

Clipper® Executive Board

November 27, 2023

Agenda Item 2b

Clipper® Contract Change Order – Price Adjustment for FYs 2021-2022 to 2023-2024: Cubic Transportation Systems, Inc. (Cubic) (\$900,000)

Subject:

Request for approval of a Change Order for Contract Price Schedules for Fiscal Year (FY) 2021/2022, FY 2022/2023, and FY 2023/2024 Not to Exceed \$900,000 and Revised Price Adjustment Methodology

Background:

The current Clipper Contract requires annual adjustment of specified Contract prices based on industry specific labor and materials indices published by the Bureau of Labor Statistics (“BLS”) because of the Contract's multi-year time span. According to the terms of the Contract, a Provisional Price schedule is implemented with an across-the-board 3% increase at the beginning of each fiscal year; when the indices are published mid-fiscal year, a reconciliation is calculated and resolved via Contract Change Order.

The Change Order recommended for Committee approval applies the contractual methodology to adjust prices in the Clipper Contract for Fiscal Years 2021/2022 and FY 2022/2023. The recommended Change Order also establishes new contract language to allow MTC and Cubic to agree on a Provisional Price Adjustment increase of something other than the 3% previously dictated. MTC and Cubic have mutually agreed to set Provisional Prices based on BLS indices available at the time of the first invoice in a given Fiscal Year, and invoices submitted in FY 2023/2024 apply that methodology for the current Provisional Price schedule. Though some indices for recent months are preliminary at that time, historically, subsequent revisions have been small, and therefore the resulting Provisional Price schedule should be very close to the final Revised Price schedule when it is set mid-fiscal year using the final published BLS indices. This approach is expected to result in only nominal, if any, Capital and Operating adjustments in future years and avoid future dollar adjustment Change Orders such as this.

The following table summarizes the capital and operating adjustment for each fiscal year.

Fiscal Year	Capital % adjustment	Capital \$ adjustment	Operating % adjustment	Operating \$ adjustment
FY 2021/2022	0.0%	\$0.00	-0.3%	(\$56,228.59)
FY 2022/2023	2.4%	\$156,355.27	2.8%	\$724,425.67
FY 2023/2024 (estimated)	TBD	\$43,644.73	TBD	\$31,802.92
TOTAL (estimated)		\$200,000		\$700,000

Per the Clipper Amended and Restated Memorandum of Understanding with the participating Operators, MTC will distribute the Operators' share of the operating cost adjustment.

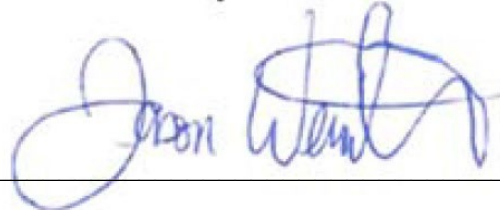
Issues:

None identified

Recommendation:

Staff recommends that the Board approve a Change Order with Cubic Transportation Systems in an amount not to exceed \$900,000, for the price schedule adjustment described above.

Attachments:



Jason Weinstein

Request for Board Approval

Summary of Proposed Change Order

Contractor (or “Consultant”): Cubic Transportation Systems, Inc.
San Diego, California

Work Project Title: Final FY 2021/2022-FY 2023/2024 Price Schedule for Clipper Contract

Purpose of Project: Adopt a price-adjusted Clipper Contract Price Schedule for FY 2021/2022-FY 2023/2024 in accordance with the terms and conditions of the Clipper contract


Brief Scope of Work: Finalize Clipper Contract Price Schedule for FY 2021/2022 and FY 2022/2023, including \$156,355.27 in additional capital costs and \$688,197.08 for MTC and the participating transit operators, and an estimated Price Schedule for FY2023/2024, including \$43,644.73 in additional capital costs and \$31,802.92 in additional operating costs for MTC and the participating transit operators

Project Cost Not to Exceed: \$900,000 (this Change Order)
Total contract value before this Change Order = \$187,391,808
Total contract amount with this Change Order = \$188,291,808

Funding Source: Clipper Card Fee Revenue, RM 2 Operating, STA Allocation, RM 2 Marketing and Transit Operator Funds

Fiscal Impact: Funds available in the FY 2023-24 MTC agency budget

Motion by Board: That a Change Order with Cubic Transportation Systems for the purposes described above and in the Clipper Executive Director’s summary sheet dated November 27, 2023, is hereby approved by the Clipper Executive Board.

Clipper Executive Board: 

Robert Powers, Chair

Approved: November 27, 2023