheld card reader (HCR3) devices currently deployed at SFMTA and the San Francisco Bay Area Rapid Transit District (BART) are approaching end of life, have been lost or damaged, and replacement parts are no longer available. Staff recommends replacing the HCR3 devices with a later generation HCR4 device that provides greater functionality and flexibility. SFMTA currently uses the HCR4 to collect and validate fares on its cable car service. Clipper® has also deployed the HCR4 to newly-launched operators, including the San Francisco Bay Ferries and the transit operators in Napa, Solano, Sonoma and Contra Costa counties. This contract change order would direct Cubic to procure 240 HCR4s and replace BART's and SFMTA's aging HCR3 stock with HCR4 devices. This would also increase the regional stock of both HCR3 and HCR4 devices, providing sufficient supply until the end of the current Clipper® contract. Cubic is neither a small business nor a disadvantaged business enterprise.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into one or more contract change order(s) or change order amendment(s) with Cubic in an amount not to exceed \$1,000,000 for the services described above.

ii. Contract Change Order – Implement New BART Product for San Francisco State University Institutional Program: Cubic (\$200,000)

San Francisco State University (SFSU) has negotiated an agreement with BART to introduce a student transit discount program. Under this change order, Cubic will implement a new BART product to support this institutional program and will modify BART's faregate software to accept

this new product. The BART product will provide a fare discount for trips taken by SFSU students to and from one or more specific BART stations.

The Clipper® card would be combined with the SFSU student ID, and SFSU would become a card issuer for the Clipper® program. This program is replicable for other institutions wishing to offer a similar transit program.

This project is contingent upon the SFSU students' passing a referendum in April 2016 for the new transit discount program. Once passed, SFSU and MTC will enter into a cooperative agreement for SFSU to become a card issuer, and a funding agreement for the Cubic change order. The funding will be as follows: MTC plans to fund the BART faregate software work (\$120,000) using RM2 funds subject to inclusion in the 2016-17 agency budget, and SFSU will fund the development of the SFSU-specific BART product (\$80,000).

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into one or more contract change order(s) or change order amendment(s) with Cubic in an amount not to exceed \$200,000 for the services described above, subject to the passage of the necessary SFSU student referendum, execution of a funding agreement with SFSU, and inclusion of funds in the FY 2016-17 agency budget.

iii. Contract – Clipper® Customer Communications Program: Sidecar (\$325,000)

On January 7, 2016, MTC released a mini-request for proposals (mini-RFP) in order to obtain consultant support for the completion of one or more Clipper® communications programs that would increase awareness of Clipper® and its benefits for low-income/limited English-proficient (LI/LEP) transit riders as well as general audiences. MTC invited four firms that were qualified through the Request for Qualifications (RFQ) for On-Call Consultant Assistance for Customer Information Services, which was approved by the Operations Committee on July 11, 2014. Three firms submitted responsive proposals by the due date of January 29, 2016.

Based on the six evaluation factors, including approach, communication, creativity, innovation, and cost-effectiveness, MTC selected Sidecar to provide overall strategy, creative development, media planning, and related services for a regional communications program targeted at LI/LEP transit riders. The evaluation committee agreed that the Sidecar proposal was exceptional in terms of its innovative creative approaches to communicating key messages about Clipper® to diverse audiences, including LI/LEP transit riders. Sidecar is neither a small business nor a disadvantaged business enterprise.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into one or more contract(s) with Sidecar in an amount not to exceed \$325,000 for the services described above.



Steve Heminger

SH: jw:kj

Attachment 1

Table 1: Summary of System Usage

	Last Month January 2016	Prior Month December 2015	Prior Year January 2015
Transaction Volume			
Average Weekday Ridership ¹	755,803	692,362	715,157
Fee-Generating Transactions ²	20,289,333	19,707,853	19,704,638
Unique Cards Used	874,733	887,120	784,841
Active Card Accounts	1,740,593	1,723,391	1,545,091
Settled Transit Operator Revenue	\$43,375,977.30	\$39,719,962.80	\$40,790,142.50
Autoload Activity			
Percent of Registered Cards with Autoload	32%	32%	36%
Call Volume			
Customer Service Representative (CSR) Calls	28,593	24,255	27,024
CSR Calls per Unique Card Used	0.03	0.03	0.03
Website Traffic			
Unique Visitors - Standard	145,374	119,064	141,076
Unique Visitors - Mobile	45,483	45,722	40,782
Website Visits - Standard	207,656	164,331	198,560
Website Visits - Mobile	95,780	75,911	68,378
Website Visits per Unique Card Used	0.35	0.27	0.34

Notes on System Usage:

Clipper system usage reflected the typical post-holiday rebound, with both average weekday ridership and settled transit operator revenue increasing 9.2 percent and fee-generating transactions increasing 3 percent in January compared to December. Unique cards used dropped a slight 1.4 percent, while active card accounts increased by 0.01 percent.

Use of customer service channels grew in January. Unique visitors and total visits to the standard website increased 22.1 percent and 26.4 percent, respectively. Total visits to the mobile site increased 26.2 percent, while unique visitors to the mobile site dropped 0.5 percent. Calls to customer service were up 17.9 percent.

¹ Includes average daily number of boardings, including transfers but excluding some Caltrain monthly pass trips (Caltrain only requires monthly pass customers to tag their cards once at the beginning of each month).

² Includes single-tag fare payments, BART and Caltrain exits, Golden Gate Transit entries, add-value transactions, opt-out purse refunds and pass use, including institutional passes. Does not include transfers or transactions where fee value is \$0 (e.g., issuance of free cards, zero-value tags in dual-tag systems, etc.).

Table 2: Monthly Market Penetration Rates³

	Monthly Clipper Boardings	Clipper Market Penetration Rate		
	December 2015	December 2015	November 2015	December 2014
AC Transit	1,717,490	41.5%	39.5%	33.0%
BART ⁴	6,131,203	59.9%	61.3%	56.3%
Caltrain ⁵	839,582	56.9%	63.8%	52.5%
Golden Gate Ferry	152,224	94.6%	96.1%	94.3%
Golden Gate Transit	157,259	38.5%	40.3%	40.4%
SamTrans	357,435	33.9%	35.1%	33.9%
SFMTA (Muni)	8,072,852	46.4%	48.9%	46.9%
VTA	1,360,440	39.7%	42.3%	33.8%
WETA	86,087	53.5%	56.6%	45.0%
Napa Solano Group	28,117	11.2%	9.8%	N/A
FAST	10,216	12.2%	11.7%	N/A
Napa VINE	2,551	N/A	4.5%	N/A
SolTrans	15,249	12.0%	14.2%	N/A
Vacaville City Coach	101	0.3%	0.3%	N/A
East Bay Transit Group	59,358	8.0%	N/A	N/A
County Connection	17,022	5.7%	N/A	N/A
Tri Delta Transit	19,760	9.2%	N/A	N/A
WestCAT	14,359	14.5%	N/A	N/A
Wheels (LAVTA)	8,217	6.2%	N/A	N/A

³ MTC uses the National Transit Database (NTD) to calculate most market penetration rates. NTD typically has a two-month delay before ridership data are available.

⁴ Calculation of BART monthly market penetration is calculated using monthly BART total exits by ticket type, which is equivalent to number of linked trips per month.

⁵ Calculation of Caltrain market penetration assumes that monthly pass holders board Caltrain 1.75 times a day per weekday. Caltrain sold 14,634 calendar passes during the December 2015 pass vending window.

REQUEST FOR COMMITTEE APPROVAL
Summary of Proposed Contract Change Order

Work Item No.:	310-2700
Contractor:	Cubic Transportation Systems, Inc. San Diego, CA
Work Project Title:	Replacement of Clipper® Handheld Card Readers
Purpose of Amendment:	Replace BART and SFMTA handheld card reader (HCR3) stock with newer handheld card reader (HCR4) devices
Brief Scope of Work:	Contractor shall replace BART and SFMTA HCR3 stock with newly procured and configured HCR4 devices
Project Cost Not to Exceed:	\$1,000,000 (this Amendment) Total contract value including amendments before this amendment = \$145,918,392 Total contract amount with this amendment = \$146,918,392 (this total does not include other March 11, 2016 contract approval actions).
Funding Source:	TCP, STP, CMAQ, STA, Regional Measure 2 Capital, BART funds
Fiscal Impact:	Funds available in FY 2015-16 agency budget
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into one or more Contract Change Orders or Change Order Amendments with Cubic Transportation Systems, Inc., for the purposes described herein and in the Executive Director's memorandum dated March 4, 2016, and the Chief Financial Officer is authorized to set aside \$1,000,000 for such Contract Change Orders or Change Order Amendments.
Operations Committee:	<hr/> Scott Haggerty, Chair
Approved:	Date: March 11, 2016

REQUEST FOR COMMITTEE APPROVAL
Summary of Proposed Contract Change Order

Work Item No.:	310-2700
Contractor:	Cubic Transportation Systems, Inc. San Diego, CA
Work Project Title:	Implement new BART product on Clipper® for San Francisco State University (SFSU) institutional program
Purpose of Amendment:	Implement a new Clipper® product that would provide eligible SFSU students a fare discount for trips taken to and from specific BART stations.
Brief Scope of Work:	Implement a Clipper® product that will provide specific station-to-station discounts on BART for use by SFSU students and modify BART's faregate software to accept this new product.
Project Cost Not to Exceed:	<p>\$200,000 (this Amendment)</p> <p>Total contract value including amendments before this amendment = \$145,918,392</p> <p>Total contract amount with this amendment = \$146,118,392 (this total does not include other March 11, 2016 contract approval actions).</p>
Funding Source:	STP, CMAQ, STA, Regional Measure 2 Capital, Regional Measure 2 Operating Funds, Regional Measure 2 Marketing Funds, and/or San Francisco State University
Fiscal Impact:	\$120,000 subject to inclusion in the FY 2016-17 agency budget; \$80,000 subject to passage of a SFSU student referendum and execution of a funding agreement with SFSU.
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into one or more Contract Change Orders or Change Order Amendments with Cubic Transportation Systems, Inc., for the purposes described herein and in the Executive Director's memorandum dated March 4, 2016, and the Chief Financial Officer is authorized to set aside the amount specified above, subject to the referenced contingencies, for such Contract Change Orders or Change Order Amendments.
Operations Committee:	<hr/> <p>Scott Haggerty, Chair</p>
Approved:	Date: March 11, 2016

REQUEST FOR COMMITTEE APPROVAL
Summary of Proposed Consultant Contract

Work Item No.:	320-1221
Contractor:	Sidecar
Work Project Title:	Clipper® Customer Communications Program
Purpose of Contract:	Implement a Clipper® communications program to increase awareness of Clipper® and its benefits among transit riders
Brief Scope of Work:	Provide overall strategy, creative development, media planning, and related advertising services for a regional communications program
Project Cost Not to Exceed:	\$325,000
Funding Source:	RM2 Marketing and RM2 Operating
Fiscal Impact:	\$325,000 is available in FY2015-2016 Clipper® operating budget.
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a Contract with Sidecar for the purposes described herein and in the Executive Director's March 4, 2016 memorandum, and the Chief Financial Officer is authorized to set aside \$325,000 for such contract.

Operations Committee:

Scott Haggerty, Chair

Approved:

Date: March 11, 2016