



Board Report

File #: 2018-0544, File Type: Contract

Agenda Number: 9.

AD HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE JANUARY 16, 2019

SUBJECT: METRO EXPRESSLANES - CUSTOMER SERVICE CENTER OPERATIONS

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award firm fixed price Contract No. PS51236000 to Faneuil, Inc. to provide the personnel, services, and expertise to operate the Metro ExpressLanes Customer Service Centers for an eight-year base period, with three, two year options, in the amount of \$83,022,159 for the base period and \$86,352,515 for all option years exercised, for a total of \$169,374,674, subject to resolution of protest(s), if any.

ISSUE

In 2010, Metro entered into Contract No. PS0922102333 (existing contract) with Atkinson Contractors, LP (Atkinson) to design, build, operate, and maintain the I-10 and I-110 ExpressLanes. The existing contract is scheduled to expire in February 2020.

Based on lessons learned and consistent with the tolling industry's best practices, Metro has split the services provided under the current contract into three separate procurements; namely, 1) back office system, 2) roadside toll collection system, and 3) customer service operations. The back office system contract which was awarded by the Board in January 2018 includes account management system, violation processing, and other support functions. The roadside toll collection system contract, awarded by the Board in June 2018, includes roadside equipment, dynamic pricing, trip building, and related support functions.

Award of the customer service center operations, will complete the necessary procurements, enabling implementation of the new ExpressLanes system.

DISCUSSION

The Metro ExpressLanes Customer Service Center Operations comprises the resources necessary for ongoing program operations inclusive of, Los Angeles County facility locations, front and back office operations staffing, call center operations, supplies, fixtures, furnishings, and business machines (copiers, scanners, shredders, etc.). The customer service center operations responsibilities include revenue management, account management, account maintenance,

transponder management, and all relevant customer interfaces.

The objective of this Contract is to implement the best-in-class method for providing effective, responsive, and superior service to Metro ExpressLanes customers.

Contract Term

Customer service center operations are a complex component of a tolling system and are customized to meet the specific parameters and requirements of each program. Industry experience has shown a typical acquisition of a new operations system may require up to 25 months to complete. This places substantial burden on Metro staff with respect to time and resources, making the process cost-prohibitive to repeat at the standard procurement intervals. With a shorter contract term, the agency would be in a perpetual cycle of procurement, training, and transition.

The Metro ExpressLanes customer service center operations scope of work, which included over 600 requirements, and the contract term were developed in tandem with a team of tolling expert consultants. Additionally, Metro conducted a Tolling Industry Forum to gather expert input regarding the optimal contract term. The recommended contract term is based on experience gained from five years of tolling, Industry Forum results, and best practices.

Additionally, minimizing the number of vendor transitions for the customer service center operations reduces operating costs and minimizes the risk of lost transactions and service disruptions that can arise during transition.

Staff is recommending an eight-year base contract with three, two-year options for a total of fourteen years. The recommended contract term reflects those of the back office and roadside systems awarded by the Board earlier this year to assure consistency and continuity.

The additional three, two-year options, which would require Board approval at the appropriate time, will allow staff sufficient time to develop, advertise, award, and implement the services of a new system operator, if warranted.

Small Business Participation

The recommended contractors have proposed to meet or exceed the established 20% SBE and 3% DVBE goals for this contract.

DETERMINATION OF SAFETY IMPACT

The Board action will not have an impact on safety of Metro's patrons or employees.

FINANCIAL IMPACT

Funding for this Contract will come from toll revenues. The funds required for FY19 are included in the FY19 budget in Cost Center 2220, Project Number 307001 and 307002, Account 50316, Task 02.01.

Impact to Budget

Since this is a multi-year project, the cost center manager and Executive Officer of Congestion Reduction will be responsible for budgeting the cost in future years.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Metro ExpressLanes Customer Service Center Operations aligns with Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. ExpressLanes provide drivers with the option of a more reliable trip while improving the overall operational efficiency of the freeway network.

ALTERNATIVES CONSIDERED

The Board may choose not to award and execute this Contract. This alternative is not recommended because services under the existing contract will lapse and the ExpressLanes program will be adversely affected.

The Board may choose to direct staff to use in-house resources. This alternative is not recommended since Metro staff does not currently possess sufficient expertise in tolling operations, nor does it have the personnel availability/capacity to do so.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS51236000 to Faneuil, Inc. to provide the personnel, services, and expertise to operate the Metro ExpressLanes customer service centers.

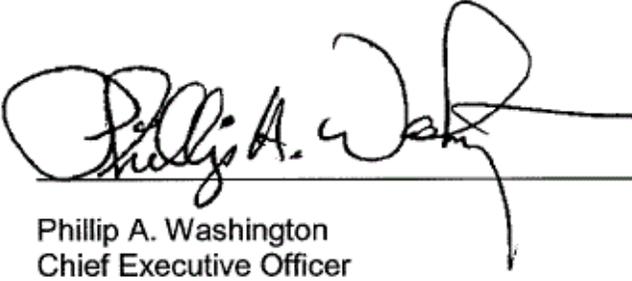
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Silva Mardrussian, Senior Manager, Transportation Planning, Congestion Reduction, (213) 418-3132

Reviewed by: Shahrzad Amiri, Executive Officer, Congestion Reduction, (213) 922-3061
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer