



BAY AREA TOLL AUTHORITY
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Memorandum

TO: BATA Oversight Committee

DATE: June 1, 2016

FR: Executive Director

W. I. 1253

RE: Purchase Order – FasTrak Flex® Toll Tags: TransCore LP (\$9,639,209)

This item would authorize the Executive Director or his designee, to issue a purchase order in an amount not to exceed \$9,639,209 to TransCore LP to purchase FasTrak Flex® (Flex), Toll Tags for FY 2016-17 and FY 2017-18, subject to the approval of future BATA budgets.

Background

Since the launch of the I-580 Express Lanes in February, the demand for Flex toll tags has increased significantly and current inventory of Flex toll tags is being drawn down. The current contract with 3M Corporation is expected to provide tags through the end of September 2016. To ensure a continuous supply of Flex toll tags for the next two fiscal years and to ensure adequate supply of Flex toll tags for upcoming launches of regional Express Lanes, staff initiated a procurement for 355,000 non-retail Flex toll tags and 213,000 retail flex toll tags through FY 2017-18. An option to purchase additional tags, as needed, through December 2018 was included as part of the procurement.

An Invitation for Bid (IFB) was issued on April 11, 2016. Staff received one responsive bid from TransCore LP by the deadline of May 9, 2016. The bid price received from TransCore LP is as follows:

TransCore LP Bid

Flex Tag Type	Per Unit Bid Price	Quantity	Total by Item (excluding sales tax)
Non-Retail Tags	\$14.48	355,000	\$5,140,400
Retail Tags <ul style="list-style-type: none"> • Costco • Safeway • Walgreens 	\$17.48	213,000	\$3,723,240
		Sales Tax (8.75%)	\$775,569
		Total	\$9,639,209

This procurement will provide sufficient Title 21 Flex toll tags until the California Toll Operators Committee's (CTOC) anticipated transition to the new 6C protocol and toll tags. The California Toll Operators Committee, of which BATA is a member, agreed to transition to another communications protocol (known as 6C) to address some of the current Title 21 protocol's limitations, such as the limited number of compliant vendors. In addition to multiple vendors of 6C-compliant equipment and transponders, the 6C protocol also allows for less expensive formats, such as sticker tags. BATA and the other California toll operators are currently working with Caltrans to modify the Title 21 regulations to incorporate the new protocol, with a target date of acceptance of the new protocol by all California operators in 2018. The 6C toll tags will be obtained through a separate procurement in the future.

BATA has traditionally procured and paid for all FasTrak® tags issued in the region and has not transferred costs to any partner agencies that accept FasTrak® for payment (Alameda County Transportation Commission; Golden Gate Bridge, Highway, and Transportation District; San Francisco Airport; Valley Transportation Authority.) Given the increasing cost of tags, particularly Flex tags, BATA may revisit this policy, or consider passing the cost of tags to FasTrak® customers. If we charge customers for tags, we may also consider offering a rebate to carpoolers once they earn a specific number of carpool trips on Express Lanes. Implementation of the less expensive 6C protocol tags will also reduce future tag costs. We expect to return to this Committee later in the year with a specific cost-sharing proposal for your consideration.

TransCore LP is neither a small business nor a disadvantaged business enterprise and currently has no subcontractors.

Recommendation

Staff recommends that the BATA Oversight Committee authorize the Executive Director or his designee to issue a purchase order to TransCore LP in the amount not to exceed \$9,639,209 to purchase 355,000 non-retail FasTrak Flex® tags and 213,000 retail FasTrak Flex® tags, subject to the approval of the FY 2016-17 and FY 2017-18 BATA Budgets.



Steve Heminger

SH:BZ

REQUEST FOR COMMITTEE APPROVAL
Summary of Proposed Purchase Order Amendment

Work Item No.: 1253

Vendor: TransCore LP, San Diego, CA

Work Project Title: Electronic Toll Collection FasTrak Flex® Toll Tag Procurement

Purpose of Project: To provide FasTrak Flex® toll tags.

Brief Scope of Work: Provide 355,000 non-retail FasTrak Flex® toll tags and 213,000 retail FasTrak® Flex toll tags to support the regional express lanes operations.

Project Cost Not to Exceed: \$9,639,209

Funding Source: Toll Bridge Rehabilitation Program Funds

Fiscal Impact: \$4,819,605 in funds are to be included in the FY 2016-17 Toll Bridge Rehabilitation Program Budget and \$4,819,604 in funds are to be included in the FY 2017-18 Toll Bridge Rehabilitation Program Budget, subject to approval of the FY 2016-17 and FY 2017-18 BATA Budgets.

Motion by Committee: That the Executive Director or his designee is authorized to issue a purchase order to TransCore LP to provide 355,000 non-retail and 213,000 retail FasTrak Flex® toll tags as described above and in the Executive Director's memorandum dated June 1, 2016, and the Chief Financial Officer is directed to set aside funds in the amount of \$9,639,209 for such purchase order, subject to the approval of the FY 2016-17 and FY 2017-18 BATA Budgets.

BATA Oversight Committee:

Amy Rein Worth

Approved: June 8, 2016