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## *Memorandum*

TO: BATA Oversight Committee

DATE: October 28, 2015

FR: Executive Director

W. I. 1253

RE: Contract Change Order – Lease Extension: Xerox State and Local Solutions, Inc. (\$560,000)

This memorandum requests Committee approval of a contract change order with Xerox State and Local Solutions, Inc. (Xerox) in an amount not to exceed \$560,000 for the lease extension at 62 First Street.

### Background

Based on a competitive selection, BATA entered into a contract with Xerox on March 27, 2013 for management and operation of the FasTrak® Regional Customer Service Center (RCSC) in an amount not to exceed \$117,520,000. Since that time, approximately \$8 million has been added to the contract by change order. Under the contract, Xerox provides the FasTrak® account management system, transaction processing, call center operations, web services, payment processing, customer communications, violation image review and violation noticing. Xerox is under contract to operate the RCSC through September 2019.

### Lease and Facility Expenses

The RCSC is currently located at 62 First Street in San Francisco, which is a temporary location until 375 Beale Street is ready for occupancy. Under the current contract, Xerox was to move into the Beale Street location in June 2014. However, due to delays caused by the DEA move-out and the expiration of Xerox's prior lease at 475 Embarcadero, BATA authorized Xerox to relocate temporarily to 62 First Street through August 2015 when staff expected to be able to locate the RCSC to Beale Street. As the Beale Street location will not be ready for Xerox occupancy until April 2016, we are requesting a change order in the amount of \$560,000 to cover the lease extension through April 30, 2016. The amount requested for the lease extension includes a credit for the lease costs that would have been paid at Beale Street. However, the actual lease rates at the 62 First Street location are higher compared to what was assumed at the time of procurement to be paid at Beale Street and additional rent at 62 First Street comprised primarily of operating expenses and property taxes has also increased. Attachment A includes a summary of Xerox and its project team's small business and disadvantaged business enterprise status.

### **Recommendation**

Staff recommends that the Committee authorize the Executive Director or his designee to negotiate and enter into a contract change order with Xerox in an amount not to exceed \$560,000 for the lease extension through April 2016 at 62 First Street for the FasTrak® RCSC.

  
 Steve Heminger

**Attachment A**  
**Small Business and Disadvantaged Business Enterprise Status**

	Firm Name	Role on Project	DBE* Firm			SBE** Firm		
			Yes	If Yes, List #	No	Yes	If Yes, List #	No
Prime Contractor	Xerox State and Local Solutions	Design, Implement, Operate			X			X
Subcontractor	Holografik	Web Design			X			X

\*Denotes certification by the California Unified Certification Program (CUCP).

\*\*Denotes certification by the State of California.

REQUEST FOR COMMITTEE APPROVAL  
Summary of Proposed Contract Change Order

Work Item No.: 1253

Contractor: Xerox State and Local Solutions, Inc., San Francisco, CA

Work Project Title: FasTrak® Regional Customer Service Center

Purpose of Project: Lease extension.

Brief Scope of Work: Extend lease at temporary Regional Customer Service Center at 62 First Street, San Francisco CA

Project Cost Not to Exceed: This Change Order - \$560,000  
Current contract amount before this Change Order - \$125,663,300  
Maximum contract amount after this Change Order - \$126,223,300

Funding Source: Toll Bridge Rehabilitation Program funds

Fiscal Impact: Funds are included in the FY 2015-16 Toll Bridge Rehabilitation Program Budget.

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract change order with Xerox State and Local Solutions, Inc., for the lease extension at 62 First Street as described above and in the Executive Director's Memorandum dated October 28, 2015, and the Chief Financial Officer is directed to set aside funds in the amount of \$560,000 for such contract change order.

BATA Oversight Committee: \_\_\_\_\_  
Amy Rein Worth, Chair

Approved: November 4, 2015