



Washington State Department of Transportation Toll Division

Proviso Report - Fiscal Year 2017, Quarter 1

Table of Contents

1. Civil Penalty Process for Toll Violations	Page 2
2. Customer Service Center Procurement	Page 9
3. Use of Consultants Reporting	Page 12
4. Vendor and Non-Vendor Expenditures	Page 20

Patty Rubstello, Assistant Secretary, Toll Division
Roger Millar, Secretary of Transportation

Good To Go![™]



1. Civil Penalty Process for Toll Violations

Summary:

This report is for the period July through September 2016 and addresses requirements in Section 209 (2) of ESHB 2524 regarding WSDOT's Toll civil penalty process.

In 2012, WSDOT Toll Division instituted a civil penalty process. WSDOT's goal is to ensure that drivers who utilized toll facilities pay the appropriate tolls, and this enforcement program is designed to both educate drivers about the *Good To Go!* program and encourage those who have not paid their toll bills to work collaboratively with us to resolve the issue.

Below is a summary of program activities for this July through September 2016 (Q1 FY2017).

During this period:

- WSDOT issued 314,280 notices of civil penalty, approximately 2.6 percent of total transactions and \$1.8 million in unpaid tolls.
- Of those infractions, WSDOT recovered \$360,436 in tolls and fees after debt collection costs.
- In addition, WSDOT also collected \$1.3 million of unpaid tolls from prior time periods.

For the first quarter of FY 2017, 48,646 civil penalty transactions, or 15.4 percent of those issued, were paid without disputing them. Only 384 civil penalty transactions, or 0.1 percent, were scheduled for an administrative hearing.

Though efforts to work with drivers to resolve unpaid tolls has been successful, some drivers still do not come forward to address their outstanding bills. WSDOT began placing registration holds on owners with unpaid civil penalty transactions in July 2013. Since that date, registration holds were placed on approximately 240,000 vehicles. These holds represent:

- 2.6 million unpaid toll transactions
- \$14.3 million in unpaid toll revenue

Since WSDOT began the Pay By Mail program in December 2011, registration holds represent only 1.4 percent of total transactions. Through the registration hold program, WSDOT has collected \$14.2 million of the \$114.4 million owed by these drivers.

In May 2015, the Legislature passed and the Governor signed SSB 5481 into law. This legislation directs WSDOT to:

- Expand on existing administrative law judge mitigating reasons enacted in ESSB 5024 (July 2013).
- Offer first time customers with unpaid tolls, fees and civil penalties an educational opportunity and relief from the fees and civil penalties if the underlying reason for late payment is resolved.
- Call and/or email customers with pre-paid *Good To Go!* accounts who have unpaid tolls which are about to be assessed a civil penalty.



- Make improvements to its website to allow customers to efficiently manage their accounts regardless of payment method and develop a mobile application.
- Work with auto dealerships to sell *Good To Go!* passes.

Working with its vendor, WSDOT has implemented the phone and email customer contact requirement and made some preliminary improvements to its website. WSDOT is continuing to work with its vendors to make further improvements to its website. Previously our vendor indicated the website would be updated by December of this year. Once a detailed schedule was provided, it was clear the vendor didn't understand the level of effort needed to make the website mobile friendly. The schedule now reflects a completion date of March 2017. WSDOT has assigned our own project manager to facilitate day to day management of this work in order to ensure successful completion of this project.

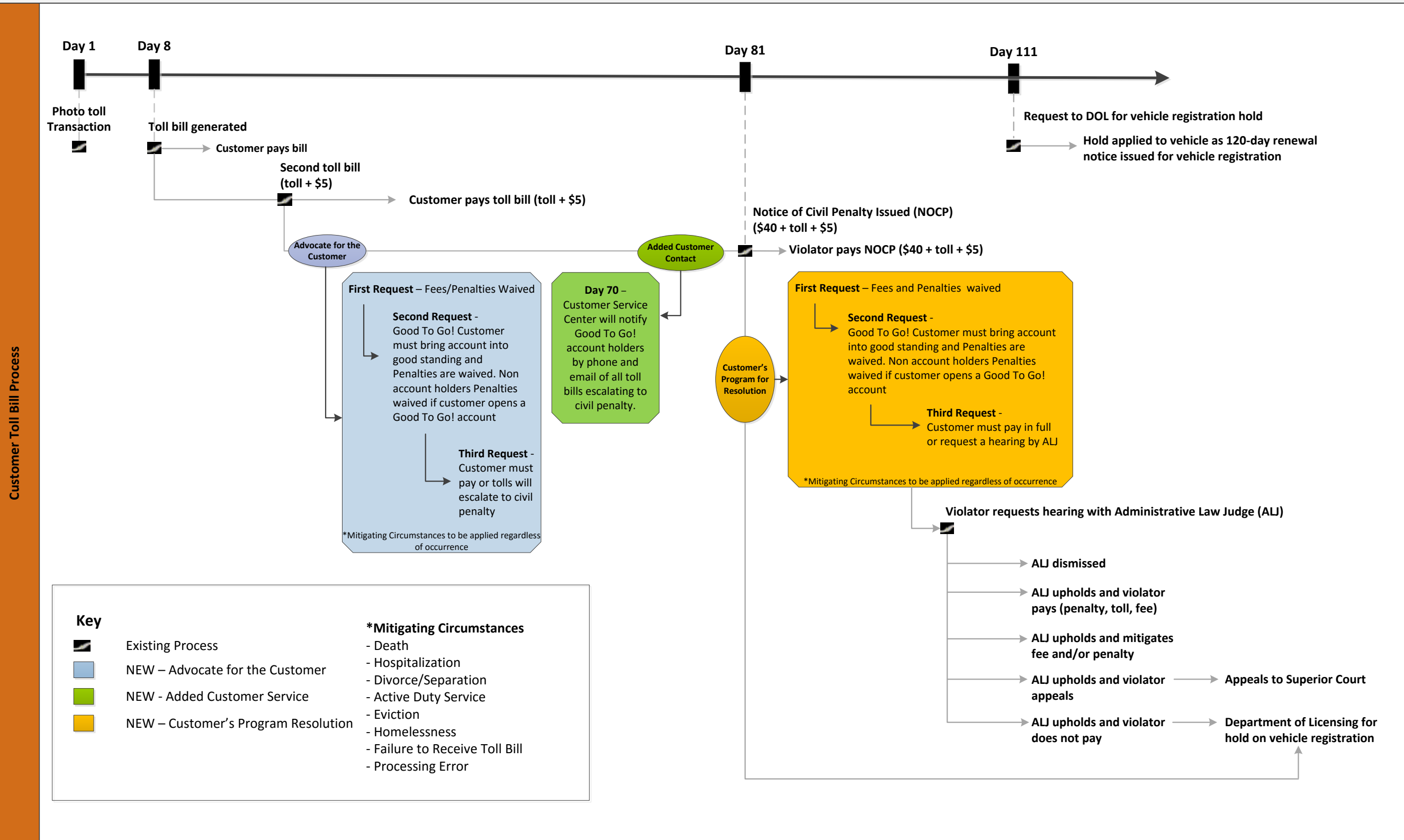
In July 2015, WSDOT launched the Customer Program for Resolution which provides customers with unpaid tolls, fees, and penalties an opportunity to resolve the underlying issues with their late payments and have the fees and penalties waived the first time. If a customer has another challenge with late payment of tolls, fees and penalties, they can have their civil penalties waived a second time under the condition that they establish a pre-paid *Good To Go!* account. The results of the first 12 months of the program are below.

The Civil Penalty Process (Amended with new rules from SSB 5481):

WAC 468-305-500 through 582 contains provisions related to the civil penalty process, which are consistent with RCW 46.63.160. In accordance with these rules, the Department will send a notice of civil penalty (NOCP) to the registered owner or renter of the vehicle who has not paid a toll within 80 days. The new processes associated with the implementation of SSB 5481 are shown in green and orange below.

Customer Service Improvements – CUSTOMER’S PROGRAM FOR RESOLUTION

July 15, 2015



Project Status:

The civil penalties assessed, 2.6 percent of total transactions, were within the rolling eight-quarter range of 2.2 percent to 2.7 percent. As expected, last quarters civil penalty assessment rate of 3.5 percent was an isolated increase and FY 2017 Q1 civil penalty assessment rate has returned to a normal trend.

Administrative hearing requests were down significantly from last quarter to 87 for this period. For reference, prior to the implementation of the Customer Program for Resolution (SSB 5481), WSDOT averaged 5,300 administrative hearing requests per quarter. Based on the previous two quarters and the types of issues which have resulted in hearing requests, WSDOT believes that it can expect between 200 – 400 hearing requests each quarter.

The Customer Program for Resolution continues to provide civil penalty relief for customers with unpaid tolls. Between July 2015 and September 2016, WSDOT:

- Received a total of 585,114 calls at the customer service center related to the program.
- Dismissed fees and penalties on 748,445 violations for 93,939 customers totaling \$31.1 million in dismissed fees and penalties.
- Collected \$3.5 million in unpaid tolls from 92,396 vehicle owners.
- Had a total of 93,939 customers request civil penalty relief (approx. 15.5 percent of total customers with unpaid tolls and 30.7 percent of unpaid violations as of September 30, 2016).

The new program for resolution focuses on resolving the underlying cause of customer late payment and on the collection of tolls. The goal is to encourage timely toll payment and improve customer satisfaction with the Pay By Mail payment option. This focus on recovering unpaid tolls over collection of civil penalties is reflected in the amounts collected related to unpaid toll bills during the FY 2016 and the first quarter of FY 2017.

In total, WSDOT has collected \$4.6 million in unpaid tolls and \$6.6 million in unpaid civil penalties during FY 2016 and the first quarter of FY 2017. This represents a 142.1 percent increase in the amount of unpaid tolls collected and a 51.5 percent reduction in the amount of unpaid civil penalties collected over the amounts collected in FY 2015. As projected, the costs related to administering the program for resolution were less than those of the administrative hearing process. Therefore, WSDOT also experienced a 23.8 percent reduction in civil penalty enforcement costs.

In addition to relieving civil penalties through the program for resolution, WSDOT continues to offer opportunities for relief through the civil penalty mitigation process. Customers with certain mitigating reasons, as outlined in RCW 46.63.160, for late payment can have their civil penalties waived by calling the customer service center, or they can have their issue heard by an administrative law judge through the administrative hearing process.

During the first quarter of FY 2017, administrative law judges heard 780 cases representing 2,525 unpaid toll trips and \$118,174 in unpaid tolls, fees and civil penalties. Judges provided relief in 459 cases



associated with 1,776 unpaid toll trips and relieved \$69,600 in unpaid fees and civil penalties (58.8 percent of cases heard). This is a 51.9 percent reduction in cases heard through the administrative hearing process than were heard in the previous quarter.

In addition to the cases heard by the judges, customer service staff accepted mitigating reasons from 578 customers representing 4,289 unpaid toll trips and relieved \$171,560 in unpaid fees and civil penalties during FY 2017 Q1.

As a part of the requirements related to SSB 5481, WSDOT was directed to send a notification by email and/or phone to customers who have unpaid toll bills related to license plates associated with their customer account and will be receiving a civil penalty within the next 10 days. WSDOT began this notification program on July 1, 2016. For the first three months of the program, WSDOT notified more than 23,000 customers of impending civil penalty assessment. This represented 231,000 unpaid toll trips valued at \$1.6 million in tolls and fees.

For the quarter, 8,900 customers responded to the notifications (39 percent response rate). These customers resolved 93,000 unpaid tolls and paid \$675,000 in tolls and fees (42 percent collection rate). WSDOT is pleased with the initial results of this program and will be looking at ways to improve on the operating results.

For FY 2017 Q1, WSDOT collected net cash in excess of expenses of \$404,619, \$272,001 and \$942,199 related to SR 16 Tacoma Narrows Bridge transactions, I 405 Express Toll Lanes, and SR 520 Bridge transactions, respectively. This represents a 5.3 percent reduction in net cash collected over the same period last fiscal year. As discussed above, this reduction in net cash collected was anticipated with the change in focus of collecting tolls over collecting civil penalties.

The table on the next page details the results of debt collection activities related to WSDOT's Toll Enforcement Program.

	SR 16 Tacoma Narrows Bridge				I 405 Express Toll Lanes				SR 520 Bridge				Fiscal Year to Date Totals				
	FY 2017 Q1	FY 2017 Q2	FY 2017 Q3	FY 2017 Q4	FY 2017 Q1	FY 2017 Q2	FY 2017 Q3	FY 2017 Q4	FY 2017 Q1	FY 2017 Q2	FY 2017 Q3	FY 2017 Q4	SR 16 TNB	I 405 ETL	SR 520 Bridge	Combined	Year over Year % Change
Number of toll transactions ¹	3,853,421				2,376,484				5,869,486				3,853,421	2,376,484	5,869,486	12,099,391	26.3%
Number of civil penalty transactions issued	96,894				80,124				137,262				96,894	80,124	137,262	314,280	48.0%

Civil Penalty Activity Results ²												Administrative Hearing Requests				
Number of civil penalty transactions paid upon receipt of the NOCP	10,822				12,342				25,482			10,822	12,342	25,482	48,646	54.6%
Number of civil penalty transactions which did not receive a response	85,900	0	0	0	0	0	0	0	111,638	0	0	85,900	0	111,638	197,538	14.6%
Number of civil penalty transactions requesting a written dispute in lieu of in-person hearing	79				68				121			79	68	121	268	-93.4%
Number of civil penalty transactions requesting an in-person hearing	93				2				21			93	2	21	116	-97.4%
Total number of civil penalty transactions requesting adjudication	172	0	0	0	70	0	0	0	142	0	0	172	70	142	384	-95.4%

Vehicle Registration Hold Requests												Vehicle Registration Hold Requests				
Number of civil penalty transactions forwarded to DOL for registration hold less DOL registration holds resolved ^{2,3}	19,238				7,759				2,337			19,238	7,759	2,337	29,334	219.6%

Debt Collection Cost and Revenue Collected												Debt Collection Costs and Revenue Collected				
Cash received related to civil penalty tolls ⁴	\$349,807				\$139,296				\$484,653			\$349,807	\$139,296	\$484,653	\$973,756	0.2%
Cash received related to \$40 civil penalty fee	\$257,166				\$310,025				\$760,726			\$257,166	\$310,025	\$760,726	\$1,327,917	-6.7%
Total cash received related to debt collection activities^{5,6}	\$606,973	\$0	\$0	\$0	\$449,321	\$0	\$0	\$0	\$1,245,379	\$0	\$0	\$606,973	\$449,321	\$1,245,379	\$2,301,673	-3.9%
Workload costs related to debt collection activities ⁷	\$202,354				\$177,320				\$303,180			\$202,354	\$177,320	\$303,180	\$682,854	-0.5%
Net cash received related to debt collection activities (Quarterly)	\$404,619				\$272,001				\$942,199			\$404,619	\$272,001	\$942,199	\$1,618,819	-5.3%
Net cash received related to debt collection activities (FY 2017 To Date)	\$404,619				\$272,001				\$942,199			\$404,619	\$272,001	\$942,199	\$1,618,819	-5.3%

Civil Penalties Waived (Customer Education Program)												Civil Penalty Mitigation Results				
Number of civil penalty transactions w/civil penalty fees waived (WSDOT)	47,125				41,730				69,815			47,125	41,730	69,815	158,670	-5.9%
Dollar value of civil penalty fees waived (WSDOT)	\$1,970,034				\$1,744,508				\$2,918,569			\$1,970,034	\$1,744,508	\$2,918,569	\$6,633,111	-4.8%

Civil Penalties Waived (Mitigation Reasons)																
Number of civil penalty transactions w/civil penalty fees reduced (WSDOT Mitigation)	1,274				1,128				1,887			1,274	1,128	1,887	4,289	185.4%
Dollar value of civil penalty fees reduced (WSDOT Mitigation)	\$50,953				\$45,120				\$75,486			\$50,953	\$45,120	\$75,486	\$171,560	185.4%
Number of civil penalty transactions adjudicated (OAH)	819				150				1,556			819	150	1,556	2,525	-53.9%
Dollar value of civil penalty transactions adjudicated (OAH)	\$38,319				\$6,637				\$69,183			\$38,319	\$6,637	\$69,183	\$114,139	-53.9%
Number of civil penalty transactions w/civil penalty fees reduced (OAH)	595				36				1,145			595	36	1,145	1,776	-53.8%
Dollar value of civil penalty fees reduced (OAH)	\$23,800				\$1,440				\$45,800			\$23,800	\$1,440	\$45,800	\$69,600	-60.0%

- 1) Toll transactions as reported in the monthly lane systems toll report. SR 16 Tacoma Narrows Bridge transactions include tolls collected at the toll booths. The transactions reported reflect FY 2016 Q4 transaction counts. Since civil penalty transactions lag their underlying toll transactions by at least 80 days, this allows for the most accurate correlation with civil penalty transactions issued.
- 2) WSDOT submits hold requests with DOL on a weekly basis. The hold request is not officially entered until 120 days prior to the vehicle's registration expiration date. For this reason, it can take as long as 12 months for the registered owner to be notified of the hold request.
- 3) Registration holds are placed on individual vehicles with unpaid Notices of Civil Penalty. Due to the fact that a NOCP can contain unpaid toll trips from multiple facilities, DOL Hold data for I-405 Express Toll Lanes is included with SR 520 Bridge results. WSDOT is investigating options for reporting on DOL Holds by facility more accurately.
- 4) Civil penalty tolls collected related to SR 520 Bridge transactions are pledged to bondholders as a part of SR 520 bond covenants.
- 5) Amounts reported represent cash received from civil penalty debt collection activities.
- 6) Financial statements report total revenues earned after the civil penalty recipient has been found liable through an administrative hearing or deemed liable for not responding to the notice by the due date (20 days). This differs from the amount of cash collected which is presented here.
- 7) Workload costs represent the total costs charged to each toll facility in relation to all debt collection activities during this reporting period.



2. Customer Service Center Procurement

This report is for the period July through September 2016 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 Back Office System (BOS). This report addresses the overall progress toward procuring a new tolling customer service center, the development of a request for proposals (RFP) 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, design and implementation then transitioning to the new vendor's BOS. Current efforts include project management, stakeholder engagement, funding, technical and business requirements development and other primary components of the RFP. WSDOT will finalize development of the RFP documents into FY 2017 Q2 with an emphasis on completing the detailed RFP to meet the Dec. 1, 2016 advertisement date.

Overall Progress

Continuing the work to date, the Toll Division performed the following work in FY 2017 Q1:

Existing contract strategy to extend services with ETCC: The existing contract expired on June 30, 2016 and WSDOT has completed the extension negotiations and has proceeded with executing the two-year contract option. Preliminary ETCC discussions have commenced on a non-regular basis concerning the extension of services with ETCC beyond July of 2018. ETCC would provide services until system acceptance of the new back office system (BOS) scheduled for December of 2019.

RFP project activity: During FY 2017 Q1, WSDOT continued work as follows:

- Completed eight August Vendor Presentations
- Executing RFP stakeholder engagement schedule for OFM, Legislative Staff, OCIO, JTC, WSTC, WSF, DOL, Toll Steering Committee and Toll Executive Committees. The Expert Review Panel has reviewed and provided comments to preliminary procurement materials (July), Draft RFP documents (August), and Draft Request for Qualifications (RFQ) (September).
- Continued development of the RFP components through small Subject Matter Expert (SME) teams to concentrate on the primary RFP components: CSC BOS Requirements and Functionality, Contract and Procurement Plan, RFP/RFQ Evaluation, Pricing, KPI's, developing and submitting a Decision Package.
- Continue development and discussion with Washington State Ferries (WSF) utilizing *Good To Go!* as a payment method for Ferries transactions.
- Incorporating CSC System policy decision topics and configurability into applicable business functionality.
- Assembled and began distribution of WSDOT BOS Requirement and Scope Reviews.
- Distributed Draft RFQ, Instructions to Proposers (ITP), RFQ Evaluation Plan and Scoring Methodology for WSDOT Review.
- Identified Evaluation Team (6 Members) – Tolling, IT and Accounting Represented
- Finalized and Released RFQ posting to WEBS for response on September 30.
- Released Work Request for Independent Verification & Validation Quality Consultants for the BOS Project from now through Implementation phase. Conducted Scoring of responses, Interviews and identified successful vendor. Currently finalizing Contract.



- Prepared and submitted biennial 17/19 decision package to OFM for funding of the BOS implementation and CSC operator solicitation and transition.
- Continued OCIO monthly project meetings, OCIO representative has been incorporated into monthly steering committee meetings and status OCIO salesforce project dashboard.
- Preparing for Agency self-score Project Decision Package Ranking meeting with OCIO.

WSDOT has emphasized in the RFQ and subsequent requirements that the BOS concept architecture will be comprised of two main components: the operational back office where the transaction is formed from the data sent by the lane systems provider, including fare assignment before transferring the transaction, and the commercial back office, where the customer information, customer account management, and billing is processed and stored. The RFP is being developed to meet the current accounting and functionality requirements in collaboration with the WSDOT Accounting and Financial Services (AFS) and Toll Division. This divisional approach provides a clear vision of responsibility and flexibility expected by future proposers and will be reflected in the RFP back office system scope and general requirements.

Request for Proposal Strategic Plan and Development

The project team leads have conducted various workshops with key stakeholders, Toll Division staff and current customer service representatives to gather the appropriate advancements sought in the technology. The Project team are meeting on a weekly basis to methodically develop the sections of the RFP and plan the procurement approach. When the RFP is released on Dec. 1, 2016, work executing the procurement phase and preparation for implementation will continue until the contract is awarded, estimated to be in July 2017.

Mitigation Measures

The Toll Division has taken steps to mitigate risk to the department and the state. The contract with Electronic Transaction Consultants Corporation (ETCC), the Toll Division's current CSC vendor, has been extended through June 2018. This provides stability into the future as the department works to procure a new vendor.

The procurement of a new CSC will mitigate risks in the long run by preparing for eventual replacement and allowing for the implementation a modern platform capable of needed system upgrades.

The Toll Division has embraced a 'Best Practice' procurement approach for a large scale IT project that allows for an RFQ phase, providing a draft of the RFP Requirements to the industry for response, and final RFP release with a two-step procurement phase.

WSDOT continues to closely monitor the current vendor whose performance, which had been improving, has, with recent issues, required additional scrutiny.

Next Steps

In FY 2017 Q1, WSDOT continues to perform work in two areas: contract strategy to extend the existing vendor contract with ETCC and project delivery strategy to continue with the project planning for all phases, RFP development and finalization.

Contract Strategy: Continue discussion with the vendor (ETCC) on further contract extension to ensure coverage until new vendors are in place and ready to take over operations.



Project strategy: following is a list of activities:

- Issue work request for Independent and external Quality Assurance and execute work request for selected Independent Verification and Validation (IV&V) consultant.
- Contract, ITP, Appendices, and Technical Requirement teams continue to be in full development phase to meet a Dec. 1, 2016 RFP advertisement for the BOS.
- Release Toll Industry Review of Draft RFP Requirements scheduled for Oct. 3, 2016.
- Evaluate RFQ responses and shortlisted candidates by Oct. 24, 2016.
- Evaluate benefit of pulling in the Operator RFP to be released prior to the award of the system contract in order for potential operator providers to be familiar with the system that will be used for customer service operations.
- Release RFP for advertisement on Dec. 1, 2016.
- OCIO Project Investment plan and risk assessment approval prior to Contract Award.



3. Consultant Reporting

Legislative Request

As required by Section 209 (9) of ESHB 2524, the following is the report to the governor and the transportation committees of the Legislature on the use of consultants in the toll operations budgets for FY 2016 and FY 2017. The report includes the name of all consultants, the scope of work, the type of contract, timeliness, and deliverables and any new task orders and extensions added to the consulting contracts during the quarter reported.

Terms Defined

For the purpose of this report the requested items were interpreted to mean the following:

Consultant: a contractor providing personal services to the Toll Division of WSDOT.

Scope of work: a general description of the contracted services.

Type of contract: contract categorization according to the Washington State Department of Enterprise Services (DES).

Timeliness: the status of task activity during the biennium.

Deliverables: a list of work products delivered during the biennium.

Summary Report, Expenditures

The Toll Division’s 2015-17 Biennium Program B Budget is \$90,920,000. The following is a summary of the Toll Division’s consultant contracts and associated Program B expenditures through the first quarter of FY 2017 (fifth quarter of the biennium):

Consultant Name	Contract Number	Title	Task Authorization Value	Total Invoiced (FY 2016)	Cumulative Invoiced
AECOM Technical Services, Inc.	Y-11503	Tolling Expert Review Panel	\$300,000.00	\$85,754.99	\$113,003.81
Anthro-Tech	K001047	Website Usability Services	\$225,000.00	\$145,031.40	\$145,031.40
CDM Smith	Y-11721	SR 520 Actuals Analysis	\$166,393.37	\$30,205.23	\$166,393.37



Consultant list continued from prior page

Consultant Name	Contract Number	Title	Task Authorization Value	Total Invoiced (FY 2016)	Cumulative Invoiced
CliftonLarsonAllen	K000723	Independent Audit of SR 520	\$353,664.00	\$182,442.00	\$353,663.40
Cocker Fennessy, Inc.	Y-11371-AE	<i>Good To Go!</i> Customer Service Business Advisory Committee	\$39,595.00	\$29,137.39	\$29,137.39
EnviroIssues, Inc.	Y-11888-AA	Team Management Strategy Toll Division	\$49,995.80	\$19,477.83	\$46,616.84
IBI Group	Y-11526	SR 520 Master Bond Resolution Operations & Maintenance Certification	\$193,082.60	\$55,992.38	\$58,735.40
Jacobs	Y-11038-BQ	CSC Systems & Operation RFP Support	\$1,117,445.00	\$708,330.86	\$1,100,835.20
	Y-11038-CE	Biennial Toll Division Operations Support	\$3,056,858.00	\$2,203,835.05	\$2,203,835.05
	Y-11038-CI	CSC System Request for Proposal & Procurement Support	\$1,106,569.00	\$381,966.99	\$381,966.99
	Y-11038-CK	I-405 Data Reporting Support	\$299,238.00	\$50,739.17	\$50,739.17
	Y-11038-CM	Toll Division Marketing, Communications & Outreach Support	\$383,054.00	\$38,680.45	\$38,680.45
	Y-11038-CN	6C, Interoperability & Emerging Technologies Support	\$120,721.00	\$1,342.62	\$1,342.62
Stantec Consulting Services	Y-11392-AG	TNB Traffic & Revenue Study	\$110,468.00	\$31,111.60	\$31,111.60



Consultant Detail

AECOM Technology Corporation

Contract Type: Personal services

Scope Summary: Toll Expert Review Panel

Timeliness: Current expiration is December 31, 2017

Deliverables: Report and presentation

Task Order Scope and Value:

Task Name	Task Description	Task Work Order	Task Value
Y-11503	Tolling Expert Review Panel	TF0006, TF0007, TF0009	\$300,000

Task Y-11503

Scope Summary: Under this task, AECOM shall convene a subgroup of the Toll Division’s previous Expert Review Panel to assist in evaluation of the options available to Washington for providing tolling operations full back office and customer services at the end of the current contract term.

Timeliness: Contract window: 12/12/13 through 12/31/17

Deliverables: Reports and presentations of the evaluation results for the Secretary, Transportation Commission, and Legislative Committees.

Anthro-Tech

Contract Type: Personal services

Scope Summary: Usability and user centered design for WSDOT’s MyGoodtoGo.com website

Timeliness: Current expiration is December 31, 2017

Deliverables: Report and presentation

Task Order Scope and Value:

Task Name	Task Description	Task Work Order	Task Value
K001047	Website Usability	TF0016	\$225,000

Task K001047

Scope Summary: WSDOT’s Toll Division would like to improve the MyGoodtoGo.com website by conducting baseline usability and incorporating user centered design practices into our web development practices.

Timeliness: Contract window: 12/12/13 through 12/31/17

Deliverables: Reports and presentations of the evaluation results for the Secretary, Transportation Commission, and Legislative Committees.



CDM Smith, Inc.

Contract Type: Personal services

Scope Summary: Assessing the revenue potential of tolling the existing SR 520 Bridge to support bond sales through the development of an investment grade revenue study.

Timeliness: 7/1/15 through 6/30/17

Deliverables: Traffic and revenue forecast to actuals analysis

Task Activity Scope and Value:

Task Name	Task Description	Task Work Order	Task Value
Y-11721	SR 520 Actuals Analysis	TF0012	\$166,393.37

Task

Scope Summary: CDM Smith provides monthly estimated breakouts of toll forecast system for determining seasonal, monthly, and daily variations. In addition, developed methodology and performed analysis in support of monthly forecast to actual traffic and revenue reporting.

Timeliness: 7/1/15 through 01/31/17, extending to 06/30/17

Deliverables: Breakouts of FY 16/17 SR 520 Bridge traffic and revenue by monthly and average daily levels, monthly reporting approach, and monthly actuals estimates

CliftonLarsonAllen, LLP

Contract Type: Personal services

Scope Summary: An independent audit of the Washington State System of Eligible Toll Facilities (the SR 520 Tolling System Financial Statements), with sufficient audit work necessary to express an opinion on the fair presentation of the financial statements under generally accepted auditing standards as established by the Auditing Standards Board of the American Institute of Certified Public Accountants, as required by the SR 520 bond covenants.

Timeliness: Current expiration is October, 2017

Deliverables: The deliverables for this contract include entrance and exit conferences with WSDOT executives, semi-monthly progress reporting, final audit report and work papers, and a presentation to the Washington State Transportation Commission.

Task Order Scope and Value:

Task Name	Task Description	Task Work Order	Task Value
K-723	SR 520 Tolling System Financial Statements Audit	TF0020	\$353,664



Cocker Fennessy, Inc

Contract Type: Personal services

Scope Summary: WSDOT Toll Division established a customer peer to peer review committee in which the Consultant established the committee, coordinated feedback from members and prepare report for the state.

Timeliness: 5/1/16 through 9/30/16, extending activity through February 2017

Deliverables: Report and presentation materials.

Task Order Scope and Value:

Task Name	Task Description	Task Work Order	Task Value
Y-11371-AE	<i>Good To Go!</i> Customer Service Business Advisory Committee	TF0007, TF0006, TF0009, TF0014	39,595

EnviroIssues, Inc

Contract Type: Personal services

Scope Summary: The Consultant is supporting WSDOT with communications, government relations, and team management strategy.

Timeliness: 5/18/16 through 6/30/2017

Deliverables: Agenda’s and technical review recommendations report, communications and governmental relations support.

Task Order Scope and Value:

Task Name	Task Description	Task Work Order	Task Value
Y-11888-AA	Team Management Strategy for Toll Division	TF0025	\$49,995.80

HNTB Corporation

Contract Type: Personal services

Scope Summary: Engineering services for I-405 ETL for the identification and prioritization of projects that will help reduce congestion and provide added capacity on the I-405 tolling corridor between SR 522 and I-5.

Timeliness: 5/1/16 through 9/30/16

Deliverables: Report and presentation materials.

Task Order Scope and Value:

Task Name	Task Description	Task Work Order	Task Value
Y-08092	I-405 Capacity Improvement Study	TF0014	\$250,000

IBI Group:

Contract Type: Personal services

Scope Summary: The SR 520 Master Bond Resolution provides requirements for the issuance of bonds. One such requirement is for an annual independent review of operations and maintenance (O&M) assumptions and costs for the SR 520 program and certification that the assumptions and costs are reasonable

Timeliness: 7/1/13 through 12/31/16, extending to 06/30/17 to cover 2017 legislative window and WSTC rate setting window(s).



Deliverables: Certification and report on the review of the assumptions for operations and maintenance costs.

Task Order Scope and Value:

Task Name	Task Description	Task Work Order	Task Value
Y-11526	SR 520 Master Bond Resolution O&M Certification	TF0009	\$193,083

Task -Y-11526

Scope Summary: Services related to the SR 520 Master Bond Resolution for operations and maintenance certification.

Timeliness: 1/1/15 through 12/31/16, extending to 06/30/17 to cover 2017 legislative window and WSTC rate setting window(s).

Deliverables: Operations and Maintenance Certification in compliance with SR 520 Master Bond Resolution.

Jacobs Engineering, Inc.

Contract Type: Personal services

Scope Summary: A broad spectrum of management and technical services via an integrated toll management team, including a co-located staff, as well as offsite services as needed

Timeliness: Current expiration is June 30, 2021

Deliverables: Primary focus is to provide core resource staff for technical, policy, and operations support to the Toll Division. Deliverables as requested by the state.

Task Order Scope and Value:

Task Name	Task Description	Task Work Order	Task Value
Y-11038-BQ	CSC RFP Support	TF0006, TF0007, TF0009	\$1,117,443
Y-11038-CE	Toll Operations Program, Admin & Contract Management	TF0006, TF0007, TF0009, TF0014	\$3,056,858
Y-11038-CI	CSC System Request for Proposal & Procurement Support	TF0006, TF0007, TF0009	\$1,106,569
Y-11038-CK	I-405 Data & Reporting	TF0014	\$299,238
Y-11038- CM	Marketing, Communications & Outreach Support	TF0006, TF0007, TF0009, TF0014	\$383,054
Y-11038-CN	6C, Interoperability & Emerging Technologies Support	TF0006, TF0007, TF0009, TF0014	\$120,721

Task Y-11038-BQ

Scope Summary: 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. This phase of the procurement process is to determine what to procure. There are various approaches to CSC operations management. This phase will determine which business operation method the state prefers.

Timeliness: The period of performance for Task BQ is from 7/1/15 to 6/30/16.

Deliverables: The deliverables for Task BQ include workshop materials and outcome reports, toll industry review and summary reports, procurement method research and recommendations (including cost and risk analysis), and a final determination report.



Task Y-11038-CE

Scope Summary: There are eight key work elements that make up Task Order CE for toll operations support during the 15/17 biennium. Jacobs shall provide engineering and subject matter expertise to support program management, data and reporting, rate setting, policy, roadside toll system operations, adjudication and toll finance as it relates to the Toll Division. Jacobs shall also provide experienced customer service personnel on an ongoing basis to support state project managers with customer service center vendor oversight for both operator and system functions. General operations coordination/management will also be provided between communications groups, development groups and toll division leadership.

Timeliness: Contract window: 7/1/15 through 6/30/17

Deliverables: Level of effort contract provides approximately 5.5 FTEs of support

Task Y-11038-CI

Scope Summary: The Toll Division is developing a Request for Proposal for the procurement of a back office system. 6.1 Task management, coordination, project Administration, 6.2 Toll Industry Services and Vendor Review, 6.3 Washington State Office of Chief Information Officer & Office of Financial Management Coordination, 6.3.1/6.3.2 OFM/OCIO Documentation & Coordination, 6.4 Expert Review Panel Coordination, 6.5 Procurement Method assessment, 6.6 Contracting for a Customer Services Center Back Office System, 6.6.1/6.6.2 System Requirements Gathering and Qualifications Phase. 6.6.3 RFP Development Support, 6.6.4 Pre-Proposal Support, 6.6.5 Evaluation Plan Development, 6.6.6 Proposal Review, 6.6.7 contract Negotiation Support.

Timeliness: The period of performance for Task CI is from 7/1/16 through 6/30/17

Deliverables: The deliverables for Task CI include meeting materials, Project schedule & Management plan, Risk mitigation plan with risk register, Monthly progress reports, monthly invoice and Communication Plan. Toll Industry Workshop Outline and agenda, Technical memoranda, Meeting notes, Summary documentation of toll industry workshops, RFP review materials, IT Project Risk Assessment, OCIO Project Investment Plan & Change Management Log, supporting documents, Agendas, meeting notes and /or materials. Quarterly Expert Review Panel meetings and notes. Bi-weekly AG & ACO meeting Agendas and notes, Risk and benefit analysis spreadsheet, Contract Method comment management and comment.

Task Y-11038-CK

Scope Summary: The legislative budget proviso requires quarterly performance measure, travel time, volume, and travel time data reporting for the I-405 ETL Project. In addition, the Toll Division is required to monitor the operation of the Express Toll Lanes and report the findings. This task order is to support the state in preparing the report as well as with managing the collection of vehicle occupancy and local arterial traffic data to support I-405 operations monitoring.

Timeliness: The period of performance for Task CK is from 4/15/16 through 6/30/17

Deliverables: The deliverables for Task CK include Progress Reports, Documentation and Technical Analyses.

Task Y-11038-CM

Scope Summary: To assist the state marketing, communication and educational outreach support as a part of the integrated toll management team

Timeliness: The period of performance for Task CM is from 7/1/16 through 6/30/17

Deliverables: The deliverables for Task CM include Agenda and meeting notes, Project Schedule and Technical memorandums.

Task Y-11038-CN

Scope Summary: The state is using the 6C protocol Radio Frequency identification technology for electronic toll collection. Primary focus is assist with 6C protocol development and testing, including OmniAir



Certification, Support 6C research, procurement, implementation, testing and maintenance initiatives
 Coordinate with California Toll Operators Committee (CTOC) to ensure consistency between 6C TOC and CTOC's transition to the 6C protocol.

Timeliness: The period of performance for Task CN is from 7/1/16 through 6/30/17

Deliverables: The deliverables for Task CN include 6C TOC quarterly and ad-hoc technical meeting agendas and notes, including action items, Review and comment on 6C specification and testing documents and 6C TOC Issues Tracking Matrix and monthly updates.

Stantec Consulting Services, Inc.

Contract Type: Personal services

Scope Summary: Primary focus is to provide core resource staff for traffic and revenue forecasting and analytical support of the Toll Division.

Timeliness: Current expiration is June 30, 2017

Deliverables: Deliverables as requested by the state. Examples include traffic forecasting, impact analyses, revenue projections, and feasibility studies.

Task Order Scope and Value:

Task Name	Task Description	Task Work Order	Task Value
Y-11392-AC	Tacoma Narrows Bridge Traffic & Revenue Study	TF0007	\$110,468

Task Y-11392-AC

Scope Summary: Stantec, as the statewide traffic and revenue consultant is tasked to develop a traffic and revenue estimate for WSDOT Traffic and Revenue Forecast Council (TRFC) quarterly adoption for FY 2016-17.

Timeliness: 9/1/14 through 6/30/2017

Deliverables: Various memorandums in support of a final report for a traffic and revenue forecast detailing approach and methodology on an annual basis.



4. Vendor and Non-Vendor Expenditures

Legislative Request

As required by Section 209 (9) of ESHB 2524, the following is the quarterly report to the governor and the transportation committees of the Legislature on the non-vendor costs of administering toll operations, including the costs of staffing the division, consultants and other personal service contracts required for technical oversight and management assistance, insurance, payments related to credit card processing, transponder purchases and inventory management, facility operations and maintenance, and other miscellaneous non-vendor costs and the vendor-related costs of operating tolled facilities, including the costs of the customer service center, cash collections on the Tacoma Narrows bridge, electronic payment processing, and toll collection equipment maintenance, renewal, and replacement.

Summary Report

<u>Non-Vendor Expenditures¹</u>	<u>FY 2016</u>	<u>FY 2017 Q1</u>	<u>FY 2017 Q2</u>	<u>FY 2017 Q3</u>	<u>FY 2017 Q4</u>	<u>FY 2017 to Date</u>	<u>Biennia to Date</u>
WSDOT Staff ²	\$ 2,931,191	\$ 914,010				\$ 914,010	\$ 3,845,202
Consultants ²	\$ 3,573,327	\$ 842,139				\$ 842,139	\$ 4,415,466
Bridge Insurance	\$ 3,447,799	\$ 3,330,830				\$ 3,330,830	\$ 6,778,629
Credit Card and Bank Fees	\$ 3,362,020	\$ 997,589				\$ 997,589	\$ 4,359,610
Transponder Costs	\$ 2,308,067	\$ 359,276				\$ 359,276	\$ 2,667,342
Pay by Mail Processing ³	\$ 2,863,876	\$ 920,866				\$ 920,866	\$ 3,784,743
Washington State Patrol	\$ 944,640	\$ 346,446				\$ 346,446	\$ 1,291,086
Other Miscellaneous Non-Vendor Expenditures ⁴	\$ 971,924	\$ 181,761				\$ 181,761	\$ 1,153,685
Quarterly Non-Vendor Expenditures	\$ 20,402,846	\$ 7,892,917	\$ -	\$ -	\$ -	\$ 7,892,917	\$ 28,295,763

<u>Vendor Expenditures⁵</u>	<u>FY 2016</u>	<u>FY 2017 Q1</u>	<u>FY 2017 Q2</u>	<u>FY 2017 Q3</u>	<u>FY 2017 Q4</u>	<u>FY 2017 to Date</u>	<u>Biennia to Date</u>
CSC Vendor ²	\$ 8,760,396	\$ 3,291,986				\$ 3,291,986	\$ 12,052,382
Cash Collections (SR-16 Tacoma Narrows Bridge)	\$ 3,188,019	\$ 807,390				\$ 807,390	\$ 3,995,409
Electronic Payment Processing (SR-16 Tacoma Narrows Bridge) ⁶	\$ 57,583	\$ 16,965				\$ 16,965	\$ 74,548
Toll Collection System Operations and Maintenance ⁷	\$ 1,142,364	\$ 565,647				\$ 565,647	\$ 1,708,010
Office of Administrative Hearings	\$ 347,239	\$ 113,670				\$ 113,670	\$ 460,908
Other Miscellaneous Vendor Expenditures ⁸	\$ 100,135	\$ 852				\$ 852	\$ 100,987
Quarterly Vendor Expenditures	\$ 13,595,735	\$ 4,796,509	\$ -	\$ -	\$ -	\$ 4,796,509	\$ 18,392,244
Combined Quarterly Expenditures	\$ 33,998,581	\$ 12,689,426	\$ -	\$ -	\$ -	\$ 12,689,426	\$ 46,688,007

Notes:

- 1) Non-vendor expenditures include both regular toll operations and civil penalty program expenditures.
- 2) WSDOT staff, Consultant and CSC Vendor expenditures include one-time costs related to CSC Procurement, Customer Service Reform (SSB 5481) and I-405 ETL Congestion Relief Project Prioritization.
- 3) Pay by mail processing includes expenditures related to registered owner information retrieval, mail consumables and services provided by DES Printing.
- 4) Other Non-vendor expenditures includes: rent, supplies/materials, computers, telephones, data, TEF charges and other purchased services.
- 5) Vendor expenditures include vendors who support both regular toll collection and civil penalty programs.
- 6) Electronic payment processing are expenditures related to credit card payments at the SR16 TNB toll booths.
- 7) Toll Collection System Operations and Maintenance includes RTS Vendor expenditures as well as support from WSDOT regional offices such as NWR Signals and TMC.
- 8) Other vendor expenditures includes civil penalty support provided by Fife Municipal Court and Phoenix Security.

Notable

- WSDOT staff expenditures are forecasted to be higher in FY 2017 as Toll Division continues to fill vacant positions.
- Bridge Insurance premiums are paid during the first quarter each year. Therefore, first quarter expenditures tend to be the highest of the year.
- Pay by mail and other printing-related expenditures are increasing as WSDOT experiences an increase in pay by mail usage on SR 16 TNB and SR 520 Bridge.
- CSC Vendor expenditures increased in FY 2016 Q4 due to a contract price increase required for support of additional customer service workloads on I-405 Express Toll Lanes (ETLs) and increased work in support of implementing SSB 5481 requirements.



- Toll Collection System Operations and Maintenance expenditures are forecasted to increase in FY 2017 due to the vendor transition on SR 167 HOT Lanes and acceptance of the toll collection system on I-405 ETLs and SR 520 Bridge.
- Vendor-related “Other Miscellaneous Vendor Expenditures” are forecasted to be significantly lower in FY 2017. As a result of the CPR customer relief program, requests for administrative hearings to dispute civil penalties have been reduced to less than 100 per month. Based on this workload, WSDOT had been able to reduce its expenditures on courtrooms and court security staff.