

Clipper® Executive Board

July 28, 2025

Agenda Item 2d

Clipper Purchase Order with a Sole Source Single Provider Justification with Paragon ID High Point US (\$2,000,000)

Subject:

Request for approval of a Purchase Order with a Sole Source Single Provider Justification with Paragon ID High Point US (Paragon) for procurement of Clipper cards: (\$2,000,000).

Background:

Since its inception, the Clipper program has issued more than twelve million cards. Demand has remained steady, with the program issuing approximately 150,000 new adult cards each month since the return of all-Clipper vending at the BART SFO airport station in October 2023. At the current rate of card distribution, we risk running out of adult Clipper card inventory as early as October 2025.

This Purchase Order is intended to make funds available should an additional order need to be placed to have sufficient inventory to last until the start of Next Generation Clipper (C2) fare media issuance. This Purchase Order allows MTC to purchase Clipper fare media directly from Paragon, using funds originally allocated in the Fiscal Year 2025-26 budget for C2 fare media. Ordering directly from Paragon enables more timely ordering and delivery of the cards as opposed to ordering through a Cubic Change Order. This Purchase Order allows for an order of 500,000 Clipper cards for approximately \$1,000,000 and allows for another \$1,000,000 in contingency in the event additional Clipper cards are needed. If additional Clipper cards are ordered but not issued before the start of Customer Transition to C2, they can still be issued through C2 distribution channels such as BART Clipper vending machines and used in the C2 system.

Funds from the \$3 adult Clipper card fee will be used to partially fund this Purchase Order. The funds in this Purchase Order were fully contemplated in the Two-Year Budget and Work Plan approved by this Board in June 2025. The funds for this Purchase Order are currently available in the Clipper Card Fee account.

Paragon is neither a small business nor a disadvantaged business enterprise and has no subcontractors for this work.

Issues:

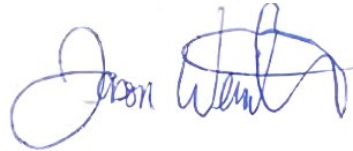
None identified.

Recommendations:

Staff recommends the Board approve a Purchase Order with Paragon in an amount not to exceed \$2,000,000 to produce Clipper cards for distribution to customers.

Attachments:

None.

A handwritten signature in blue ink, appearing to read "Jason Weinstein", is positioned above a horizontal line.

Jason Weinstein

Request for Clipper Executive Board Approval

Summary of Proposed Purchase Order

Work Item No.:	1311
Consultant:	Paragon ID High Point US
Work Project Title:	Clipper Card Procurement (Purchase Order with Sole Source)
Purpose of Project:	To procure Clipper cards
Brief Scope of Work:	Under this Purchase Order, Paragon will produce Clipper cards as directed by MTC.
Project Cost Not to Exceed:	\$2,000,000
Funding Source:	Clipper Card Fee Revenue, STP, CMAQ, STA, STP Exchange, Regional Measure 2 Capital and Regional Measure 2 Operating, Regional Measure 3, SB1 State of Good Repair
Fiscal Impact:	Funds available in the Clipper Card Fee Revenue account and in the 2025-26 MTC agency budget
Motion by Committee:	That the Purchase Order described above and in the Clipper Executive Board Summary Sheet dated July 28, 2025 is hereby approved.
Metropolitan Transportation Commission:	
	<hr/> Robert Powers, Chair
Approved:	July 28, 2025