

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

**June 12, 2026**

**Agenda Item 4c – 26-0598**

**Clipper Program Update and Contract Action: i. Next Generation Clipper (C2) Update; ii. Change Order Amendment - Amendment 2 to Clipper System (C1) and Customer Service Center Contract Change Order 218: Cubic Transportation Systems (Cubic) (\$3,100,000)**

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**Subject:**

Update on the progress of the C2 system and request for approval of the associated contract extension of the C1 Clipper Contract with Cubic for ongoing support and operations of the Clipper legacy system.

**Background:**

**i. C2 Update**

The Bay Area's move to the C2 system marks the latest step in a 25-year regional effort to modernize and unify fare payment across 22 transit operators, one of the most complex multi-operator environments in the country. From the region's first TransLink pilot in 1999 through the launch of the Clipper card in 2010, the goal has remained consistent: to provide a seamless, reliable, customer-centered fare payment experience for millions of riders. The transition to C2 is the most significant update to this system since Clipper's original debut.

**Implementation Progress**

The C2 system launched on December 10, 2025, offering both account-based Clipper cards and credit and debit card payments for all Bay Area Operators, while supporting the legacy card-based system's operations until all cards are transitioned to the new system. Significant operational challenges continue to affect C2 customers and transit operators, and MTC has been working daily with the System Integrator Contractor, Cubic, and transit operator staff to deploy fixes and address system stability concerns. At the same time, adoption continues to grow, with over 1.8 million Clipper cards (12%) having migrated to the new system, and currently 45% of trips use either account-based Clipper cards (32%) or contactless credit or debit cards (13%). Clipper usage remains strong, with higher utilization rates than at the same time last year. Since its launch, Cubic has deployed fixes to address ongoing issues that continue to affect customers and transit operators. Priority concerns include customer account access, migration

errors requiring manual correction, financial settlement discrepancies, system stability, and reliability issues with some fare inspection devices, vending machines, and customer service tools. Daily coordination with Cubic continues, supported by weekly executive-level reviews and structured tracking of these priority issues.

In particular, customer account access, migration errors, and issues with the customer service tools led to larger-than-expected call volume, long waiting times, and unanswered calls, which was frustrating for customers. WSP USA Services, Inc., which operates the C2 customer service center, has implemented several improvements to enhance the customer experience. These include extending operating hours, hiring additional full-time and part-time agents, and expanding training programs. As a result, average wait times were reduced to just over five minutes in April and May.

Since the launch in December 2025, Cubic has deployed software updates addressing issues across Customer Service Terminals, fare inspection devices, the Clipper customer website, and mobile app, as well as back-office (C2) performance and monitoring improvements. At the March meeting of the Clipper Executive Board, Cubic committed to a date of May 30 for addressing all remaining issues identified by MTC and operators as critical to advancing the bulk migration of customer accounts to the C2 system. While Cubic did make significant progress—including further updates to the Clipper website and mobile app, fixes to revenue apportionment and settlement reporting, database updates with migration logic fixes, and other back-office server updates—a key back-office software update with critical fixes was delayed by issues identified during testing. Initially planned for May 17, the update was delayed to May 31, which meant that Cubic was unable to meet their May 30 target date. Moreover, the May 31 deployment failed and had to be rolled back, a further setback to the schedule. The update was reattempted successfully on June 7 and is currently undergoing verification. Subsequent deployments of fare inspection device fixes and back-office server performance improvements that were dependent on the June 7 update are still pending.

Furthermore, in addition to ongoing issues with fare inspection device performance, there have been numerous instances of system instability and outages that have impacted customer and transit agency operations. Cubic has deployed expanded monitoring and alerts for their systems,

and Staff have been working with Cubic to improve procedures for escalating and communicating updates to MTC and Transit Operators of issues and resolutions. Staff continues to provide regular updates on this work to the Clipper Executive Board monthly and to the Commission through the MTC Executive Director's report.

**ii. C1 Contract Change Order 218: Cubic (\$3,100,000)**

In October 2024, this Committee authorized an Amendment to the operations and maintenance (O&M) extension of the Cubic Contract, which is set to expire on June 30, 2026. Given, as described above, that the transition to the C2 is not yet complete, MTC engaged Cubic to further amend the existing legacy Clipper contract.

The proposed amendment does not change the scope or terms of the previous amendment, but extends the O&M of the legacy Clipper system for nine months to account for the additional time required by the contractor to complete the customer transition from the existing Clipper system to C2.

**Scope of Work as previously negotiated:**

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

During Phase 1, a reduction of the original C1 O&M payments was negotiated. During Phase 2, staff negotiated a significant reduction in O&M payments, which was further reduced based on the number of customers using the Legacy C1 system. During Phase 3, only a flat fee would apply as at this point all credit and debit processing would be done through the new system.

There would also be a prorated portion of software licensing fees that are paid annually. Existing Contract terms for the legacy system remain in force through the term of the extension.

Cubic is not a small business enterprise and currently has no subcontractors. This contract action was approved by the Clipper Executive Board on June 1, 2026.

**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 \$3,100,000, subject to approval of the FY 2026-27 MTC Budget.

**Attachments:**

- Attachment A: Request for Committee Approval – Summary of Proposed Contract Change Order Amendment
- Attachment B: PowerPoint: Clipper Program Update



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Andrew B. Fremier

**Request for Committee Approval**

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**Summary of Proposed Contract Change Order Amendment**

Work Item No.: 320-1221

Consultant: Cubic Transportation Systems, Inc.  
San Diego, CA

Work Project Title: C1 Operations and Maintenance (O&M) Extension

Purpose of Project: Extend the Operations and Maintenance period under the current Clipper Contract for nine months past the current June 30, 2026 expiration date.

Brief Scope of Work: Continued Operations and Maintenance of the legacy Clipper System (C1) for up to nine months, as needed to complete transition from C1 to the Next Generation Clipper System (C2)

Project Cost Not to Exceed: \$3,100,000 (this Change Order Amendment)

Funding Source: Regional Measure 2 Operating

Fiscal Impact: Funding dependent upon the adoption of the FY 2026-27 MTC agency budget.

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a contract change order amendment with Cubic Transportation Systems, Inc. for the purposes described herein and in the Regional Network Management Committee Summary Sheet dated June 12, 2026 and that the Chief Financial Officer is authorized to set aside \$3,100,000 for such contract change order amendment, subject to adoption of the FY 2026-27 MTC agency budget.

Regional Network  
Management Committee:

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Candace Andersen, Chair

Approved: June 12, 2026