



**June 22, 2020**

**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 405 Express Lanes in Orange County

### **Overview**

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 405 Express Lanes in Orange County.

### **Recommendations**

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 0-2352 for selection of a contractor to provide the back-office system and customer service center operations services for the 405 Express Lanes in Orange County.
- B. Approve the release of Request for Proposals 0-2352 to provide the back-office system and customer service center operations services for the 405 Express Lanes in Orange County.

### **Discussion**

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation, is implementing the Interstate 405 (I- 405) Improvement Project between State Route 73 (SR-73) and Interstate 605 (I-605). The 405 Improvement Project will add one general purpose lane from Euclid Street to I-605, consistent with Measure M2 Project K, and will add an additional lane in each direction that would combine with the existing high-occupancy vehicle lane to provide dual express lanes in each direction on I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes.

On October 12, 2015, the OCTA Board of Directors (Board) approved assumptions for the 405 Express Lanes as described in the 405 Express Lanes Toll Policy and Finance Plan Decisions Document (Decisions Document). This document identified that the facility would operate in a manner similar to the 91 Express Lanes with all-electronic tolling using transponders and with the same account types and violation process. On May 23, 2016, the Board approved the 405 Express Lanes Toll Policy and preliminary finance plan using the operating assumptions outlined in the Decisions Document.

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 405 Express Lanes. The BOS retrieves data from the in-lane Electronic Traffic and Toll Management (ETTM) System and charges to the customer account or establishes a violation for the trip, if applicable. In addition, the contractor will be responsible for the day-to-day operations for the 405 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
- Financial management, reconciliation, and settlement
- Transponder inventory management
- Back-office software system
- Telephone system
- Hardware and software monitoring and maintenance

Although the 405 Express Lanes is not anticipated to open until calendar year 2023, the new contractor will design, develop, test and implement the new BOS during this time. In addition, efforts for mobilization of the customer service center operations, including staff recruitment and training, and establishment of all necessary services, will also need to be accounted for in the schedule.

### ***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 weights, which will be used to evaluate proposals received in response to the RFP.

The proposed evaluation criteria and weights 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 weights. Staff assigned weights 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 ETTM System, process transaction information, monitor BOS performance and customer service operations, as well as future maintenance requirements. Both criteria for qualifications of the firm and staffing and project organization are given an equal weight 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 important as it allows firms to demonstrate competitiveness in their proposed prices to carry out the required services for the Project.

The evaluation committee will be comprised of internal OCTA staff and external representatives. 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 provide the evaluation committee members with the information necessary to assist in their evaluation and scoring of the proposals.

The agreement resulting from this procurement will have an initial term of up to eight years, with an initial option term of three years and subsequent option term of two years.

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

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**Fiscal Impact**

Funding is included in OCTA's Fiscal Year 2020-21 Budget, 405 Express Lanes Account 0037-9028-A951001-1GO for the BOS implementation and will be included in the 405 Express Lanes budget for the subsequent operations and maintenance years under various line items.

**Summary**

The Board of Directors approval is requested to release Request for Proposals 0-2352 to provide the Back-Office System and Customer Service Center Operations Services for the 405 Express Lanes in Orange County, as well as approve the proposed evaluation criteria and weights.

**Attachment**

- A. Draft Request for Proposals (RFP) 0-2352, Back-Office System and Customer Service Center Operations Services for the 405 Express Lanes in Orange County.

**Prepared by:**



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