



Joseph P. Bort MetroCenter
 101 Eighth Street
 Oakland, CA 94607-4700
 TEL 510.817.5700
 TDD/TTY 510.817.5769
 FAX 510.817.7848
 E-MAIL info@mtc.ca.gov
 WEB www.mtc.ca.gov

Memorandum

TO: BATA Oversight Committee

DATE: February 1, 2012

FR: Executive Director

W. I. 1253

RE: Change Order – FasTrak[®] Regional Customer Service Center (CSC) – All Electronic Toll Collection on Golden Gate Bridge: ACS State and Local Solutions, Inc. (ACS) (\$5,600,856; BATA portion \$477,427)

Based on a competitive selection, BATA entered into a contract with ACS on December 31, 2003 for the management and operation of the FasTrak[®] Regional Customer Service Center (CSC). Under the contract, ACS provides the FasTrak[®] account management system, transaction processing, call center operations, web services, payment processing, customer communications, violation image review and violation noticing. ACS is under contract to operate the CSC until June 30, 2014. Staff is asking for approval of a contract change order with ACS to support the Golden Gate Bridge, Highway and Transportation District's all electronic toll collection project.

Golden Gate Bridge District All Electronic Toll Collection Project

The Golden Gate Bridge District (GGB) studied the feasibility and adopted a framework for All Electronic Toll (AET) collection in July 2011. Under AET all tolls would be collected by automatic and electronic methods and cash collection would be eliminated at the toll plaza. GGB believes this will be more cost effective for its toll bridge operation. To support AET, new payment methods would be introduced in addition to using FasTrak[®] toll tags. GGB would allow customers to open accounts using license plate information only and would collect tolls based on identifying the license plates (License Plate accounts). These customers would be charged at the cash rate, which on GGB is \$1 higher than FasTrak[®] toll tag rates.

If customers do not establish an account before crossing the bridge, GGB would use their license plate to identify the registered vehicle owner and send an invoice each month to collect the toll payment. If the vehicle owner does not pay the invoice by the due date, the unpaid tolls would turn into violations with the associated \$25 penalty. It is anticipated that most accounts would be paid via credit card or check. However, for a small percentage of bridge users who want or need to use cash, a new Cash Payment Network (CPN) would be established. The CPN would be located at various retail outlets (e.g. drugstores, gas stations and other locations) and would allow patrons to pay cash for their invoices or account replenishments. The CPN would be operated by a third party vendor under contract to ACS, which would remit the funds to the agencies.

Project Cost

AET account management and payment processing requires functional changes to the CSC system including the new account types, invoicing processes, the cash payment network and operational support. ACS has submitted a price proposal for this work as shown below. BATA does not have any plans to eliminate cash toll payments on the seven state-owned bridges and would not be offering these new license plate payment account types. However, we believe to reduce confusion, in limited cases where the customer was not aware they could not use these accounts on BATA bridges, we would accept payment through these accounts. We expect the volume of these transactions to be relatively modest and due to this BATA would only share in 20% of the development cost not to exceed \$250,000. BATA costs for processing these license plate based transactions will be at the contract unit price, per transaction.

Item	Price
Software Development, Testing and Initial System Support	\$631,965
Startup Costs (Training, Hardware, Furniture)	\$228,495
Operations Costs for 19 months (see detail below)	\$4,740,396
Total Price	\$5,600,856

The below table shows estimated average monthly transactions for each agency and the share of operations costs for the 19 month period beginning in December 2012 until the end of the ACS contract in June 2014.

Item	Average Monthly Volume	Total Volume for 19 Months	Total Cost for 19 Months
GGB			
Additional Image Review	118,835	2,257,870	\$155,793
License Plate and Invoicing Account Transaction Processing	431,101	8,190,920	\$2,207,363
Postage and other fees			\$2,149,813
GGB Total Operations			\$4,512,969
BATA			
Additional Image Review	19,347	367,608	\$25,365
License Plate Account Transaction Processing	43,048	817,912	\$196,299
Letters to BATA Customers			\$3,356
Postage and other fees			\$2,407
BATA Total Operations			\$227,427
Total Operations			\$4,740,396

Schedule

ACS work will be completed in late 2012, with AET expected to be functional by December 2012. Over the next several months, ACS will complete the design, development and testing. As part of the design, we will define the business rules and operating policies. We expect to bring the proposed business rules and policies to the Commission and to the Golden Gate Bridge Board for approval in Spring 2012.

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Recommendation

Staff recommends that the Committee authorize the Executive Director or his designee to negotiate and enter into a contract change order with ACS in an amount not to exceed \$5,600,856 to support GGB All Electronic Toll collection project. BATA's share of the project would be \$250,000 for development and an estimated \$227,427 for operating costs. GGB's share would be \$5,123,429 for development and operating costs.



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: Support Golden Gate Bridge All Electronic Toll Collection Project

Brief Scope of Work: Design, develop and test system changes to provide new account types and billing, provide operations support, implement a cash payment network

Project Cost Not to Exceed: \$5,600,856 - this change order.
Original contract and change orders 1-33 = \$161,297,454.
New Total maximum contract = \$166,898,310

Funding Source: BATA Capital Budget - \$250,000
BATA Operating Budget - \$227,427
Golden Gate Bridge Highway and Transit District - \$5,123,429

Fiscal Impact: Project costs of \$250,000 are consistent with funds programmed and budgeted in the FY 2011-12 BATA capital budget. Operating funds are subject to FY 2012-13 and FY 2013-14 budgets.

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 for AET project support and the Chief Financial Officer is directed to set aside funds up to \$5,600,856 for such change order, subject to the receipt of \$5,123,429 in funds from the Golden Gate Bridge Highway and Transit District and the approval of future BATA operating budgets.

BATA Oversight Committee:

Bill Dodd, Chair

Approved: Date: February 8, 2012