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DETAILED RECOMMENDATIONS OF THE EXPERT REVIEW PANEL (ERP)

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This detailed list of recommendations is the result of the ERP's review of resource documents and other information provided during the course of the project, in particular the two requests for proposals (RFPs) for a customer service center (CSC) and Toll Collection System (TCS). These recommendations have evolved over the course of the last two months through a number of workshops and meetings with the WSDOT Tolls Division, JTC members, and staff.

The recommendations have been categorized on the following pages, but in many cases, recommendations in one area are integral to other areas of inquiry.

## RECOMMENDATIONS - BUSINESS RULES &amp; INFREQUENT CUSTOMERS

- ① All-Electronic-Toll-Collection (AETC) is a paradigm shift from electronic toll collection (ETC); it is not a transition and requires major changes in business rules, pricing and procedure.

*WSDOT Response: WSDOT acknowledges and has embraced this new paradigm.*

- ② Survey users to determine the frequency of use on SR 520, and from the survey, estimate the number of accounts of various types.

*WSDOT Response: WSDOT is committed to additional surveys and data collection.*

- ③ To minimize costs resulting from future technology changes, WSDOT should, as much as possible, market transponders to frequent customers (two or more round trips per week) and use prepaid Automatic License Plate Recognition (ALPR) accounts, day passes, grace periods, and violation negotiations to minimize the number of court cases.

*WSDOT Response: WSDOT is committed to marketing ALPR accounts to infrequent users and acknowledgement that the initial RFP relied too heavily on transponder penetration as the sole means of electronic toll collection. Current RFP amendments reflect this commitment and a more balanced approach utilizing both transponder (frequent users) and ALPR (infrequent users) accounts.*

- ④ Determine the fixed and variable costs of the following activities and establish a management process to report on the same as performance indicators and other information that can be used to modify business rules and procedures.

*Establishing an account by various contact methods:*

- Cost reporting:
  - IVR phone system
  - Phone personal contact
  - Internet/website
  - Mail
  - CSC personal contact
- Other reporting:
  - Number of accounts established of each type
  - Cost per transaction type to set up an account

*Managing an account by each contact method allowed:*

- Cost reporting:
  - Adding an additional vehicle
  - Changing licensing information
  - Modifying personal/address data
  - Updating credit card information
  - Topping up an account with cash
  - Terminating an account
- Other reporting:
  - Number of modifications by type
  - Transaction cost by type by contact method

*Processing video tolls (V-tolls):*

- Cost to process V-tolls
- Number of V-tolls by account

*Violations processing:*

- Cost reporting:
  - Cost of manual image review
  - Cost of filing a uniform traffic citation
- Other reporting:
  - Number of violations per license plate
  - Number of first time violations
  - % recovery of tolls at first mailing
  - % recovery of tolls through the court
  - Number of new accounts resulting from the violations process
  - \$ recovered through fines and penalties

*WSDOT Response: staff anticipates working closely with the selected vendor to develop these and other reports.*

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- ⑤ Establish business rules for all current and future toll facilities for the accounts, discounts, and pricing schemes listed below:

*For establishing accounts both ETC, ALPR, and day passes:*

- Establishing accounts
- Maintaining accounts
- Processing v-tolls
- Processing violations

*Types of accounts allowed:*

- ETC
- ETC lite
- ALPR preregistered
- Billing customer
- Day pass
- Rental car transactions

*Toll discounts for:*

- Type of account
- Method of contact

*Pricing:*

- By type of account: Initial/monthly fees

*WSDOT Response: staff has developed many of the business rules indicated, and will work closely with the selected vendor to refine these rules during the early phase of implementation; with respect to pricing, staff will advise the Transportation Commission as to appropriate pricing strategies and will work closely with the selected vendor to establish rules and accounts based on this pricing.*

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- ⑥ Procedures for the business rules outlined above.

RECOMMENDATIONS – TOLL COLLECTION SYSTEM (TCS) RFP

- ① Define the standard lane transaction record and processing for the activity listed below.

*ETC transactions:*

- Valid transaction
- Low balance
- Insufficient funds
- Suspended account
- Stolen transponder
- Closed account

*ALPR record:*

- Valid transaction
- Low balance
- Insufficient funds (if allowed)
- Suspended account
- Closed account

*Potential violation*

*WSDOT Response: Staff will rely upon the vendor to develop these standards.*

- ② Consider an interim, two-phase approach to the TCS process (as defined below) to provide sufficient time to develop comprehensive business rules and permit full migration from the existing CSC to the new statewide CSC, while allowing for the “early” collection of tolls (in November 2010).

*Phase 1:*

- Minimize vehicle classification: Investigate existing bridge design to better understand what classification equipment would work best.
- Consider no classification and accept the class on the transponder in the interim.
- Process vehicles exempt from paying by identifying their transponder:
  - Must control the exempt inventory.
  - Must take a license plate image for all exempt vehicles.

*Phase 2:*

- As currently described in the RFP.

*WSDOT Response: WSDOT has extended the tolling implementation date to June 2011 and provided an incentive for tolling earlier than that date. To provide for a possible delay in migration to the new CSC, WSDOT has put vendors on notice that they should be prepared to implement an interim solution to permit tolling by no later than June 2011. The ERP supports this approach.*

- ③ General RFP modifications should be made as follows:

*Remove the price cap.*

*WSDOT Response: Price caps have been removed.*

*Remove the letter of credit requirement.*

*WSDOT Response: The letter of credit requirement will remain.*

## RECOMMENDATIONS - CSC RFP

- ① Consider an interim, two-phase approach for the CSC (as defined below) to provide sufficient time to develop comprehensive business rules and permit full migration from the existing CSC to the new statewide CSC, while allowing for the “early” collection of tolls (in November 2010).

*Back office alternatives:*

- Phase 1 – by 10/10/2010 or sooner:
  - Allow the selected SR 520 lane vendor to process transactions through their back office remotely in the interim and interface with the existing back office by exchanging transactions just as the IAG does presently.
- Phase 2:
  - As the RFP describes.

*Provide more time for the completion of the project and proceed with developing the business rules*  
*WSDOT Response: WSDOT has extended the tolling implementation date to June 2011 and provided an incentive for tolling earlier than that date. To provide for a possible delay in migration to the new CSC, WSDOT has put vendors on notice that they should be prepared to implement an interim solution to permit tolling by no later than June 2011. The ERP supports this approach.*

- ② Modify the back office (CSC) RFP to incorporate cost efficiencies in a variety of areas, as listed below.

*Use prepaid video accounts for infrequent customers.*

*Allow day passes etc.*

*Use rental car toll processing companies for rental tolls.*

*Optimize the use of electronic communication:*

- Email
- SMS phone messaging
- Computer generated telephone calls to customers

*Charge less for customer communications that are electronic.*

*Allow a grace period for settling violations, perhaps 7 days.*

*Minimize paper statements and communications.*

*Minimize personal communications:*

- Consider less CSC facilities
- Use kiosks and retail operations for cash account maintenance

*Reword RFP to encourage cost saving ideas from vendor community.*

*Highlight the need to establish a partnership in the RFP.*

*WSDOT Response: The recent CSC amendment incorporates provisions in all of these areas and emphasizes the need for CSC proposals to address cost efficiency in general.*

- ③ General RFP modifications should be made as follows:

*Remove the price cap.*

*WSDOT Response: Price caps have been removed.*

*Remove the letter of credit requirement or clarify its purpose.*

*WSDOT Response: The letter of credit requirement will remain.*

*Remove the requirement for a CPA on the integrator’s team; this is an unusual requirement that will be difficult to comply with, and the ERP is not clear on the benefit.*

*WSDOT Response: The CPA requirement will remain.*

ORGANIZATIONAL RECOMMENDATIONS

- 1 Utilize the project planning, design, and construction offices of WSDOT and not duplicate them in the Tolls Division.

*WSDOT Response: WSDOT has accepted this general comment*

- 2 Organize the Toll Division in accordance as follows:

*Financial Strategy and Operations:*

- Financial planning
- Bond issuance
- Revenue accounting
- Project cost accounting

*Toll Systems Development and Procurement:*

- Hardware
- Software
- Installation
- Maintenance
- Other systems

*Toll Operations Management:*

- Day-to-day operational support
- Staffing
- Business rules

*WSDOT Response: This is consistent with the structure of our new Toll Division approach.*

## RECOMMENDATIONS - TECHNOLOGY

## ① Define the technical interoperability specification:

*Interface requirements:*

- WSDOT financial systems
- Other state financial systems

*WSDOT Response: These requirements are well-defined.*

*Methods of interfacing to other applications or to decide if these applications will be pursued:*

- Parking
- Ferry system
- Transit
- Commercial

*WSDOT Response: Interoperability with these and other applications is difficult to define at this point. However, the current system as modified, which places less of an emphasis on current transponder technology, will allow Washington State to implement interoperability in the future with minimal legacy costs.*

## ② Define the security standards for maintaining and processing sensitive data.

*Credit card/ACH security procedures**Banking data**Encryption methodology**Personnel security procedures: Levels of security*

*WSDOT Response: WSDOT anticipates that vendors will provide the standards for security.*

## ③ Define backup and recovery standards and procedures.

*Short-term failure**Long-term failure**Facility locations**Fail over methods**Continuing operations*

*WSDOT Response: WSDOT anticipates that vendors will provide the standards for system backup and recovery.*

## ④ Consider using fingerprint technology for license plate recognition, allowing for the system to match a digitized image rather than doing an OCR conversion each time.

*WSDOT Response: The RFP and amendment provide performance criteria and do not specify how vendors are to achieve those criteria. It is anticipated that fingerprint technology will be proposed by all vendors in order to meet the specified criteria.*

## ⑤ Consider using two OCR engines to reduce the amount of manual image review.

*WSDOT Response: The RFP and amendment provide strict performance criteria for camera accuracy but do not specify how vendors are to meet these criteria.*

## OTHER RECOMMENDATIONS

- ① Establish an internal steering committee within WSDOT to maintain alignment of vendor and client expectations:

*No more than 7 members.*

*Meet weekly while project is ongoing.*

*Chaired by the WSDOT project manager.*

*WSDOT Response: WSDOT acknowledges the importance of this recommendation and believes that they are well-positioned on this issue.*

- ② Establish a liaison with the JTC to update on progress and issues.

*WSDOT Response: WSDOT concurs and will continue to work closely with the JTC as the SR 520 project progresses.*

- ③ Select a WSDOT representative to direct the vendors and represent WSDOT.

*WSDOT Response: Staff concurs with this recommendation and will rely upon its project manager to serve in this capacity.*

- ④ Retain the services of a general toll consultant to support the implementation of tolling on the SR 520 project and assist WSDOT as it continues to expand the use of tolls statewide. The ERP suggests a budget of \$2 million for these services over a three-year term. The ERP believes this investment will greatly benefit WSDOT, particularly given the unique and cutting edge deployment of AETC and the move to a statewide CSC. In addition to providing expert toll consulting services, a general consultant will help to train WSDOT in-house staff and build institutional knowledge that can be leveraged for years to come.

*Depth of expertise available on call:*

- Traffic and revenue verification
- Toll operations
- ETC Toll systems
- Knowledge from other toll operators in the U.S.

*WSDOT Response: Staff has concurred with this. The ERP is not currently aware of any effort to move forward with this.*

- ⑤ Fully develop the legal framework to support business rules and policies and prepare a package for legislative consideration addressing the following:

*Violations process*

*Other business rules and policies*

*WSDOT Response: WSDOT concurs and is prepared to work closely with the legislature on these issues.*

- ⑥ Develop and pursue the toll pricing through the Transportation Commission.

*WSDOT Response: Acknowledged and agreed.*