

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

September 8, 2023

Agenda Item 3a

**Clipper® Next Generation Fare Payment System Update**

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**Subject:**

Update on the development of the next generation Clipper fare payment system.

**Background:**

Clipper continues to be a great success story for Bay Area transit. Clipper today serves as the fare payment system for riders on 24 transit services while maintaining high customer satisfaction.

The Clipper system today is delivered through a single vendor contract. The next generation Clipper system is being delivered through several distinct contracts, with the goal of having best-in-class service with the most management control. The region's transit operators have actively participated and provided oversight through the Clipper Executive Board (CEB) in the new system's design, installation, and testing. The next generation Clipper system will serve as the backbone to provide many of the regional fare integration and accessibility features from the Bay Area Transit Transformation Action Plan.

The development of the new system began in earnest with the award of the first contract (Next Generation System Integrator contract) in September 2018. This was followed by procurements for payment services and the customer service center, which were awarded in February and May 2021, respectively. Finally, separate procurements for new Clipper fare cards and card distribution were awarded in July 2022 and March 2023, respectively.

The new system will maintain the strengths of the current program and feature improvements such as greater flexibility and real-time delivery of value to customers. Families will be able to manage their Clipper cards in a single account. At the same time, the new system will make it easier to offer incentives and promotions for using Clipper and manage programs offered through employers, universities, and other organizations.

Customers have already been using features from the next generation design, namely the Clipper card in mobile phone wallets. By working closely with the phone providers and our system integrator, customers now have a new convenient way to pay transit fares in the region. This has been a huge success as over a quarter of Clipper transit trips are now taken using a mobile card. Additionally, on some busy weekends, nearly half of all new cards customers acquire are on mobile versus plastic cards. The next generation system will also integrate with more services (e.g., paratransit, bus computer-aided dispatch/automatic vehicle location systems). We will also be accommodating new and various vehicle types, like the ones used on micro-transit services, so customers can use Clipper to pay their fares. For occasional customers, the next generation system will accept credit/debit cards at Clipper readers to pay for fares. For adult riders, credit/debit card users will also be eligible for transfers between operators.

Development of the next generation system is proceeding on the current plan and schedule shown in Attachment A. The original schedule was affected by the supply chain issues around COVID-19, as well as the focus on minimizing transitional impacts to existing Clipper customers by requiring current Clipper cards to be able to work in the next generation system seamlessly. Some of this backward-compatible design and development has taken longer than anticipated. We are just getting past this phase and into the testing phase, and currently expect to be ready to start transitioning customers to the new system beginning Summer 2024. Close budget management, with oversight by the CEB, has prevented significant increases, with additional equipment due to fleet expansion and some schedule-related delays representing the changes to the budget.

Per the original goal, many customers will not notice once we start transitioning to the new system. However, as they go to load more value, it will be faster. As they apply for discount eligibility, it will be easier. And as they need to manage family accounts in one place, it will be possible. The next generation Clipper system will provide best practice features ahead of many of our national and international peer systems that will allow integration with other systems and future-proof fare payments for many years.

**Issues:**

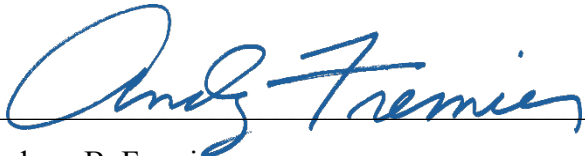
None identified.

**Recommendation:**

Information only.

**Attachments:**

- Attachment A: PowerPoint



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