

**Metropolitan Transportation Commission  
Operations Committee**

May 8, 2020

Agenda Item 4e

**Clipper® In-Person Customer Service Centers (IPCSCs) Contract Actions: Contract Amendment - Faneuil, Inc. (\$425,000); Contract - Nematode Holdings, LLC (\$335,000) and Funding Agreement Amendment - Alameda-Contra Costa Transit District (\$250,000)**

---

**Subject:** Request for approval of contract actions for Clipper in-person customer service centers: Faneuil, Inc. (\$425,000), Nematode Holdings, LLC (\$335,000) and Alameda-Contra Costa Transit District (\$250,000).

**Background:** The Clipper program funds in-person customer service centers at two San Francisco locations and the Alameda-Contra Costa Transit District (AC Transit) Oakland headquarters. In addition to issuing adult, Youth and Senior Clipper cards and selling value, these service centers issue replacement cards, register adult cards that have been purchased through other channels, and accept cash payment for card replacement fees.

Located near rail, bus and ferry hubs, these service centers are convenient locations for transit riders to obtain new or replacement cards and have immediate access to the savings and benefits offered to Clipper customers (i.e., balance protection, age-based discounts, and avoidance of surcharges for cash payment).

These contract and funding agreement actions were contemplated and are included in the Two Year Clipper Budget and Work Plan.

**i. Contract Amendment – Clipper Customer Service Center Operations at Embarcadero Station: Faneuil, Inc. (Faneuil) (\$425,000)**

In April 2017, after a competitive procurement, this Committee approved the award to Faneuil of a contract to operate the Clipper Customer Service Center at the Embarcadero BART/Muni Metro station. The procurement terms included a two-year initial operating period with an option to extend annually for up to five years (through FY 2023-24). This customer service location continues to experience high demand - replacing over 1,100 cards and completing over 7,000 sales on average each month prior to the onset of the COVID-19 pandemic. The current contract amount is \$1,232,888; the amendment would add \$425,000 and extend operations through June 30, 2021.

**ii. Contract – Clipper Customer Service Center Operations at San Francisco Ferry Building (Bay Crossings): Nematode Holdings, LLC (Nematode) (\$335,000)**

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. Nematode also has a contract with Blue and Gold Fleet and is a primary service center for the Water Emergency Transportation Authority. As MTC staff prepare for the launch of the next generation Clipper system's Accelerated Deployment phase, including a new mobile app and new fare payment validators, staff recommends that MTC execute a new contract with an expanded scope of work to bridge transition to the launch

of the account-based system. The initial term of the proposed contract would be one year, but staff anticipates the contract may be extended on an annual basis through Fiscal Year 2022-23. The Bay Crossings store continues to be a popular location that complements services offered at the overburdened Embarcadero BART/Muni Metro station location. During the first half of FY 2019-20, Bay Crossings completed an average of 260 card replacements and 5,500 Clipper sales each month. Under this contract, Nematode also would maintain the ferry departure flap sign in the Ferry Building's central lobby. The proposed sole source contract would be for \$335,000 for the initial one-year term through June 30, 2021.

**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 service at AC Transit's headquarters in Oakland. During the first half of FY 2019-20, AC Transit's multilingual staff issued an average of 470 replacement cards each month – a 16% year-over-year increase. The current funding agreement amount is \$2,055,000; the proposed amendment would add \$250,000, funding these ongoing activities through June 30, 2021.

The services provided through these various contract actions are intended to help Clipper meet Title VI requirements by increasing the availability of Clipper cards and the fare discounts they confer and through the acceptance of cash payment. These contract actions are not a critical sequential element of ongoing work and are not dependent on any subsequent phases in FY 2020-21. Funds for all of these contract actions are included in the in FY 2019-20 Clipper budget.

Neither Faneuil nor Nematode is a small business or a disadvantaged business enterprise, and neither of them has subcontractors.

**Issues:**

On April 13, 2020, the Clipper Executive Board (CEB) deferred action on these contracts to its May meeting. While for Clipper contract actions the normal sequence is for CEB approval to precede Operations Committee consideration, in light of the extraordinary circumstances presented by the COVID-19 pandemic, staff recommends that this Committee approve these contract actions subject to subsequent approval by the CEB.

**Recommendation:**

Staff recommends approval of a contract amendment with Faneuil in an amount not to exceed \$425,000, a contract with Nematode in an amount not to exceed \$335,000, and a funding agreement amendment with AC Transit in an amount not to exceed \$250,000, to provide in-person Clipper customer service as described above—with each of these approvals, subject to subsequent approval by the CEB.

  
Therese W. McMillan

## REQUEST FOR OPERATIONS COMMITTEE APPROVAL

### Summary of Proposed Contract Amendment

Work Item No.: 1221

Contractor: Faneuil, Inc.  
Hampton, VA

Work Project Title: Clipper Customer Service Center Operations at  
Embarcadero 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: \$425,000 (this amendment)  
Total Contract value including amendments before this  
amendment = \$1,232,888  
Total contract amount with this amendment =  
\$1,657,888

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

Fiscal Impact: Funds dependent on approval of the FY 20-21 MTC agency  
budget

Motion by Committee: That the Executive Director or designee is authorized to  
negotiate and enter into a contract amendment with Faneuil,  
Inc., for the purposes described herein and in the Operations  
Committee Summary Sheet dated May 8, 2020 and the Chief  
Financial Officer is authorized to set aside \$425,000 for such  
amendment, subject to subsequent approval of this contract  
amendment by the Clipper Executive Board and further  
subject to approval of the FY 2020-21 MTC budget.

Operations Committee:

---

Dave Cortese, Chair

Approved:

Date: May 8, 2020

# REQUEST FOR OPERATIONS COMMITTEE APPROVAL

## Summary of Proposed Contract

Work Item No.: 1221

Contractor: Nematode Holdings, LLC  
San Francisco, CA

Work Project Title: Clipper Customer Service Operations at San Francisco Ferry Building (Bay Crossings) Operations

Purpose of Amendment: 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: \$335,000

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

Fiscal Impact: Funds dependent on the approval of the FY 2020-2021 MTC agency budget

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a contract with Nematode Holdings, LLC, for the purposes described herein and in the Operations Committee Summary Sheet dated May 8, 2020 and the Chief Financial Officer is authorized to set aside \$335,000 for such contract, subject to subsequent approval of this contract by the Clipper Executive Board and further subject to approval of the FY 2020-21 MTC budget.

Operations Committee:

---

Dave Cortese, Chair

Approved: Date: May 8, 2020

# REQUEST FOR OPERATIONS COMMITTEE APPROVAL

## Summary of Proposed Funding Agreement Amendment

Work Item No.: 1221

Contractor: Alameda-Contra Costa Transit District  
Oakland, CA

Work 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: \$250,000 (this amendment)  
Total funding agreement value including amendments before this amendment = \$2,055,000  
Total funding agreement amount with this amendment = \$2,305,000

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

Fiscal Impact: Funds dependent on the approval of the FY 2020-21 MTC agency budget

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a funding agreement amendment with Alameda-Contra Costa Transit District for the purposes described herein and in the Operations Committee Summary Sheet dated May 8, 2020 and the Chief Financial Officer is authorized to set aside \$250,000 for such amendment, subject to subsequent approval of this funding agreement amendment by the Clipper Executive Board and further subject to approval of the FY 2020-21 MTC budget.

Operations Committee:

---

Dave Cortese, Chair

Approved: Date: May 8, 2020