



BAY AREA TOLL AUTHORITY
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Memorandum

TO: BATA Oversight Committee

DATE: June 7, 2017

FR: Executive Director

W. I. 1254

RE: Contract Amendment – Collection Services: Law Enforcement Systems, LLC (\$1,000,000)

This memorandum asks for Committee approval of a \$1,000,000 contract amendment with Law Enforcement Systems, LLC (LES) to provide funding for collection services on toll violations and delinquent FasTrak® accounts through June 30, 2019, increasing the contract to an amount not to exceed total of \$6,300,000. Individual year amounts will be subject to approval of future BATA budgets.

Summary

In March 2014, following a competitive procurement, the BATA Oversight Committee approved a contract for LES to perform collection services on toll violations and delinquent FasTrak® accounts for a five-year term through June 30, 2019, with an option to extend for an additional five years in one-year increments. LES is paid out of its recoveries: 25% on violations and closed delinquent accounts.

Since the approval of the contract, collection services have steadily increased.

Expenditure to date is as follows:

| | |
|---------------------|-------------|
| Paid FY2014-15 | \$735,232 |
| Paid FY2015-16 | \$1,095,254 |
| Estimated FY2016-17 | \$1,200,000 |
| Estimated FY2017-18 | \$1,400,000 |
| Estimated FY2018-19 | \$1,400,000 |

The contract currently has \$1,000,000 allocated for fiscal year (FY) 2016-17. Staff anticipates the need for an additional \$200,000 through the end of the fiscal year. In the following fiscal years, collections are expected to increase when violations from Bay Area Infrastructure Financing Authority and Alameda County Transportation Commission regional express lanes become delinquent. Staff is seeking approval to increase the annual budget for FY16-17 from \$1,000,000 to \$1,200,000 and to increase the annual budgets for FY17-18 and FY18-19 from \$1,000,000 to \$1,400,000 annually. In effect, the total budget for the contract will increase from \$5,300,000 to \$6,300,000.

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

Recommendation

Staff recommends that this Committee authorize the Executive Director or his designated representative to negotiate and enter into a contract amendment with LES to provide funding for continued professional collection services through June 30, 2019, in an amount not to exceed \$1,000,000, subject to approval of future BATA Budgets.



Steve Heminger

SH:gl
Attachment

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Attachment A

| | | | DBE* Firm | | | SBE** Firm | | |
|--|------------------------------------|----------------------|-----------|-------------------|----|------------|-------------------|----|
| | Firm Name | Role on Project | Yes | If Yes, List # | No | Yes | If Yes, List # | No |
| Prime Contractor | Law Enforcement Systems, LLC | Collections Services | | | X | | | X |
| Subcontractor | Greenbaum Law Group | Legal Collections | | | X | | | X |
| Subcontractor | Profession Account Management, LLC | Collections Services | | | 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 Amendment

| | |
|-----------------------------|--|
| Work Item No.: | 1254 |
| Vendor: | Law Enforcement Systems, LLC Milwaukee, WI |
| Work Project Title: | Collection Services |
| Purpose of Project: | Collection services for toll violations and delinquent FasTrak® accounts through FY 2018-19 |
| Brief Scope of Work: | Perform collection services for delinquent FasTrak® accounts and for toll violations occurring on the seven state-owned Bay Area bridges, Golden Gate Bridge and regional express lanes. |
| Project Cost Not to Exceed: | This amendment: \$1,000,000. Total contract value before this amendment: \$5,300,000. Total value of contract after amendment: \$6,300,000. |
| Funding Source: | BATA violation revenue |
| Fiscal Impact: | \$200,000 in funds is included in the BATA Operating Budget for FY 2016-17; the balance of \$800,000 is subject to approval of the FY 2016-17 and future BATA Budgets. |
| Motion by Committee: | That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with Law Enforcement Systems, LLC for the services described above and in the Executive Director's Memorandum dated June 7, 2017, and the Chief Financial Officer is authorized to set aside funds in the amount of \$200,000 for FY16-17 and \$400,000 for each of the fiscal years FY 2017-18 and FY 2018-19, subject to the approval of future BATA Budgets. |
| BATA Oversight Committee: | <hr/> Amy R. Worth, Chair |
| Approved: | Date: June 14, 2017 |