

Clipper® Executive Board

August 24, 2026

Agenda Item 7b – 26-0901

Next-Generation Clipper Update

Subject:

Progress update on Next-Generation Clipper system implementation, including resolution of issues and transition of Clipper cardholders to the Next-Generation system.

Background:

Next-Generation Clipper System Implementation

Since the full launch of the Next-Generation Clipper (C2) system on December 10, 2025, MTC has been working closely with Cubic (in their role as C2 System Integrator) and transit operator staff to address ongoing issues. MTC Clipper staff have been meeting daily with Cubic and a working group of transit operator staff to prioritize and provide updates on issues and to discuss impacts and workarounds. Clipper staff has also been sending a daily update by email to all Clipper transit operators with the status of high-priority issues and progress on resolution.

The highest priority has been given to issues with direct impacts on customers.

Since the last Clipper Executive Board meeting on July 27, 2026, Cubic has deployed software updates with bug fixes and performance improvements, including the following:

- Back-office server updates/reconfiguration for performance improvements:
 - Oracle database maintenance on August 2 and 7
- Updates to back-office system components:
 - Virtual Point of Sale (VPOS) on July 29
 - Microsoft Dynamics Finance and Operations module (MSD-FO) on August 4
 - Cubic Payment Application (CPA), NextFare Central System (NCS), One Account Manager (OAM), Financial Reconciliation Manager (FRM), and Clipper Customer Website on August 19
- Migration service update on August 7
- Continued deployment of fare inspection device software updates

Cubic also continues to have met the 30-day stability period that had been established as a prerequisite for bulk migration. The last major incident was the July 23 outage that was externally caused: a regional Microsoft Azure outage that impacted the Clipper call center, vending machines, fare inspection devices, and the mobile app. Between July 31 and August 4, the Clipper system experienced intermittent issues affecting customer service center software, inspection devices, and retail devices due to instability of a Cubic back-office component (now resolved), but customers' ability to tap Clipper cards or credit/debit cards to pay fares was unaffected.

Cubic also resolved the issue with BART's Clipper vending machines, which had been experiencing intermittent failures issuing legacy (10-digit) Clipper cards. Cubic's back-office update on August 4 fixed the root cause of the issue, allowing BART to reenable Clipper card issuance systemwide.

Cubic continues to work to address ongoing issues with fare inspection devices, which have been creating significant impacts for operator front-line staff. A software update with fixes for card read errors is currently in test, but further software updates are still needed to address remaining issues, including incorrect inspection result scenarios, slow card validation times, and unexpected logouts. Battery replacement from spares inventory is underway to address devices with limited battery life while awaiting Cubic's acquisition of new batteries. Planning has also started on the strategy for replacement devices, recognizing that the existing devices are approaching end-of-life.

Cubic executives will be at the August 24 Clipper Executive Board meeting to address questions from Board members.

Clipper Call Center Performance

WSP USA Services Inc. (WSP) is under contract to provide Next-Generation Clipper customer services. WSP and MTC continue to collaborate in addressing customer service performance challenges related to unresolved C2 system issues, while WSP advances workforce training and operational enhancements designed to improve service delivery.

While the current contract compensation and Key Performance Indicators are based on 26,000 monthly contacts (phone calls, chats and emails), WSP achieved an average speed of answer

under 2 minutes and call handling time of under 10 minutes for the over 31,000 calls offered to customer service representatives in July. A more detailed summary of the Clipper Call Center performance can be found in Attachment A.

Customer Transition and Communication

As of August 19, over 3.0 million Clipper cards have been successfully migrated to the new C2 back office, primarily via on-demand migration on the Clipper website/mobile app or by phone with the Clipper Customer Service Center. Systemwide 58% of trips are now being processed through the C2 system: 42% using Clipper cards, and 16% using contactless bank cards.

MTC and transit operators have established conditions as prerequisites for Cubic to start full bulk migration, of which the following remain to be fully demonstrated:

- Critical blockers resolved (i.e., all critical issues fixed and verified)
- Equipment fully functional (i.e., fixes complete for fare inspection devices)
- Financial controls in place (i.e., financial reconciliation and reporting confirmed by MTC Finance and transit operators, internal controls documented)
- Organizational readiness demonstrated (i.e., migration and communication plan documented, MTC/operator/stakeholder approval received)

Cubic must meet these requirements, as well as the contractual requirements for commencement of the Operations and Maintenance (O/M) Term, before MTC can authorize O/M commencement and increased O/M payment amounts for Cubic.

However, with both plastic and mobile card migration now performing successfully, migration activity has been ramping up to continue to validate and improve performance of Cubic's migration services. Operational migration runs have also been performed to support ongoing operational needs, including the following sets of migration runs for institutional and transit benefit program administration:

- July 22: 18K new cards for the UC Berkeley BayPass program
- July 22–24: 111K cards of existing SF State BayPass program participants
- July 24–26: 186K cards of existing UC Berkeley BayPass program participants
- July 26–27: 11K cards of existing BayPass program participants (UCSF, OpenAI, and Larkin Street Youth Services)

- August 8: 5K cards for customers receiving monthly Edenred commuter orders

Following consultation with CEB leadership, planning has been underway for migration of Clipper START and Clipper Access customers to support program operations, particularly renewals and replacements, which currently rely on manual workarounds. Youth and Senior discount fare categories also remain a priority for migration. Staff is coordinating with the Clipper Customer Service Center and contractors providing Clipper START and Clipper Access services to prepare for increased contact volumes and questions focused on account migration and new account management options. Staff also plan to leverage Clipper, MTC and transit operator social media channels to revisit many of the core messages about the next-generation Clipper system that accompanied the December launch. Staff will provide a status update on any additional migrations that have been completed prior to the CEB meeting and additional information on planned customer communication.

Upcoming Work

The current focus of MTC, Cubic, and transit operators continues to be operations support and triage of critical issues identified post-launch. System updates have been ongoing where possible to address top-priority issues, and upcoming releases will continue to prioritize fixes for issues with the greatest impacts on customers and front-line operator staff.

MTC and Cubic are also continuing migration testing in preparation for ramping up migration of customer cards and accounts once Cubic satisfies the requirements for bulk migration readiness. Continued testing of migration will focus on confirming system readiness for sustained ongoing bulk migration of cards and accounts, as well as continued operational migrations of specific cardholder groups to address operational needs and migrations of inactive cards to prepare for decommissioning of the legacy Clipper system.

Issues:

See above.

Recommendations:

None.

Attachments:

- Attachment A: Clipper Operational Data and Customer Service Center Performance Update
- Attachment B: Next-Generation Clipper Update Presentation