

Metropolitan Transportation Commission
Regional Network Management Committee

December 8, 2023

Agenda Item 2c

Clipper® Contract Change Order – Price Adjustment for Fiscal Years 2021-2022 to 2023-2024: Cubic Transportation Systems, Inc. (Cubic) (\$900,000)

Subject:

Request for approval of a Change Order for Contract Price Schedules for Fiscal Year (FY) 2021-2022, FY 2022-2023, and FY 2023-2024, and a Revised Clipper Contract Price Adjustment Methodology.

Background:

The current Clipper Contract (Contract) requires annual adjustment of specified Contract prices based on industry specific labor and materials indices published by the Bureau of Labor Statistics (BLS) because of the Contract's multi-year time span. According to the terms of the Contract, a Provisional Price schedule is implemented with an across-the-board 3% increase at the beginning of each fiscal year; when the indices are published mid-fiscal year, a reconciliation is calculated and resolved via Contract Change Order. The Change Order recommended for Committee approval applies the above contractual methodology to adjust prices in the Contract for Fiscal Years 2021-2022 and FY 2022-2023.

The recommended Change Order also establishes new contract language for use in FY 2023-2024 and beyond to allow MTC and Cubic to agree on a Provisional Price Adjustment increase using a blended rate other than the 3% previously dictated. MTC and Cubic have mutually agreed to set Provisional Prices based on BLS indices available at the time of the first invoice in a given Fiscal Year, and invoices submitted in FY 2023-2024 apply this methodology for the current Provisional Price schedule. Though some indices for recent months are preliminary at that time, historically, subsequent revisions have been small, and therefore the resulting Provisional Price schedule should be very close to the final Revised Price schedule when it is set mid-fiscal year using the final published BLS indices. This approach is expected to result in only nominal, if any, Capital and Operating adjustments in future years and avoid future dollar adjustment Change Orders such as this one now being brought to this Committee.

The following table summarizes the capital and operating adjustment for each fiscal year:

Fiscal Year	Capital % adjustment	Capital \$ adjustment	Operating % adjustment	Operating \$ adjustment
FY 2021/2022	0.0%	\$0.00	-0.3%	(\$56,228.59)
FY 2022/2023	2.4%	\$156,355.27	2.8%	\$724,425.67
FY 2023/2024	TBD	\$43,644.73	TBD	\$31,802.92
TOTAL	N/A	\$200,000	N/A	\$700,000

Per the Clipper Amended and Restated Memorandum of Understanding with the participating Operators, MTC will distribute the Operators' share of the operating cost adjustment.

The Clipper Executive Board approved the proposed Contract Change Order at its November 27, 2023 meeting. Cubic is neither a small business nor a disadvantaged business enterprise.

Issues:

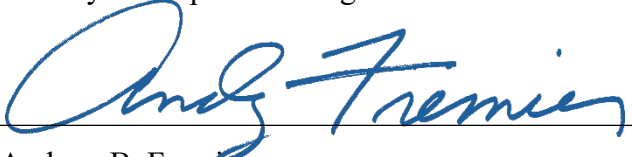
None identified.

Recommendation:

Staff recommends the Regional Network Management Committee authorize the Executive Director or designee to negotiate and enter into a Contract Change Order with Cubic Transportation Systems, Inc. in an amount not to exceed \$900,000 for the price schedule adjustment described above.

Attachments:

- Request for Committee Approval – Summary of Proposed Change Order



Andrew B. Fremier

Request for Committee Approval

Summary of Proposed Contract Change Order

Work Item No.:	320-1221; 310-2700
Consultant:	Cubic Transportation Systems, Inc. San Diego, California
Work Project Title:	Final FY 2021-2022-FY 2023-2024 Price Schedule for Clipper Contract
Purpose of Project:	Adopt a price-adjusted Clipper Contract Price Schedule for FY 2021-2022-FY 2023-2024 in accordance with the terms and conditions of the Clipper Contract
Brief Scope of Work:	Finalize Clipper Contract Price Schedules for FY 2021-2022 and FY 2023-2024, including \$156,355.27 in additional capital costs and \$688,197.08 in additional operating costs for MTC and the participating transit operators, and an estimated Price Schedule for FY 2023-2024, including \$43,644.73 in additional capital costs and \$31,802.92 in additional operating costs for MTC and the participating transit operators
Project Cost Not to Exceed:	\$900,000 (this Change Order) Total contract value before this Change Order = \$187,391,808 Total contract amount with this Change Order = \$188,291,808
Funding Source:	Clipper Card Fee Revenue, RM 2 Operating, STA Allocation, RM 2 Marketing and Transit Operator Funds
Fiscal Impact:	Funds available in the FY 2023-24 MTC agency budget
Motion by Committee:	That the Executive Director or designee is authorized to negotiate and enter into a Contract Change Order with Cubic Transportation Systems for the purposes described above and in the Regional Network Management Committee Summary Sheet dated December 8, 2023, and that the Chief Financial Officer is authorized to set aside \$900,000 for such Change Order.

Regional Network

Management Committee:

David Rabbitt, Chair

Approved:

December 8, 2023