

Clipper® Executive Board

April 13, 2020

Agenda Item 4c

Next Generation Clipper® System Update

Subject: Update on key developments related to the implementation of the Next Generation Clipper System Integrator project.

Background: **Executive Summary**

Included as Attachment A to this memorandum is a summary of recently completed activities related to delivering the next-generation Clipper program; upcoming activities and deliverables for MTC, Cubic Transportation Services, and the transit operators; and noteworthy items that the project team is managing. This summary reflects two months' of updates, as the March 23, 2020 Clipper Executive Board meeting was cancelled.

Highlights include the initial implementation of faster load times and twice-daily action list distribution (with a third daily action list distribution expected in the near future), transit operator integration options with existing on-board vehicle solutions, upcoming approval of Review Cycle 3 documents, review of Accelerated Deployment documents for Review Cycle 4, and testing plans and procedures of the next-generation mobile app.

To date, no critical milestones have slipped beyond their contractual guaranteed completion dates, and the program is currently on schedule and within expected budget.

Open Payments Acceptance

Clipper Executive Board Members inquired about open payments acceptance at the February 2020 meeting. It was noted, at that time, that recent high-profile advertising promoting open payments may raise questions from the public about whether we will be providing this capability in the future.

Clipper staff summarized the current Clipper next-generation deployment strategy, which defers consideration and funding of open payments until after implementation of the Clipper mobile app (later this year) and until transition of customers to the account-based system is completed in late 2023.

The current strategy to defer implementation of open payments is based on a number of factors:


1. To date, low adoption and market share of contactless open payment-capable credit and debit cards in general, and thus very low utilization in other US transit locations.
2. Benefits are expected to be for primarily higher income, banked customers who are less price sensitive.
3. Most customers want to pay with mobile. Deferring open payments implementation prioritizes mobile payment and allows time to evaluate usage of the Clipper mobile app.
4. Ensures transit agency staff, Clipper staff, technical advisors, and Cubic resources stay focused on account-based system delivery and maintain current schedule.

5. Implementation will involve significant infrastructure changes to ensure secure communication.
6. Additional funding has not yet been identified for open payment implementation.

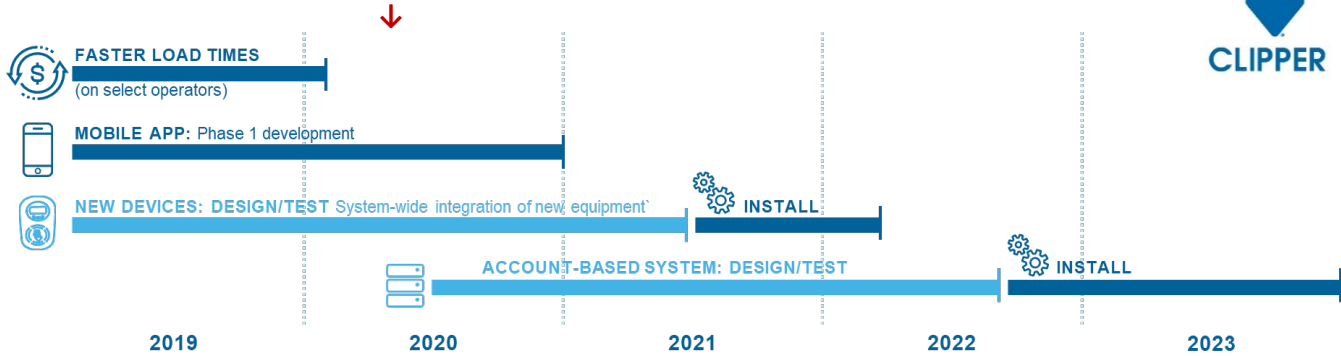
Additional costs for transit operators such as BART that may need to upgrade their faregate reader infrastructure and harden their network for PCI compliance are not fully known at this time, but are expected to have significant schedule and budget impacts.

Unless directed otherwise by this Board, Clipper staff will continue with the current strategy of focusing on mobile app and account-based system delivery. We will develop answers to potential questions from Board members and the public about this approach. We will bring to the Board a recommendation including details on proposed timing, cost, and impact of implementing open payments once the account-based design is completed.

Attachments: **Attachment A:** Next Generation Clipper Program Executive Summary Status Report


Carol Kuester

Next-Generation Clipper Program Executive Summary Status Report – April 13, 2020



Summary

- Because the March 23 CEB meeting was canceled, this report covers all activities since February 24.
- Review Cycle 3 for Accelerated Deployment design documents nearly complete. Review Cycle 4 ongoing.
- Initial implementation of Faster Load Times complete, including midnight order cut-off time and twice-daily actionlist distribution. Monitoring to determine start date for additional daily actionlist distributions.
- Mobile App test plans/procedures under review.
- Technical discussions continue with operators, including BART network design and CAD/AVL integration planning.

Recently Completed Activities

	MTC/IBI	Cubic	Operators	Date
• Review Cycle 3 documents:				
o Comments on 2 nd submission sent to Cubic	•		•	Mar 4
o Review meeting with Cubic	•	•		Mar 17
o 3 rd submission received from Cubic		•		Mar 23
• Review Cycle 4 documents:				
o Initial submittal received from Cubic		•		Mar 12
o Review meetings with Cubic	•	•	•	Apr 1
o Comments sent to Cubic	•		•	Apr 15
• Faster Load Times:				
o Order cut-off time for 3am actionlist distribution changed to 12am		•		Mar 11
o Twice-daily actionlist distribution begins		•		Apr 2
• Mobile App Test Plans:				
o Initial submittal received from Cubic		•		Apr 1

Upcoming Activities/Deliverables

	MTC/IBI	Cubic	Operators	Date
• Review Cycle 3 documents:				
○ Approval by MTC	•			TBD
• Review Cycle 4 documents:				
○ 2 nd submission expected from Cubic		•		Apr 29
○ Comments on 2 nd submission due to Cubic	•		•	May 13
○ Approval by MTC	•			TBD
• Faster Load Times:				
○ System Integration Test Report to be submitted by Cubic		•		TBD
○ Add third daily actionlist distribution		•		TBD
• Mobile App Test Plans:				
○ Comments due to Cubic	•		•	Apr 22
• Technical meetings with operators:				
○ BART	•	•	•	Apr 15
○ SFMTA	•	•	•	Apr 16
• Clipper Executive Board Meeting	•		•	May 11