



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item No. 4
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Memorandum

TO: Operations Committee

DATE: June 3, 2011

FR: Executive Director

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

RE: Clipper[®] Program Contract Actions

- a) Contract: Synapse Strategies (\$475,000)
- b) Contract Amendment: Caribou Public Relations (\$141,000)
- c) Contract Amendment: Kimley Horn and Associates (\$225,000)
- d) Contract Amendment: Promoguys Marketing Group (\$400,000)
- e) Funding Agreement: AC Transit (\$250,000)

Clipper[®] Program Status Report

For the week ending May 13, average weekday transaction volume was 459,000 transactions, a 5% growth from the April monthly weekday average. Recent and upcoming initiatives affecting customer use of the system include:

- Effective June 1, SFMTA's senior Fast Pass[®] is available as a Clipper[®] product only. SFMTA and MTC have completed a customer education program over the past several weeks to both inform seniors about the change and facilitate distribution of Senior Clipper[®] cards.
- In mid-May, the Program began a customer education initiative targeting BART riders. Clipper[®] currently accounts for about 32% of all BART fare payments; through signage and in-person outreach events, which include distribution of Clipper[®] cards, this is intended to increase awareness and use among customers who have not yet switched to Clipper[®]. It will also let existing Clipper[®] customers know about the new capability of adding Clipper[®] value from BART's ticket vending machines.
- MTC has received initial data concerning the impact of the recently-imposed \$2 fees for certain employer program customers. Staff provided a report to the Committee about the new fees last month. MTC has learned that approximately 61% of affected customers have elected to pay the new \$2 monthly fee in order to continue receiving value automatically each month (as opposed to needing to make a monthly purchase either with a debit card or voucher).
- Cubic Transportation Systems, Inc. has notified MTC that it would like to shift about 50% of its Clipper[®] customer service staff and the "help desk" service (it provides technical support for transit operators and Clipper[®] retailers) to Tullahoma, Tennessee, where Cubic has a facility. Shifting a portion of the customer service operation builds some capacity for system redundancy, such as uninterrupted customer service in the event of a loss of power or other

malfunction at the Cubic offices in Concord, CA. The Tullahoma location already provides customer service for Washington, D.C.'s fare card program.

- MTC has received notice that CH2MHill has acquired the local and state government services portion of Booz Allen Hamilton, Inc., which includes the group that provides services to MTC and the Clipper® Program. Employee-owned CH2MHill works globally in the fields of consulting, design, design-build, operations, and program management for government, civil, industrial and energy clients. Booz Allen Hamilton's state and local government transportation consulting services complements CH2MHill's transit and rail planning, design, construction, program management, and operations capabilities. Staff does not expect the contract assignment to affect the services provided, the personnel providing the services or the rates charged.

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 – Customer Education Program Management: Synapse Strategies (\$475,000)

In July 2010, this Committee approved Synapse Strategies as part of the Clipper® Consultant Assistance Program and subsequently approved a contract with Synapse. Under this contract, Synapse has provided support for customer education, distribution initiatives, and improvements of Clipper® customer service functions. This new agreement will provide for Synapse Strategies' continued support of these activities. The new contract with Synapse will incorporate additional terms and conditions required for the use of federal funds.

b) Contract Amendment – In-Person Customer Education/Outreach Services: Caribou Public Relations (\$141,000)

This Committee approved Caribou Public Relations (Caribou) as part of the On-Call In-Person Customer Education/Outreach Services Program in February 2011. The Committee also approved a contract and amendments with Caribou in an amount not to exceed \$250,000 for the provision of customer education services. By July 2011, Caribou will have delivered 284 events focused primarily on SFMTA customers impacted by the transition of the M-Pass and senior Fast Pass® transition to Clipper®-only availability. Under the proposed contract amendment, Caribou will provide services to support the transition of the SFMTA youth Fast Pass® to Clipper®-only availability and other SFMTA initiatives focused on customers who have not yet adopted Clipper®.

c) Contract Amendment – Program Management Support: Kimley-Horn and Associates, Inc. (\$225,000)

In July 2010, this Committee approved Kimley-Horn and Associates, Inc. (KHA) as part of the Clipper® Consultant Assistance Program. Under this contract, KHA has provided the following services: field inspections of Clipper® equipment and budget/funding management and analysis, which includes tracking and forecasting Clipper® Program costs. Under the proposed contract amendment, KHA will continue providing these services through FY 2011-12.

d) Contract Amendment – In-Person Customer Education/Outreach Services: Promoguys Marketing Group (\$400,000)

This Committee approved Promoguys Marketing Group (Promoguys) as part of the On-Call In-Person Customer Education/Outreach Services Program and approved a contract and amendments with Promoguys in an amount not to exceed \$250,000 for the provision of customer education services. By July 2011, Promoguys will have delivered 299 events across the region including 90 events focused on BART riders. Under the proposed contract amendment, Promoguys will provide services to support the phase-out of paper transit passes by SamTrans and VTA, the continued migration of seniors, youths and persons with disabilities to Clipper[®], and general outreach to customers who have not yet adopted Clipper[®].

e) Funding Agreement – In-Person Customer Service Center: AC Transit (\$250,000)

The Clipper[®] Program currently operates in-person customer service centers in the Embarcadero Muni/BART station and the San Francisco Ferry Building. These locations allow on-the-spot resolution of certain customer service issues, fulfill regular, senior, and youth Clipper[®] cards, and distribute Clipper[®] value. MTC staff has worked for several months to establish a similar facility in the East Bay. MTC and AC Transit have reached agreement that AC Transit's existing customer service center will expand its scope to serve this purpose. Under the proposed funding agreement, AC Transit will modify/improve its customer service center at 1600 Franklin Street in Oakland to provide additional Clipper[®]-related functions and add Clipper[®]-related signage/visual displays.



Steve Heminger

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REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract

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

Contractor: Synapse Strategies
Oakland, CA

Project Title: Customer Education Program Management

Purpose of Project: Provide oversight and support for customer education, distribution and customer service functions

Brief Scope of Work: Oversee in-person customer education/outreach services,

Project Cost Not to Exceed: \$475,000

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

Fiscal Impact: Funds dependent on the approval of Regional Measure 2 Operating funds in the FY 2011-12 agency budget and adoption of FY 2011-12 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract with Synapse Strategies for the purposes described herein and the Chief Financial Officer is authorized to set aside funds up to \$475,000 for such a contract, subject to the FY 2011-12 agency budget approval process.

Operations Committee:

Jake Mackenzie, Chair

Approved: Date: June 10, 2011

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment(s)

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

Contractor: Caribou Public Relations
Martinez, CA

Project Title: In-Person Customer Education/Outreach Services

Purpose of Project: Promote awareness of Clipper® and provide on-site assistance at key transit locations to Clipper® customers

Brief Scope of Work: Execute in-person customer education/outreach events at key transit locations

Project Cost Not to Exceed: \$141,000 (this amendment)
Approved contract plus amendments prior to today's actions: \$175,000

Funding Source: Regional Measure 2 Operating

Fiscal Impact: Funds dependent on the approval of Regional Measure 2 Operating funds in the FY 2011-12 agency budget and adoption of FY 2011-12 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 Caribou Public Relations for the purposes described herein and the Chief Financial Officer is authorized to set aside funds up to \$141,000 for such amendment(s), subject to the annual budget approval process.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: June 10, 2011

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

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

Contractor: Kimley-Horn and Associates, Inc.
Oakland, CA

Project Title: Program Management Support

Purpose of Project: Ensure performance of Clipper® equipment and manage Clipper® program budget and funding data

Brief Scope of Work: Conduct field inspections of Clipper® equipment at bus yards and other sites to ensure performance of Clipper® equipment; and 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: \$225,000 (this amendment)
Approved contract plus amendments prior to today's actions:
\$195,000

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

Fiscal Impact: Funds subject to adoption of FY 2011-12 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to enter into one or more contract amendments for the purposes described herein and the Chief Financial Officer is authorized to set aside funds up to \$225,000 for such amendment(s), subject to the annual agency budget approval process.

Operations Committee:

Jake Mackenzie, Chair

Approved: Date: June 10, 2011

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment(s)

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

Contractor: Promoguys Marketing Group
Red Bank, NJ

Project Title: In-Person Customer Education/Outreach Services

Purpose of Project: Promote awareness of Clipper® and provide on-site assistance at key transit locations to Clipper® customers

Brief Scope of Work: Execute in-person customer education/outreach events at key transit locations

Project Cost Not to Exceed: \$400,000 (this amendment)
Approved contract plus amendments prior to today's actions: \$250,000

Funding Source: Regional Measure 2 Operating

Fiscal Impact: Funds dependent on the approval of Regional Measure 2 Operating funds in the FY 2011-12 agency budget and adoption of FY 2011-12 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 Promoguys Marketing Group for the purposes described herein and the Chief Financial Officer is authorized to set aside funds up to \$400,000 for such amendment(s), subject to the annual budget approval process.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: June 10, 2011

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Funding Agreement

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

Contractor: AC Transit
Oakland, CA

Project Title: In-Person Customer Service Center

Purpose of Project: Implement Clipper® in-person customer service center in the East Bay

Brief Scope of Work: Implement Clipper® in-person customer service center at AC Transit's District Headquarters building located at 1600 Franklin St. in Oakland.

Project Cost Not to Exceed: \$250,000

Funding Source: Regional Measure 2 Operating

Fiscal Impact: Funds dependent on the approval of Regional Measure 2 Operating funds in the FY 2011-12 agency budget and adoption of FY 2011-12 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a funding agreement with AC Transit for the purposes described herein and the Chief Financial Officer is authorized to set aside funds up to \$250,000 for such an agreement, subject to the annual budget approval process.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: June 10, 2011