

**Bay Area Toll Authority
Oversight Committee**

June 8, 2022

Agenda Item 5a - 22-0949

Equity Action Plan Recommendations:

Resume Escalation of Unpaid Violations to DMV for Registration Hold and to Collections; Means-based Payment Plan Pilot Program; Contract Change Order – FasTrak® Regional Customer Service Center Resume Escalations of Unpaid Violations and Develop Means-Based Payment Program: Conduent State and Local Solutions, Inc. (\$1,000,000); and Expenditures for Complementary MTC Contract Actions

Subject:

A request to approve Equity Action Plan recommendations to (1) resume escalation of unpaid violations to the Department of Motor Vehicles (DMV) for registration hold and to collections; (2) approve a means-based payment plan pilot program; (3) approve a contract change order with Conduent State and Local Solutions, Inc. (Conduent) to implement a process for resuming escalations to DMV and collections and develop and operate a means-based payment plan pilot and pre-qualification program; and (4) approve expenditures in the amounts of \$800,000 and \$1,000,000 respectively for the Clipper START eligibility verifier contract and a Salesforce integrator contract, to support developing the means-based payment plan, subject to the approval of the FY 2022-23 BATA budget.

Background:

At the May 2021 BATA Oversight meeting, staff unveiled an ambitious strategy to make the Bay Area tolling program more equitable through its Equity Action Plan. Staff provided updates at the October 2021, November 2021, January 2022 and April 2022 BATA Oversight meetings. At those meetings, Commissioners addressed the need for customers to be able to manage debt, to urgently focus on those who need it most, and to include baseline data and cost/benefit analyses in assessments of potential policy changes. BATA has already made several policy changes:

- Dramatically reducing BATA violation penalties, and
- Reducing tag deposits, reducing the pre-paid balance for cash-paying customers to open a FasTrak® account, and eliminating cash payment network fees to make it more accessible and affordable to become a FasTrak® customer and manage accounts.

Staff is also conducting community engagement activities to ascertain how additional policies might affect individuals earning a low income. Results of the engagement activities will be available in July.

At the January 2022 BATA Oversight Committee meeting, Commissioners made a specific request for staff to conduct research into the best practices of administering payment plans. In April 2022, staff presented a proposed payment plan pilot, with a commitment to come back to the June BATA Oversight meeting with a more refined plan. Today staff will provide a revised recommendation for a payment plan as well as a recommendation to address another high priority action: the uncollected tolls and penalties associated with unpaid violations that have not been forwarded to DMV for registration hold or to collections. Staff is recommending a twofold approach.

Release of Unpaid Violations to DMV for Registration Hold

Currently, more than half a million vehicles have unpaid violations dating back to January 1, 2021 that could be sent to the DMV for registration hold or to collections. Violations are sent to collections when they cannot be sent to DMV hold. Commissioners have indicated that these violations should not be sent until BATA establishes a payment plan to support low-income individuals.

DMV registration holds are a strong motivator for drivers to settle their toll accounts. The value of unpaid tolls alone in the current backlog is estimated at more than \$50,000,000. DMV will not accept violations older than three years, so the backlog of unpaid violations will start timing out in January 2024. Note that a year of BATA rehab funding – the funds used to maintain the bridges – is about \$120,000,000. Additionally, the BATA Recovery Ad Hoc process laid out the dramatic impact of COVID on toll traffic and revenues. Since the work of that group ended, recovery of traffic and tolls has not performed as hoped. We urgently need to take action to recoup outstanding tolls.

Staff has developed a proposal that could allow BATA to restart the process of sending unpaid violations to DMV for registration hold and to collections while addressing the needs of low-income individuals:

1. As soon as possible, send unpaid violations for commercial vehicles to DMV for registration hold and to collections since these individuals would not be eligible for the proposed BATA payment plan where eligibility would be based on household income levels.
2. Announce plan to release remainder of unpaid violations to DMV for registration hold or to collections.
 - Implement a pre-qualification program for eligible low-income individuals who could participate in a means-based payment plan pilot. Once approved, any outstanding violations would not be sent to DMV for registration hold or to collections and these individuals would be able to enter into a payment plan pilot (when available).
 - Release unpaid violations for those who do not pre-qualify to DMV for registration hold or to collections.
 - If someone receives DMV registration holds or is sent to collections and contacts the customer service center, they will be provided the opportunity to pre-qualify for the means-based payment plan pilot.

Create Means-Based Payment Plan Pilot

In the April 2022 BATA Oversight Committee meeting, staff recommended a payment plan pilot that would be open to all. The key elements included requirements for tolls to be paid with the first payment, that individuals must have a minimum of \$150 in violation debt to be eligible and that the payment period would be 12 months.

Based on feedback from Commissioners about the potential hardship created by DMV registration holds on vehicles of people who cannot pay their violations, staff is now recommending a means-based payment plan pilot. Creating such a payment plan has several benefits for drivers while at the same time reducing financial exposure for BATA:

- Opportunity to offer lower monthly payment amounts
- Option to spread payments over longer duration

- DMV registration hold could be released after a smaller portion of tolls and DMV fees are paid

The payment plan pilot will be modeled after the Clipper START means-based transit fare discount program. That program provides transit discounts for individuals with a household income of 200% or less of the federal poverty level (currently around \$55,500 for a family of four). Several documents are accepted as proof of income. Individuals apply online or with a paper application, and an eligibility verifier reviews the application and proof of income and either approves or denies the application. Both the website and the system used by the eligibility verifier are built on the Salesforce platform. Staff is working on additional details of the payment plan.

Approve Related Contract Authority

Staff is requesting approval of the following contract actions to begin work to release transactions to the DMV for registration hold and develop and implement the means-based payment program:

Contract Change Order – FasTrak® Regional Customer Service Resume Escalation of Unpaid Violations and Develop Means-Based Payment Program: Conduent State and Local Solutions, Inc. (\$1,000,000)

Based on a competitive selection, BATA entered into a contract with Conduent (formerly, Xerox) on March 27, 2013 for management and operation of the FasTrak® Customer Service Center (CSC). Under the contract, Conduent provides the FasTrak® account management system, transaction processing, call center operations, web services, payment processing, customer communications, violation image review and violation noticing for bridges and express lanes in the Bay Area.

To execute the programs described in this memo, Conduent will be required to implement large-scale release of violations to the DMV for vehicle registration hold and to collections and develop and implement a pre-qualification program and a means-based payment program pilot, involving interfacing with the agency's Salesforce integrator to set up a system for transferring

data on approved applicants and developing a method for pulling vehicles potentially eligible for vehicle registration hold from the list to be sent to the DMV.

Attachment A includes a summary of Conduent and its project team's small business and disadvantaged business enterprise status.

Staff will also take complementary contract actions to the MTC Operations Committee for an amendment to MTC's Clipper START eligibility verifier contract with Cubic Transportation Systems, Inc. in the amount of \$800,000 and a new contract for a Salesforce integrator in the amount of \$1,000,000 to develop a means-based payment plan. All funding will be from the BATA Operating Budget, subject to approval of the FY 2022-23 BATA Budget.

Recommendations:

Staff is seeking (1) approval to resume escalation of unpaid violations to DMV for registration hold and to collections consistent with this memo; (2) approval of a means-based payment plan pilot program; (3) approval of a contract change order with Conduent to implement a process for resuming escalations to DMV and develop and operate a means-based payment plan pilot and pre-qualification program, subject to the approval of the FY 2022-23 BATA budget; and (4) approve expenditures in the amounts of \$800,000 and \$1,000,000 respectively for the Clipper START eligibility verifier contract and a Salesforce integrator contract, to support developing the means-based payment plan, subject to the approval of the FY 2022-23 BATA budget.

- Attachment A – Conduent State and Local Solutions, Inc. Small Business and Disadvantaged Enterprises Status
- Attachment B – Presentation on Equity Action Plan

Denise Rodrigues

Denise Rodrigues

Attachment A

Conduent State & Local Solutions, Inc., Small Business and Disadvantaged Business Enterprise Status

		DBE* Firm			SBE** Firm			
Firm Name		Role on Project	Yes	DBE #	No	Yes	SBE #	No
Prime Contractor	Conduent	System Development and Operations			X			X
Subcontractor	Atos	Network Management			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.: 1252

Consultant: Conduent State and Local Solutions, Inc. (Conduent)
San Francisco, CA

Work Project Title: Resume Escalations to DMV and Collections and Develop Means-Based Payment Plan Pilot

Purpose of Project: To support release of unpaid violations to DMV for registration hold and to collections, develop pre-qualification low-income program and means-based payment plan pilot

Brief Scope of Work: Manage unpaid violations to facilitate the pre-qualification low-income program and develop the means-based payment plan pilot

Project Cost Not to Exceed: This Change Order: \$1,000,000
Current contract amount before this Change Order: \$664,197,996 (this total does not include other June 8, 2022 contract approval actions)
Maximum contract amount after this Change Order: \$665,197,996

Funding Source: BATA Operating Funds

Fiscal Impact: Funds to be included in the FY 2022-23 BATA budget, subject to approval

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a contract change order with Conduent State and Local Solutions, Inc. for services described above and in the Operations Committee Summary Sheet dated June 8, 2022 and that the Chief Financial Officer is authorized to set aside \$1,000,000 for such contract change order, subject to approval of the FY 2022-23 BATA budget.

BATA Oversight Committee: blank

Amy Worth, Chair blank

Approved: June 8, 2022