



Bay Area Infrastructure Financing Authority
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Memorandum

TO: BAIFA

DATE: November 7, 2016

FR: Executive Director

W. I. 6843

RE: Agreement – FasTrak® Services: Bay Area Toll Authority (\$4,800,000)

Under state law, express lane operators, including BAIFA, must enter into cooperative agreements with the Bay Area Toll Authority (BATA) providing for BATA to operate and manage FasTrak® services for express lanes, which include FasTrak® account management, financial transactions and customer service. This memorandum requests Authority approval to enter into such a cooperative agreement with BATA. Staff requests authorization for an initial amount not to exceed \$4,800,000 for BATA to provide such services for the I-680 Express Lanes in Contra Costa County between Walnut Creek and San Ramon for the period through June 30, 2019. The BATA Oversight Committee will be asked to approve the agreement at its meeting on November 9, 2016.

Background

BAIFA expects to open the first of its express lanes in the second quarter of 2017 on I-680 in Contra Costa County between Walnut Creek and San Ramon. The proposed agreement with BATA is patterned on BATA's agreement with the Alameda County Transportation Commission for express lanes on I-580, which is the most recent of BATA's agreements for the Bay Area express lanes in operation.

Under the agreement, BAIFA will pay BATA for BATA's services in accordance with rate schedules provided by BATA to BAIFA from time to time. BATA will distribute toll tags, provide customer service, process trip records and violations in accordance with BAIFA's Toll Facility Ordinance and BATA procedures, collect tolls and transfer revenue to BAIFA. The initial rate schedule pertains solely to the BAIFA toll facilities on I-680 in Contra Costa County between San Ramon and Walnut Creek, and reflects the same rates for the same services provided for other express lanes. In addition, BATA will provide full financial accounting services for BAIFA since BAIFA does not have its own accounting unit. The estimated charge for all services provided by BATA is \$4.8 million for the period through June 30, 2019; however, actual charges may vary depending on the level of express lane usage. The agreement also licenses BAIFA to use the communications equipment and toll collection hardware and software systems provided by BATA to BAIFA for those toll facilities. The agreement may be terminated at any time by either party, except that it cannot be terminated while BAIFA bonds or other obligations for the BAIFA toll facilities is outstanding. Note that BAIFA has not issued any bonds for the express lane projects underway, which are funded on a pay-as-you-go basis with funds from the BATA Capital Budget.

Recommendation

Staff recommends that the Authority authorize the Executive Director or his designated representative to negotiate and enter into an agreement with BATA for FasTrak® services for the BAIFA express lanes. Staff recommends the Authority authorize an initial amount not to exceed \$4,800,000 to provide services for the I-680 Express Lanes between Walnut Creek and San Ramon for the period through June 30, 2019, subject to the adoption and approval of future BAIFA Operating budgets.



Steve Heminger

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REQUEST FOR AUTHORITY APPROVAL

Summary of Proposed Agreement

Work Item No.: 6843

Agency: Bay Area Toll Authority

Work Project Title: FasTrak® Services

Purpose of Project: BATA will provide FasTrak® services for the BAIFA Express Lanes

Brief Scope of Work: BATA shall distribute toll tags, provide customer service, process trip records and violations, collect tolls and transfer revenue to BAIFA. BATA shall provide financial services to BAIFA. BATA shall grant BAIFA a license to use toll collection equipment and software paid for by BATA.

Project Cost Not to Exceed: \$4,800,000

Funding Source: BATA Express Lanes Capital Project Budget: \$1,200,000
BAIFA operating budget for FY 2017-18, subject to adoption: \$1,800,000
BAIFA operating budget for FY 2018-19, subject to adoption: \$1,800,000

Fiscal Impact: Funding in the amount of \$1,200,000 is included in the Express Lanes Capital Project Budget, as adopted in the FY 2016-17 Toll Bridge Program Operating and Capital Budget (BATA Resolution No. 118, Revised). Funding in the amount of \$1,800,000 is subject to the adoption of a BAIFA operating budget for FY 2017-18. Funding for the balance of \$1,800,000 is subject to the adoption of a BAIFA operating budget for FY 2018-19.

Motion by Authority: That the Executive Director or his designee is authorized to negotiate and enter into an agreement with BATA for FasTrak® services as described above and in the Executive Director's memorandum dated November 7, 2016, and the Chief Financial Officer is directed to set aside funds in the amount of \$4,800,000 for such agreement, subject to annual budgetary approvals as specified above.

BAIFA:

Dave Cortese, Chair

Approved:

Date: November 16, 2016