



**Date:** October 26, 2021  
**To:** HPTE Commercial Back Office Subcommittee  
**From:** Nick Farber, Director, HPTE  
**Subject:** Summarization of September 30, 2021 HPTE / E-470 Joint Executive Committee Meeting

### Purpose

The purpose of this memo is to summarize the meeting that took place on September 30, 2021, between HPTE Board Chair Margaret Bowes, HPTE Board Vice-Chair Karen Stewart, E-470 Board Chair Chaz Tedesco (Adams County Commissioner), E-470 Board Vice-Chair John Diak (Town of Parker), CDOT Executive Director Shoshana Lew, E-470 Executive Director Tim Stewart, and HPTE Director, Nick Farber.

### Background

Over the summer, HPTE staff and consultants analyzed upcoming corridor project schedules and possible tolling equipment replacement schedules. HPTE concluded that a three-year extension of the TSA would be suitable for HPTE (extending from June 30, 2023, to June 30, 2026). In early August, Director Farber communicated this request to E-470 Executive Director (ED) Tim Stewart, who indicated that he would discuss the HPTE's request with his Board. On August 23, 2021, ED Stewart sent Director Farber a Term Sheet that agreed to the three year TSA extension, clarified that E-470 will be reimbursed for the work they do for HPTE, described HPTE's upcoming schedule, asked for TSA language cleanup, proposed a governance process to resolve disputes, established a yearly review of the cost model, and requested HPTE to accept a new TSA model based on their TSA with the Northwest Parkway.

Director Farber responded and asked for a straight three-year extension, but ED Stewart indicated the E-470 Board would not approve it without the term sheet. HPTE spent the next week discussing changes to the term sheet and ultimately settled on two changes. They are 1) adequate staffing on HPTE projects; and access to the native E-470 cost model and any other reasonable information to review those costs (see Attachment A).

Director Farber and ED Stewart discussed HPTE's requested changes at the E-470 Board Retreat on September 8th, where it was decided that both parties should attempt to make the changes requested in the term sheet in task orders and not in the four corners of the TSA. To accomplish this, Director Farber, HPTE General Counsel, Andrew Gomez, ED Stewart, and E-470 General Counsel met with the State Controller, indicated changes required to the TSA, and a General Reimbursable Task Order should be executed. At this meeting, ED Stewart indicated that the E-470 Board would not accept HPTE's changes to the term sheet because they are not a tolling integrator and cannot guarantee staffing levels; **therefore, to get the three-year TSA extension, HPTE has to accept the term sheet without revision.**<sup>1</sup>

### Summarization

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<sup>1</sup> Except HPTE agreeing to the Northwest Parkway Model.



Director Farber summarized the above for the meeting attendees and reiterated that HPTE's Commercial Back Office (CBO) procurement was not a judgment on E-470's services to us over the last six years but that it is CDOT and HPTE's policy to compete for contracts after five years of the contract's term. ED Stewart discussed E-470's upcoming roadway expansion efforts, service plaza redevelopments, and their efforts to replace their current tolling back-office software with a Salesforce software platform.<sup>2</sup>

Next, Director Farber described the upcoming HPTE projects and the need to deliver these projects on time. E-470 Board Chair Chaz Tedesco (Adams County Commissioner) mentioned that E-470 does not want us to fail but that the list of projects on the agenda was simply a starting point for negotiation and that **E-470 could not guarantee their help on all of them**. Chair Bowes stressed that HPTE's projects need to be delivered on time, so HPTE does not lose credibility with the public and does not cause CDOT to incur millions of dollars in delay claims. She also emphasized that HPTE would compensate E-470 for the additional costs incurred to assist the HPTE in meeting its timelines. ED Stewart responded that E-470 is not an integrator and does not have the resources to help HPTE meet its deadlines. Director Farber replied that E-470 and HPTE need to continue to discuss how E-470 can help HPTE meet the deadlines it has communicated to the public and its contractors. The discussion then centered on HPTE and E-470's efforts with their respective general counsels working with the State Controller so a Task Order under the TSA can be put in place that **allows HPTE to compensate E-470 under the revised state fiscal rules**.

Director Farber then discussed HPTE's initial tolling back office procurement schedule (see Attachment B). Work on the procurement should start in the next two to three weeks (after the Task Order is approved) and finish at the end of Q3 next year. As of now, we anticipate the RFP to be on the street by the fall of next year, with the implementation phase starting in early 2023, ending 18 to 24 months later.

### Next Steps

CDOT Executive Director Lew asked ED Stewart to see if he could set up a meeting with other Express Lane tolling agencies across the country to obtain their feedback on HPTE's procurement process. ED Stewart said that he would reach out to the Central Texas Regional Mobility Authority (CTRMA), the New Jersey DOT Director, Diane Gutierrez-Scaccetti (who used to run the Florida Turnpike Enterprise), and Patty Rubstello, the former WashDOT Tolling Director. All have since indicated that they will meet with us on October 25th. Director Farber gave ED Stewart the following questions for the experts to answer: 1) Please discuss your experience with multiple back offices in your regions; 2) what vendor did you ultimately select?; 3) what is the average timeline for back-office procurement and integration?; 4) what was the main reason for that timeline?; 5) what are the most common issues with back offices?; 6) where are we with national interoperability?; and 7) what are the most common tag protocols across the US?

Moving forward, HPTE and the Attorney General's Office will continue to work closely with E-470 and their general counsel to put a General Reimbursable Task Order in place as soon as possible. HPTE is diligently working to determine where we can contract for tasks that E-470 cannot accommodate to get projects up and running on time under the revised state fiscal rules (need to emphasize your efforts to meet these). HPTE will keep this subcommittee and the HPTE Board continuously apprised of our efforts.

### Attachment

Attachment A: Meeting Agenda

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<sup>2</sup> The Authority will likely contract with Salesforce to develop their CBOS, which has no experience in such technology. Since the Authority is a toll road, they don't require the same functionality that HPTE does. If HPTE and the Authority decide to procure a CBOS jointly, it is unlikely that HPTE can achieve the goals it set out in April of this year.



Attachment B: HPTE Commercial Back Office Initial Procurement Timeline

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**HIGH-PERFORMANCE TRANSPORTATION**

**2829 W. Howard Place, Denver, Colorado 80204 | 303.757.9249 | FAX: 303.757.9179 |**

## HPTE/E470 EXECUTIVES MEETING

Thursday, September 30 · 10:00 – 11:00am

Google Meet joining info

Video call link: <https://meet.google.com/zmd-mgzz-gtj>

Or dial: (US) +1 617-675-4444 PIN: 249 323 017 9544#

More phone numbers: <https://tel.meet/zmd-mgzz-gtj?pin=2493230179544>

**PURPOSE:** To inform and discuss the HPTE’s request to extend the HPTE / E-470 Tolling Services Agreement three years, the HPTE’s tolling back-office procurement, and the HPTE / E-470 ongoing relationship.

**OBJECTIVE:** The Executive Committees of the HPTE and E-470 Boards will have a better understanding of the HPTE’s desire to extend the Tolling Services Agreement (TSA) three years from June 30, 2023, to June 30, 2026, and HPTE’s Commercial Back Office (CBOS) Procurement. Both committees will also have a better understanding of E-470’s needs as the state’s process moves forward.

NO.	TIME	ITEM	PERSON(S) RESPONSIBLE
1	10:00	Introductions	All
2	10:05	History of how we got to today	Nick
3	10:15	Status of HPTE / E-470 three-year extension of the Tolling Services Agreement <ul style="list-style-type: none"><li>• Summarization of previous discussions</li><li>• Status of HPTE’s discussion with the State Controller’s Office</li></ul>	Nick / Tim
4	10:25	Upcoming HPTE Projects <ul style="list-style-type: none"><li>• WB MEXL</li><li>• I-25 South Gap</li><li>• C70 Project</li><li>• C70 Tolling Equity Program</li><li>• I-25N Segments 6 – 8</li><li>• Replacement of tolling equipment of EB MEXL, I-25N Segments 2 &amp; 3, and C-470</li></ul>	Nick
5	10:35	Overlap with E-470 Projects	Tim
6	10:45	Initial Timeline of HPTE’s CBOS Procurement	Nick
7	10:55	Next Steps	Nick / Tim

## BOS Procurement Activities and Schedule

- Current expiration of the TSA is June 2023. It is desirable for HPTE to procure a new tolling back-office system (BOS) by the expiration of the TSA
- BOS procurements typically span approximately 40-45 months from the initial strategy planning and RFP development stage to the go-live date, though some recent BOS procurements have taken longer
- It is unlikely that a new BOS can be procured by July 1, 2023 if HPTE were to begin procuring in Q3 2021:
  - A two-year TSA extension would allow for completion of greenfield and lifecycle projects, as well as BOS implementation under a slightly aggressive 24-month timeline
  - A three-year TSA extension would allow for completion of greenfield and lifecycle projects, as well as BOS implementation under a more standard 30-month timeline.
- The graphic below provides an example of the typical milestones and associated schedule to procure and implement a new BOS, the current TSA validity period and the period to lifecycle all equipment on Existing Express Lanes

