

Metropolitan Transportation Commission
Regional Network Management Committee

October 11, 2024

Agenda Item 3b

Change Order (CO) Amendment – CO 145, Clipper® Card Order: Cubic Transportation Systems, Inc. (\$1,000,000)

Subject:

Request for approval of a Change Order Amendment for procurement of Clipper cards: Cubic Transportation Systems, Inc. (Cubic) (\$1,000,000).

Background:

Since its inception, the Clipper program has issued nearly ten million cards. Demand has remained steady, with the program issuing approximately 150,000 new adult cards each month. This amendment is intended to make funds available in CO 145 should an order for additional cards need to be placed to have sufficient card inventory to last until the start of Next-Generation Clipper fare media usage. Based on our current rate of distribution, our existing inventory of Clipper cards should last through April 2025. If additional cards are ordered, but not used before the end of the current Clipper system, these cards can still be used in the Next-Generation system.

The Clipper program partially offsets the cost of cards by charging most adults a \$3 card acquisition fee. MTC does not recoup the total cost of producing a card with the \$3 card acquisition fee. The current cost to obtain each card is approximately \$2.55, while the cost of issuing each card is approximately \$1.85, bringing the total cost to the program of a new Clipper card to approximately \$4.40. Funds from the \$3 card fee will be used to partially fund this Change Order Amendment.

The Clipper Executive Board approved this proposed Change Order Amendment at its September 23, 2024 meeting. The funds for this Change Order Amendment were fully contemplated in the Two-Year Budget and Work Plan approved by the Clipper Executive Board in May 2024. Cubic is neither a small business nor a disadvantaged business enterprise and has no subcontractors for this work.

Issues:

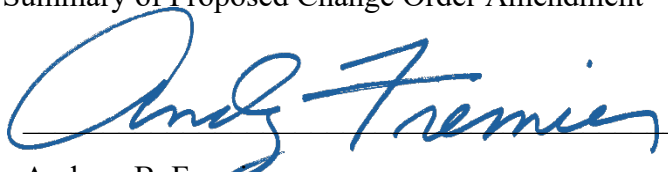
None identified.

Recommendations:

Staff recommends the Regional Network Management Committee authorize the Executive Director or designee to negotiate and enter into a Contract Change Order Amendment with Cubic in an amount not to exceed \$1,000,000 to produce Clipper cards for distribution to customers.

Attachments:

- Request for Committee Approval – Summary of Proposed Change Order Amendment



Andrew B. Fremier

Request for Committee Approval

Summary of Proposed Contract Amendment

Work Item No.: 1311

Consultant: Cubic Transportation Systems
San Diego, California

Work Project Title: Clipper Card Procurement (Change Order Amendment, CO-145)

Purpose of Project: To procure Clipper cards

Brief Scope of Work: Under this Change Order Amendment, Cubic will purchase Clipper cards as directed by MTC. This Amendment adds funds to an already existing Change Order.

Project Cost Not to Exceed: \$1,000,000 (this Change Order Amendment)

Total contract value, including amendments before this amendment = \$187,601,808

Total contract amount with this amendment = \$188,601,808

Funding Source: Clipper cardholder administrative fees, 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 account and in the 2024-25 MTC agency budget

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a Change Order Amendment for the purpose described above and in the Regional Network Management Committee Summary Sheet dated October 11, 2024 and that the Chief Financial Officer is authorized to set aside \$1,000,000 for such amendment.

Regional Network
Management Committee:

David Rabbitt, Chair

Approved: October 11, 2024