

**Board Report**

File #: 2018-0536, **File Type:** Contract**Agenda Number:** 11.

**AD HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE
NOVEMBER 14, 2018****SUBJECT: METRO EXPRESSLANES CONTINUING OPERATIONS****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to execute Modification No. 78 for Operation and Maintenance (O&M) - Year 6 (from February 24, 2019 to February 29, 2020), for up to one year, for Contract No. PS0922102333 with Atkinson Contractors, LP (Atkinson) for Metro ExpressLanes Operation and Maintenance in the amount of \$18,655,393; increasing the total contract price from \$185,669,328 to \$204,324,721.

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 fifth of the five, one-year options was approved by the Board on January 25, 2018. Staff is requesting authorization for up to one additional final year (Year 6) to allow for continued operations of the current system while the new Board approved systems complete design, data migration, development and integration.

DISCUSSION**Recommendation A: Additional Year of O&M**

The development of scopes of work for the three new contracts to replace the existing contract took longer than anticipated given the complex nature of tolling systems. As a result, it has become necessary to extend the existing contract. To that end, staff has been working collaboratively with Atkinson to extend the existing contract for an additional year (Year 6) to allow for continued and seamless operation of the ExpressLanes while the new system is under design, development, data migration, integration and testing.

The current Operation and Maintenance year (Option Year 5) of the ExpressLanes Contract expires in February 2019. Staff is requesting Board authorization to execute Modification No. 78 to continue ExpressLanes Operations and Maintenance (Year 6) until February 29, 2020.

There are currently over 872,000 transponders in circulation with an average increase of between approximately 130,000 to 150,000 new transponders issued per year based on the latest data. The continued distribution of transponders results in establishment of new accounts that require order fulfillment and contractor staffing support to service these accounts. This Modification will enable account servicing activities which include answering calls, handling correspondence/online inquiries, responding to customer inquiries, postage, and processing of all transactions to continue.

Additionally, the Contractor will continue to provide resources to maintain the tolling equipment in the field 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 A addresses these operational support services required to operate and maintain the ExpressLanes through February 2020.

The recommended cost is based upon a reasonable escalation from previous years with the overall cost proposal remaining consistent with the costs approved by the Board for Option Year 5. The budgetary impact from this authorization will be reduced by approximately \$7 million, which is the total of previous Modification amounts that were authorized, but never incurred by the Contractor. The final budget savings from the previous authorizations never incurred will be determined when Option Year 5 has concluded in February 2019.

Congestion Reduction staff is working with DEOD and the contractor to submit a mitigation plan to meet the goal by increasing DBE scope beyond what is listed in the DEOD summary.

The department is committed to the small business program at Metro. In previous Board approved contracts, the commitment was either an evaluation criterion or the awarded contract exceeded SBE commitments in the RFP.

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 FY19 budget for cost center 2220. Because this is a multi-year program, the Executive Officer of the Congestion Reduction Department will be responsible for budgeting 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.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of the recommended action is consistent with Metro Strategic Plan Goal 1: providing high-quality mobility options that enable people to spend less time traveling. The ExpressLanes provide more reliable and faster travel options to Los Angeles County Residents.

ALTERNATIVES CONSIDERED

The Board may decline to approve the recommended actions. This is not recommended since without an O&M contract, daily operations of the ExpressLanes could not continue.

NEXT STEPS

Upon Board approval, staff will execute Modification No. 78 for Year 6 and will continue work on the design and integration of the new systems slated for implementation prior to the conclusion of this contract.

Staff will work with DEOD and the Contractor to resolve the discrepancies in the DBE goal reporting.

ATTACHMENTS

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

Prepared by: Joe O'Donnell, Director, Contract Administration, (213) 922-7231
Robert Campbell, Mgr, Transportation Planning, (213) 418-3170
Tim Lew, Sr. Mgr, Transportation Planning, (213) 418-3134
Shahrzad Amiri, Executive Officer, (213) 922-3061

Reviewed by: Debra Avila, Chief V/CM Officer, (213) 418-3051
Stephanie Wiggins, Deputy CEO, (213) 922-1023



Phillip A. Washington
Chief Executive Officer