

## **Clipper® Executive Board**

**December 15, 2025**

**Agenda Item 2c**

### **Clipper® Contract Change Order - System and Organization Controls (SOC) 1 and SOC 2 Type 1 Audit: Cubic Transportation Systems, Inc. (Cubic) (\$309,365.32)**

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**Subject:**

Request for approval of Contract Change Order with Cubic Transportation Systems, Inc. (Cubic) to conduct SOC 1 and SOC 2 Type 1 audit on the Next Generation Clipper System.  
(\$309,365.32)

**Background:**

Following the launch of Next Generation Clipper, it is important that third-party SOC audits (System and Organization Controls) are performed on the new system to provide assurance that strong internal controls are in place to protect customer data and ensure financial reporting integrity. Cubic performs an annual SSAE audit on the Clipper system covering the time period of May to the following April, with an audit report delivered around August or September. With the launch of the new system, MTC finds it necessary to ensure strong controls and processes are in place ahead of the results of the annual SSAE audit. These SOC audits are in addition to the annual SSAE audit and are considered an off-cycle audit request. The SOC 1 audit reviews and reports on an organization's internal controls relevant to financial statements. The audit focuses on financial controls and assures safe handling of financial information.

The SOC 2 audit reviews and reports on an organization's internal controls relevant to TSC (security, availability, confidentiality, processing integrity, privacy of customer data). The audit focuses on data security controls and demonstrates strong infosec practices.

In September 2025, Cubic provided an initial proposal of the SOC 1 and SOC 2 audits. This proposal was revised with reduced Cubic labor hours after discussion with MTC staff. The revised proposal included several audit options, including the option for performing SOC 1 and SOC 2 Type 1 audit with delivery of the audit report 75 days after completion of customer transition. This is MTC's preferred option and has been priced at \$309,365.32. Baker Tilly will be subcontracted by Cubic to perform the audit and generate the subsequent reports.

**Issues:**

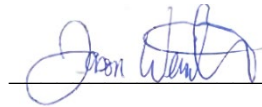
None identified.

**Recommendations:**

Staff recommends that the Board approve a Change Order with Cubic in the amount of \$309,365.32 for the purpose of conducting SOC 1 and SOC 2 Type 1 audits on the Next Generation Clipper system.

**Attachments:**

None



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Jason Weinstein

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**Request for Board Approval**

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**Summary of Proposed Change Order**

Contractor (or “Consultant”): Cubic Transportation Systems, Inc.  
San Diego, CA

Work Project Title: SOC 1 and SOC 2 Type 1 Audit

Purpose of Project: The purpose of this project is to perform SOC audits on the Next Generation Clipper System to verify that strong internal controls are in place to protect customer data and ensure financial reporting integrity.

Brief Scope of Work: Cubic will sub-contract Baker Tilly to perform SOC 1 and SOC 2 Type 1 audits on the Next Generation Clipper System and generate audit reports within 75 days of customer transition completion

Project Cost Not to Exceed: \$309,365.32 for FY 25-26  
Total Contract value including amendments before this change order is \$435,875,464  
Total Contract amount with this amendment is \$436,184,829

Funding Source: RM2 Operating

Fiscal Impact: Funds available in FY 2025-2026 MTC Agency Budget

Motion by Board: That a change order with Cubic Transportation Systems, Inc. for the purposes described above and in the Clipper Executive Director’s summary sheet dated December 15, 2025, is hereby approved by the Clipper Executive Board.

Clipper Executive Board:

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Robert Powers, Chair

Approved: December 15, 2025