

Clipper® Executive Board

March 30, 2026

Agenda Item 3d

Clipper Change Order: Service Level Agreement Adjustments – Cubic Transportation Systems, Inc. (Cubic)

Subject:

Request for a Clipper Change Order to update and adjust Service Level Agreements with Cubic Transportation Systems, Inc. (Cubic).

Background:

Service Level Agreements were included in the Next Generation Clipper (“C2”) Regional Fare Payment System Integrator contract (“Contract”) entered into between MTC and Cubic in September 2018 and have not been updated since the initial contract execution.

The C2 system is intended to provide high levels of reliability, availability and maintainability so that service and other disruptions are predictable and minimized. Service Levels are defined as the acceptable quantitative standard against which Cubic’s performance of Operations and Maintenance (“O/M”) responsibilities are measured and are based on system data that is collected and reported using automated tools with little or no manual intervention. There are over 40 Service Level criteria which are grouped and categorized under Contractor Performance, Financial Performance, User Experience, and C2 System Performance.

Cubic shall report on Service Level compliance on an ongoing monthly basis beginning on the first full month after the O/M commencement date, and each Service Level is associated with corresponding Deficiency and Incentive Points which can impact monthly O/M payments in case Cubic either exceeds or fails to meet Service Levels for any given month.

Service Level Adjustments

Service Level Agreements were originally developed during the Clipper System Integrator RFP process. As a result of the completed design process, MTC and Cubic are in agreement that revisions to the original Service Level Agreements and measurement methods are warranted to align with the final C2 System design and its intended operation during the O/M Term. Some of the recommended changes to Cubic performance measures include:

- General revisions to language for clarity/updates to terms;

- Clarifications to certain Service Level calculations (e.g., clarifying durations for calculating averages, updates to reflect implemented system design);
- A modification to resolution times for Critical System Failures and new Service Level timeframes for notifying MTC/Operators of Critical System Failures; and
- Evaluation of validator transaction timing and identification of performance improvements during the six-month period following Customer Transition.

During Conceptual, Preliminary, and Final Design review periods, MTC and Cubic have noted where Service Levels may not align with decisions on the intended system design and have agreed to modifications to align Service Level and System Performance where appropriate and reasonable. In the case where the Service Level was modified to more accurately reflect what is reasonably possible to accomplish (Critical System Failure resolution times), additional requirements were included to require more timely notification to MTC and the transit operators (Critical System Failure notification times). Other modified Service Levels either remained as agreed-upon with the original contract execution, or without any material change in benefit to MTC or Cubic. Under the Change Management Plan established by the C2 Contract, the C2 Change Control Board, consisting of MTC, Cubic, and three transit operator staff (BART, SFMTA, and AC Transit), met in December 2025 and recommended an action to bring this Change Order for approval by this Board. A draft of this Change Order was shared regionally and discussed with transit operator staff in January 2026.

Issues:

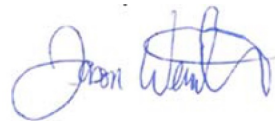
None identified.

Recommendation:

Approval.

Attachments:

- None



Jason Weinstein

Request for Board Approval

Summary of Proposed Change Order

Contractor (or “Consultant”):	Cubic Transportation Systems, Inc. (Cubic) San Diego, CA
Work Project Title:	Service Level Agreement Adjustments
Purpose of Project:	Update and adjust Contract Service Level Agreements
Brief Scope of Work:	Based on the Final C2 System Design, certain revisions of the Service Levels and measurement methods are necessary to reflect the design and its intended operation during the O/M Term. Contractor requires this change in order to establish the reporting systems and methods to calculate and report on Service Level performance in anticipation of O/M Commencement Date.
Project Cost Not to Exceed:	\$0
Funding Source:	N/A
Fiscal Impact:	N/A
Motion by Board:	That a change order with Cubic Transportation Systems, Inc. for the purposes described above and in the Clipper Executive Director’s summary sheet dated March 30, 2026, is hereby approved by the Clipper Executive Board.
Clipper Executive Board:	Julie Kirschbaum, Chair
Approved:	March 30, 2026