



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 3a
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Memorandum

TO: Operations Committee

DATE: September 1, 2017

FR: Executive Director

W. I. 310-2780

RE: Next-Generation Clipper® (C2) Fare Payment System Integrator Request for Proposal

This item is to update the Committee on the Clipper® program, including program satisfaction, the future vision for the system and its features, and the release of a Request for Proposals (RFP) this month for a System Integrator for the C2 system.

Background

Staff provided background on the history of the program in the April meeting of the Operations Committee as well as in previous committee meetings.

As reported earlier, the most recent Clipper® customer survey revealed that 97% of Clipper® customers are satisfied with the system. The same percentage would recommend Clipper® to other transit riders. This positive perception was reinforced by BART's 2016 rider survey, which asked riders to rank 47 features of the transit system. Clipper® was the system's highest rated feature.

Clipper® is generally responsible for collecting 50% of transit fares in the region (with slight month-to-month fluctuations) and has achieved 66% or higher market penetration on BART since January 2017. County Connection and WestCAT – agencies that only started accepting Clipper® in November 2015 – have seen faster than average growth, with Clipper® already accounting for 19% and 33% of trips in June 2017, respectively.

While daily multi-operator trips are still relatively low (14% of all Clipper® cards used on an average weekday are used on more than one operator), over the course of a year, more than half of all Clipper® cards have been used to complete a multi-operator trip. Clipper® clearly streamlines transit use for the region's riders.

C2: The Next Generation of Clipper®

While Clipper® serves the vast majority of customers well, the Clipper® program would like to strengthen some features of the current system. For example, we would like to make it easier for customers to acquire cards and add value to a Clipper® account. Additionally, customers have requested the ability to pay with other media, such as smart phone apps or digital wallets, and they would like to use Clipper® to pay for more than trips on transit. Also, institutional customers, such as employer programs and schools, have asked for a more robust and streamlined interface with Clipper®.

At the same time, Clipper® must remain a robust yet flexible system that can adapt to meet future needs and leverage new technological developments. The procurement of the next-generation system will embrace this approach while addressing the concerns of the current Clipper® system. MTC and transit operators envision an updated Clipper® system in which:

- Electronic payment will be the primary payment method for all transportation fares and fees, including transit, parking, bike share and paratransit.
- Customers will be able to choose between cards or other methods for identification and payment, like mobile devices and wearables, as well as more easily manage their accounts on the go.
- Clipper® will be easier to obtain and use, with many distribution and reloading options, more immediate availability of online transactions, and more convenient account management for families and institutional programs.
- Transit systems will either solely accept Clipper® or will strive to incentivize the use of Clipper®.
- The Clipper® system will be adaptable to fare policy decisions that transit operators make on behalf of the region.

As discussed in previous meetings, the new C2 System Integrator will be responsible for overall system operation and coordination of discrete tasks (such as customer service) that will be contracted out to separate vendors to achieve greater flexibility – a departure from the current system in which the Clipper® contractor operates virtually all aspects of the system.

Solicitations of feedback from industry and the public over the last year yielded valuable input. MTC and transit operator staff worked extensively to incorporate relevant comments into the final RFP and were advised by the Clipper® Executive Board regularly on key items in the development of the final RFP. The Clipper® Executive Board approved the release of the C2 System Integrator RFP at its August 21, 2017 meeting.

Next Steps

MTC will release the RFP for a System Integrator for the Next-Generation Clipper® system this month. Proposals will be due in January 2018, and the current schedule calls for selection of a C2 System Integrator in early 2019.

Staff will continue to report to the Operations Committee on milestones of the procurement and program development. If you receive any inquiries from potential bidders on the C2 contract, please refer them to Denise Rodrigues of MTC Staff at drodrigues@bayareametro.gov.



Steve Heminger

Attachment:

- Attachment A: Clipper® Update

SH: jw

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Clipper Update

MTC Operations Committee
September 8, 2017

Meeting and Exceeding the Mandate!



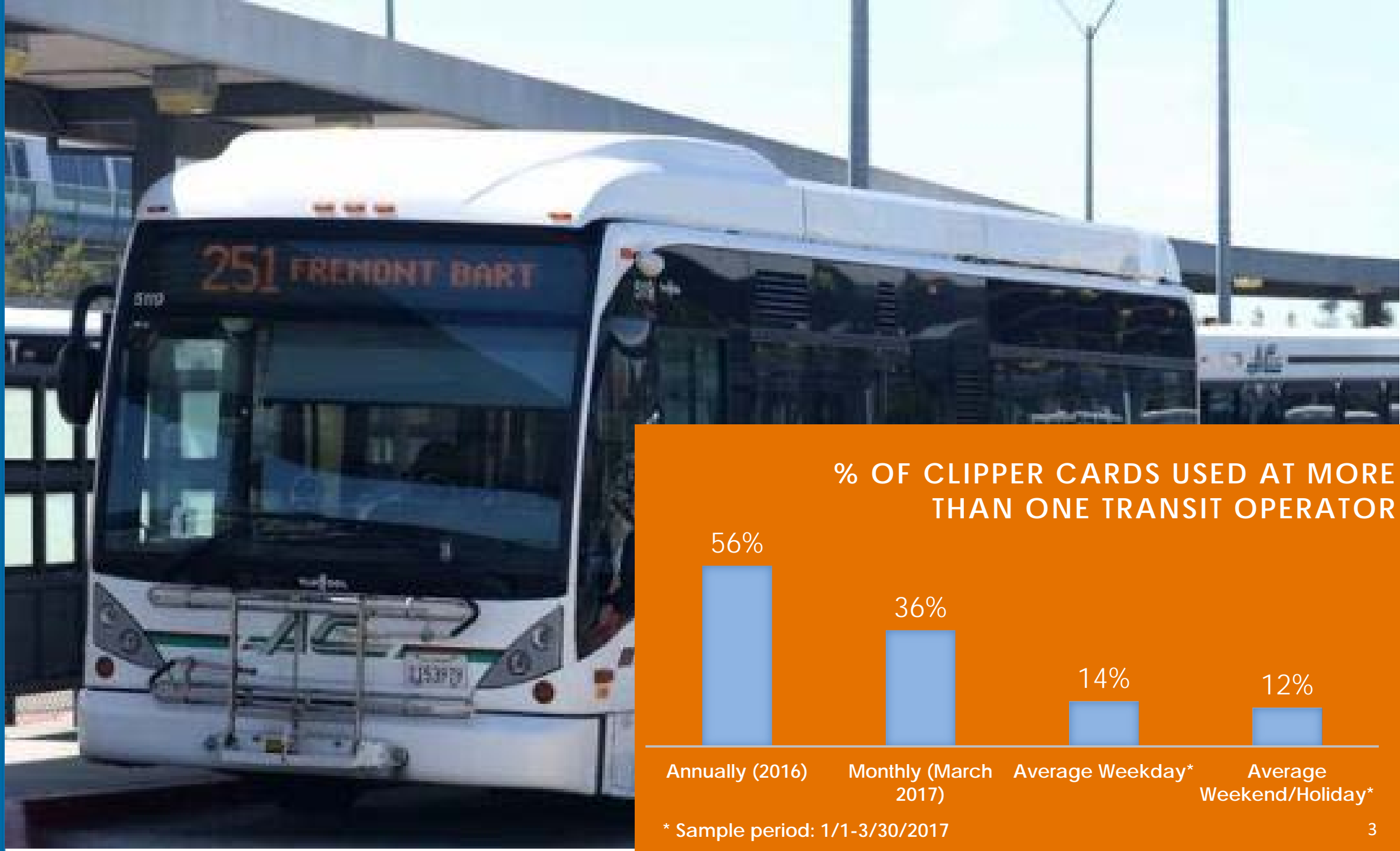
946,000
Unique Cards Used

48%
Market Share

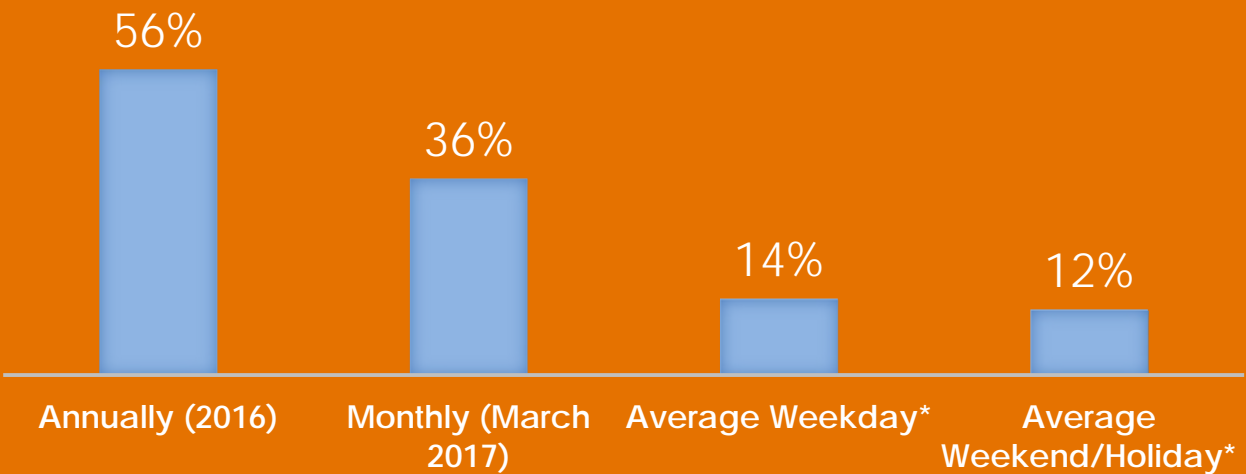
740,000
Average Weekday Ridership

\$46M
Monthly Transit
Operator Revenue

97% of customers
are satisfied



% OF CLIPPER CARDS USED AT MORE THAN ONE TRANSIT OPERATOR



* Sample period: 1/1-3/30/2017



CLIPPER.



Transit agencies are reaping the benefits
and seeking ways to leverage Clipper



BUY YOUR CLIPPER CARD HERE!

Use on most Bay Area public transit.
Fast, convenient, and preloaded.



CLIPPER.



Industry Review RFP for Clipper® Regional Fare Payment System ("C2") System Integrator

To be added to the plan holders list for this project, please [log in](#) or [register](#).

Registered users have the option of receiving notifications when new documents are available.

Details

Documents

Planholders

Name Industry Review RFP for Clipper® Regional Fare Payment System ("C2") System Integrator

Description The Metropolitan Transportation Commission (MTC), on behalf of the regional transit operators, has issued an Industry Review Draft of the Request for Proposal (RFP) for the Next Generation Clipper® ("C2") Regional Transit Fare Payment System Integrator project.



What's in Clipper's future?

Help us decide.

TAKE THE NEW SURVEY!

futureofclipper.com



Summary of Draft RFP

The Next-Generation Clipper System is on the Horizon!

In a few months, the Metropolitan Transportation Commission (MTC), manager of the Clipper fare payment program, will issue request for proposals (RFP) outlining the scope, specifications and requirements for the next-generation Clipper system. From the proposals, MTC and its transit agency partners will select a system integrator vendor and begin implementation.

MTC recently released a draft of the RFP and is soliciting industry review and public feedback. This overview summary serves as a layperson's description of the technical scope of work.

Now is your chance to influence development of the next Clipper!

Submit comments by email to feedback@futureofclipper.com or via voicemail at 415.778.6660.

Customers can expect...

- ▶ An intuitive, efficient and familiar experience.
- ▶ Excellent, proactive customer service.
- ▶ Operational efficiency and reliability.

MTC and the transit agencies are considering a Clipper system where:

You can pay with...

- Mobile phone/wearable
- Mobile banking app
- Contactless smart cards
- Limited-use smart cards
- Open-payment bank cards

You'll get customer service from...

- Vendors
- Telephone call center
- Walk-in customer service centers
- Self-service customer service

You can get a card and add value via...

- Vendors
- Telephone call center
- Walk-in customer service centers
- Self-service customer service

Our technology will enable...

- An account-based system, no longer card-based
- Fast, reliable transaction processing
- Contactless, accessible customer-facing systems
- Configurable, self-administered fare policies
- Modular architecture, open or published interfaces
- Integration with legacy Clipper systems
- Expansion to regional and other agencies (including, but not limited to, other transit agencies)

What is C2?

The next-generation Clipper system (C2) will be a customer-focused, multi-effective fare collection system that supports a modern, seamless transit experience for traveling around the Bay Area, providing a flexible platform for improving future regional transit, designed through a collaborative partnership among Bay Area transit agencies, MTC, and its private-sector vendors.

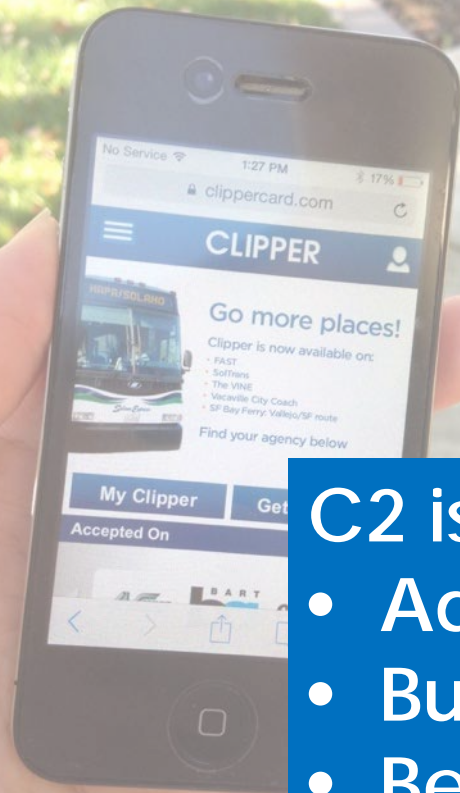
The C2 System Integrator will be responsible for collection and processing customer service tools and account management (including mobile apps and website), back-office systems/operations, administration, system monitoring, data storage, fraud security control, disaster recovery, retail network management, integration with transit agency fare systems, and overall maintenance of Clipper equipment. MTC will be responsible for management, including contracting, program management, and customer education and branding. Transit agency partners will be responsible for agency-specific accounting and customer service, fare inspection and enforcement, and collection of Clipper devices as well as fare policy.



We welcome your comments! Send us your comments by email to feedback@futureofclipper.com, or via voicemail at 415.778.6660. Deadline: April 3, 2017. Find more information at futureofclipper.com.

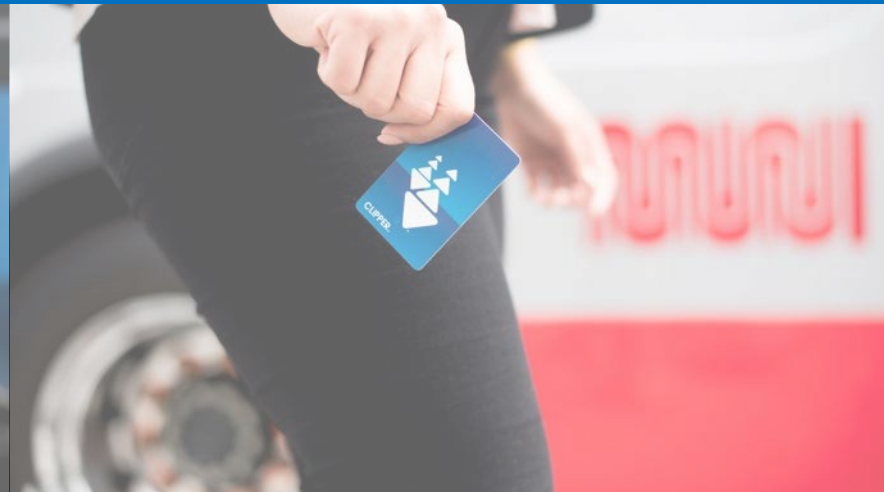


Extensive outreach to industry and public



C2 is about:

- Addressing the pain points
- Building a platform ready for the future
- Better acquisition opportunities
- Simplifying third-party integration



CLIPPER.

Procurement Timeline

