



Washington State Department of Transportation Toll Division

Proviso Report - Fiscal Year 2019, Quarter 3

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Ed Barry, Director of Toll Division
Roger Millar, Secretary of Transportation

Good To Go![™]



1. Civil Penalty Process for Toll Violations

Summary:

This report is for the period January 1 through March 31, 2019 and addresses requirements in Section 209 (7) of ESSB 6106 regarding WSDOT's Toll Civil Penalty Process.

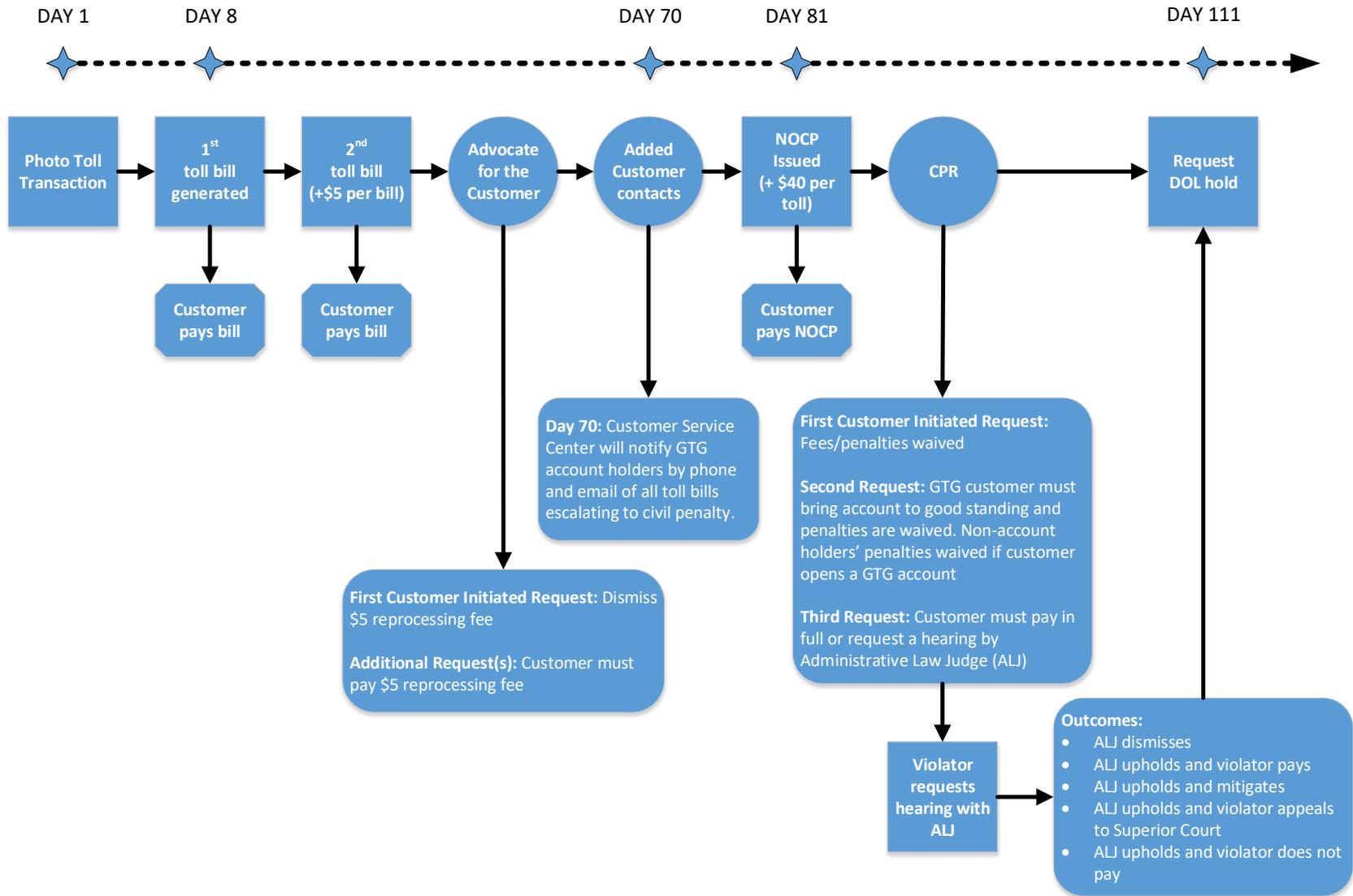
During the Third Quarter (Q3) of Fiscal Year (FY) 2019:

- WSDOT assessed 397,848 civil penalties on unpaid toll trips
- WSDOT recovered approximately \$1,056,903 in unpaid tolls and \$1.79 million in penalties and fees. These totals include cash received from uncollected civil penalty revenue from previous time periods.
- 54,033 civil penalty transactions, 13.5 percent of those issued, were paid without any dispute.
- 36 hearing requests (written and in-person) were made representing 790 civil penalty transactions, which is 0.20 percent of all civil penalties issued.
- Overall civil penalty revenue was down substantially to \$767,852 (Q3) from \$2,956,329 (Q2) due to fewer certified civil penalties issued and higher dismissals in the Customer Program for Resolution (CPR).
 - The average unpaid toll transaction count for customers who participated in the Customer's Program for Resolution was up to 14 in Q3, this is an increase of three from 11 in Q2.

Beginning in Q4 FY 2018, WSDOT expanded the scope of the CPR allowing for customer service representatives to mitigate transactions in lieu of a hearing. This process has reduced the overall number of cases heard by Administrative Law Judges as well as work load costs. This has also caused a slight decrease in the amount of civil penalty tolls and fees collected.

Figure 1 shows the current Notice of City Penalty (NOCP) process diagram and how the CPR is integrated with the original process. The graphic shows multiple points where the customer is given the opportunity to pay/resolve overdue toll issues along the way.

Table 1 shows the NOCP data for this quarterly report and the accumulated year-to-date for FY2019 (Q1 through Q4). Each line item is numbered and corresponds to the entries of the Item Details list.



Toll Transaction to NOCP Process

Figure 1: NOCP Process

Table 1: NOCP Quarterly Data

NOCP Quarterly Report

FY 2019 Q2	SR 16 Tacoma Narrows Bridge				I 405 Express Toll Lanes				SR 520 Bridge				FY19 Year To Date			
	FY19 Q1	FY19 Q2	FY19 Q3	FY19 Q4	FY19 Q1	FY19 Q2	FY19 Q3	FY19 Q4	FY19 Q1	FY19 Q2	FY19 Q3	FY19 Q4	TNB	I-405	SR 520	Combined
1 Number of unpaid toll transactions assessed a civil penalty	116,899	115,396	114,674		108,418	113,606	105,830		195,008	191,420	177,344		346,969	327,854	563,772	1,238,595
2 Customers with Good To Go! accounts who were assessed a civil penalty	6,294	6,786	4,580		4,375	5,146	3,712		8,520	9,360	6,815		17,661	13,233	24,695	55,589
3 Number of transactions associated with the Good To Go! accounts (above)	37,517	41,935	41,435		26,079	31,803	33,577		50,786	57,843	61,647		120,887	91,459	170,276	382,622
Administrative Hearing Requests																
4 Number of civil penalty transactions paid upon receipt of the NOCP	14,126	12,232	12,037		16,494	16,563	14,386		36,507	32,194	27,610		38,395	47,443	96,311	182,149
5 Number of written administrative hearings requested	5	2	3		0	3	1		8	4	4		10	4	16	30
6 Number of civil penalty transactions related to written hearings	74	21	197		0	13	5		74	213	150		292	18	437	747
7 Number of in-person administrative hearings requested	3	5	4		6	12	3		21	20	21		12	21	62	95
8 Number of civil penalty transactions related to in-person hearing requests	65	95	48		91	112	164		673	254	226		208	367	1,153	1,728
9 Number of civil penalty transactions which did not receive a response	102,634	103,048	102,392		91,833	96,918	91,275		157,754	158,759	149,358		308,074	280,026	465,871	1,053,971
10 <i>Total number of administrative hearings requested</i>	8	7	7		6	15	4		29	24	25		22	25	78	125
11 <i>Total number of civil penalty transactions related to requested administrative hearings</i>	139	116	245		91	125	169		747	467	376		500	385	1,590	2,475
Customer Service Reform Results (CPR and Mitigation)																
12 Number of customer contacts related to customer relief programs	38,331	32,666	31,311		26,673	24,774	25,404		51,931	45,058	46,584		102,308	76,851	143,573	322,732
13 Number of civil penalty transactions w/civil penalty & fees waived	58,277	50,509	63,388		40,564	38,341	51,429		79,138	69,749	94,308		172,173	130,335	243,195	545,703
14 Dollar value of civil penalty & fees waived	\$2,408,950	\$2,194,770	\$2,510,280		\$1,676,768	\$1,665,974	\$2,036,705		\$3,272,018	\$3,030,825	\$3,734,787		\$7,114,001	\$5,379,447	\$10,037,630	\$22,531,077
NOCP Revenue, Cash Collected and Debt Collection Costs																
15 Civil penalty revenue recognized (financial statements)	\$424,971	\$704,513	\$101,473		\$463,817	\$763,401	\$146,877		\$1,136,217	\$1,488,415	\$519,501		\$1,230,956	\$1,374,095	\$3,144,134	\$5,749,185
16 Cash collected related to civil penalty tolls	\$296,962	\$291,616	\$375,593		\$175,678	\$212,198	\$250,066		\$365,817	\$384,949	\$431,244		\$964,171	\$637,942	\$1,182,010	\$2,784,123
17 Cash collected related to \$40 civil penalty & fees	\$374,306	\$372,904	\$400,478		\$450,595	\$462,147	\$454,785		\$1,068,750	\$945,562	\$943,697		\$1,147,688	\$1,367,527	\$2,958,009	\$5,473,224
18 <i>Total cash received related to debt collection activities</i>	\$671,268	\$664,520	\$776,071		\$626,273	\$674,345	\$704,851		\$1,434,567	\$1,330,511	\$1,374,941		\$2,111,859	\$2,005,469	\$4,140,019	\$8,257,347
19 Workload costs related to debt collection activities	\$204,410	\$201,323	\$186,309		\$168,767	\$165,915	\$153,395		\$314,737	\$308,345	\$285,842		\$592,042	\$488,077	\$908,924	\$1,989,043
20 <i>Net cash received related to debt collection activities (Quarterly)</i>	\$466,858	\$463,197	\$589,762	\$0	\$457,506	\$508,430	\$551,456	\$0	\$1,119,830	\$1,022,166	\$1,089,099	\$0	\$1,519,817	\$1,517,392	\$3,231,095	\$6,268,304

NOCP Quarterly Data Item Details (for Table 1)

- 1) The count of unpaid toll transactions assessed a civil penalty during the reporting period.
- 2) Number of customer accounts that were assessed a civil penalty after being notified of a pending civil penalty assessment within the next 10 days.
- 3) Count of civil penalty transactions related to customer accounts in Item 2 above.
- 4) Count of civil penalty transactions where the customer paid within the period to request an administrative hearing (20 days from mailing date of NOCP summary).
- 5) Number of administrative hearings requested in writing instead of appearing in person.
- 6) Count of civil penalty transactions associated with written hearing requests.
- 7) Number of administrative hearings requested in person as opposed to a hearing through written correspondence.
- 8) Count of civil penalty transactions associated with in-person hearing requests.
- 9) Count of civil penalty transactions with no response during period to request an administrative hearing (20 days from mailing of NOCP summary).
- 10) Number of administrative hearings (both in person and in writing) during the reporting period.
- 11) Count of civil penalty transactions associated with administrative hearing requests during the reporting period.
- 12) Count of customer contacts related to the customer relief programs. This includes both the Customer Program for Resolution (CPR) and the civil penalty mitigation program (components of SSB 5481 – Customer Service Reform)
- 13) Count of civil penalty transaction for which the civil penalty and other associated fees were waived.
- 14) The dollar value of the civil penalties and fees which were waived (Item 13).
- 15) The civil penalty revenue that is reported on the AFS Quarterly Financial Statements.
- 16) The dollar value of the tolls portion of the civil penalty transactions which were collected during the reporting period. The amount may include cash recognized as revenue in previous quarters.
- 17) The dollar value of the civil penalties and fees portion of the civil penalty transactions which were collected during the reporting period. The amount may include cash recognized as revenue in previous quarters.
- 18) Sum of tolls, civil penalties and fees collected related to civil penalty transactions which were collected during the reporting period (sum of note 17 and note 18). The amount may include cash recognized as revenue in previous quarters.
- 19) Expenditures related to debt collection activities for the reporting period. Expenditures include; WSDOT staff, consultant support, credit card fees, NOCP summary postage and mailing costs, and administrative hearing costs such as OAH (hearing officers) and courtroom security (security officers).
- 20) Net cash is the difference between the total amount of tolls, civil penalties and fees (note 18) and civil penalty expenditures (note 19).

2. Customer Service Center Procurement

This report is for the period January 1 through March 31, 2019 and addresses requirements in Section 209 (6) of ESSB 6106 regarding the completion of the procurement and implementation process for the toll back office system and customer service vendors. This report addresses the overall progress toward procuring a new tolling customer service center, the new Back Office System (BOS) implementation and the department's effort to mitigate risk to the State.

Overall Progress

Continuing the work to date, the Toll Division performed the following work in FY 2019 Q3:

Overall, the BOS Vendor continues at a slower than planned pace in both finalizing development and testing velocity.

BOS Implementation Project Activity: During FY 2019 Q3, WSDOT continued work as follows:

- Continued Milestone 3 final design progress
 - Primary focus on completion of the development efforts.
 - Test procedure completion
- Continued progress on remaining concurrent Milestones
 - Milestone 4 – Procurement and Installation of all hardware/network infrastructure
 - Installation of primary and disaster recovery data centers complete
 - Installation of secondary network circuits connecting the customer service center (CSC) and walk-in centers (WIC) to the BOS, primary circuits pending
 - Installation of CSC and WIC buildout (IT Rooms, Workstations, peripherals, wifi) close to complete
 - Milestone 5 – Testing/Migration
 - Continue Factory Acceptance Testing
 - Begin Integration & Commissioning Testing
 - Database replication complete via VPN connection and mapping and analysis continues
 - Preparing for Data Migration Test #1
 - Ongoing coordination between new and legacy vendors to facilitate data migration efforts continue.
 - Milestone 6 – Training
 - Review of training manual components
 - Preparing for operations training in early May
- Continued internal and external BOS project lead and status meetings, expanding to weekly meetings with vendor and WSDOT executive teams.
- Continued Monthly Risk Assessment and Program Budget meetings.
- Continued stakeholder engagement with OFM, Legislative Staff, Office of Chief Information Officer (OCIO), Joint Transportation Committee (JTC), Washington State Transportation Commission (WSTC), Department of Licensing (DOL), Toll Steering Committee, and Toll Executive Committees.

- Continued OFM and OCIO monthly project meetings. OCIO representatives participate in monthly Toll Steering Committee meetings along with Independent Verification & Validation (IV&V) and Quality Assurance (QA) staff.
- Continue IT pool Technology Budget allotment process
- Security Design Review (SDR) underway:
 - Participated in meeting with Office of Cyber Security to review comments to SDR. Toll Division and Vendor compiling responses for resubmittal
- Transition planning underway with coordination between the BOS vendor, CSC operations vendor, legacy vendor and WSDOT.

Operations Project:

- Updated project plan and schedule based on new system go-live date.
- Completed building space and furnishing for the following:
 - CSC with WIC located in Renton buildout complete
 - WIC near Alderwood Mall in Lynnwood substantially complete.
 - New WIC in Gig Harbor buildout complete.
- New CSC operations vendor has continued on planned staff ramp up.
- WSDOT continues to review and approve various planning and operations documentation provided by the new CSC operations vendor.
- WSDOT and the new CSC operations vendor and the legacy vendor agreed to an approach to provide updates on transitions to current CSC staff.
- WSDOT and the new CSC operations vendor continue to help review BOS test procedures, training materials and other implementation documentation.

Implementation Plan and Process

WSDOT learned in March 2019 that additional delay past the agreed-upon May 2019 date was likely. By the end of March, WSDOT had received a re-baselined schedule from the vendor showing a late June 2019 go-live date. WSDOT is working with the vendor to validate the dates and impact.

The project team continues to meet internally on a weekly basis to plan and execute the remaining work in upcoming milestones while providing review of critical path, final design vendor deliverables, and testing artifacts and data migration related activities. Workshops are held routinely to discuss and resolve deliverable comments, or to identify training needs and transition elements affecting staff and vendors. The implementation contract is divided into two phases:

- **Phase 1** includes replacement of existing core functionality as well as new customer account and payment options and a more modern and user friendly website.
- **Phase 2** includes agency interoperability, data warehouse, collections functionality and increased trip building capability, which are functions delivered outside of the current core functionality.

Mitigation Measures

The Toll Division has taken steps to mitigate risk to the department and the State. The contract with ETCC, our legacy BOS and CSC vendor, has been extended with optional monthly extensions through mid-2019, which



will provide stability and flexibility as the department works with the new vendors to implement the BOS and CSC operations. WSDOT continues to closely monitor the current vendor performance from both BOS and CSC operations perspectives. With the new BOS vendor implementation underway, WSDOT has contracted with the legacy vendor to deliver and support BOS data migration and operations transition support. Mitigation has also included project schedule adjustments to accelerate critical path sequences.

Next Steps

In FY 2019 Q4, WSDOT will continue to perform work in three primary areas: (1) CSC Operations Project Implementation: (2) Migration and transition support from our legacy vendor, and (3) BOS Project Implementation, as described below.

1. CSC Operations Project Implementation: Parallel with the BOS implementation, this project selects the new call center and WIC facilities, including buildout, staffing, CSC operations, and management. Tasks include:
 - Update project plan and schedule based on new system go-live date.
 - Complete build out punch list, in all new call center facilities.
 - Continue hiring call center training and lead staff to best fit schedule and training.
 - Hold open house for existing CSC operations vendor staff and keep updated on hiring schedule.
 - Continue to support BOS test planning and testing.
 - Continue to support BOS Train the Trainer planning and begin training the troops.
2. Support from Legacy Vendor: Continue working with ETCC as they provide support for the operations transition and data migration activities through go-live.
3. BOS Project Implementation:
 - Continue to complete portions of concurrent milestones. Milestone 3: Final Design, Milestone 4: Procurement (Hardware/Software infrastructure), and Milestone 5: Installation & Testing. Remaining Phase 1 milestones will be ongoing until go-live.
 - Review and approval of key BOS documentation.
 - Finalize Factory Acceptance Test (FAT) procedures and Integration and Commissioning Test (ICT) procedures. Draft User Acceptance (UAT) and Operations Test procedures
 - Training Materials and Manuals
 - Complete FAT and ICT system test execution with test evidence reviews
 - Continue defect management and triage
 - Initiate UAT and Pilot Mode Operations Test
 - Continue active mitigation and decision progression through vendor development and testing sequences.
 - Continue data migration planning analysis and mapping from additional data extractions and trial and full migrations.
 - Continue cross-vendor management for CSC and WIC infrastructure punchlist build out.
 - Continue stakeholder engagement.



3. Consultant Reporting

Legislative Request

As required by Section 209 (7) of ESSB 6106, the following is the report to the Governor and the Transportation Committee of the Legislature on the use of consultants in the toll operations budgets for FY 2018 and FY 2019. 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 2017-19 Biennium Program B Budget is \$135,540,000. The following is a summary of the Toll Division’s consultant contracts and associated Program B expenditures through the third quarter of FY 2019 (seventh quarter of the biennium):

Consultant Name	Contract Number	Title	Current Task Authorization Value	Total Invoiced Through FY 2019 Q3 (2017-2019)	Cumulative Invoiced
AECOM Technology Corporation	OY11503	Tolling Expert Review Panel	\$300,000	\$5,931	\$156,572
Anthro-Tech Inc.	K001036	BOS Web Development Interface Support	\$175,000	\$166,940	\$166,940
CDM Smith Inc.	OY11721	SR 520 Investment Grade Traffic & Gross Revenue Forecast	\$185,869	\$34,446	\$185,869
CliftonLarsonAllen LLP	K000723	SR 520 Tolling System Financial Statements Audit	\$447,631	\$81,440	\$435,104
	K001170	SR 520 Tolling System Financial Statements Audit	\$102,000	\$64,500	\$64,500

Consultant Name	Contract Number	Title	Current Task Authorization Value	Total Invoiced Through FY 2019 Q3 (2017-2019)	Cumulative Invoiced
Enviroissues Inc.	11888AE	Tolling Division Communications and Government Relations Support	\$212,407	\$50,969	\$208,727
Fagan Consulting LLC	0Y12212	Tolling Expert Review Panel	\$148,000	\$21,202	\$21,202
I B I Group	0Y11526	SR 520 Master Bond Resolution	\$193,083	\$31,168	\$128,351
Jacobs Engineering Group Inc.	11038CR	General Toll Consultant Program Management	\$427,884	\$361,922	\$361,922
	11038CS	Toll Division Policy & Planning Support	\$218,042	\$80,371	\$80,371
	11038CT	Toll Division Financial Operations Support	\$604,777	\$404,613	\$404,613
	11038CU	Toll Systems Operation Support	\$184,163	\$99,053	\$99,053
	11038CV	Data & Reporting Support	\$402,372	\$334,655	\$334,655
	11038CW	Toll Division GTC Communications and Marketing Support	\$74,870	\$21,250	\$21,250
	11038CX	Customer Service Operations Support	\$677,167	\$344,431	\$344,431
	11038CY	6-C Interoperability Support	\$242,118	\$183,665	\$183,665
	11038CZ	CSC System Design, Development, Implementation, and Management Support	\$3,333,634	\$2,571,646	\$2,571,646
	11038DA	CSC Operations Request for Proposal, Procurement, and Implementation Support	\$688,288	\$641,475	\$641,475
Public Consulting Group Inc. ("PCG")	K001080	IT Professional Services for Toll Division Customer Service Center ("CSC") and Back office System ("BOS") Independent Verification and Validation ("IV&V")	\$1,268,250	\$855,553	\$855,553
	K001118	IT Professional Services for Toll Division Customer Service Center ("CSC") and Back office System ("BOS") Quality Assurance ("QA")	\$757,300	\$464,165	\$464,165



Consultant Name	Contract Number	Title	Current Task Authorization Value	Total Invoiced Through FY 2019 Q3 (2017-2019)	Cumulative Invoiced
Stantec Consulting Services Inc.	11392AJ	SR 520 Traffic Revenue Study (Phase II)	\$704,173	\$626,586	\$642,512
	11392AK	Tacoma Narrows Bridge Traffic & Revenue Study	\$93,194	\$24,816	\$24,816
	11392AM	I-405 and SR 167 Traffic & Revenue Study	\$254,815	\$82,783	\$82,783
WSP USA Inc.	0Y12188	Toll Financial Support	\$1,750,000	\$153,302	\$153,302

Consultant Detail

AECOM Technology Corporation

Contract Type: Personal Service Contract

Scope Summary: AECOM shall convene a subgroup of the Toll Division's previous Expert Review Panel (ERP) to assist in evaluation of the options available to the STATE for providing tolling operations full back office and customer services. This subgroup will focus on operations, systems and customer services only.

Timelines: 12/12/2013 through 12/31/2017

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

Contract Number	Title	Work Orders	Current Task Authorization Value
0Y11503	Tolling Expert Review Panel	TF0041, TF0042, TF0043, TF0044, TF0045	\$300,000

Anthro-Tech, Inc.

Contract Type: Personal Service Contract

Scope Summary: To support the Back Office System (BOS) online Customer Service Center (CSC).

Timelines: 1/20/2016 through 12/31/2019

Deliverables: Usability assessment design support and web accessibility review.

Contract Number	Title	Work Orders	Current Task Authorization Value
K001036	BOS Web Development Interface Support	TF0041, TF0042, TF0043, TF0044, TF0045	\$175,000



CDM Smith, Inc.

Contract Type: Personal Service Contract

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

Timelines: 9/1/2015 through 12/31/2017

Deliverables: Traffic and revenue forecast to actuals analysis – Update the toll model developed by CDM for prior SR 520 forecasts by updating economic forecast using its independent techniques, incorporating data gathered and analysis conducted, generate revised traffic and gross toll revenue potential forecast, perform basic input parameter sensitivity tests, perform additional alternative forecasts as requested and participate in forecasting processes.

Contract Number	Title	Work Orders	Current Task Authorization Value
OY11721	SR 520 Investment Grade Traffic & Gross Revenue Forecast	TF0009	\$185,869

CliftonLarsonAllen, LLP

Contract Type: Personal Service Contract

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.

Timelines: 4/16/2013 through 4/15/2018

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.

Contract Number	Title	Work Orders	Current Task Authorization Value
K000723	SR 520 Tolling System Financial Statements Audit	TF0009	\$447,631

CliftonLarsonAllen, LLC

Contract Type: Personal Service Contract

Scope Summary: Conduct an independent audit of the SR520 Tolling System Financial Statements (Washington State System of Eligible Toll Facilities). The audit must be performed with sufficient audit work necessary to express an opinion on the fair presentation of the SR520 Tolling System Financial Statements under Generally Accepted Auditing Standards (GAAS) as established by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA).

Timelines: 4/15/2018 through 4/15/2024



Deliverables: Conduct an entrance meeting with WSDOT, identify critical audit areas and significant provisions of laws and regulations, perform a preliminary overall risk assessment, establish a protocol and timetable for the fieldwork phase of the audit, test controls over certain key cycles, and provide WSDOT with status reports during the course of the audit fieldwork. As in all phases of the audit, the CONTRACTOR will be in communication with WSDOT to determine that all identified issues are resolved in a timely manner. The CONTRACTOR will also hold a final exit conference with WSDOT to summarize the results of the fieldwork and review significant findings. The CONTRACTOR will provide an Independent Auditors' Report and Management Letter, and also make a formal presentation of the results of the audit to those charged with governance of the WSDOT, if requested.

Contract Number	Title	Work Orders	Current Task Authorization Value
K001170	SR 520 Tolling System Financial Statements Audit	TF0009	\$102,000

EnviroIssues, Inc.

Contract Type: Personal Service Contract

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

Timelines: 10/3/2016 through 3/31/2018

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

Contract Number	Title	Work Orders	Current Task Authorization Value
11888AE	Tolling Division Communications and Government Relations Support	TF0006, TF0007, TF0008, TF0009, TF0014	\$212,407

Fagan Consulting, LLC

Contract Type: Personal Service Contract

Scope Summary: FAGAN CONSULTING (CONSULTANT) has been directed by the DIRECTOR OF TOLLING to convene an Expert Review Panel (ERP) to assist WSDOT (STATE) by providing independent industry review, advice and feedback as requested on any toll business practice, with a near term focus on implementing new back office and customer service vendor contracts at the end of the current vendor's contract term. To the extent possible it is desired to maintain continuity with the previous Toll Division Expert Review Panel to take maximum advantage of knowledge and history gained through experience with the WSDOT toll program.

Timelines: 9/4/2018 through 6/30/2022

Deliverables: Provide agendas, meeting notes, evaluation and options memos, document review memos, and monthly progress reports.

Contract Number	Title	Work Orders	Current Task Authorization Value
OY12212	Tolling Expert Review Panel	TF0008	\$148,000



IBI Group:

Contract Type: Personal Service Contract

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

Timelines: 1/1/2015 through 6/30/2019

Deliverables: Certification and report on the review of the assumptions for operations and maintenance costs. Review and certify the reasonableness of Repair and Replacement (“R&R”) and Operations and Maintenance (“O&M”) cost estimates prepared by the STATE in compliance with SR 520 Master Bond Resolution.

Contract Number	Title	Work Orders	Current Task Authorization Value
OY11526	SR 520 Master Bond Resolution	TF0009	\$193,083

Jacobs Engineering Group, Inc.

Contract Type: Personal Service Contract

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.

Timelines: 7/6/2010 through 6/30/2021

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.

Contract Number	Title	Work Orders	Current Task Authorization Value
11038CR	General Toll Consultant Program Management	TF0006, TF0007, TF0009, TF0014	\$427,884
11038CS	Toll Division Policy & Planning Support	TF0006, TF0007, TF0009, TF0014	\$218,042
11038CT	Toll Division Financial Operations Support	TF0006, TF0007, TF0009, TF0014	\$604,777
11038CU	Toll Systems Operation Support	TF0006, TF0007, TF0009, TF0014	\$184,163
11038CV	Data & Reporting Support	TF0006, TF0007, TF0009, TF0014	\$402,372
11038CW	Toll Division GTC Communications and Marketing Support	TF0006, TF0007, TF0009, TF0014	\$74,870
11038CX	Customer Service Operations Support	TF0006, TF0007, TF0009, TF0014	\$677,167
11038CY	6-C Interoperability Support	TF0006, TF0007, TF0009, TF0014	\$242,118
11038CZ	CSC System Design, Development, Implementation, and Management Support	TF0041, TF0042, TF0043, TF0044, TF0045	\$3,333,634



11038DA	CSC Operations Request for Proposal, Procurement, and Implementation Support	TF0041, TF0042, TF0043, TF0044, TF0045	\$688,288
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Contract Y11038-CR

Scope Summary: Provide a broad spectrum of management and technical services via an integrated tolls management team, including a co-located staff, as well as off-site services as needed. Services may be requested by the STATE, as necessary, to accomplish individual work elements. The CONSULTANT shall furnish all services and labor necessary to accomplish these tasks, and shall provide all materials, supplies, equipment, and incidentals, except where designated in the Agreement, necessary to prepare and deliver to the STATE all requested items of work and deliverable item(s) requested by the STATE.

The STATE's Toll Division is in need of on-going toll program management and operations support that includes a range of tasks for day-to-day management support for Program Management. The CONSULTANT shall provide ongoing support and expertise as part of the integrated toll management team.

Timelines: 7/1/2017 through 6/30/2019

Deliverables: Task management and administration, program administration & contract management, and toll program management.

Contract Y11038-CS

Scope Summary: The State of Washington, acting as the Washington State Department of Transportation (the "STATE") within a competitive selection executed a contract with Jacobs Engineering Group (the "CONSULTANT") on July 6, 2010 to provide General Tolling Consultant (GTC) services for the STATE's Toll Division. As the GTC, the CONSULTANT is to provide a broad spectrum of management and technical Services via an integrated tolls management team. Services may be requested by the STATE, as necessary, to accomplish individual work elements. The CONSULTANT shall furnish all services and labor necessary to accomplish these tasks and shall provide all materials, supplies, equipment, and incidentals except where designated in the Agreement necessary to prepare and deliver to the STATE as requested items of work and deliverable item(s) requested by the STATE. The STATE's Toll Division is in need of on-going toll program management and operations support that includes a range of tasks for day-to-day management support for Policy and Planning. The CONSULTANT shall provide ongoing support and expertise as part of the integrated toll management team.

Timelines: 7/1/2017 through 6/30/2019

Deliverables: Program task management and administration, toll planning and policy support, cost of toll collection reporting, Washington State Transportation Support, toll rate setting.

Contract Y11038-CT

Scope Summary: Provide General Tolling Consultant (GTC) services for the STATE's Toll Division. As the GTC, the CONSULTANT is to provide a broad spectrum of management and technical Services via an integrated tolls management team, including a co-located staff, as well as off-site services as needed. Services may be requested by the STATE, as necessary, to accomplish individual work elements. The CONSULTANT shall furnish all services and labor necessary to accomplish these tasks, and shall provide all materials, supplies, equipment, and incidentals, except where designated in the Agreement, necessary to prepare and deliver to the STATE all requested items of work and deliverable item(s) requested by the STATE.

The STATE's Toll Division is in need of on-going toll program management and operations support that includes a range of tasks for day-to-day management support for Financial Operations. The CONSULTANT shall provide ongoing support and expertise as part of the integrated toll management team.

Timelines: 7/1/2017 through 6/30/2019



Deliverables: Task management, coordination and project administration, financial planning and analysis support, general financial support.

Contract Y11038-CU

Scope Summary: Provide a broad spectrum of management and technical Services via an integrated tolls management team, including a co-located staff, as well as off-site services as needed. Services may be requested by the STATE as necessary, to accomplish individual work elements. The CONSULTANT shall furnish all services and labor necessary to accomplish these tasks, and shall provide all materials, supplies, equipment, and incidentals, except where designated in the Agreement, necessary to prepare and deliver to the STATE all requested items of work and deliverable item(s) requested by the STATE. The STATE's Toll Division is in need of on-going toll program management and operations support that includes a range of tasks for day-to-day management support for System Operations. The CONSULTANT shall provide ongoing support and expertise as part of the integrated toll management team.

Timelines: 7/1/2017 through 6/30/2019

Deliverables: Task management, coordination, project administration and customer service center system support.

Contract Y11038-CV

Scope Summary: Provide a broad spectrum of management and technical Services via an integrated tolls management team. Services may be requested by the STATE, as necessary, to accomplish individual work elements. The CONSULTANT shall furnish all services and labor necessary to accomplish these tasks, and shall provide all materials, supplies, equipment, and incidentals, except where designated in the Agreement necessary to prepare and deliver to the STATE all requested items of work and deliverable item(s) requested by the STATE. The STATE's Toll Division is in need of on-going toll program management and operations support that includes a range of tasks for day-to-day management support for Data and Reporting. The CONSULTANT shall provide ongoing support and expertise as part of the integrated toll management team.

Timelines: 7/1/2017 through 6/30/2019

Deliverables: Task management, coordination, project administration, data & reporting.

Contract Y11038-CW

Scope Summary: Provide a broad spectrum of management and technical Services via an integrated tolls management team, including a co-located staff: as well as offsite services as needed. Services may be requested by the STATE, as necessary, to accomplish individual work elements. The CONSULTANT shall furnish all services and labor necessary to accomplish these tasks, and shall provide all materials, supplies, equipment, and incidentals except where designated in the Agreement, necessary to prepare and deliver to the STATE all requested items of work and deliverable item(s) requested by the STATE. The STATE's Toll Division is in need of on-going toll program management and operations support that includes a range of tasks for day-to-day management support for Communications and Marketing. The CONSULTANT shall provide ongoing support and expertise as part of the integrated toll management team.

Timelines: 7/1/2017 through 6/30/2019

Deliverables: Task management, coordination, project administration, toll division communications, marketing and communications general support, completion of I-405 surveys.

Contract Y11038-CX

Scope Summary: Provide a broad spectrum of management and technical Services via an integrated tolls management team, including a co-located staff, as well as off-site services as needed. Services may be requested by the STATE, as necessary, to accomplish individual work elements. The CONSULTANT shall furnish



all services and labor necessary to accomplish these tasks, and shall provide all materials, supplies, equipment, and incidentals, except where designated in the Agreement, necessary to prepare and deliver to the STATE all requested items of work and deliverable item(s) requested by the STATE. The STATE's Toll Division is in need of on-going toll program management and operations support that includes a range of tasks for day-to-day management support for Customer Service Operations. The CONSULTANT shall provide ongoing support and expertise as part of the integrated toll management team.

Timelines: 7/1/2017 through 6/30/2019

Deliverables: Task management, coordination, project administration, customer service center operations support, adjudication support.

Contract Y11038-CY

Scope Summary: Provide a broad spectrum of management and technical Services via an integrated tolls management team, including a co-located staff, as well as off-site services as needed. Services may be requested by the STATE, as necessary, to accomplish individual work elements. The CONSULTANT shall furnish all services and labor necessary to accomplish these tasks, and shall provide all materials, supplies, equipment, and incidentals, except where designated in the Agreement, necessary to prepare and deliver to the STATE all requested items of work and deliverable item(s) requested by the STATE. The STATE's Toll Division is in need of on-going toll program management and operations support that includes a range of tasks for day-to-day management support for Division 6-C Interoperability. The CONSULTANT shall provide ongoing support and expertise as part of the integrated toll management team.

Timelines: 7/1/2017 through 6/30/2019

Deliverables: Task management, coordination, project administration, support 6-C protocol RFID technology, interoperability strategies and technical support.

Contract Y11038-CZ

Scope Summary: Provide project management support subject matter expertise, staff augmentation and consulting support to assist WSDOT in managing the BOS tender's delivery of the implementation of the new CSC BOS solution.

Timelines: 7/1/2017 through 6/30/2019

Deliverables: Task management, coordination, project administration, WA state Office of Chief Information Officer (OCIO) and Office of Financial Management (OFM) coordination, OFM/OCIO documentation, OFM/OCIO coordination, expert review panel coordination, customer services center back office system (BOS) implementation support and vendor oversight, state project manager support, subject matter system development and implementation oversight, pre-initiation support, preliminary and final design support, data migration and transition support & oversight, procurement support, installation and testing support, training support, production cut-over and Phase I acceptance support, Phase I and final system acceptance, state testing support, BOS/CSC operator coordination.

Contract Y11038-DA

Scope Summary: Complete the procurement process and to provide implementation oversight services.

Timelines: 7/1/2017 through 6/30/2019

Deliverables: Task management, coordination, project administration, RFP development support, procurement support, expert review panel coordination.



Public Consulting Group (“PCG”)

Contract Type: Personal Service Contract

Scope Summary: IT Professional Services for Toll Division Customer Service Center (“CSC”) and Back office System including Independent Verification and Validation (“IV&V”) and Quality Assurance (“QA”).

Timelines: 10/10/2016 through 12/31/2019

Deliverables: Regular meetings, status reports, and project management.

Contract Number	Title	Work Orders	Current Task Authorization Value
K001080	IT Professional Services for Toll Division Customer Service Center (“CSC”) and Back office System (“BOS”) Independent Verification and Validation (“IV&V”)	TF0041, TF0042, TF0043, TF0044, TF0045	\$1,268,250
K001118	IT Professional Services for Toll Division Customer Service Center (“CSC”) and Back office System (“BOS”) Quality Assurance (“QA”)	TF0041, TF0042, TF0043, TF0044, TF0045	\$757,300

Contract K1080

Scope Summary: Develop a detailed schedule of all IV&V activities based upon the WSDOT project schedule. PCG will perform a review of agreed upon project artifacts anticipating under the pre-implementation planning and procurement phase of the CSC BOS system integrator. Work collaboratively with the WSDOT project team to provide expert advice that will contribute to the overall success of the project. Provide independent bi-weekly status reports that are reflection of best practices, industry standards, and the knowledge and experience of the team.

Timeliness: 10/10/2016 through 12/31/2019

Deliverables: Monthly briefings, status reports, prepare and submit a work plan, assess and recommend improvements as needed to assure executive stakeholder support, verify Project Management Plan is being followed, review and evaluate ongoing project document artifacts, review and make recommendations on the procurement process, and review the technical proposal and work plan of apparent selected CSC BOS vendor in preparation for contract negotiations.

Contract K1118

Scope Summary: Develop a detailed schedule of all QA activities based upon the WSDOT project schedule. PCG will perform a read for information (FYI) or review and provide input of agreed upon project artifacts anticipating under the pre-implementation planning phase of the CSC BOS vendor. Work collaboratively with the WSDOT project team to provide expert advice that will contribute to the overall success of the project. Provide independent bi-weekly status reports that are reflection of best practices, industry standards, and the knowledge and experience of the team.

Timeliness: 4/10/2017 through 6/30/2019

Deliverables: Participate in Project Management meetings, create the QA plan, review the investment plan, conduct QA reviews and create written report status of the project readiness assessment, address risk areas that can affect or delay the project, review project change requests, continuously update the Quality Records



Library, and on-going/regular assessment of project plan, schedule, project status reporting, and execution of project management plan.

Stantec Consulting Services, Inc.

Contract Type: Personal Service Contract

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

Timelines: 5/1/2017 through 6/30/2021

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

Contract Number	Title	Work Orders	Current Task Authorization Value
11392AJ	SR 520 Traffic Revenue Study (Phase II)	TF0009	\$704,173
11392AK	Tacoma Narrows Bridge Traffic & Revenue Study	TF0007	\$93,194
11392AM	I-405 and SR 167 Traffic & Revenue Study	TF0006	\$254,815

Contract Y11392-AJ

Scope Summary: Stantec, as the statewide traffic and revenue consultant is tasked to develop a traffic and revenue forecast for SR 520 Toll Bridge. The forecast is required under SR 520 Master Bond Resolution (MBR). The results of the forecast support the debt coverage sufficiency analysis by Office of State Treasury (OST), the toll rate verification process by Transportation Commission, and the quarterly revenue forecast update by State Traffic and Revenue Forecast Council (TRFC).

Timelines: 5/1/2017 through 6/30/2019

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

Contract Y11392-AK

Scope Summary: The purpose of this task order is to develop traffic and revenue estimates for the Tacoma Narrows Bridge (TNB) to support the bond financing.

Timelines: 8/28/2017 through 6/30/2019

Deliverables: Finalize the overall project schedule including the identification of key milestones and deliverables, review historical travel patterns on the Tacoma-Narrows Bridge and analyze prior traffic response to toll increases (or decreases), provide two updates of the recently constructed model to develop a baseline traffic and revenue forecast for the TNB for FY 2018 and FY 2019 plus two additional forecast updates to incorporate rate change decisions made by the Transportation Commission in Spring 2018 and Spring 2019, track the monthly performance of the TNB, coordinate with and provide support for the STATE during the rate setting process for both FY 2018 and FY 2019, including any support as requested for the Transportation Commission's TNB Toll Payer Relief work group study.

Contract Y11392-AM

Scope Summary: The purpose of this task order is to provide annual updates to the I-405 ETL and SR 167 HOT Lanes T&R forecast as part of the November Transportation Revenue Forecast Council (TRFC) cycle.



Timelines: 9/25/2017 through 6/30/2019

Deliverables: Finalize the overall project schedule including the identification of key milestones and deliverables, review historical travel patterns on the I-405 ETLs and SR 167 HOT Lanes and analyze traffic, update the recently developed I-405 ETLs/SR 167 HOT Lanes forecast model to incorporate recent performance, estimate the annual adjusted gross toll revenue projections from the forecasts of gross toll revenue potential and toll plus toll-free trips, provide civil penalty and transponder sales forecasts, track the monthly performance of the I-405 ETLs Traffic and Gross Revenue Potential, coordinate with and provide support for the STATE to analyze any potential changes to the toll policy assumptions.

WSP USA, Inc.

Contract Type: Personal Service Contract

Scope Summary: Prepare updated SR 520 and SR 99 Annual Net Revenue Forecast, provide SR 520 and SR 99 Toll Policy/Rate Setting support, and provide on-going financial planning and analysis support for SR 520, I-405 and SR 99 upon toll commencement (additional facilitates may be added as needed).

Timelines: 7/18/2018 through 6/30/2021

Deliverables: SR 520 and SR 99 Toll Collection O&M and R&R cost memorandum, combined Facility Cost Tech Memorandum, revenue adjustment forecasts, net revenue projections, toll policy and financial planning support and documentation. Update monthly T&R tables, assist on tolled facilities financial plans, including by not limited to for SR 520, I-405 and SR 99 upon toll commencement, and provide meeting notes (if needed), presentation materials, charts and/or tables.

Contract Number	Title	Work Orders	Current Task Authorization Value
0Y12188	Toll Financial Support	TF0009, TF0014	\$1,750,000



4. Vendor and Non-Vendor Expenditures

Legislative Request

As required by Section 209 (7) of ESSB 6106, 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. This includes 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. In addition, it includes the costs of the customer service center, cash collections on the Tacoma Narrows Bridge, electronic payment processing, toll collection equipment maintenance, renewal, and replacement.

<u>Non-Vendor Expenditures¹</u>	<u>FY 2019 Q1</u>	<u>FY 2019 Q2</u>	<u>FY 2019 Q3</u>	<u>FY 2019 Q4</u>	<u>FY 2019 to Date</u>	<u>Biennia to Date</u>
WSDOT Staff	1,255,313	1,255,051	1,219,853		\$ 3,730,217	\$ 8,468,921
Consultants	910,164	1,372,005	1,005,660		\$ 3,287,829	\$ 7,726,973
Bridge Insurance	3,852,397	11,787	34,628		\$ 3,898,812	\$ 7,427,974
Credit Card and Bank Fees	1,203,260	1,064,791	922,733		\$ 3,190,785	\$ 7,465,592
Transponder Costs	343,116	292,021	306,893		\$ 942,030	\$ 2,186,100
Pay by Mail	737,334	575,046	529,717		\$ 1,842,096	\$ 4,406,523
Washington State Patrol	316,390	124,708	183,616		\$ 624,714	\$ 1,585,990
Other Miscellaneous Non-Vendor Expenditures ²	540,561	582,759	449,870		\$ 1,573,189	\$ 3,569,866
Quarterly Non-Vendor Expenditures	\$ 9,158,534	\$ 5,278,169	\$ 4,652,969		\$ 19,089,672	\$ 42,837,937

<u>Vendor Expenditures³</u>	<u>FY 2019 Q1</u>	<u>FY 2019 Q2</u>	<u>FY 2019 Q3</u>	<u>FY 2019 Q4</u>	<u>FY 2019 to Date</u>	<u>Biennia to Date</u>
CSC Vendor ⁴	5,876,060	5,524,476	5,708,363		\$ 17,108,899	\$ 32,940,060
Cash Collections (SR-16 Tacoma Narrows Bridge)	848,856	853,989	851,883		\$ 2,554,728	\$ 5,864,062
Electronic Payment Processing (SR-16 Tacoma Narrows Bridge) ⁵	17,407	15,607	14,491		\$ 47,505	\$ 116,988
Toll Collection System Operations and Maintenance ⁶	272,768	382,118	486,198		\$ 1,141,085	\$ 3,074,125
Office of Administrative Hearings	6,477	1,006	2,033		\$ 9,516	\$ 28,844
Other Miscellaneous Vendor Expenditures ⁷	938	623	458		\$ 2,019	\$ 11,509
Quarterly Vendor Expenditures	\$ 7,022,506	\$ 6,777,819	\$ 7,063,426		\$ 20,863,751	\$ 42,035,589
Combined Quarterly Expenditures	\$ 16,181,040	\$ 12,055,987	\$ 11,716,395		\$ 39,953,423	\$ 84,873,526

Notes:

- 1) Non-vendor expenditures include both regular toll operations and civil penalty program expenditures.
- 2) Other Non-vendor expenditures includes: misc. CSC letters, out of state lookups, NOCP mailings, rent, supplies/materials, computers, telephones, data, and TEF charges.
- 3) Vendor expenditures include vendors who support both regular toll collection and civil penalty programs.
- 4) CSC Vendor includes both vendors who support CSC systems and operations (ETCC and ETAN).
- 5) Electronic payment processing are expenditures related to credit card payments at the SR16 TNB toll booths.
- 6) Toll Collection System Operations and Maintenance includes RTS Vendor expenditures.
- 7) Other vendor expenditures includes civil penalty support provided by Fife Municipal Court and Phoenix Security.

Notable

- Consultants decreased due to a low volume of deliverables compared to the fall/winter and \$396K of IV&V invoices were in the previous quarter.
- Bridge Insurance increased due to a correcting entry for expenditures from July through December 2018.
- Credit Card and Bank Fees decreased due to lower volumes of toll trips in the fall/winter.
- Washington State Patrol increased due to the seasonality of enforcement. Less patrols are performed during the fall/winter due to less daylight hours.
- Other Miscellaneous Non-Vendor Expenditures decreased because out of state lookup and NOCP mailings. Out of state look up decreased due to lower toll trips in fall/winter. NOCP mailings decreased because the previous quarter contained civil penalty mailings from the summer months; summer months is when toll trips are usually the highest.
- Toll Collection System Operations and Maintenance increased PN i-405 due to the repair of a damaged cabinet.



- Office of Administrative Hearings increased in Q3 due to seasonality. Less written and in-person hearings during the fall/winter due to holidays.
- Other Miscellaneous Vendor Expenditures decreased because security for in-person hearings were cancelled due to the February snow storm.