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Memorandum

TO: BATA Oversight Committee

DATE: January 6, 2010

FR: Executive Director

W. I. 1252

RE: I-680 Express Lane Operations:

i) Cooperative Agreement between BATA and Sunol Smart Carpool Lane Joint Powers Authority (JPA) for FasTrak[®] Customer Services for I-680 Express Lanes (EL)

ii) Change Order – FasTrak[®] Regional Customer Service Center (CSC) – I-680 Express Lane Support: ACS State and Local Solutions, Inc. (ACS)

The I-680 Express Lane (I-680 EL), operated by the Sunol Smart Carpool Lane Joint Powers Authority (JPA), is expected to begin operation in Summer 2010. The I-680 EL would allow carpool vehicles to travel at no charge and single occupant vehicles to travel for a fee. The I-680 EL will be the first non-bridge toll facility in the region. As stipulated by the I-680 EL enabling legislation, the toll collection system for the EL will utilize the existing FasTrak[®] Electronic Toll Collection system (ETC). The FasTrak[®] Customer Service Center (CSC) will process transactions and provide account management services for the I-680 EL.

Over the past several months, BATA and JPA staff have developed the scope of services that will need to be provided by the CSC and the provisions for supporting the I-680 EL. A cooperative agreement would need to be executed in order for BATA to enter into a change order with our contractor for the CSC system modifications necessary to support the I-680 EL.

Overview of the Cooperative Agreement

The proposed Cooperative Agreement between BATA and the JPA specifies the CSC services and how BATA would be compensated for providing these services. Key provisions of the agreement include:

- The CSC will process all I-680 EL transactions according to agreed upon protocols.
- The CSC will handle all customer services including tag distribution, account management, customer calls including I-680 EL specific calls, and customer correspondence.
- The JPA will pay for all costs related to the I-680 EL services including lump sum CSC system modifications and start up costs, ongoing monthly transaction processing fee of \$0.21 per EL transaction, its share of banking costs, costs for I-680 EL marketing, and direct costs for BATA staff services. Ongoing costs shall be subject to annual review.

CSC Contract Change Order

A contract change order is proposed for ACS, our CSC contractor, to develop and test the required system software changes for the interface to the I-680 EL system and for ongoing operations. This work specifically includes the following:

- System modifications and testing of transaction processing according to agreed upon file format protocols
- Add staff for responding to specific I-680 EL inquiries and to process fund settlements and update web, interactive voice response, and correspondence to reflect I-680 EL facilities
- Train customer service representatives on I-680 EL operations

ACS expects development and testing work for the system modifications will take 6 months to complete from the execution of the change order. Estimated costs are as follows:

Total Startup Costs	\$ 571,420
• Software development	
• System testing	
FY 2010-11 Additional Operating Cost	\$ 456,120
FY 2011-12 Additional Operating Cost	\$ 456,120
FY 2012-13 Additional Operating Cost	\$ 456,120
Total Cost	\$ 1,939,780

The total start-up costs shown above includes system development and testing and implementation of a marketing program for the I-680 EL. It is expected that a portion of the system development could be applicable to future Express Lane implementations. Therefore, as other lanes come on board, we may need to determine if the JPA should be reimbursed by those future project sponsors for a part of this cost. Additionally, in our last contract extension with ACS, our estimate for the number of accounts did not take into account the implementation of the I-680 EL. Therefore, we have increased the overall estimate of accounts by 25,000, which are reflected in the additional contract operating cost estimates for the period of FY 2010-11 through FY 2012-13.

Recommendation

Staff recommends that the Committee authorize the Executive Director, or his designee, to negotiate and enter into agreements as follows:

- Cooperative Agreement with the Sunol Smart Carpool Lane JPA for the BATA FasTrak[®] CSC to support the I-680 EL, subject to the terms described above.
- Contract change order with ACS for the FasTrak[®] CSC contract to support the I-680 EL in an amount not to exceed \$1,939,780.

Steve Heminger

REQUEST FOR COMMITTEE APPROVAL

Summary of Cooperative Agreement

Work Item No.: 1252

Partner Agency: Sunol Smart Carpool Lane JPA

Work Project Title: Cooperative Agreement between BATA and JPA for FasTrak[®] Customer Services for I-680 EL

Purpose of Agreement: Description of services to be provided by BATA CSC and compensation for these services to support the EL.

Brief Scope of Agreement: BATA will provide CSC services for the I-680 EL including transaction processing, account management, tag distribution, customer services, marketing services and fund settlement in accordance with current policies and standards and according to protocols agreed with the JPA.

JPA will provide staff for handling escalated customer issues, fund reconciliation, managing EL facility, and notifying BATA of incidents and toll fare changes. JPA shall compensate BATA for fixed costs and transaction fees and banking costs subject to annual review.

Motion by Committee: That the Executive Director, or his designee, is authorized to negotiate and enter into a Cooperative Agreement with Sunol Smart Carpool Lane JPA for BATA CSC support services for the I-680 EL.

BATA Oversight Committee:

Bill Dodd, Chair

Approved: Date: January 13, 2010

REQUEST FOR AUTHORITY APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 1252

Contractor: ACS State and Local Solutions
San Francisco, CA

Work Project Title: FasTrak[®] CSC

Purpose of Project: Operate and maintain customer service center

Brief Scope of Work: EL including modify CSC system, process transactions, reconcile funds, manage customer accounts, answer EL calls, update web and IVR, support marketing and promotional offers.

Project Cost Not to Exceed: \$1,939,780 (current contract amount = \$135,318,065).

Funding Source: Sunol Smart Carpool Lane JPA

Fiscal Impact: Annual Toll Bridge Operating Budget.

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a change order to the FasTrak[®] CSC contract with ACS State and Local Solutions to support I-680 EL operations and the Chief Financial Officer is directed to set aside funds up to \$1,939,780 for such change order.

BATA Oversight Committee: _____
Bill Dodd, Chair

Approved: Date: January 13, 2010