



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 2b
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Memorandum

TO: Operations Committee

DATE: March 3, 2017

FR: Executive Director

W. I. 320-1221

RE: Clipper® Contract Action: Contract Change Order – FY 2015-16 Price Schedule Finalization: Cubic Transportation Systems, Inc. (\$210,000)

Staff recommends that the Operations Committee authorize the Executive Director or his designated representative to negotiate and enter into the following contract action, which was approved by the Clipper® Executive Board on February 27, 2017:

Contract Change Order – FY 2015-16 Price Schedule Finalization: Cubic Transportation Systems, Inc. (Cubic) (\$210,000)

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). MTC agreed to an annual adjustment of prices 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; and after the Bureau of Labor Standards publishes the applicable indices, a reconciliation is calculated and resolved via Contract Change Order.

This Change Order applies the contractual methodology to adjust prices in the Clipper® Contract for FY 2015-16. The applied methodology will increase operating costs by 1.72% retroactively for FY 2015-16, resulting in an additional cost of \$210,000 for operating invoices submitted during the fiscal year. Per the Clipper® Amended and Restated Memorandum of Understanding with the participating Operators, MTC will invoice the Operators for their shares of the operating cost adjustments.

This Change Order will finalize the Clipper® Contract Price Schedule for FY 2015-16 and enable Cubic to invoice for the increased operating costs. Cubic is neither a small business nor a disadvantaged business enterprise.

Staff recommends that this Committee authorize the Executive Director or his designee to negotiate and enter into one or more contract change order(s) with Cubic in an amount not to exceed \$210,000 for the services described above.



Steve Heminger

SH: lv

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REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.:	320-1221
Contractor:	Cubic Transportation Systems, Inc. San Diego, CA
Project Title:	Final FY 2015-16 Price Schedule for Clipper® Contract
Purpose of Contract Change Order:	Adopt a price-adjusted 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, including \$210,000 in additional operating costs for MTC and the participating transit operators
Project Cost Not to Exceed:	\$210,000 (this Change Order does not increase the Clipper® capital contract value regularly reported to this Committee)
Funding Source:	Participating Operator funds, STP, CMAQ, STA, STP Exchange, 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 by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a Contract Change Order to the Clipper® Contract with Cubic Transportation Systems, Inc. as described above and in the Executive Director's memorandum dated March 3, 2017, and the Chief Financial Officer is authorized to set aside \$210,000 for such Change Order(s).
Operations Committee:	<hr/> Scott Haggerty, Chair
Approved:	March 10, 2017