

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 10/14/2020

Staff Report No. 20-385

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Next Generation Clipper (C2) Program

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider receiving a status update on the Next Generation Clipper (C2) Program.

STRATEGIC IMPORTANCE:

Goal - Convenient and Reliable Service
Initiative - Infrastructure Modernization

The Next Generation Clipper Program will enable AC Transit riders to conveniently pay fares utilizing a mobile app. Additionally, the existing fare collection infrastructure supporting the Clipper Program, both on the platform and inside the bus, will be modernized and upgraded to a scalable, secure and faster platform.

BUDGETARY/FISCAL IMPACT:

This report is for informational purposes only; therefore, there is no budgetary or fiscal impact.

BACKGROUND/RATIONALE:

This Staff Report provides an update on key developments associated with the implementation of the Next Generation Clipper System Integrator project. The Metropolitan Transportation Commission (MTC) in conjunction with the regional Transit Operators, including AC Transit, have been engaged with Cubic Transportation Systems, Inc. in moving the overall project forward.

The Next Generation Clipper Program executive summary highlights three aspects:

- **Mobile app:** Based on the Clipper C1 platform, the mobile app has been delayed. Based on earlier projections, the mobile app with a Virtual Card was scheduled to be available by the end of 2020. The app is set to begin testing by transit operators at the end of 2020. A pilot program for the mobile app is to follow completion of operator testing and is anticipated to go through early 2021. Public release of the mobile app will follow completion of the pilot program. The mobile app will incorporate mobile wallets like Apple Pay and Google Pay.
- **New Device Integration:** AC Transit is on schedule to meet the target dates outlined in the executive summary.

- Simulator software - Cubic will provide by January 2021
- Cubic test device (validator) - will be provided by February 2021
- Clever Devices development and testing is scheduled to begin in July 2021, with a 3-month duration
- Pilot (July-September 2021) - field testing of Clipper equipment install and software, including onboard integration
- The transition to an account-based system is still in the planning stages and is anticipated to be completed mid to late 2023.

The Clipper Customer Service center is on target for completion. A Request for Proposals was finalized in June and released in August. Submissions are due in October and evaluations will continue until January 2021. The RFP includes a physical space and a third party that will handle services. This is similar to the Clipper Customer Service Centers located at the Ferry Building and Embarcadero.

In addition, the Self-Service Terminals were removed from the scope of work for Cubic. It was discussed and unanimously decided by all the transit operators that the terminals were too limited in functionality relative to the cost to procure and integrate.

An Open Payment program allows riders to pay using contactless credit cards or mobile wallets. MTC has recommended that transit operators evaluate the upcoming mobile app for fare payment before requesting a separate Open Payment platform. Participants in the staff liaison meetings expressed concern that the Open Payment implementation would serve a narrow community of riders. It would not work for families or groups, nor would it handle discounted fare products. The primary beneficiaries would be individual tourists and individuals without Clipper cards who have contactless credit cards or mobile wallets.

Open Payment is unfunded and not in the approved Clipper budget and adding Open Payment would introduce added cost and risk to the project. However, Open Payment has been implemented in several metro areas. MTC is talking to different payment brands and researching peer and industry trends as staff continues to evaluate the value and viability of an Open Payment solution.

ADVANTAGES/DISADVANTAGES:

This report appraises the Board about the on-going Next Generation Clipper Project activities. There is no disadvantage in receiving the report.

ALTERNATIVES ANALYSIS:

This report does not recommend an action; therefore, no alternative analysis is presented.

PRIOR RELEVANT BOARD ACTION/POLICIES:

None

ATTACHMENTS:

None

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