



91 Express Lanes Back-Office System and Customer Service Center Consolidation with the 15 Express Lanes



Background

- 91 Express Lanes constructed by CPTC at a cost of \$135 million
- 91 Express Lanes opened to the public in December 1995
- OCTA acquired and took over operations and maintenance of the 91 Express Lanes in January 2003
- OCTA and RCTC entered into a cooperative agreement for express lanes in December 2011
- RCTC extended the 91 Express Lanes into Riverside County and commenced joint operations with OCTA in March 2017

CPTC - California Private Transportation Company, LLC

OCTA – Orange County Transportation Authority

RCTC – Riverside County Transportation Commission



Background Continued

- OCTA Board selected CUSA in November 2019 to provide joint BOS/CSC services for an initial seven-year term, with up to two, three-year options
- CUSA deployed a new BOS/CSC system in March 2022
- Initial term of the BOS/CSC services agreement expires in January 2027
- Staff presented three BOS/CSC options to the Committee in August 2025
- The Committee asked staff to explore BOS consolidation with the 15 Express Lanes

Board – Board of Directors

CUSA - Cofiroute USA, LLC

BOS – Back-Office System

CSC – Customer Service Center

Committee - OCTA Finance and Administration Committee



BOS/CSC Services Include

- BOS software
- Hardware and software maintenance
- CSC staffing and activities
- 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
- Telephone system



Status of the Current Agreement

- Completed operational acceptance testing in June 2025
- Still need to complete implementation of deferred items, and final acceptance is anticipated in June 2026
- History of technical issues in the BOS and CSC, resulting in missed key performance indicators and liquidated damages
- Several improvements in the BOS and CSC, but performance gaps remain



Available Options

Option 1 - Enter into a three-party agreement with RCTC and Kapsch

- Authorize the combination of BOS and CSC services with the 15 Express Lanes
- Execute agreement C255087 with RCTC and Kapsch
- Amend and restate the cooperative agreement with RCTC
- Extend the CUSA agreement during the implementation phase

Option 2 – Continue with the current agreement with CUSA and exercise the optional years of the agreement, while issuing an RFP

- Maintains the current agreement and vendor
- Staff will return to the Board to execute each option term
- Staff will work with RCTC to update documents and return to the Board to issue RFP

RFP – Request for Proposals

Kapsch – Kapsch TrafficCom USA Inc.



Comparison of Options

	Kapsch Agreement	Continue with CUSA and Issue an RFP
Benefits	• Significant savings over issuing a new RFP • Known costs through 2041 • Seamless customer service with the 15 Express Lanes • Transition to a BOS with a proven track record in the region	• No disruption in service until 2033 • Competitive bid
Risks	• Minor data migration risk • Sole-source, non-competitive	• Inconsistent performance • Higher risk than the Kapsch option for future RFP • Higher anticipated costs • Unknown costs after 2033 • Limited potential vendors



OCTA Cost Comparison

	Kapsch Proposal	CUSA and 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	26,789,559	34,246,119	7,456,560
Total	123,157,237	137,527,726	14,370,489

- The Kapsch option includes 3% yearly cost escalation
- CUSA option includes 3% yearly escalation through 2033 and 4.5% afterwards
- The Kapsch proposal could further be reduced with communication improvements
- Staff also recommends a contingency of \$3,215,247 which is 2.6% of the agreement value

O&M – Operations and Maintenance



Recommendations

- A. Authorize the consolidation of the 15 and 91 Express Lanes BOS and CSC operations with Kapsch TrafficCom USA, Inc., as the selected vendor
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C255087 with Kapsch TrafficCom USA, Inc., in the amount of \$126,372,484, to provide BOS and CSC operations for the 91 Express Lanes
- C. Authorize the Chief Executive Officer to negotiate and execute the amended and restated cooperative agreement for express lanes between the Riverside County Transportation Commission and Orange County Transportation Authority, Agreement No. C-13190



Next Steps

- Negotiate and execute the three-party and cooperative agreements
- Issue notice to proceed for the consolidation
- Return to the Board with CUSA extension
- Complete BOS updates for the inclusion of the 91 Express lanes
- Update agreements with CTOC partners and complete communications
- Inform customers of the consolidation and transition accounts
- Go live with new BOS - July 1, 2027