




May 21, 2026

To: Finance and Administration Committee 
From: Darrell E. Johnson, Chief Executive Officer
Subject: 91 Express Lanes Back-Office System and Customer Service Center Consolidation with the 15 Express Lanes

Overview

In October 2019, the Orange County Transportation Authority Board of Directors awarded an agreement to Cofiroute USA, LLC, for the back-office system and customer service center operations for the 91 Express Lanes in Orange and Riverside counties. The initial term of the agreement ends in January 2027. In August 2025, staff received direction from the Finance and Administration Committee to explore an option which would consolidate the 15 and 91 Express Lanes operations. Staff has evaluated potential options for the post-2027 environment. Benefits, estimated costs, and recommendations are provided for Board of Directors' review and consideration.

Recommendations

- A. Authorize the consolidation of the 15 and 91 Express Lanes back-office system and customer service center operations with Kapsch TrafficCom USA, Inc., the vendor currently providing back-office system and customer service center operations for the Riverside County Transportation Commission.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C255087 with the Riverside County Transportation Commission and Kapsch TrafficCom USA, Inc., a three-party agreement, in a not-to-exceed amount of \$126,372,484, to provide back-office system and customer service center operations for the 15 and 91 Express Lanes.
- C. Authorize the Chief Executive Officer to negotiate and execute the Amended and Restated Cooperative Agreement No. C-1-3190 for express lanes between the Riverside County Transportation Commission and the Orange County Transportation Authority.

Background

The Orange County Transportation Authority (OCTA) and the Riverside County Transportation Commission (RCTC), collectively referred to as the Agencies, entered into a cooperative agreement in December 2011, setting forth the parties' commitment to jointly operate the 91 Express Lanes (91 EL). The Agencies set forth responsibilities for cooperation and coordination based on assumptions regarding joint operations. One of the key tenants of the agreement is a commitment to maintain a joint operator for the 91 EL. To facilitate the use of a joint operator at the time, RCTC was added to OCTA's agreement with Cofiroute USA, LLC (CUSA).

On April 22, 2018, the Agencies issued a joint request for proposals (RFP) to replace the expiring contract with CUSA. Following a competitive procurement process, the evaluation committee recommended awarding a new contract to CUSA, which was approved by the OCTA Board of Directors (Board) on October 23, 2019, and by RCTC on November 13, 2019. The initial seven-year term of the agreement ends on January 31, 2027. The agreement term includes two option terms, each up to three years. As part of this agreement, the Agencies worked with CUSA to develop and deploy the back-office system (BOS), which went live in March 2022.

The initial deployment was delayed due to CUSA needing additional time for development and external delays; however, it went live in March 2022 without all required BOS functionality in place, leading to ongoing post-launch efforts to fix deficiencies and deliver missing components. While the system was not fully completed, the Agencies approved go-live as the major components were completed and the prior agreement with additional extensions was expiring. These challenges significantly extended operational acceptance testing which took over three years instead of the planned six months, and final acceptance still pending more than four years after go-live.

During the current operations and maintenance (O&M) phase, continued system and customer service center (CSC) issues have persisted over the last four years and resulted in the assessment of liquidated damage, which the Agencies have been sharing equally. The Agencies, along with HNTB Corporation consultants, have and continue to devote a significant deal of time and effort to managing the 91 EL BOS and CSC. While CUSA continues to make improvements, performance has not consistently met all key performance indicators required by the agreement.

RCTC also operates a separate BOS, provided by Kapsch TrafficCom USA, Inc. (Kapsch) for the 15 Express Lanes (15 EL). Due to the proximity of the 91 EL to the 15 EL and the direct connectivity between the two facilities in Riverside

County, the 91 EL and 15 EL customer service centers spend approximately 35 percent of their time assisting customers who require assistance from both CSCs. Given the proximity and complementary nature of the systems, RCTC proposed that OCTA consider combining the 91 EL BOS with the 15 EL by incorporating the 91 EL into the existing 15 EL BOS and CSC. This would result in a single BOS and CSC servicing 91 EL and 15 EL customers. This combined effort would eliminate duplicated services, reduce costs for the Agencies, and enhance customer experience.

Kapsch subcontracted with BRiC-TPS, LLC (BRiC) as the BOS provider for the 15 EL. BRiC brings more than 20 years of experience in the tolling industry, supporting customers such as the Transportation Corridor Agencies, the San Bernardino Express Lanes, and will soon expand to include the San Diego Association of Governments in the coming year. In addition, the Los Angeles County Metropolitan Transportation Authority will be moving its BOS from Transcore to BRiC in the coming years. RCTC has been satisfied with the performance of the BRiC BOS on the 15 EL since its go-live in 2021.

The procurement and deployment of a new BOS can take longer than four years. With the initial term of the current agreement with CUSA ending in January 2027, the Agencies have evaluated the options for the 91 EL BOS, as presented in the discussion below.

Discussion

Staff presented the possibility of consolidating the 91 EL BOS and CSC with the 15 EL BOS and CSC (15-91 EL BOS) to the Finance and Administration Committee (Committee) on August 27, 2025, along with other viable options for the future 91 EL BOS. Staff was directed to explore the feasibility and cost of the 15-91 EL BOS and return to the Committee and the Board with an updated proposal and recommendation. Since that time, staff has met with RCTC and Kapsch to further explore the consolidation. After further discussing the consolidation, Kapsch provided a proposal for the services to the Agencies. The Agencies have negotiated the terms and pricing of the proposal and received a proposal that would provide significant savings to the Agencies. Staff is recommending proceeding with the 15-91 EL BOS, two options are being presented for review:

- Option 1 Combine the 15-91 EL with a three-party agreement between OCTA, RCTC, and Kapsch through 2041 and exercise Option Term 1 to extend the existing CUSA agreement through the implementation phase.

Option 2 Exercise the Option Terms of the CUSA agreement, extending the expiration date up to January 2033, and issue an RFP for a new BOS and CSC contractor.

Option 1

The first option would be for OCTA to enter into a three-party agreement with Kapsch and RCTC to combine the 15-91 EL BOS, whereby Kapsch becomes the provider of the services. This option reduces costs, implementation time, and risk compared to Option 2. Due to their close proximity and direct connection, approximately 35 percent of customers use both ELs. Therefore, combining the 15-91 EL BOS will reduce redundancy and provide superior customer service by allowing the joint CSC to assist customers with matters on both ELs.

Staff reviewed the business rules and operating procedures of the 15-91 EL and identified minor differences in procedures and in the BOS. Given these minor differences and Kapsch and BRiC's prior experience implementation is expected to take 12 months. The Kapsch proposal identifies a go-live date of July 1, 2027, following a notice to proceed in June 2026. This approach would be implemented approximately three years faster than the RFP option, as illustrated in Option 2, below. Kapsch can achieve operational efficiency because they are already on site performing similar work in the office in the City of Corona for the 15 EL. Kapsch would also be able to quickly hire and train staff, implement updates to the BOS, phone system, website, and update customer materials.

Furthermore, the BRiC BOS is already configured with business rules that are very similar to the 91 EL. The minor modifications needed would be released in several sprints prior to go-live and verified to be working with the 15 EL data and transactions. These verifications and update methods allow for a quick implementation phase and reduce risk to the 91 EL. The BRiC system and team have demonstrated an understanding of the complexity of tolling through their performance on the 15 EL and various other Southern California tolling agencies. The use of the proven BRiC system, with minor modifications to include the 91 EL, is a low-risk effort compared to procuring a new BOS.

The 15-91 EL BOS consolidation would also result in reduced costs for the Agencies. The reduction in costs is due to the removal of redundant services and to economies of scale. The Kapsch proposal to develop the new BOS is \$9.8 million. Fixed and variable O&M costs are estimated to be \$168 million. Pass-through costs for the O&M period are anticipated to be \$64.3 million and include credit card fees, postage, collection costs, and telephone fees that the Agencies will pay through the vendor. This would amount to a total cost of \$242 million for the implementation, O&M, and pass-through costs through 2041. This cost would be split with RCTC, resulting in an OCTA commitment of

\$123.2 million. Staff utilized the end date of 2041, as that is the current expiration of the Kapsch agreement with RCTC. This extended timeframe also provides pricing certainty for a longer period.

If Option 1 is selected, the Agencies would need to execute the first option term with CUSA to ensure continued operations while Kapsch completes the implementation phase for approximately five months. Should the Board approve the recommendation, staff will return to the Board to execute the option term. Staff estimates that Kapsch can deliver the BOS and complete the transition from CUSA to BRiC by July 1, 2027.

Additionally, staff has drafted amendments to the agreement to reflect relevant changes. The draft amended and restated agreement is attached as Attachment B for consideration. The amendment removes outdated verbiage and assumptions, removes provisions that are no longer applicable, updates terms to include the 15 EL in the partnership, and extends the partnership timeframe until at least 2041.

Option 2

The second option is to issue a joint RFP with RCTC to procure a new BOS and CSC provider for the 91 EL. This option would require exercising the first option with CUSA, due to the time required to issue a new RFP, and hire a new provider. Based on prior similar RFPs, staff estimates it would take at least six months to develop an updated scope of work and the necessary RFP documents for a project of this size. Once the RFP is ready, it will take an additional six months for the RFP process to be completed and for staff to return to the Board with a recommendation. After the award of a new agreement, staff will work with the selected firm to design and deploy the new BOS for approximately 36 months. This Option 2 is estimated to take at least four years to complete.

This option may result in disruptions to customer service and a greater data migration risk during the transition. Customer service can be disrupted, as through an RFP, the new contractor will not have the flexibility of working in the building next door during the implementation phase. Furthermore, the data migration risk is greater as the new contractor through the RFP will have less experience with the current data structure. BRiC has already completed preliminary discovery work on the data migration efforts to develop the proposal presented to the Agencies. Historically, similar RFPs issued by the Agencies have identified only a limited number of potential vendors, and the cost of the new BOS is anticipated to be significantly higher than that of Option 1.

The cost projection for this option is based on the competitively bid 91 EL procurement awarded in 2019, with a two percent increase per year through 2031 to account for inflation. The estimated cost to develop the new BOS is \$21 million. O&M costs for the current CUSA agreement and the projected new agreement through 2041 are estimated at \$185.6 million. Pass-through costs for the O&M period are anticipated to be \$68.5 million. This would amount to a total cost of \$275.1 million for the implementation of O&M and pass-through costs through 2041. This cost would be split with RCTC, resulting in an OCTA commitment of \$137.5 million.

Summary and Recommendation

In evaluating the two options, staff considered customer service, schedule, cost, implementation, and operational risk. Based on this evaluation, staff determined that partnering with RCTC and Kapsch for the 15-91 BOS provides the most advantageous approach for OCTA by allowing for significant savings in operating costs and reducing redundancy in services provided.

Table 1 below compares the Kapsch price proposal with staff's estimate for similar services if the Agencies were to pursue an RFP. An item to note is that the Kapsch costs are already defined in the cost proposal and will be locked in once the agreement is approved, unlike the RFP costs, which are estimates. The staff estimate for the RFP option is a conservative projection based on trends, and the actual price could come in higher or lower.

Table 1: Price Comparison for both Agencies

	Kapsch Proposal	RFP Option	Variance
Implementation	\$9,761,410	\$21,000,000	\$11,238,590
14 years of O&M	\$167,966,270	\$185,563,213	\$17,596,943
14 Years of Pass-through Costs	\$64,308,733	\$68,492,238	\$4,183,505
Total for RCTC and OCTA	\$242,036,413	\$275,055,451	\$33,019,038

Table 2 below compares the Kapsch proposal and RFP options solely based on OCTA's share.

Table 2: Price Comparison for OCTA

	Kapsch Proposal	RFP Option	Variance
Implementation	\$4,880,705	\$10,500,000	\$5,619,295
14 years of O&M	\$91,486,973	\$92,781,607	\$1,294,634
14 Years of Pass-through Costs	\$26,789,559	\$34,246,119	\$7,456,560
Total	\$123,157,237	\$137,527,726	\$14,370,489

In addition to the price proposed by Kapsch, staff is requesting a 2.6 percent contingency for the agreement, in the amount of \$3,215,247, bringing the total agreement amount to \$126,372,484. The contingency will cover future changes and upgrades to the BOS, potential increased costs for BOS hardware components, and website updates. Even with the contingency, staff estimates that pursuing the 15-91 EL BOS with Kapsch will save OCTA \$11.2 million.

Further savings could also be realized with BOS changes to optimize mailings and reduce variable costs. Staff will explore these possible savings if the option is selected. These savings will benefit OCTA, the 91 EL, and, more importantly, the public, as all savings realized by the project and the 91 EL are translated into lower operating costs and higher excess revenues. All excess revenues are reinvested in the corridor for the public benefit. This benefit extends beyond the 91 EL as it supports transit and general-purpose initiatives. RCTC has presented the option to consolidate the 15-91 BOS to their Toll Policy and Operations Committee (TPOC) on April 28, 2026. RCTC received approval for the consolidation from the TPOC and will present the item to the full Commission on May 13, 2026.

Fiscal Impact

Funding for the implementation of the 15-91 BOS is included in OCTA’s Fiscal Year 2026-27 proposed budget, Express Lanes Division, Account No. 0036-9028-B0001-1GO, and will utilize local funds. Future implementation and O&M costs will be budgeted in subsequent years under the Express Lanes Division, accounts nos. 0036-9028-B0001-1GO, 0036-7350-B0100-A5H, 0036-7661-B0001-ECB, 0036-7641-B0001-N25, 0036-7520-B0001-AC2, and 0036-7522-B0001-A2D.

Summary

Staff recommends consolidating the 15 and 91 Express Lanes back-office system and customer service center operations with Kapsch TrafficCom USA, Inc., the vendor currently providing these services to Riverside County Transportation Commission. In order to affect this recommendation, a three-party agreement with the Riverside County Transportation Commission and Kapsch TrafficCom USA, Inc. is necessary. The agreement will include the 15 and 91 Express Lanes back-office system and customer service center operations in an amount not-to-exceed \$126,372,484.

Attachments

- A. Draft Amended and Restated Toll Services Contract for the Riverside I-15 Express Lanes Project and 91 Express Lanes Project
- B. Draft Amended and Restated Cooperative Agreement, Express Lanes Operations, Between the Riverside County Transportation Commission and the Orange County Transportation Authority

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