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Memorandum

TO: BATA Oversight Committee

DATE: November 3, 2010

FR: Executive Director

W. I. 1253

RE: Change Order – FasTrak[®] Regional Customer Service Center (CSC) – Tag Replacement: ACS State and Local Solutions, Inc. (ACS)

After a competitive selection, BATA entered into a contract with ACS on December 31, 2003 for the management and operation of the CSC. The contract has been extended through June 30, 2013. FasTrak[®] toll tag maintenance and management tasks are included in the scope of work.

In October 2009, the Committee authorized staff to begin a tag replacement program for tags with a manufacture date of 1999. Tags typically have a useful life of 5 to 7 years before they begin to degrade significantly. When they degrade, the tag is not read by the toll system equipment and tolls must be collected through license plate reads, which is a more costly method to collect tolls. Work included in last year's program comprised developing processing rules, updating the Customer Service Center (CSC) system and implementing the replacement. In May 2010, the CSC issued replacements for approximately 2,700 tags.

Based on the initial implementation, staff is requesting approval of a change order with ACS to continue the tag replacement program. Under this change order, ACS will issue tag replacements for tags manufactured during years 2000 to 2004. Since the tag life is 5 to 7 years before they begin to degrade, replacing up to the 2004 tags would bring BATA current on tag replacements. Going forward, each year we would replace tags that are 6 years old.

Based on the initial replacement of 1999 tags, we have found that it is not cost effective to replace tags that have low or no activity or where the tag still is functioning acceptably. Therefore, we are proposing to only replace tags where the account has significant tolls paid by license plate, which is about 20% of issued tags.

ACS' price proposal for replacing tags is \$4.70 per tag plus postage. This cost includes their processing of the tags as well as notification letters sent to customers. The tag replacement change order costs and schedule under this change order are as follows:

| Manufacture Year | Estimated Quantity of Tags to be Replaced | Cost of Replacement | Schedule |
|-------------------------|--|----------------------------|---------------------|
| 2000 | 14,000 | \$ 79,100 | Dec 2010 – Jan 2011 |
| 2001 | 34,000 | \$192,100 | Feb 2011 – Mar 2011 |
| 2002 | 11,000 | \$ 62,150 | Apr 2011 – May 2011 |
| 2003 | 12,000 | \$ 67,800 | Jun 2011 – Jul 2011 |
| 2004 | 25,000 | \$141,250 | Aug 2011 – Sep 2011 |
| Total | 96,000 | \$542,400 | |

Additionally, on a periodic basis, the CSC also examines high license plates reads for customers that have newer tags that do not meet the replacement thresholds described above. The CSC has contacted customers with high plate reads to attempt to determine if the tag is not mounted correctly or the tag is malfunctioning.

Recommendation

Staff recommends that the Committee authorize the Executive Director or his designee to negotiate and enter into a contract change order with ACS for the FasTrak[®] CSC in an amount not to exceed \$542,400 to continue the tag replacement program for tags with manufacture dates of 2000 to 2004.

Steve Heminger

SH:bz

REQUEST FOR AUTHORITY APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 1253

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: Continue tag replacement program for tags with manufacture date of 2000 to 2004

Project Cost Not to Exceed: \$542,400 (current contract amount = \$139,215,798).

Funding Source: BATA Toll Bridge Rehabilitation Program

Fiscal Impact: Project costs are consistent with funds programmed and budgeted in the FY 2010-11 Capital Rehabilitation program

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 continue the tag replacement program and the Chief Financial Officer is directed to set aside funds up to \$542,400 for such change order.

BATA Oversight Committee: _____
Bill Dodd, Chair

Approved: Date: November 10, 2010