

# **Bay Area Infrastructure Financing Authority (BAIFA)**

**September 22, 2021**

**Agenda Item 2c.i. - 21-1090**

## **Cooperative Agreement – US 101 Express Lanes Operations and Maintenance – San Mateo County Express Lanes Joint Powers Authority**

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**Subject:** Recommendation to approve a cooperative agreement with the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) for BAIFA to operate and maintain the toll system, backhaul network, and civil assets for US 101 in San Mateo County on a reimbursable basis..

**Background:** The San Mateo County US 101 Express Lanes Project (San Mateo 101) involves (1) converting an existing HOV lane to an Express Lane from the Santa Clara County line to Whipple Avenue in San Mateo County (Southern Segment), and (2) constructing a new Express Lane from Whipple Avenue in San Mateo County to Interstate 380 in San Mateo County (Northern Segment). In February 2019, BAIFA approved an arrangement whereby BAIFA will implement and operate the San Mateo 101 Express Lanes toll system for the owner, San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA), which was created on May 24, 2019, by the San Mateo City/County Council of Governments (C/CAG) and San Mateo County Transportation Authority (SMCTA).

The Southern Segment is scheduled to open near the end of this year and the Northern Segment at the end of 2022. With the opening of the Southern Segment, BAIFA will commence operations and maintenance of the toll system, backhaul network, and civil assets. BAIFA's existing contractors, who perform this work on BAIFA's express lanes, will support this work. These include TransCore, LP for the toll system, Iteris, Inc. for Regional Operations Center support, and Econolite Systems, Inc. for backhaul and civil assets. Staff will return to seek BAIFA's approval for amendments to the agreements with these contractors as necessary related to San Mateo 101.

The term of the agreement would be eight years from the opening of the Southern Segment. After five years, the two parties will start discussion on whether to extend the agreement.

BAIFA will provide the services of the agreement for reimbursement by SMCEL-JPA at cost to BAIFA. The agreement includes a fixed fee for standard services, such as routine maintenance and Regional Operations Center support, and time and materials for BAIFA staff costs and work that is variable in nature, such as manual image review, which is based on

number of images reviewed. The total monthly cost is estimated to be \$400,000 when the Southern Segment opens and \$800,000 after the Northern Segment opens.

**Issues:**

Standard of care: Construction of San Mateo 101 is debt financed through \$100 million in Sales Tax Revenue Variable Rate Demand Bonds issues by the San Mateo Transportation Authority. SMCEL-JPA elected to partner with BAIFA rather than establish its own contracts to leverage economies of scale as well as BAIFA's experience. The agreement establishes that BAIFA's standard of care is equal to that provided to BAIFA's own lanes. BAIFA is not responsible for loss of revenue that occurs during the operation of the express lanes.


Roadway maintenance: All express lane operators, including BAIFA, have agreements with Caltrans defining the roles and responsibilities for express lane operations and maintenance. BAIFA's agreement with Caltrans established in 2018 is memorialized in an Operations and Maintenance Agreement with no term limit. For newer Bay Area operations such as San Mateo 101, Caltrans is using a different form of agreement, similar to that used for several southern California express lanes. SMCEL-JPA's agreement with Caltrans is in the form of a forty-year lease of the roadway with a \$1/year payment. To the extent SMCEL-JPA may have obligations to the State that exceed BAIFA's on BAIFA's own lanes, BAIFA may, at its discretion, perform this work at additional cost. Some work, such as the repair of potholes or sweeping of the lanes, is of a higher risk profile; BAIFA does not presently perform this work on its own lanes and is unlikely to do so on San Mateo 101.

**Recommendation:**

Staff recommends that the Authority authorize the Executive Director or designee to negotiate and enter into a cooperative agreement with SMCEL-JPA for BAIFA to operate and maintain US 101 in San Mateo County.

**Attachments:**

None

  
Therese W. McMillan

## REQUEST FOR AUTHORITY APPROVAL

### Summary of Proposed Cooperative Agreement

Work Item No.:	6853
Agency:	San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA)
Work Project Title:	US 101 Express Lanes Operations and Maintenance
Purpose of Project:	Agreement for BAIFA to operate and maintain the toll system, backhaul network, and civil assets for US 101 in San Mateo County on a reimbursable basis
Brief Scope of Work:	BAIFA will operate and maintain the toll system, backhaul network, and civil assets for US 101 in San Mateo County on a reimbursable basis
Project Cost Not to Exceed:	N/A
Funding Source:	N/A
Fiscal Impact:	N/A
Motion by Committee:	That the Executive Director or designee is authorized to negotiate and enter into a cooperative agreement with SMCEL-JPA as described above and in the BAIFA Summary Sheet dated September 22, 2021.
BAIFA:	<hr/> Alfredo Pedroza, Chair
Approved:	September 22, 2021