

**Metropolitan Transportation Commission**  
**Regional Network Management Committee**

**October 11, 2024**

**Agenda Item 3c**

**Change Order (CO) Amendment – CO 218, Extension of Operations and Maintenance  
Period: Cubic Transportation Systems, Inc. (\$20,000,000)**

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**Subject:**

Request for approval of a Contract Change Order Amendment for a 20-month operations and maintenance (O&M) period to the original Clipper® (C1) Contract: Cubic Transportation Systems, Inc. (Cubic) (\$20,000,000).

**Background:**

In May 2017, the Operations Committee authorized a 5-year contract O&M extension of the C1 Contract, which is set to expire on 11/2/2024. Given that the Next Generation Clipper (C2) System will launch in 2025, MTC engaged Cubic to negotiate contract extension terms that will allow for the smooth transition from C1 to C2. The proposed extension considers that the C1 back-office needs to continue running even after customers fully transition to C2. A controlled shutdown of the C1 system after customers are fully transitioned to C2 will allow for proper decommissioning of the system after transferring or archiving any required or desired C1 system data. The Cubic contract extension is for a maximum of 20 months, as detailed below. Note that staff will return to this Committee or the full Commission with a C2 schedule update in December.

**Scope of Work:**

The proposed contract change order amendment provides for an extension of the current O&M term beginning November 3, 2024 with an end date of no later than June 30, 2026 and is broken up into three time periods:

- **November 3, 2024 to the beginning of Customer Transition (Phase 1)**
- **Beginning of Customer Transition through last C1 Card Transition (Phase 2)**
- **Post Customer Transition to C1 System Shutdown (Phase 3)**

During Phase 1, staff negotiated a slight reduction of the current C1 O&M payments. During Phase 2, staff negotiated a significant reduction in the O&M payments, which are further reduced based on the number of customers still on the C1 system. During Phase 3, only a flat fee would apply, plus software licensing fees that are paid annually. Additionally, staff have negotiated for Cubic to provide lost-revenue support for outages from the C1 system through Phase 2. The remainder of the existing Contract terms will remain in force throughout the proposed O&M extension. Cubic is neither a small business nor a disadvantaged business enterprise and has no subcontractors.

**Issues:**

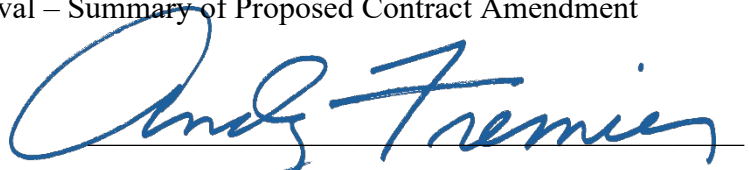
None identified.

**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 \$20,000,000 to extend the period of performance to June 30, 2026.

**Attachments:**

- Request for Committee Approval – Summary of Proposed Contract Amendment



Andrew B. Premier

## Request for Committee Approval

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### Summary of Proposed Contract Change Order Amendment

Work Item No.: 1311

Consultant: Cubic Transportation Systems  
San Diego, California

Work Project Title: Contract Amendment, Clipper System Integrator

Purpose of Project: To extend the current contract with Cubic

Brief Scope of Work: Under this Contract Change Order Amendment, the contract with Cubic will be extended for a period of time not to exceed June 30, 2026.

Project Cost Not to Exceed: \$20,000,000  
Total contract value, including amendments before this amendment = \$187,601,808  
Total contract amount with this amendment = \$207,601,808

Funding Source: Participating Operator funds, STP, CMAQ, STA, STP Exchange, Regional Measure 2 Operating, Regional Measure 2 Marketing, Float Account Interest, State of Good Repair, LCTOP

Fiscal Impact: Funds available in current MTC agency operating budget and subject to availability in future MTC agency budgets. Participating Operators will cover a portion of the costs per the 2022 Amended and Restated Clipper<sup>®</sup> Memorandum of Understanding and Amendments

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a Contract 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 \$20,000,000 for such amendment.

Regional Network  
Management Committee:

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David Rabbitt, Chair

Approved: October 11, 2024