



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item No. 2e

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Memorandum

TO: Operations Committee

DATE: May 3, 2013

FR: Executive Director

W.I.: 320-1221, 320-2700

RE: Clipper[®] Program Contract Actions:

- i) Contract Change Order – Expansion to Marin Transit: Cubic Transportation Systems, Inc. (\$425,000)
- ii) Contract Change Order – Card Reader Improvements: Cubic Transportation Systems, Inc. (\$150,000)
- iii) Funding Agreement Amendment – Customer Service Center at AC Transit Headquarters: AC Transit (\$250,000)
- iv) Contract Amendment – Customer Service Center/Transportation Kiosk at Embarcadero BART Station Operations: Nematode Holdings, LLC (\$475,000)
- v) Contract Amendment – Customer Service Center/Bay Crossings at San Francisco Ferry Building Operations: Nematode Holdings, LLC (\$200,000)
- vi) Contract Amendment – Public Awareness and Customer Education Services: MIG, Inc. (\$1,150,000)

Contract Actions

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

- i) **Contract Change Order – Expansion to Marin Transit: Cubic Transportation Systems, Inc. (\$425,000)**

Under this Change Order, Cubic Transportation Systems, Inc. (Cubic) will install and configure the Clipper[®] onboard fare collection equipment on Marin Transit vehicles. Cubic will supply all required materials necessary for installation. MTC and Marin Transit will jointly fund work related to this project. MTC will manage delivery and installation of equipment through the Clipper[®] Contract.

Staff recommends negotiating and entering into a Contract Change Order with Cubic in an amount not to exceed \$425,000 to install Clipper[®] equipment on Marin Transit vehicles.

- ii) **Contract Change Order – Card Reader Improvements: Cubic Transportation Systems, Inc. (\$150,000)**

Clipper[®] card readers emit tones for successful and unsuccessful transactions. Readers at Caltrain stations, where customers tag their cards at the start and end of a journey, emit the same tone whether a customer is tagging at the origin or destination location. Having the same tone has resulted in confusion for customers who depend solely on the audible indicators. Under this Change Order, Cubic will modify the readers to emit unique tones for transactions at origin and destination stations. MTC has worked closely with Caltrain staff, an advocacy group for persons with disabilities, and a number of customers in developing this solution.

Staff recommends negotiating and entering into a Contract Change Order with Cubic in an amount not to exceed \$150,000 in modify the card readers as described above.

**iii) Funding Agreement Amendment – Customer Service Center at AC Transit Headquarters
Operations: AC Transit (\$250,000)**

In April 2012, MTC entered into a funding agreement with AC Transit for the operation of an in-person Clipper® customer service center (IPCSC) at AC Transit's headquarters at 1600 Franklin Street in Oakland. AC Transit's multilingual customer service staff issues cards, registers cards, distributes Clipper® information, and answers questions about the use of Clipper® on all participating transit services.

This item and items iv) and v) below, are part of a multifaceted approach for delivering customer service that meets the needs of transit riders. We will soon conduct an analysis of IPCSC operations to support potential changes to the location and roles of IPCSCs in Clipper®'s overall customer service strategy.

Staff recommends extending the period of performance through June 30, 2014, at a cost not to exceed \$250,000, subject to Commission approval of the FY 2013-14 agency budget.

**iv) Contract Amendment – Customer Service Center/Transportation Kiosk at Embarcadero BART Station
Operations: Nematode Holdings, LLC (\$475,000)**

In October 2009, BATA entered into a competitively procured agreement with Nematode Holdings, LLC ("Nematode") for transit support operations at a kiosk in the Embarcadero BART station with an initial period of performance of three years and options to extend for up to three one-year periods through June 2015. Subsequent contract amendments added to the scope of work, and BATA transferred management of the contract to MTC because the added work focused on Clipper®. The Embarcadero kiosk is now a top retail seller of Clipper® value each month.

The first extension expires on June 30, 2013. Staff recommends extending the contract to June 30, 2014 at a cost not to exceed \$475,000, subject to Commission approval of the FY 2013-14 agency budget.

**v) Contract Amendment – Customer Service Center/Bay Crossings at San Francisco Ferry Building
Operations: Nematode Holdings, LLC (\$200,000)**

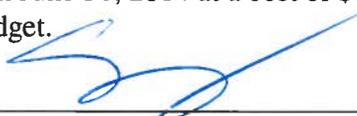
In January 2011, the Bay Crossings store operated by Nematode at the San Francisco Ferry Building, began offering expanded Clipper® customer services under a sole source contract with MTC, based on the unique position of this store as the only retail outlet in the Ferry Building providing transportation information.

Staff recommends extending the period of performance through June 30, 2014 at a cost of \$200,000, subject to Commission approval of the FY 2013-14 agency budget.

**vi) Contract Amendment – Public Awareness and Customer Education Services: MIG, Inc.
(\$1,150,000)**

In January 2012, the Operations Committee approved a multi-year contract with MIG, Inc. (MIG) to provide customer education services for Clipper®. The proposed scope of work for this amendment includes oversight and coordination of customer education initiatives; improvements to clippercard.com; and implementation of customer education campaigns to announce the launch of Clipper® on new transit systems, encourage higher adoption of Clipper®, and promote specific benefits of the card.

Staff recommends extending the period of performance through June 30, 2014 at a cost of \$1,150,000, subject to Commission approval of the FY 2013-14 agency budget.



Steve Heminger

SH/LV:ja

Attachment 1

Table 1: Summary of System Utilization

	Last Month March 2013	Prior Month February 2013	Prior Year March 2012
Transaction Volume			
Average Weekday Ridership ¹	692,758	687,448	607,705
Fee-Generating Transactions ²	18,607,870	16,688,641	16,542,328
Unique Cards Used	647,700	622,924	548,040
Active Card Accounts	1,329,456	1,328,094	1,118,366
Settled Transit Operator Revenue	\$34,403,226	\$31,782,494	\$29,212,149
Autoload Activity			
Percent of Registered Cards with Autoload	38%	38%	39%
Call Volume			
Customer Service Representative (CSR) Calls	28,640	25,601	28,119
CSR Calls per Unique Card Used	0.04	0.04	0.05
Website Traffic			
Unique Visitors	157,192	145,246	132,298
Website Visits	225,100	206,518	191,644
Website Visits per Unique Card Used	0.35	0.33	0.35

¹ Includes average daily number of boardings, including transfers but excluding some Caltrain monthly pass trips (Caltrain only requires monthly pass customers to tag their cards once at the beginning of each month).

² Includes single-tag fare payments, BART and Caltrain exits, Golden Gate Transit entries, add-value transactions, opt-out purse refunds and pass use. Does not include transfers or transactions where fee value is \$0 (e.g., issuance of free cards, use of institutional passes, zero-value tags in dual-tag systems, etc.).

Table 2: Weekday Market Penetration Rates

	Average Weekday Clipper Boardings March 2013	Market Penetration Rate Current Month March 2013	Market Penetration Rate Prior Month February 2013	Market Penetration Rate Prior Year March 2012
AC Transit	57,756	29.3%	29.3%	26.6%
BART	215,114	51.4%	53.0%	47.5%
Caltrain	8,910	76.0%	72.5%	74.1%
Golden Gate Ferry	6,710	95.5%	96.8%	96.1%
Golden Gate Transit	9,313	40.8%	40.8%	38.1%
Muni/SFMTA	339,702	51.3%	47.1%	47.5%
SamTrans	15,724	33.9%	33.6%	30.8%
San Francisco Bay Ferry/WETA	1,121	44.0%	43.6%	N/A
VTA	38,407	29.6%	27.2%	6.6%

MTC's calculation of the Clipper market penetration rate on Caltrain reflects an assumption that monthly pass holders board Caltrain twice per day on weekdays. MTC estimates that the 13,487 calendar pass sales during Caltrain's vending window for March passes translated to 26,974 additional Caltrain boardings each weekday.

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 310-2700

Contractor: Cubic Transportation Systems, Inc.
Concord, CA

Project Title: Expansion to Marin Transit

Purpose of Change Order: Expand the Clipper® regional fare payment system to Marin Transit.

Brief Scope of Work: Install hardware and complete training and other tasks related to implementation of Clipper® on Marin Transit.

Project Cost Not to Exceed: \$425,000 (this Change Order)
Total capital contract value including Change Orders before this Change Order = \$130,636,616
Total authorized capital contract amount with this Change Order = \$131,061,616

Funding Source: STP, CMAQ, STA, STP Exchange, Regional Measure 2 Capital, Measure A (Marin County Sales Tax)

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 May 3, 2013 memorandum, and the Chief Financial Officer is authorized to set aside \$425,000 for such Contract Change Order.

Operations Committee:

Jake Mackenzie, Chair

Approved: Date: May 10, 2013

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 310-2700

Contractor: Cubic Transportation Systems, Inc.
Concord, CA

Project Title: Card Reader Improvements

Purpose of Change Order: Modify Clipper[®] card readers so that customers can more easily distinguish between the tones emitted for transactions at their origin vs. destination locations.

Brief Scope of Work: Modify and test system software so that the readers emit separate unique tones for transactions at origin stations and transactions at destination stations

Project Cost Not to Exceed: \$150,000 (this Change Order)
Total capital contract value including Change Orders before this Change Order = \$131,061,616
Total authorized capital contract amount with this Change Order = \$131,211,616

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

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 May 3, 2013 memorandum, and the Chief Financial Officer is authorized to set aside \$150,000 for such Contract Change Order.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: May 10, 2013

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Funding Agreement Amendment

Work Item No.: 320-1221

Contractor: AC Transit
Oakland, CA

Project Title: In-Person Clipper® Customer Service Center at AC Transit Headquarters

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

Brief Scope of Work: Operate Clipper® in-person customer service center at AC Transit's District Headquarters building located at 1600 Franklin St. in Oakland during FY 2013-14.

Project Cost Not to Exceed: \$250,000 (this amendment)
Total funding agreement including amendments before this amendment = \$331,400
Total authorized funding agreement amount with this amendment = \$581,400

Funding Source: Regional Measure 2 Operating and STA

Fiscal Impact: Funds dependent on the approval of Regional Measure 2 Operating and STA funds in the FY 2013-14 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a funding agreement amendment with AC Transit for the purposes described herein and in the Executive Director's May 3, 2013 memorandum, and the Chief Financial Officer is authorized to set aside funds up to \$250,000 for such amendment, subject to the annual FY 2013-14 budget approval process.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: May 10, 2013

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 320-1221

Contractor: Nematode Holdings, LLC
San Francisco, CA

Project Title: Customer Service Center/Transportation Information Kiosk
at Embarcadero BART Station Operations

Purpose of Project: Provide in-person Clipper[®] customer service, such as card
replacement and issuance of Senior and Youth cards, and
sell FasTrak[®] transponders, paper transit fare media and
operate 511 Departure Times displays.

Brief Scope of Work: Contractor shall provide trained staff to support a range of
Clipper[®] customer services through FY 2013-14.

Project Cost Not to Exceed: \$475,000 (this amendment)
Total contract including amendments before this
amendment = \$1,562,100
Total authorized contract amount with this action =
\$2,037,100

Funding Source: Regional Measure 2 Operating and STA

Fiscal Impact: Funds dependent on the approval of Regional Measure 2
Operating and STA funds in the FY 2013-14 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to
negotiate and enter into a contract amendment with Nematode
Holdings, LLC for the purposes described herein and in the
Executive Director's memorandum dated May 3, 2013, and the
Chief Financial Officer is authorized to set aside \$475,000 for
such amendment, subject to the FY 2013-14 budget approval
process.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: May 10, 2013

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 320-1221

Contractor: Nematode Holdings, LLC
San Francisco, CA

Project Title: Customer Service Center/Bay Crossings at San Francisco Ferry Building operations.

Purpose of Project: Provide in-person Clipper® customer service, such as card replacement and issuance of Senior and Youth cards, and sell FasTrak® transponders, distribute MTC project materials and maintain ferry schedule flap sign display.

Brief Scope of Work: Contractor shall provide trained staff to support a range of Clipper® customer services using Clipper® equipment and backend systems through FY 2013-14.

Project Cost Not to Exceed: \$200,000 (this amendment)
Total contract including amendments before this amendment = \$575,551
Total authorized contract amount with this amendment = \$775,551

Funding Source: Regional Measure 2 Operating and STA

Fiscal Impact: Funds dependent on the approval of Regional Measure 2 Operating and STA funds in the FY 2013-14 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with Nematode Holdings, LLC for the purposes described herein and in the Executive Director's memorandum dated May 3, 2013, and the Chief Financial Officer is authorized to set aside \$200,000 for such amendment, subject to the FY 2013-14 agency budget approval process.

Operations Committee:

Jake Mackenzie, Chair

Approved: Date: May 10, 2013

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 320-1221 and 320-2700

Contractor: MIG, Inc.
Berkeley, CA

Project Title: Public Awareness and Customer Education Services

Purpose of Project: Inform transit riders about Clipper[®], how to get a card, how to load value, and how to pay fares with Clipper[®].

Brief Scope of Work: Provide customer education information through printed materials, content on clippercard.com and other web sites, and, where appropriate, paid media, i.e. advertisements.

Project Cost Not to Exceed: \$1,150,000 (this amendment)
Total contract including amendments before this amendment = \$1,635,000
Total authorized contract amount with this amendment = \$2,785,000

Funding Source: Regional Measure 2 Operating and Commuter Benefits

Fiscal Impact: Funds dependent on the approval of Regional Measure 2 Marketing funds in the FY 2013-14 agency budget. Regional Measure 2 Commuter Benefits funds included in the FY 2013-14 agency budget.

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with MIG, Inc. for the purposes described herein and in the Executive Director's memorandum dated May 3, 2013, and the Chief Financial Officer is authorized to set aside \$1,150,000 for such amendment, subject to the FY 2013-14 agency budget approval process.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: May 10, 2013