



Board Report

File #: 2022-0665, File Type: Contract

Agenda Number: 38.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE NOVEMBER 17, 2022

**SUBJECT: EXPRESSLANES FASTRAK 6C ELECTRONIC TOLL COLLECTION
TRANSPONDERS**

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a three-year, Firm Fixed Price Contract No. DR84996000 to Neology, Inc., the lowest cost responsive and responsible bidder, to furnish FasTrak 6C Electronic Toll Collection transponders, and supporting accessory materials and services, in the total Contract amount of \$12,380,190, inclusive of all applicable taxes and fees, subject to resolution of any properly submitted protest(s), if any.

ISSUE

The transponders, currently held in inventory by Metro ExpressLanes and distributed to all its accountholders, use an older legacy protocol known as the "Title-21" protocol. This protocol is set to be formally retired from use statewide on January 1, 2024, at which time it will no longer be supported by FasTrak facility operators across the state. Its successor, the new "6C" protocol, has been officially supported by all FasTrak facilities, including the ExpressLanes on I-10 and I-110, since January 1, 2019. Metro must procure 6C-compliant transponders to replace all its existing Title-21 transponders before the Title-21 sunset date and distribute them to new accountholders moving forward.

BACKGROUND

State interoperability requirements outlined in Streets and Highways Code requires that all Expresslane accountholders carry transponders in their vehicles when driving in the ExpressLanes. This enables Metro to identify all vehicles quickly and reliably in the ExpressLanes at freeway speeds across all environmental and operating conditions so that they can be assessed the proper tolls for their trips. Metro ExpressLanes do accommodate Pay as You Go users in the ExpressLanes, but this does not address state interoperability requirements, or toll discounts that are available to ExpressLanes accountholders.

The approval of this contract award will ensure that Metro's accountholders are issued transponders

that comply with the state's regulatory AVI requirements. Replacing the transponders currently in possession of customers is anticipated to have no impact on customers and users of the ExpressLanes system, as there will be a one-for-one replacement of transponders at no additional required expense to customers. Metro will distribute replacement 6C transponders to all existing accountholders without any action required by them other than to mount the transponders properly in their vehicles upon receipt. Customers will be provided with information about proper and safe disposal of their existing transponders through either a local electronic waste recycler or by returning the transponder directly to Metro ExpressLanes

California Streets and Highways Code sections 27564 and 27565 establish requirements for statewide consistency of automatic vehicle identification (AVI) systems, including roadside toll systems that read onboard vehicle transponders for toll collection. As an All-Electronic Open-Road Tolling system (in contrast to conventional toll facilities that rely on toll booths for payment collection), the Metro ExpressLanes are subject to these requirements for AVI standards compliance.

California Code of Regulations Title 21, Division 2, Chapter 16 formally defines these AVI standards, which are branded as "FasTrak" to the public. There are currently two supported protocols specified in the formal definition of FasTrak: the older legacy Title-21 protocol, and the next-generation 6C protocol. The 6C protocol officially became active as part of the FasTrak specification on January 1, 2019, per §1700.2, and has been supported by all FasTrak facilities statewide since then. The Title-21 protocol is currently scheduled to be dropped from the FasTrak specification on January 1, 2024, per §1700.3, at which point only the 6C protocol will remain.

DISCUSSION

The 6C protocol is based on the ISO/IEC 18000-63 standard and offers many technical improvements over the older Title-21 protocol that it replaces. Unlike Title-21 transponders, 6C transponders do not require in-transponder batteries to function. This allows for smaller, lighter transponder form factors that occupy less space on the windshield and improve viewability for drivers as a result. These improvements also reduce the materials required to manufacture the transponders, lower the unit costs of purchase to Metro, and reduce the shipping costs for distribution to customers. While the older Title-21 transponders had a usable life limited by the onboard internal battery, new 6C transponders without batteries are not similarly constrained, which translates into fewer transponder replacements and less associated hassle for Metro ExpressLanes accountholders. Finally, the 6C protocol includes built-in provisions for error checking and customizable onboard memory, enabling more accurate and reliable roadside tolling operations.

This contract has been strategically designed to offer maximum flexibility to Metro with respect to its current and future transponder needs. While the contract allows Metro to purchase up to 1,450,000 6C transponders, Metro is not obligated to order the full amount, and Metro also has the flexibility to specify shipment receipt dates and quantities on an ongoing basis over the contract term. This allows Metro to reduce its recurring inventory storage costs while providing protection against depletion of stock at any given time. Since 2012, has issued more than 1.39 million Title-21 transponders, and issues approximately 10,000 new transponders per month through all its distribution channels, including the customer service centers, website, automated phone system, and retail partners.

It is not possible to upgrade or otherwise modify the existing Title-21 transponders distributed to Metro's accountholders to achieve 6C compatibility. Instead, new 6C transponders must be procured and distributed to accountholders to replace the existing Title-21 transponders currently in their possession.

DETERMINATION OF SAFETY IMPACT

The Board action is not anticipated to have an impact on the safety of Metro's patrons or employees.

FINANCIAL IMPACT

The FY23 budget includes \$15 million in Cost Center 2220 (Shared Mobility) and Projects 307001/307002 for FasTrak 6C Compliant Electronic Toll Collection transponders. Since this is a multi-year contract, the Cost Center Manager, ExpressLanes 6C transponder fulfillment Project Manager and Deputy Chief Operations Officer of Shared Mobility will be responsible for budgeting in future years.

Impact to Budget

The funding for this Contract will come from toll revenues. The toll revenue fund is not eligible for bus and rail operating expenses outside of the ExpressLanes corridors.

EQUITY PLATFORM

As of the latest available data from August 2022, there are 17,060 active Low Income Assistance Plan (LIAP) accounts. An estimated 8,018 (47%) of these accountholders live in Equity Focus Communities (EFCs). Delaying this contract action would jeopardize Metro's ability to perform transponder replacements for all of its active accountholders-including these LIAP accountholders-before the Title-21 sunset date, which would prevent them from being able to continue using the Metro ExpressLanes after that date.

Metro's Diversity and Economic Opportunity Department reviewed this procurement and concluded that no specific Small Business Enterprise or Disabled Veteran Business Enterprise goals were appropriate for this solicitation. However, it satisfied the eligibility criteria for Metro's new Medium-Size Business (MSZ) Enterprise program and was released as an MSZ-II set-aside solicitation accordingly.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This ExpressLanes contract supports Strategic Goal 1, providing high-quality mobility options that enable people to spend less time traveling, by providing customers access to the latest transponder technology necessary to enable uninterrupted collection of toll payments electronically in the ExpressLanes moving forward.

The contract supports Strategic Goal 2, delivering outstanding trip experiences for all users of the transportation system, by providing customers access to improved transponder technology that offers added protection against device failures and extended usable equipment life timeframes, reducing the time burden on customers associated with transponder maintenance, troubleshooting, and replacement.

The contract supports Strategic Goal 4, transforming LA County through regional collaboration and national leadership, by ensuring ExpressLanes customers receive standards-compliant transponders that afford them uninterrupted, seamless access to other FasTrak facilities across the region and state beyond the Title-21 sunset date.

ALTERNATIVES CONSIDERED

The Board may elect not to award and execute the Contract. This alternative is not recommended because state law requires that all toll facilities in the state be compliant with the functional specifications and standards for AVI systems as defined in California Code of Regulations, and failure to award a contract for 6C transponders will prevent Metro ExpressLanes from maintaining such compliance after the Title-21 protocol used by Metro's current transponder inventory is retired on January 1, 2024.

NEXT STEPS

Upon Board approval, staff will execute Contract No. DR84996000 for FasTrak 6C Electronic Toll Collection transponders.

ATTACHMENTS

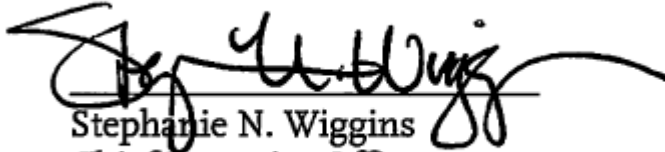
Attachment A - Procurement Summary
Attachment B - DEOD Summary
Attachment C - EFC ExpressLanes Map

Prepared_by

Prepared by: Barkev Tatevosian, Principal Transportation Planner, (213) 922-2452
Mark Linsenmayer, Deputy Executive Officer, (213) 922-7528
Shahrzad Amiri, Deputy Chief Operations Officer, (213) 922-3061
Debra Avila, Deputy Chief Vendor/Contract Management Officer, (213) 418-3051
Lillia Montoya, Deputy Chief Operations Officer, Admin & Development (213) 922-4061

Reviewed_By

Reviewed by: Conan Cheung, Chief Operations Officer (213) 418-3034



Stephanie N. Wiggins
Chief Executive Officer