

Back-Office System (BOS)

Current Status

- Achieved system stability for toll collections
- Maintained toll collection bond covenant and financial reporting



Back-Office System (BOS)

Assessment

Summer 2025

- Examine feasibility for alternative ways for delivery of BOS
- Explored and engaged with other public agencies
- Researched best practices

Fall–Winter 2025

- Initiating technical assessment with TCA
- Understanding of TCA's technical and business rules
- Allow understanding of possible cost and schedule for transitioning BOS tolling services to TCA

New Approach for Back-Office System

- New operational business model
- Partner provide needed services
- Leverage TCA's experience and expertise
- Position SANDAG to adapt/update to best practices

TCA consists of two agencies.

The Foothill/Eastern Transportation Corridor Agency (F/ETCA) and San Joaquin Hills Transportation Corridor Agency (SJHTCA) are two joint powers authorities formed by the state of California to plan, finance, construct and operate The Toll Roads. The two agencies operate under the name Transportation Corridor Agencies.



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Foothill/Eastern Transportation Corridor Agency



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San Joaquin Hills Transportation Corridor Agency

Opportunities for New Approach



Capitalize on proven BOS



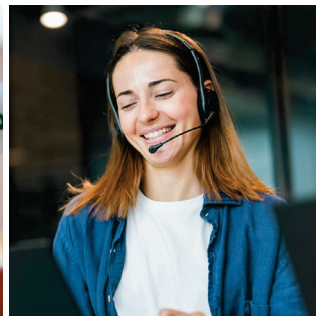
Collaborate for technical and operational knowledge transfer



Maximize capital investment



Reporting best practices



Customer service best practices

Proposed Back-Office System Functionality

SANDAG maintains

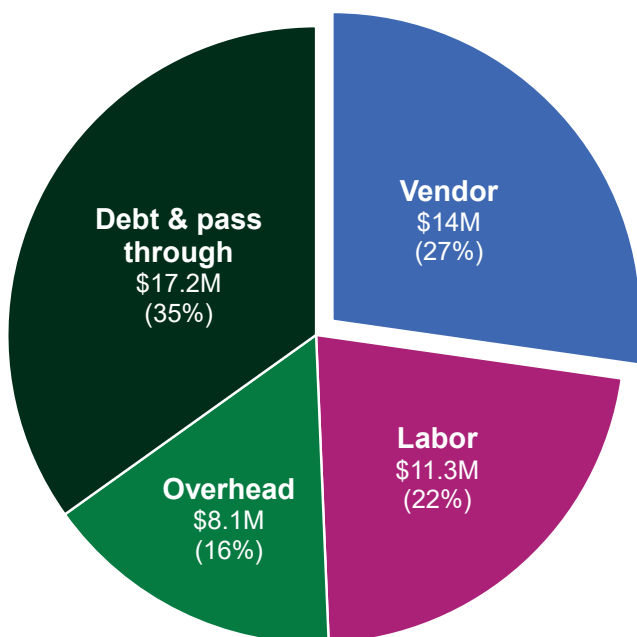
- Customer toll attendance and service center
- Transponder sales
- Toll program outreach and marketing
- Roadway toll system management

SANDAG to carry out the following functionalities with TCA's back-office system

- Payment and bill processing
- Case management
- Customer portals (self-service & mobile website)
- Mobile application (new future functionality)
- Customer/violator notifications
- Reports – financial, operations, transactions
- Credit card payments processing
- Integration with financial system

TCA Impact on Toll Road Operating Costs

Distribution of Estimated FY27 Operating Costs (SR 125 & I-15)



TCA directly impacts **vendor category**

- New service model with fee per transaction (\$0.04-\$0.65) replacing current costs for BOS maintenance agreement, mail house services & account fees for ETC & CC transactions
- Estimated net impact, +\$1.2M

Operational Cost Model

Two components – annual service fee & per transaction fee

Transaction Type & Description		Fee per Transaction	Estimated FY 27 Projected Transactions		Total Transactions	Est. Cost
			I-15	SR 125		
Annual Fee	Applied annual as base fee not dependent on transaction volume	n/a				\$790K
ETC	Fast Trak account holder – has a transponder (can be SANDAG account or other); includes Pay-by-Plate on SR 125	\$0.1287	5.34M	19.4M	24.7M	\$3.2M
Credit Card or Cash	Collected on the roadside	\$0.0413	n/a	3.32M	3.32M	\$137K
Violation	Uses facility without paying the toll	\$0.6511	<1,000	1.68M	1.68M	\$1.1M
HOV free	Has a transponder/account and traveling with 2+ passengers • No revenue but needs to report trips by CTOC member	\$0.0628	2.54M	n/a	2.54M	\$160K
Total			7.9M	24.3M	32.3M	\$5.4M

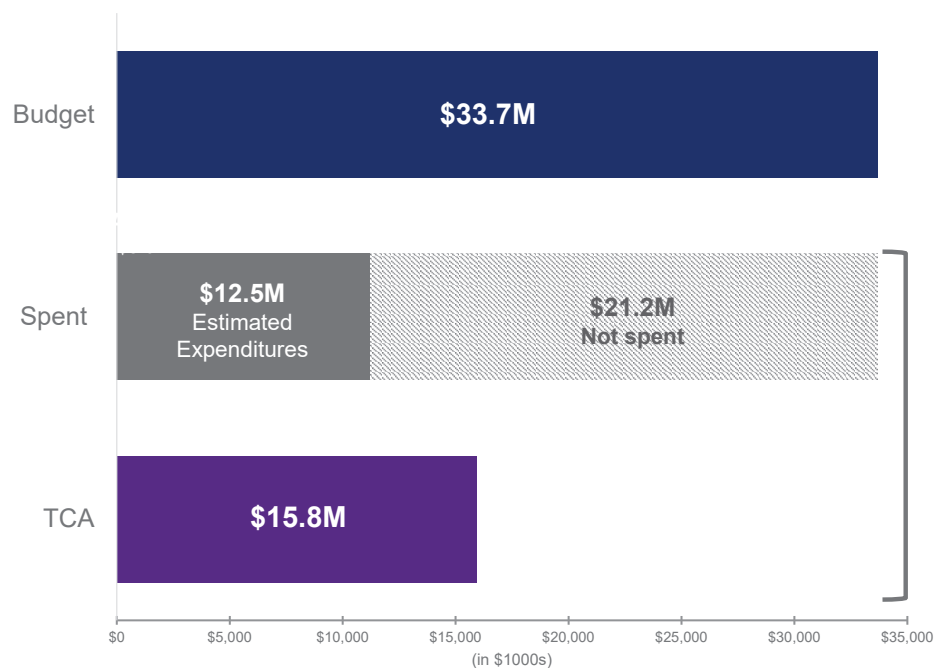
TCA Impact on BOS CIPs

Potential available for future projects: ~\$5M

Current CIPs Budget: **\$33.7M**

Estimated Expenditures: **\$12.5M**

Proposed CIPs with TCA: **\$15.8M**



Combining BOS CIP and Operating Costs

	Estimated FY27 Budget		Per Transaction Cost	
	Current	with TCA	Current	with TCA
Operating cost	\$33,441,100	\$34,625,200	\$1.04	\$1.07 ↑
Debt & pass through	\$17,905,300	\$17,905,300	\$0.56	\$0.56
Operating Expenses Total	\$51,346,500	\$52,940,500	\$1.60	\$1.63 ↑
BOS Fixed Costs (annualized over 5 yrs)	\$6,739,600	\$3,185,400	\$0.21	\$0.10 ↓
Operating Expenses + BOS Fixed Costs	\$58,086,100	\$55,715,900	\$1.81	\$1.73 ↓
Transactions	32,259,500	32,259,500	buffer	buffer
Revenue	\$62,771,500	\$62,771,500	\$1.95	\$1.95
Share of transactions that feed into the BOS	92%	92%		

Terms

- Targeted go-live is spring 2027
- Accept TCA's business rules and limited data migration
- SANDAG to handle own customer service center functions
- BOS will process SR 125 and I-15 tolls and violations
- Follow key project milestone schedule
- Flexibility for future Express Lanes projects
- Per transaction rate recalculated yearly

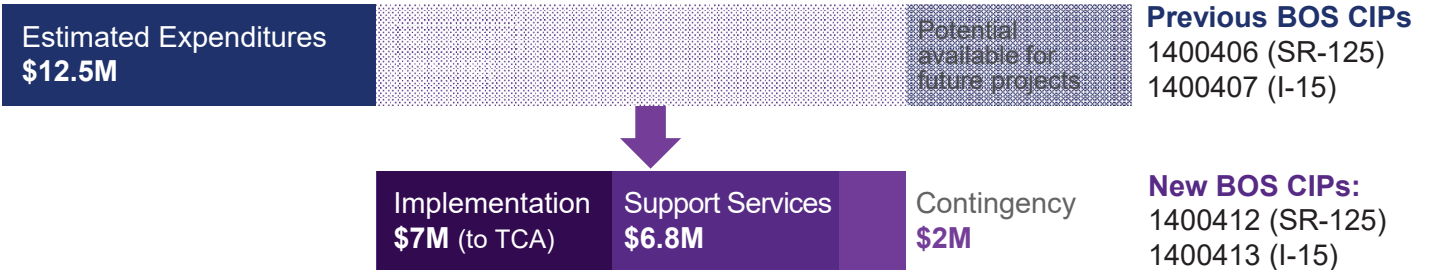
Back-Office System Recommendation

- Authorize executive officer to execute cooperative agreement with TCA
- Approve cost neutral amendment to reallocate \$15.8M to CIPs 1400412 and 1400413

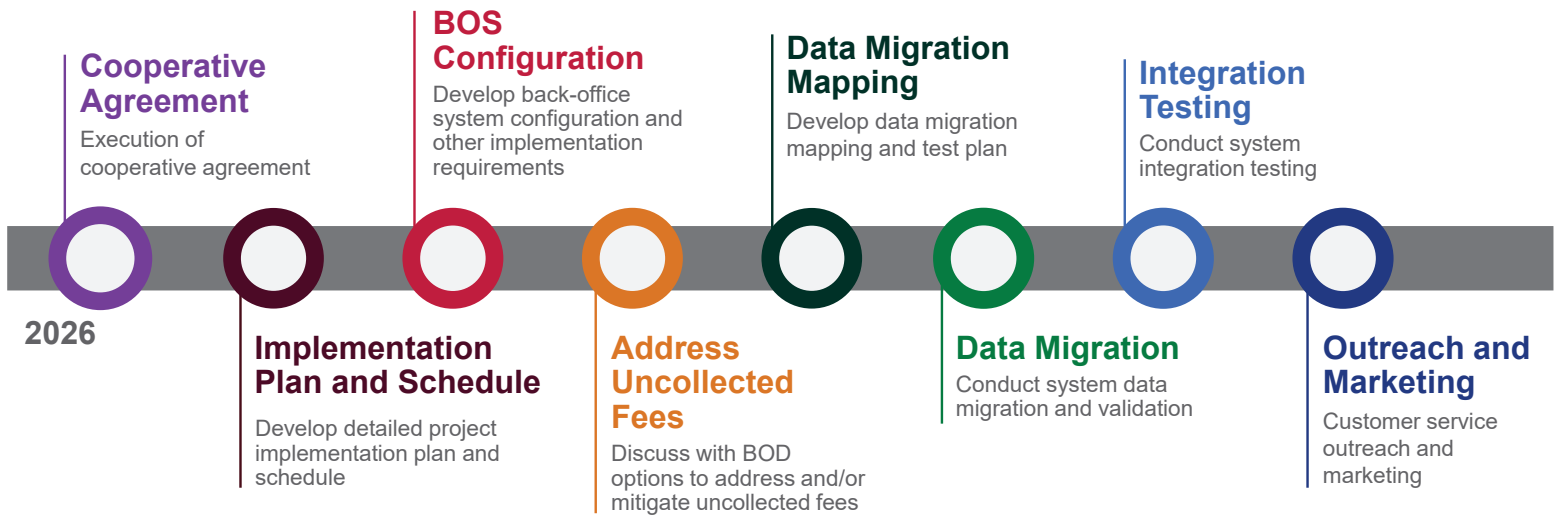


Proposed Budget Amendment

BOS CIP budget: **\$33.7M**



Next Steps



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