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Memorandum

TO: BATA Oversight Committee

DATE: January 7, 2015

FR: Deputy Executive Director, Operations

W. I. 1253

RE: Contract Change Order – FasTrak® Regional Customer Service Center Express Lanes Support: Xerox State and Local Solutions, Inc. (\$3,466,500 plus a contingency of \$133,500)

This memorandum requests Committee approval of a contract change order with Xerox State and Local Solutions, Inc. (Xerox) in an amount not to exceed \$3,600,000 to modify and test the FasTrak® Regional Customer Service Center (CSC) back-end systems to support the upcoming expansion of Bay Area Express Lanes.

Background

Based on a competitive selection, BATA entered into a contract with Xerox on March 27, 2013 for management and operation of the FasTrak® CSC. Under the contract, Xerox provides the FasTrak® account management system, transaction processing, call center operations, web services, payment processing, customer communications, violation image review and violation noticing. Xerox is under contract to operate the CSC until November 2019.

Bay Area Express Lanes

The CSC currently supports operations of two Express Lanes: 1) I-680 southbound from Pleasanton to Milpitas and 2) SR-237 between Milpitas and San Jose. The Bay Area Infrastructure Financing Authority (BAIFA — joint powers authority between MTC and BATA — the Alameda County Transportation Commission (ACTC) and the Santa Clara Valley Transportation Authority (VTA) will implement additional Express Lanes in the next several years. ACTC will begin operating Express Lanes on I-580 between Dublin and Livermore in Fall 2015. BAIFA will begin operating Express Lanes on I-680 between Walnut Creek and San Ramon in Summer 2016 as well as on I-880 between Oakland and Milpitas in 2017. When fully implemented in 2035, the Regional Express Lane network will include 550 freeway miles.

All Bay Area Express Lanes will collect tolls from non-HOV vehicles via FasTrak® toll tags and, in addition, these new facilities opening in 2015 will have violation enforcement systems (i.e., license plate cameras akin to those at the bridges) to improve toll collection rates. Since violation enforcement systems rely on all vehicles carrying a toll tag, toll-free vehicles like carpools will need a switchable toll tag to indicate to the toll system the number of occupants in the vehicle in order to travel free. The CSC will be responsible for providing services to support Express Lanes, including issuing the new switchable tags, charging Express Lane trip costs to FasTrak® accounts, and processing violations for Express Lanes users who do not carry a tag.

Under this change order, Xerox will develop a new file exchange to transmit data between the Express Lane systems and the CSC, modify its existing system to process Express Lanes transactions, test the file exchange as each new Express Lanes facility starts up, and upgrade the existing FasTrak® website and phone system to support functions for new Express Lane customers. Xerox’s change order proposal includes the following cost categories:

Item	Cost
System Development and Hardware/Software	\$1,274,476
Testing and Implementation with ACTC	\$484,233
Testing and Implementation with BAIFA	\$522,739
Four Years Ongoing System Maintenance	\$1,185,052
Subtotal	\$3,466,500
Contingency	\$133,500
Total	\$3,600,000

These costs will be funded by BATA out of the Express Lanes Capital Project Budget, and by ACTC for specific ACTC development and testing tasks and for ongoing system maintenance costs proportional to forecasted transaction volumes and new accounts. An agreement is being finalized with ACTC and it has agreed in principal to this cost sharing formula. Under this formula the cost shares for the change order are:

Item	Cost
BAIFA Capital Share (Development and Testing)	\$1,790,971
ACTC Capital Share (Development and Testing)	\$484,233
BAIFA Maintenance Share	\$976,863
ACTC Maintenance Share	\$214,433
Total	\$3,466,500

This change order would authorize and fund changes to the CSC back-end systems, but does not include services to support Express Lanes operations, such as additional customer service representatives required to handle increased calls. Approval of an additional change order for Express Lane operational services will be requested from the Committee in the next quarter. Staff is also estimating the need for customer education efforts to effectively introduce switchable tags to carpoolers and minimize confusion for FasTrak® account holders who use FasTrak® only on bridges.

Recommendation

Staff recommends that the Committee authorize the Executive Director or his designee to negotiate and enter into a contract change order with Xerox in an amount not to exceed \$3,466,500 plus a contingency to be used at the Executive Director’s or his designee’s sole discretion in the amount of \$133,500 to develop, test and maintain the FasTrak® CSC to support Bay Area Express Lanes projects.



 Steve Heminger

REQUEST FOR COMMITTEE APPROVAL
Summary of Proposed Contract Change Order

Work Item No.: 1253

Contractor: Xerox State and Local Solutions, Inc., San Francisco, CA

Work Project Title: FasTrak® Customer Service Center (CSC)

Purpose of Project: System development, testing and maintenance to support Bay Area Express Lanes.

Brief Scope of Work: Xerox State and Local Solutions, Inc. will modify its existing system to process Express Lanes transactions, develop and test a new file exchange to transmit data between the Express Lanes systems and the CSC, and upgrade the existing FasTrak® website and phone system to support new Express Lane customers.

Project Cost Not to Exceed: This Change Order - \$3,466,500 and a contingency of \$133,500 to be used at the Executive Director of designee's sole discretion.
Current contract amount before this Change Order - \$117,620,000
Maximum contract amount after this Change Order - \$121,086,500
And a contingency of \$133,500 to be used at the Executive Director, or designee sole discretion.

Funding Source: BATA Capital program Budget (\$698,666 of which shall be reimbursed by the Alameda County Transportation Commission (ACTC) subject to the execution of a cooperative agreement between BATA and ACTC)

Fiscal Impact: Funds are included in the Express Lanes Capital Project Budget as adopted in the FY 2014-15 Toll Bridge Program and Operating and Capital Budget (BATA Resolution No. 113); Reimbursements from ACTC shall be made in the amount of \$698,666, subject to the execution of a cooperative agreement between BATA and ACTC.

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract change order with Xerox State and Local Solutions, Inc., for services and items as described above and in the Executive Director's Memorandum dated January 7, 2015, and the Chief Financial Officer is directed to set aside funds in the amount of \$3,466,500 for such contract change order and an additional amount of \$133,500 for a contingency.

BATA Oversight Committee: _____
Tom Bates, Vice Chair

Approved: Date: January 14, 2015