

**Board Report**

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**File #:** 2018-0544, **File Type:** Contract**Agenda Number:** 9.

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**AD HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE  
JANUARY 16, 2019****SUBJECT: METRO EXPRESSLANES - CUSTOMER SERVICE CENTER OPERATIONS****ACTION: AWARD CONTRACT****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award firm fixed price Contract No. PS51236000 to Faneuil, Inc. to provide the personnel, services, and expertise to operate the Metro ExpressLanes Customer Service Centers for an eight-year base period, with three, two year options, in the amount of \$83,022,159 for the base period and \$86,352,515 for all option years exercised, for a total of \$169,374,674, subject to resolution of protest(s), if any.

**ISSUE**

In 2010, Metro entered into Contract No. PS0922102333 (existing contract) with Atkinson Contractors, LP (Atkinson) to design, build, operate, and maintain the I-10 and I-110 ExpressLanes. The existing contract is scheduled to expire in February 2020.

Based on lessons learned and consistent with the tolling industry's best practices, Metro has split the services provided under the current contract into three separate procurements; namely, 1) back office system, 2) roadside toll collection system, and 3) customer service operations. The back office system contract which was awarded by the Board in January 2018 includes account management system, violation processing, and other support functions. The roadside toll collection system contract, awarded by the Board in June 2018, includes roadside equipment, dynamic pricing, trip building, and related support functions.

Award of the customer service center operations, will complete the necessary procurements, enabling implementation of the new ExpressLanes system.

**DISCUSSION**

The Metro ExpressLanes Customer Service Center Operations comprises the resources necessary for ongoing program operations inclusive of, Los Angeles County facility locations, front and back office operations staffing, call center operations, supplies, fixtures, furnishings, and business machines (copiers, scanners, shredders, etc.). The customer service center operations responsibilities include revenue management, account management, account maintenance,

transponder management, and all relevant customer interfaces.

The objective of this Contract is to implement the best-in-class method for providing effective, responsive, and superior service to Metro ExpressLanes customers.

### Contract Term

Customer service center operations are a complex component of a tolling system and are customized to meet the specific parameters and requirements of each program. Industry experience has shown a typical acquisition of a new operations system may require up to 25 months to complete. This places substantial burden on Metro staff with respect to time and resources, making the process cost-prohibitive to repeat at the standard procurement intervals. With a shorter contract term, the agency would be in a perpetual cycle of procurement, training, and transition.

The Metro ExpressLanes customer service center operations scope of work, which included over 600 requirements, and the contract term were developed in tandem with a team of tolling expert consultants. Additionally, Metro conducted a Tolling Industry Forum to gather expert input regarding the optimal contract term. The recommended contract term is based on experience gained from five years of tolling, Industry Forum results, and best practices.

Additionally, minimizing the number of vendor transitions for the customer service center operations reduces operating costs and minimizes the risk of lost transactions and service disruptions that can arise during transition.

Staff is recommending an eight-year base contract with three, two-year options for a total of fourteen years. The recommended contract term reflects those of the back office and roadside systems awarded by the Board earlier this year to assure consistency and continuity.

The additional three, two-year options, which would require Board approval at the appropriate time, will allow staff sufficient time to develop, advertise, award, and implement the services of a new system operator, if warranted.

### Small Business Participation

The recommended contractors have proposed to meet or exceed the established 20% SBE and 3% DVBE goals for this contract.

### **DETERMINATION OF SAFETY IMPACT**

The Board action will not have an impact on safety of Metro's patrons or employees.

### **FINANCIAL IMPACT**

Funding for this Contract will come from toll revenues. The funds required for FY19 are included in the FY19 budget in Cost Center 2220, Project Number 307001 and 307002, Account 50316, Task 02.01.

### Impact to Budget

Since this is a multi-year project, the cost center manager and Executive Officer of Congestion Reduction will be responsible for budgeting the cost in future years.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Metro ExpressLanes Customer Service Center Operations aligns with Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. ExpressLanes provide drivers with the option of a more reliable trip while improving the overall operational efficiency of the freeway network.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to award and execute this Contract. This alternative is not recommended because services under the existing contract will lapse and the ExpressLanes program will be adversely affected.

The Board may choose to direct staff to use in-house resources. This alternative is not recommended since Metro staff does not currently possess sufficient expertise in tolling operations, nor does it have the personnel availability/capacity to do so.

### **NEXT STEPS**

Upon Board approval, staff will execute Contract No. PS51236000 to Faneuil, Inc. to provide the personnel, services, and expertise to operate the Metro ExpressLanes customer service centers.

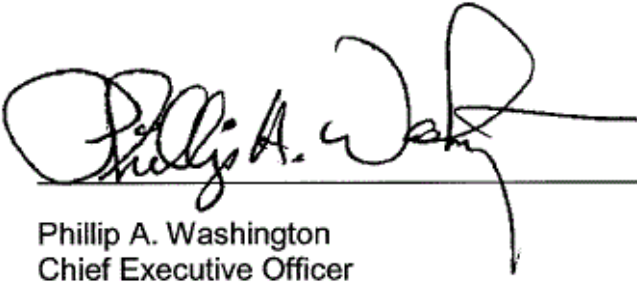
### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Silva Mardrussian, Senior Manager, Transportation Planning, Congestion Reduction, (213) 418-3132

Reviewed by: Shahrzad Amiri, Executive Officer, Congestion Reduction, (213) 922-3061  
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

METRO EXPRESSLANES CUSTOMER SERVICE CENTER  
OPERATIONS/PS51236000

1.	<b>Contract Number:</b> PS51236000	
2.	<b>Recommended Vendor:</b> Faneuil, Inc.	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> 03/05/18	
	<b>B. Advertised/Publicized:</b> 03/07/18	
	<b>C. Pre-Proposal Conference:</b> 03/14/18	
	<b>D. Proposals Due:</b> 06/01/18	
	<b>E. Pre-Qualification Completed:</b> 07/24/18	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> 06/01/18	
	<b>G. Protest Period End Date:</b> 01/08/19	
5.	<b>Solicitations Picked up/Downloaded:</b> 106	<b>Proposals Received:</b> 7
6.	<b>Contract Administrator:</b> Andrew Conriquez	<b>Telephone Number:</b> (213) 922-3528
7.	<b>Project Manager:</b> Silva Mardrussian	<b>Telephone Number:</b> (213) 418-3132

**A. Procurement Background**

This Board Action is to approve Contract No. PS51236000 issued in support of the Metro ExpressLanes Customer Service Center Operations. Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

Seven amendments were issued to the RFP:

- Amendment No. 1, issued on March 26, 2018, clarified the evaluation criteria, Scope of Services, associated attachments and extended the questions submittal period and proposal due date;
- Amendment No. 2, issued on April 5, 2018, clarified the Scope of Services, associated attachments and updated the proposal validity period;
- Amendment No. 3, issued on April 23, 2018, extended the proposal due date;
- Amendment No. 4, issued on May 9, 2018, updated the Scope of Services and associated attachments and Submittal Requirements;
- Amendment No. 5, issued on May 14, 2018, updated Exhibit 12;
- Amendment No. 6, issued on May 18, 2018, updated the Scope of Services, and associated attachments.

- Amendment No. 7, issued on October 5, 2018, added Exhibit 13, Metro’s Living Wage Policy and requested the firms to submit pricing based on living wage.

A pre-proposal conference was held on March 14, 2018, and was attended by 25 people representing 16 companies. There were 271 questions submitted and responses were released prior to the proposal due date.

A total of 106 firms downloaded the RFP and were registered on the planholders’ list. A total of seven proposals were received on June 1, 2018.

**B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of Metro staff from Congestion Reduction and one external member from the Central Texas Regional Mobility Authority convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- |   |            |
|---|------------|
| • Demonstrated Project Experience and Qualifications  | 5 percent  |
| • Key Project Team Experience                         | 19 percent |
| • Approach to Implementation Phase Requirements       | 19 percent |
| • Approach to Operations Phase Requirements           | 24 percent |
| • Approach to Performance Requirements                | 19 percent |
| • Cost  | 10 percent |
| • Contracting Outreach and Mentor Protégé Requirement | 4 percent  |

Several factors were considered when developing these weights, giving the greatest importance to Approach to Operations Phase Requirements.

On June 5, 2018, the proposals were distributed to the PET for evaluation. Three firms were determined to be outside the competitive range due to lack of experience, insufficient information and misunderstanding of the requirements set forth in the RFP. The four firms within the competitive range are listed below in alphabetical order:

1. AECOM Energy & Construction, Inc. (AECOM)
2. Cofiroute USA, LLC
3. EGIS Projects, Inc.
4. Faneuil, Inc.

During the week of July 9, 2018, the PET met and interviewed the firms. The firms’ project managers and key team members had an opportunity to present each team’s

qualifications and respond to the evaluation committee's questions. In general, each team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project. Also, each team highlighted its staffing plans, work plans, and perceived project issues. Each team was asked questions relative to each firm's proposed alternatives and previous experience.

At the conclusion of the evaluation process including oral presentations, Faneuil, Inc. was determined to be the highest ranked firm to implement, operate and support this project.

### **Qualifications Summary of Firms within the Competitive Range:**

#### **Faneuil, Inc.**

Faneuil, Inc. is headquartered in Hampton, Virginia and has over 25 years of experience. They are a nationally recognized leader in customer care services for the public and private sectors. Faneuil, Inc. offers a menu of multiple complex back-office services that include customer call centers, customer-facing service centers, transponder sales, and transaction processing services.

Faneuil, Inc. will plan and operate the Metro ExpressLanes Customer Service Center Operations in two stages. The Planning Phase encompasses the build-out of a new facility where a single call and walk-in center will be co-located. In addition, the existing El Monte Customer Service Center, will remain at its existing location and Faneuil, Inc. will work with third party vendors to ensure the successful implementation of back office and roadside systems, and transitioning is completed from the current contractor. The operation phase entails managing all day-to-day customer service activities, collaborating as needed with the systems contractors and go-live with Faneuil representatives.

#### **AECOM Energy & Construction, Inc. (AECOM)**

AECOM Energy & Construction, Inc. (AECOM) is a division of AECOM, a Fortune 500 company. They have been performing toll operations and maintenance services for over 20 years and has been in business in California for 81 years. AECOM has worked with cities, educational institutions, leisure and hospitality, healthcare, transportation, local and government agencies.

AECOM has successfully developed new toll programs from the ground up and assumed operational responsibility in situations that required the transition of operations from another service provider concurrent with a new system deployment. They are an experienced company with years of delivering, operating and supporting toll programs similar to Metro's.

#### **EGIS Projects, Inc.**

EGIS Projects, Inc. is a division of EGIS Group S.A. who has been in business for over 45 years. They have functioned as a full-service infrastructure engineering and implementation company, providing professional services for horizontal and vertical design, construction and operations in multiple disciplines including transportation, energy, facilities and the environment.

The Egis Projects, Inc. division focuses on six core lines of business, including P3 project structuring and investment; turnkey delivery of ITS and tolling systems; road operations and maintenance; airport operations; electronic toll/fare charging and enforcement solutions; road mobility services; and new mobility projects and services. Egis is a worldwide leader in the delivery and operations of electronic tolling roadside and back office operations.

### **Cofiroute USA, LLC**

Cofiroute, S.A. (France), established in 1990, was part of California Private Transportation Company (CPTC), which was formed in order to finance, develop and operate the first all-electronic toll facility in the world: the 91 Express Lanes in Southern California. When the 91 Express Lanes were sold to the Orange County Transportation Authority, Cofiroute, S.A. continued as its operator and from this, Cofiroute USA was formed. Cofiroute USA has since expanded its operations to consultations on toll road development throughout the United States.

Over the years, Cofiroute, USA has become a tolling and express lane operations provider with a specialized focus on the management, design, installation, integration, operation and maintenance of toll solutions. Cofiroute draws from its considerable operations experience, ensuring a grasp of customer service center operations and a comprehensive approach to customer service. Cofiroute's portfolio includes toll facilities management, integration, operation, designs, operations and maintenance.

The table below provides the scores in order of rank.

	<b>Firm</b>	<b>Weighted Average Score</b>	<b>Factor Weight</b>	<b>Average Score</b>	<b>Rank</b>
	<b>Faneuil, Inc.</b>				
<b>1</b>	Demonstrated Project Experience and Qualifications	92.20	5.00%	4.61	
<b>2</b>	Key Project Team Experience	88.36	19.00%	16.79	
<b>3</b>	Approach to Implementation Phase Requirements	73.35	19.00%	13.94	
<b>4</b>	Approach to Operations Phase Requirements	74.75	24.00%	17.94	



5	Approach to Performance Requirements	63.89	19.00%	12.14	
6	Cost	92.90	10.00%	9.29	
7	DEOD Comp Requirement	100.00	4.00%	4.00	
8	<b>Total</b>		<b>100.00%</b>	<b>78.71</b>	<b>1</b>
9	<b>AECOM Energy &amp; Construction</b>				
10	Demonstrated Project Experience and Qualifications	70.60	5.00%	3.53	
11	Key Project Team Experience	59.74	19.00%	11.35	
12	Approach to Implementation Phase Requirements	84.21	19.00%	16.00	
13	Approach to Operations Phase Requirements	60.88	24.00%	14.61	
14	Approach to Performance Requirements	63.89	19.00%	12.14	
15	Cost	71.20	10.00%	7.12	
16	DEOD Comp Requirement	100.00	4.00%	4.00	
17	<b>Total</b>		<b>100.00%</b>	<b>68.75</b>	<b>2</b>
18	<b>EGIS Projects, Inc.</b>				
19	Demonstrated Project Experience and Qualifications	44.00	5.00%	2.20	
20	Key Project Team Experience	54.74	19.00%	10.40	
21	Approach to Implementation Phase Requirements	65.58	19.00%	12.46	
22	Approach to Operations Phase Requirements	60.58	24.00%	14.54	
23	Approach to Performance Requirements	61.11	19.00%	11.61	
24	Cost	82.40	10.00%	8.24	
25	DEOD Comp Requirement	100.00	4.00%	4.00	
26	<b>Total</b>		<b>100.00%</b>	<b>63.45</b>	<b>3</b>
27	<b>Cofiroute USA, LLC</b>				
28	Demonstrated Project Experience and Qualifications	40.36	5.00%	2.02	
29	Key Project Team Experience	66.42	19.00%	12.62	
30	Approach to Implementation Phase Requirements	58.09	19.00%	11.04	
31	Approach to Operations Phase Requirements	50.04	24.00%	12.01	
32	Approach to Performance Requirements	59.76	19.00%	11.35	
33	Cost	89.70	10.00%	8.97	

34	DEOD Comp Requirement	100.00	4.00%	4.00	
35	<b>Total</b>		<b>100.00%</b>	<b>62.01</b>	<b>4</b>

### C. Price Analysis

The recommended price of \$169,374,674 has been determined to be fair and reasonable based upon price analysis, technical analysis, fact finding and negotiations.

	<b>Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Award Amount</b>
1.	Faneuil, Inc.	\$169,374,674	\$190,924,436	\$169,374,674
2.	Cofiroute USA, LLC	\$175,481,828	\$190,924,436	-
3.	EGIS Projects, Inc.	\$190,958,023	\$190,924,436	-
4.	AECOM	\$221,006,137	\$190,924,436	-

### D. Background on Recommended Contractor

The recommended firm, Faneuil, Inc.'s key personnel average over 20 years of experience with toll systems, customer care, back-office applications, transaction processing, transponder management, and contact center operations. Faneuil, Inc. offers a menu of services in a vast number of business areas. Their solutions offer clients to engineer customized approaches to suit each client's needs.

Faneuil, Inc. has worked with multiple government agencies such as the Florida's Turnpike Enterprise, Virginia Department of Transportation, Transportation Corridor Agencies (Southern California), Transurban (Washington DC), the State of California Health Exchange, and Metropolitan Transportation Commission (San Francisco). Many of the toll services provided by Faneuil, Inc. have allowed them to become a nationally recognized leader in customer care services for the public and private sectors.

**DEOD SUMMARY  
METRO EXPRESSLANES CUSTOMER SERVICE CENTER  
OPERATIONS/PS51236000**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 20% Small Business Enterprise (SBE) goal and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. Faneuil, Inc. met the goal by making a 20.89% SBE and 3.23% DVBE commitment.

<b>Small Business Goal</b>	<b>20% SBE 3% DVBE</b>	<b>Small Business Commitment</b>	<b>20.89% SBE 3.23% DVBE</b>
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	<b>SBE Subcontractors</b>	<b>% Committed</b>
1.	Partners in Diversity, Inc.	15.08%
2.	Diversity Fulfillment Services, LLC	3.34%
3.	BCA Watson Rice, LLP	2.47%
	<b>Total SBE Commitment</b>	<b>20.89%</b>

	<b>DVBE Subcontractors</b>	<b>% Committed</b>
1.	Alliance Resource Group, Inc.	0.52%
2.	VForce, Inc.	1.20%
3.	eWasteDisposal Inc.	1.51%
	<b>Total DVBE Commitment</b>	<b>3.23%</b>

**B. Contracting Outreach and Mentoring Plan (COMP)**

To be responsive, Proposers were required to submit a Contracting Outreach and Mentoring Plan (COMP), including strategies to mentor two (2) SBE firms and two (2) DVBE firms for protégé development. Faneuil, Inc. selected all three (3) SBE firms and all three (3) DVBE firms, as listed above, for protégé development.

**C. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is applicable to this contract. Metro staff will monitor and enforce the policy guidelines to ensure that applicable workers are paid at minimum, the current Living Wage rate of \$18.99 per hour (\$13.75 base + \$5.24 health benefits), including yearly increases. In addition, contractors will be responsible for submitting the required reports for the Living Wage and Service Contract Worker Retention Policy and other related documentation to staff to determine overall compliance with the policy.

**D. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**E. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.

# **METRO EXPRESSLANES – CUSTOMER SERVICE CENTER OPERATIONS**

**Ad Hoc Congestion, Highway and Roads Committee  
JANUARY 16, 2019**



**Metro**

# Metro ExpressLanes - Customer Service Center Operations Contract

**AUTHORIZE the Chief Executive Officer to award firm fixed price Contract No. PS51236 to Faneuil, Inc. to provide the personnel, services, and expertise to operate the Metro ExpressLanes customer service centers for an eight-year base period, with three, two-year options, in the amount of \$83,022,159 for the base period and \$86,352,515 for all option years exercised for a total of \$169,374,674 subject to resolution of protest(s), if any.**

- **Faneuil, Inc. Subcontractors**

- Partners in Diversity (SBE)
- Diversity Fulfillment Services (SBE)
- BCA Watson Rice (SBE)
- Alliance Resource Group, Inc. (DVBE)
- V-force, Inc. (DVBE)
- e-waste Disposal (DVBE)

- **SBE/ DVBE Participation**

- Goal Determination was 20% SBE/ 3% DVBE
- Contractor Commitment 20.89% SBE/ 3.23% DVBE



# Metro ExpressLanes - Customer Service Center Operations Contract

## Three Separate Contracts

- **ExpressLanes Customer Service Support**
  - Customer Service/ Call Center Location and Operations
  - Account Management Services
  - Case Management
  - Customer Notifications
  - Image Processing Quality Control
  - Customer Surveys
  - Bankruptcy/Collections/Mail Services Support
- **Back Office System (Approved by Board January 2018)**
  - Transaction Processing
  - Self Service Systems
  - Payment and Toll Violation Processing
- **Roadside Toll Collection System (Approved by Board June 2018)**
  - Equipment on the Corridors
  - Dynamic Pricing
  - Corridor Incident Monitoring

## Based on Best Practices

- Seeking an Eight-Year Base Contract Term with 3 Two-Year Options
  - Consistent With the Previously Awarded Back Office System and Roadside Toll Collection Contract Terms

# Metro ExpressLanes - Customer Service Center Operations Contract

- **Contract Term**
  - **Eight-Year Base and Three, Two-Year Options**
    - Option Years Will Require Board Approval at the Appropriate Time
  - **Contract Term Recommendation reflects:**
    - Three Years Required to Re-procure and Implement System
    - Obtaining the Full Useful Life of Investment
    - Toll Industry Forum Recommendations for Contract Length
    - Other Agency Roadside Tolling Contract Lengths are Comparable

## Contract & Procurement Timeline

2018		2019		2020		2021		2022		2023		2024		2025		2026		2027		2028		2029		
1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	
			Go Live																					
		Start of 8 Year Base												End of 8 Year Base	Year Base	3 Year Option 1 (Total of 11 Years)								
				Start of 6.5 Year Operations																		Option Year 2		
													1 Year RFP Release/Awar	1.5 Years Design, Install, Integration		3 Years Total								
												6 Months Dev Requirements				3 Year Re-procurement During Option 1								
																							Re-Procurement	



# Metro ExpressLanes - Customer Service Center Operations Contract

- **Received Seven Proposals**
  - AECOM
  - Cofiroute USA
  - Egis Projects, Inc.
  - Emovis, S.A.S.
  - Faneuil, Inc.
  - Municipal Services Bureau (MSB)
  - TransCore, LP
- **Evaluation Results**
  - Faneuil, Inc. is the Recommended Contractor
  - The Faneuil Proposal was the Best Overall

**Thank You**

