



Agenda Item No. 3

METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Operations Committee

DATE: January 7, 2011

FR: Executive Director

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

RE: ClipperSM Program Report and Contract Actions

- a) Contract Amendment – ClipperSM Budget and Funding Management and Analysis: Kimley Horn & Associates (\$100,000)
- b) Contract – ClipperSM Employer Program, Card Management and Card/Value Distribution Oversight: Acumen Building Enterprises, Inc. (\$150,000)
- c) Funding Agreement – Support for Fare Media Transition and Limited Use Card Procurement: SFMTA (\$475,000)
- d) Contract Amendment – ClipperSM Technical Advisor: Booz Allen Hamilton, Inc. (\$340,000)
- e) Change Order – Day Pass Accumulator: Cubic Transportation Systems, Inc. (\$450,000)

Program Status Report

ClipperSM average weekday transaction volume has continued to increase. For the week ending December 17, average weekday transaction volume was 325,500. In just two months, the weekday volume has increased by nearly 100,000 transactions per weekday.

Attachment A outlines key fare media transition dates for the ClipperSM transit operators, including the dates originally included in MTC Resolution No. 3866 and any subsequent revisions agreed to by MTC and operator staff.

Recent program milestones include:

- Starting on December 9, BART customers are able to use ClipperSM cards to validate daily parking (customers must register through BART's parking program in order to participate);
- On December 22, BART stopped accepting EZ Rider cards for fare payment and SamTrans began accepting ClipperSM on its bus routes; and
- On December 31, AC Transit stopped accepting paper adult 31-day passes and all 10-ride tickets; customers can still get the same benefits by loading equivalent products to a ClipperSM card.

In recent months, members of this Committee asked that staff research the status of a variety of issues, including how the performance and location of readers (on vehicles and near station elevators) may affect Clipper usage for persons with disabilities, how MTC approaches planning

and executing contracts, and what payment strategy would be appropriate to support RTC patrons who require assistants to travel. Attachments B and C, respectively, respond to the first two issues. MTC staff is working with transit operator staff to address concerns on the third item and expects to have a recommendation for the February Operations Committee meeting.

Contract Actions

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

a) Contract Amendment – ClipperSM Budget and Funding Management and Analysis: Kimley Horn & Associates, Inc. (\$100,000)

In July 2010, the Operations Committee approved the ClipperSM Consultant Assistance Program, which enables the on-call engagement of services across established areas of expertise. Through this Program, MTC entered into a contract with Kimley-Horn and Associates and Inc. (KHA), one of the pre-qualified firms, in the amount of \$95,000 to perform field inspections of ClipperSM equipment and provide project management support for the establishment of the ClipperSM in-person customer service centers. Under the proposed \$100,000 contract amendment, KHA will provide support in the area of budget and funding management, which includes maintenance of program expenditure data, development of cost forecasts, updating transaction forecast models, and other related tasks. The proposed term of the contract is through FY 2010-11.

b) Contract – ClipperSM Employer Program, Card Management and Card/Value Distribution Oversight: Acumen Building Enterprises, Inc. (\$150,000)

Staff recommends a \$150,000 contract with Acumen Building Enterprises, Inc., another pre-qualified firm in the Consultant Assistance Program, to perform oversight, monitoring, and performance management functions related to distribution/sales of ClipperSM cards and value. This includes working with the ClipperSM Contractor regarding implementation and management of the ClipperSM retail network, enhancing ClipperSM Direct Program, which provide customers with pre-tax transit benefits, and developing solutions to support ClipperSM customers who receive subsidized transit value through social services, schools and other institutional programs. The proposed term of the contract is through FY 2010-11.

c) Funding Agreement – Support for Fare Media Transition and Limited Use Card Procurement: SFMTA (\$475,000)

In response to MTC Resolution No. 3866, SFMTA is working to transition its Muni-only Adult, Senior and Youth Monthly Passes to ClipperSM-only availability by June 2011. SFMTA has requested MTC's financial assistance for customer education to publicize these changes to Muni customers. The proposed funding agreement provides \$125,000 to SFMTA for this purpose. SFMTA and MTC staff will ensure coordination between MTC-managed ClipperSM customer education initiatives and SFMTA-managed initiatives. SFMTA has also requested MTC's financial assistance to procure 2 million limited-use ClipperSM tickets; the proposed agreement includes \$350,000 for this expense, which is 50% of the total cost of the limited use ClipperSM tickets.

**d) Contract Amendment – ClipperSM Technical Advisor: Booz Allen Hamilton, Inc.
(\$340,000)**

In December 2008, the Operations Committee approved a multi-year contract with Booz Allen Hamilton (BAH) to provide technical oversight of the ClipperSM Contractor and coordination with the transit operators and other consultants. As described above, SFMTA is working to transition its Muni-only Adult, Senior, and Youth Monthly Passes to ClipperSM-only availability in FY 2011. SFMTA's ClipperSM transition strategies include educational outreach, customer service, and employee information components. BAH, and its subcontractors, has been assisting SFMTA with development and implementation of these transition components for the past year. The proposed \$340,000 amendment will provide for continued assistance on SFMTA's ClipperSM-related customer education and in-person outreach initiatives through FY 2010-11.

**e) Change Order – Day Pass Accumulator: Cubic Transportation Systems, Inc.
(\$450,000)**

As part its rollout of the ClipperSM program, Santa Clara Valley Transportation Authority (VTA) requested the implementation of an electronic Day Pass Accumulator (DPA) to replace its current paper Day Pass fare product. The DPA would allow customers to pay for single rides using ClipperSM e-cash, but limit the total fare paid throughout the day to the price of the current day pass products (standard and express). Once the customer has paid a daily total equal to the price of a day pass, all subsequent rides are free. AC Transit has also expressed interest in a DPA fare product. When implemented, this fare product will replace transfers within AC Transit fare structure and allow for elimination of all AC Transit intra-operator transfers currently implemented within the ClipperSM system. The amount of the Change Order is \$450,000.

Steve Heminger

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Attachment B

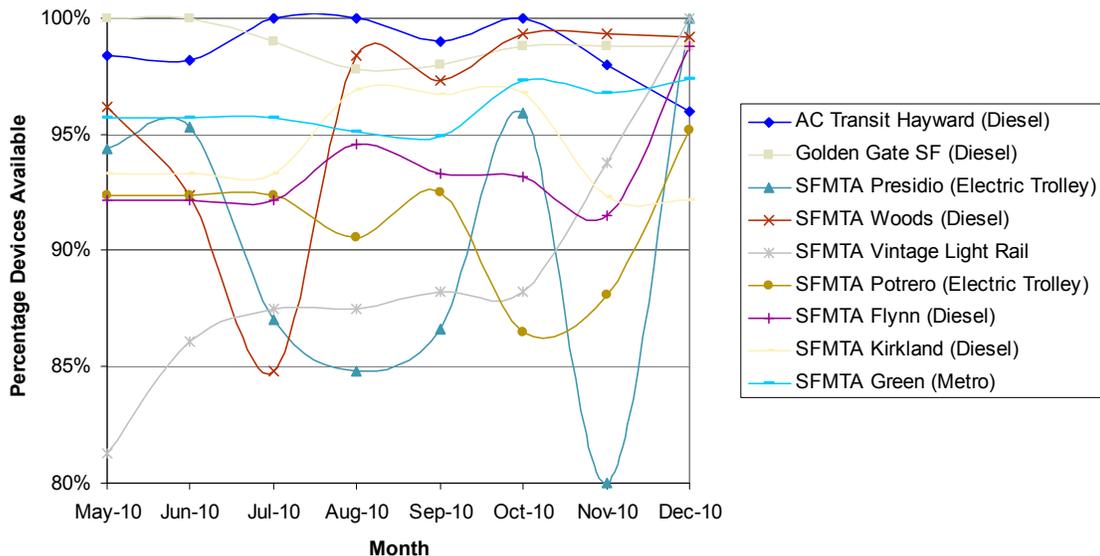
Performance of ClipperSM Card Readers and Fare Payment for Customers Using Elevators to Enter/Exit BART and Muni Metro Stations

1. ClipperSM Card Reader Performance

At the November Operations Committee meeting, Committee members asked that staff address concerns about the reliability of the ClipperSM card readers on SFMTA's vehicles, and the potential impact that poor performance could have on persons with disabilities. The concern was that persons with disabilities were more adversely affected by readers that were not performing well: presumably since persons with disabilities typically sit in the front of the bus, they are more likely to be jostled or pushed by patrons if the patrons is having problems using the readers.

Improving performance from the readers is the best strategy to keeping the aisle clear. MTC and SFMTA have been working together over the past several months to improve the performance. The chart below shows the status of reader performance for the last several months. The availability shown in this figure, as measured by random checking of bus and train devices, shows significant improvement for the month of December.

Figure 9: Revenue Service On-Board Equipment Availability



So while we are pleased with the improvements, we continue to have a focus on continuous improvements. Provided below is a brief description of these initiatives undertaken by SFMTA and MTC:

- SFMTA additional maintenance staff – SFMTA is in the process of hiring additional maintenance staff to provide first line maintenance of on-board ClipperSM devices.
- SFMTA process improvements – MTC is working closely with SFMTA to improve the current process for conducting first line maintenance.

- Gathering lessons learned – SFMTA is working with Golden Gate Transit which has undertaken a similar ClipperSM device maintenance program and has gained valuable experience over the past few years.
- ClipperSM Contractor “sweep” of on-board devices – Recently MTC asked the ClipperSM Contractor to examine on-board devices and replace any that were defective. The Contractor completed this comprehensive sweep of the SFMTA fleet in November 2010.
- Wireless coverage improvements – The ClipperSM on-board devices communicate to the system back-end through a wireless communication system located at bus/light rail garages. MTC and the ClipperSM Contractor have determined that the coverage of this wireless system is not optimal. MTC is working to optimize the wireless system that will enable improved monitoring of the performance of the ClipperSM equipment.

As well, we will work with transit agency staff to identify any further operational changes or training opportunities that could further diminish to improve device performance.

2. Fare Payment for Customers Using Elevators to Enter/Exit BART and Muni Metro Stations

Also at its November meeting, a Committee Member asked for a report on locations of elevators related to pay fare payment equipment with the concern being the inconvenience posed to customers who use elevators when entering/exiting transit stations. Given that many elevators were retrofitted into transit stations after they were built, some elevators are not ideally/ located at the transit stations. MTC staff has investigated this concern and summarized the findings in the table below.

	Total Elevators	Elevators in Paid Area
BART	43	10
SFMTA	8	0

BART adopted an approach many years ago not to locate special fare collection equipment adjacent to the elevators outside the paid area. Consequently, patrons using the elevators need to circle back to pay their fares. More recently when Clipper was deployed on BART, rather than have separate Clipper readers, we agreed to integrate the software into BART’s pre-existing fare collection equipment. Therefore, the ClipperSM program had no impact on the location of fare collection equipment at BART elevators (or anywhere inside a BART station).

All eight Muni Metro subway station elevators are outside the paid area. At SFMTA’s request dating back to the TransLink[®] pilot program, the four downtown stations (Embarcadero, Montgomery, Powell and Civic Center) have stand-alone ClipperSM card readers at the mezzanine level entrance to the elevator, which enable a customer to pay his/her fare when boarding the elevator. At the other four subway stations (Van Ness, Church, Castro and Forest Hill), SFMTA has elected not to implement fare collection equipment adjacent to the elevator; similar to BART, this requires a customer to first pay his/her fare at the fare gates and then travel to the elevator outside the paid area to access the station platform.

Attachment C

Process for Prioritizing and Evaluating ClipperSM Program Contract Actions

The Operations Committee requested a presentation about our process and due diligence for contracting new work through the Clipper program. The following provides some background about our work plan and the process undertaken to decide how the work will be performed and to whom management and oversight is assigned.

I. ClipperSM Work Plan

Since the start of FY 2009-10, the ClipperSM program has focused on three primary initiatives: contract assignment, conversion of Muni Metro system to Clipper-only, and regional deployment of the system.

1. ClipperSM contract assignment-related activities

The negotiated assignment in July 2009 of the Clipper Contract (then called the TransLink[®] Contract) from Motorola to Cubic Transportations Systems, Inc. included seven major initiatives that required execution of change orders:

- Memory upgrade for the readers (completed in early 2010)
- Transition to a contactless-only ClipperSM card (completed in early 2010)
- Period pass accumulator (on January Operations Committee agenda)
- Implementation of the Phase III smaller operators (evaluation of implementation still underway)
- Employer program and website enhancements (majority completed)
- SFMTA parking integration (in process)
- SFMTA Muni Metro Equipment (completed; see below)

2. Installation of ClipperSM-only ticket vending machines and faregates in the Muni Metro stations

A large number of contracts/amendments recently approved by the Operations Committee were related to SFMTA's Muni Metro Equipment Replacement Project, which started in August 2009. To date, MTC has entered into 16 contracts/amendments with the ClipperSM Contractor, BART, and Booz Allen to support this project. SFMTA has funded this work through a \$29,150,000 funding agreement with MTC. While the financial obligations for these changes reside with SFMTA, MTC follows the same "due diligence" procedures outlined below when contracting the new work.

3. Fare media transitions to support regional deployment and increase transaction volumes

In February 2010, MTC adopted Resolution 3866, which included requirements for the transit operators to transition pre-paid paper fare media to ClipperSM. The fare media transitions are intended to support the ClipperSM program goal of achieving a minimum of 20 million transactions per month and to ensure that value of the region's investment in electronic fare payment is fully realized. The fare media transitions to date have driven the dramatic increases in transaction volumes – from 47,000 average weekday transactions in January 2010 to over 325,000 average weekday transactions in December 2010 (approximately 7 million transactions

per month). There have been numerous contract actions in support of these transitions, including the in-person customer service support centers, customer outreach, and Title VI evaluations.

II. Due Diligence for New Work

The type of work to be implemented through new contract actions falls into two major categories: 1) anticipated changes (replenishment of existing inventory, planned improvements and life cycle replacement) and 2) additional functionality or services. For any new work, the program has access to many contractors through existing contracts (e.g., Technical Advisor Contract, Marketing Contract, Consultant Assistance Program, and the Clipper Contract.) MTC staff follows a rigorous process prior to contract execution:

- MTC issues a Change Notice to the ClipperSM Contractor or a request for price quotation to other contractors describing the work required.
- MTC staff prepares an in-house budget estimate or engages a consultant to prepare an Independent Engineer's Estimate.
- The Contractor develops a detailed pricing proposal in response to the Change Notice or request for quotation.
- Since most Cubic contract amendments are fixed price, MTC and Cubic engage in a negotiation process to reconcile price and desired scope of work, and to ensure the result will meet programmatic needs.
- Pursuant to the requirements of FTA Circular 4220.1f, MTC conducts a cost/price analysis to demonstrate that the price for the work performed is fair and reasonable.
- MTC routes the Change Order for approval among its internal reviewers, and then sends to the contractor for execution of the document. Upon the contractor's acceptance/execution of the bilateral contract/amendment, MTC executes the contract action and work commences.

III. Project Management Support

The MTC 2006 Strategic Plan called for the transition of the oversight and management of Clipper to the transit agencies. Accordingly, the number of regular MTC staff assigned to the ClipperSM program has been quite lean since our long-term responsibility was uncertain. We rely on contractor staff, temporary agency support and short term contractor assignments for the majority of our project management and oversight needs.

Last year, the Commission effectively overrode the strategic plan by approving an MTC-management model expressed in a Memorandum of Understanding with the Clipper Operators, with a term co-extensive with the Clipper Contract (November 2019.) Knowing that MTC will be managing the program through 2019, we are now able to address the long-term staffing needs of the ClipperSM program, beginning with a position control assessment and organizational analysis. The job skills and experience for many members of the team differ significantly from much of the work currently performed at MTC. As such, it makes sense to assess our position needs in a different way. We anticipate a staffing plan related more specifically to MTC managing the Clipper Program in an operating as opposed to a design mode. This will be presented as part of the FY 2011-12 budget.

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 310-2700

Contractor: Kimley Horn & Associates, Inc.
Oakland, CA

Project Title: ClipperSM Budget and Funding Management and Analysis

Purpose of Project: Manage ClipperSM program budget and funding data

Brief Scope of Work: Contractor will maintain records regarding planned and actual program expenditures, develop cost forecasts to assist with annual budgeting process, and perform other related tasks.

Project Cost Not to Exceed: \$100,000 (previous total contract amount: \$95,000)

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 with Kimley-Horn and Associates, Inc. to provide budget and funding management and analysis services, and the Chief Financial Officer is authorized to set aside funds up to \$100,000 for such a contract amendment.

Operations Committee:

Amy Rein Worth, Chair

Approved:

Date: January 14, 2011

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract

Work Item No.: 310-2700

Contractor: Acumen Building Enterprises, Inc.
Oakland, CA

Project Title: ClipperSM Employer Program, Card Management and Card/Value Distribution Oversight

Purpose of Project: Oversee ClipperSM program areas including card and value distribution, card inventory, and card procurement

Brief Scope of Work: Contractor will perform monitoring and performance management functions related to distribution/sales of ClipperSM cards and value including working with the ClipperSM Contractor regarding implementation and management of the ClipperSM retail network, enhancing ClipperSM's program for providing customers with pre-tax transit benefits, and deploying solutions to support ClipperSM customers who receive subsidized transit value.

Project Cost Not to Exceed: \$150,000

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 with Acumen Building Enterprises, Inc. for the purposes described herein, and the Chief Financial Officer is authorized to set aside funds up to \$150,000 for such contract.

Operations Committee:

Amy Rein Worth, Chair

Approved: Date: January 14, 2011

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Funding Agreement

Work Item No.: 310-2700

Contractor: San Francisco Municipal Transportation Agency
San Francisco, CA

Project Title: Support for Fare Media Transition and Limited Use Card Procurement

Purpose of Project: Publicizing transitions of SMFTA Muni-only Adult, Senior, and Youth Monthly Passes to ClipperSM, and purchasing limited use ClipperSM tickets for use on SFMTA vehicles

Brief Scope of Work: Creation and distribution of cardholder education materials such as banners, brochures, and on-board signs to inform patrons about upcoming SFMTA fare product transitions; funding for 50% of the cost of purchasing 2 million limited use ClipperSM tickets dispensed at ClipperSM Ticket Vending located in SFMTA Muni Metro stations.

Project Cost Not to Exceed: \$475,000

Funding Source: CMAQ, STA, STP Exchange, 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 funding agreement with SFMTA for the purposes described herein, and the Chief Financial Officer is authorized to set aside funds up to \$475,000 for such funding agreement.

Operations Committee:

Amy Rein Worth, Chair

Approved: Date: January 14, 2011

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 310-2700

Contractor: Booz Allen Hamilton, Inc.
San Francisco, CA

Project Title: ClipperSM Technical Advisor

Purpose of Project: Provide coordination with SFMTA and other consultants.

Brief Scope of Work: Continue support to SFMTA for ClipperSM-related customer education and in-person outreach initiatives.

Project Cost Not to Exceed: \$340,000 (previous total contract amount: \$5,380,284)

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 with Booz Allen Hamilton for the purposes described herein, and the Chief Financial Officer is authorized to set aside funds up to \$340,000 for such amendment.

Operations Committee:

Amy Rein Worth, Chair

Approved: Date: January 14, 2011

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 310-2700

Contractor: Cubic Transportation Systems
San Diego, CA

Project Title: Day Pass Accumulator

Purpose of Project: Create an electronic Day Pass Accumulator (DPA) on the ClipperSM card.

Brief Scope of Work: Implement a Day Pass Accumulator (DPA) on VTA and AC Transit to allow patrons to pay for single rides using ClipperSM E-Cash, but limit the total fare paid throughout the day to the price of a Day Pass.

Project Cost Not to Exceed: \$450,000 (current capital contract: \$114,506,760)

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 implement a day pass accumulator for ClipperSM, and the Chief Financial Officer is authorized to set aside funds up to \$450,000 for such contract change order.

Operations Committee:

Amy Rein Worth, Chair

Approved:

Date: January 14, 2011