



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

Agenda Item 2b

TO: Operations Committee

DATE: April 4, 2014

FR: Executive Director

W.I. 310-2700, 320-1221

RE: Clipper[®] Contract Actions

- i. Contract Change Order – AT&T Frame Relay Upgrade and Network Equipment Replacement: Cubic Transportation Systems, Inc. (\$1,500,000)
- ii. Contract Amendment - Clipper[®] Technical Advisor: CH2M Hill (\$1,200,000)
- iii. Contract Change Order – AC Transit New Vehicle Installs: Cubic Transportation Systems, Inc. (\$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 –AT&T Frame Relay Upgrade and Network Equipment Replacement: Cubic Transportation Systems, Inc. (\$1,500,000)

This Change Order will support the design and implementation of modernization upgrades to the Clipper[®] network. Additionally, this Change Order will authorize the Clipper[®] Contractor, Cubic Transportation Systems, Inc. (Cubic), to replace Clipper[®] network equipment that has either reached, or will soon reach, the end of its useful life. Cubic will replace and configure network equipment to operate within the AT&T Virtual Private Network/Multiprotocol Label Switching (AVPN/MPLS) system. The change is required because AT&T is in the process of decommissioning the now obsolete frame relay network throughout the Bay Area.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into a contract change order or change order amendment with Cubic in an amount not to exceed \$1,500,000 for the services described above.

ii. Contract Amendment – Clipper Technical Advisor: CH2M Hill, Inc. (\$1,200,000)

In 2009, MTC entered into a competitively-procured, multi-year contract with Booz Allen Hamilton to provide Clipper[®] technical oversight and advice. Booz Allen Hamilton assigned this contract to CH2M Hill in 2011. Under the proposed amendment, CH2M Hill would continue to provide the following technical oversight and advice services for the Clipper[®] program in FY 2014-15: project management for system expansion to Phase 3 operators, review of design submittals, testing and inspection, operations support, planning and general project oversight.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into a contract amendment with CH2M Hill in an amount not to exceed \$1,200,000 for the services described above.

iii. Contract Change Order – AC Transit New Vehicle Installs: Cubic Transportation Systems, Inc. (\$150,000)

This Change Order will support the installation of Clipper[®] onboard fare collection devices on new AC Transit vehicles. Cubic will install and configure onboard fare collection equipment, brackets and supply materials necessary for installation.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into a contract change order or change order amendment with Cubic in an amount not to exceed \$150,000 for the services described above.



Steve Heminger

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Table 1: Summary of System Usage

| | Last Month February 2014 | Prior Month January 2014 | Prior Year February 2013 |
|---|-----------------------------|-----------------------------|-----------------------------|
| Transaction Volume | | | |
| Average Weekday Ridership ¹ | 718,671 | 697,571 | 687,448 |
| Fee-Generating Transactions ² | 17,850,186 | 18,809,311 | 16,688,641 |
| Unique Cards Used | 695,927 | 724,521 | 622,924 |
| Active Card Accounts | 1,403,394 | 1,383,273 | 1,328,094 |
| Settled Transit Operator Revenue | \$35,243,529 | \$37,016,492 | \$31,782,494 |
| Autoload Activity | | | |
| Percent of Registered Cards with Autoload | 37% | 37% | 38% |
| Call Volume | | | |
| Customer Service Representative (CSR) Calls | 25,141 | 30,011 | 25,601 |
| CSR Calls per Unique Card Used | 0.04 | 0.04 | 0.04 |
| Website Traffic | | | |
| Unique Visitors - Standard | 125,221 | 142,602 | 145,246 |
| Unique Visitors - Mobile | 21,616 | 24,276 | N/A |
| Website Visits - Standard | 174,050 | 202,617 | 206,518 |
| Website Visits - Mobile | 37,781 | 43,371 | N/A |
| Website Visits per Unique Card Used | 0.30 | 0.34 | 0.33 |

Notes on System Usage:

Average weekday ridership increased 11 percent, and fee-generating transactions grew 10 percent, as expected with the return to regular post-holiday commute patterns. Active card accounts grew 3.2 percent, and unique cards used increased 2.7 percent.

With the bumps in usage came increases in utilization of customer service and information. Calls to Clipper Customer Service grew 26.5 percent, and website traffic was up across all categories: unique desktop visitors, 18.7 percent; unique mobile visitors, 18.9 percent; desktop visits, 22.1 percent; and mobile visits, 20.1 percent.

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 Rates³

| | Average Weekday Clipper Boardings February 2014 | Market Penetration Rate Current Month February 2014 | Market Penetration Rate Prior Month January 2013 | Market Penetration Rate Prior Year February 2013 |
|------------------------------|---|---|--|--|
| AC Transit | 64,688 | 32.8% | 31.0% | 29.3% |
| BART | 230,425 | 57.3% | 55.9% | 53.0% |
| Caltrain ⁴ | 10,217 | 71.7% | 69.8% | 75.5% |
| Golden Gate Ferry | 5,896 | 96.0% | 90.0% | 96.8% |
| Golden Gate Transit | 9,284 | 45.7% | 44.5% | 40.8% |
| SamTrans | 15,248 | 32.9% | 32.4% | 33.6% |
| Muni/SFMTA | 330,959 | 43.9% | 42.7% | 50.7% |
| VTA | 50,242 | 36.0% | 33.4% | 26.0% |
| San Francisco Bay Ferry/WETA | 1,712 | 67.1% | 69.7% | 43.6% |

³ The contract volume benchmark is 20 million transactions per month.

³ Sources for average weekday ridership used as a denominator to calculate market penetration are: AC Transit – provided by AC Transit, March 14, 2011; BART/Caltrain/Muni/VTA – American Public Transit Association, 3rd Quarter, 2013; SamTrans – provided by SamTrans, December 2010; WETA – Provided by WETA, November 2012. Golden Gate Ferry and Transit market penetration figures provided monthly by Golden Gate Ferry and Transit.

³ Calculation of Caltrain market penetration assumes that monthly pass holders board Caltrain twice a day on weekdays. MTC estimates that the 14,365 calendar pass sales during Caltrain’s vending window for February passes translated to 28,730 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: AT&T Frame Relay Upgrade and Network Equipment Replacement

Purpose of Change Order: Replace aging network equipment and support the design and implementation of modernization upgrades to the Clipper[®] AT&T network.

Brief Scope of Work: Replacement and reconfiguration of network equipment.

Estimated Project Cost: This Change Order: \$1,500,000
Total actual capital contract value including Change Orders prior to this Change Order: \$131,646,402
Total actual capital contract value with this Change Order: \$133,146,402 (this total does not include other April 11 contract approval actions).

Funding Source: STP, CMAQ, STA, STP Exchange, TCP, 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 Change Order or Change Order Amendment with Cubic Transportation Systems, Inc. for the purposes described herein and in the Executive Director's April 4, 2014 memorandum, and the Chief Financial Officer is authorized to set aside \$1,500,000 for such Contract Change Order or Change Order Amendment.

Operations Committee:

Jake Mackenzie, Chair

Approved:

Date: April 11, 2014

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

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

Contractor: CH2M Hill
San Francisco, CA

Project Title: Clipper[®] Technical Advisor

Purpose of Change Order: Provide continued technical oversight of the Clipper[®] Contractor and coordination with the transit operators and other consultants.

Brief Scope of Work: Provide support of Clipper[®] Contract administration, project oversight, project coordination, business assistance, operations support and deployment oversight during FY 2014-15.

Estimated Project Cost: \$1,200,000 (this amendment)
Total contract including amendments before this amendment = \$10,141,685 (includes \$3,460,239 of funds provided by SFMTA)
Total authorized contract amount with this amendment = \$11,341,685

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

Fiscal Impact: Funding is subject to adoption of FY 2014-15 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a Contract Amendment with CH2M Hill for the purposes described herein and in the Executive Director's April 4, 2014 memorandum, and the Chief Financial Officer is authorized to set aside \$1,200,000 for such Contract Amendment.

Operations Committee:

Jake Mackenzie, Chair

Approved: Date: April 11, 2014

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: AC Transit New Vehicle Installations

Purpose of Change Order: Support the installation of Clipper® onboard fare collection devices on new AC Transit vehicles.

Brief Scope of Work: Install and configure onboard fare collection equipment, brackets and supply materials necessary for installation.

Project Cost Not to Exceed: \$150,000 (this Change Order)
Total capital contract value including Change Orders before this Change Order = \$131,646,402
Total authorized capital contract amount with this Change Order = \$131,796,402 (this total does not include other April 11 contract approval actions).

Funding Source: AC Transit Cooperative Agreement

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 Change Order or Change Order Amendment with Cubic Transportation Systems, Inc., for the purposes described herein and in the Executive Director's April 4, 2014 memorandum, and the Chief Financial Officer is authorized to set aside \$150,000 for such Contract Change Order or Change Order Amendment.

Operations Committee:

Jake Mackenzie, Chair

Approved: Date: April 11, 2014