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Memorandum

Agenda Item No. 3

TO: Operations Committee

DATE: January 6, 2012

FR: Deputy Executive Director

W.I. 310-2700

RE: Clipper® Phase III Recommendation – Expansion to Napa-Solano Operating Group, Union City Transit, and Marin Transit

The Clipper® Contract includes three phases of implementation. The first phase – a demonstration pilot – was completed in 2001. Phase II was completed in 2010 and included full rollout of Clipper® on the seven largest transit agencies (AC Transit, Golden Gate Transit and Ferry, SFMTA, Caltrain, BART, VTA, and SamTrans). Phase III includes the remaining transit agencies listed below:

East Bay	Napa-Solano	101 Corridor	Ferries
County Connection	SolTrans	Santa Rosa CityBus	Oakland/Alameda
Tri-Delta Transit	Fairfield-Suisun Transit	Sonoma County Transit	Harbor Bay
Wheels (LAVTA)	Napa VINE	Marin Transit	Vallejo Baylink
WestCAT	Vacaville City Coach	Petaluma Transit	South San Francisco
Union City Transit	Rio Vista	Healdsburg Transit	
		Cloverdale Transit	

The Clipper® Phase III implementation strategy to date has focused on developing a simplified approach (consolidated operator groups and simplified business rules), and the prioritization of operator groups for implementation. When we presented to this Committee in September, staff had proposed to proceed with Clipper® implementation on the ferries (Water Emergency Transportation Authority), while we evaluated options for the remaining bus operators, given the current equipment constraints.

Proposed First Group of Bus Operators (Phase 3a)

Staff has performed further analysis of the available equipment and spare quantities that need to be maintained to support the existing Clipper® operators and has determined that we do not have sufficient quantities of existing equipment to implement the East Bay operator group, the first priority group in terms of ridership. It is unlikely that the Clipper® Contractor (Cubic) can obtain more existing equipment, and mixing existing and new equipment on a single Phase III operator group would introduce new operational (software management) challenges that would negate efficiencies gained from a simplified implementation approach.

Therefore, staff proposes to proceed with Napa and Solano transit agencies utilizing existing equipment. Napa and Solano are smaller fleets, so sufficient quantities of equipment are available to equip their entire fleets. Proceeding with Napa and Solano first will allow us to move forward now with the Phase III implementation while staff works with the Clipper® Contractor to finalize device strategy for the rest of the Phase III operators.

Staff also anticipates being able to implement Clipper® on Union City Transit and Marin Transit, both of which did not fit neatly as members of other Phase III operator groups. Instead, staff proposes to implement both agencies as extensions of AC Transit and Golden Gate Transit, respectively.

Recommendations for Remaining Phase III Operators

In the meantime, staff is finalizing the strategy for future procurement of Clipper® equipment and implementation of the remaining Phase III operators. We have confirmed that two components of the existing card readers are no longer available from the original suppliers. It is unlikely that MTC could obtain additional card readers from any source other than the previous supplier (ERG); however, the Clipper Contract believes that there is significant risk associated with this option. Instead, MTC is considering a new card reader that includes the capability for real-time cellular communications. This new device will be deployed in Vancouver and Chicago in this coming year. The Clipper® Contractor has agreed to conduct a no-cost pilot of the new device to demonstrate hardware performance, scheduled to begin in January.

Next Steps for Napa-Solano, Union City Transit, and Marin Transit

In order to proceed with the Phase 3a Group (Napa-Solano operators, Union City Transit, and Marin Transit), next steps for staff include:

- Develop business rules (e.g., translate fare policies into system rules for the Clipper Contractor to implement) in more detail with the Napa-Solano operators, Union City Transit, and Marin Transit;
- Prepare change notice for Clipper® Contractor using the simplified business rules; negotiate a cost and implementation proposal;
- Recommend approval of a Change Order to Operations Committee, which would include cost and schedule (Spring); we expect to have sufficient program budget to cover the cost for the Phase 3a Group.

Next Steps for Remaining Operators

We expect to have our recommendation for the remaining operators ready to present to the Committee in the coming months, which will include a general scope and schedule for implementation. Staff is undertaking the following steps to finalize our recommendations:

- Complete pilot and evaluate new card reader performance (February-March);
- Determine equipment strategy (March);
- Translate fare policies into system rules (business rules) with the East Bay and 101 Corridor operators (March) and develop change notice for Clipper® Contractor;
- Develop cost estimate and identify funding strategy;
- Recommend approval of a Change Order to Operations Committee, which would include cost and schedule.

Staff continues to confer with transit agencies – both existing Clipper® operators and the new Clipper® operators – as we define this Phase III implementation strategy. MTC staff will provide future updates to the Committee to recommend the preferred option for bus roll out, finalize funding strategy, and obtain approval for the change orders required to implement the remaining Phase III operator groups.



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