

**Metropolitan Transportation Commission  
Operations Committee**

July 12, 2019

Agenda Item 4b

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

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**Subject:** Change Order – 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 Schedule 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 transit Operators, MTC will invoice the Operators for their share of the operating cost adjustments.

This Change Order would 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 Operations Committee in September 2019 and will bring the 2018-19 price adjustment Change Order to the Operations Committee in October 2019.

Cubic is neither a disadvantaged business enterprise nor a small business enterprise.

The proposed change order was approved by the Clipper Executive Board on Jun 17, 2019.

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

**Recommendation:** Staff recommends that the Operations Committee authorize the Executive Director or designee to negotiate and enter into a Contract Change Order with Cubic in an amount not to exceed \$240,000 for the price schedule adjustment described above.

  
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Andrew B. Fremier

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Contract Change Order

Work Item No.:	320-1221
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 \$240,000 in additional operating costs for MTC and the participating transit operators
Project Cost Not to Exceed:	\$240,000
	Total Contract before this amendment: \$169,303,646
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 Executive Director or designee is authorized to negotiate and enter into a contract change order with Cubic Transportation Systems, Inc. as described above, and in the Operations Committee Summary Sheet dated July 12, 2019, and the Chief Financial Officer is authorized to set aside \$240,000 for such amendment.
Operations Committee:	<hr/> Dave Cortese, Chair
Approved:	July 12, 2019