



Agenda Item 3a

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

TO: Clipper® Executive Board

DATE: September 11, 2017

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 six million cards. Demand in 2017 has remained steady, with the program issuing ~55,000 new adult cards each month. Demand for cards is anticipated to continue to grow with increased institutional programs and the addition of functionality to vend Clipper® cards at BART stations.

The Clipper® program partially offsets the cost of cards by charging most adults a \$3 card acquisition fee. MTC does not recoup the full cost of producing a card with the \$3 card acquisition fee. The actual cost of each card is approximately \$2, while the program cost of issuing each card is approximately \$1.85, bringing the total cost of issuing a new card to approximately \$3.85. Funds from the \$3 card fee will 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:	\$2,000,000 (this Change Order Amendment) Total contract value including amendments before this amendment = \$164,720,313 Total contract amount with this amendment = \$166,720,313
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 2017-18 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 September 11, 2017, is hereby approved by the Clipper® Executive Board.
Clipper® Executive Board:	<hr/> Denis Mulligan, Chair
Approved:	Date: September 18, 2017