



Agenda Item 3a

Bay Area Metro Center
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TO: Clipper® Executive Board

DATE: November 21, 2016

FR: Carol Kuester

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

Background

Since its inception, the Clipper® program has issued nearly five million cards. Demand in 2015 and 2016 has remained steady, with the program issuing ~55,000 new adult cards each month. Increased institutional programs (e.g. Santa Clara Valley Transportation Authority's Eco Pass, San Francisco State University's Gator Pass, and UC Berkeley's Class Pass) are one of the factors driving demand for cards. The Clipper® program partially offsets the cost of cards by charging most adults a \$3 card acquisition fee. At the March 2016 Clipper® Executive Board meeting, the Board approved a change in policy to charge a \$3 card acquisition fee for adult cards issued through institutional programs (which had previously been provided to participating adults at no cost). This fee is waived for youths, seniors, Autoload customers, and RTC customers.

MTC does not recoup the cost of producing a card with the \$3 card fee. The actual cost of each card is approximately \$2, while the program cost of issuing each card is approximately \$1.85, which makes the total cost of issuing a new card around \$3.85. Funds from the \$3 card fee will primarily be used to fund this Change Order Amendment.

The schedule for the card procurement is defined in the Contract Change Order as 18 to 22 weeks after execution of a Task Order.

Recommendation

Staff recommends the Clipper® Executive Board's approval of one or more contract change order amendment(s) with Cubic Transportation Systems, Inc., in an amount not to exceed \$2,000,000 to produce Clipper® cards for distribution to customers.

Carol Kuester

REQUEST FOR BOARD APPROVAL

Summary of Contract Change Order Amendment

Contractor:	Cubic Transportation Systems, Inc. San Diego, CA
Work Project Title:	Clipper® Card Procurement
Purpose of Amendment:	Change Order Amendment, CO-145
Brief Scope of Work:	Under this Change Order, Cubic will purchase Clipper® cards as directed by MTC. This Amendment adds funds to an already existing Change Order.
Project Cost Not to Exceed:	<p>\$2,000,000 (this Change Order Amendment)</p> <p>Total contract value including amendments before this amendment = \$167,619,610</p> <p>Total contract amount with this amendment = \$169,619,610 (this total does not include other November 28, 2016 contract approval actions).</p>
Funding Source:	Clipper® cardholder administrative fees, STP, CMAQ, STA, STP Exchange, Regional Measure 2 Capital and Regional Measure 2 Operating
Fiscal Impact:	Funds available in the FY 2016-17 MTC agency budget.
Motion:	That the Contract Change Order Amendment with Cubic Transportation Systems, Inc., for the purposes described herein and in the Executive Director's memorandum dated November 21, 2016, is hereby approved by the Clipper® Executive Board.
Clipper® Executive Board:	<hr/> Denis Mulligan, Chair
Approved:	Date: November 28, 2016