



Board Report

File #: 2017-0717, File Type: Contract

Agenda Number: 8.

AD HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE JANUARY 17, 2018

**SUBJECT: METRO EXPRESSLANES OPERATION AND
MAINTENANCE**

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO) to exercise Option 4.5, Additional Year of Operation and Maintenance (O&M) - Year 5 (from February 24, 2018 to February 23, 2019), Modification No.76 for Contract No. PS0922102333 with Atkinson Contractors, LP (Atkinson) for Metro ExpressLanes Operation and Maintenance in the amount of \$3,120,000, increasing the total contract price from \$164,257,920 to \$167,377,920;
- B. AUTHORIZING the CEO to execute Contract Modification No.77 for additional O&M Support Costs for Option Year 5 in the amount of \$15,699,569, increasing the total contract price from \$167,377,920 to \$183,077,489;
- C. AUTHORIZING the CEO to negotiate and execute Contract Modification No. 79 for an Occupancy Detection System in the amount not-to-exceed \$11,250,000 increasing the total contract price from \$183,077,489 to \$194,327,489; and
- D. APPROVING an increase in Contract Modification Authority (CMA) for Contract No. PS0922102333, to Atkinson in the amount of \$28,396,228, increasing the total CMA from \$107,354,954 to \$135,751,182, to cover the costs of the recommended Contract Modification above, and any pending and future changes listed in the Contract Modification/Change Order Log (Attachment B).

ISSUE

In December 2010, Atkinson was awarded a Design, Build, Operate and Maintain (DBOM) contract for the Metro ExpressLanes project that included activities needed to implement and operate the ExpressLanes through the demonstration period, and if successful, up to five option years could be considered at the appropriate time. The demonstration period was deemed a success and legislation was passed authorizing Metro to operate the I-10 and I-110 ExpressLanes without a sunset date.

The fourth of the five, one-year options was approved by the Board on October 27, 2016. Staff is requesting authorization to proceed with Option Year Five to allow for continued operations of the current system. In addition, staff is recommending amending the current contract to incorporate an occupancy detection system which will improve enforcement of the ExpressLanes.

DISCUSSION

Recommendation A: Additional Year of O&M

As Option Year Four expires in February 2018, staff is requesting Board authorization to exercise the fifth of the five, one-year options to continue to operate and maintain the Metro ExpressLanes under the existing contract until February 23, 2019.

Recommendation B: Additional O&M Support

The recommended funding action is required due to the successful launch of the ExpressLanes and includes many activities driven mainly by customer and non-customer demand: additional account support for new accounts; costs for mailing of customer correspondence and violations; and fees related to the processing of payments.

The base O&M contract for the ExpressLanes includes customer service related activities for up to 100,000 transponders, which was the target for the demonstration period. However, there are currently over 790,000 transponders in circulation exceeding all expectations for the program and requiring more effort related to customer service than originally included in the base contract. The distribution of additional transponders results in establishment of new accounts that require order fulfillment and additional contractor staffing support to service these accounts. Servicing activities include answering calls, handling correspondence, responding to customer inquiries, postage, and processing transactions.

Correspondingly, the success of the Metro ExpressLanes has increased violation processing beyond the original contract numbers, generating additional costs associated with license plate image processing, postage and mailing, phone services, and responding to online inquiries.

In addition, resources will continue to be needed for the maintenance of the tolling equipment and real-time traffic monitoring utilizing "EarthCam" cameras and staffing of the Traffic Management Center for incident management and monitoring of all toll-related systems. The Contract Modification in Recommendation B addresses these additional operational support services required to operate and maintain the ExpressLanes through the balance of O&M Option Year 5.

Recommendation C: Occupancy Detection System (ODS) Proof of Concept

As part of an effort to identify and deter scofflaws in the ExpressLanes, a not-to-exceed amount of \$11,250,000 is recommended to expedite the implementation of an Occupancy Detection System

proof of concept at two separate locations - one on each corridor in the most congested direction - that would install the necessary roadside equipment and provide essential integration with the existing back office system.

A demonstration of the ODS was previously provided on the I-110 North, utilizing cameras and an infrared flash to take a photo of the inside of the vehicle to identify the number of occupants. ODS determined the vehicle passenger count and submitted images for manual validation. The images were subsequently manually matched against the transactions posted in the toll system to determine if the declared occupancies by the customers was the same, or different, than the occupancies detected by the ODS.

In addition to providing the equipment and civil work necessary for the roadside equipment installation, this Modification would provide for the software development, deployment and back office system integration required for automated transaction matching between the ODS and the toll system for account posting. This would allow the toll system to appropriately charge or credit customers' accounts based on the ODS's observed occupancy. Essentially, the ODS in combination with the back office improvements would credit or debit customer accounts for those who set their transponder switches incorrectly, to significantly increase the accuracy of all tolls assessed to customers.

Two locations have been selected based on physical installation requirements as well as congestion levels: a single lane location on the I-10 and a dual lane location on I-110. The 30% engineering design has been completed along with the Concept of Operations and Scope of Work. Once negotiated and executed, this Modification will enable the 100% design to be completed, new permanent gantries to be built for the cameras, toll system upgrades to be developed and deployed, and ongoing ODS maintenance to be performed.

Recommendation D: Additional CMA

The additional CMA request of \$28,396,228, when combined with previous Board Approved CMA remaining, will be used to authorize Recommendations A, B and C-(O&M) Option Year Five, Additional O&M Support Costs, an Occupancy Detection System-as well as additional pending Modifications.

The request for authorization to increase the CMA will serve as a management tool for staff to issue contract modifications to compensate the contractor for additional costs that may be incurred for the completion of the ODS, or any pending modifications.

To ensure there is no interruption in O&M services and implement the ODS as expeditiously as possible, staff requests authority be granted to the CEO to execute a Contract Modification for Option Year 5, the additional O&M support costs for Option Year 5, and the Occupancy Detection System.

DETERMINATION OF SAFETY IMPACT

Approval of these recommendations will improve safety for Metro ExpressLanes patrons.

FINANCIAL IMPACT

Funding for this Modification is included in the FY18 budget for cost center 2220. Because this is a multi-year program, the cost center manager and Executive Officer, Congestion Reduction will be responsible for budgeting the remaining CMA in future years.

Impact to Budget

The funding for this action will come from toll revenues generated from the Metro ExpressLanes operations. No other funds were considered for this activity.

ALTERNATIVES CONSIDERED

The Board may decline to approve the recommended actions. This is not recommended as staff cannot immediately re-procure and transition to a new contractor to operate and maintain the ExpressLanes and ensure uninterrupted operations. In terms of ODS, Staff has pursued the most advanced and system-compatible technology to assist in detecting vehicle occupancy levels to improve ExpressLanes performance and the customer experience.

NEXT STEPS

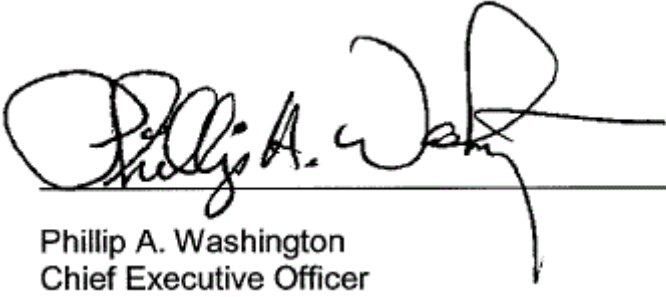
Staff is currently working on the re-procurement of ExpressLanes O&M services since the current contract will expire in 2019. Upon Board approval of the Recommendations, staff will take the necessary steps to notify the Contractor that Metro will exercise Option Year Five for O&M, and execute required Contract Modifications for O&M Years 5 and for ODS deployment.

ATTACHMENTS

- A. Procurement Summary
- B. Contract Modification Authority Summary
- C. DEOD Summary

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