

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

**December 8, 2023**

**Agenda Item 2b**

**Clipper® Contract Change Order Amendment – Statement on Standards for Attestation  
Engagement No. 18 (SSAE 18) Annual Audit of Clipper Program: Cubic Transportation  
Systems, Inc. (Cubic) (\$210,000)**

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**Subject:**

Request for approval of Clipper Contract Change Order No. 159, Amendment No. 11 – Clipper Program SSAE 18 Audit for Fiscal Year (FY) 2023-24: Cubic Transportation Systems, Inc. (\$210,000).

**Background:**

In May 2012, the MTC Operations Committee approved a contract change order (CO 159) to the Clipper contract for Cubic to engage a firm to assess Cubic's financial and system controls associated with fare processing, financial reconciliation, cardholder support services, card fulfillment, information system operations and card account management functions. These tasks are completed via a standard approach called an SSAE 18 Audit. This change order amendment (Amendment 11 to CO 159) would allow Cubic to engage a firm to perform an SSAE 18 Audit for FY 2023-24.

Industry best practices recommend conducting annual audits to maintain a vendor's focus on controls. Transit agencies rely upon the SSAE report as part of their own annual audits, as an SSAE report can reduce the procedures required in agencies' own audit processes.

The first SSAE Audit under CO 159 was completed in November 2013 for FY 2012-13. CO 159 was subsequently annually amended to provide for SSAE Audits of each subsequent fiscal year. Most recently, the Operations Committee approved the FY 2022-23 SSAE 18 Audit (Amendment 10) in February 2023.

Cubic is not, nor is subcontractor MossAdams that will assist in this work, a Small Business Enterprise or a Disadvantaged Business Enterprise.

The Clipper Executive Board approved the proposed change order amendment at its November 27, 2023 meeting.

**Issues:**

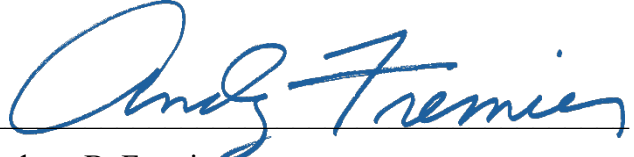
None identified.

**Recommendation:**

Staff recommends the Regional Network Management Committee authorize the Executive Director or designee to negotiate and enter into a change order amendment with Cubic in an amount not to exceed \$210,000 for the SSAE 18 audit for FY 2023-24, as described above.

**Attachments:**

- Request for Committee Approval Sheet – Summary of Proposed Change Order Amendment

  
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Andrew B. Fremier

## Request for Committee Approval

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### Summary of Proposed Change Order Amendment

Work Item No.: 320-1221

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

Work Project Title: Statement on Standards for Attestation Engagement No. 18 (SSAE 18) Audit for FY 2023-24 (Amendment #11 to CO-159)

Purpose of Project: To produce a SSAE 18 audit report regarding the Clipper program for the 2023-24 fiscal year.

Brief Scope of Work: SSAE 18 audits provide an attestation report stating that management's financial and information technology controls are effective.

Project Cost Not to Exceed: \$210,000 (this Change Order Amendment)  
Total contract value including amendments before this amendment = \$187,391,808  
Total contract amount with this amendment = \$187,601,808

Funding Source: STA, Regional Measure 2 Capital, Regional Measure 2 Operating, Regional Measure 3, Fare Media and Card Fee Revenue, SB1 State of Good Repair

Fiscal Impact: Funds available in the FY 2023-24 MTC agency budget.

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a change order amendment with Cubic Transportation Systems, Inc. for the purposes described above and in the Regional Network Management Committee Summary Sheet dated December 8, 2023, and that the Chief Financial Officer is authorized to set aside \$210,000 for such change order amendment.

Regional Network  
Management Committee:

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David Rabbitt, Chair

Approved: December 8, 2023