



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

Agenda Item 2f

TO: Operations Committee

DATE: November 1, 2013

FR: Executive Director

W. I. 310-2700, 320-2700

RE: Clipper[®] Contract Actions

- i. Contract Change Order – Clipper[®] Cards: Cubic Transportation Systems, Inc. (\$2,000,000)
- ii. Contract Amendment – Electronic Payment Implementation and Operations On-Call
Consultants: Kimley-Horn and Associates, Inc. (\$250,000)
- iii. Contract Amendment – Electronic Payment Implementation and Operations On-Call
Consultants: Auriga Corporation (\$150,000)

Project Status Report

Attachment 1 includes information about current Clipper[®] system operations.

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 – Clipper[®] Cards: Cubic Transportation Systems, Inc.
(\$2,000,000)**

In November 2012, this Committee approved a budget for Clipper[®] card procurement of \$1.5 million, which has enabled procurement of more than 700,000 cards including 250,000 Bay Bridge collectible cards. Over the next year, the program expects to issue about 600,000 regular cards, about 100,000 senior Clipper[®] cards, and 100,000 RTC Clipper[®] Cards, which will cost approximately \$2 million.

Since the program's inception, the program has issued more than 3 million cards. Demand for cards in 2013 has fallen about 20% compared to 2012, but the program still issues about 40,000-50,000 new cards each month. One specific initiative driving card demand is the VTA Eco Pass program, which issues thousands of cards pre-loaded with annual passes to employers throughout VTA's service area. The program offsets the cost of card procurement by charging most customers a \$3 card acquisition fee (the fee is waived for Autoload and employer program customers); staff expects the program will receive about \$1,000,000 in revenue from card fees in fiscal year 2013-14.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into one or more contract change orders or change order amendment with Cubic Transportation Systems, Inc. in the amount of \$2,000,000 for procurement of Clipper[®] cards.

ii. Contract Amendment – Electronic Payment Implementation and Operations On-Call Consultants: Kimley-Horn and Associates, Inc. (\$250,000)

In June 2013, this Committee approved staff's recommendation to enter into a contract with Kimley-Horn and Associates, Inc. (Kimley-Horn), to provide the following services: budget/funding management and analysis, field inspections of Clipper[®] equipment, and other Clipper[®] operations analysis. Kimley-Horn was selected as part of a panel of on-call consultants in May 2013 eligible to perform work for the electronic payment implementation and operations program. Under the proposed contract amendment, Kimley-Horn would provide project management support during the remainder of FY 2013-14 for the expansion of Clipper[®] to additional transit agencies. The next expansion phase includes Napa VINE, Fairfield and Suisun Transit, Vacaville CityCoach, and SolTrans. Subsequent planned expansion phases will include agencies in the North Bay/101 Corridor (Sonoma and Marin Counties) and the East Bay (Eastern Alameda County and Contra Costa County).

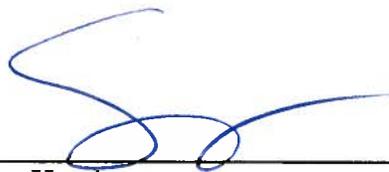
Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into a contract amendment with Kimley-Horn in the amount of \$250,000 for the above-described services.

iii. Contract Amendment – Electronic Payment Implementation and Operations On-Call Consultants: Auriga Corporation (\$150,000)

In July 2013, this Committee approved staff's recommendation to enter into a contract with Auriga Corporation (Auriga) to provide the following types of as-needed services: inspection of Clipper[®] equipment and replacement of missing/damaged Clipper[®] decals; define technical requirements for system modifications; audits of spare equipment; and other operations support services. To date, MTC has used about \$152,000 of the original contract amount for Clipper[®] programmatic and customer support in preparation for and during the strike by BART employees. Staff did not anticipate the BART strike-related work when staff made the initial contract approval request in July.

Under the requested amendment, Auriga will continue providing the previously-described as-needed services through the remainder of the fiscal year. The requested amendment backfills the amount of money spent on BART strike-related work. MTC will seek reimbursement from BART's revenue-based STA funds for the work performed.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into one or more contract amendments with Auriga Corporation in the amount of \$150,000 for the above-described services.



Steve Heminger

SH: LV:ja

Table 1: Summary of System Usage

	Last Month September 2013	Prior Month August 2013	Prior Year September 2012
Transaction Volume			
Average Weekday Ridership ¹	730,456	671,006	686,530
Fee-Generating Transactions ²	18,941,547	18,750,720	17,371,401
Unique Cards Used	704,970	699,115	623,397
Active Card Accounts	1,326,900	1,308,529	1,310,727
Settled Transit Operator Revenue	\$37,016,454	\$36,204,721	\$32,235,781
Autoload Activity			
Percent of Registered Cards with Autoload	37%	37%	37%
Call Volume			
Customer Service Representative (CSR) Calls	31,089	31,787	30,501
CSR Calls per Unique Card Used	0.04	0.05	0.05
Website Traffic			
Unique Visitors	147,010	169,645	169,546
Website Visits	210,565	243,900	246,201
Website Visits per Unique Card Used	0.30	0.35	0.39

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, including institutional passes. Does not include transfers or transactions where fee value is \$0 (e.g., issuance of free cards, zero-value tags in dual-tag systems, etc.).

Table 2: Weekday Market Penetration Rates

	Average Weekday Clipper Boardings September 2013	Market Penetration Rate Current Month September 2013	Market Penetration Rate Prior Month August 2013	Market Penetration Rate Prior Year September 2012
AC Transit	63,852	32.3%	25.9%	28.3%
BART	232,330	55.1%	52.2%	50.1%
Caltrain ³	10,271	72.6%	77.9%	71.1%
Golden Gate Ferry	8,098	92.7%	90.5%	94.6%
Golden Gate Transit	9,600	43.4%	43.0%	38.3%
SamTrans	16,869	36.4%	29.4%	34.0%
Muni/SFMTA	348,693	51.0%	50.0%	48.6%
VTA	38,967	27.3%	24.1%	28.5%
San Francisco Bay Ferry/WETA	1,775	69.6%	68.8%	69.8%

³ 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 13,821 calendar pass sales during Caltrain's vending window for September passes translated to 27,642 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: Clipper® Cards

Purpose of Change Order: Procure approximately 800,000 Clipper® cards for distribution to customers in 2014.

Brief Scope of Work: Procure approximately 800,000 Clipper® cards from qualified suppliers and test the cards in accordance with the Clipper® Contract.

Estimated Project Cost: This Change Order: \$2,000,000
Total actual capital contract value including Change Orders prior to this Change Order: \$132,858,776
Total actual capital contract value with this Change Order: \$134,858,776

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

Fiscal Impact: 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 one or more Contract Change Orders or Change Order Amendments with Cubic Transportation Systems, Inc. for the purposes described herein and in the Executive Director's November 1, 2013 memorandum, and the Chief Financial Officer is authorized to set aside \$2,000,000 for one or more such Contract Change Orders or Amendments.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: November 8, 2013

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 320-2700

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

Project Title: Electronic Payment Implementation and Operations On-Call Consultants

Purpose of Change Order: Support Clipper® Phase 3 expansion and other implementation projects.

Brief Scope of Work: Project management support during the remainder of FY 2013-14 for the expansion of Clipper® to additional transit agencies. The next expansion phase includes Napa VINE, Fairfield and Suisun Transit, Vacaville CityCoach, and SolTrans.

Estimated Project Cost: This Amendment: \$250,000
Total actual capital contract value prior to this Amendment: \$200,000
Total authorized capital contract amount including this Amendment: \$450,000

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

Fiscal Impact: 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 Kimley-Horn and Associates, Inc. for the purposes described herein and in the Executive Director's November 1, 2013 memorandum, and the Chief Financial Officer is authorized to set aside \$250,000 for such contract amendment.

Operations Committee:

Jake Mackenzie, Chair

Approved: Date: November 8, 2013

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.: 320-2700

Contractor: Auriga Corporation
Milpitas, CA

Project Title: Electronic Payment Implementation and Operations On-Call Consultants

Purpose of Change Order: Support Clipper[®] implementation projects and oversight of current system operations.

Brief Scope of Work: Inspection of Clipper[®] equipment and replacement of missing/damaged Clipper[®] decals; definition of technical requirements for system modifications; audits of spare equipment; program management and Clipper[®] customer support related to a strike by BART employees; and other related work.

Estimated Project Cost: This Amendment: \$150,000
Total actual capital contract value prior to this Amendment: \$233,752
Total authorized capital contract amount including this Amendment: \$383,752

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

Fiscal Impact: 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 one or more contract amendments with Auriga Corporation for the purposes described herein and in the Executive Director's November 1, 2013 memorandum, and the Chief Financial Officer is authorized to set aside \$150,000 for one or more such contract amendments.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: November 8, 2013