

# Clipper® Executive Board

June 17, 2019

Agenda Item 3a

## Change Order – Clipper® Contract Price Schedule for FY 2016-2017: Cubic Transportation Systems, Inc. (\$240,000)

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**Subject:** Request for approval of a Change Order for Clipper Contract Price Schedule for FY 2016-2017: Cubic Transportation Systems, Inc. (Cubic) (\$240,000).

**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 implemented via Contract Change Order at a later date. Subsequent Price Schedules build on final Price Schedule adjustments.

The Change Order recommended for Board approval applies the contractual methodology to adjust prices in the Clipper Contract for FY 2016-2017. The capital price adjustment for FY 2016-17 is minus 0.40%, decreasing the capital expense by \$7,360.48 from the Provisional Price Schedule. The operating price adjustment is 1.42% for FY 2016-17, resulting in an additional cost of \$234,861.41 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 increase.

This Change Order will finalize the Clipper Contract Price Schedule for FY 2016-17 and enable Cubic to issue a credit for the adjusted capital costs and invoice for the increased operating costs. Staff will bring the 2017-18 price adjustment Change Order to the Executive Board in August 2019 and will bring the 2018-19 price adjustment Change Order to the Executive Board in October 2019.

**Issues:** There are no issues with this amendment.

**Recommendation:** Staff recommends that the Clipper Executive Board approve a Contract Change Order with Cubic in an amount not to exceed \$240,000 for the price schedule adjustment described above.

  
Carol Kuester

## REQUEST FOR BOARD APPROVAL

### Summary of Proposed Contract Change Order

Consultant:	Cubic Transportation Systems, Inc. Oakland, CA
Work Project Title:	Final FY 2016-17 Price Schedule for Clipper® Contract
Purpose of Project:	Adopt a price-adjusted Clipper Contract Price Schedule for FY 2016-17 in accordance with the terms and conditions of the Clipper® contract
Brief Scope of Work:	Finalize Clipper Contract Price Schedule for FY 2016-17, including up to \$240,000 in additional operating costs for MTC and the participating transit operators
Project Cost Not to Exceed:	\$240,000 (this Change Order does not increase the Clipper® capital contract value regularly reported to this Board)
Funding Source:	Participating Operator funds, STP, CMAQ, STA, STP Exchange, and Regional Measure 2 Operating funds
Fiscal Impact:	Funds available in the FY 2018-19 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 Contract Change Order with Cubic Transportation Systems, Inc. as described herein and in the Clipper Executive Director's June 17, 2019 memorandum, is hereby approved by the Clipper Executive Board.
Clipper Executive Board:	
	<hr/> Denis Mulligan, Chair
Approved:	June 17, 2019