

Clipper® Executive Board

July 27, 2020

Agenda Item 3a

Next-Generation Clipper® Payment Services Request for Proposals (RFP)

Subject: Request for approval to issue an RFP for payment gateway and acquirer services for the next-generation Clipper (C2) system.

Background: A “payment gateway” transmits payment data and transaction authorization between the merchant—in this case, MTC--and the “acquirer”, which is a bank that processes credit/debit card payments for a merchant.

As a reminder, under the existing Clipper system (C1) contract, Cubic Transportation Systems, Inc. arranges for payment gateway services for the Clipper® program. This Board decided a number of years ago, as part of its strategic planning effort to procure and implement the C2 system, to disaggregate the C2 system into four component contracts—one of which is payment services. Consistent with the Board’s vision, this planned RFP is to procure C2 payment gateway and acquirer services. The RFP’s current scope does not, however, impact operators who currently use their own payment gateways to process Clipper transactions; specifically, BART, SMART, and VTA for ticket vending machine (TVM) transactions, and AC Transit and SamTrans for ticket office terminal (TOT) transactions.

Over the last two months, the Payment Services RFP has gone through three rounds of MTC and transit agency staff review. A conference call was held on Tuesday, May 26, 2020, to which staff from all 22 Clipper participating agencies were invited; nine transit agencies and MTC were represented on the call, where C2 program technical advisor IBI reviewed in detail the content of the draft RFP and the technical requirements.


The contract resulting from this RFP will be for an initial five year term from the start date of transaction processing by the C2 system—currently estimated to be May 2022--plus two optional one-year renewals.

Staff will continue to update this Board on key developments and other significant milestones in this procurement process. The current schedule anticipates that staff will return to the Board in January 2021 with a recommendation of a payment services provider for the C2 system.

Issues: None.

Recommendation: Request for approval to issue an RFP for payment gateway and acquirer services for the next-generation Clipper (C2) system.

Attachment: PowerPoint presentation, “C2 Payment Services RFP—Procurement Overview”


Carol Kuester



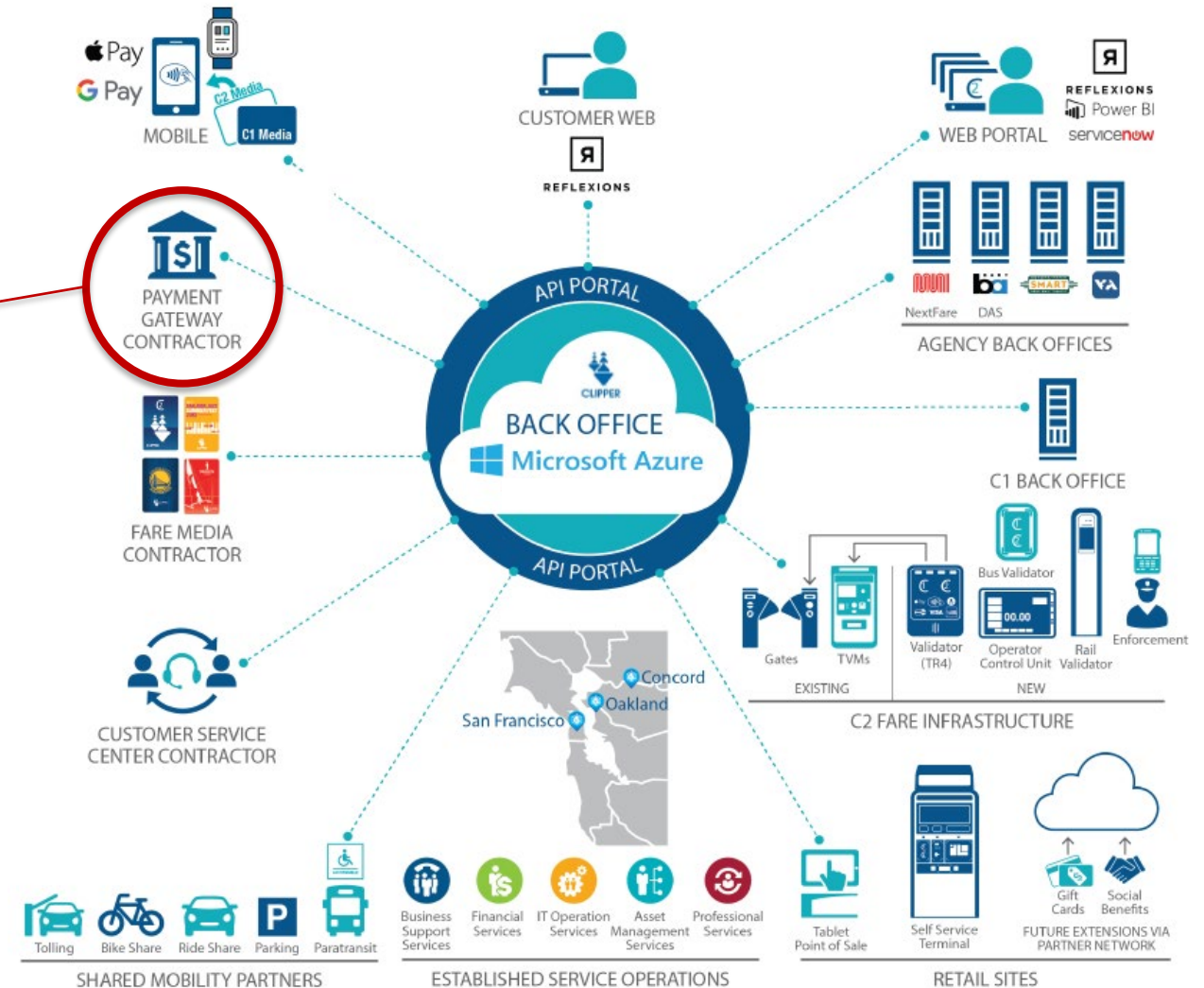
C2 Payment Services RFP

Procurement Overview

Clipper Executive Board meeting
2020-07-27

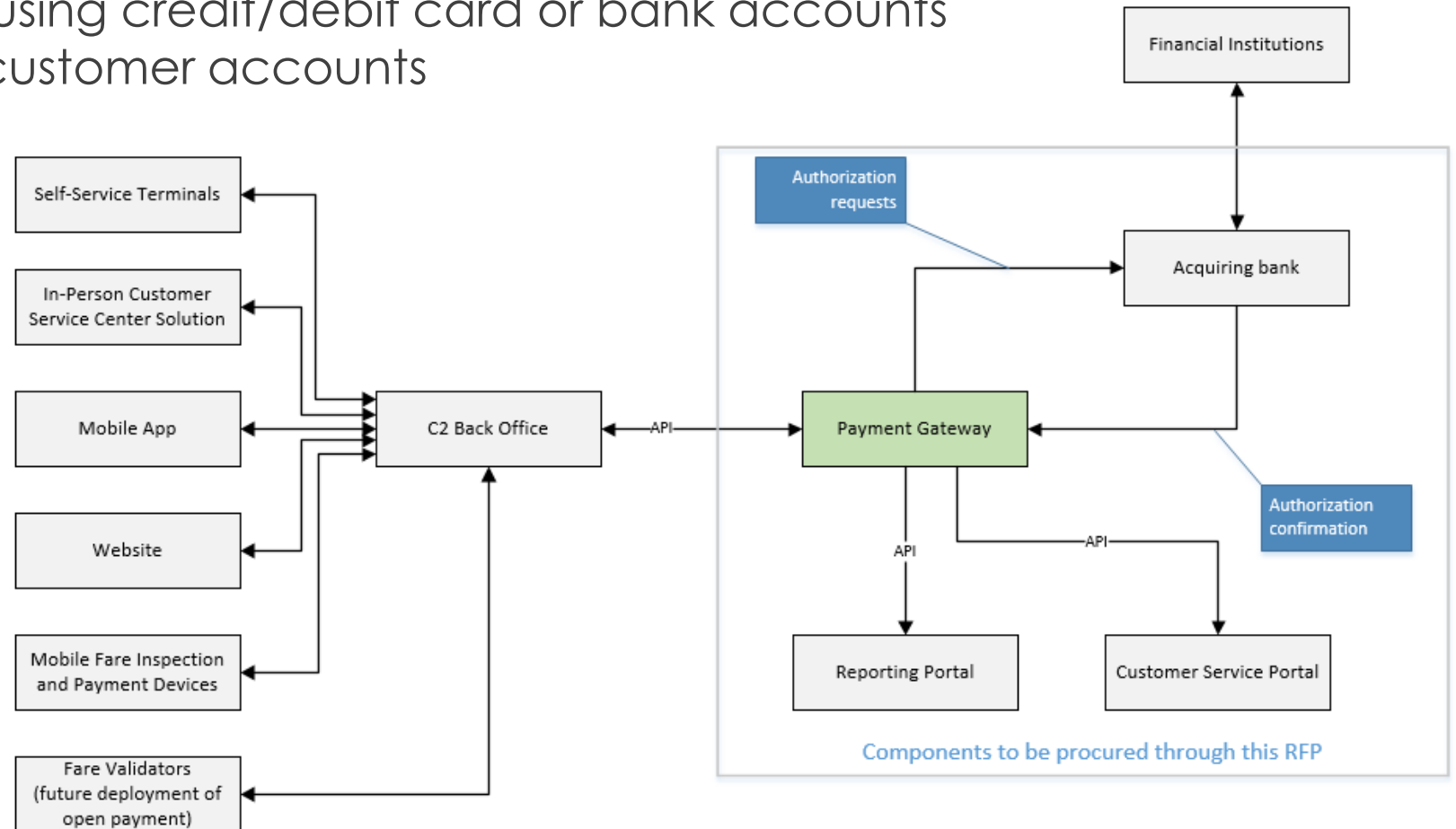
C2 System Architecture and Procurements

- C2 Procurements:
 - System Integrator
 - Customer Service Center
 - Fare Media Supplier
 - **Payment Services**
- Payment Services procurement goals:
 - Competitive pricing
 - Innovation
 - Modularity
 - Limited customization
 - Cardholder data security

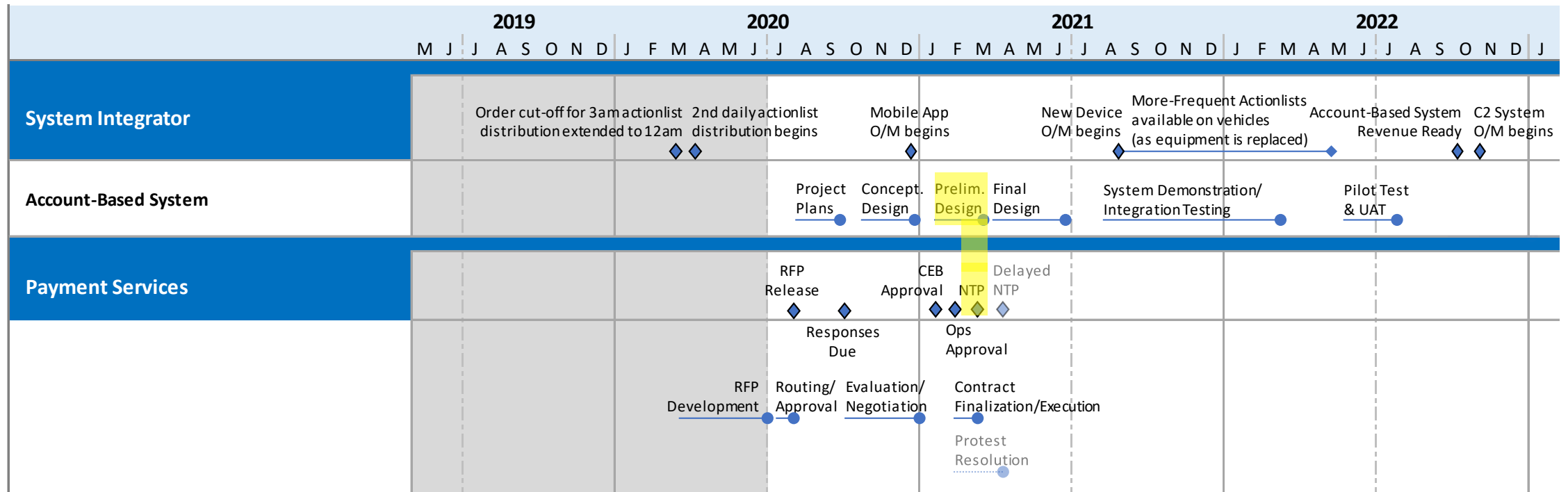


Payment Services Scope

- Processing services for:
 - Credit/debit card transactions on C2 devices
 - Transactions using credit/debit card or bank accounts saved in C2 customer accounts



Procurement Considerations



- Contractor to participate in Account-Based design review
- Requirements accommodate future design decisions
- RFP seeks to determine extent of Proposers' capabilities



Requested Services and Capabilities

- Financial Management
 - Merchant Setup
 - Authorization
 - Settlement
 - Reporting
 - Chargebacks
 - Automated Clearing House
 - Interchange Optimization
 - Credit Card Updater
 - Fraud Prevention
 - Tokenization
 - Transaction Aggregation
- System
 - Network Operations
 - Security
 - Device Support
 - Interfaces / Integration
- Compliance & Certification
- Account/Technical Support
- Project Management & Implementation



Procurement Timeline

- RFP Release: Aug 2020
- Responses Due: Oct 2020
- Award Approval
 - CEB: Jan 2021
 - Ops: Feb 2021
- Notice to Proceed: Mar–Apr 2021

