



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Agenda Item No. 3

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Memorandum

TO: Operations Committee

DATE: November 5, 2010

FR: Executive Director

W.I. 105-1221, 310-2700,
310-2741

RE: ClipperSM Program Contract Actions

- a) Contract Amendment – ClipperSM Customer Education for Limited English Proficiency Customers and In-Person Outreach: Swirl (\$500,000)
- b) Contract Amendment – ClipperSM Technical Advisor: Booz Allen Hamilton (\$950,000)
- c) Change Order – ClipperSM Cards: Cubic Transportation Systems, Inc. (\$4,000,000)
- d) Change Order Amendments – Employer Program and Customer Interface Improvements: Cubic Transportation Systems, Inc. (\$1,050,000)
- e) Change Order – VTA Ticket Vending Machines Integration: Cubic Transportation Systems, Inc. (\$550,000)
- f) Change Order – In-Person Customer Service Center: Cubic Transportation Systems, Inc. (\$400,000)

Program Status Report

Spurred both by the transition of San Francisco Municipal Transportation Agency's (SFMTA) "A" pass customers and other transit riders who have switched to ClipperSM, the weekday transaction volume for the week ending October 29, 2010 reached 233,250 transactions/weekday.

November is the first month where SFMTA's "A" pass, which allows unlimited rides on Muni and BART (within San Francisco), is available only to ClipperSM cardholders. The shift of the "A" pass, which is purchased by about 40,000 customers per month, is the most significant paper pass-to-ClipperSM transition that has occurred to date. About 40% of customers had already shifted to ClipperSM for their October 2010 purchases. MTC, SFMTA, BART and the ClipperSM Contractor have worked in partnership in recent weeks to facilitate the transition to ClipperSM for the remaining 60% of "A" pass customers. Two important initiatives were deployment of ClipperSM outreach teams to transit locations in San Francisco and the sale of pre-loaded ClipperSM cards through SFMTA's existing retail network; sale of pre-loaded cards acts as a safety net for any customers who have not yet switched to ClipperSM. Staff will present additional information about the transition at the upcoming Committee meeting.

On October 25, 2010, at the request of San Francisco Board of Supervisors President David Chiu, MTC staff presented a report about ClipperSM to the Board of Supervisors' City Operations and Neighborhood Services Committee. Among several topics discussed, the Committee expressed concerns about ClipperSM's outreach in communities with concentrations of limited

English proficiency (LEP) residents, especially in the Chinatown area. Staff will present additional information about customer education efforts to date at the upcoming meeting, including our efforts focused on the SFMTA “M” pass and Senior/youth discount pass transitions in Spring 2011.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into the following contract actions this month.

a) Contract Amendment – ClipperSM Customer Education for LEP Customers and In-Person Outreach: Swirl (\$500,000)

Swirl has been MTC’s Marketing, Web and Communications firm for projects including ClipperSM, 511, and FasTrak[®] since July 2006. Prior to the ClipperSM launch, the Operations Committee approved a \$900,000 amendment to the Swirl contract for ClipperSM customer education initiatives, and the Committee approved another amendment in the amount of \$1,000,000 prior to the start of the current fiscal year to provide general customer education project management and oversight. The proposed amendment, in the amount of \$500,000, will provide for targeted customer education efforts in communities with concentrations of LEP customers; the program will begin in early January 2011. This amendment will bring the total contract amount to \$16,398,475.

b) Contract Amendment – ClipperSM Technical Advisor: Booz Allen Hamilton (\$950,000)

In December 2008, the Operations Committee approved a multi-year contract with Booz Allen Hamilton to provide technical oversight of the ClipperSM Contractor and coordination with the transit operators and other consultants. Staff recommends amending this contract to provide \$600,000 in funding for project implementation oversight for the SFMTA-ClipperSM ticket machine and fare gate project, which SFMTA will fund, \$150,000 for SFMTA’s customer education and in-person outreach initiatives, and \$200,000 in funding for continued technical oversight of the ClipperSM Contractor, project oversight, and operations support, bringing the total contract to \$5,507,988.

c) Contract Change Order – ClipperSM Cards: Cubic (\$4,000,000)

High demand for ClipperSM cards has resulted in more rapid depletion of the ClipperSM card inventory than what staff previously forecasted. Increased demand has resulted from the ClipperSM customer education initiatives, waiver of the \$5 card acquisition fee, in-station sales of ClipperSM cards, and the phase-out of non-ClipperSM pre-paid passes. The proposed change order will enable MTC to execute as-needed task orders based on current inventory levels to procure approximately 2 million ClipperSM cards total. Each task order will be preceded by a solicitation of price quotes to ensure MTC benefits from any available price reductions in the ensuing task order.

d) Contract Change Order Amendments – ClipperSM Employer Program and Customer Service Improvements: Cubic (\$1,050,000)

In May 2009, the Commission approved Change Order 122 in the amount of \$2.5 million for improvements to the ClipperSM employer program and other customer service improvements. MTC and the ClipperSM Contractor subsequently executed Change Order 122, which covers portions of the originally intended scope, in the amount of \$1.4 million. Staff proposes that this

Committee authorize a contract allotment pursuant to MTC Resolution 3619 (Attachment A, paragraph 4), which authorizes the Executive Director or a designated Deputy Executive Director to sign multiple change orders up to an approved contract allotment. This action would authorize staff to negotiate and enter into multiple contract change order amendments covering the balance of the original scope of work at a total cost of \$1,050,000.

e) Contract Change Order – VTA Ticket Vending Machine Integration: Cubic (\$550,000)

Santa Clara Valley Transportation Authority (VTA) is in the process of refurbishing its current Ticket Vending Machines (TVMs) and performing hardware and software upgrades that will allow the devices to reload value to ClipperSM cards. As part of this upgrade, the ClipperSM Contractor will provide VTA with card readers and a software library capable of performing all required ClipperSM functions at a cost of \$550,000.

f) Contract Change Order Amendment – In-Person Customer Service Center: Cubic (\$400,000)

In April 2010, the Operations Committee approved \$500,000 for implementation, management and operation of a ClipperSM in-person customer service center to be located in San Francisco. The purpose of the in-person customer service kiosk/center is to provide a location where customers can go to resolve customer service issues directly and to provide increased visibility for the ClipperSM program. In October 2010, MTC executed Change Order 139 in the amount of \$98,044, which includes deployment of two locations in San Francisco, one in the Embarcadero BART station and one at the San Francisco Ferry terminal. Staff now proposes a change order amendment to enable implementation of an additional in-person customer service center in downtown Oakland to better serve AC Transit and BART riders for one year. Although the proposed change order is within the previously approved amount, the Committee's approval is required pursuant to MTC's contracting procedures.

Steve Heminger

SH:JA

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 1223

Contractor: Swirl, Inc.
San Francisco, CA

Project Title: ClipperSM Customer Education and In-Person Outreach

Purpose of Project: Customer education about ClipperSM for transit riders with focus on limited English proficiency customers and customers affected by transition of prepaid passes and tickets to ClipperSM-only availability

Brief Scope of Work: Customer education initiatives, e.g. in-station, on-board and bus shelter signage, published materials, and in-person outreach.

Project Cost Not to Exceed: \$500,000 (previous total contract amount: \$15,898,475)

Funding Source: CMAQ, STA, STP Exchange, Regional Measure 2 Capital and Regional Measure 2 Operating

Fiscal Impact: Funds included in FY 2010-11 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment to provide customer education services, and the Chief Financial Officer is authorized to set aside funds up to \$500,000 for such a contract amendment.

Operations Committee:

Amy Rein Worth, Chair

Approved:

Date: November 12, 2010

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 310-2700, 310-2741

Contractor: Booz Allen Hamilton
San Diego, CA

Project Title: ClipperSM Technical Advisor

Purpose of Project: Support implementation of the SFMTA/ClipperSM ticket machines and fare gates and provide technical oversight of the ClipperSM Contractor and coordination with the transit operators and other consultants.

Brief Scope of Work: Extend support to SFMTA for implementation of its new ClipperSM ticket machines and provide additional support of ClipperSM Contract administration, project oversight, project coordination, business assistance, operations support and deployment oversight.

Project Cost Not to Exceed: \$950,000 for these amendments (previous total contract amount: \$4,707,988)

Funding Source: SFMTA is funding \$600,000 of this change through the Grant and Cooperative Agreement between MTC and SFMTA, effective August 24, 2009

CMAQ and STP Exchange: \$350,000

Fiscal Impact: Funds included in FY 2010-11 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into one or more contract amendments with Booz Allen Hamilton for the purposes described herein, and the Chief Financial Officer is authorized to set aside funds up to \$950,000 for such amendments.

Operations Committee:

Amy Rein Worth, Chair

Approved:

Date: November 12, 2010

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 310-2700

Contractor: Cubic Transportation Systems
San Diego, CA

Project Title: ClipperSM Card Order

Purpose of Project: Provide for the purchase of ClipperSM Cards

Brief Scope of Work: Under this Change Order, the ClipperSM Contractor shall provide approximately 2,000,000 ClipperSM cards to be purchased on an as-needed basis by task order.

Project Cost Not to Exceed: \$4,000,000 (current capital contract – \$113,899,431)

Funding Source: CMAQ, STA, STP Exchange, Regional Measure 2 Capital

Fiscal Impact: \$1.5 million is included in FY 2010-11 agency budget; \$2.5 million is subject to adoption of the FY 2011-12 MTC budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract change order to provide ClipperSM cards, and the Chief Financial Officer is authorized to set aside funds up to \$4,000,000 for such contract change order.

Operations Committee:

Amy Rein Worth, Chair

Approved: Date: November 12, 2010

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order Amendments

Work Item No.: 310-2700

Contractor: Cubic Transportation Systems
San Diego, CA

Project Title: Employer Program and Customer Service Improvements

Purpose of Project: Implement improvements to the ClipperSM Direct employer program and other customer service improvements

Brief Scope of Work: Operate and manage the ClipperSM Direct employer program and deploy hardware and software changes to enable improvements both to ClipperSM Direct and other customer service functions

Project Cost Not to Exceed: \$1,050,000 (current capital contract – \$113,899,431)

Funding Source: CMAQ, STA, STP Exchange, Regional Measure 2 Capital and Regional Measure 2 Operating

Fiscal Impact: Funds included in FY 2010-11 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into one or more contract change order amendments for ClipperSM Employer Program and Customer Interface Improvements, and the Chief Financial Officer is authorized to set aside funds up to \$1,050,000 for such contract change order amendments. This action is intended to act as a contract allotment pursuant to MTC Resolution 3619 (Attachment A, paragraph 4), which authorizes the Executive Director or a designated Deputy Executive Director to sign multiple contract amendments or change orders up to an approved contract allotment.

Operations Committee:

Amy Rein Worth, Chair

Approved:

Date: November 12, 2010

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 310-2700

Contractor: Cubic Transportation Systems
San Diego, CA

Project Title: VTA Ticket Vending Machine Integration

Purpose of Project: Modify the current VTA Ticket Vending Machines to allow reloading of value to ClipperSM cards.

Brief Scope of Work: Provide VTA with ClipperSM smart card readers and a software library to be integrated into VTA's current ticket vending machines to allow reloading of value to ClipperSM cards.

Project Cost Not to Exceed: \$550,000 (current capital contract – \$113,899,431)

Funding Source: CMAQ, STA, STP Exchange, and Regional Measure 2 Capital

Fiscal Impact: Funds included in FY 2010-11 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract change order to integrate ClipperSM into the VTA ticket vending machines, and the Chief Financial Officer is authorized to set aside funds up to \$550,000 for such a contract change order.

Operations Committee:

Amy Rein Worth, Chair

Approved: Date: November 12, 2010

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order Amendment

Work Item No.: 310-2700, 105-1221

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

Project Title: ClipperSM In-Person Customer Service Center

Purpose of Project: To provide a location in Downtown Oakland where customers can go to resolve card/customer service issues directly and to provide increased visibility for ClipperSM.

Brief Scope of Work: Provides for the implementation and operations of additional Clipper customer service centers.

Project Cost Not to Exceed: \$400,000 (current capital contract – \$113,899,431)

Funding Source: CMAQ, STA, STP Exchange, Regional Measure 2 Capital and Regional Measure 2 Operating

Fiscal Impact: Funds included in FY 2010/11 agency budget and approved by Operations Committee in April 2010

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract change order amendment for the Downtown Oakland ClipperSM In-Person Customer Service Center and the Chief Financial Officer is authorized to set aside funds up to \$400,000 for such contract change order amendment.

Operations Committee: _____
Amy Rein Worth, Chair

Approved: Date: November 12, 2010