

Clipper® Executive Board

November 18, 2024

Agenda Item 4a

Approval of an increase in retail commissions paid to and waiver of equipment deposit for third-party retailers in Equity Priority Communities

Subject:

Request for Approval of an increase in retail commissions paid to and waiver of equipment deposit for third-party retailers in Equity Priority Communities.

Background:

Starting in May of 2024, at a meeting of MTC and Operator staff, a recommendation was brought forth to increase commissions for Clipper third-party retailers to incentivize and attract new retailers to the program, particularly in Equity Priority Communities that serve low-income and unbanked customers.

Based on feedback and follow up conversations between BART and SFMTA, the following recommendations are being proposed for approval by the Clipper Executive Board:

- Establish a 5% commission rate (increased from 2%) for all vendors located in MTC's Priority Equity Communities.
- Waive the equipment deposit for new vendors in these areas.

Attachment A, which shows San Francisco County and portions of Oakland, clearly illustrates the lack of Clipper retailers in Equity Priority Communities. The recommendation to increase the commission rate for retailers is intended to change this trend and provide customers in these communities with more access to purchase Clipper cards and add value. The current lack of retailers in these locations results in reduced opportunities for community members to participate in Clipper.

Pursuant to the Memorandum of Understanding (MOU) between Clipper participating operators and MTC, the commission charges are passed through to the operators based on Appendix B-3.3.c. The fiscal impact of this change is unknown, however, based on current commission fees, the cost is estimated to be negligible.

Issues:

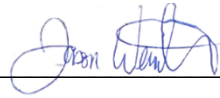
None identified.

Recommendation:

Staff recommends that the Board approve an increase in retailer commissions to 5% for retailers as well as a waiver of the equipment deposit for new retailers in Equity Priority Communities to increase the retailer network available to serve these populations.

Attachments:

- Attachment A: Clipper Retail Locations and Equity Priority Communities in San Francisco and Oakland



Jason Weinstein

Request for Board Approval

Summary of Increase in Retailer Commissions

Contractor (or “Consultant”):	Third Party Clipper Retailers
Work Project Title:	Increase in retailer commissions for Equity Priority Communities
Purpose of Project:	Increase of commissions in order to encourage more retailers in the Priority Communities and incentivize current retailers
Brief Scope of Work:	Increase retailer commissions for retailers in Priority Equity Communities and waive equipment deposits for new retailers in these areas.
Project Cost Not to Exceed:	TBD - ongoing
Funding Source:	Operators, as per the Clipper MOU, Appendix B-3.3.c
Fiscal Impact:	Unknown, but estimated to be very minimal
Motion by Board:	That retailer contracts with Clipper third-party retailers in Priority Equity Communities be amended as s described above and in the Clipper Executive Director’s summary sheet dated November 18, 2024, is hereby approved by the Clipper Executive Board.
Clipper Executive Board:	Robert Powers, Chair
Approved:	November 18, 2024