

To: Board of Directors

Date: May 13, 2026

From: Andrew M. Smith, Director of Planning & Marketing

Reviewed by: *Ref*

SUBJECT: Clipper BayPass Amendment No. 2

Background:

In 2021, the Metropolitan Transportation Commission's (MTC) Fare Integration Task Force adopted the Fare Policy Vision Statement directing staff to pilot a regional institutional pass product. In 2022, the first phase of the Clipper BayPass pilot was launched as a pilot to assess the impacts of an unlimited-use product at four higher education institutions – the University of California, Berkeley (UC Berkeley), San Francisco State University (SFSU), San Jose State University (SJSU), and Santa Rosa Junior College (SRJC) – and at 12 MidPen Housing affordable housing properties. In 2024, a second phase was launched, expanding the program's capacity limits, allowing the participation of the San Francisco International Airport (SFO), and allowing the sale of limited-duration passes to organizers of up to 10 special events (conventions, sporting events, etc.).

Amendment:

MTC has proposed a second amendment to the existing Clipper BayPass agreement (Attachment 1) that extends the end date for Phase 2 of the pilot from 2027 to 2030 and includes a few other minor edits that are inconsequential to County Connection. There is, however, one additional provision of note regarding the fare reimbursements.

The Clipper BayPass program has thus far been entirely funded by MTC, with the fares for rides taken by Clipper BayPass holders reimbursed by MTC at the adult Clipper card rate (\$2.00/passenger in the case of County Connection). The amendment reduces the reimbursement rate for Clipper BayPass holders that would otherwise qualify for the Clipper START program (an income-based program that provides 50%-off single-ride discounts). The Clipper START program is also funded by MTC, with reimbursements paid to the transit operators commensurate with the reduced fare (\$1.00/passenger in the case of County Connection), however the amendment does not provide an equivalent reimbursement for rides taken by these reduced-fare Clipper BayPass holders. County Connection staff informed MTC staff that we could not agree to any unreimbursed fare discounts, and the amendment was modified to exclude County Connection from that portion of the Clipper BayPass program (see Article III (A) at the top of page 3 of the amendment).

Financial Implications:

There will be no fiscal impact to County Connection. Funds collected from participating employers will be distributed to transit operators based on ridership and lost fare revenue. If the pass is overutilized

and foregone revenue exceeds what is paid by participants, MTC has set aside \$5 million in State Transit Assistance (STA) Regional Program funds to fund the extension and to address the existing budget gap.

Recommendation:

The Administration and Finance Committee and staff recommend the Board authorize the General Manager to execute the second amendment to the Clipper BayPass Program agreement with MTC.

Action Requested:

The Administration and Finance Committee and staff request that the Board of Directors adopt Resolution 2026-26 authorizing the General Manager to execute Amendment No. 2 to the Clipper BayPass Pilot Program Participation Agreement.

Attachments:

Attachment 1: Amendment No. 02 to Clipper® Bay Pass Pilot Program Participation Agreement

Attachment 2: Resolution No. 2026-26

**AMENDMENT NO. 02 TO CLIPPER® BAY PASS PILOT PROGRAM
PARTICIPATION AGREEMENT**

THIS AMENDMENT, effective as of July 1, 2026 is Amendment No. 02 to the Clipper® BayPass Pilot Program Participation Agreement, dated November 1, 2023, as amended on August 15, 2024 (collectively, “Agreement”).

WHEREAS, The Clipper BayPass Pilot Program (“Pilot”) was first launched in 2022 by the Metropolitan Transportation Commission (“MTC”) and the participating transit operators (“Operators”) as defined in Clipper® BayPass Pilot Program Participation Agreement. MTC and the Operators are referred to herein collectively as the “Parties” or individually as a “Party;” and

WHEREAS, Phase 1 of the Pilot commenced in August 2022 and Phase 2 of the Pilot commenced in January 2024; and

WHEREAS, Amendment No. 1 of the Clipper BayPass Pilot Program Participation Agreement extended Phase 2 of the Pilot through June 30, 2027.

WHEREAS, After Amendment No 1. to the Agreement, the Parties determined that several additional changes to the Agreement were necessary in order to allow the Pilot program to maximize opportunities to sell the Clipper BayPass Pilot product to institutional customers in the San Francisco Bay Area; and

NOW, THEREFORE, the Parties agree to modify the subject Agreement as indicated below. Where modifications have been made, added text is indicated in italics, deleted text is indicated in strikethrough format.

1. The eighth recital is updated to allow an “up to three-year” basis for contract duration to reduce administrative burden associated with annual contracts where applicable.

WHEREAS, Phase 2 of the Clipper BayPass Pilot Program will offer the Clipper BayPass product for sale to up to 10 employers and/or institutions in the Bay Area with a combined total of up to 20,000 individuals, unless these cap amounts are adjusted by a vote of the Fare Integration Task Force or its designated successor body. Each employer/institutional customer of Phase 2, with the exception of Preexisting Institutional Pass Product customers, will enter into a ~~one-year~~ contract with MTC which will set forth the financial terms of the purchase of the Clipper BayPass product. Contracts will be subject to renewal on ~~an annual basis~~ *up to a three-year basis*, with financial terms subject to change. Preexisting Institutional Pass Product customers will maintain their existing contractual relationship with the Operator offering their Preexisting Institutional Pass Product with a separate additional contract with MTC for Phase 2 of the Clipper BayPass Pilot unless the Operator, MTC, and customer mutually agree to another contracting arrangement; and

2. The ninth recital is updated to extend the duration of the Clipper BayPass Phase 2 Pilot to continue to allow for continued discussion amongst the Parties regarding programmatic structure:

WHEREAS, Phase 2 of the Clipper BayPass Pilot Program will begin on December 1, 2023 and continue to no later than ~~June 30, 2027~~ *December 31, 2030*.

3. An additional recital is added to factor existing Clipper discounts into reimbursements to Operators for trips made on Clipper BayPass.

WHEREAS, there are Clipper discounts for youth, seniors, individuals with qualifying disabilities (RTC) and individuals with qualifying incomes (START). These discounts will be applied to reimbursements paid to Operators for trips made on Clipper BayPass consistent with the terms set forth in Article III, part A.

4. An additional recital is added to clarify the work that MTC and Clipper BayPass project staff have done and continue to do to support program implementation.

WHEREAS, MTC and Clipper BayPass project staff have and will continue to support program implementation and administration. Their work includes outreach and sales, contract review and routing, Clipper institutional portal training for partner organizations, partner billing, partner headcount reporting, biannual partner surveys and survey analysis, ridership data reporting and analysis, contract renegotiation, and Operator reimbursement calculation and administration.

5. An additional recital is added to clarify that the Regional Network Management Council is the designated successor body to the Fare Integration Task Force.

WHEREAS, The Regional Network Management Council is the designated successor body to the Fare Integration Task Force, which was sunsetted in April 2025.

6. An additional recital is added to clarify any supplemental agreements between MTC and Operators with Preexisting Institutional Pass Products.

WHEREAS, MTC and Clipper BayPass project staff recognize that there may be supplemental agreements between MTC and Operators with Preexisting Institutional Pass Products. Any supplemental agreement would be signed by MTC and the affected Operator. MTC will provide a copy of each supplemental agreement to all parties to the Participation Agreement once executed.

7. Article I (B), Operator Responsibilities, is updated clarify the term of the Clipper BayPass Phase 2 Pilot:

B. Participate in the Clipper BayPass pilot program for the entirety of the Phase 2 Pilot lasting from the Effective Date until no later than ~~June 30, 2027~~ *December 31, 2030*.

8. Article II (B), MTC Responsibilities, is updated clarify the term of the Clipper BayPass Phase 2 Pilot:

B. Participate in the Clipper BayPass pilot program for the entirety of the Phase 2 Pilot lasting from the Effective Date until no later than ~~June 30, 2027~~ *December 31, 2030*.

9. Article V, Term, is updated to clarify the term of the Clipper BayPass Phase 2 Pilot:

The term of the Agreement shall begin upon the Effective Date and continue until ~~June 30, 2027~~ *December 31, 2030*, unless terminated by written agreement of the Parties.

10. Article III (A), Program Revenues is updated to incorporate existing Clipper discount programs into reimbursements to Operators for trips made on Clipper BayPass.

A. Any Phase 2 revenue generated by the sales of Clipper BayPass to an employer/ institutional customer that was not a customer of an Operator's Preexisting Institutional Pass Product on either January 1, 2020 or on the Effective Date shall be allocated by MTC amongst the Parties based on actual passenger usage of the Clipper BayPass Phase 2 product at a rate equal to a regular Adult Clipper fare for each trip taken: *except when the employer / institutional customer provides reasonable substantiation to MTC for the share of its eligible employees / members who qualify for a Clipper discount program on the Operators listed in Article III part A.1. Because applying discounts in this manner will introduce additional administrative complexity, MTC will offer the opportunity for employers / institutional customers to apply Clipper discounts on a limited basis in accordance with Clipper BayPass project staff administrative capacity.*

In cases where Clipper discounts are applied, reimbursements to Operators listed in Article III part A.1 will be discounted on a pro-rata basis according to the share of eligible employees / members who qualify for a Clipper discount program. Employers must provide reasonable substantiation for the shares of their employees that qualify for all Clipper discount programs other than Clipper START. Non-employers must provide reasonable substantiation for the shares of their population that qualify for all Clipper discount programs.

A.1 Operators who have opted to participate in applying Clipper discounts to their reimbursements for trips made on BayPass are:

1. Alameda-Contra Costa Transit District; Golden Gate Bridge, Highway and Transportation District; San Francisco Bay Area Rapid Transit District; City and County of San Francisco Municipal Transportation Agency; San Mateo County Transit District; Santa Clara Valley Transportation Authority; Peninsula Corridor Joint Powers Board; City of Fairfield (FAST); City of Petaluma; Eastern Contra Costa Transit Authority; Livermore/Amador Valley Transit Authority; Marin County Transit District; Napa Valley Transportation Authority; Solano County Transit; City of Santa Rosa; Sonoma-Marin Area Rail Transit District; City of Vacaville (Vacaville City Coach); Western Contra Costa Transit Authority; San Francisco Bay Area Water Emergency Transportation Authority; Sonoma County Transit; City of Union City.

11. Article III (C), Program Revenues is updated to decouple the requirement that program revenues exceed the amount necessary to reimburse Operators from MTC's ability to receive reimbursement for operation and management of the Clipper BayPass Pilot program.

C. Should the Phase 2 revenue be in excess of the amount needed to reimburse Operators under the terms described in Article III, subsections A and B, these additional revenues ~~up to a limit of \$1,000,000 or whatever costs were incurred by MTC to establish the Phase 2 program,~~

~~whichever is less, shall be available to reimburse MTC for the operation and management of the Clipper BayPass Pilot program subject to the approval of the Fare Integration Task Force or any designated successor body. All additional excess revenues, beyond the limit described above, will be allocated to Operators based on each Operator's share of overall Phase 2 ridership.~~

12. Article III (G) is added to formalize a process for MTC to receive reimbursement for operation and management of the Clipper BayPass Pilot program.

G. On an annual basis, MTC and Clipper BayPass project staff shall propose, for approval by the Regional Network Management Council or any designated successor body, an annual Clipper BayPass administration budget to be drawn from Clipper BayPass program revenues. The cost of Clipper BayPass annual administration shall be included in the price of BayPass as an increment above the estimated cost of reimbursing Operators for trips taken on BayPass. MTC and Clipper BayPass project staff will endeavor to maintain high standards of program administration efficiency and efficacy, which will be reflected in their proposed program administration budget.

11. Article III (F) is updated to remove the supplemental contract requirement, allow for greater flexibility in contract design (i.e., updated language does not prohibit a pass-through contract) and clarify that the option to enter into the contract is at the discretion of the Operator that holds the pass to which the BayPass is being added (i.e., if the BayPass is being added to an existing AC Transit EasyPass, AC Transit decides whether they want to enter into a passthrough contract or keep separate contracts and so forth).

F. Should any existing employer/institutional customer of one of the Operators' Preexisting Institutional Pass Products express an interest in purchasing the Clipper BayPass product, the Clipper BayPass will only be offered to the existing employer/institutional customer as an upgrade to their Preexisting Institutional Pass Product. ~~MTC will manage a supplemental contract for the BayPass upgrade, and~~ The Parties will strive to align operational processes between the Clipper BayPass and the Preexisting Institutional Pass programs. *The decision to offer the employer/institutional customer a combined contract or maintain separate contracts is at the discretion of the Operator that holds the Preexisting Institutional Pass agreement.*

SIGNATURES ON SUBSEQUENT PAGES

IN WITNESS WHEREOF, this Amendment has been executed by the parties hereto as of the Effective Date written above.

Metropolitan Transportation Commission

Approved as to form:
Kathleen Kane, General Counsel

Name: Andrew B. Fremier
Title: Executive Director

Matthew Lavrinets, Deputy General Counsel

Date: _____

Alameda-Contra Costa Transit District

Approved as to form:

Name: Salvador Llamas

Title: General Manager

Date: _____

Aimee Steele, General Counsel / Chief
Legal Officer

**Golden Gate Bridge, Highway and
Transportation District**

Approved as to form:

Name: Denis J. Mulligan
Title: General Manager

Kimon Manolius, General Counsel

Date: _____

San Francisco Bay Area Rapid Transit District Approved as to form:

Name: Robert M. Powers
Title: General Manager

Jeana Zelan, General Counsel

Date: _____

**City and County of San Francisco
Municipal Transportation Agency**

Approved as to form:
David Chiu, City Attorney

Name: Julie Kirschbaum
Title: Director of Transportation

Annie Smiddy, Deputy City Attorney

Date: _____

San Mateo County Transit District

Approved as to form:

Name: April Chan

Title: General Manager/CEO

Date: _____

Joan L. Cassman, General Counsel

Santa Clara Valley Transportation Authority

Approved as to form:
Evelynn Tran, General Counsel

Name: Carolyn Gonot
Title: General Manager/Chief Executive Officer

Yue-han Chow, Senior Assistant Counsel

Date: _____

Peninsula Corridor Joint Powers Board

Approved as to form:

Name: Michelle Bouchard

Title: Executive Director

Date: _____

James Harrison, General Counsel

Central Contra Costa Transit Authority

Approved as to form:

Name: William Churchill

Title: General Manager

Date: _____

Julie Sherman, General Counsel

City of Fairfield
FAST

Approved as to form:

Name: David Gassaway
Title: City Manager

David Lim, City Attorney

Date: _____

City of Petaluma

Approved as to form:

Name: Peggy Flynn
Title: City Manager

Eric W. Danly, City Attorney

Date: _____

Eastern Contra Costa Transit Authority

Approved as to form:

Name: Rashidi Barnes
Title: Chief Executive Officer

Eli Flushman, General Counsel

Date: _____

Livermore/Amador Valley Transit Authority

Approved as to form:

Name: Christy Wegener
Title: Executive Director

Michael N. Conneran, General Counsel

Date: _____

Marin County Transit District

Approved as to form:

Name: Robert Betts

Title: General Manager

Date: _____

Kerry Gerchow, County Counsel

Napa Valley Transportation Authority

Approved as to form:

Name: Danielle Schmitz
Title: Executive Director

Osman Mufti, General Counsel

Date: _____

Solano County Transit

Approved as to form:

Name: Beth Kranda
Title: Executive Director

Bernadette Shilts Curry, County Counsel

Date: _____

City of Santa Rosa

Approved as to form:

Name: Lori Ann Farrell
Title: Interim City Manager

Samantha W. Zutler, Interim City Attorney

Date: _____

Sonoma-Marín Area Rail Transit District

Approved as to form:

Name: Eddy Cumins

Title: General Manager

Date: _____

Jessica Sutherland, General Counsel

City of Vacaville
Vacaville City Coach

Approved as to form:

Name: Brian Oxley
Title: Director of Public Works

Andria Borba, City Attorney

Date: _____

Western Contra Costa Transit Authority

Approved as to form:

Name: Robert Thompson

Title: General Manager

Date: _____

Michael N. Conneran, General Counsel

**San Francisco Bay Area Water Emergency
Transportation Authority**

Approved as to form:

Name: Seamus Murphy
Title: Executive Director

Steve Miller, General Counsel

Date: _____

Sonoma County Transit

Approved as to form:

Name: Emily Betts

Title: Transit Systems Manager

Date: _____

Jeremy Fonseca, General Counsel

City of Union City

Approved as to form:

Name: Joan Malloy
Title: City Manager

Kristopher J. Kokotaylo, City Attorney

Date: _____

RESOLUTION NO. 2026-26

**BOARD OF DIRECTORS
CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATE OF CALIFORNIA**

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**AUTHORIZING THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 2 TO
CLIPPER BAYPASS PILOT PROGRAM PARTICIPATION AGREEMENT**

WHEREAS, the County of Contra Costa and the Cities of Clayton, Concord, the Town of Danville, Lafayette, Martinez, the Town of Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek ("Member Jurisdictions") have formed the Central Contra Costa Transit Authority ("CCCTA"), a joint exercise of powers agency created under California Government Code Section 6500 et seq., for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions and certain unincorporated portions of Contra Costa County;

WHEREAS, the Metropolitan Transportation Commission ("MTC") is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 et seq.;

WHEREAS, in August 2022, MTC launched Phase 1 of the Clipper BayPass Pilot Program ("Program") to evaluate the degree to which an institutional/employer transit pass covering all operators in the nine-county region may increase transit ridership and better meet the needs of users and institutions, as compared to single-agency passes;

WHEREAS, in January 2024, MTC launched Phase 2 of the Program, which expanded the Program to include employers in transit-concentrated locations, such as downtown San Francisco, Oakland, and San Jose, to allow the participation of the San Francisco International Airport, and to allow the sale of limited-duration passes for special events such as conventions, sporting events and festivals;

WHEREAS, in August 2024, MTC and CCCTA executed the first amendment to the Clipper BayPass Pilot Program Participation Agreement to extend Phase 1 of the Program for an additional year and update the scope of Phase 2 of the Program;

WHEREAS, MTC desires to amend the Clipper BayPass Pilot Program Participation Agreement to extend the end date for Phase 2 of the Program from 2027 to 2030, allow multi-year institutional contracts, clarify governance and administrative cost recovery, and provide additional flexibility for participation by institutional customers and operators;

WHEREAS, executing the second amendment will not result in a fiscal impact to CCCTA because funds collected from participating institutions and employers will be distributed to transit operators based on ridership and lost fare revenue, and MTC has set aside \$5 million in funds to address any budget gaps; and

WHEREAS, staff recommends and the Administration and Finance Committee concurs that the Board of Directors authorize the General Manager or designee to execute Amendment No. 2 to the Clipper BayPass Pilot Program Participation Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Central Contra Costa Transit Authority authorizes the General Manager or designee to execute Amendment No. 2 to the Clipper BayPass Pilot Program Participation Agreement, in a form approved by legal counsel; and

BE IT FURTHER RESOLVED that the General Manager or designee is authorized to take any other actions necessary to give effect to this resolution.

Regularly passed and adopted this 21st day of May, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Robert Storer, Chair, Board of Directors

ATTEST:

Lathina Hill, Clerk to the Board