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Memorandum

TO: BATA Oversight Committee

DATE: May 6, 2015

FR: Deputy Executive Director, Operations

W. I. 1253

RE: Contract Change Order – FasTrak® Regional Customer Service Center Express Lanes Operations Services: Xerox State and Local Solutions, Inc. (\$4,585,000)

This memorandum requests Committee approval of a contract change order with Xerox State and Local Solutions, Inc. (Xerox) in an amount not to exceed \$4,585,000 to provide FasTrak® Regional Customer Service Center (CSC) operations services to the upcoming expansion of Bay Area Express Lanes for a period of four years.

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.

CSC Operations Performance

Since our last report to this Committee in February, Xerox improved performance so that it met contract performance requirements in March and April. To bring performance in line with the contract requirements, Xerox increased refresher training for service agents, resolved system issues that had led to unanticipated customer calls, and hired more staff. Call volume also returned to normal volumes. As shown in Attachment A, the CSC answered 96% of calls in March and 98% of calls in April within three minutes, which exceeded the contract requirement of 95% of calls answered within three minutes. The average speed of answer has dropped significantly from over nine minutes in November 2014 (at the start of the transition to the new CSC system) to about 20 seconds now. Average talk time has also decreased from about 6 minutes in November to about 5 minutes in April, which is still higher than prior to the transition to the new system.

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) and the Alameda County Transportation Commission (ACTC) 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.

All Bay Area Express Lanes will collect tolls from non-carpool vehicles via FasTrak® toll tags and, in addition, the 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. The CSC will be responsible for providing services to support Express Lanes, including issuing the new switchable tags for declaring vehicle occupancy (required for carpools), charging Express Lane trips to FasTrak® accounts, call

answering, payment processing, remitting collected revenues to the agencies, handling disputes and processing violations for Express Lanes users who do not carry a tag.

In January 2015, this Committee authorized a change order with Xerox for system development and testing work to make modifications and updates to enable processing toll transactions sent from the Express Lanes, including file exchange revisions and processing rules. This work is underway and on target for delivery of ACTC's I-580 Express Lanes in the Fall.

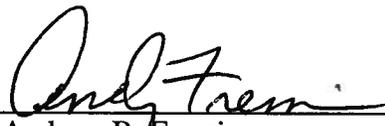
Under this change order, Xerox will provide operations services including additional staffing for I-580 and I-680 start of operations when we expect peak enrollment demand and increased inquiries, call center training, and staff for ongoing operations services for a period of four years until the end of the contract term in November 2019. The ongoing prices are similar to the cost of operations for bridge services with a contingency to compensate for the cost of Express Lane services that are not covered by standard prices. Xerox's change order proposal includes the following cost categories:

Item	Cost
Startup training, equipment and other expenses	\$326,600
Ramp up staffing for I-580 and I-680	\$421,400
Four years ongoing operations services	\$3,217,000
Subtotal	\$3,965,000
Contingency	\$620,000
Total	\$4,585,000

These costs will be funded by BATA out of the Express Lanes Capital Project Budget, and by ACTC for specific ACTC operations costs based on transactions processed. While the agreement is still being finalized with ACTC, its staff have agreed in principle to a cost sharing formula. Attachment B includes a summary of Xerox and its project team's small business and disadvantaged business enterprise status.

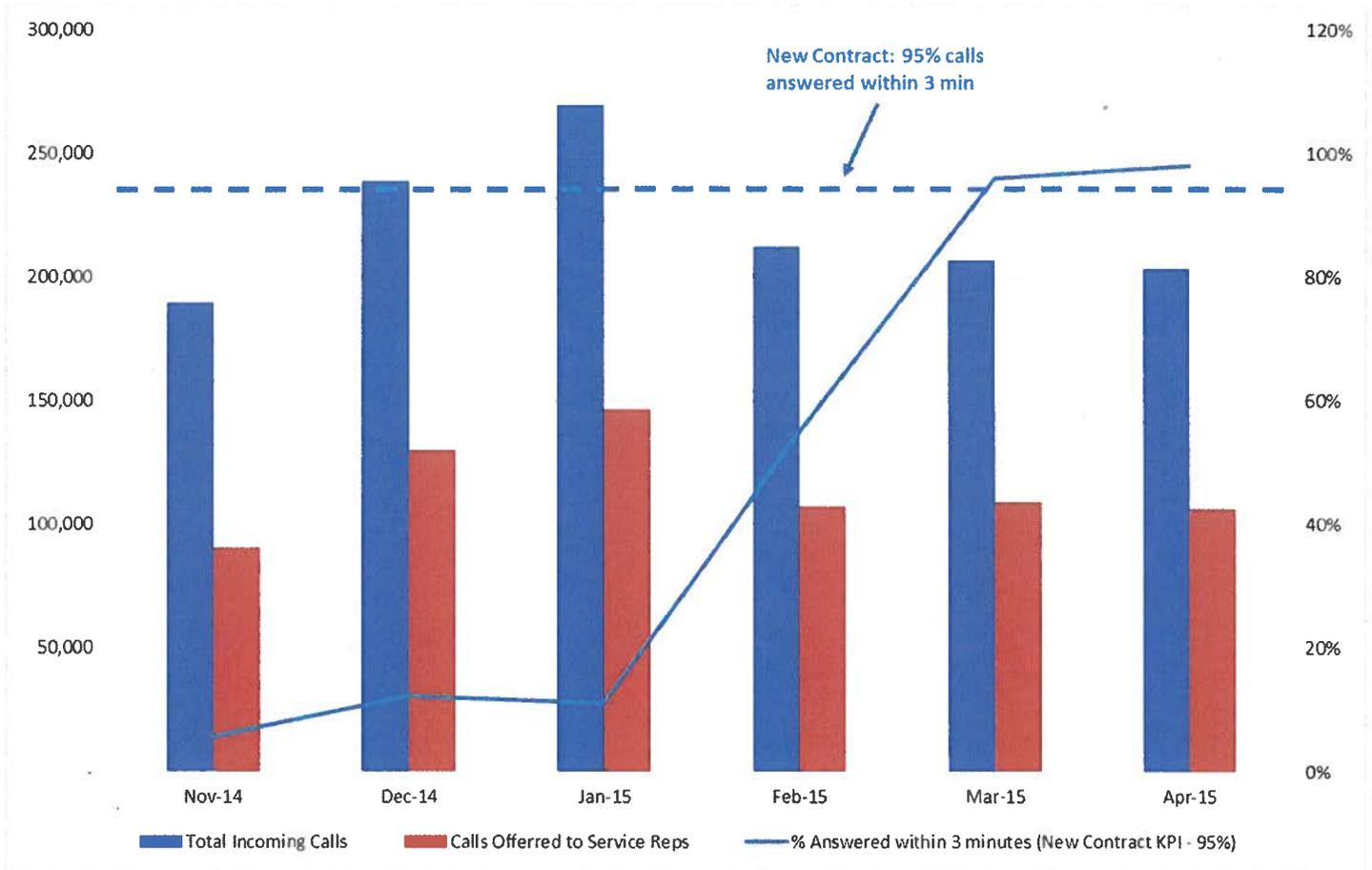
Recommendation

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 \$4,585,000 which includes a contingency to provide operations services by the FasTrak® CSC for a four year period until November 2019 to support Bay Area Express Lanes.



Andrew B. Fremier

Attachment A Xerox Call Answering Performance



**Attachment B
Small Business and Disadvantaged Business Enterprise Status**

Firm Name	Role on Project	DBE* Firm			SBE** Firm		
		Yes	If Yes, List #	No	Yes	If Yes, List #	No
Prime Contractor Xerox State and Local Solutions	Design, Implement, Operate			X			X
Subcontractor Holografik	Web Design			X			X

*Denotes certification by the California Unified Certification Program (CUCP).

**Denotes certification by the State of California.

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: Operations services to support Bay Area Express Lanes.

Brief Scope of Work: Provide ramp up staffing, training, equipment and ongoing staff for operations services through the end of the contract to support I-580 and I-680 Express Lane customers.

Project Cost Not to Exceed: This Change Order - \$4,585,000 including a contingency of \$620,000 to be used at the Executive Director or designee's sole discretion.
Current contract amount before this Change Order - \$120,999,046
Maximum contract amount after this Change Order - \$125,584,046

Funding Source: BATA Capital Program Budget (a portion 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 are 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 May 6, 2015, and the Chief Financial Officer is directed to set aside funds in the amount of \$4,585,000 for such contract change order.

BATA Oversight Committee:

Amy Rein Worth, Chair

Approved: Date: May 13, 2015