



November 10, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to the 91 Express Lanes Three-Party Operating Agreement

Overview

In April 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. As a part of this procurement, the contractor is to design, develop, test, and implement a new back-office system. On July 22, 2019, the Board of Directors approved an amendment which allowed for an optional extension period of up to six months to the three-party agreement for joint operations of the combined 91 Express Lanes facility in the event the approved contractor may not be ready to commence operations under the new operating agreement. An additional extension for a period of up to three months is presented for approval should additional time be required to successfully transition to the new agreement.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 6 to Agreement No. C-3-1529 among the Orange County Transportation Authority, Riverside County Transportation Commission, and Cofiroute USA, LLC, for three one-month optional extension periods from January 1, 2022 through March 31, 2022, for continued operating services on the 91 Express Lanes.

Background

In May 2013, the Orange County Transportation Authority (OCTA) and the Riverside County Transportation Commission (RCTC), collectively referred to as the "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 the current operator of the 91 Express Lanes that is

responsible for the day-to-day operations of the 91 Express Lanes, including the back-office system (BOS) and customer service center operations. This contract was to expire on June 30, 2021.

On April 22, 2019, the OCTA Board of Directors (Board) authorized the release of a competitive procurement for contractor services for the joint operations of the 91 Express Lanes in Orange and Riverside counties. The existing BOS for the 91 Express Lanes has been processing transactions for nearly a decade and is approaching the end of its useful life. As a part of this procurement, the contractor is to design, develop, test, and implement a new BOS. In July 2019, the Board and RCTC approved an amendment to the Cofiroute agreement, which allowed for six one-month extension periods commencing July 1, 2021 through December 31, 2021, to allow additional time for the approved contractor to complete deployment of the new BOS and commence operations in the event the additional time was needed. In October and November 2019, RCTC and the Board, respectively, approved the award to Cofiroute for the BOS and customer service center operations for the 91 Express Lanes.

Discussion

Since January 2020, the Agencies and Cofiroute have been working on the design, testing, and implementation of the new BOS. Cofiroute provided a schedule with their proposal that indicated they could complete the work by June 30, 2021. On February 16, 2021, Cofiroute requested an extension of the guaranteed completion date due to delays caused by the coronavirus (COVID-19) pandemic. The Agencies reviewed the delay claim, according to the terms in the new agreement, and awarded Cofiroute the requested extension and moved the guaranteed completion date to September 29, 2021.

Cofiroute's current schedule reflects an implementation date of mid-December 2021, which surpasses the revised guaranteed completion date. As a component of the transition to the new BOS, OCTA is required to change the format of its roadside transactions for which OCTA has been working with the toll lanes system contractor and expects completion in mid-December. In anticipation that the transition to the new Cofiroute agreement may not occur prior to December 31, 2021, due to either contractor delay, both Agencies are seeking to amend the agreement to allow for three one-month extension periods to prevent a lapse in service. Since there are sufficient funds in the agreement to pay for the extension periods, no additional funding is being requested to increase the maximum obligation. The amendment will be solely to extend the time should it be needed to successfully transition to the new agreement.

Summary

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Amendment No. 6 to Agreement No. C-3-1529 among the Orange County Transportation Authority, Riverside County Transportation Commission, and Cofiroute USA, LLC, for three, one-month optional extension periods from January 1, 2022 through March 31, 2022, 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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