

Toll Division Customer Service Center Procurement Quarterly Report

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Summary

The attached report is for the period October – December 2014 and addresses requirements in Section 209 (11) of Chapter 222, Laws of 2014 (ESSB 6001) regarding the anticipation of, and preparation for, the procurement of a new Washington State Department of Transportation tolling Customer Service Center. This report will address the overall progress toward procuring a new tolling Customer Service Center, the development of a request for proposals and the department's effort to mitigate risk to the State.

Based on industry trends and advancements, the Toll Division must anticipate the replacement of the existing Customer Service Center system. The replacement will require: procurement scope - determination of what will be procured, solicitation through an open bid; contracting with the new vendor and transitioning to the new vendor. Current efforts include ongoing strategic planning to determine what to procure and the beginning stages of Request for Proposal development. The Department will continue development of the RFP documents into FY 2015 Q3 with an emphasis on gathering information from the industry, reviewing lessons learned from past processes, and detailed RFP requirements gathering with stakeholders.

Overall Progress

The Toll Division has identified two potential paths, one to meet the Division's short-term needs and one for long-term potential integration with Washington State Ferries. Each path will be analyzed for cost/benefit, risk, feasibility and schedule. The Toll Division has continued ongoing discussions with Washington State Ferries (WSF) to analyze an alternative to include integration with the WSF Wave2Go card into a single transportation account with centralized account management. This approach advances the recommendation from the Joint Toll and Ferries Feasibility Study (January 2014), looking at the feasibility of a single account-based system for toll road and ferry users.

During this period, the Toll Division convened an Expert Review Panel to assist with analysis of risk and opportunities for alternate futures, including contracting methods and feasibility of integration with partner agencies. The Steering Committee, consisting of senior managers from across the Department, was briefed on project status and major milestones. In addition, the Department continued development of the Project Management Plan and organizational structure.

WSDOT issued a Request for Information (RFI) in December 2014. The toll industry's approach to Customer Service Center (CSC) and back-office systems has changed dramatically since WSDOT's last procurement. The goal of the RFI is to hear about these changes from industry experts. Responses are due in January and responders will be invited to present their responses in Seattle.

Request for Proposal Strategic Plan and Development

The Toll Division is developing a strategic plan outlining the various alternatives for a CSC procurement business model. Options presented will weigh the benefits, challenges, risks and costs of including WSF into a single transportation account as part of the procurement process. A final recommendation on the preferred procurement business model will be made after gathering of requirements is complete in order to further inform the recommendation. The deliverables for this effort will include workshop

materials and outcome reports, toll industry review, procurement method research and recommendations, Expert Review Panel review and a final strategic plan.

Mitigation Measures

The Toll Division has taken steps to mitigate risk to the department. The contract with Electronic Transaction Consultants Corporation (ETCC), the Toll Division's Customer Service Center vendor, has been extended through June of 2016 with an additional optional two year extension to 2018. This provides stability into the future as the department works to procure a vendor with the goal of having them in place in 2018.

Negotiations between the department and ETCC have successfully resolved issues that would have otherwise hindered support of the immediate WSDOT toll program development work. The added CSC scope required to bring I-405 express toll lanes live (Wave 2) has been further negotiated and brought to conclusion with a signed change order.

The procurement of a new CSC will mitigate risks in the long run by preparing the Toll Division for eventual replacement of the CSC system, allowing for the implementation of needed system upgrades.

Ongoing contingency planning will help prepare the Department both for unexpected changes in the vendor services delivery and with future options to help inform the RFP process by exploring best practices moving forward.

Next Steps

In FY 2015 Q3, the Department will finalize project management plans, organizational structure, and schedule. In addition, WSDOT will continue development of the RFP documents with an emphasis on gathering information from the industry, reviewing lessons learned from past processes, and detailed RFP requirements gathering with stakeholders. During Q3, the Department will hold an additional meeting with the project Steering Committee to continue regular briefings.