

Bay Area Infrastructure Financing Authority
Network and Operations Committee

July 12, 2024

Agenda Item 5a

Express Lanes START Pilot Extension: i. Approval - 18-Month Extension of the Express Lanes START Pilot; and ii. Contract Amendment – Polytechnic Marketing LLC (\$700,000)

Subject:

Request to: i. extend the Express Lanes START pilot, which provides low-income users a discounted toll on the Interstate 880 Express Lane, by 18 months; and ii. amend the contract with Polytechnic Marketing LLC for an amount not to exceed \$700,000.

Background:

Express Lanes START is a first-of-its-kind effort to address affordability of express lane tolls for residents earning a low income. The pilot was borne from MTC's goal of advancing equity throughout the region in accordance with Plan Bay Area 2050 and MTC's Equity Platform, and it is identified as an action in the Express Network 2021 Strategic Plan to analyze how providing reduced toll rates to low-income users delivers equitable benefits and affects express lane operations.

Qualified pilot participants receive at least 50% off tolled trips on the I-880 Express Lanes depending on vehicle occupancy. Pilot participants must provide proof of identity and household income at or below 200% of the Federal poverty level as well as have a Bay Area mailing address and a FasTrak[®] account. As a reminder, these eligibility criteria and the enrollment process are consistent with those for Clipper START, except that the FasTrak account requirement is unique to the Express Lanes program, and MTC is currently conducting an internal review for both programs as described below.

The evaluation of the first 12 months of the pilot is still underway. Staff will present these findings in the fall along with preliminary recommendations. An early review of results against our pilot targets shows we have enrolled fewer enrollees than we anticipated, but those enrollees use the express lane more than we anticipated. What we have learned from our first means-based initiatives is the road to potential permanency requires experimenting with different strategies to more effectively serve the individuals and families for whom the program is designed; therefore, we are recommending an extension of the Express Lanes START pilot.

Pilot Extension:

On June 22, 2022, BAIFA approved an 18-month pilot of a means-based toll discount on the I-880 Express Lanes called Express Lanes START. The pilot opened to the public on April 7, 2023, and is slated to end on September 30, 2024 unless BAIFA takes action to extend it.

As of March 31, 2024, 1,931 households had enrolled for Express Lanes START. Enrollment means that the household was approved and linked a FasTrak account to the discount program. While this is much lower than we had hoped – it is 14% of the target set before the pilot start – preliminary review of the data and feedback suggests that enrollees who made express lane trips increased their express lanes usage substantially and found the application process easy. The median user new to FasTrak increased their trips from 0 to 4 paid trips per quarter, exceeding the target of 1 trip. The median user with an existing FasTrak account increased their usage from 3 to 4 trips per quarter (33%, versus the target of 25%). The evaluation is still underway; in the fall, we will present the results in more detail, including what we learn about factors influencing the level of participation and preliminary recommendations on how to move forward.

Per BAIFA's Toll Facility Ordinance, BAIFA has the authority to carry out pilot projects to test alternate tolling and discount policies and new technologies for up to 36 months. To allow existing participants to continue to receive toll discounts and new customers to enroll while staff completes work to inform recommendations about the pilot's future, staff recommends extending the pilot eighteen months to a total length of 36 months, the maximum allowed. This allows the existing platform, including the eligibility verification and integration with the Regional Customer Service Center, to be maintained as we incorporate recommendations that result from the evaluation. It also does not preclude the Authority from taking an action to end the pilot in an earlier timeframe. Recommendations will be informed by the following:

- **Pilot Evaluation** – Staff is conducting a comprehensive evaluation on the first 12 months of pilot data (April 2023 through March 2024). The evaluation will synthesize data from quantitative and qualitative sources to report results relative to preliminary performance targets shown in Attachment B. Data sources include the Express Lanes START application system, the FasTrak back-office system, the express lanes toll system, traffic counts, surveys, focus groups and interviews.

- **Internal Technical Analysis of MTC's Means-Based Programs** – In January 2024 Programming and Allocations Committee, staff shared the launch of an internal technical analysis to improve participation and customer experience across MTC's means-based, equity-oriented policies and programs (like Clipper START and Express Lanes START). Areas being assessed include how to reach more eligible residents and expand access to those residents. Initial findings will be shared early fall 2024.
- **Stakeholder Coordination** – Staff will share the results of the Pilot Evaluation and findings from internal technical analysis with MTC's Policy Advisory Council Equity and Access Subcommittee and other stakeholders like Bay Area Express Lanes operators through the Express Lanes START Advisory Group, which includes other regional tolling agencies, Caltrans, equity advocates, and members of the Policy Advisory Council's Equity and Access Subcommittee. Staff will seek feedback on its recommendations, potentially making adjustments, to inform BAIFA's decision-making on the pilot's future.

Contract Amendment for Marketing and Communications Support:

In October 2021, BAIFA authorized a contract with Polytechnic Marketing LLC (Polytechnic) for marketing and communications services for the pilot. Polytechnic was selected from a mini-procurement from a technical assistance bench that included Communications and Customer Information Services. For the pilot, Polytechnic provided communications strategies to support the launch, development and implementation of marketing campaigns to awareness of tolling and promote the pilot, and ongoing support in areas of communications and customer education. Should the Authority approve an 18-month extension, staff recommends adding \$700,000 to the current contract amount of \$410,000 to provide greater visibility of the discount program and with a goal to increase enrollment. The average monthly cost of marketing over the 18-month extension would rise to \$38,000 from \$23,000 during the initial 18 months. Staff will direct funds in outreach strategies found to be most effective during the initial 18 months. Those include increasing budget for direct mail and for digital advertising targeting low-income people who drive. Part of this will also involve targeting neighborhoods where transit is poor with the assumption that people in those neighborhoods are more likely to drive. Staff will monitor

standard advertising metrics, such as impressions and click-through rates, as well as enrollments. Attachment A includes a summary of Polytechnic Marketing LLC's small business and disadvantaged business enterprise status.

Fiscal Impact:

The BAIFA Capital Budget includes \$1.8 million to operate the pilot through the end of the fiscal year. There will be no impact to the BAIFA FY2024-25 budget if the pilot is extended.

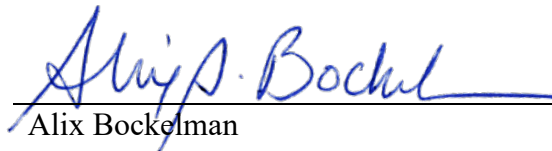
Recommendation:

That the Committee

- i. refer to the Authority for approval an 18-month extension of the Express Lanes START pilot, which provides low-income users a discounted toll on the Interstate 880 Express Lane; and
- ii. authorize the executive director or designee negotiate and enter into a contract amendment with Polytechnic Marketing LLC for an amount not to exceed \$700,000, subject the Authority's extension of the pilot.

Attachments:

- Attachment A: Disadvantaged Business Enterprise and Small Business Enterprise Status
- Committee Contract Approval Sheet
- Attachment B: Pilot Targets
- Attachment C: PowerPoint


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Disadvantaged Business Enterprise and Small Business Enterprise Status

	Firm Name	Role on Project	DBE* Yes / No	If DBE Yes, List #	SBE** Yes / No	If SBE Yes, List #
Prime Contractor	Polytechnic Marketing LLC	Prime Contractor	No	N/A	Yes	2013608

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

**Denotes certification by the State of California.

Request for Committee Approval

Summary of Proposed Contract

Work Item No.: 6854

Vendor: Polytechnic Marketing LLC
Berkeley, CA

Work Project Title: Express Lanes Toll Discount Pilot Program Marketing & Communications Services

Purpose of Project: To provide marketing and communications services for the Express Lanes Toll Discount Pilot Program

Brief Scope of Work: To develop and implement campaigns to educate people about the Toll Discount Pilot Program, to prepare updates to online and printed materials, and to conduct program research

Project Cost Not to Exceed: This Amendment: \$700,000
Previous Contract: \$410,000
Total Contract with this Amendment: \$1,110,000

Funding Source: BAIFA Capital Program Budget

Fiscal Impact: Funding is included in the Fiscal Year 2024-25 BAIFA Express Lanes Capital Budget.

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a contract amendment with Polytechnic Marketing LLC for services as described above and in the BAIFA Network and Operations Committee Summary Sheet dated July 12, 2024 and the Chief Financial Officer is authorized to set aside funds in the amount of \$700,000 for such contract, subject to the Authority's extension of the Express Lanes START pilot, as specified above.

BAIFA Network and
Operations Committee:

Carol Dutra-Vernaci, Chair

Approved: July 12, 2024