

## Clipper® Executive Board

November 27, 2023

Agenda Item 2c

### **Clipper® Contract Change Order Amendment – Statement on Standards for Attestation Engagement No. 18 (SSAE 18) Annual Audit of Clipper Program: Cubic Transportation Systems, Inc. (Cubic) (\$210,000)**

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#### **Subject:**

Request for approval of Clipper Contract Change Order No. 159, Amendment No. 11 – Clipper Program SSAE 18 Audit for FY 2023-24: Cubic Transportation Systems, Inc. (\$210,000).

#### **Background:**

In May 2012, the MTC Operations Committee approved a contract change order (CO 159) to the Clipper contract for Cubic to engage a firm to assess Cubic's financial and system controls associated with fare processing, financial reconciliation, cardholder support services, card fulfillment, information system operations and card account management functions. These tasks are completed via a standard approach called an SSAE 18 Audit. This change order amendment (Amendment 11 to CO 159) would allow Cubic to engage a firm to perform an SSAE 18 Audit for Fiscal Year (FY) 2023-24.

Industry best practices recommend conducting annual audits to maintain a vendor's focus on controls. Transit agencies rely upon the SSAE report as part of their own annual audits, as an SSAE report can reduce the procedures required in agencies' own audit processes.

The first SSAE Audit under CO 159 was completed in November 2013 for FY 2012-13. CO 159 was subsequently annually amended to provide for SSAE Audits of each subsequent fiscal year. Most recently, this Board authorized the FY 2022-23 SSAE 18 Audit (Amendment 10 to CO 159) in January 2023.

This contract change order amendment was contemplated and funds were set aside for this purpose in the Two-Year Clipper Operating Budget and Work Plan approved by the Board on May 22, 2023.

#### **Issues:**

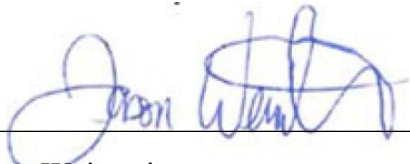
None identified.

**Recommendation:**

Staff recommends that the Board approve Contract Change Order No. 159, Amendment No. 11 with Cubic Transportation Systems, Inc. in an amount not to exceed \$210,000, for the SSAE 18 audit for FY 2023-24, as described above.

**Attachments:**

None.



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Jason Weinstein

## Request for Board Approval

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### Summary of Proposed Change Order Amendment

Contractor: Cubic Transportation Systems, Inc.  
San Diego, California

Work Project Title: Statement on Standards for Attestation Engagement No. 18 (SSAE 18)  
Audit for FY 2023-24 (Amendment #11 to CO-159)

Purpose of Project: To produce a SSAE 18 audit report regarding the Clipper program for the 2023-24 fiscal year.

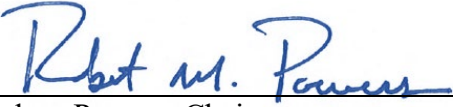
Brief Scope of Work: SSAE 18 audits provide an attestation report stating that management's financial and information technology controls have been tested as to whether those controls effectively meet risk management objectives during the observation period of the report.

Project Cost Not to Exceed: \$210,000 (this Change Order Amendment)  
Total contract value including amendments before this amendment = \$187,391,808  
Total contract amount with this amendment = \$187,601,808

Funding Source: STA, Regional Measure 2 Capital, Regional Measure 2 Operating, Regional Measure 3, Fare Media and Card Fee Revenue, SB1 State of Good Repair

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

Motion by Board: That Change Order No. 159, Amendment No. 11 with Cubic Transportation Systems, Inc. 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