

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 220906-079

WHEREAS, The Clipper® regional fare payment system, originally named “TransLink,” was implemented in 2002 by the Metropolitan Transportation Commission (MTC); currently 24 transit agencies participate in the Clipper® program; and

WHEREAS, On December 12, 2003, MTC and six Bay Area transit operators entered into an interagency participation agreement (IPA) to create a forum for joint agency decision-making to work towards the successful implementation of the TransLink® automated fare payment system; and

WHEREAS, The IPA was superseded and replaced by a Memorandum of Understanding Regarding Operations and Maintenance of Clipper® Fare Collection System dated November 10, 2011, by and among MTC and, initially, seven of the operators (the 2011 MOU); The 2011 MOU delineated, among other things, MTC's responsibilities, including as contracting agency, the transit operators' responsibilities, a consultation process for amending the Clipper Operating Rules, allocation of operating expenses among the transit operators and MTC, and a dispute resolution process; and

WHEREAS, In 2016, the parties amended and restated the 2011 MOU to clarify their respective roles and responsibilities, define roles and responsibilities for a newly defined "Contracting Agency," establish a "Clipper Executive Board," and establish a Clipper Executive Director (2016 MOU); this 2016 MOU was amended in 2017 and 2019; and

WHEREAS, In September 2018, MTC entered into a contract with Cubic Transportation Systems, Inc. (Cubic) to design, implement, operate, and maintain the Next Generation Clipper® System; and

WHEREAS, MTC and the transit agencies wish to replace the 2016 MOU with a 2022 MOU, which outlines the responsibilities of the transit agencies and MTC, the Clipper® Executive Board, and the Clipper® Executive Director in support of the program, and establishes the agreement between MTC and the transit agencies for the allocation of Clipper® costs between MTC and the transit agencies; and

WHEREAS, The Cubic contract includes a flat fee operation and maintenance structure, replacing the current combination structure of variable transaction-based and flat fees; and

WHEREAS, MTC has committed to funding 50% of the operating and 100% of mobile card fee costs; and

WHEREAS, Credit card fees will be allocated based on the percentage of revenue processed by a transit agency, and remaining fees will be allocated based on the percentage of total trips using the Clipper® system by customers of the agency; and

WHEREAS, The SFMTA's share of these costs is estimated at 35%, with an average annual cost of approximately \$7.6 million over the 10 years of this MOU; and

WHEREAS, On June 22, 2022, the SFMTA, under authority delegated by the Planning Department, determined that the Next Generation Clipper® System Memorandum of Understanding is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; and

WHEREAS, The Next Generation Clipper® System will greatly improve the customer experience and flexibility for operators, including implementation of virtual Clipper® cards, an increased retail network for in-person cash transactions, real-time loading of fares purchased online, new fare products, and the ability to use credit cards to pay fares on vehicles; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to execute the Next Generation Clipper® System Memorandum of Understanding with the Metropolitan Transportation Commission and participating Bay Area transit operators, including the allocation of operating and maintenance costs; and be it further

RESOLVED, That the SFMTA Board of Directors directs the Director of Transportation to forward the Memorandum of Understanding to the Board of Supervisors for its approval.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of September 6, 2022.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency