



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

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***Memorandum***

Agenda Item No. 4a – 4c

TO: Operations Committee

DATE: January 4, 2013

FR: Executive Director

W.I.: 310-2700

RE: Clipper® Program Contract Actions:

- a) Contract Change Order – Clipper® Expansion to Transit Agencies in Napa and Solano Counties: Cubic Transportation Systems, Inc. (\$2,300,000)
- b) Cooperative Agreement – Funding for Clipper® Expansion to Fairfield and Suisun Transit (Part of Expansion to Agencies in Napa and Solano Counties): City of Fairfield (\$741,000)
- c) Cooperative Agreement – Funding for Clipper® Expansion to Vacaville City Coach (Part of Expansion to Agencies in Napa and Solano Counties): City of Vacaville (\$160,000)

**Clipper Program Status Report**

In November, the Clipper® program experienced nearly across-the-board drops in usage data, likely as a result of the Thanksgiving holiday and fewer business days in the month.

- Total transactions dropped 13 percent, from 19.6 million in October to 17 million in November.
- Settled transit operator revenue dropped 13 percent, from \$36.2 million to \$31.4 million.

Attachment 1 includes additional information about Clipper® system operations for November 2012.

**Clipper® Privacy Policy Review**

At the November Committee meeting, staff reported on recent media reports regarding the Clipper® Privacy Policy and data retention practices. Staff committed to reviewing options for coordinating and reducing Clipper® and FasTrak® data retention periods to streamline program administration and further protect personally identifiable data (PII.)

The Clipper® Privacy Policy commits to purging account data no later than seven years after an account is closed. Staff is exploring options for minimizing that timeframe to three years, and aligning FasTrak® program policies accordingly. Because system usage and trip data are important for future planning and analysis purposes, staff is also seeking options that protect the ability to retain anonymous data, free of PII.

Staff has begun exploring the cost and technical implications of (a) reducing the data retention period for Clipper®, and (b) removing card serial numbers from system usage data or aggregating

system usage records so that such records can be retained for program planning and analysis. We plan to report back to the Committee with recommended changes in March 2013.

**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 Change Order – Clipper® Expansion to Transit Agencies in Napa and Solano Counties: Cubic Transportation Systems, Inc. (\$2,300,000)**

In January 2012, staff presented a plan for expanding the Clipper® fare payment system to additional transit agencies. Staff proposed that the system expansion, which is known as Phase III of the program implementation, occur in the following stages:

Stage	Transit Agencies
First	<ul style="list-style-type: none"> <li>• San Francisco Bay Area Ferries (Now Complete)               <ul style="list-style-type: none"> <li>○ Oakland/Alameda</li> <li>○ Harbor Bay</li> <li>○ South San Francisco</li> </ul> </li> </ul>
Second	<ul style="list-style-type: none"> <li>• Transit Agencies in Napa and Solano Counties               <ul style="list-style-type: none"> <li>○ Soltrans</li> <li>○ Vallejo Baylink Ferry</li> <li>○ Fairfield and Suisun Transit (FAST)</li> <li>○ Napa VINE</li> <li>○ Vacaville City Coach</li> <li>○ Rio Vista</li> </ul> </li> <li>• Union City Transit (as an extension of AC Transit)</li> <li>• Marin Transit (as an extension of Marin Transit)</li> </ul>
Third	<ul style="list-style-type: none"> <li>• Transit Agencies in the East Bay               <ul style="list-style-type: none"> <li>○ County Connection (CCCTA)</li> <li>○ Tri-Delta Transit (ECCTA)</li> <li>○ Wheels (LAVTA)</li> <li>○ WestCAT (WCCTA)</li> </ul> </li> </ul>
Fourth	<ul style="list-style-type: none"> <li>• Transit Agencies in the North Bay/101 Corridor               <ul style="list-style-type: none"> <li>○ Santa Rosa CityBus</li> <li>○ Sonoma County Transit</li> <li>○ Petaluma Transit</li> <li>○ Healdsburg Transit</li> <li>○ Cloverdale Transit</li> </ul> </li> </ul>

Staff proposed the approach and sequence based on the quantity of available Clipper® on-board card readers, which is sufficient to install on the fleets in the first two groups. The East Bay agencies have the highest ridership, but the lack of available equipment and the difficulty and cost of procuring additional equipment makes expansion to those operators very challenging in the near term.

Following the presentation to the Operations Committee, staff worked with the transit agencies in Napa and Solano Counties, Union City Transit and Marin Transit to finalize details related to the

Clipper<sup>®</sup> implementation and operation, which included simplification of the system relative to the earlier system rollouts. Following receipt of price proposals from the Clipper Contractor, Cubic Transportation Systems, Inc. (Cubic), staff entered into negotiations with Cubic to finalize a price for the Napa and Solano county work; Union City Transit and Marin Transit were not included in the negotiations. At that time, Cubic provided MTC with pricing information for the remaining operators in the East Bay and North Bay/101 Corridor as well.

Staff has now completed negotiations with Cubic for expansion to the transit agencies in Napa and Solano Counties and is requesting approval to fund that work through a contract change order. If approved, staff estimates that Clipper<sup>®</sup> will begin operating on the Napa and Solano County transit agencies in early 2014.


Based on the cost of earlier system rollouts, staff had estimated the total cost of Phase III Clipper<sup>®</sup> implementation to be approximately \$5 million. The price proposed by Cubic is approximately \$11 million, two times staff's estimate. This significant increase in cost exceeds the amount of currently available funding. Staff is seeking additional funding for expansion to the remaining transit systems (East Bay, North Bay/101 Corridor, Union City Transit, and Marin Transit.)

**b) Cooperative Agreement – Clipper<sup>®</sup> Expansion to Fairfield and Suisun Transit (Part of Expansion to Agencies in Napa and Solano Counties): City of Fairfield (\$741,000)**

The City of Fairfield, which operates Fairfield and Suisun Transit (FAST), has agreed to provide \$741,000 in funding to support the expansion of Clipper<sup>®</sup> to FAST, including \$39,000 in American Reinvestment and Recovery Act (ARRA) and \$702,000 in Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds. Under the proposed agreement, MTC will include in the above-described Contract Change Order with Cubic the expansion of Clipper<sup>®</sup> to FAST. MTC will manage delivery and installation of equipment, and the City of Fairfield will provide the funds for the expansion costs to FAST.

**c) Cooperative Agreement – Clipper<sup>®</sup> Expansion to Vacaville City Coach (Part of Expansion to Agencies in Napa and Solano Counties): City of Vacaville (\$160,000)**

The City of Vacaville, which operates Vacaville City Coach, has also agreed to provide funds to support the expansion of Clipper<sup>®</sup> to Vacaville City Coach. Under the proposed agreement, MTC will include in the above-described Contract Change Order with Cubic the expansion of Clipper<sup>®</sup> to Vacaville City Coach. MTC will manage delivery and installation of equipment, and the City of Vacaville will provide the funds for the expansion costs to Vacaville City Coach.

  
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Steve Heminger

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## ATTACHMENT 1

**Table 1: Summary of System Utilization**

	Last Month November 2012	Prior Month October 2012	Prior Year October 2011
<b>Transaction Volume</b>			
Average Number of Weekday Transactions	672,004	697,902	577,786
Fee-Generating Fare Payment Transactions (monthly total)	15,756,259	18,147,384	13,505,441
Fee-Generating Add Value & Refund Transactions (monthly total)	1,240,716	1,455,823	997,932
Total Fee-Generating Transactions	16,996,975	19,603,207	14,503,373
Unique Cards Used	616,135	641,157	499,953
Number of Fee-Generating Transactions per Unique Card	27.59	30.57	29.01
Active Card Accounts	1,327,013	1,329,795	1,054,538
Percent of Registered Active Cards	46%	46%	43%
Settled Transit Operator Revenue	\$31,400,573	\$36,232,642	\$25,519,443
<b>Autoload Activity</b>			
Percent of Registered Cards with Autoload	38%	38%	39%
Autoload Transactions	320,840	313,861	227,107
<b>Call Volume</b>			
Customer Service Representative (CSR) Calls	24,856	31,220	29,433
CSR Calls per Unique Card Used	0.04	0.05	0.06
Help Desk Calls	811	996	827
<b>Website Traffic</b>			
Unique Visitors	143,769	174,309	127,415
Website Visits	205,060	253,710	185,780
Website Visits per Unique Card Used	0.33	0.40	0.37

**Table 2: Weekday Market Penetration Rates**

	Average Weekday Clipper Boardings November 2012	Market Penetration Rate Current Month November 2012	Market Penetration Rate Prior Month October 2012	Market Penetration Rate Prior Year November 2011
AC Transit	54,782	27.7%	29.0%	25.3%
BART	208,892	53.2%	54.2%	42.7%
Caltrain	8,904	73.2%	75.0%	74.9%
SFMTA	330,194	49.7%	52.0%	49.1%
SamTrans	14,977	32.3%	33.5%	13.8%
VTA	38,189	27.5%	28.9%	4.5%
WETA	871	34.1%	26.2%	N/A
Golden Gate Ferry	6,177	96.3%	95.4%	95.9%
Golden Gate Transit	9,020	39.9%	38.9%	36.1%

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Contract Change Order

Work Item No.: 310-2700

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

Project Title: Clipper<sup>®</sup> Implementation Phase 3: Napa and Solano County Transit Agencies

Purpose of Change Order: Expand the Clipper<sup>®</sup> regional fare payment system to transit agencies in Napa and Solano Counties.

Brief Scope of Work: Install hardware, modify software, and complete training and other tasks related to implementation of Clipper<sup>®</sup> on the transit agencies in Napa and Solano Counties.

Project Cost Not to Exceed: \$2,300,000 (this Change Order)  
Total capital contract value including Change Orders before this Change Order = \$127,940,598  
Total authorized capital contract amount with this Change Order = \$130,240,598.

Funding Source: STP, CMAQ, STA, STP Exchange, Regional Measure 2 Capital, ARRA, City of Vacaville, City of Fairfield

Fiscal Impact: Funds included in the FY 2012-13 agency budget.

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a Contract Change Order with Cubic Transportation Systems, Inc. for the purposes described herein and in the Executive Director's January 4, 2013 memorandum, and the Chief Financial Officer is authorized to set aside funds up to \$2,300,000 for such Contract Change Order.

Operations Committee:

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Jake Mackenzie, Chair

Approved:

Date: January 11, 2013

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Cooperative Agreement

Work Item No.: 310-2700

Agency: City of Fairfield

Project Title: Clipper<sup>®</sup> Implementation Phase 3: Fairfield and Suisun Transit (FAST) as Part of Expansion to Napa and Solano County Transit Agencies

Purpose of Project: Expand the Clipper<sup>®</sup> regional fare payment system to Fairfield and Suisun Transit.

Brief Scope of Work: Install hardware, modify software, and complete training and other tasks related to implementation of Clipper<sup>®</sup> on Fairfield and Suisun Transit.

Project Cost Not to Exceed: \$741,000

Funding Source: City of Fairfield Cooperative Agreement

Fiscal Impact: None: FAST implementation fully funded by City of Fairfield

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into Cooperative Agreement with the City of Fairfield as described herein and in the Executive Director's January 4, 2013 memorandum.

Operations Committee:

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Jake Mackenzie, Chair

Approved:

Date: January 11, 2013

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Cooperative Agreement

Work Item No.: 310-2700

Agency: City of Vacaville

Project Title: Clipper® Implementation Phase 3: Vacaville City Coach as Part of Expansion to Napa and Solano County Transit Agencies

Purpose of Project: Expand the Clipper® regional fare payment system to Vacaville City Coach.

Brief Scope of Work: Install hardware, modify software, and complete training and other tasks related to implementation of Clipper® on Vacaville City Coach.

Project Cost Not to Exceed: \$160,000

Funding Source: City of Vacaville Cooperative Agreement

Fiscal Impact: None: Vacaville City Coach implementation fully funded by City of Vacaville

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into Cooperative Agreement with the City of Vacaville as described herein and in the Executive Director's January 4, 2013 memorandum.

Operations Committee:

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Jake Mackenzie, Chair

Approved: Date: January 11, 2013