



### Agenda Item 3a

Bay Area Metro Center  
375 Beale Street  
San Francisco, CA 94105  
TEL 415.778.6700  
WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

TO: Clipper® Executive Board

DATE: April 8, 2019

FR: Carol Kuester

RE: Contract Actions – In-person Clipper® Customer Service Center (IPCSC) Amendments

- i. Contract Amendment – Clipper Customer Service Center Operations at Embarcadero San Francisco Bay Area Rapid Transit (BART) Station: Faneuil, Inc. (\$415,000)
- ii. Contract Amendment – Clipper Customer Service Center Operations at the San Francisco Ferry Building: Nematode Holdings, LLC (\$300,000)
- iii. Funding Agreement Amendment – Clipper Customer Service Center Operations at Alameda-Contra Costa Transit District (AC Transit) Headquarters: AC Transit (\$250,000)

### Background

The Clipper program funds in-person customer service centers (IPCSCs) at two downtown San Francisco locations and the Alameda-Contra Costa Transit District (AC Transit) Oakland headquarters. Located near rail, bus and ferry hubs, these IPCSCs provide a convenient location for transit riders to obtain youth and senior cards so that they have immediate access to discounts based on age eligibility, in addition to savings that are not available to customers who pay with cash or tickets (i.e., discounted transfers and avoidance of surcharges). During the current fiscal year, the two San Francisco locations alone have issued about 20% of all youth and senior cards distributed in the region.

While all transit operators who operate a standard Clipper ticket office terminal can issue adult, youth and senior cards and sell all types of value, the IPCSCs offer a wider range of services. Staff at the IPCSCs can directly register adult cards that have been purchased through other channels, including at card vending machines and retailers, so that customers can maximize the security and account management benefits of Clipper. These locations also can immediately issue replacement cards, reducing the customer's burden of waiting for a card to arrive in the mail, as well as enabling customers to pay the balance restoration fee with cash instead of by credit/debit card or money order.

### Contract Actions

These contract and funding agreement amendments were contemplated and are included in the Two Year Clipper Budget and Work Plan approved by the Clipper Executive Board on March 18, 2019. Staff recommends that the Executive Board approve the following contract actions:

- i. **Contract Amendment – Clipper Customer Service Center Operations at Embarcadero San Francisco Bay Area Rapid Transit (BART) Station: Faneuil, Inc. (Faneuil) (\$415,000)**

In March 2017, following a competitive procurement, this Board approved the recommendation to award Faneuil a contract to operate the Clipper Customer Service Center at the Embarcadero BART/Muni Metro station. The Embarcadero IPCSC replaces over 1,100 cards and completes over 6,800 sales on average each month. The initial contract amount was \$817,922; the proposed amendment would add \$415,000, extending operations for one year through June 30, 2020, which extension is permitted by the procurement.

**ii. Contract Amendment – Clipper Customer Service Center Operations at San Francisco Ferry Building (Bay Crossings): Nematode Holdings, LLC (Nematode) (\$300,000)**

In December 2010, MTC entered into a sole source contract with Nematode to offer Clipper customer services based on its Bay Crossings store being the only vendor in the San Francisco Bay Ferry Building to provide transportation information and sell transit tickets to commuters and tourists. During the first half of Fiscal Year (FY) 2018-19, Bay Crossings has completed an average of 270 card replacements and 4,600 Clipper sales each month – a year-over-year increase of 20% and 5%, respectively. Under this contract, Nematode is also responsible for the maintenance of the ferry departure flap sign in the Ferry Building’s central lobby. The current contract amount is \$2,063,481; the proposed amendment would add \$300,000, extending operations for one year through June 30, 2020 on a sole source basis.

**iii. Funding Agreement Amendment – Clipper Customer Service Center Operations at Alameda-Contra Costa Transit District (AC Transit) Headquarters: AC Transit (\$250,000)**

In April 2012, MTC executed a funding agreement with AC Transit to provide expanded Clipper customer services at AC Transit’s headquarters in Oakland. During the first half of FY 2018-19, AC Transit’s multilingual staff issued an average of 400 replacement cards each month – a 38% year-over-year increase. The current funding agreement amount is \$1,810,200; the proposed amendment would add \$250,000, funding these ongoing activities through June 30, 2020.

**Recommendation**

Staff recommends approval of a contract amendment with Faneuil in an amount not to exceed \$415,000, a contract amendment with Nematode in an amount not to exceed \$300,000, and a funding agreement amendment with AC Transit in an amount not to exceed \$250,000, to provide in-person Clipper customer services as described above and in the attached requests for Board Approval.

  
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Carol Kuester

## REQUEST FOR CLIPPER® EXECUTIVE BOARD APPROVAL

### Summary of Proposed Contract Amendment

Contractor: Faneuil, Inc.  
Hampton, VA

Work Project Title: Clipper® Customer Service Center Operations at Embarcadero San Francisco Bay Area Rapid Transit (BART) Station

Purpose of Amendment: Provide Clipper® in-person customer service, such as issuance of new and replacement cards

Brief Scope of Work: Contractor shall provide trained staff to support a range of Clipper® customer services

Project Cost Not to Exceed: \$415,000 (this amendment)  
Total Contract value before this amendment = \$817,922  
Total Contract value with this amendment = \$1,232,922

Funding Source: Regional Measure 2 Marketing and Operations, STA, STP

Fiscal Impact: Funds dependent on the approval of the FY 2019-20 MTC agency budget

Motion: That a contract amendment with Faneuil, for the purposes described herein and in the Executive Director's memorandum dated April 8, 2019, is hereby approved by the Clipper® Executive Board, subject to adoption of the FY 2019-20 MTC agency budget.

Executive Board:

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Denis Mulligan, Chair

Approved:

Date: April 15, 2019

## REQUEST FOR CLIPPER® EXECUTIVE BOARD APPROVAL

### Summary of Proposed Contract Amendment

Contractor:	Nematode Holdings, LLC San Francisco, CA
Project Title:	Clipper® Customer Service Operations at San Francisco Ferry Building (Bay Crossings) Operations
Purpose of Contract:	Provide Clipper® in-person customer service, such as issuance of new and replacement cards; distribute MTC project materials; and maintain ferry schedule flap sign display
Brief Scope of Work:	Contractor shall provide trained staff to support a range of Clipper® customer services and the operations and maintenance of the ferry schedule flap sign display
Project Cost Not to Exceed:	\$300,000 (this amendment) Total Contract value before this amendment = \$2,063,481 Total Contract value with this amendment = \$2,363,481
Funding Source:	Regional Measure 2 Marketing and Operations, STA, STP
Fiscal Impact:	Funds dependent on the approval of the FY 2019-20 MTC agency budget.
Motion:	That a contract amendment with Nematode Holdings, for the purposes described herein and in the Executive Director's memorandum dated April 8, 2019, is hereby approved by the Clipper® Executive Board, subject to adoption of the FY 2019-20 MTC agency budget.
Executive Board:	<hr/> Denis Mulligan, Chair
Approved:	Date: April 15, 2019

## REQUEST FOR CLIPPER® EXECUTIVE BOARD APPROVAL

### Summary of Proposed Funding Agreement Amendment

Contractor:	Alameda-Contra Costa Transit District (AC Transit) Oakland, CA
Project Title:	Clipper® Customer Service Center Operations at AC Transit Headquarters
Purpose of Amendment:	Provide Clipper® in-person customer service center in the East Bay
Brief Scope of Work:	Operate Clipper® in-person customer service center at AC Transit's District Headquarters building located at 1600 Franklin Street in Oakland.
Project Cost Not to Exceed:	<p>\$250,000 (this amendment)</p> <p>Total Funding Agreement value before this amendment = \$1,810,200</p> <p>Total Funding Agreement value with this amendment = \$2,060,200</p>
Funding Source:	Regional Measure 2 Marketing and Operations, STA, STP
Fiscal Impact:	Funds dependent on the approval of the FY 2019-20 MTC agency budget.
Motion:	That a funding agreement amendment with AC Transit for the purposes described herein and in the Executive Director's memorandum dated April 8, 2019, is hereby approved by the Clipper® Executive Board, subject to adoption of the FY 2019-20 MTC agency budget.
Executive Board:	<hr/> <p>Denis Mulligan, Chair</p>
Approved:	Date: April 15, 2019