

**Metro**Los Angeles County
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metro.net**ADHOC CONGESTION PRICING COMMITTEE
APRIL 16, 2014****SUBJECT: METRO EXPRESSLANES TOLL OPERATIONS AND MAINTENANCE
SUPPORT SERVICES CONTRACT****ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

- A. Authorize the Chief Executive Officer to negotiate and execute Modification No.4 for contract OP1322-2092 with Jacobs Engineering Group, Inc., in an amount not-to-exceed \$630,000 increasing the total contract price from \$597,504 to an amount not-to-exceed \$1,227,504 to provide ongoing operations and maintenance support services for the ExpressLanes. This action extends the contract by six months to December 2014.

- B. Approve an increase to the FY14 budget in the amount of \$152,000.

ISSUE

Metro currently has a labor hour contract valued at \$597,504 with Jacobs Engineering Group, Inc. to perform technical monitoring and oversight functions related to the ExpressLanes back office and customer service functions as well as lane equipment operations and maintenance. However, the level of effort required of Jacobs is beyond what was originally anticipated in the contract. Additional support has been required for the review and analysis of monthly trip and transaction data. Furthermore, a detailed review of the Dynamic Pricing Algorithm and unanticipated events such as toll system network fiber cuts, installation of new Dynamic Message Signs (DMS), issues with the Closed Circuit Television (CCTV) cameras and other lane system issues have required Jacobs to perform additional required field work above the level of support anticipated when the contract was executed.

Therefore, staff is requesting additional funds be added to the contract to provide this additional level of effort required by Metro. The contract is also due to expire in June 2014 so staff is also requesting a 6-month extension of the contract to December 2014. This 6-month extension is needed as this is still a critical time for the project and continued support will be required to monitor the toll operation.

DISCUSSION

The toll operations and maintenance of the 110 and 10 Express Lanes is managed by three contracts:

- The operations & maintenance agreement with Caltrans – where Caltrans is responsible for the Express Lane roadway maintenance & Metro is responsible for the toll system and toll equipment maintenance. Further, Metro reimburses Caltrans for the Express Lane roadway maintenance;
- The toll operations & maintenance contractor, Atkinson/Xerox – is responsible for the daily toll operations and toll equipment maintenance; and
- The toll operations & maintenance oversight consultant – Jacobs – is responsible for providing technical oversight of the toll operations & maintenance contractor performance. This board report relates to this contract.

Staff entered into a contract with Jacobs Engineering Group, Inc. in July 2013 to provide ongoing technical operations and maintenance services in support of the Metro ExpressLanes. Currently support is being provided in the following critical areas:

- 1) Toll System Operations - verification of all toll system data, evaluation of the functionality of the dynamic pricing algorithm, monitor compliance with FHWA regulations, monitor the performance of the back office operations and customer service center, analysis of the Business Rules, and monitor and test any system changes implemented by the toll vendor.
- 2) Oversight of Customer Service Center Operations - monitoring of back office activities to ensure compliance with Standard Operating Procedures (SOPs), reviewing of toll vendor's monthly financial and performance reporting, monitoring key performance elements related to customer account maintenance and violation processing, and monitoring compliance with performance measures and regulatory requirements.
- 3) Toll System Lane Equipment Operations and Maintenance - reviewing of toll vendor's maintenance activities and processes, oversight of any needed equipment repairs, reviewing of spare parts inventory management, and monitoring lane system equipment availability and reliability.
- 4) Vendor Contract Administration Support – assistance in the preparation and negotiation of toll vendor change orders, review and tracking of vendor contract deliverables and performance against the scope of work and reviewing of reports and invoices.

In July 2013 the original contract amount was established at \$497,504. In March 2014 an additional \$100,000 was added to the contract increasing the contract value to \$597,504 to pay for unanticipated events such as toll system network fiber cuts due to vandalism, technical support required to oversee impact to CCTV cameras due to I-10 bridge work performed by Caltrans, the installation of two new DMS on the I-110 at

Flower Street and on the I-10 at Santa Anita Blvd that needed to be tested , issues with CCTV cameras and other lane system issues have required Jacobs to perform additional required field work over and above the original contract estimate. In addition Metro has requested an increased level of effort for the review and analysis of monthly ExpressLanes trip and transaction data as well as occupancy count verifications and other data analysis which are all required for validating the toll system data. Metro also requested a review of the Dynamic Pricing Algorithm to optimize the performance as designed. With this additional work, the \$100,000 that was added to the contract in March will be insufficient to cover the ongoing workload. Therefore, staff is requesting an additional not-to-exceed amount of \$630,000 and to extend the contract to December 2014 (\$152,000 to be added to the FY14 budget and \$478,000 in the FY15 budget).

The Jacobs team has proven to be an invaluable resource to the Metro ExpressLanes staff and management. Because many members of their team have experience working on both the client and consultant side of the tolling industry, they are able to advise on issues and situations Metro is likely to encounter with the administration and operation of the ExpressLanes. Their data analysis and issues research are providing much-needed information Metro staff requires in making critical management decisions related to contract modifications, the dynamic pricing algorithm, business rules changes and the handling of customer service issues. Finally, they are providing instrumental oversight in monitoring the toll vendor to ensure it is meeting its performance requirements both on the lane side and in the back office.

DETERMINATION OF SAFETY IMPACT

The Board action will not have an impact on established safety standards.

FINANCIAL IMPACT

Funding of a not-to-exceed amount of \$152,000 for Toll Operations and Maintenance Oversight will be added to the FY14 budget under cost center 2220, Congestion Reduction, and split between project numbers Project 307001 (ExpressLanes I-110) and Project 307002 (ExpressLanes I-10). Funding for FY15 of \$478,000 will be requested through the current FY15 budget process.

IMPACT TO BUS AND RAIL OPERATING BUDGET

The funding for this action will come from toll revenues generated from the Metro ExpressLanes operation. This activity will not impact ongoing bus and rail operating costs.

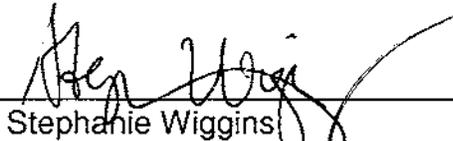
ALTERNATIVES CONSIDERED

The Board may decline to approve the recommended actions. This is not recommended as it would result in less than optimal performance of the ExpressLanes and would contribute to revenue loss and a poor customer experience.

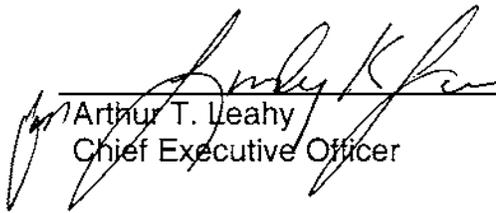
ATTACHMENTS

- A. Procurement Summary and History
- B. Contract Modification Authority Summary

Prepared by: Kathleen McCune, Director, 213.922.7241



Stephanie Wiggins
Executive Director, Vendor/Contract Management



Arthur T. Leahy
Chief Executive Officer

**PROCUREMENT SUMMARY
METRO EXPRESS LANES OPERATIONS AND
MAINTENANCE OVERSIGHT SUPPORT**

1.	Contract No.: OP1322-2092		
2.	Contractor: Jacobs Engineering Group, Inc.		
3.	Mod. Work Description: Increase Scope and Term of Contract		
4.	Work Description: Additional technical support for Metro Express Lanes Operations and Maintenance Oversight Support		
5.	The following data is current as of:	March 25, 2014	
6.	Contract Completion Status:		
	Bids Opened	N/A	Financial Status
	Contract Awarded	7/15/13	Contract Award Amount
	NTP		Total of Modifications approved
	Orig. Complete Date	6/30/14	Pending Modifications (including this action)
	Current Est. Complete Date	12/31/14	Current Contract Value (with this action)
7.	Contract Administrator: Walter T. Sparkuhl		Telephone Number: 213.922.7399
8.	Project Manager: Kathleen McCune		Telephone Number: 213.922.7241

A. Procurement Background

This proposed modification is for a not-to-exceed amount of \$630,000 and extends the period of performance by an additional six months through December 31, 2014.

This contract modification will be handled in accordance with the LACMTA's Acquisition Policy and Procedures.

On July 15, 2013, LACMTA approved award of a fixed hourly unit labor rate Contract No. OP1322-2092 to Jacobs Engineering Group, Inc. in the not-to-exceed amount of \$497,504 for Metro Express Lanes Operations and Maintenance Oversight Support services.

Three modifications have been issued to date as shown in Attachment B.

B. Cost/Price Analysis

The final negotiated amount will comply with all requirements of LACMTA's Acquisition Policy and Procedure Manual, including fact-finding, clarifications,

negotiations, and cost analysis to determine a fair and reasonable price before the contract modification is executed.

	Proposal Amount	MTA Estimate	Negotiated Amount
1.	N/A	\$630,000	\$630,000

C. Small Business Participation

Jacobs Engineering Group, Inc. made a 18.62% Small Business Enterprise (SBE) commitment. The current SBE participation is 16.85%. Jacobs confirmed they are expecting to meet their SBE commitment based on work planned through June 2014.

SMALL BUSINESS COMMITMENT	SBE 18.62%	SMALL BUSINESS PARTICIPATION	SBE 16.85%%
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	SBEBE Subcontractor	Scope of Work	% Committed	Current Participation¹
1.	Power-Tech Engineering	Toll System Field Oversight	18.62%	16.85%
	Totals		18.62%	16.85%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

Contract Modification/Change Order Log

Contract Modifications

	Original Contract	07.15.13	\$497,504
1.	Modification No. 1 implemented Revised Schedule of Billing Rates.	12.05.13	0
2.	Modification No. 2 implemented Revised Schedule of Billing Rates to add analyst position.	02.19.14	0
3.	Modification 3 increased the contract value for supplemental Statement of Work activities.	03.10.14	\$100,000
4.	Pending Board Approval	03.25.14	\$630,000
	Total		\$1,227,504