



Bay Area Infrastructure Financing Authority
Bay Area Metro Center
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San Francisco, CA 94105
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Memorandum

TO: BAIFA

DATE: September 12, 2018

FR: Executive Director

W. I. 6841, 6844 and 6846

RE: Express Lanes Toll System

- i. Contract Amendment and Contingency Increase – Express Lane Toll System Integrator: TransCore, LP (\$5,441,327 comprised of \$3,441,327 for contract and \$2,000,000 for contingency)
- ii. BAIFA Express Lanes Resolution No. 9, Revised – Express Lane Program Expenditure Plan

Staff seeks Authority approval, to amend the Express Lane Toll System Integrator (TSI) contract with TransCore, LP (TransCore) in an amount not to exceed \$3,441,327 to add the I-680 Northern Segment, Southbound Express Lane in Contra Costa County from Benicia to Walnut Creek (CC-680 North) and fund unforeseen cost increases in other corridors due to increased scope and external project delivery delays. Staff also seeks approval for a contract contingency of \$2,000,000 and to amend the Express Lane Program Expenditure Plan (Expenditure Plan) to accommodate the changes in the TransCore contract.

Background

In June 2014 BAIFA awarded the TSI contract to TransCore after a competitive bid process. The \$63 million award consisted of \$45.5 million for implementation, \$9.2 million for maintenance, and a contingency of \$8.3 million. The original contract scope included host and lane subsystems for three corridors: I-680 Southern Segment Express Lanes in Contra Costa County between Walnut Creek and San Ramon (CC-680 South), I-880 Express Lanes in Alameda County between San Leandro and Milpitas (ALA-880) and I-80 Express Lanes in Solano County between Fairfield and Vacaville (SOL-80). To date, MTC has used a total of \$1.3 million in contingency for unexpected network and design changes in CC-680 South (\$0.5 million) and for toll system design of CC-680 North (\$0.8 million).

The program has changed dramatically since the contract award with significant impacts to TransCore's work.

- (1) Implementation delays - The original TransCore contract ambitiously anticipated completion of the first corridor in spring 2016 and of the remaining two corridors by fall 2017. Due to factors largely external to TransCore's work, CC-680 South is the only corridor open today. Most significantly, Caltrans paving and median barrier projects on I-880 pushed out TransCore's start date for installation to August 2018 and pushed out the opening date to the end of 2019. The estimated cost of delays is \$4.7 million, reflecting increased costs of equipment and labor, and extended project management.
- (2) Change in corridors due to funding availability – The region has not been successful in securing the nearly \$200 million needed for construction of SOL-80. As a result TransCore's near term work on SOL-80 is limited to design. BAIFA was able to leverage \$51.3 million in express lane funds to combine with \$70.7 million in mostly local funds to fully fund CC-680 North. The estimated net cost of adding CC-680 North installation to the TransCore contract and removing SOL-80 installation is \$2.3 million.
- (3) Transfer of scope from other contracts – As a result of lessons learned during the implementation of CC-680 South, staff has transferred certain scope from the civil and backhaul contracts to TransCore.

This scope includes procurement and installation of variable toll message signs and fiber network splicing. The estimated additional cost to TransCore is \$1.4 million.

- (4) Unforeseen design changes – Design changes, due largely to constraints on the civil improvements, have resulted in increased costs for the toll system. For example, toll equipment on I-880 must be relocated to draw power from more remote locations, requiring additional toll system infrastructure. The estimated cost of such changes is \$2.0 million.

In total, these changes equate to an estimated increase of just over \$10.4 million, of which \$7.0 million can be funded by the remaining contract contingency. To make up the difference and provide contract contingency for TransCore's remaining work on ALA-880 and CC-680 North, staff is requesting authority to add just over \$3.4 million plus a contingency of \$2.0 million.

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

Expenditure Plan Modifications

In July 2018 the Authority approved minor updates to the Expenditure Plan. At that time, staff mentioned we would return with further revisions to the Expenditure Plan for ALA-880 and CC-680 North based on the TransCore contract changes as described above.

To accommodate the changes, staff recommends updating the Expenditure Plan, BAIFA Resolution No. 9, by reallocating approximately \$5.4 million among Expenditure Plan line items, with no net change in total funding, as shown in Attachment B. Staff recommends using a combination of cost savings from closing out contracts on CC-680 South, transferring purchased toll equipment from SOL-80 to CC-680 North (equipment was purchased to take advantage of original contract pricing), savings from CC-680 North civil bid being less than engineer's estimate, and program contingency of \$2.3 million. Staff has also revised the program contingency need to \$6.1 million based on the estimated program risk exposure in the latest Quarterly Report (see Agenda Item 2b.) The reduction in program contingency need reflects the fact most of the funded program is now under contract, with board approved contract contingencies carried under individual project line items. These actions result in a balance of \$2.9 million in program contingency and an estimated unmet need of \$3.2 million. Staff will continue to actively manage risks and seek new funding opportunities, particularly for unfunded corridors.

Recommendation

Staff recommends that the Authority authorize (1) the Executive Director or his designee to negotiate and enter into a contract amendment with TransCore in an amount not to exceed \$3,441,327 to add CC-680 North as a new express lane corridor and fund unforeseen cost increases in other corridors, and (2) a contract contingency of \$2,000,000 to be used in the discretion of the Executive Director or his designee. Staff also recommends that the Authority amend the Express Lane Program Expenditure Plan (BAIFA Resolution No. 9, Revised) based on updates to the project.



Steve Heminger

SH:jm

Attachments

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Attachment A (TransCore, LP)
Small Business and Disadvantaged Business Enterprise Status

	Firm Name	Role on Project	DBE* Firm			SBE** Firm		
			Yes	If Yes, List #	No	Yes	If Yes, List #	No
Prime Contractor	TransCore, LP	Toll System Integrator			X			X
Subcontractor	Calcom, Inc.	Subcontractor			X			X
Subcontractor	IBI Group	Subcontractor			X			X
Subcontractor	KRC Safety	Subcontractor	X	447		X	6897	
Subcontractor	Lane Safety Co.	Subcontractor			X	X	45978	
Subcontractor	Nexus IS	Subcontractor			X			X
Subcontractor	TJKM	Subcontractor	X	40772		X	38780	
Subcontractor	Traffic Solutions	Subcontractor			X			X

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

**Denotes certification by the State of California.

Attachment B

Recommended Revisions to Express Lanes Program Expenditure Plan

Escalated dollars (rounded to 000s)

Costs include project capital and support as well as program policy, management and coordination

Line No.	Conversions and Gap Closure Opportunity Projects (1)	Revised Expenditure Plan, July 2018					Revised Expenditure Plan, Sept 2018 changes highlighted in yellow					Proposed Adjustment to BATA Express Lane Funds
		Cost	Regional Measure 2 (allocated)	Other Funding (allocated)	BATA Express Lane Funds	Unmet Funding Need	Cost	Regional Measure 2 (allocated)	Other Funding (allocated)	BATA Express Lane Funds	Unmet Funding Need	
	Near-Term											
1	ALA-880: San Leandro - Milpitas	135,466			135,466	0	139,098			139,098	0	3,632
2	CC-680 Southern Segment: Walnut Creek - San Ramon	55,649			55,649	0	54,042			54,042	0	-1,606
3	CC-680 Northern Segment, Southbound (HOV Completion and HOV Conversion): (2)	123,906	19,425	53,194	51,288	0	127,386	19,425	54,338	53,622	0	2,335
4	SOL-80: Fairfield - Vacaville (3)	228,160	15,200		18,966	193,994	228,160	15,200		18,078	194,882	-888
5	Centralized Toll System Costs	33,574			33,574	0	32,367			32,367	0	-1,207
6	Program Costs: Planning, Coordination & Management	28,437			28,437	0	28,437			28,437	0	
7	Program Contingency	18,100			5,128	12,972	6,100			2,863	3,237	-2,265
8	Capitalized Start-up O&M (4)	16,000			16,000	0	16,000			16,000	0	
	Mid-Term											
9	ALA/CC-80 and Westbound Approaches to the Bay Bridge (80, 580, 880, West Grand): Crockett - Bay Bridge	193,000	5,000			188,000	193,000	5,000			188,000	
10	Dumbarton Bridge Westbound Approach (SR-84)	9,000			323	8,677	9,000			323	8,677	
11	San Mateo Bridge Westbound Approach (SR-92)	10,000			369	9,631	10,000			369	9,631	
13	CC-680 Northbound Express Lane Completion: Walnut Creek - Benicia (5)	390,000	1,511	20,000		368,489	390,000	1,511	20,000		368,489	
14	Centralized & Program Costs& Start Up O&M - Gap Closures & Future Conversions	TBD				0	TBD				0	
	TOTAL	1,241,293	41,136	73,194	345,200	781,763	1,233,590	41,136	74,338	345,200	772,916	0

Notes: (1) Other Gap Closure and Extension projects not shown: ALA-880 extension northbound from Lewelling to Hegenberger;

SOL-80 gap closure from Carquinez Bridge to Red Top Road; SOL-80 extension east of I-505; SOL-680 gap closure

(2) Cost represents the total for HOV Completion and Conversion to Express Lanes. Other funds committed to the HOV Completion portion include Measure J (\$38.7M) and STIP (\$15.6M)

July 2018 revisions to the table: inclusion of total cost and funding for HOV Completion (the prior table included only the express lane program contribution) and technical corrections to the total cost and RM2 funding amounts

(3) Represents the total for the West and East segments, listed previously as two separate projects. The project is funded through the design phase.

(4) A portion of the BAI/FA funds was transferred to the FY 2017-18 BAI/FA Operating Budget for I-680 start up operations. Any unused funds will be returned at the close of FY 2017-18.

(5) Represents completion of the HOV lane through Walnut Creek to SR-242 and conversion of the existing HOV lane north of SR-242, which were previously listed separately

REQUEST FOR AUTHORITY APPROVAL
Summary of Contract Amendment and Contingency Increase

Work Item No.:	6841, 6844, and 6846
Contractor:	TransCore, LP., San Diego, CA
Work Project Title:	Regional Express Lane Toll System Integrator
Purpose of Project:	Design, implement, and maintain BAIFA's express lane toll system
Brief Scope of Work:	The amendment replaces the SOL-80 express lane implementation and maintenance with the design, implementation, and maintenance of a new express lane corridor, CC-680 North. The amendment also provides funding to address unforeseen corridor details, system enhancements, and costs associated with significant schedule delays not caused by TransCore.
Project Cost Not to Exceed:	Contract: \$3,441,327 (this amendment) Contingency: \$2,000,000 (this authority approval) Total Contract before this amendment: \$56,776,572 Contingency before this amendment: \$6,223,428 Total Contract after this amendment: \$66,441,327 Contingency after this amendment: \$8,223,428
Funding Source:	BATA Express Lanes Capital Project Budget
Fiscal Impact:	Funding is included in the Express Lane Capital Project Budget, as adopted in the FY 2018-19 Toll Bridge Program Operating and Capital Budgets (BATA Resolution No. 124), subject to amendment of the Express Lane Program Expenditure Plan (BAIFA Resolution No. 9, Revised)
Motion by Authority:	That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with TransCore, LP to provide the services described above and in the Executive Director's memorandum dated September 12, 2018, and the Chief Financial Officer is directed to set aside funds for such contract amendment in the amount of \$3,441,327 and contingency in the amount of \$2,000,000 to be used in the discretion of the Executive Director or his designee, subject to approval of the Express Lane Program Expenditure Plan (BAIFA Resolution No. 9, Revised).
BAIFA:	<hr/> Jake Mackenzie, Chair
Approved:	Date: September 26, 2018

Date: June 24, 2015
W.I.: 6840
Referred by: BAIFA
Revised: 12/16/15-BAIFA 06/28/17-BAIFA
07/25/18-BAIFA 09/26/18-BAIFA

ABSTRACT

BAIFA Resolution No. 9, Revised

This resolution establishes an expenditure plan for the Express Lane Program funds in the BATA Capital Budget.

This resolution was revised on December 16, 2015 to shift funds from line items for Program Contingency and Centralized Toll System Costs to the line item for CC-680 Southern Segment in order to fully fund the Backhaul for the CC-680 Southern Segment express lane.

This resolution was revised on June 28, 2017 to add funds to the Expenditure Plan and shift funds from the line item for Program Contingency to the line item for the ALA-880 Express Lanes.

This resolution was revised on July 25, 2018 to: reflect additional funding to connect Caltrans freeway management equipment to the Backhaul within the I-880 Express Lane project limits and to reflect updated costs for certain corridors.

The resolution was revised on September 26, 2018 to reflect adjustments in funding for the ALA-880, CC-680 Northern Segment, CC-680 Southern Segment, centralized toll system and program contingency project line items.

Discussion of this item can be found in the Executive Director's Memoranda to the Authority dated June 17, 2015, December 9, 2015, June 21, 2017, July 11, 2018 and September 12, 2018.

Date: June 24, 2015
W.I.: 6840
Referred by: BAIFA

RE: Express Lane Program Expenditure Plan

BAY AREA INFRASTRUCTURE FINANCING AUTHORITY
RESOLUTION NO. 9

WHEREAS, the Metropolitan Transportation Commission ("MTC") and the Bay Area Toll Authority ("BATA") have executed a joint exercise of powers agreement dated as of August 1, 2006, as amended, which creates and establishes the Bay Area Infrastructure Financing Authority ("BAIFA"); and

WHEREAS, the Metropolitan Transportation Commission ("MTC") has requested that the Bay Area Infrastructure Financing Authority ("BAIFA") assist MTC in the development, financing, and operation of high-occupancy toll lanes in MTC's jurisdiction; and

WHEREAS, the BATA Capital Budget and Long-Range Plan includes funding for Express Lanes projects; and

WHEREAS, BAIFA wishes to establish an Express Lane Program Expenditure Plan to direct such funding to Express Lanes projects on the I-80, I-680 and I-80 corridors in Alameda, Contra Costa, and Solano Counties, now; therefore, be it

RESOLVED, that BAIFA directs the available funding as shown in the Express Lane Program Expenditure Plan in Attachment A to implement express lanes on the I-80, I-680 and I-880 corridors in Alameda County, Contra Costa County and Solano County.

BAY AREA INFRASTRUCTURE FINANCING
AUTHORITY



Dave Cortese, Chair

The above resolution was entered into by
the Bay Area Infrastructure Financing Authority
at a regular meeting of the Authority held in
Oakland, June 24, 2015.

Date: June 24, 2015
W.I.: 6840
Referred by: BAIFA
Revised: 12/16/15-BAIFA 06/28/17-BAIFA
07/25/18-BAIFA 09/26/18-BAIFA

Attachment A
BAIFA Resolution No. 9
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Express Lane Program Expenditure Plan

Escalated dollars (rounded to 000s)

Costs include project capital and support as well as program policy, management and coordination

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	Mid-Term						
9	ALA/CC-80 and Westbound Approaches to the Bay Bridge (80, 580, 880, West Grand): Crockett - Bay Bridge	193,000	5,000			188,000	
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	TOTAL	1,233,590	41,136	74,338	345,200	772,916	

- Notes (1) Other Gap Closure and Extension projects not shown: ALA-880 extension northbound from Lewelling to Hegenberger;
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