

**Metropolitan Transportation Commission  
Programming and Allocations Committee**

March 11, 2020

Agenda Item 2k

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**MTC Resolution No. 3682, Revised**

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**Subject:** Regional Measure 2 (RM2) Project 18: Allocation of \$13 million in RM2 funds to MTC for the Next Generation Clipper project.

**Background:** In December 2016, following the statutorily outlined public hearing process, the Commission increased the funding for the RM2 Clipper project by \$13 million, using unneeded financing coverage. The scope of the project was also modified to include deployment of new technology for Clipper, also known as Next Generation Clipper.

In September 2018, the Commission approved a new contract with Cubic Transportation Systems for the Next Generation Clipper Regional Fare System Integrator. The contract is for replacement of the current backend fare collection system and customer-facing devices like fare validators and sales terminals. RM2 funds were included in the funding plan for this contract. A new mobile app and enhanced features are expected to launch in the next year, and installation of next generation Clipper devices is expected to begin in 2021, with full transition by 2024.

This item is a request to allocate \$13 million in unallocated RM2 funds for the design and implementation of the Next Generation Clipper Regional Fare System.

**Issues:** None.

**Recommendation:** Refer MTC Resolution No. 3682, Revised to the Commission for approval.

**Attachments:** MTC Resolution No. 3682, Revised.



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Therese W. McMillan

Date: February 23, 2005  
W.I.: 1255  
Referred by: PAC  
Revised: 03/23/05-C 11/02/05-DA  
02/22/06-DA 09/27/06-DA  
04/25/07-DA 09/28/07-DA  
01/23/08-C 05/28/08-C  
06/25/08-DA 12/17/08-DA  
10/28/09-C 12/16/09-C  
07/27/11-DA 09/28/11-C  
07/30/12-DA 10/23/13-DA  
03/25/20-C

### ABSTRACT

#### MTC Resolution No. 3682, Revised

This resolution approves the allocation of Regional Measure 2 funds for the TransLink® project sponsored by Metropolitan Transportation Commission (MTC) and the various Bay Area transit operators identified in Attachment A of this resolution, who are the implementing agencies. This resolution also transfers funds previously allocated under MTC Resolution No. 3657 to this resolution and supersedes MTC Resolution No. 3657.

This resolution includes the following attachments:

- Attachment A - Allocation Summary Sheets
- Attachment B - Project Specific Conditions
- Attachment C - MTC staff's review of Initial Project Reports (IPRs)
- Attachment D - RM2 Deliverable/Useable Segment Cash Flow Plan

This resolution was revised on March 23, 2005 to approve an allocation to MTC for TransLink® Support work. The attachments, A-3 through D-3 provide additional information on the allocation approval.

This resolution was revised on November 2, 2005 by Delegated Authority to approve a \$150,000 allocation to the Santa Clara Valley Transportation Authority for the VTA/Caltrain TransLink® Ticket Vending Machine Integration project. The attachments, A-4 through D-4 provide additional information on the allocation approval.

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This resolution was revised on February 22, 2006 by Delegated Authority to approve \$20,000 to MTC for TransLink® program technical assistance for VTA's Ticket Vending Machine Integration Project.

This resolution was revised on September 27, 2006 by Delegated Authority to allocate \$726,000 to VTA for final design of the Consortium Information Management System.

This resolution was revised on April 25, 2007 by Delegated Authority to allocate \$15,000 to MTC for assessing regional integration requirements of Golden Gate Transit's TransLink® Ferry Fare Gates project.

This resolution was revised on September 28, 2007 by Delegated Authority to allocate \$290,000 to MTC for SFMTA TransLink® Faregate integration work and \$90,000 to SFMTA for TransLink® faregate integration support efforts.

This resolution was revised on January 23, 2008 to allocate \$1,718,000 (final design and construction phases) to VTA for the Ticket Vending Machine Integration Project.

This resolution was revised on May 28, 2008 to allocate \$1,474,000 (construction phase) to VTA for the Consortium Information Management System.

This resolution was revised on June 25, 2008 by Delegated Authority to allocate \$200,000 (final design) to MTC for the TransLink® Reconciliation and Settlement Support Project.

This resolution was revised on December 17, 2008 by Delegated Authority to allocate \$50,000 in final design funds to MTC for the TransLink® Ticket Vending Machine Integration Project.

This resolution was revised on October 28, 2009 to allocate \$2,301,818 towards installation and procurement of new automatic fare collection equipment that will integrate with TransLink(r) and to provide associated support services.

This resolution was revised on December 16, 2009 to allocate \$1,738,000 to GGBH&TD to purchase and install an automated passenger counting and ticket system that is TransLink® and

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single ticket compatible at the San Francisco Ferry Terminal, AT&T Park, Larkspur Ferry Terminal, and Sausalito Ferry Landing.

This resolution was revised via Delegated Authority on July 27, 2011 to allocate \$1,000,000 to MTC towards improvements on the existing Clipper<sup>®</sup> system and expansion of Clipper<sup>®</sup> to other transit agencies.

This resolution was revised on September 28, 2011 to rescind \$1,054,207 from prior allocations to the Clipper<sup>®</sup> Integration and the Clipper<sup>®</sup> Reconciliation & Settlement Support projects and allocate \$1,295,207 to the Clipper<sup>®</sup> Capital project towards improvements on the existing Clipper<sup>®</sup> system and expansion of Clipper<sup>®</sup> to other transit agencies.

This resolution was revised on July 30, 2012 via Delegated Authority to rescind \$650,782 from a prior allocation to the BART Ticket Vending Machine (TVM) Clipper<sup>®</sup> Implementation project and re-allocate the same amount to the Clipper<sup>®</sup> Integration project for integration of the Clipper<sup>®</sup> functionality into BART's AFM machines and obtaining security access modules required to complete this integration.

This resolution was revised on October 23, 2013 via Delegated Authority to amend the scope on a prior allocation to the SFMTA Muni Metro Faregates project.

This resolution was revised on March 25, 2020 to allocate \$13,000,000 to the Next-Generation Clipper Regional Fare Payment System project for design and implementation of the replacement of the current fare collection system and equipment.

Additional discussion of this allocation is contained in the memorandum to the MTC Programming and Allocations Committee dated February 9, 2005, March 2, 2005, January 9, 2008, May 14, 2008, October 14, 2009, December 9, 2009, September 14, 2011, and March 11, 2020.

Date: February 23, 2005  
W.I.: 1255  
Referred by: PAC

Re: Approval of Allocation of Regional Measure 2 funds for the TransLink® Project

METROPOLITAN TRANSPORTATION COMMISSION  
RESOLUTION No. 3682

WHEREAS, pursuant to Government Code Section 66500 *et seq.*, the Metropolitan Transportation Commission (“MTC”) is the regional transportation planning agency for the San Francisco Bay Area; and

WHEREAS, Streets and Highways Code Sections 30950 *et seq.* created the Bay Area Toll Authority (“BATA”) which is a public instrumentality governed by the same board as that governing MTC; and

WHEREAS, on March 2, 2004, voters approved Regional Measure 2, increasing the toll for all vehicles on the seven state-owned toll bridges in the San Francisco Bay Area by \$1.00, with this extra dollar funding various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004), commonly referred as Regional Measure 2 (“RM2”); and

WHEREAS, RM2 establishes the Regional Traffic Relief Plan and lists specific capital projects and programs and transit operating assistance eligible to receive RM2 funding as identified in Streets and Highways Code Sections 30914(c) & (d); and

WHEREAS, RM2 assigns administrative duties and responsibilities for the implementation of the Regional Traffic Relief Plan to MTC; and

WHEREAS, BATA shall fund the projects of the Regional Traffic Relief Plan by transferring RM2 authorized funds to MTC; and

WHEREAS, MTC adopted policies and procedures for the implementation of the Regional Measure 2 Regional Traffic Relief Plan, which specifies the allocation criteria and project compliance requirements for RM 2 funding (MTC Resolution No. 3636); and

WHEREAS, TransLink®, sponsored by the Metropolitan Transportation Commission, is identified as capital project number 18 under RM 2 and is eligible to receive RM 2 funding as identified in Streets and Highways Code Sections 30914(c); and

WHEREAS, the Metropolitan Transportation Commission, through the TransLink® Management Group, has approved an unconstrained and unprioritized list of projects and corresponding implementing agencies eligible to receive funds under capital project number 18; and

WHEREAS, each implementing agency will submit an Initial Project Report (“IPR”), as required pursuant to Streets and Highway Code Section 30914(e), to MTC for review and approval for each project allocation request; and

WHEREAS, Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length, lists the project and phase for which the implementing agency is requesting RM2 funding and the reimbursement schedule and amount recommended for allocation by MTC staff; and

WHEREAS, Attachment B to this resolution, attached hereto and incorporated herein as though set forth at length, lists the required project specific conditions which must be met prior to execution of the allocation and any reimbursement of RM2 funds for each implementing agency; and

WHEREAS, Attachment C to this resolution, attached hereto and incorporated herein as though set forth at length, includes MTC staff’s review of each implementing agency’s Initial Project Report (IPR) for this project; and

WHEREAS, Attachment D attached hereto and incorporated herein as though set forth at length, lists the cash flow of RM2 funds and complementary funding for the deliverable/useable RM2 project segment; and

WHEREAS, the claimants to which funds are allocated under this resolution have certified that the projects and purposes listed and recorded in the attachments are in compliance with the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), and with the State Environmental Impact Report Guidelines (14 California Code of Regulations Section 15000 et seq.); now, therefore, be it

RESOLVED, that the RM2 funds allocated to BART under MTC Resolution No. 3657, as part of capital project number 18 under RM2, are hereby transferred to this resolution and Resolution No. 3657 is hereby superseded by this resolution; and be it further

RESOLVED, that MTC approves MTC staff's review of the requesting implementing agency's IPR for this project as set forth in the Attachment C; and be it further

RESOLVED, that MTC approves the allocation and reimbursement of RM2 funds in accordance with the amount and reimbursement schedule for the phase, and activities as set forth in the Attachment A; and, be it further

RESOLVED, that the allocation and reimbursement of RM2 funds as set forth in Attachment A are conditioned upon the implementing agency complying with the provisions of the Regional Measure 2 Regional Traffic Relief Plan Policy and Procedures as set forth in length in MTC Resolution 3636; and be it further

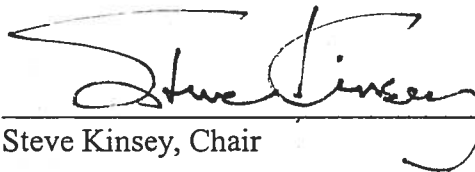
RESOLVED, that the allocation and reimbursement of RM2 funds are further conditioned upon the project specific conditions as set forth in Attachment B; and, be it further

RESOLVED, that the allocation and reimbursement of RM2 funds as set forth in Attachment A are conditioned upon the availability and expenditure of the complementary funding as set forth in Attachment D; and be it further

RESOLVED, that reimbursement of RM2 funds as set forth in Attachment A is subject to the availability of RM2 funding; and be it further

RESOLVED, that a certified copy of this resolution, shall be forwarded to the project sponsor.

METROPOLITAN TRANSPORTATION COMMISSION



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Steve Kinsey, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at the regular meeting of the Commission held in Oakland, California, on February 23, 2005.

**REGIONAL MEASURE 2 PROGRAM**  
**Allocation of Funds**

Project Title: Next Generation Clipper Regional Fare System  
Sponsor: Metropolitan Transportation Commission  
Project Number: 18.9

Allocation No. 18.9 - 1					
Activities to be funded with Allocation:					
This allocation will fund work on the Next Generation Clipper System Integrator contract, a wholesale replacement of the entire current backend fare collection system and customer-facing devices like fare validators and sales terminals, as well as modernization of retail and customer service devices, improved telecommunications, and expanded fare media options, including a robust mobile application and other capabilities.					
Allocation Instruction No.	Approval Date	Amount	Phase	Reimbursement Year	Cumulative Total To Date
20368222	25-Mar-20	\$ 13,000,000	PS&E/CON	FY 2019-20	\$ 13,000,000



## **REGIONAL MEASURE 2 PROGRAM**

### **Project Specific Conditions**

Project Title: Next Generation Clipper Regional Fare System  
Sponsor: Metropolitan Transportation Commission  
Implementing Agency: Metropolitan Transportation Commission  
Project Number: 18.9

None

RM2 Project Number: **18.9**

## Next Generation Clipper Regional Fare System

<b>Lead Sponsor</b> Metropolitan Transportation Commission	<b>Other Sponsors(s)</b> N/A	<b>Implementing Agency</b> (if applicable) Metropolitan Transportation Commission
<b>Legislated Project Description</b> Integrate the Bay Area's regional smart card technology, Clipper, with operator fare collection equipment, expand system to new transit services, and deploy new technology.		
<b>RM2 Legislated Funding (in \$1,000)</b> Total Overall Funding for Project #18 - \$35,000 18.9 Clipper - MTC (\$13,000)		<b>Project # 18.9 - Total Estimated Project Cost (in \$1,000)</b> \$194,000
<b>Project Purpose and Description</b> Next Generation Clipper will be a customer-focused, cost-effective fare collection system that supports a modern, consistent and seamless Bay Area transit experience and provides a flexible platform for future fare structures. New features will include: <ul style="list-style-type: none"> <li>• a robust mobile application</li> <li>• near real-time communication</li> <li>• expanded retail, online and mobile sales</li> <li>• new fare media options</li> </ul>		
<b>Funding Description</b> Committed Funds: This project is funded through RM2, OBAG, FTA, and other state and regional funding sources Uncommitted Funds: FTA/FHWA are expected to be secured to fill the funding gap. Operating Capacity: MTC or the respective operating agency.		

### Overall Project Cost and Schedule

Phase	Scope	Start	End	Cost (in \$1,000)
1	Final Environmental Document	N/A	N/A	\$0
2	Plans, Specifications and Estimates	09/2018	12/2022	\$112,000
3	Right-of-Way	N/A	N/A	\$0
4	Construction	04/2023	12/2024	\$82,000
<b>Total:</b>				<b>\$194,000</b>

## Total Project Funding Plan: Committed and Uncommitted Sources

(Amounts Escalated in Thousands)

<b>Project Title</b>	Next Generation Clipper Regional Fare System	<b>Project No.</b> 18.9
<b>Lead Sponsor</b>	MTC	
<b>Implementing Agency</b>	MTC	

Fund Source	Phase	Prior	2019-20	2020-21+	Total
<b>Committed</b>					
OBAG 1 &2	PSE		35,000		35,000
FTA - TCP	PSE	11,198	5,000		16,198
Prior Year TCP	PSE	1,000			1,000
Prior Year Funds - TCP, TPI CMAQ, OBAG, LCTOP, STA, Card Sales	PSE	23,000			23,000
BATA Rehab	PSE	1,000		8,600	9,600
Prop 1B/LCTOP	PSE	4,000			4,000
STA - SGR	PSE	10,317	10,597		20,914
RM2	PSE		7,575		7,575
RM2	CON		5,425		5,425
Total:		50,515	63,597	8,600	122,712
<b>Uncommitted</b>					
FTA/FHWA - TCP	CON			71,288	71,288
Total:		0	0	71,288	71,288
<b>Total Project Committed and Uncommitted</b>					
		<b>Prior</b>	<b>2019-20</b>	<b>2020-21</b>	<b>Total</b>
Total:		50,515	63,597	79,888	194,000

## REGIONAL MEASURE 2 PROGRAM Project Cash Flow Plan

Project Title: Next Generation Clipper Regional Fare System  
Sponsor: Metropolitan Transportation Commission  
Implementing Agency: Metropolitan Transportation Commission  
RM2 Project Number: 18.9

	PRIOR	2019-20	2020-21	2021-22	2022-23	2023-24	TOTAL
Environmental (ENV)	0	0	0	0	0	0	0
							0
							0
Final Design (PS&E)	0	4,175	1,000	2,400	0	0	7,575
RM2		4,175	1,000	2,400			7,575
							0
Right of Way	0	0	0	0	0	0	0
							0
							0
Construction	0	0	0	0	2,713	2,713	5,425
RM2					2,713	2,713	5,425
							0
<b>TOTAL FUNDING</b>							
Environmental	0	0	0	0	0	0	0
Final Design (PS&E)	0	4,175	1,000	2,400	0	0	7,575
Right of Way	0	0	0	0	0	0	0
Construction	0	0	0	0	2,713	2,713	5,425
<b>PROJECT TOTAL</b>	0	4,175	1,000	2,400	2,713	2,713	13,000