

Bay Area Toll Authority Oversight Committee

July 14, 2021

Agenda Item 5a - 21-0819

Contract Change Order – FasTrak® Regional Customer Service Center: Additional AET Invoice Costs and Contract Extension (\$112,854,000)

Subject: A request to authorize the Executive Director or designee to negotiate and enter into a contract change order with Conduent State and Local Solutions, Inc. (Conduent) for additional all electronic tolling (AET) invoice costs and a contract extension to March 2024 in a combined total amount not to exceed \$112,854,000, subject to the approval of future BATA budgets.

Background: Based on a competitive selection, BATA entered into a contract with Conduent (formerly, Xerox State and Local Solutions, Inc.) on March 27, 2013 for management and operation of the FasTrak® Customer Service Center (CSC). Under the contract, Conduent provides the FasTrak® account management system, transaction processing, call center operations, web services, payment processing, customer communications, violation image review and violation noticing for bridges and express lanes in the Bay Area.

In July 2020, this Committee approved \$10.5 million for AET related costs including \$1.5 million for system development costs and \$9 million for monthly operating costs to send invoices through the end of the current contract term in March 2022. The estimated operating costs were based on an initial project concept to deploy AET at Northern and Southern bridges in two groups such that full AET would be achieved in June 2021. The estimate was also based on implementing a toll differential that would encourage FasTrak® enrollment and reduce the quantity of invoices. The actual AET deployment was completed earlier than planned on all bridges in January 2021, and a toll differential has not yet been deployed. Also, traffic has returned to normal faster than forecast. Due to these factors, the quantity of invoices is higher than planned and the \$9 million included in the contract is not sufficient to cover the invoice costs through the current end of term in March 2022. Staff is requesting an additional \$10,272,000 for invoice costs through March 2022.

BATA staff is also requesting approval of a two-year contract extension through March 2024. The base operating term of the Conduent contract was five years through September 2019, and the contract allows up to ten annual extensions. In November 2018, this Committee approved a two-and-a-half-year extension to the base operating term through March 2022. Staff recommends this extension to allow time to plan and implement a future procurement. A procurement to replace a system and operation the size of the CSC is a significant effort and investment and involves detailed planning and coordination internally and with external partners. We will continue to monitor the toll industry closely for emerging opportunities and changes to the way toll services are delivered to help inform the planning and delivery of our next generation CSC. During this time, staff will also work closely with Conduent to improve the current operation, which has been struggling with staffing levels.

The added contract value of this two-year extension is \$102,582,000. Since FasTrak® services are provided for BATA bridges, the Golden Gate Bridge, and the Express Lanes, BATA will be reimbursed by the Golden Gate Bridge Highway and Transportation District and the Express Lane operators for their share of the services provided by the CSC.

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


Issues:

CSC Performance. While there have been several factors at play, the performance of the CSC has suffered significantly since the initiation of All Electric Tolling (AET) in January. The move to an invoice based collection system, and its attendant significant jump in call volume, coupled with CSC staffing shortages and other impediments was brought to the BATA's attention in June. Staff has been working with Conduent to press for accelerated remedies to the situation, and there are meaningful steps in process. A fuller presentation on those steps and progress toward improved outcomes for FasTrak® customers will be brought to the September BATA Oversight Committee.

Toll violation procedures. As a related issue, there has been concern expressed by BATA Commissioners that the inability of the CSC to provide adequate assistance to FasTrak® customers calls into question the viability of our adopted toll violation procedures that were re-initiated in January 2021, after being modified for the "cash less" toll process temporarily in place to respond to the pandemic. In maneuvering through the transition to the AET environment, BATA staff had suspended elements of the procedures as a practical, administrative matter. However, we believe a clearer, more directed position with the BATA regarding application of toll procedure is warranted, and we will be likewise returning with specific recommendations in September.

Recommendations: Staff recommends that the Committee authorize the Executive Director or designee to negotiate and enter into a contract change order with Conduent for additional AET invoice costs through March 2022 and a two-year contract extension to March 2024 in an amount not to exceed \$112,854,000, subject to the approval of future BATA budgets.

Attachments: Attachment A - Small Business and Disadvantaged Business Enterprise Status; Request for Committee Approval Sheet



Therese W. McMillan

Attachment A
Small Business and Disadvantaged Business Enterprise Status

			DBE* Firm			SBE** Firm		
	Firm Name	Role on Project	Yes	DBE #	No	Yes	SBE #	No
Prime Contractor	Conduent	System Development and Operations			X			X
Subcontractor	Atos	Network Management			X			X
Subcontractor	CCS Company	Third Party Call Center			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 Change Order

Work Item No.:	1252
Vendor:	Conduent State and Local Solutions, Inc. (Conduent), San Francisco, CA
Work Project Title:	FasTrak® Regional Customer Service Center
Purpose of Project:	Additional AET invoice costs and a two-year extension of operations
Brief Scope of Work:	Operating costs for additional AET invoice costs through March 2022 and a two-year contract extension through March 2024
Project Cost Not to Exceed:	This Change Order: \$112,854,000 Current contract amount before this Change Order: \$260,502,721 Maximum contract amount after this Change Order: \$373,356,721
Funding Source:	BATA Operating funds
Fiscal Impact:	\$14,107,000 is included in the FY 2021-22 Toll Bridge Program Operating Budget; \$98,747,000 to be included in the FY 2022-2023 and FY 2023-2024 Toll Bridge Program Operating Budgets, subject to future approvals.
Motion by Committee:	That the Executive Director or designee is authorized to negotiate and enter into a contract change order with Conduent for services as described above and in the BATA Oversight Summary Sheet dated July 14, 2021, and the Chief Financial Officer is directed to set aside funds in the amount of \$112,854,000 for such change order, subject to the approval of future BATA budgets.
BATA Oversight Committee:	

Amy Worth, Chair

Approved: July 14, 2021