Committee Report

Transportation Committee

Committee meeting date: November 9, 2026 **For the Metropolitan Council:** November 18, 2026

Business Item: 2026-193

Fare System Upgrade Consultant - Contract 22P161 Amendment 3

Proposed action

That the Metropolitan Council authorize the Regional Administrator to execute Amendment 3 to the contract 22P161 for $962,787.50 with Clevor Consulting Group for continued technical, strategic, and operational support of the Fare System Upgrade program with a total contract value not to exceed $2,962,987.50.

Summary of Transportation Committee discussion/questions

Metro Transit Fare Modernization Senior Project Manager Tom Randall presented this item. Carter, Tyronne asked if there was projected monetary savings for the agency with the upgrade. Randall stated any monetary savings is hard to quantify but the benefits will be ease of use, simplicity, reliability of the system, enhanced security, and increased payment options; all of which could attract riders to use the system.

Motion by Carter, Toni, seconded by Obisakin. Motion carried, consent to Council.

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Fare System Upgrade Consultant – Contract 22P161 Amendment 3

District(s), member(s): All

Policy/legal reference: FM 14-2 Expenditures for Procurement of Goods, Services, and Real Estate Policy

Staff prepared/presented: Lesley Kandaras, General Manager, 612-349-7513
Alyssa Haugen, Deputy General Manager, Administration 612-349-7502
Robert Casseday, Sr. Manager, Revenue Operations 612-349-7006
Thomas Randall, Sr. Project Manager, Fare Modernization, 612-349-7364

Division/department: Metro Transit/Admin & External Affairs

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Background

Clevor Consulting Group (CCG) was competitively selected in 2023 to provide specialized technical and operational expertise necessary for supporting the Council in the design, development, and implementation of the next-generation transit fare collection system. Their agreement runs through June 2029 and is task-based, with the project team directing their efforts as needed.

Metro Transit is modernizing its nearly 20-year-old fare collection system to improve reliability, security, and customer convenience. Early in implementation, the project experienced a significant, unplanned scope change: shifting from an onsite, internally hosted solution to a cloud-based system hosted and managed by Cubic Transportation Systems. This transition required extensive redesign of system architecture, new technical requirements, and a new work plan.

The shift to a cloud-based, vendor-hosted system required substantial unplanned additional effort from CCG, resulting in accelerated use of their budgeted funding. They conducted the technical analysis, built the business case, revised system specifications, and restructured program workstreams to ensure the cloud solution would meet Metro Transit's project delivery and long-term operational needs. These activities significantly exceeded the original expectations for CCG's scope, early project time commitment, and budget.

The project schedule has been adjusted by Cubic, requiring longer than originally anticipated duration and intensity of CCG's required involvement to support system design, testing, integration, and testing activities.

As a result, additional funding is needed to maintain CCG's support throughout the extended project timeline. Without CCG's continued engagement, Metro Transit would face heightened technical, operational, and schedule risks during the remaining phases of implementation. Continued involvement from CCG ensures continuity of expert guidance, mitigates vendor-related delays, and supports a successful rollout of the next-generation fare system.

Clevor's expertise is essential to manage the complexity of the fare collection system upgrade, reduce project risk, and ensure the new fare system is delivered successfully for customers.

Rationale

The amendment of a professional services contract exceeding 10% of the original authorized value requires Council Approval.

Thrive lens analysis

On Feb. 12, 2025, the Council adopted Imagine 2050, which builds on policy direction in Thrive MSP 2040. The Transit Fare Modernization Project advances *Thrive MSP 2040* regional outcomes by providing riders with a modern fare collection system that simplifies fare payment and contributes to an increased customer experience with modern technology. Along with simplifying our fares will help reduce barriers and encourage people to ride transit which helps contribute to regional stewardship, prosperity, livability, equity, and sustainability using a data driven approach to measure the effectiveness of the Council's efforts.

Funding

Local funding is fully provided for this amendment as approved in the Q2 Budget Amendment BI2026-78JT.

Small business inclusion

The Office of Civil Rights and Small Business Programs did not establish a Metropolitan Council Underutilized Business goal during the initial solicitation of this project. Therefore, there are no direct impacts to small business contracting with this amendment.