



Board Report

File #: 2023-0619, File Type: Contract

Agenda Number: 17.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
FEBRUARY 15, 2024**

SUBJECT: CONSULTANT SUPPORT SERVICES FOR EXPRESSLANES OPERATIONS AND PLANNING

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a seven-year firm fixed price Contract No. PS100159000 to HNTB Corporation in the amount of \$23,987,498 for consultant support services for ExpressLanes Operations and Planning, subject to resolution of any properly submitted protest(s) if any, and;
- B. EXECUTE individual contract modifications within the Board approved contract modification authority.

ISSUE

While Metro staff possesses tolling expertise in many areas, the current capacity of staff would be significantly strained to perform the full set of oversight and monitoring functions required to support the current/future operation, expansion, and ongoing enhancement needs of ExpressLanes. Monitoring, oversight, and support for various aspects of the program are critical in ensuring and enhancing the ExpressLanes performance.

BACKGROUND

The ongoing operation and maintenance of the ExpressLanes is highly specialized and requires technical skills across a range of disciplines and areas. Examples of such subject matter expertise include knowledge of interoperability regulations within California Toll Operations as well as National Interoperability, knowledge of toll system deployment past challenges and lessons learned, knowledge of individual state DMV regulations, toll industry best practices including future product roadmaps, and knowledge of state and national tolling legislation.

This contract will provide the necessary consultant support services for:

- Ongoing operation of the existing Back Office System (BOS), Roadside Toll Collection System (RTCS), Account Services Center
- Future operation of the new I-105 ExpressLanes and network expansion

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- Migration from Title-21 transponders to 6C transponders
 - System improvements and performance enhancements, as warranted

External consultants for vendor/system oversight and technical support services on managed lane and toll projects are common in the tolling industry and fulfill a crucial role for agencies with smaller department staff sizes, such as Metro. Metro ExpressLanes has contracted similar consultant support services and technical oversight since the inception of operations. The most recent contract was awarded in 2018 and expires in July 2024, necessitating approval of a new contract to ensure adequate assistance in oversight, monitoring, and enhancement of the program.

Additional software engineers, data architects, and toll facility design personnel may be added in the future to the ExpressLanes group to reduce its reliance on external consultants. Since the tolling authority was received in the fall of 2014, ExpressLanes management has made progress toward this goal by filling a variety of core functions formerly handled by consultants. Specifically, we have added three staff members to oversee and manage BOS software and delivery and quality assurance, RTCS equipment and algorithm logic, and account support services. It is anticipated that staff levels may need to be adjusted over the next few years as part of an ongoing initiative to broaden the in-house capabilities to effectively oversee, monitor, and manage the addition of I-105 ExpressLanes, thereby further reducing Metro's dependency on outside contractors to assist with technical oversight.

DISCUSSION

This contract will be essential to accomplishing the above activities smoothly and expeditiously while minimizing risks to budget and schedule. In pursuit of these mission-critical objectives, this contract will provide the following core services (among others):

- Assistance with verification of all toll system data for performance monitoring and analysis
- Support with ongoing evaluation of the functionality of the dynamic pricing algorithm
- Assistance with oversight and verification of any system changes implemented by other toll vendors
- Assistance with Account Services Center Operations, which includes:
 - Monitoring of back office activities to ensure compliance with standard operating procedures
 - Monitoring key performance elements related to customer account maintenance and violation processing
 - Verifying contractor compliance with performance standards and regulatory requirements
 - Monitoring and support of the transponder replacement program
- Assistance with RTCS operations and maintenance, which includes:
 - Reviewing the toll vendor's maintenance activities and processes
 - Monitoring lane system equipment availability and reliability
- Assistance with BOS contract, which includes:
 - Design and documentation reviews for any new system functionality
 - Verification of Milestone deliverables per contract
 - Verifying contractor compliance with performance standards and regulatory

requirements

- Verifying contractor deliverables as it pertains to data migration, including data cleansing
- Logistical support for vendor contracts
- Expert advice and oversight support for system upgrades
- Assistance with cost analyses and support for toll vendor activities, materials, deliverables, and services
- Support for verification and critical evaluation of deliverables and work products for the toll vendors
- Support for field testing, verification, and acceptance of systems, field infrastructure, and other toll system hardware
- Support for development and maintenance of ExpressLanes Business Rules

DETERMINATION OF SAFETY IMPACT

This Board action is not anticipated to have an impact on the safety of Metro's patrons or employees. The work associated with this contract is almost exclusively desk-based work performed in an office environment evaluating and developing technical business rules, data programming and software development, work process improvement, new technology integration, regulatory interpretation, and process improvement related to BOS, RTCS, account servicing, and regulatory evaluation.

FINANCIAL IMPACT

Funding for this Contract will come from toll revenues. The funds required for FY24 are included in the FY24 budget in Cost Center 2220, Project Numbers 307001 and 307002.

Since this is a multi-year project, the cost center manager, the Consultant Support for ExpressLanes Operations and Planning Project Manager, and Deputy Chief Operations Officer of Shared Mobility will be responsible for budgeting the cost in future years.

Impact to Budget

The funding for this contract is from toll revenues generated on the I-10 and I-110 ExpressLanes. Toll revenue funds are not eligible for bus and rail operating expenses outside of the ExpressLanes corridors. This action will not impact ongoing bus and rail operating and capital costs, the Proposition A and C and TDA administration budget, or the Measure R administration budget.

EQUITY PLATFORM

For this contract, the Diversity and Economic Opportunity Department (DEOD) established a Small Business Enterprise (SBE) goal of 22% and a Disabled Veteran Business Enterprise (DVBE) goal of 3% of the total contract price, for a combined SBE/DVBE goal of 25%. Outreach to SBE/DVBE firms was performed by the individual proposers. The proposed contractor team exceeded Metro's goal by making a 46.56% SBE commitment and a 3% DVBE commitment.

This consultant support services contract provides the ExpressLanes program with essential subject area experts and resources necessary to efficiently and effectively implement equity-oriented initiatives and programs including but not limited to: the assignment of direct funding allocations to transit service providers; disbursement and management of Net Toll Revenue grants that provide transportation alternatives to EFCs; and deployment of strategies for ensuring that the ExpressLanes remain accessible to low income households and the transportation disadvantaged.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Consultant Support for ExpressLanes Operations and Planning project supports Strategic Goal 1 to provide high-quality mobility options that enable people to spend less time traveling. It does so by providing the ExpressLanes Program with access to subject matter experts in the areas of performance measurement, dynamic pricing, traffic modeling, and transportation economics which can translate into additional time savings for ExpressLanes users.

The Consultant Support for ExpressLanes Operations and Planning project supports Strategic Goal 2 to deliver outstanding trip experiences for all users of the transportation system by providing the ExpressLanes Program with access to subject matter experts in the areas of industry best practices, emerging technologies, and lessons learned from other agencies' experiences facing similar conditions as Metro.

ALTERNATIVES CONSIDERED

The Board may elect to utilize current Metro staff to perform the work, but this alternative is not recommended. Though Metro staff possesses expertise in many areas, staff does not have the comprehensive set of skills necessary to fulfill all of the roles and functions needed by the ExpressLanes Program.

The Board may elect to hire additional full-time personnel to achieve sufficient levels of staffing associated with effectively monitoring and overseeing the current operations and technical requirements associated with the ExpressLanes. This alternative is also not recommended due to inherent inefficiencies in acquiring the appropriate knowledge for an all-electronic facility using dynamic pricing and the associated technical expertise that is difficult to find and cultivate and the delay associated with identifying and hiring these positions. Over the years, some positions that were appropriate for internal hire have been filled. However, many aspects of these roles require highly specialized knowledge that may be provided more comprehensively and efficiently by a contractor with a wide range of subject area expertise, such as insight to global best practices that may be referenced on demand and engaged as needed for shorter duration project evaluations that do not justify full-time hiring commitments. As new corridors are added to the program additional staff may be required to support aspects of the program that benefit from longer-term oversight, and technical support that can be supplied by full-time, permanent employees.

The Board may elect not to award and execute the Contract. This alternative is also not recommended because it would result in reduced levels of service or slower response to issues surrounding toll system monitoring and management, contractor/vendor oversight and accountability,

and general ExpressLanes operations.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS100159000 with HNTB Corporation for Consultant Support Services for ExpressLanes Operations and Planning.

ATTACHMENTS

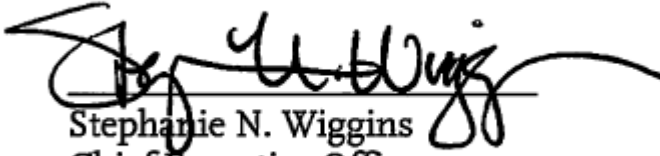
Attachment A - Procurement Summary

Attachment B - DEOD Summary

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