



April 22, 2019

To: Members of the Board of Directors

From: Darrell E. Johnson, Chief Executive Officer

Subject: Approval to Release Request for Proposals for Back-Office System and Customer Service Center Operations Services for the 91 Express Lanes in Orange and Riverside Counties

Overview

The existing three-party agreement for joint operations of the combined 91 Express Lanes facility expires in June 2021. Staff has developed a request for proposals to initiate a competitive procurement process to retain contractor services to provide a back-office system and customer service center operations for the 91 Express Lanes in Orange and Riverside Counties.

Recommendations

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 9-1177 for selection of a contractor to provide the back-office system and customer service center operations services for the 91 Express Lanes in Orange and Riverside Counties.
- B. Approve the release of Request for Proposals 9-1177 to provide the back-office system and customer service center operations services for the 91 Express Lanes in Orange and Riverside Counties.

Discussion

As a requirement of Senate Bill (SB) 1316, Correa, the Orange County Transportation Authority (OCTA) and the Riverside County Transportation Commission (RCTC) entered into a cooperative agreement that establishes a framework for cooperation and sets forth various responsibilities between the two agencies with the extension of the 91 Express Lanes into Riverside County. The cooperative agreement, approved by the OCTA Board of Directors (Board) and the RCTC Commission (Commission), details the joint operation of a combined 91 Express Lanes facility. The intent and objective is to operate the 91 Express Lanes in both counties so that customers will experience a seamless

transition between the two facilities and view the 91 Express Lanes as a single system. A joint operation provides not only benefits to the customers of the 91 Express Lanes, but it also creates economies of scale and cost benefits for both agencies through joint contracting and joint provisions relating to the operation and maintenance of the 91 Express Lanes.

In May 2013, OCTA and RCTC entered into a three-party agreement with Cofiroute USA, LLC., for the joint operations of a combined 91 Express Lanes facility. The existing three-party agreement expires on June 30, 2021.

As part of this back-office system (BOS) and customer service center (CSC) operations services (Project) procurement, the contractor will be responsible for the design, development, implementation and maintenance of the BOS for the 91 Express Lanes. The BOS retrieves data from the in-lane Electronic Traffic and Toll Management (ETTM) system and charges to the customer accounts or establishes a violation for the trip, if applicable. In addition, the contractor will be responsible for the day-to-day operations for both segments of the 91 Express Lanes, including the following toll-related services:

- Customer service
- Violations processing and collections
- Customer account management
- Payments and other mail processing
- Revenue collections and transaction processing
- Traffic operations and incident management
- Emergency services coordination
- Transponder inventory management
- BOS
- Telephone system
- Hardware and software maintenance

Although the current three-party agreement will not expire for another 26 months, during this time, the new contractor will design, develop, test, and implement the new BOS. In addition, efforts for data migration and transition will also need to be accounted for in the schedule.

This procurement of the BOS and customer service center operations services for the 91 Express Lanes in both counties will be a joint procurement between OCTA and RCTC, with OCTA taking the lead in the procurement process. Upon selection of the contractor, and contingent upon approvals from the Board and Commission, respectively, OCTA and RCTC will enter into a three-party

agreement with the selected contractor for joint operation of the 91 Express Lanes.

Procurement Approach

OCTA's Board-approved procurement policies and procedures require that the Board approve all requests for proposals (RFP) over \$1,000,000, as well as approve the evaluation criteria and weightings. Staff is submitting for Board approval the draft RFP and evaluation criteria and weightings, which will be used to evaluate proposals received in response to the RFP.

The proposed evaluation criteria and weightings are as follows:

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| • Qualification of the Firm | 15 percent |
| • Staffing and Project Organization | 15 percent |
| • Work Plan and Technical Approach to BOS | 30 percent |
| • Work Plan and Technical Approach to CSC | 20 percent |
| • Cost and Price | 20 percent |

Several factors were considered in developing the criteria weightings. Staff assigned weightings with a greater level of importance to the work plan and technical approach to the BOS followed by CSC operations as this procurement is highly technical in nature. The contractor is expected to receive toll transaction information from the current ETTM system provider, process transaction information, monitor BOS performance and customer service operations, as well as provide future maintenance support. Both criteria for qualifications of the firm and staffing and project organization are given an equal weighting due to their similar importance to the overall delivery of the Project. The experience of the firm and the staff in performing similar work and providing required services is significant to the success of the Project and timely delivery of the work. The cost and price criterion is also very important in that it allows firms to demonstrate competitiveness in their proposed prices to carry out the required services for the Project.

The evaluation committee will be aided by a group of subject matter experts who will review the technical proposals and prepare a supplemental report that outlines the strengths and weaknesses of each proposal. The subject matter experts will not score the proposals, rather, they will assist the evaluation committee members in their evaluation and scoring of the proposals.

The combined procurement approach for both 91 Express Lanes facilities in Orange and Riverside Counties is most favorable to OCTA and RCTC, allowing both agencies to benefit from the economies of scale while offering continuity and seamless operation for the travelling public.

The agreement resulting from this procurement will have an initial term of up to seven years, with two, three-year option terms. OCTA's budget commitment, for the initial term of this agreement, for its portion of the 91 Express Lanes is anticipated to be \$35,600,000.

This RFP will be released upon Board approval of this recommendation.

Fiscal Impact

Funding is included in OCTA's Proposed Fiscal Year 2019-20 Budget, 91 Express Lanes Account 0036-9028-B0001-1GO for the BOS implementation and will be included in the 91 Express Lanes budget for the subsequent operations and maintenance years under various line items.

Summary

Board of Directors approval is requested to release Request for Proposals 9-1177 to provide the Back-Office System and Customer Service Center Operations Services for the 91 Express Lanes in Orange and Riverside Counties, as well as approve the proposed evaluation criteria and weightings.

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Attachment

- A. Draft Request for Proposals (RFP) 9-1177, Back Office System and Customer Service Center Operations Services for the 91 Express Lanes in Orange and Riverside Counties.

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