

Bay Area Infrastructure Financing Authority (BAIFA)

July 28, 2021

Agenda Item 3b - 21-0960

Contract Change Order – Express Lane Toll System Integrator (TSI): TransCore, LP (\$23,568,508 and a contingency of \$2,356,851)

Subject: A request for approval to enter into a contract change order with TransCore, LP (TransCore) to: 1) add options to extend the current contract with TransCore in annual increments of up to three (3) additional years on a sole source basis and 2) add the toll system implementation for the Solano I-80 express lane between Fairfield and Vacaville in an amount not to exceed \$23,568,508 plus a contingency of \$2,356,851.

Background: In June 2014, BAIFA approved staff's recommendation to award an Express Lane Toll System Integrator (TSI) contract to TransCore to provide toll system design, integration, and maintenance services for BAIFA's express lane corridors. Staff executed a contract with TransCore later that year. The contract established an initial term of five years in an amount not to exceed \$54,659,546 plus a contingency of \$8,340,454.

The procurement allowed for options to extend in annual increments with a final completion in June 2024 subject to the annual budgetary approval processes and BAIFA approval of contract amendments. In the original procurement, BAIFA expected to deliver three (3) express lanes corridors by the end of 2017: I-680 in Contra Costa County, I-880 in Alameda County, and I-80 in Solano County; only the southern segment of I-680 opened in that timeframe. I-880 express lanes opened in 2020, while the I-80 project in Solano County between Fairfield and Vacaville was put on hold in 2018 due to lack of funding. In 2021, the project sponsor, Solano Transportation Authority (STA), was successful in obtaining Senate Bill 1 (SB1) funds and expects to receive a Letter of No Prejudice (LONP) from MTC to swap Regional Measure 3 bridge toll funds with other federal and local funds. SB1 funds came with STA's commitment to deliver the project by the end of 2024; to make this deadline, BAIFA must use its current integrator, TransCore, as originally intended in BAIFA's 2014 TSI procurement. BAIFA is also seeking an LONP from MTC related to this project, as reflected in agenda item 3a of this month's BAIFA meeting.

Concurrent with the negotiation of the cost to deploy the I-80 project, staff has negotiated terms for an extension of the TSI contract for operations and maintenance beyond June 2024, subject to authorization by BAIFA. Whereas the industry standard for the useful life of toll equipment is estimated to be seven years, the extended timeline for delivering the BAIFA express lane corridors will cause the contract to expire with several years remaining useful life on each corridor, as indicated in Table A of Attachment B.

Staff negotiated annual O&M rates for three additional one-year options, which, if exercised, would extend the contract to June 2027. Staff is working on a TSI procurement coinciding with this timeframe for implementation of the next generation of toll systems. The O&M cost has two components: the fixed cost for routine maintenance and operations of the toll host system, software, and field equipment; and a variable cost based on the number of transactions requiring manual image review of license plates (i.e., for transactions where there is no toll tag read and the optical character recognition is not sufficient). The negotiated rates are estimated as shown in Table B of Attachment A, derived from the terms and escalation clause in the current contract. The final rates depend largely on the go-live dates for Solano 80 and San Mateo 101 (SM 101), escalation tied to the consumer price index (capped at 5%), and the actual quantity of manually reviewed images. BAIFA will operate and maintain the San Mateo 101 lanes on a reimbursed basis for San Mateo County Express Lanes Joint Powers Authority (SMCELJPA), and these figures are shown separately in Table B. Staff will return to the Authority for funding approval related to the three additional one-year options.

The negotiations have resulted in a global proposal as presented in this item; the pricing of Solano I-80 is dependent on approving three one-year options with the price structure in Table B of Attachment B. The contingency is based on ten percent (10%) of the Solano I-80 toll system implementation cost.

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

Issues:

The TransCore contract is not federalized, and the funding plan assumes annual swaps of federal Surface Transportation Program (STP) funds with local funds for implementation of the Solano I-80 express lanes. MTC and AC Transit have an agreement in principle to swap STP funds committed to the Solano I-80 project with BATA Core Capacity Challenge Grant funds on an annual basis.

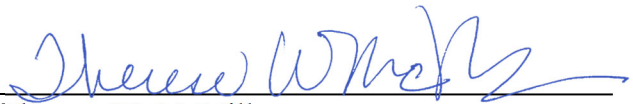
Recommendation:

Staff recommends the Authority authorize the Executive Director or designee to negotiate and enter into a contract change order with TransCore to 1) add options to extend the current contract with TransCore in annual increments of up to three (3) additional years on a sole source basis and 2) add the toll system implementation for the Solano I-80 express lane between Fairfield and Vacaville in an amount not to exceed \$23,568,508 plus a contingency of \$2,356,851, subject to annual budgetary approval processes.

Attachments:

Attachment A: TransCore, LP DBE and SBE Status; and
Attachment B: Tables

Request for Authority Approval – Summary of Proposed Contract Change
Order



Therese W. McMillan

Attachment A

Small Business and Disadvantaged Business Enterprise Status

			DBE* Firm			SBE** Firm		
	Firm Name	Role on Project	Yes	If Yes, List #	No	Yes	If Yes, List #	No
Prime Contractor	TransCore, LP	Toll System Integrator			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

Tables

Toll Equipment Useful Life (calendar year)														
2017	2018	2019	2020	2021	2022	2023	2024*	2025	2026	2027	2028	2029	2030	2031
Contra Costa (CC) I-680 [2017-2023]														
			Alameda I-880 [2020-2026]											
				Contra Costa I-680 Extension [2017-2023]										
					San Mateo US 101 [2022-2028]									
								Solano I-80 [2025-2031]						

* Maximum term of existing Toll System Integrator contract is through June 30, 2024.

Table A: Toll equipment useful life

Fiscal Year	Operating & Maintenance (O&M)		Manual Image Review (MIR)		Total	
	BAIFA	SM 101	BAIFA	SM 101	BAIFA	SM 101
FY 23*	\$3.6	\$1.5	\$2.1	\$2.1	\$5.7	\$3.6
FY 24*	\$3.8	\$1.6	\$2.2	\$2.2	\$6.0	\$3.8
FY 25**	\$3.9	\$1.7	\$4.4	\$2.3	\$8.3	\$4.0
FY 26**	\$5.0	\$1.8	\$4.6	\$2.4	\$9.6	\$4.2
FY 27**	\$5.2	\$1.9	\$4.9	\$2.6	\$10.1	\$4.5
Total FY25-27	\$14.1	\$5.4	\$13.9	\$7.3	\$28.0	\$12.7

*Within existing eligible contract term.

**Sole source extension presented in this item.

Table B: Estimated operating and maintenance costs for proposed extension (in millions)

REQUEST FOR AUTHORITY APPROVAL

Summary of Proposed Contract Change Order

Work Item No.:	6849
Contractor:	TransCore, LP San Diego, CA
Work Project Title:	Regional Express Lane Toll System Integrator (TSI)
Purpose of Project:	Design, implement, and operate express lanes in the Bay Area
Brief Scope of Work:	The contract change order will authorize TSI for work related to roadside equipment, installation, and testing of the toll system for Solano I-80, and three one-year options, which, if exercised, would extend the contract with the TSI to provide ongoing operations and maintenance through fiscal year FY 2026-27.
Project Cost Not to Exceed:	This amendment: \$23,568,508 plus a contingency of \$2,356,851 Current contract amount before this amendment: \$103,914,467 plus a remaining contingency of \$966,769 Total contract amount after this amendment: \$127,482,975 plus a contingency of \$3,323,620
Funding Source:	BAIFA Operating and Capital Budget Funds
Fiscal Impact:	Funding for Solano I-80 is subject to adoption of annual BAIFA Operating and Capital Budgets, with an estimated fiscal year breakdown as follows: Fiscal Year 2021-22 = \$639,790 Fiscal Year 2022-23 = \$16,052,197 Fiscal Year 2023-24 = \$7,268,261 Fiscal Year 2024-25 = \$1,965,111 Funding for the extension of operations and maintenance is subject to Authority approval, and the adoption of the BAIFA Operating and Capital Budgets in FY 2024-25, FY 2025-26, and FY 2026-27.
Motion by Authority:	That the Executive Director or designee is authorized to negotiate and enter into a Contract Change Order with TransCore, LP for the services as described above and in the BAIFA Summary Sheet dated July 21, 2021, and the Chief Financial Officer is authorized to set aside funds in

the amount of \$23,568,508 plus an additional contingency of \$2,356,851 for such Contract Change Order, subject to the approval of future Operating and Capital Budgets, as specified above.

BAIFA:

Alfredo Pedroza, Chair

Approved:

July 28, 2021