

Clipper® Executive Board

October 23, 2023

Agenda Item 3a

Clipper Contract Change Order Amendment – Clipper Card Procurement: Cubic Transportation Systems, Inc. (\$1,000,000)

Subject:

Request for approval of a Change Order Amendment for procurement of Clipper cards: Cubic Transportation Systems, Inc. (Cubic) (\$1,000,000).

Background:

Since its inception, the Clipper program has issued nearly nine million cards. Demand has remained steady with the program issuing approximately 150,000 new adult cards each month, which will increase with the return of all-Clipper card vending at the BART SFO airport station which began in early October.

This amendment is intended to make funds available in the Change Order should an additional order need to be placed in order to have sufficient inventory to last until the start of C2 fare media usage.

The Clipper program partially offsets the cost of cards by charging most adults a \$3 card acquisition fee. MTC does not recoup the full cost of producing a card with the \$3 card acquisition fee. With current supply chain issues, the actual cost of each card is approximately \$2.25, while the program cost of issuing each card is approximately \$1.85, bringing the total cost of issuing a new card to approximately \$4.10. Funds from the \$3 card fee will be used to partially fund this Change Order Amendment. The funds in this Change Order Amendment were fully contemplated in the Two-Year Budget and Work Plan approved by the Board in May 2023. The funds for this proposed change order amendment are currently available in the Clipper card fee account.

Issues:

None identified

Recommendation:

Staff recommends that the Board approve a Contract Change Order Amendment with Cubic in an amount not to exceed \$1,000,000, to produce Clipper cards for distribution to customers.

Attachments:

None.



Carol Kuester

Request for Board Approval

Summary of Proposed Contract Change Order Amendment

Contractor: Cubic Transportation Systems
Oakland, CA

Work Project Title: Clipper Card Procurement (Change Order Amendment, CO-145)

Purpose of Project: To procure Clipper cards

Brief Scope of Work: Under this Change Order Amendment, Cubic will purchase Clipper cards as directed by MTC. This Amendment adds funds to an already existing Change Order.

Project Cost Not to Exceed: \$1,000,000 (this Change Order Amendment)

Total contract value including amendments before this amendment = \$186,391,808

Total contract amount with this amendment = \$187,391,808

Funding Source: Clipper cardholder administrative fees, STP, CMAQ, STA, STP Exchange, Regional Measure 2 Capital and Regional Measure 2 Operating, Regional Measure 3, SB1 State of Good Repair

Fiscal Impact: Funds available in the Clipper card fee account and in the 2023-24 MTC agency budget.

Motion by Board: That the Change Order Amendment with Cubic for the purposes described above and in the Clipper Executive Director's summary sheet dated October 23, 2023, is hereby approved by the Clipper Executive Board.

Clipper Executive Board:

April Chan, Vice Chair

Approved: October 23, 2023