

Metropolitan Transportation Commission Operations Committee

December 13, 2019

Agenda Item 5a

Clipper®: Means-Based Pilot Program Update and Contract Approval for Cubic Transportation Systems, Inc. (\$1,700,000)

Subject: Update on the rollout of the regional means-based transit fare discount pilot program, and request for approval of a contract for eligibility verifier services: Cubic Transportation Services, Inc. (Cubic) (\$1,700,000).

Background: **Regional Means-Based Transit Fare Discount Pilot Program**
For most Bay Area households, transportation is the third-largest monthly expense, trailing only the cost of housing and food. As a result of a 2015 study and in consultation with transit operators, the Commission approved the launch of the Regional Means-Based Transit Fare Pilot Program in May 2018. The program has been branded Clipper START.

The pilot Clipper START program is scheduled to launch in spring 2020 and will run for 18 months. It is designed to:

- Make transit more affordable for the Bay Area's low-income residents;
- Establish a more consistent regional standard for fare discount policies; and
- Define a transit affordability solution that is financially viable and administratively feasible and that does not adversely affect the transit system's service levels and performance.

BART, Caltrain, Golden Gate Transit and Ferry, and SFMTA are participating in the program. MTC and the transit operators will share the cost of the discount, up to a total of 20%. Two transit operators are opting to provide a higher discount – see Attachment A. They will pay the difference for the higher discount amount.

Contract Approval: Means-Based Eligibility Verifier Contract

As part of the Clipper START program, an eligibility verifier is required to perform application intake, review and approval as well as customer service functions for program participants.

Procurement Process

On August 28, 2019, MTC issued a Request for Proposals (RFP) for consultant assistance for eligibility verifier services for the means-based program. Eligibility verifier tasks include handling all application intake from a variety of channels (mail, fax, email and the newly developed application website), reviewing applications and either approving participants for inclusion in the program or denying applications that do not qualify for the program. The eligibility verifier will also provide customer outreach services by contacting participants to request further information as needed and answering incoming customer inquiries.

Nine vendors were specifically invited to submit a proposal. By the proposal due date of October 17, 2019, MTC received one proposal that met the minimum qualifications, from Cubic Transportation Services, Inc.

Evaluation

The proposal was evaluated by a panel of three MTC staff members and two transit agency staff members. The panel was supported by senior MTC management acting as technical advisors. The proposal was scored using the following evaluation criteria as listed in the RFP: approach and clarity of response (40%); cost effectiveness (30%); and qualifications and proposer experience (30%). The evaluation panel scored Cubic at 82.8%. The evaluation panel also conducted an interview with the sole proposer and agreed that it met the required criteria.

After a thorough review of the proposal and the interview, the evaluation panel unanimously recommended the selection of Cubic Transportation Systems, Inc. Cubic will be able to leverage years of customer service experience with Clipper customers and provide efficiencies in combining the Means-Based work with the current Clipper card distribution and customer service efforts.

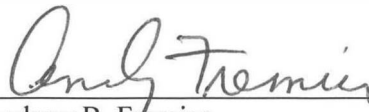
The evaluation panel recommends entering into a contract with Cubic for \$1,700,000 to provide the scope of work identified in the RFP from January 2020 through December 2021. The proposed cost is included the MTC agency budget.

Neither Cubic nor its subcontractor on this project is a disadvantaged business enterprise or a small business enterprise.

Issues: None identified.

Recommendation: Staff recommends that the Operations Committee authorize the Executive Director or designee to negotiate and enter into a contract with Cubic in an amount not to exceed \$1,700,000 to provide means-based eligibility verifier services for the Clipper START program.

Attachments: Attachment A: Key Clipper START Elements
Attachment B: Presentation on the Regional Means-Based Transit Fare Discount Pilot Program



Andrew B. Fremier

Key Clipper START Elements

The key program elements for the end user are listed below.

1. *Eligibility*: Adults who earn up to 200 percent of the Federal Poverty Level (approximately \$50,000 per year for a family of four) are eligible.
2. *Available on Clipper*: Clipper START participants will use Clipper cards to receive the transit fare discount, which will be granted automatically when a participant uses the card to pay a single cash value fare.
3. *Single-Ride Discount*: Clipper START participants will receive a 20 percent discount on each single-ride trip taken on BART and Caltrain and a 50 percent discount on each single-ride trip taken on Golden Gate Transit and Ferry and SFMTA.
4. *Promotion*: The program will be promoted through social service agencies, community-based organizations and the media.



Clipper® Means-Based Pilot Program

MTC Operations Committee

December 13, 2019

A mean-based transit fare discount pilot

- ▶ Commitment to serve low-income individuals
- ▶ 2015 study to determine desirability and viability of a means-based pilot
- ▶ The Programming and Allocations Committee voted to implement a means-based pilot program in May 2018

CLIPPER.**START** ▶▶▶
SM



The pilot has some well-defined goals

IMPLEMENTATION

IMPACT



Starting with four transit agencies

PARTICIPATING AGENCIES

- ▶ BART (20%)
- ▶ Caltrain (20%)
- ▶ Golden Gate Transit (50%)
- ▶ SFMTA (50%)

ELIGIBILITY

- ▶ Adults earning < 200% Federal Poverty Level (~\$50k Annual income for household of 4)

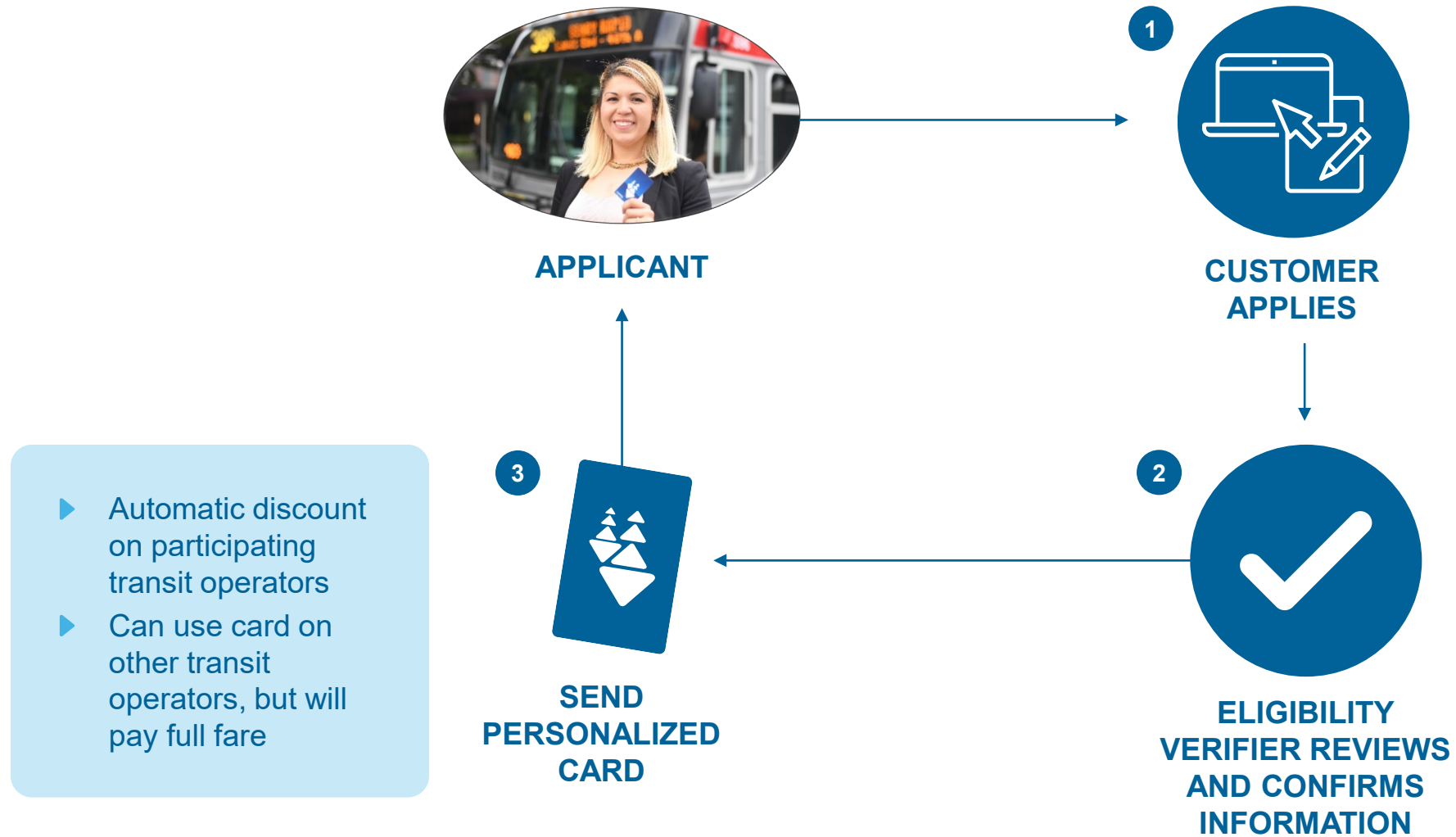
IMPLEMENTATION

- ▶ Offered through Clipper®
- ▶ Pilot: 18 Months
- ▶ Centrally administered for the region

Comprehensive outreach to promote the program



Simple application process



- ▶ Automatic discount on participating transit operators
- ▶ Can use card on other transit operators, but will pay full fare

Program costs

| Task | Amount |
|--|-------------|
| Clipper software development | \$1,200,000 |
| Website for applying and managing accounts | \$1,100,000 |
| Eligibility verification and customer service contractor | \$1,700,000 |
| Program evaluation | \$150,000 |
| Marketing and outreach | \$200,000 |
| Social service agency outreach and coordination | \$100,000 |
| TOTAL | \$4,450,000 |

Next step: Contract with eligibility verifier



- ▶ Verifies applicants are eligible
- ▶ Provides customer service
- ▶ Recommended contractor: Cubic Transportation Systems, Inc.

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract

| | |
|-----------------------------|--|
| Consultant: | Cubic Transportation Systems, Inc. San Diego, CA |
| Work Project Title: | Regional Means-Based Transit Fare Discount Pilot Program |
| Purpose of Project: | To provide eligibility verifier support for the Regional Means-Based Transit Fare Discount Pilot Program |
| Brief Scope of Work: | To perform application intake, review and approval as well as customer service functions for participants in the Regional Means-Based Transit Fare Discount Pilot Program |
| Project Cost Not to Exceed: | \$1,700,000 |
| Funding Source: | LCTOP, STA |
| Fiscal Impact: | Funds available in the FY 2019-20 MTC agency budget. |
| Motion by Committee: | That the Executive Director or designee is authorized to negotiate and enter into a contract with Cubic Transportation Systems, Inc. as described above and in the Operations Committee Summary Sheet dated December 13, 2019, and the Chief Financial Officer is authorized to set aside \$1,700,000 for such contract. |
| Operations Committee: | <hr/> Dave Cortese, Chair |
| Approved: | December 13, 2019 |