

Metro

*Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
3rd Floor Board Room*



Metro

Agenda - Final Revised

Wednesday, November 18, 2015

3:30 PM

**One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room**

Ad-Hoc Congestion Reduction Committee

John Fasana, Chair

Jacquelyn Dupont-Walker, Vice Chair

Mike Bonin

Mark Ridley-Thomas

Hilda Solis

Carrie Bowen, non-voting member

Phillip A. Washington, Chief Executive Officer

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The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

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- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

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NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

CALL TO ORDER

ROLL CALL

18. APPROVE Consent Calendar Item 19.

Consent Calendar items are approved by one motion unless held by a Director for discussion and/or separate action.

19. RECEIVE AND FILE status report on the **assessment of the impact of allowing HOVs to use the I-10 ExpressLanes on the weekends without a FasTrak transponder.**

[2015-1642](#)

Attachments: [Attachment A - Traffic Data Collected & Modeled](#)

Non-Consent Item

20. CONSIDER:

[2015-1304](#)

- A. AUTHORIZING the Chief Executive Officer (CEO) to exercise Option 4.3, Additional Year of Operation and Maintenance (O&M) - Year 3, Modification No. 63 for contract PS0922102333 with **Atkinson Contractors, LP (Atkinson) for Metro Expresslanes Operations and Maintenance** in the amount of \$3,072,000, increasing the total contract price from \$118,991,335 to \$122,063,335;
- B. AUTHORIZING the CEO to execute Contract Modification No. 64 for additional **O&M Support Costs** for Option Year 3 in the amount of \$10,383,408, increasing the total contract price from \$122,063,335 to \$132,446,743.
- C. AUTHORIZING the CEO to execute Contract Modification No. 65 for **Additional Transponders and Retail Packaging** in the amount of \$3,240,000, increasing the total contract price from \$132,446,743 to \$135,686,743.
- D. APPROVING an increase in Contract Modification Authority (CMA) for Contract PS0922102333, to Atkinson in the amount of \$17,203,063 increasing the total CMA from \$60,934,978 to \$78,138,041 to cover the costs of the recommended Contract Modifications above, and any pending and future changes listed in the Contract Modification/Change Order Log (Attachment C).
- E. AMENDING the FY16 budget by \$5,915,257 representing the current fiscal year portion of the above contract modifications.

Attachments: [Attachment A - Procurement Summary](#)
[Attachment B - DEOD Summary](#)
[Attachment C - CMA Summary](#)

51. RECEIVE AND FILE the **ExpressLanes 2016 State Legislative Policy.** [2015-1599](#)

Attachments: [Attachment A ExpressLanes 2016 State Legislative Policy](#)
[Attachment B - ExpressLanes Policy_March 2015 Motion](#)

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

Adjournment

**Board Report**

File #: 2015-1642, **File Type:** Informational Report**Agenda Number:** 19.

**AD HOC CONGESTION REDUCTION COMMITTEE
NOVEMBER 18, 2015****SUBJECT: IMPACT OF ALLOWING HIGH OCCUPANCY VEHICLES (HOVS) TO USE I-10 EXPRESSLANES ON THE WEEKENDS WITHOUT A FASTRAK® TRANSPONDER****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE status report on the **assessment of the impact of allowing HOVs to use the I-10 ExpressLanes on the weekends without a FasTrak transponder.**

ISSUE

At the February 2015 Board of Directors meeting, Director Solis requested staff to assess the impacts of removing the ExpressLanes transponder requirement during weekends on the I-10 to allow access to the ExpressLanes for all HOV users. The assessment includes two possible weekend scenarios - one that allows Single Occupant Vehicles (SOVs) to continue to use the ExpressLanes with a transponder while allowing all HOVs users with and without transponders to use the facility. The other scenario would exclude SOV use of the ExpressLanes and the facility would effectively revert to HOV lanes.

DISCUSSION

The current policy, adopted by the Board in July 2009, requires all vehicles to have a transponder 24 hours a day, 7 days a week, when using the Metro ExpressLanes. The transponder requirement allows Metro to manage the ExpressLanes by identifying those who are eligible to use the lanes and sends a notice of violation to those who are in the lanes illegally. When the I-10 HOV lanes were converted to High Occupancy Toll (HOT) also known as ExpressLanes in 2013, the HOV operating hours of the I-10 were preserved to provide an easy transition for existing commuters and to maintain consistency with HOV and HOT lanes operations throughout Southern California. To facilitate traffic management, revenue collection, and enforcement of the ExpressLanes, a requirement that all vehicles have a properly mounted FasTrak transponder was included in the Toll Policy and was approved by the Board in July 2009.

Potential Operating Scenarios

Removing the transponder requirement for weekend HOV use was analyzed for the following two scenarios:

Scenario 1: Open ExpressLanes to HOVs without a Transponder - Allow all HOV users on the I-10 to utilize the ExpressLanes without a transponder during the weekends, while continuing to allow Single Occupant Vehicle (SOV) customers with a transponder to use the lanes and pay a toll. This would require the suspension of all automated violation enforcement activity.

Scenario 2: Operate ExpressLanes as HOV Only Lanes - Allow all HOV users on the I-10 to utilize the ExpressLanes without a transponder during the weekends and exclude SOV customers from using the ExpressLanes. This would require the suspension of all toll collection, violation enforcement and traffic management activities and convert the ExpressLanes back to HOV lanes on weekends.

In order to evaluate the two scenarios, traffic and revenue data on the ExpressLanes and the General Purpose (GP) lanes were collected and analyzed to model existing conditions and to estimate a range of potential ExpressLanes weekend usage under each scenario. As Attachment A illustrates, relevant data including traffic volume, occupancy status, travel frequency, and origin and destination travel patterns were collected and modeled.

The traffic modeling is based on an analysis of travel behaviors, existing data, experience with other facilities, and expert judgment. The modeled behaviors include the potential for corridor users to select the ExpressLanes based on their travel destination, the frequency of travel in the corridor, and the appeal of the ExpressLanes as a travel option. High and Low results were then averaged to determine the estimated increase of vehicle trips.

Analysis

Utilizing this data, the analysis was then split into 3 components: 1) Traffic Management; 2) Toll Revenue Collection; and, 3) Enforcement.

1) Traffic Management

On weekends, the I-10 experiences heavy congestion from 11 a.m. to 5 p.m. Weekend usage on the ExpressLanes has grown steadily with a 33% growth from September 2013 to September 2015. Based on the experience of other Express Lanes operators, it is anticipated that this trend on the I-10 will continue as the program matures.

Scenario 1: The introduction of HOV customers without transponders into the ExpressLanes could result in an average increase in vehicular trips estimated at 70%. This growth could fill the lanes with HOVs, disincentivizing SOVs from using the facility and eliminating the ability to manage congestion through pricing.

Scenario 2: The introduction of HOV customers without transponders and the elimination of all SOV customers from the ExpressLanes could result in an estimated 45% average increase in trips. Similar to Scenario 1, HOV growth and removal of pricing would impact Metro’s ability to manage traffic and may be seen by SOV customers who have been allowed on the ExpressLanes on the weekends as contradictory to commitments made to the community at the time of project development. As a result occasional SOV & HOV customers may return their transponders and become violators as discussed in the enforcement section.

Analysis indicates that allowing HOVs to use the I-10 ExpressLanes system without a transponder could yield a marginal increase of up to 5 MPH in travel speeds in the GP lanes.

Weekend Scenario	Traffic Management Impact
Scenario 1: Open ExpressLanes to HOVs without a Transponder	<ul style="list-style-type: none"> • 70% increase in ExpressLanes traffic. • Inability to manage ExpressLanes traffic without a robust enforcement program.
Scenario 2: Operate ExpressLanes as HOV Only Lanes	<ul style="list-style-type: none"> • 45% increase in ExpressLanes traffic. • Inability to manage ExpressLanes traffic without Dynamic Pricing and a robust enforcement program.

2) Enforcement

The ExpressLanes currently require all vehicles to use a transponder and to properly declare their occupancy via a switch setting on the in-vehicle transponder. These requirements are enforced through a combination of California Highway Patrol (CHP) and an automated VES based on the presence of a transponder. The enforcement program is critical to management of the ExpressLanes and protects both paying SOV customers and non-paying HOV customers by minimizing the usage of the ExpressLanes by non-compliant vehicles or violators. Since opening in 2012, due to Metro’s continuing education and marketing campaigns as well as CHP enforcement, the violation rate has decreased from approximately 14% to 5% which is consistent with ExpressLanes operations across the nation.

Scenario 1: Removing the requirement for a transponder for HOVs compromises the automated portion of the enforcement program, thus transferring the full burden of enforcement to the CHP, who are not providing dedicated ExpressLanes enforcement on the weekends. The annual cost to add CHP enforcement on the weekends would be \$600,000. Without the HOV transponder, additional

SOVs may be induced to violate due to reduced chances of detection. Additionally, the lack of consistency between weekend and weekday operations and the I-110 ExpressLanes' transponder requirement will likely create confusion for weekday customers, increase the rate of violations thereby degrading weekday ExpressLanes operations, and potentially cause a decrease in customer satisfaction and public acceptance.

Scenario 2: Restricting the ExpressLanes to HOV Only use will effectively convert the ExpressLanes to HOV lanes on the weekends. This scenario simplifies enforcement by CHP as they would only enforce vehicle occupancy. However, CHP currently does not provide dedicated enforcement of the ExpressLanes on the weekends so ExpressLanes weekends patrol would cost an additional \$600,000 per year. Without dedicated CHP enforcement it is likely that SOVs with or without transponders will enter the lanes. Additionally, as discussed in Scenario 1, the number of violations during the week will likely increase due to customer confusion over differing operating parameters.

Weekend Scenario	Enforcement Impact
Scenario 1: Open ExpressLanes to HOVs without a Transponder	<ul style="list-style-type: none"> • Increased burden of enforcement on CHP due to suspension of automated enforcement. • Reduced compliance by SOVs due to suspension of automated enforcement. • Confusion during weekday operations, increasing the rate of violators and degrading weekday traffic conditions.
Scenario 2: Operate ExpressLanes as HOV Only Lanes	<ul style="list-style-type: none"> • Increased workload for CHP due to increased vehicle traffic in the ExpressLanes. • Confusion during weekday operations, degrading weekday operations and increasing the rate of violators.

3) Toll Revenue Collection

The I-10 corridor generates approximately \$4.6M annually in weekend toll and violation revenue. This revenue ensures the ExpressLanes are financially self-sustaining, funds the necessary capital and operational improvements, and contributes to the funding of Net Toll Revenue grants.

Scenario 1: The introduction of HOV customers without transponders into the ExpressLanes could result in an estimated loss of between \$400,000 to \$600,000 annually due to additional HOVs in the ExpressLanes displacing SOVs. Conversely, SOVs without transponders could be enticed to use the ExpressLanes without paying a toll or penalties, further eroding toll revenue and increasing revenue loss. Metro could also lose approximately \$2.4M annually in weekend violation revenue, since the automated Video Enforcement System (VES) would be suspended and no violation notices could be issued as the system would have no way of distinguishing between a legitimate no-transponder HOV and a violating no-transponder SOV.

Scenario 2: Operating the ExpressLanes as HOV only lanes on the weekends would result in the

loss of all weekend toll revenue, amounting to approximately \$2.2M annually. Additionally, Metro would lose all weekend violation revenue, amounting to \$2.4M annually since the automated VES would need to be suspended. Further, a change to the weekend toll policy would likely result in the closure of some FasTrak accounts and create public dissatisfaction over the removal of the SOV option to use the ExpressLanes on the weekends.

Weekend Scenario	Toll Revenue Impact
Scenario 1: Open ExpressLanes to HOVs without a Transponder	<ul style="list-style-type: none"> • Loss of toll revenue estimated to be between \$400K and \$600K annually due to fewer paying SOV customers. • Loss of violation fee revenue estimated to be approximately \$2.4M annually due to suspension of automated VES. • Impacts to weekday revenue due to confusion caused by the change in transponder policy and a corresponding increase in violation processing costs.
Scenario 2: Operate ExpressLanes as HOV Only Lanes	<ul style="list-style-type: none"> • Loss of all weekend toll revenues estimated to be \$2.2M annually. • Loss of violation fee revenue estimated to be approximately \$2.4M annually. • Impacts to weekday toll revenue due to confusion caused by the change in transponder policy and an increase in processing costs.

Required Changes

Both scenarios would require changes to on-road signage, the toll system software, Customer Service Representative (CSR) training, customer materials, and public outreach. The cost to perform these changes is estimated to be as follows:

Item	Scenario 1: Open ExpressLanes to HOVs without a Transponder	Scenario 2: Operate ExpressLanes as HOV Only Lanes
Initial (One-Time) Cost*	\$1.4M to \$2.0M	\$1.4M to \$2.0M
Annual Toll Revenue Loss	\$0.4M to \$0.6M	\$2.2M
Annual Violation Revenue Loss	\$2.4M	\$2.4M
Increased Annual CHP Enforcement Costs	\$600,000	\$600,000
First Year Cost (sum of above)	\$4.8M to \$5.6M	\$6.6M to \$7.2M
Annual Revenue Loss (toll/violation)	\$2.8M to \$3.0M	\$4.6M

* Signage modifications
 Software development and implementation
 Re-printing of materials and updating the website
 Public Outreach

Additionally, the current toll vendor contract is based on a projected number of FasTrak accounts and violation notices. Depending on how this change is implemented it could represent a material change to the contract.

Finally, at the local level, the toll administration and violation ordinance would require updating to reflect these changes, further necessitating staff and/or consultant resources.

Operations of Other Similar ExpressLanes

An examination other ExpressLanes across the country that were converted from HOV to HOT lanes (I-95 Atlanta, I-85 in Miami) with similar transponder requirements and business rules for HOVs, reveals the following:

The I-95 Express Lanes in Miami is a 24/7 operation that adopted the original HOV hours and requires HOVs to have a transponder to utilize the lanes. They also have a VES and dedicated highway patrol to actively monitor and enforce the lanes. To qualify as a toll-free carpool they must have three or more people in the vehicle and must register their carpool status by completing a carpool application.

The I-85 Express Lanes in Atlanta is another 24/7 Express Lane operation which requires three or more people per vehicle to qualify for toll-free carpool status. Both SOV and HOV users require the use of a switchable transponder. Enforcement is a combination of highway patrol, VES, invisible barriers and other technology in lanes to ensure legal use of the lanes at all times. Their program adopted existing HOV hours and continues to maintain 24/7 hour operation to avoid customer confusion and potential operating costs.

Existing and future facilities in Orange and Riverside Counties are either currently or will in the future operate 24/7 and require transponders for SOV and HOV customers at all times. Each facility has a VES and dedicated CHP enforcement to monitor and enforce the lanes. Their programs have also begun selling switchable transponders to allow their customers to declare their occupancy on Metro's ExpressLanes.

Conclusions

Analysis indicates that allowing HOVs to use the I-10 ExpressLanes system without a transponder could yield a marginal increase of up to 5 MPH in travel speeds in the GP lanes. However, the analysis also reveals that this could severely or completely inhibit the ability to effectively manage and enforce the ExpressLanes, confuse drivers, and result in initial and recurring cost to Metro. The revenue losses identified above will directly impact the amount of funding available for system improvements, reserve funds and corridor reinvestment grants.

Since the system is in ramp up mode and weekend usage is expected to increase by 15% over the next year, staff does not recommend waiving tolling on the weekends.

Finally, while this analysis focuses on the I-10, we anticipate that Metro will be compelled to apply these new weekend business rules to the I-110 to ensure consistency and equity among the ExpressLanes users in both corridors. If this happens, the revenue losses for Metro will be significantly higher.

NEXT STEPS

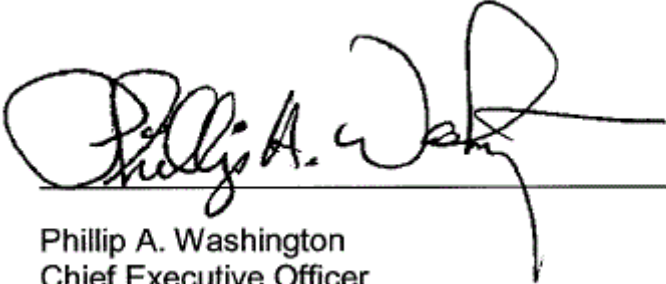
Staff will continue to monitor the performance of the corridor and will address weekend usage as part of a larger ExpressLanes policy review.

ATTACHMENTS

Attachment A - Traffic Data Collected & Modeled

Prepared by: Tim Lew, Transportation Planning Manager (213) 922-1071
Kathleen McCune, Director (213) 922-7241
Shahrzad Amiri, Executive Officer (213) 922-3061

Reviewed by: Stephanie Wiggins, Deputy CEO (213) 922-1023



Phillip A. Washington
Chief Executive Officer

Attachment A

The following lists identify the data collected and modeled to determine the potential volumes of traffic that might be eligible to use the ExpressLanes, and, under the different scenarios, that might potentially switch to the ExpressLanes.

Data collected included:

- Actual traffic and revenue by direction on the I-10 ExpressLanes for Saturdays and Sundays by each individual day for 2015;
- Actual traffic by hour and direction in the General Purpose (GP) lanes for Saturdays and Sundays by each individual day for 2015;
- Existing HOVs in the General Purpose lanes on Saturdays and Sundays via two weekend field surveys;
- Travel frequency data on typical weekends; and
- Origin and destination trip patterns on the I-10 general purpose lanes.

Existing conditions were modeled in order to:

- Determine amount of actual HOV and SOV volumes in the ExpressLanes and GP lanes (to determine overall volumes in the corridor);
- Determine origin and destination travel patterns in the corridor (to determine those who by nature of their travel patterns and the locations of ingress/egress of the ExpressLanes could potentially switch to the ExpressLanes);
- Determine travel frequency of potential ExpressLanes users (to determine different potential usage of ExpressLanes by frequency of travel category);
- Determine amount of actual HOV and SOV traffic in the ExpressLanes lanes (to determine potential capacity available in the ExpressLanes);
- Assign 'potential' (those who may switch) traffic to the ExpressLanes (based on volumes, origin and destination patterns, travel frequency, and available capacity); and
- Assign 'diverted' (those estimated to switch) HOV and SOV traffic to the ExpressLanes.

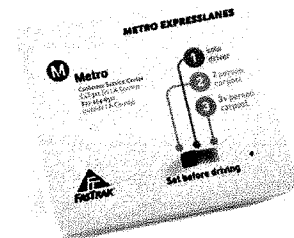
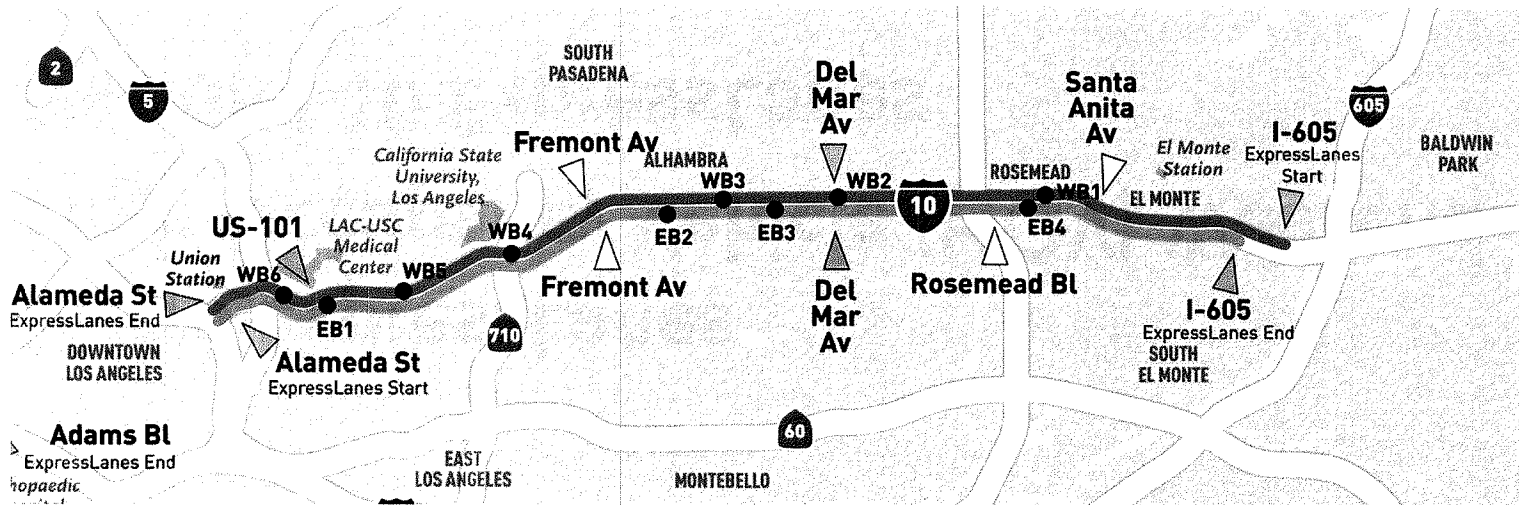
**Metro ExpressLanes
High Occupancy Vehicle (HOV) Weekend
Use on I-10 ExpressLanes
November 18, 2015**



Metro

Background

- **Assessment of the impacts of removing the ExpressLanes transponder requirement during weekends on the I-10 to allow access to the ExpressLanes for HOV users**



I-10 ExpressLanes HOV Requirements

	Monday – Friday (Peak Hours)	Monday – Friday (Off Peak)	Weekend
Hours	5am-9am; 4pm-7pm	Non-Peak Hours	All day
Toll Free	3+ Occupants	2+ Occupants	2+ Occupants

- **Current business rules:**
 - **All vehicles including HOV have a properly mounted FasTrak transponder to use the ExpressLanes**
 - **Switchable transponder allows declaration of occupancy to travel toll-free on the ExpressLanes**
 - **Transponder requirement enhances customer confidence by catching people “cheating” the system**
 - **24/7 automated enforcement identifies violators without a transponder**
 - **CHP enforces transponder & occupancy requirement during weekday AM/PM peak**
 - **Transponder technology allows the implementation of Carpool Loyalty Program**



Similar Express Lanes Programs

	Metro I-10	FDOT I-95	SRTA I-85
Location	Los Angeles County	Miami-Dade County	Atlanta
Transponder	FasTrak (Switchable)	SunPass (HOV Application)	Peach Pass (Switchable via Website or App)
HOV Requirement	3+ Peak, 2+ Offpeak	3+	3+
Pricing	Dynamic	Dynamic	Dynamic
Operation	24/7	24/7	24/7
Enforcement	Highway Patrol, VES	Highway Patrol, VES	Highway Patrol, VES, Invisible Barrier
Origins	Adopted Existing HOV Hours	Adopted Existing HOV Hours	Adopted Existing HOV Hours



I-10 ExpressLanes and General Purpose (GP) Lane Weekend Conditions

- **I-10 GP Lane Weekend Conditions**
 - Heavily utilized but minimal stop and go traffic
 - Data from same period in 2012 prior to implementation of the ExpressLanes show similar pattern of utilization and speeds
- **ExpressLanes Weekend Conditions**
 - Free-flow traffic
 - Project constructed an additional lane when converted to ExpressLanes

Potential Operating Scenarios

- **Scenario 1:** Allow all HOV users on the I-10 to utilize the ExpressLanes without a transponder during the weekends, while continuing to allow SOV customers with a transponder to use the lanes.
- **Scenario 2:** Allow all HOV users on the I-10 to utilize the ExpressLanes without a transponder during the weekends and exclude SOV customers from using the ExpressLanes.



I-10 ExpressLanes – Traffic Management

Weekend Scenario	Traffic Management Impact
Scenario 1: Open ExpressLanes to HOVs without a Transponder (SOVs with a Transponder)	<ul style="list-style-type: none">• 70% increase in ExpressLanes traffic.• Inability to manage ExpressLanes traffic without an enforcement program.
Scenario 2: Operate ExpressLanes as HOV Only Lanes	<ul style="list-style-type: none">• 45% increase in ExpressLanes traffic.• Inability to manage ExpressLanes traffic without Dynamic Pricing and an enforcement program.

- **Weekend I-10 usage on the ExpressLanes has grown steadily by 33% from September 2013 to September 2015**
- **Anticipate increase by 15% over the next year in weekend usage as the program continues to mature**
- **Analysis indicates that allowing HOVs to use the I-10 ExpressLanes system without a transponder could yield a marginal increase of up to 5 MPH in travel speeds in the GP lanes.**

I-10 ExpressLanes – Enforcement

Weekend Scenario	Traffic Management Impact
Scenario 1: Open ExpressLanes to HOVs without a Transponder (SOVs with a Transponder)	<ul style="list-style-type: none">• Increased burden of enforcement on CHP due to suspension of automated enforcement.• Reduced compliance by SOVs due to suspension of automated enforcement.• Confusion during weekday operations, increasing the rate of violators and degrading weekday traffic conditions.
Scenario 2: Operate ExpressLanes as HOV Only Lanes	<ul style="list-style-type: none">• Increased workload for CHP due to increased vehicle traffic in the ExpressLanes.• Confusion during weekday operations, degrading weekday operations and increasing the rate of violators.

I-10 ExpressLanes – Toll Revenue Collection

- **I-10 - \$4.6M in Annual Weekend Revenue**
- **Required Changes**
 - **On Road Signage**
 - **Toll System Software,**
 - **Customer Service Representative Training**
 - **Customer Materials and website update**
 - **Public Outreach**
- **Potential material change to existing toll vendor contract**
- **Additional staff and consultant resources to manage changes**

I-10 ExpressLanes – Toll Revenue Collection

	Scenario 1	Scenario 2
Initial (One-Time) Cost	\$1.4M to \$2.0M	\$1.4M to \$2.0M
Annual Toll Revenue Loss	\$0.4M to \$0.6M	\$2.2M
Annual Violation Revenue Loss	\$2.4M	\$2.4M
Increased Annual CHP Enforcement Costs	\$600,000	\$600,000
First Year Cost (sum of above)	\$4.8M to \$5.6M	\$6.6M to \$7.2M
Annual Revenue Loss (toll/violation)	\$2.8M to \$3.0M	\$4.6M

Conclusions

- Operations on I-110 may require a policy shift to ensure consistency & equity
- Marginal increase in GP lane speeds of up to 5 MPH
- Inhibits management of lanes as originally adopted
- Increased driver confusion and violations
- Increased Capital & Operating Costs/ Loss of Revenue
- I-10 ExpressLanes continue to see greater weekend utilization and expect a 15% growth over the next year





Board Report

File #: 2015-1304, File Type: Contract

Agenda Number: 20.

REVISED
AD-HOC CONGESTION REDUCTION COMMITTEE
NOVEMBER 18, 2015

SUBJECT: METRO EXPRESSLANES OPERATIONS AND MAINTENANCE

ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) TO EXERCISE CONTRACT OPTION AND MODIFY CONTRACT

RECOMMENDATION

- A. AUTHORIZING the Chief Executive Officer (CEO) to exercise Option 4.3, Additional Year of Operation and Maintenance (O&M) - Year 3, Modification No. 63 for contract PS0922102333 with **Atkinson Contractors, LP (Atkinson) for Metro Expresslanes Operations and Maintenance** in the amount of \$3,072,000, increasing the total contract price from \$118,991,335 to \$122,063,335;
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- E. AMENDING the FY16 budget by \$5,915,257 representing the current fiscal year portion of the above contract modifications.

Record will reflect that Metro legal counsel is working to take appropriate action regarding patent infringement lawsuit.

ISSUE

In December 2010, Atkinson was awarded a Design, Build, Operate and Maintain (DBOM) contract for the Metro ExpressLanes project that included all activities needed to implement and operate the ExpressLanes through the demonstration period. The DBOM contract included various options including five, one year options for operation and maintenance beyond the demonstration period, but none of these was authorized at the time of contract award. The exercising of the second of the one-year options was approved by the Board on October 23, 2014 and expires on February 23, 2016.

In April 2014 the Board authorized the CEO to continue operation of the Metro ExpressLanes and on September 21, 2014 the Governor signed Senate Bill (SB) 1298 (Hernandez) making the I-10 and I-110 ExpressLanes permanent. The ExpressLanes continue to be a successful program with over 426,000 accounts opened and 461,000 transponders distributed since opening in November 2012. To continue the operation of the ExpressLanes, staff is asking the Board to approve the exercising of the third of the five one-year options to extend O & M to February 23, 2017.

DISCUSSION

Recommendation A: Additional Year of O & M

In February 2014, Metro successfully completed the demonstration period and entered into the first of five one-year options for continued ExpressLanes O & M. In April 2014, the Board approved the continued operation of the ExpressLanes and on September 21, 2014, the Governor signed Senate Bill (SB) 1298 (Hernandez) extending the Metro ExpressLanes program indefinitely. Since Option Year Two will expire in February 2016, staff is requesting Board authorization to enter into the third one-year option for O & M.

Recommendation B: Additional O & M Support

The recommended funding action is required due to the successful launch of the ExpressLanes and includes many activities driven mainly by customer and non-customer demand - additional account support for new accounts, costs for mailing of customer correspondence and violations and fees related to the processing of payments.

The base O & M contract for the ExpressLanes includes customer service related activities for up to 100,000 transponders, which was the target for the demonstration period. However, there are currently in excess of 461,000 transponders in circulation (461% above the base target) exceeding all expectations for the program and requiring more effort related to customer service than originally included in the base contract. The distribution of additional transponders results in establishment of new accounts that require order fulfillment and additional staffing support by the contractor to service these accounts. Servicing activity includes answering calls, handling correspondence, responding to customer inquiries, postage, and processing transactions.

Correspondingly, the overwhelming success of the Metro ExpressLanes has increased violation

processing beyond the original contract numbers, generating additional costs associated with license plate image processing, postage and mailing, phone services, and responding to online inquiries.

In addition, resources will continue to be needed for the maintenance of the tolling equipment and real-time traffic monitoring utilizing “EarthCam” cameras and staffing of the Traffic Management Center for incident management and monitoring of all toll-related systems. The Contract Modification in Recommendation B addresses this additional operational support required to operate and maintain the ExpressLanes through the balance of O & M Option Year 3.

Recommendation C: Additional Transponders and Retail Packaging

Since there continues to be steady growth in transponder distribution at a rate of 10,000 -15,000 transponders issued per month, additional funds will be required to purchase transponders. The recommended funding action ensures that the supply of transponders continues to be sufficient to fulfill customer orders and keeps us in the queue for manufacturing as this is a long lead item. The current order of transponders concludes in February 2017. This recommendation allows the purchase of additional transponders and retail packaging to continue to February 2018.

Recommendation D: Additional CMA

The additional CMA request of \$17,395,772, when combined with previous Board Approved CMA remaining, will be used to authorize Recommendations A, B and C (O & M Option Year Three, associated O & M Support costs and Additional Transponders and Retail Packaging) as well as additional pending Modifications.

Staff requests authorization to increase the CMA which will serve as a management tool for staff to issue contract modifications to compensate the contractor for additional costs incurred for the completion of the above projects.

Lawsuit

In August 2015 a patent infringement lawsuit was filed against Metro by Transport Technologies LLC alleging that the system used to monitor the number of passengers in cars using ExpressLanes on the I-110 and I-10 freeways (including the FasTrak transponders, roadside interrogators, and network infrastructure) infringes its patent.

Pursuant to express provisions in the contract, on September 7, 2015, Metro demanded that Atkinson defend the action and provide indemnity against the infringement lawsuit. On September 8, 2015 Atkinson notified Metro that it was rejecting the demand, citing a section of the contract that provides that indemnification does not apply “to any Goods manufactured to the detailed design of Metro,” claiming that Metro designed the tolling system. Metro firmly disputes this allegation and will be filing a cross-complaint against Atkinson alleging breach of contract as a result of its failure to defend and

indemnify the agency.

While Atkinson has agreed to submit a pre-trial motion on Metro's behalf to have the suit dismissed, Atkinson has notified Metro that it will not defend Metro and provide indemnity against the lawsuit should the pre-trial motion be unsuccessful. In response, Metro will be filing a cross complaint against Atkinson alleging breach of contract as a result of its failure to defend and indemnify the agency. On November 19, 2015 Metro was informed that since the filing of that lawsuit, and following further discussions, Atkinson has agreed to accept our defense in exchange for dismissing the lawsuit. We are working on the details of how the defense will be handled, and whether and when we will dismiss our lawsuit.

A Request for Proposal (RFP) was released in August 2015 to assist Metro in developing the requirements for the new O & M contract. Staff is currently in the process of selecting a consultant for this effort.

The additional year of O & M also necessitates the funding of Contract Modifications and an increase in the CMA to ensure uninterrupted customer service and ExpressLanes operations. To ensure that there is no interruption in services, staff requests authority be granted to the CEO to execute a Contract Modification for the additional O&M support costs for Option Year 3.

DETERMINATION OF SAFETY IMPACT

Approval of these recommendations will improve safety for Metro ExpressLanes patrons.

FINANCIAL IMPACT

The funding of \$5,915,257 for some of the increase in CMA will be added to the FY16 budget in cost center number 2220, Congestion Reduction, and split between project numbers Project 307001 (ExpressLanes I-110) and Project 307002 (ExpressLanes I-10).

Because this is a multi-year program, the cost center manager and Executive Officer, Congestion Reduction will be responsible for budgeting the remaining CMA in future years.

IMPACT TO BUS AND RAIL OPERATING BUDGET

The funding for this action will come from toll revenues generated from the Metro ExpressLanes operation. No other funds were considered for this activity because these funds are specifically approved for the Metro ExpressLanes operations. 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 staff cannot immediately re-procure a new contractor to operate and maintain the ExpressLanes and ensure uninterrupted operations.

Another alternative is to award a sole source, emergency contract for the remaining option years to Xerox (the primary sub-contractor to Atkinson that currently operates and maintains the toll system) which will most likely require re-negotiation of all rates under the existing contract and result in higher costs. As a result, staff does not recommend this option.

NEXT STEPS

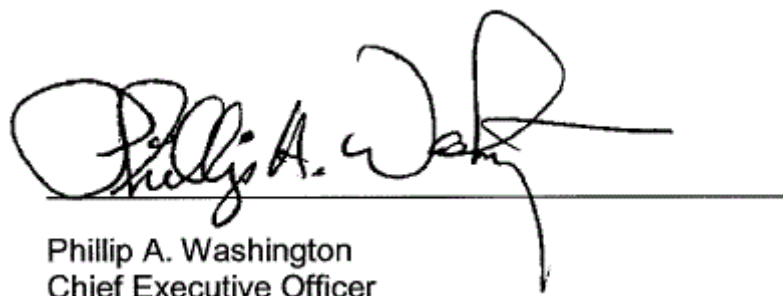
Upon approval of the Contract Modifications, staff will take the necessary steps to amend the budget, notify the contractor of the exercising of Option Year Three for O & M and execute all required Contract Modifications for Option Year Three O & M.

ATTACHMENTS

- A. Procurement Summary
- B. DEOD Summary
- C. Contract Modification Authority Summary

Prepared by: Joe O'Donnell, Director, (213) 922-7231
Tim Lew, Planning Manager, (213) 922-1071
Kathleen McCune, Director (213) 922-7241

Reviewed by: Shahrzad Amiri, Executive Officer, (213) 922-3061
Ivan Page, Executive Director (Interim) Vendor/Contract Management, (213) 922-6383



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

METRO EXPRESSLANES OPERATIONS AND MAINTENANCE

1.	Contract Number: PS092210233		
2.	Contractor: Atkinson Contractors, LP		
3.	Mod. Work Description: Exercise Option 4.3 – Option Year 3; Additional O&M Support Costs for Option Year 3;		
4.	Contract Work Description: Design, Build, Operate and Maintain the Metro ExpressLanes		
5.	The following data is current as of: October 21, 2015		
6.	Contract Completion Status:		
	Bids/Proposals Due:	8/31/10	% Completion \$s: 90.7%
	Contract Awarded:	12/16/10	% Completion time: 96%
	NTP:	01/11/11	Original Contract Days: 990
	Original Complete Date:	09/28/13	Change Order Days: 879
	Current Est. Complete Date:	02/23/16	Suspended Days: 0
	Total Revised Days:		1,869
7.	Financial Status:		
	Contract Award:		\$72,363,702
	Total Contract Modifications Approved:		\$47,232,633
	Current Contract Value:		\$119,596,335
	Contract Administrator: Joe O'Donnell	Telephone Number: 213-922-7231	
8.	Project Manager: Shahzad Amiri	Telephone Number: 213-922-3061	

A. Contract Action Summary

This Board Action is to approve Contract Modification No. 63 issued in support of Operations and Maintenance of the ExpressLanes for Option Year 3, Contract Modification No. 64, issued in support of additional O & M Support Costs for Option Year 3, and Contract Modification No. 65, issued for additional transponders and retail packaging.

These Contract Modifications will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed priced price.

On December 16, 2010, Contract No. PS0922102333 was awarded to Atkinson Contractors, LP in the amount of \$72,363,702, to Design, Build, Operate and Maintain the Metro ExpressLanes Project.

Attachment B shows that 57 Contract Modifications/change orders have been issued to date to add and/or delete work, and 12 Contract Modifications are currently pending or in negotiations.

The proposed Contract Modifications are for \$16,695,408 and will be used to Exercise Option 4.3 – Option Year 3; additional O&M Support Costs for Option Year 3; and additional Transponders and Retail Packaging.

B. Cost/Price Analysis

The recommended price for Contract Modification No. 63 was a bid rate for Option Year 3. A market survey was performed that confirmed the Option price is fair and reasonable.

The recommended price for Contract Modification No. 64 has been determined to be fair and reasonable based upon an independent cost estimate, cost analysis, technical evaluation, fact finding, and negotiations. An audit of Contract Modification No. 64 was requested on October 8, 2015, and the audit is anticipated to be complete by the end of November 2015. Should the audit determine that any proposed costs for Contract Modification No. 64 are unallowable, the negotiated amount shown below will be adjusted.

The recommended price for Contract Modification No. 65 was determined to be fair and reasonable as the price of the additional transponders was based on market rates validated by other toll lane operators.

Mod No.	Changes	Proposal amount	Metro ICE	Negotiated or NTE amount
63	Additional Year of O&M – Option Year 3	\$3,072,000	N/A*	\$3,072,000
64	Additional O&M Support Costs for Option Year 3	\$10,501,854	\$10,380,468	\$10,383,408
65	Additional Transponders and Retail Packaging	\$3,240,000	N/A*	\$3,240,000

* Mod. no. 63 price was a bid rate. Mod. no. 65 pricing is based on the agreed rates for new transponders.

DEOD SUMMARY

METRO EXPRESSLANES OPERATIONS AND MAINTENANCE

A. Small Business Participation

This contract is funded by the Federal Highway Administration funds and falls under the Caltrans Underutilized Disadvantaged Business Enterprise (UDBE) program requirements. At the time of award Atkinson made a 16.20% UDBE and a 1.87% DBE commitment. This contract complies with the Caltrans UDBE Federal Highway program. Atkinson is exceeding their commitment with a current total UDBE participation of 17.77% and a current DBE (race neutral) participation of 2.70%. UDBE and DBE participation covers Design, Civil, and Operation & Maintenance.

SMALL BUSINESS COMMITMENT	16.20% UDBE 1.87% DBE	SMALL BUSINESS PARTICIPATION	17.77% UDBE 2.70% DBE
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UDBE Subcontractors	Commitment	Participation
1. MARRS Corp (Design)	0.18%	0.13%
2. Lin Consulting (Design)	1.20%	0.86%
3. Abratique & Assoc. (Civil)	0.16%	0.08%
4. SafeProbe (Civil)	0.27%	0.48%
5. G&C Equipment Corp (Civil)	4.02%	4.94%
6. Mariman Security (Civil)	0.35%	0.53%
7. Davis Blue Print Co. (Civil)	Added	0.02%
8. Payco Specialties (Civil)	1.19%	1.31%
9. Fine Grade Equipment (Civil)	1.82%	2.16%
10. American Steel Placers (Civil)	0.79%	0.68%
11. DNS Solutions (Civil)	0.07%	0.05%
12. R.J. Lalonde (Civil)	Added	0.01%
13. Ace Fence (Civil)	0.28%	0.26%
14. Sequoia Consultants (Civil)	Added	0.20%
15. Rivera Trucking (Civil)	Added	0.26%
16. JC Supply & Manufacturing (Civil)	Added	0.07%

17. TEC Management Consultants (Civil)	0.19%	0.21%
18. E-Nor Innovations (Civil)	Added	0.06%
19. G&C Equipment (O&M)	5.44%	4.53%
20. G&C Equipment/Xerox (O&M)	Added	0.48%
21. Noble Insight (O&M)	0.24%	0.45%
Total	16.20%	17.77%

DBE Subcontractors	Commitment	Participation
1. Intueor Consulting (Design)	0.65%	0.44%
2. Diaz Yourman Assoc. (Design)	0.19%	0.21%
3. Seville Construction (Civil)	1.03%	2.05%
Total	1.87%	2.70%

CONTRACT MODIFICATION AUTHORITY (CMA) SUMMARY

METRO EXPRESSLANES OPERATIONS AND MAINTENANCE

Mod. No.	Description	Status	Contract Value	Mods	Board Approved CMA (C)
		(Approved or Pending)	(A)		
N/A	Initial Award	Approved	\$72,363,702		\$7,236,370
1	Exercise Options 1 and 2	Approved		\$4,250,000	
2	Admin Modification of Audit Requirements	Approved		\$0	
3	Install Fiber Cables & Splice Vaults on I-110	Approved		\$470,487	
4	Toll System Digital Visual Aids	Approved		\$65,100	
5	Modification to Field Office	Approved		\$3,228	
6	Drainage Improvements on I-110 (Const.)	Approved		\$1,867,000	
7	Exercise Option 3	Approved		\$2,475,000	
N/A	Board Approved CMA Increase (1/12)	Approved			\$11,592,445
8	Construction of Divider Wall	Approved		\$821	
9	Drainage Improvement on I-110 (Design)	Approved		\$234,440	
10	Harbor Gateway Transit Center	Approved		\$0	
11	Retail Transponder Sales	Approved		\$347,854	
12	Differing Site Condition – CIDH Pile Install.	Approved		\$384,768	
13	Modified Striping for Toll Lanes	Approved		\$607,964	
14	Audible and Visible Warning System	Approved		\$316,334	
15	Adams Blvd/Flower St. OCS (Construction)	Approved		\$80,061	
16	DSC – CIDH Piles Along I-10 Fwy	Approved		\$78,448	
17	Retail Packaging for Add'l Transponders	Approved		\$337,500	
18	Additional Design Support	Approved		\$137,879	
19	Rehabilitation of I-10 Shoulder	Approved		\$633,414	
20	Perforated Steel Pipe	Approved		\$160,276	
21	Temporary Customer Service Center	Approved		\$193,383	
22	Closure of Patsaouras Plaza Ramps	Approved		\$69,524	
23	Modify Conflicting Expo Signs	Approved		\$25,508	
24	Metro's TAP Interface Program	Approved		\$25,734	
25	I-10 Traffic Loops	Approved		\$126,598	
26	Additional Traffic Monitoring Support	Approved		\$957,186	
27	Additional Video Cameras	Approved		\$726,288	
28	Adams Blvd/Flower St. OCS (Design)	Approved		\$59,331	
29	Mobile Van Retail Unit/Extended Hours	Approved		\$50,000	
30	Additional Barrier Markers	Approved		\$39,128	
31	Toll System Software Modifications for Grace Period	Approved		\$9,724	
32	Release of Additional Transponders	Approved		\$450,000	
33	Mailing Costs	Approved		\$450,000	
34	Additional Account Support	Approved		\$1,000,000	
35	Contract Milestone Revision	Approved		\$2,749,778	
N/A	Board Approved CMA Increase (9/13)	Approved			\$2,335,035
36	Reduction of Provisional Sum Line Items	Approved		(\$2,147,709)	
38	Add'l Transponders Option 3 and Retail Packaging	Approved		\$459,375	
39	Additional Contaminated Material	Approved		\$150,000	
40	Additional Mailing Costs	Approved		\$1,000,000	

41	Additional Static and Digital Messaging Signs	Approved		\$432,463	
42	Permanent. Redundant Fiber Comm Network	Approved		\$341,738	
43	Digital Messaging Sign at Santa Anita	Approved		\$481,827	
CO12	Additional Computer Programming	Approved		\$250,000	
CO13	Credit Card Transaction Costs	Approved		\$270,000	
44	Exercise Option 4.1, Add'l Year of O&M – Year 1	Approved		\$3,024,000	\$3,024,000
45	Additional Account Support for Option Year 1	Approved		\$2,900,000	\$2,900,000
46	Add'l Transponders Option 3 and Retail Packaging	Approved		\$1,350,000	\$1,350,000
47	Additional Mailing Costs - Option Year 1	Approved		\$1,700,000	\$1,700,000
N/A	Board Approved CMA Increase (2/14)	Approved			\$1,254,862
48	Interface Configuration Document	Approved		\$35,924	
49	Additional TMO Labor - Option Year 1	Approved		\$445,000	
50	Additional Marketing Support – Option Year 1	Approved		\$304,399	
52	Additional Credit Card Transaction Fees – Option Year 1	Approved		\$300,000	
53	Additional Violations Processing Beyond Base Contract	Approved		\$750,000	\$750,000
54	Additional Transponders – Option Year 1	Approved		\$432,000	
55	Exercise Option 4.2, Add'l Year of O&M – Year 2	Approved		\$3,048,000	\$3,048,000
56	Additional O&M Support Costs for Option Year 2	Approved		\$6,717,874	\$6,717,874
57	Additional Transponders and Retail Packaging	Approved		\$4,999,986	\$4,999,986
62	Add Funds for Additional Violation Processing and Violation Credit Card Fees	Approved		\$605,000	
Subtotal (Approved)				\$47,232,633	\$46,908,572
58	Replacement and Additional Static Message and Dynamic Message Signs for I-10/I-110 and I-105	In-Process		\$2,650,000	\$2,650,000
59	New Toll Gantries	In-Process		\$2,500,000	\$2,500,000
60	Replacement of Pavement Stencils and Striping and New Delineators on I-10/I-110	In-Process		\$1,800,000	\$1,800,000
TBD	Upgrade all CHP Gantry Enforcement Lights	In-Process		\$300,000	
TBD	Construct Permanent Locations for Mobile EarthCams (I-10 and I-110)	In-Process		\$100,000	
Subtotal (In-Process)				\$7,350,000	\$6,950,000
63	Exercise Option 4.3, Add'l Year of O&M – Year 3	Recommended		\$3,072,000	
64	Additional O&M Support Costs for Option Year 3	Recommended		\$10,383,408	
65	Additional Transponders and Retail Packaging	Recommended		\$3,240,000	
Subtotal (Recommended)				\$16,695,408	
61	Pavement Markings, Signage and Tolling Equipment at I-710/I-10 Interchange	Pending		\$2,250,000	\$2,250,000
TBD	Maintenance of Additional Tolling Equipment and DMS	Pending		\$260,000	
TBD	Additional Bond and Insurance Costs	Pending		\$250,000	
TBD	Unforeseen Potential Changes	Pending		\$3,900,000	

TBD	Modification of Toll System Software for New & Replacement Sensys Equipment and Informational Dashboard	Pending		\$200,000	
Subtotal (Pending)				\$6,860,000	\$2,250,000

Subtotal - Approved Modifications			\$47,232,633	
Subtotal - In-Process Modifications			\$7,350,000	
Subtotal - Recommended Modifications			\$16,695,408	
Subtotal - Pending Changes/Modifications			\$6,860,000	
Total Modifications and Pending Changes			\$78,138,041	
Total Contract Value (including Approved, In-Process, Recommended and Pending Modifications)		\$150,501,743		
Board Approved CMA (C)				\$60,934,978
Requested CMA – Total Modifications and Pending Changes (\$76,183,041, minus Board Approved CMA, \$60,934,978)				\$17,203,063

**Metro ExpressLanes
Operations and Maintenance Contract
Modifications - Option Year 3**

**Ad Hoc Congestion Reduction
November 18, 2015**



Recommendation

- **Authorize Option Year 3 of 5 one-year options for \$3,072,000**
- **Authorize additional modifications:**
 - **O & M Support Costs of \$10,383,408**
 - **Additional Transponders in the amount of \$3,240,000**
 - **Contract Modification Authority for recommended pending and future expenditures totaling \$17,203,063**
- **Total contract value increases from \$118,991,335 to \$135,686,743**

O & M Contract and Work Performed

- **Atkinson is the prime contractor and was responsible for design and construction of the ExpressLanes**
- **Xerox is a subcontractor and is responsible for operations and maintenance of the tolling equipment on freeways and all customer service-related activities**
 - **Account Support (base contract and additional accounts)**
 - **Phone calls, correspondence, customer inquiries, mailing, postage and processing transactions**
 - **Transponder Distribution**
 - **Violation Processing**
 - **License plate image review, postage, mailing, phone calls and online inquiries**

Patent Infringement Lawsuit

- **August 2015 lawsuit filed by Transport Technologies LLC against Metro for patent infringement**
 - **Alleges system used to monitor occupancy on ExpressLanes (includes transponders, toll equipment and back office system) infringes its patent**
- **Atkinson refuses to indemnify Metro and defend us in the lawsuit stating that indemnification does not apply “to any Goods manufactured to the detailed design of Metro”**
- **Atkinson did agree to submit a pre-trial motion on Metro’s behalf seeking dismissal of the lawsuit**
- **Metro recently filed a third party complaint against Atkinson for breach of contract and requested that Atkinson indemnify Metro and pay all costs and expenses incurred in its defense of the patent infringement lawsuit**



Alternatives for Continued O & M

- Re-procurement of a new O & M contract is at least 18 -24 months away
- To ensure there is no interruption in ExpressLanes operation these are the following alternatives:
 - Continue with the Atkinson/Xerox contract until such time as a new contract can be issued
 - Award a sole source emergency contract for the remaining option years to Xerox
 - It is likely Xerox would want to re-negotiate rates and pricing if they were to assume the remainder of the contract



Board Report

File #: 2015-1599, File Type: Policy

Agenda Number: 51.

AD HOC CONGESTION REDUCTION COMMITTEE NOVEMBER 18, 2015

SUBJECT: EXPRESSLANES 2016 STATE LEGISLATIVE POLICY

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the **ExpressLanes 2016 State Legislative Policy**.

ISSUE

At the March 2015 Board meeting, Directors John Fasana and Mark-Ridley Thomas introduced a motion requesting that staff develop an overarching policy on HOV/HOT/ExpressLanes to guide the agency's position on proposed legislation (Attachment B). The ExpressLanes Legislative Policy as shown in Attachment A provides guidance to the Board on ExpressLanes for incorporation into the 2016 State legislative program, Board Item 43.

DISCUSSION

The 2015 legislative agenda contained several proposed bills that had the potential to impact the agency's ability to effectively operate the current ExpressLanes as well as finance and implement additional High Occupancy Vehicle (HOV) to High Occupancy Toll (HOT) lane conversions. Each Bill was introduced independently making it difficult to determine the cumulative effect they could have had on ExpressLanes operations. These Bills included AB 210 (Gatto) which would have allowed HOV lanes on SR 134 and SR 210 to be used by all drivers during off-peak hours was vetoed by the Governor. AB 620 (Hernandez) would have allowed toll credits and reduced toll charges for both low and moderate income commuters and transit users and was made into a two-year Bill. SB 39 (Pavley) would have raised the cap on the number of green stickers issued to allow access to HOV lanes and reduced tolls as a single occupant vehicle but did not make it out of the Assembly.

While the authors of these bills were well-intentioned, a fragmentary approach that proposes changes to specific freeway corridors without assessing the impact of the proposed changes on a more comprehensive basis (including safety, congestion relief, operational efficiency and revenues) could negatively impact highway operations as well as Metro's ability to continue to operate existing ExpressLanes and implement additional ExpressLanes. The LACMTA Board, through its prior actions regarding the development of a Strategic Plan and studies to expand the ExpressLanes

network, has communicated its intent to oppose any legislation that would inhibit the Agency's ability to operate ExpressLanes and to successfully convert existing High Occupancy Vehicle (HOV) lanes to High Occupancy Toll (HOT) lanes, also known as ExpressLanes.

NEXTSTEPS

Staff will add the ExpressLanes legislative goal to Metro's 2016 State legislative program. Additionally, when recommending Board position on legislation relative to the ExpressLanes, staff will use the goal to guide legislative position.

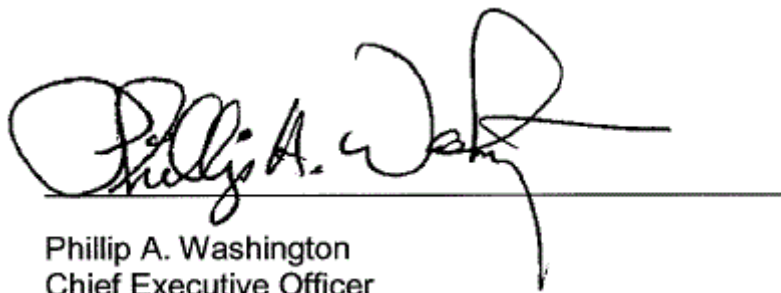
ATTACHMENTS

Attachment A - ExpressLanes 2016 State Legislative Policy

Attachment B - March 2015 Motion

Prepared by: Kathleen McCune, Director, (213) 922-7241
Shahrazad Amiri, Executive Officer, (213) 922-3061

Reviewed by: Stephanie Wiggins, Deputy CEO, (213) 922-1023



Phillip A. Washington
Chief Executive Officer

Los Angeles County Metropolitan Transportation Authority ExpressLanes 2016 State Legislative Policy

Purpose

The legislative goal detailed herein will be used to guide LACMTA's position on proposed legislation that may negatively impact the ExpressLanes program goals.

Program Goals

The following goals were established and adopted by the Board for the ExpressLanes program:

- 1) Provide a safe, reliable, predictable commute for customers of the ExpressLanes;
- 2) Reinforce LACMTA's ongoing efforts to increase vehicle occupancy rates and transit ridership;
- 3) Use dynamic pricing to manage traffic and optimize throughput in the corridor; and,
- 4) Operate and maintain a financially self-sustaining ExpressLanes program

Approval of the following legislative goal will assure consistency with the ExpressLanes overall program goals.

2016 State Legislative Goal: Pursue legislative initiatives that optimize Metro's ability to manage and administer the ExpressLanes and its related programs

Proposed Activities:

Support legislation that:

1. Encourages development and utilization of technologies that would enhance the ability to verify vehicle occupancy and toll collection/payment.
2. Enhances Metro's ability to enforce the ExpressLanes toll policy as adopted by the Board.

Vigorously oppose legislation that negatively impacts:

1. Metro's ability to manage ExpressLanes demand utilizing congestion pricing.
2. Financial viability and local control of ExpressLanes revenues.
3. Limit Metro's ability to expand the ExpressLanes network.

FASANA and RIDLEY-THOMAS MOTION

March 19, 2015

The 1-10 and 1-110 ExpressLanes have proven to be a success by improving the management of traffic within the corridors resulting in legislation that granted the MTA the authority to indefinitely operate, maintain and administer the program.

Through adoption of several motions, the Metro Board has communicated its desire to utilize congestion pricing through conversion of High Occupancy Vehicle lanes to High Occupancy Toll (HOT) lanes/ExpressLanes as a means of improving the reliability of the highway network while generating revenue to operate and maintain the ExpressLanes as well as enhance transit services and implement transportation projects within the corridors where funding is generated.

In July 2014, the Metro Board approved a motion directing staff to begin the development of planning studies for conversion of 1-105 High Occupancy Vehicle (HOV) lanes between 1-605 and 1-405/LAX/Sepulveda to High Occupancy Toll lanes/ExpressLanes as well as to study extending the 1-110 ExpressLanes southerly to the 1-405/1-110 interchange.

In November 2014, the Metro Board directed the CEO to develop the Los Angeles County ExpressLanes Strategic Plan, currently under development and slated to return to the Board in June 2015.

The 2015 legislative agenda contains several proposed bills that have the potential to impact the agency's ability to continue to operate the current ExpressLanes as well as finance and implement additional High Occupancy Vehicle (HOV) to High Occupancy Toll (HOT) lane conversions. While the authors of these bills are well-intentioned, a piecemeal approach that proposes changes to specific freeway corridors without assessing the impact of the proposed changes on a more comprehensive basis (including, safety, congestion relief, efficiency and revenues) could negatively impact the efficiency of the highway network as well as Metro's ability to continue to operate existing ExpressLanes and implement additional ExpressLanes.

WE THEREFORE MOVE that the MTA Board Direct the CEO to:

1. Develop a comprehensive list of proposed bills with the potential impact of limiting Metro's ability to pursue implementation of future ExpressLanes identified as part of the LA County ExpressLanes Strategic Plan for distribution at the April 2015 Executive Management Committee.
2. Expeditiously develop an overarching policy on HOV/HOT/ExpressLanes based on analysis that can guide the agency's position on proposed legislation.
3. Oppose any legislation that could negatively impact Metro's ability to operate its current program or proceed with future ExpressLanes related efforts until Board adoption of the ExpressLanes policy.