

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 12/14/2022

Staff Report No. 22-606

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Clipper 2 Update

BRIEFING ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider receiving the semi-annual update on the Next Generation Clipper (C2) Program implementation.

Staff Contact:

Ahsan Baig, Chief Information Officer

Beverly Greene, Executive Director of External Affairs, Marketing & Communications

STRATEGIC IMPORTANCE:

Goal - Safe and Secure Operations

Initiative - Infrastructure Modernization

The Next Generation Clipper program will modernize the Clipper payment system by allowing riders to manage their Clipper accounts online, providing immediate access to add value to their accounts, allowing for several payment options like contactless payments and mobile flash passes, and give riders the ability to replace the physical card with a virtual card on mobile device. The C2 program will also upgrade all related hardware on both station platforms and on coaches to be scalable, secure, and faster.

BUDGETARY/FISCAL IMPACT:

This report is for informational purposes only; therefore, there is no budgetary or fiscal impact. This report apprises the Board about on-going activities related the Next Generation Clipper project. There are no disadvantages with receiving the report.

BACKGROUND/RATIONALE:

AC Transit continues to work with the Metropolitan Transportation Commission (MTC), other transit properties and Cubic for designing, testing, and deploying the Clipper 2 (C2) program. The District continues to attend the Clipper 2 Executive Board and the Clipper Staff Liaison meetings as well as other working groups.

District Staff is reviewing the most recent design package for the Retail Solution Design received from MTC and is preparing comments.

Cubic in conjunction with the District, successfully installed new Stand-Alone Validators (SAV) on the Tempo line platforms. These new SAVs required construction to accommodate the new device footprint. Installation testing of the On-Board Validators is underway and expected to be completed by the end of December, 2022. Final installation and testing were delayed due to supply chain issues in addition to parts shortages. The District had requested C2 Validators for both the front and rear doors. While the rear door C2 validator equipment will be installed, however they will not be activated until a Board Policy regarding rear-door boarding is established.

MTC has indicated that the migration to Clipper 2 will require removal of the two (2) existing Clipper Add Value Machines (AVM) located in the District's Customer Service Center lobby at 1600 Franklin St, in downtown Oakland California. These AVMs will become obsolete upon C2 transition and will be replaced by Clipper ticket vending machines (TVM). Staff reviewed AVM usage and found low usage (<10%). Staff is reviewing business needs and determining whether the replacements may best serve the public at another location considering Customer Service Center staff is currently providing such services.

In addition, Customer Service Center staff use Ticket Office Terminals (TOT) to process Clipper card transactions. TOTs will also be replaced with Customer Service Terminals (CST) towards the end of 2023.

The Clipper Executive Board approved a contract change order amendment for \$2,000,000 on November 21, 2022, for Cubic to procure Clipper cards for the region. Demand has remained steady with the program issuing approximately 175,000 new adult cards each month. This new card order should result in Clipper cards lasting through the start of C2 fare media usage now dated for June 2024.

The Clipper 2 customer transition is scheduled to start in the Summer of 2024. It is during this transition period that both the existing Clipper cards and C2 Clipper cards will be accepted prior to fully cutting over to the newer Clipper card.

C2 Completion Schedule

Here are the highlights of the schedule update that the District received:

- 18 months of Account-based systems testing ending in December 2023
- 24 months of Equipment installations ending in March of 2024
- Customer transition to C2 begins in June of 2024

The overall Clipper 2 project delays are attributed to global supply chain issues due to COVID-19 and unavailability of material needed for the completion of fleet installation. Upcoming work by the Fare Integration Task Force is driving this schedule so that transit operators can review and agree on fare policy logic between operators. The ability of social services agencies to add value to a Clipper card for a client or to add monetary value to the Clipper mobile application on a client-owned phone, is moving forward. However, the specifics of that capability for those agencies are currently being finalized by the MTC and Cubic.

District staff is now reviewing and preparing comments on the Next Generation Clipper contract submittal package 9 for the MTC. This key package includes:

1. Implementation and Installation Plan
2. Transition Plan
3. Discount Program Management System Operating Plan
4. C2 Fare Media Management Plan
5. Institutional Program Management System Operations Plan
6. Training Plan

Upcoming C2 Project Activities

Testing of the on-board systems and the Cubic back-end system are ongoing. Those activities include: System integration testing (SIT) testing of on-board vehicles, account-based system user testing and procuring Clipper Cards.

ADVANTAGES/DISADVANTAGES:

This report apprises the Board about on-going activities related the Next Generation Clipper project. There are no disadvantages with receiving the report.

ALTERNATIVES ANALYSIS:

This report does not contain any recommendations, so alternatives were not studied.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report 22-444: Clipper 2 Amended and Restated MOU with the Metropolitan Transportation Commission.

Staff Report 22-178: Clipper C2 Update

Staff Report 22-158: Recommended Budget FY 22/23

Staff Report 21-425: Clipper 2 Update

Staff Report 15-194; Amendment Clipper MOU

ATTACHMENTS:

None

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