



TO: Clipper® Executive Board

DATE: August 15, 2016

FR: Carol Kuester

RE: Next Generation Clipper® (C2) Project Approach

Background

In March 2015, MTC approved a contract with the IBI Group to provide C2 consultant support, following a competitive process in which Clipper® transit operators participated. At the March 28, 2016 Executive Board meeting, the Board approved release of Request for Expressions of Interest (RFEI), and on May 23, 2016, the Executive Board approved a high-level schedule for the region's new electronic fare collection system (C2). The approach that was described in the materials presented to the Board included:

- Issuing a RFEI to the fare collection industry;
- Creating a procurement approach to find a System Integrator (SI) partner;
- Positioning more of the detailed requirements to a point after the selection of the SI vendor; and
- Assuring the SI was on-board to manage the transition, in order to receive training and assume on-going Clipper® operations when the current contract expires in November 2019.

Program Developments

Based on direction from the Executive Board, MTC and participating transit agencies recently met with all vendors who submitted Expressions of Interest for the C2 RFEI. The preliminary outcomes from the written responses and meetings from the vendor community contributed to refinements in the C2 procurement approach originally presented in May 2016. Transit agency staff have been briefed on Attachment A, a modified high level schedule, which includes:

- Two separate procurements for payment gateways and fare media, which were planned but not originally shown on the C2 high level schedule;
- Addition of protest periods for each procurement;
- Removal of the RFQ to allow more time for the RFP process. Meetings with several of the RFEI vendors reinforced the notion that an RFQ process that removes some competition early may not be in the best interest of the Program. Extending the RFP process accommodates more vendors in the process and allows more time for contract and BAFO negotiations which will reduce schedule risk; and
- Changing the assumption of the SI selecting the Customer Service Center vendor to a separate regional procurement.

Recommendation

MTC and partner agency representatives believe, given the response learned from industry through the RFEI process and discussions with legal counsel, that the modified C2 project approach best sets the program up to successfully meet the high-level goals for C2 adopted in the Memorandum of Understanding. We recommend that the Executive Board support the new C2 schedule and slight modifications to the approach presented in the attachments.



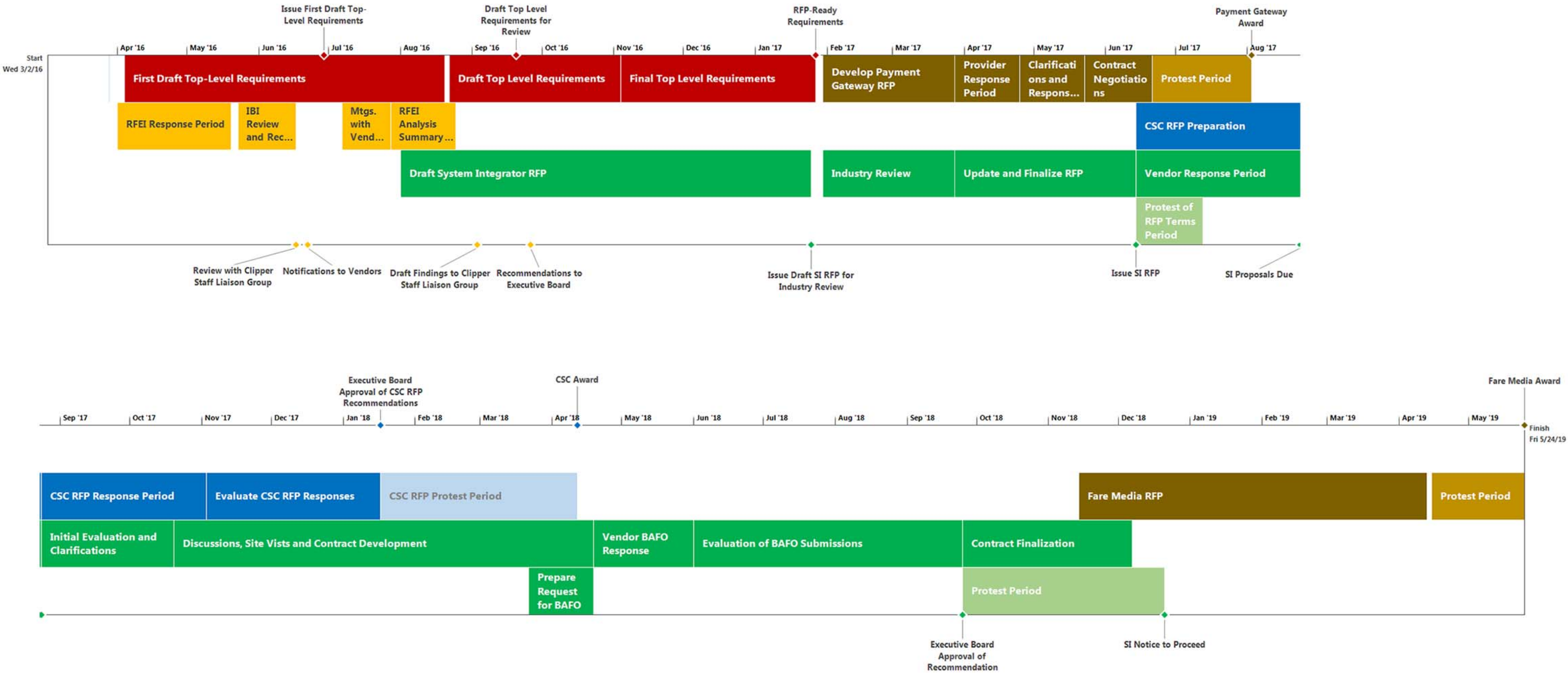
Carol Kuester

Attachment:

Attachment A: C2 High Level Schedule, August 2016

Attachment B: C2 Project Approach

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This schedule reflects the following changes from the schedule presented on May 23, 2016:

- Addition of two separate procurements for payment gateways and fare media, which were planned but not originally shown on the C2 high level schedule (in brown);
- Addition of protest periods for each procurement (in lighter shades);
- Removal of the RFQ to allow more time for the RFP process, which will reduce schedule risk; and
- Changing the assumption of the SI selecting the Customer Service Center vendor to a separate regional procurement (in blue).



C2 Project Approach

Clipper® Executive Board
August 22, 2016

C2 Project Approach

based on May 23 2016 schedule, presented at July 25 Executive Board meeting

Approach Summary

- Two Requests for Proposals (RFPs)
 - SI (System Integrator) and CSC vendors (Customer Service Representatives)
 - MTC/Region choose list of CSC by June 2017
 - SI must use one or more from list
- IBI provide ~40% of functional requirements
 - SI to work with Region to develop remainder of requirements that fits their solution

C2 System Integrator (SI) - contract by February 2019

- RFQ Nov 2016, RFP June 2017, Award Fall 2018, Contract Feb 2019
- Assumes C1 Operations - Nov 2019
 - Requires 9 months of training by C1 vendor
- Does not require C1 Cubic contract extension



Modified C2 Project Approach

based on August 22 2016 schedule

Approach Summary

- Two Requests for Proposals (RFPs)
 - SI (System Integrator) and CSC vendors (Customer Service Representatives)
 - MTC/Region choose list of CSC by **Jan 2018**
 - **MTC will manage the CSC, SI will provide Customer Service Management software system**
- IBI provide ~40% of functional requirements
 - SI to work with Region to develop remainder of requirements that fits their solution

C2 System Integrator (SI) - contract by February 2019

- ~~RFQ Nov 2016~~, RFP Jun 2017, Award **Dec** 2018, Contract Feb 2019
- Assumes C1 Operations - Nov 2019
 - Requires 9 months of training by C1 vendor
- Does not require C1 Cubic contract extension

Thompson-Coburn and MTC Procurement will assure that the RFP and procurement process is a level playing field for all prospective vendor partners.



Comparison Timelines

