




July 10, 2019

To: Finance and Administration Committee 
From: Darrell E. Johnson, Chief Executive Officer
Subject: Amendment to the 91 Express Lanes Three-Party Operating Agreement

Overview

The existing three-party agreement for joint operations of the combined 91 Express Lanes facility expires in June 2021. On April 22, 2019, the Orange County Transportation Authority Board of Directors authorized the release of a competitive procurement for contractor services for the joint operations of the 91 Express Lanes in Orange and Riverside counties. In the event that the approved contractor is not ready to commence operations for the 91 Express Lanes on July 1, 2021, an optional extension period with the current contractor is presented for approval for a period of up to six months.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-3-1529 among the Orange County Transportation Authority, Riverside County Transportation Commission, and Cofiroute USA, LLC, in an amount not to exceed \$3,437,496, for six, one-month optional extension periods from July 1, 2021 through December 31, 2021, for continued operating services on the 91 Express Lanes.

Background

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 partnership and sets forth various responsibilities between the two agencies for the operations of the 91 Express Lanes. The agreement, approved by OCTA Board of Directors (Board) and RCTC, details the joint operation of a combined 91 Express Lanes system with the intent and objective 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 not only provides 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 (Agencies) entered into a three-party agreement with Cofiroute USA, LLC (Cofiroute), for the joint operations of a combined 91 Express Lanes facility. Cofiroute is 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,
- Back-office software system,
- Telephone system,
- Hardware and software maintenance,
- Roadway and toll road systems maintenance.

The existing three-party agreement expires on June 30, 2021. Over the past several months, staff from the Agencies have worked on the development of procurement documents for operating services for the 91 Express Lanes which includes the back-office system and customer service center.

Discussion

On April 22, 2019, the OCTA Board authorized the release of the Request for Proposals (RFP) for the Back-Office System and Customer Service Center Operations Services for the 91 Express Lanes in Orange and Riverside counties. Responses to the RFP are due in mid-July 2019, with the evaluation committee recommendations anticipated to go to the OCTA Board and RCTC's Commission in October 2019 for approval.

Given this timetable, notice-to-proceed (NTP) is expected to be issued in the beginning of January 2020. This provides the selected contractor an 18-month period for the design, development, testing, and implementation of the new back-office system. In addition, data migration and transition will also need to be

accounted for during this period. Based upon discussions with the toll road industry, this 18-month period should provide enough time for the selected contractor to complete the implementation.

In the event that NTP is delayed or the selected contractor has not completed the transition, staff is recommending amending the existing three-party agreement for up to an additional six months at the discretion of the Agencies. The terms of the optional extension include one-month extensions commencing July 2021 through December 2021. For instance, if the Agencies only need two months, then only two months will be utilized from the amendment. The cost for the amendment would be equal to the same amount being paid for the last year of the three-party agreement (fiscal year 2021), plus the actual rate of inflation capped at five percent. The cost of the optional extension to OCTA, assuming an inflation rate of five percent, is estimated to be \$572,916 per month.

Fiscal Impact

Funding for Amendment No. 4 to Agreement No. C-3-1529 will be included in the 91 Express Lanes Fiscal Year 2021-22 Budget under account 0036-7350-B0100-A5H.

Summary

Based on the information provided, staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Agreement No. C-3-1529 among the Orange County Transportation Authority, Riverside County Transportation Commission, and Cofiroute USA, LLC, in an amount not to exceed \$3,437,496, for six, one-month optional extension periods from July 1, 2021 through December 31, 2021, for continued operating services on the 91 Express Lanes.

Attachment

A. Three-Party Operating Agreement No. C-3-1529 Fact Sheet

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