



## Agenda Item 2b

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TO: Clipper® Executive Board

DATE: February 21, 2017

FR: Carol Kuester

RE: Contract Change Order – FY 2015-16 Price Schedule Finalization: Cubic Transportation Systems, Inc. (\$200,000)

### Background

The Clipper® Contract requires annual adjustment of specified Contract prices based on industry-specific labor and materials indices published by the Bureau of Labor Statistics (BLS) because of the Contract's multi-year time-span. According to the terms of the Contract, a Provisional Price schedule is implemented with an across-the-board 3% increase at the beginning of each fiscal year; when the indices are published mid-fiscal year, a reconciliation is calculated and resolved via Contract Change Order.

The Change Order recommended for Board approval applies the contractual methodology to adjust prices in the Clipper® Contract for FY 2015-2016. The capital price adjustment for FY 2015-16 is minus 0.28%, decreasing the capital expense by \$17,354.84 from the Provisional Price Schedule. The operating price adjustment is 1.72% for FY 2015-16, resulting in an additional cost of \$209,267.45 for operating invoices submitted during the fiscal year. Both the capital and operating price adjustments were higher than in past years, and the highest since the Cubic was assigned the contract in 2009. Per the Clipper® Amended and Restated Memorandum of Understanding with the participating Operators, MTC will invoice the Operators for their share of the operating cost adjustments.

This Change Order will finalize the Clipper® Contract Price Schedule for FY 2015-16 and enable Cubic to issue a credit for the adjusted capital costs and invoice for the increased operating costs.

### Recommendation

Staff recommends the Clipper® Executive Board's approval of a Contract Change Order with Cubic in an amount not to exceed \$200,000 for the price schedule adjustment described above.

  
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Carol Kuester

REQUEST FOR CLIPPER® EXECUTIVE BOARD APPROVAL  
Summary of Contract Change Order

Contractor:	Cubic Transportation Systems, Inc.
Work Project Title:	FY 2015-16 Price Schedule Adjustment Finalization for Clipper® Contract
Purpose of Amendment:	Adopt an updated Clipper® Contract Price Schedule for FY 2015-16 in accordance with the terms and conditions of the Clipper® contract
Brief Scope of Work:	Finalize Clipper® Contract Price Schedule for FY 2015-16, which includes capital credit of \$17,354.84 and \$209,267.45 in additional operating costs
Project Cost Not to Exceed:	\$200,000 (this Change Order) Approved Contract plus Change Orders prior to today's actions (not including this item): \$161,290,533
Funding Source:	Participating Operator funds, 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. Participating Operators will cover a portion of the costs per the Clipper® Amended and Restated Memorandum of Understanding.
Motion:	That a Contract Change Order with Cubic Transportation Systems, Inc., for the purposes described herein and in the Executive Director's memorandum dated February 21, 2017, is hereby approved by the Clipper® Executive Board.
Clipper® Executive Board:	<hr/> Denis Mulligan, Chair
Approved:	Date: February 27, 2017