

**Metro****AD HOC CONGESTION PRICING COMMITTEE**
May 14, 2008**SUBJECT: STATUS REPORT ON LOS ANGELES COUNTY
CONGESTION PRICING INITIATIVES****ACTION: RECEIVE AND FILE****RECOMMENDATION**

Receive and file this update on the status of Los Angeles County Congestion Pricing Initiatives.

ISSUE

This report outlines the current status of our work on the Los Angeles Region Congestion Reduction Demonstration Initiative and the Congestion Pricing Operating Plan. At last month's meeting of the Board of Directors, we also were asked to return and provide an overview of the statement of work (SOW) of the contract for developing the Congestion Pricing Operating Plan.

DISCUSSION

On April 25, 2008 the U.S. Secretary of Transportation formally announced that our region was selected to receive \$213.6 million in federal funds for its Congestion Reduction Demonstration Initiative. The Secretary announced the funding news after the Board of Directors approved a Memorandum of Understanding (MOU) with the United States Department of Transportation (USDOT). Among the MOU conditions is that the grant would be subject to the Los Angeles County Metropolitan Transportation Authority (LACMTA) receiving the necessary legal authority by October 15, 2008 to implement the conversion of high occupancy vehicle (HOV) lanes to high occupancy toll (HOT) lanes.

Assembly Bill (AB) 1467 Application

Towards seeking the necessary legal state authority to implement the HOT lanes, we submitted an application to the California Transportation Commission (CTC) on March 31, 2008, pursuant to AB 1467. Under the provisions of AB 1467, which the State Legislature approved in 2006, the CTC is charged with determining the eligibility of the

applications requesting tolling authority, conducting two public hearings, and recommending tolling projects to the State Legislature for approval.

On April 29, 2008, we met with the CTC Executive Director and his staff to discuss and obtain feedback on our application. At the meeting, CTC staff indicated their intent to recommend that the CTC announce an eligibility finding for our application at their June 25, 2008 meeting. CTC staff also requested that we provide additional information regarding the benefits of the HOV conversion in terms of air quality improvements, increased transit capacity, and improved travel time. To address these benefits, the contract that the Board awarded in April 2008 for developing the Congestion Pricing Operating Plan will provide timely and sensitive information that will assist us making our case.

Contract SOW for the Congestion Pricing Operating Plan

The SOW for the Congestion Pricing Operating Plan (see Attachment A) focuses on two major phases. The first phase will include an evaluation of a broad range of congestion pricing alternatives that potentially could be implemented in Los Angeles County. The second phase will cover a more detailed analysis of the three priority-ranked congestion pricing alternatives that were identified in Phase I and that could be implemented by the year 2010. One of these alternatives is already known and comprises the HOT lane corridors that were included in applications that we submitted to the USDOT and the CTC.

The SOW includes technical analysis, market research, and extensive public involvement and outreach activities. Consistent with the June 2007 Board directive, our consultant will evaluate revenue projections, environmental effects, mobility impacts, legislative and regulatory requirements, institutional arrangements, and technical feasibility. Our initial public outreach and marketing activities also will be refined further and will be focused heavily along these corridors.

Public Outreach Activities

On April 23, 2008, we hosted a Congestion Pricing Symposium as our latest public outreach effort in communicating the region's congestion pricing initiatives. This stakeholders' symposium, which we organized in cooperation with the Southern California Association of Governments and Caltrans, drew nearly 100 attendees representing transportation agencies and representatives of elected officials. Our presentations also introduced the audience to congestion pricing concepts and provided successful implementation examples in the United States and abroad.

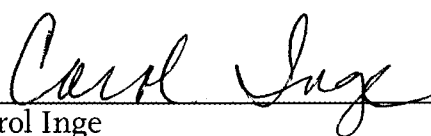
NEXT STEPS

We will be actively pursuing the legal authority to implement the HOT lanes. We are preparing outreach materials and presentations, and we are continuing our meetings with stakeholders. We will initiate the technical and outreach activities in the Congestion Pricing Operating Plan scope of work. We also will continue updating the Board of Directors on the status of the region's congestion pricing initiatives.

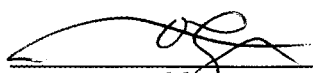
ATTACHMENTS

A. Statement of Work of the Congestion Pricing Operating Plan for Los Angeles County

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STATEMENT OF WORK

Congestion Pricing Operating Plan for Los Angeles County

SECTION I - BACKGROUND

AGENCY DESCRIPTION

Metro is the Regional Transportation Planning Agency (RTPA) for Los Angeles County. In this capacity, Metro has a wide range of responsibilities, including prioritizing state and federal transportation funds for Los Angeles County, preparing the Short Range Transportation Plan and the Long Range Transportation Plan, and developing a state of the art travel demand forecasting model.

Metro is unique among the nation's transportation agencies as it serves as the transportation planner and coordinator, designer, builder and operator for the country's most populous county. Metro is also the major public transportation provider in the region with a service area of about one-third of the county's 4,200 square miles. Metro is governed by a 13-member Board of Directors comprised of:

- The five Los Angeles County Supervisors
- The Mayor of the City of Los Angeles
- Three members appointed by the Mayor of the City of Los Angeles
- Four city council members representing the other 87 cities in Los Angeles County.
- The Governor of California appoints one non-voting member.

By ordinance, Metro is also responsible for administering and establishing the guidelines for the county's Proposition A and Proposition C programs, the two one-half cent sales tax measures approved by local voters to finance transportation projects countywide. Proposition A was approved in 1980 and Proposition C was approved in 1990. Collection of the taxes began on July 1, 1982 and April 1, 1991, respectively. Currently, about \$1.4 billion is generated in local transportation revenue from the combined and dedicated one-percent sales tax. This revenue is an important source of local match for state and federally funded projects and has allowed the implementation of major transit projects, as well as of rideshare programs and innovative technologies that provided travel alternative to solo driving.

In addition, Metro is designated under State law as the Congestion Management Agency (CMA) for Los Angeles County. In response to this State mandate, Metro has adopted and updates every two years a Congestion Management Program (CMP). The CMP is intended to: i) monitor congestion within the county; ii) promote actions to minimize congestion; and iii) to link land use and transportation decisions.

AREA DESCRIPTION

Demographics

Los Angeles County comprises a population of over 10 million people (nearly 27 percent of California's population) and provides employment to about 4.5 million people. The county has

grown by about 1 million residents in the past 10 years and its population is estimated to exceed 12 million people by the year 2030. The county's population is currently about 47 percent Latino, 30 percent non-Latino White, 12 percent Asian, and 9 percent Black. This ethnic profile of Los Angeles County is similar to the one that state demographers predict for California by mid-century and represents a great variety of travel behaviors and preferences. Los Angeles County comprises about 85% of the Los Angeles-Long Beach-Santa Ana urbanized area (UZA). Despite of its large urban sprawl development, the Los Angeles urban area has the second highest population density in the country, estimated at 7,068 persons per square mile.

Los Angeles County consists of 89 local jurisdictions (88 cities and the County) and several unincorporated areas. For transportation planning purposes, the county is sub-divided into nine sub-regions. Four of these sub-regions (Central Los Angeles, North Los Angeles County, San Fernando Valley, and Arroyo Verdugo Cities) are cooperative efforts staffed by city employees. The remaining five sub-regions are more formal inter-jurisdictional organizations known as Council of Governments (COG) that encompass several member cities. Currently there are five COGs in Los Angeles County: San Gabriel Valley, Gateway Cities, South Bay Cities, Westside Cities, and Las Virgenes- Malibu. Among the COGs, the largest are the San Gabriel Valley and Gateway Cities with about 1.9 million people each. The largest sub-region is Central Los Angeles with about 1.7 million people. The Las Virgenes- Malibu COG is the smallest among COGs or sub-regions with a population of less than 0.1 million. The largest city in the county is Los Angeles. It has an estimated population of 3.9 million. It is also home of major transportation investments that are of regional and national significance, such as the Port of Los Angeles, the Port of Long Beach, and the LAX International Airport (in addition to three other regional airports). Overall, the economy of Los Angeles County is ranked 16th worldwide and its two maritime ports combined rank fifth worldwide in the volume of containerized cargo that is handled annually.

Transportation System

Los Angeles County has a complex multi-modal transportation system of freeways, arterials, highways, heavy and light rail, commuter rail, and bus service, including Bus Rapid Transit (BRT). Its system of freeways and highways is the most extensive in the country (about 915 miles) and comprises the largest network of High Occupancy Vehicle (HOV) lanes with about 468 lane miles. Public transportation is available throughout the urban area, with multiple transit operators providing bus service. Metro is the largest transit provider, covering by itself an area of about 1,433 square miles. In 2006 Metro was named America's Outstanding Transportation System by the American Public Transportation Association in recognition for the quality of its service and for its innovative approach in meeting travel demand and mitigating traffic congestion in Los Angeles County.

In addition to the region's investments in highway and transit infrastructure and services, Los Angeles County has aggressively been investing in implementing new technologies and in telecommuting and other travel demand management strategies. In this context, the development and deployment of Intelligent Transportation Systems (ITS) technologies have been facilitating many interactions among the different components of the region's multimodal transportation system. The application of ITS technologies is an essential element in the region's efforts to manage traffic congestion in Los Angeles County because it allows maximizing the benefits of existing infrastructure without, for example, adding new physical road capacity or costly operating improvements. In this regard, many of the ITS technologies that

are currently available in Los Angeles County are an important component for implementing, operating, and administering congestion pricing strategies in the region.

Los Angeles County has also pioneered in the implementation of congestion pricing related strategies to the movement of containerized cargo by truck and rail from the Port of Los Angeles and the Port of Long Beach to their destinations in the region and other parts of the country. Accordingly, the Off-Peak program charges a traffic mitigation fee to containers entering or exiting marine terminals at either of the two ports during peak daytime hours, but no such fee is charged for entering or exiting the terminals during off-peak hours. This has resulted in major traffic relief along major travel corridors located in the vicinity of the ports, reducing truck traffic by as much as 25 percent during the peak periods. Another innovative approach in the region in dealing with goods movement involves charging railroad operators a user-fee for using the Alameda Corridor to retire debt accrued due to the public and private sources used to fund the \$2.4 billion project that was built to provide a high-speed freight expressway without at grade-intersections, thus alleviating traffic congestion in the region.

Transportation Related Challenges

Despite the region's transportation investments and achievements, Los Angeles has consistently been ranked as the most congested urbanized area in the country by the Texas Transportation Institute (TTI). In addition, it has the worst air quality designation in the country, according to the United States Environmental Protection Agency (EPA). A major constraint for mitigating the region's mobility and environmental problems is the lack of adequate funding sources for needed transportation investments. This is in spite of annual increases in federal, state, and local funding.

However, almost all funding from these sources has already been programmed by Metro. This includes revenues generated from the county's one-percent local optional transportation sales tax and from the allocation of a \$20 billion statewide transportation infrastructure bond package (Prop 1B) that was approved by voters in California in November of 2006. In this regard, Metro's 2007 financial forecast for its Long Range Transportation Plan update reveals that the \$153 billion that is estimated to be available during the period 2005-2030 is almost all programmed for funding highway, transit, and other transportation investments. Less than \$4 billion of this total is available for programming for new projects and only after the year 2023, with the eligibility of funding evenly split between transit and highways. What adds uncertainty to these projections and supports the need for new funding sources is the potential diversion of transportation funds to balance the State budget. In addition, rising operating costs and uncertain funding support at the State and Federal levels challenge the region's ability to provide adequate transit service.

Therefore, with the funding needs for transportation investments in Los Angeles County being in the billions of dollars that are currently not budgeted for in the region's transportation plan, Metro is compelled to seek self-help solutions and new revenue sources to fund future transportation projects and to mitigate traffic congestion and air quality problems. Congestion pricing has the potential for addressing these needs.

CONGESTION PRICING OPERATING PLAN DIRECTIVE AND OBJECTIVES

In June 2007, Metro's Board of Directors directed the development of a detailed operating plan with at least three alternatives for implementing congestion pricing in Los Angeles County by the year 2010. The main three objectives of the Operating Plan are:

- Increase the operational performance of the region's transportation system;
- Improve air quality;
- Identify potential means of generating additional revenue for transportation projects.

Metro's Board also directed that the Operating Plan should provide the following:

- Revenue projections;
- Environmental effects;
- Mobility impacts;
- Legislative requirements;
- Technical feasibility.

Therefore, the Contractor shall, at minimum, evaluate the viability of implementing congestion pricing in Los Angeles County by the year 2010 based on the potential in meeting the objectives and requirements directed by Metro's Board that are listed above. With these objectives and requirements into consideration, the Contractor shall initially analyze at least three congestion pricing strategies, including supporting travel demand and traffic management strategies. These strategies combined are referred to as congestion pricing alternatives throughout the Statement of Work (SOW). In this regard, the Contractor shall prepare a detailed operating plan for each one of the top three ranked congestion pricing alternatives that could be implemented in Los Angeles County by the year 2010. These alternatives could involve the implementation of one or more congestion pricing strategies at different possible levels, such as: the entire Los Angeles County region, one or more of the county's sub-regions or smaller geographic area, the county's major roadway network, or a specific road corridor(s).

Congestion Pricing in the Context of other Potential Strategies

The Contractor shall develop the Operating Plan taking into consideration that congestion pricing is only one policy within a larger framework of strategies to manage traffic congestion, mitigate air quality and other environmental impacts, and generate new revenues to fund transportation investments. Therefore, the Contractor shall consider other strategies that support achieving the objectives of the Operating Plan and recommend those that make travel alternatives to driving alone be more competitive and attractive to result in changes in travel behavior, particularly modal shifts. In this context, the Contractor shall assess the feasibility of using revenues generated through congestion pricing to fund a package of mobility improvements that provides a variety of competitive travel alternatives, such as transit, cycling, walking, carpooling, and telecommuting. In addition, the Contractor shall assess the potential of projected revenues to fund the conversion of existing "free" roadway infrastructure to managed priced lanes and corridors, as well as to fund the construction and operate of new HOV lanes, High Occupancy Toll (HOT) lanes, Express lanes, or other managed lanes and congestion pricing alternatives.

Demand management strategies that discourage the use of private vehicles and solo driving during peak periods of travel, such as enhanced transit service and parking pricing, shall also be analyzed in conjunction with potential congestion pricing alternatives. Overall, the combination of these strategies allows for an integrated approach that has resulted in the successful implementation of congestion pricing in London, Stockholm, Singapore and other cities around the world by providing more transportation choices to urban travelers in a way that improves the region's quality of life while maintaining a vibrant economy.

Los Angeles County can have similar or greater success in providing transportation alternatives for both passenger and freight by implementing congestion pricing in the region. Accordingly, congestion pricing would have to be integrated within a comprehensive traffic congestion reduction strategy for the region. Any congestion pricing proposal for Los Angeles County shall build on the premise that offers travel options that reduce traffic congestion in the morning and afternoon peak periods of travel by providing enhanced transit service, improving the operating performance of HOV lanes, and applying market based strategies that include road pricing. Although adding new physical road capacity may be required as part of the region's congestion management strategy, the Contractor shall analyze first how to make the most efficient use of existing infrastructure and modal alternatives through technological and operational improvements to achieve the objectives of the Operating Plan as stated above.

CONGESTION PRICING OPERATING PLAN MANAGEMENT

The management structure for developing the Operating Plan includes the following:

Ad-Hoc Congestion Pricing Committee (ACPC) – comprised of members from Metro's Board of Directors, including Caltrans Director for District 7, to provide policy guidance and recommendations to the Metro Board of Directors.

Transportation Agency Advisory Group (TAAG) – comprised of representatives from federal, state, regional and local transportation agencies to guide the progress for developing the Operating Plan, including Metro, the Southern California Association of Governments, Los Angeles County Department of Public Works, Los Angeles City Department of Transportation, the regions five Council of Governments, the Port of Los Angeles and the Port of Long Beach, the Federal Highway Administration and the Federal Transit Administration.

Community Advisory Groups (CAGs) – to comprise representatives from the TAAG and other interest groups, such as businesses, road users, environmental agencies, social services, industry, academia, and public policy institutes, who will be grouped according to particular community interest and expertise to provide input during the development of the Operating Plan.

Congestion Pricing Program Manager (PM) – from Metro staff to manage the different day-to-day activities related to the development of the Operating Plan, provide guidance and input to the Contractor, and review progress to ensure compliance with scope of work, budget, and schedules. Also, to coordinate work between the Contractor and Metro's Communications Department, to update the ACPC, TAAG, and CAGs of work progress and serve as the liaison among them, and to seek advice on issues needing further guidance.

SECTION II - SCOPE OF SERVICES

INTRODUCTION

The Contractor shall develop a comprehensive Congestion Pricing Operating Plan for three alternatives within Los Angeles County that could be implemented by the year 2010 (Operating Plan). It is anticipated that the contract award shall not exceed twelve months. The scope of services comprises technical and public outreach tasks to evaluate a range of potential congestion pricing strategies, including supporting travel demand and traffic management strategies. These strategies are referred to as congestion pricing alternatives throughout the SOW. The Contractor shall rank potential congestion pricing alternatives that have a potential for implementation in Los Angeles County by the year 2010. The Contractor shall then develop a detailed operating plan for each one of these three top ranked congestion pricing alternatives. For these plans, which will ultimately be incorporated by the Contractor in developing the Operating Plan for Los Angeles County, the Contractor shall at minimum evaluate the following: revenue projections, environmental effects, mobility impacts, legislative or regulatory requirements, institutional arrangements, and technical feasibility for implementation.

The Operating Plan shall also include a plan for continued public involvement and outreach during the implementation of each one of the three congestion pricing alternatives to be recommended. In this regard, the Contractor shall develop and execute congestion pricing outreach and marketing activities at the same time as the Contractor is developing the Operating Plan. The plan to be developed by the Contractor for continued outreach, including the outreach and marketing activities to be conducted by the Contractor during the development of the Operating Plan, are herein referred to as the Outreach Plan. The Contractor shall develop the Outreach Plan in coordination with Metro's Communications Department.

The Contractor shall develop a strong staff management plan to integrate the work to be performed for the different tasks and to provide reliable outcomes and recommendations for developing the Operating Plan. In this context, should the Contractor assign the task that is relevant to the Outreach Plan to one of its sub-Contractors, Metro requires the Contractor to be responsible and have the lead in the coordination of activities and the proper delivery and execution of the Outreach Plan. The same principle applies to the other tasks included in the SOW. The Contractor shall also take the initiative and coordinate activities, as appropriate and with consultation with Metro, with other Contractors conducting congestion pricing feasibility studies for any particular sub-region or community within Los Angeles County during the 12-month period of the contract for developing the Operating Plan. The Southern California Association of Governments (SCAG) expects to prepare a five-county region congestion pricing feasibility study. SCAG intends that Metro's Congestion Pricing Operating Plan will be the Los Angeles County component of the larger regional study. The Contractor shall consult and coordinate with SCAG and its consultants to integrate the Operating Plan for Los Angeles County into the larger regional study.

PHASES OF WORK

The Contractor shall focus on two major phases that address the objectives and requirements of the Operating Plan, as described below.

Phase I

The first phase shall include an evaluation of a broad range of congestion pricing alternatives with potential for application in Los Angeles County. This phase comprises the first three tasks of the SOW.

The Contractor shall describe the specific strategies and analysis methods, as well as the evaluating criteria. The analysis in this phase shall be done in enough detail to enable the Contractor to recommend at least three congestion pricing alternatives that have the potential for implementation by the year 2010, either countywide or in one or more specific sub-regional areas and/or corridors, and which require more detailed analysis. The Contractor shall prioritize these alternatives according to the evaluation criteria to be used throughout the comparative analysis or additional criteria, if needed. The Contractor shall also identify specific legislative changes and regulatory actions that might be needed to implement these potential alternatives.

The Contractor shall also include the identification of three congestion pricing alternatives for more detailed analysis that can not be implemented in Los Angeles County by the year 2010, but which have potential for implementation within a longer timeframe.

Phase II

The second phase shall cover a more detailed analysis of up to three of the top ranked congestion pricing alternatives that were identified in Phase I. This phase comprises Task 4.0 through Task 12.0 of the SOW. In the analyses to be performed in this second phase, the Contractor shall at minimum:

- Develop basic operating plans and implementation schedules;
- Identify required equipment, technologies and other infrastructure;
- Develop cost estimates for implementation, operations, and administration;
- Make revenue projections and investment recommendations;
- Identify mitigation measures for any potential traffic, environmental, and social impacts on adjacent areas and target populations;
- Recommend institutional structures, regulatory functions, and legislative actions required to implement, administer, and operate each one of the top three ranked congestion pricing alternatives that were identified in Phase I.

The Contractor shall exercise flexibility and show innovation when analyzing congestion pricing alternatives. It is expected that these alternatives shall include, but not limited to, a range of applications that vary by location(s), the charging basis (e.g., time of the day, direction of travel, distance traveled, traffic flow conditions, etc.), group of road users and vehicle types to be charged, exemptions to address equity and other concerns, impact of parking pricing and other travel demand strategies, as well as the congestion pricing levels to be charged.

While some applications could stand alone, other alternatives may require some interaction to maximize the benefits. Accordingly, potential combinations of congestion pricing alternatives, including those expected to evolve from other applications over time, shall be tested to identify the optimal scenario for each one of the top three congestion pricing alternatives and/or projects to be analyzed in more detail prior to making final recommendations. These alternatives could fall under different congestion pricing strategies and each one of them could comprise more

than one project or sub-region. For example, cordon charges could focus on charging vehicles a user-fee for crossing a cordon(s) encompassing a specific area or areas within Los Angeles County and its road network. Following this example, charges could vary by the time of the day and could be assessed upon entry or exit the cordon(s) or in both instances. Also, charges could be based on the amount of travel that takes place within the cordon(s), the type of roads used, the type of vehicle, and the level of traffic congestion. Similarly, managed lane charges could apply to strategically selected roadway corridors in the region, whether freeways, highways, access-controlled arterials, or to a network of managed lanes. Alternatively, area-wide charges could apply on all roads within the region, based generally on the distance traveled, but could include some of the factors mentioned above.

At the conclusion of this second and final phase, the Contractor shall rank the top three congestion pricing alternatives that could be implemented in Los Angeles County by the year 2010. This ranking shall be based on the evaluation and performance criteria that were established in Phase I to examine the feasibility of implementing several congestion pricing alternatives, particularly in meeting the objectives of the Operating Plan. The Contractor shall also determine if a pilot implementation of one or more of these alternatives would be beneficial before full-scale implementation at the regional, sub-regional, or project levels.

SPECIFIC COMPONENTS AND TASKS

Many of the tasks described herein are inter-related or interdependent. Consequently, it is expected that the Contractor will make recommendations and finalize deliverables resulting from an iterative process. In this regard, the Contractor shall identify those relationships that are most relevant and apply and document methodologies that are comprehensive enough to allow the qualitative and quantitative evaluation of alternatives based on several criteria that will be established within the first task of the SOW. The following is a description of the minimum requirements to be met by the Contractor for the tasks identified for the SOW.

PHASE I

TASK 1.0 Detailed Project Management Plan and Work Program

The Contractor shall, but not limited to, complete the two sub-tasks described below.

1.1 Project Management Plan – The Contractor shall develop a Project Management Plan (PMP) that will at minimum include the following:

- Project team organization and responsibilities and identification of main contact;
- Project deliverables, with schedules showing timelines and specific assignments;
- Risk management/ time management, including dealing with changes to key staff;
- Document control process, including document format, tracking, and electronic filing;
- Quality assurance, including standards and processes for preparing, reviewing, and updating documents.

The Contractor shall meet with Metro's Congestion Pricing Operating Plan Management at minimum once per month. In addition, the Contractor is expected to communicate with Metro's Congestion Pricing Program Manager on a weekly basis, or more frequently as needed. The Contractor shall prepare and submit monthly progress reports to Metro's

Program Manager. The Contractor shall allow at least one week for Metro staff to review the draft version of each deliverable outlined in the SOW. The Contractor shall provide the final version of the deliverable to Metro's Program Manager within one week after receiving the revised draft from Metro. In this regard, the Contractor shall make all final documents and data that are produced as a result of this SOW available to Metro in electronic editable format (Microsoft Access, Word, or PowerPoint, any Geographic Information Systems software, any travel demand forecasting model, etc.).

1.2 Work Program – The Contractor shall develop the policy goals, technical approach, methodology, and assessment framework for the Operating Plan that will guide the evaluation of alternatives. The Contractor shall quantify outcomes relevant to these established criteria due the implementation of congestion pricing and compare those with a baseline case. As part of the evaluation of alternatives, the Contractor shall also discuss if the proposed congestion pricing projects meet the objectives of the Operating Plan better than other travel demand and funding strategies. The Contractor shall develop a detailed Work Program that at minimum includes the following:

- Assessment and articulation of the problem(s) to be addressed and the objectives to be achieved;
- Development of a project design strategy that takes into account identification of particular issues, opportunities, risks, and constraints to be addressed or tested;
- Development of an evaluation framework, including the definition of criteria to be used to compare among potential alternatives, and methodologies and strategies for conducting both quantitative and qualitative analyses that allow developing the Operating Plan and achieving stated objectives.

Regarding the establishment of the evaluation criteria to be used for analyzing and comparing congestion pricing alternatives, the Contractor shall at minimum take into consideration the following:

- Achievement of the Metro Board's three main objectives described in the SOW;
- Potential for mitigating environmental and social impacts, such as equity and privacy;
- Technical feasibility;
- Institutional and legislative requirements;
- Public and political acceptability concerns;
- Administrative simplicity, including enforcement strategies;
- Cost and operating effectiveness.

Task 1.0 Deliverables: Detailed Project Management Plan and Work Program.

TASK 2.0 Stakeholder Outreach and Marketing Plan

The Contractor shall work closely with staff from Metro's Communications Department to develop a Stakeholder Outreach and Marketing Plan (Outreach Plan). The Contractor shall then execute the Outreach Plan during the course of preparing the Operating Plan. The Contractor will also advise on the appropriate membership of the transportation agency and community advisory groups (TAAG and CAG), which at minimum are expected to include the following:

- California Department of Transportation (Caltrans- Distric 7);
- Los Angeles County Metropolitan Transportation Authority (Metro)
- Southern California Association of Governments (SCAG);
- Los Angeles County Department of Public Works (LACDPW);
- City of Los Angeles Department of Transportation (LADOT);
- Southern California Regional Rail Authority (SCRRA);
- Council of Governments of San Gabriel Valley, Gateway Cities, Westside Cities, South Bay Cities, and Las Virgenes- Malibu;
- County's sub-regions of Central Los Angeles, North Los Angeles County, San Fernando Valley, and Arroyo Verdugo Cities;
- The Port of Los Angeles and the Port of Long Beach;
- South Coast Air Quality Management District (AQMD);
- Orange County Transportation Authority (OCTA);
- Other Southern California counties (if alternatives could have an impact);
- Los Angeles Area Chamber of Commerce;
- San Gabriel Valley Economic Partnership;
- South Bay Economic Development Partnership;
- Valley Industry and Commerce Association (VICA);
- American Trucking Associations;
- Automobile Club of Southern California (AAA);
- American Association of State Highway and Transportation Officials (AASHTO);
- United States Department of Transportation (USDOT), including the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA).

The Contractor shall, but not limited to, work with these transportation agencies and community groups and with the general public and the region's decision-makers to develop and execute the Outreach Plan. This plan shall allow narrowing the number of congestion pricing alternatives with the most potential for implementation in Los Angeles County by the year 2010 to three alternatives. Although the focus of the Operating Plan is on congestion pricing alternatives that can be implemented in the short-term, the Contractor shall also identify stakeholder outreach strategies to ensure the sustainability of alternatives after implementation. The Contractor shall, but no limited to, perform the two sub-tasks described below.

2.1 Outreach Activities – The Outreach Plan is an essential element of the Operating Plan. The Contractor shall identify the members of the TAAG and the CAG. These groups shall reflect a variety of interests and ensure a wide range of participation as may be appropriate to adequately reflect regional community concerns and preferences. Similarly, the Contractor shall recommend and conduct outreach activities that take into account the particular characteristics and challenges of each one of the county's sub-regions. The Contractor is expected to be familiar with other outreach efforts in these sub-regions and apply its expertise to ultimately build consensus for implementing congestion pricing. Coordination with staff from Metro's Communications Department will be required for developing and implementing the Outreach Plan. Similarly, the Contractor shall seek guidance from the Ad-Hoc Congestion Pricing Committee and consult with the TAAG and the CAG to prepare a coordinated plan for outreach activities. The Contractor shall, but not limited to, conduct the following:

- Develop and execute a stakeholder outreach workplan and schedule that identifies stakeholder outreach activities and milestones for garnering support and building consensus that will result in a viable congestion pricing program in Los Angeles County by the year 2010;
- Identify local and regional political champions for implementing congestion pricing in Los Angeles County or in its sub-regions;
- Implement a communications strategy to raise awareness about congestion pricing and other supporting travel demand alternatives and traffic managements strategies, including implementing an education and public awareness strategy (in coordination with Metro's Communications Department);
- Develop website to serve as portal of information about congestion pricing theory, alternatives and applications, to post progress reports related to the Operating Plan, to announce outreach activities, and to allow the general public to provide input and post comments;
- Develop presentation and communication materials in various languages and through different media to address the diverse population of the region, such as fact sheets, newsletters, and DVDs;
- Develop a database of key stakeholders in Los Angeles County (and from outside the region, as appropriate) utilizing existing databases when possible;
- Initiate stakeholder contacts, coordinate meetings, and actively participate in up to 50 meetings and/or presentations during the 12-month period of the contract;
- Prepare monthly progress reports on outreach activities for Metro management review;
- Provide Metro staff with oral and written summaries of all the meetings held in the region, including minutes and presentations;
- Develop presentation materials in the form most adequate (e.g., overhead transparencies, slides, MS PowerPoint or other computer generated presentation materials). These materials, whether hard copies or electronic versions, shall become the property of Metro.

2.2 Market Research Activities – To assist in developing the Outreach Plan, the Contractor shall identify any market research needs for gauging public awareness and opinion about congestion pricing alternatives. The Contractors shall design and conduct surveys and focus groups to gauge revealed and stated preferences among decision makers, interest groups, and the general public regarding travel behavior, transportation options, congestion pricing alternatives, level of service, and funding mechanisms, among other. The stated preference surveys shall include statistically representative samples comprising different interest and stakeholder groups. These surveys and focus groups, or any other methodology to gauge public perceptions about congestion pricing alternatives, shall also comprise a statistically representative sample of the diverse population and income groups of Los Angeles County. In this regard, the Contractor shall assume a confidence interval of at least 90 percent in determining the statistical representative samples when conducting market research to assess the perceptions of different socio-economic and stakeholder groups, political leaders, and geographic sub-regions regarding congestion pricing alternatives and their potential for implementation in Los Angeles County. The Contractor shall, but not limited to, perform the following:

- Develop and execute a market research workplan to assist in building consensus among the general public, politicians, and stakeholders about implementing congestion pricing in Los Angeles County or any of its sub-regions by the year 2010;
- Identify target populations and methods for gathering and analyzing public input;
- Design and conduct surveys and focus groups to determine the current understanding of regional stakeholders, decision-makers, and the general public about congestion pricing;
- Determine the likelihood of support for the implementation of congestion pricing alternatives in Los Angeles County and identify the most important factors influencing public and political support or opposition;
- Determine the willingness to pay and the perceived value of time savings resulting from improved system performance due to a decrease in travel delay and increased travel time reliability;
- Assess the public perceptions about parking pricing and other travel demand strategies, as well of active traffic management strategies, in meeting the stated objectives of the Operating Plan;
- Determine potential changing travel behavior and choices as a result of congestion pricing, such as shifting modes, changing departure times, and relocating to different jobs and homes, among other;
- Identify the perceptions of people with certain mobility needs regarding congestion pricing, including those who are disadvantaged, whether socially, economically, physically and/or geographically;
- Identify the relative preference for congestion pricing alternatives for both the short-term and long-term periods;
- Assess the public and political acceptability of different short-term and long-term congestion pricing alternatives, both qualitatively and quantitatively;
- Assess the public and political acceptability of short-term and long-term alternatives other than congestion pricing, both qualitatively and quantitatively, with potential for developing the Operating Plan;
- Identify the perceptions and preferences among the general public and decision makers regarding congestion pricing project/ program revenue allocation, funding eligibility, institutional arrangements for administration and operation, accountability and need for a citizens group to track expenditures and performance, among other.

The Contractor shall use the above information to assist in narrowing the number of congestion pricing alternatives with potential for implementation in Los Angeles County by the year 2010 to three for further analysis.

Market research data shall be analyzed by trip purpose, particularly identifying discretionary and non-discretionary trips taken during peak periods, as well as long versus short distance trips. The Contractor shall design the surveys to get and process information to refine existing regional travel demand forecasting models to allow the simulation of congestion pricing applications. In addition, the Contractor shall use the data and develop statistical models to quantify the public and political acceptability of congestion pricing alternatives, such as by determining price-elasticities.

Task 2.0 Deliverables: A detailed Stakeholder Outreach and Marketing Plan and all materials and actions needed to develop and implement this plan, including: up to 50 meetings (location, date, notices, and minutes); database of stakeholders; presentation materials; and communication products and tools provided in several languages, such as fact sheets,

brochures, newsletters, DVDs and other media, and a website. A detailed Market Research Technical Report summarizing the analysis of data from surveys and other methodologies, including electronic databases of all data collected and processed.

TASK 3.0 Preliminary Congestion Pricing Feasibility Report

The Contractor shall identify a broad range of congestion pricing strategies. As part of this, the Contractor shall provide a brief literature review of congestion pricing alternatives and applications, both in the United States and in other parts of the world, for both passenger travel and goods movement. This review shall summarize outcomes according to a comparable set of performance measures or criteria, preferably consistent with those identified in Task 1.0. The Contractor shall analyze the potential of the congestion pricing alternatives, whether already implemented or still a concept to be tested, for Los Angeles County. In this regard, the Contractor shall segregate those congestion pricing alternatives that have the potential to be implemented in Los Angeles by the year 2010 from those with potential for implementation beyond the year 2010. Any congestion pricing alternatives involving the region's freeways and highways shall be compatible with the Corridor System Management Plan (CSMP) of Caltrans to optimize system performance.

Parallel to this requirement, the Contractor shall identify and recommend other travel demand alternatives (e.g., parking pricing, expanded transit service, etc.) and traffic management strategies that could support congestion pricing applications in Los Angeles County. In addition, the Contractor shall assess which of the alternatives would be helpful to support specific congestion pricing projects. The Contractor shall, but not limited to, complete the requirements described in the following sub-tasks:

3.1 Short-Term Congestion Pricing Alternatives (by the Year 2010)

- Identify a broad range of short-term and long-term congestion pricing strategies;
- Provide a brief literature review of congestion pricing alternatives and applications worldwide;
- Identify congestion pricing alternatives that could be implemented in Los Angeles County by the year 2010;
- Summarize the lessons learned from failed and successful attempts to implement congestion pricing initiatives in cities and regions around the world, discussing at minimum issues related to public and political acceptability, technical feasibility, legislative and regulatory requirements, and project/program implementation and operating costs;
- Assess the potential of short-term congestion pricing alternatives and concepts for implementation in Los Angeles County by the year 2010 using the methodology and evaluation criteria developed in Task 1.2;
- Analyze the potential of other travel demand strategies and traffic management strategies to complement the implementation of congestion pricing alternatives in Los Angeles County by the year 2010;
- Show the results of the evaluation and rank the broad range of congestion pricing strategies that have the potential for implementation in Los Angeles County by the year 2010;
- Recommend at least three congestion pricing strategies, including supporting travel demand and traffic management strategies that have the potential for implementation

- in Los Angeles County by the year 2010, either countywide or in one or more specific sub-regional areas and/or corridors;
- Outline the additional detailed analyses that will be required for each one of the top three ranked congestion pricing strategies for developing the Operating Plan.

3.2 Long-Term Congestion Pricing Alternatives (beyond the Year 2010)

- Identify congestion pricing alternatives and applications worldwide that could be implemented in Los Angeles County beyond the year 2010;
- Assess the potential of long-term congestion pricing alternatives and concepts for implementation in Los Angeles County beyond the year 2010 using the methodology and evaluation criteria developed in Task 1.2;
- Evaluate the potential of congestion pricing applications in Los Angeles County in the long-term based on the feasibility of implementing other technologies that are currently being developed and tested;
- Analyze the potential of other travel demand strategies and traffic management strategies for complementing the implementation of congestion pricing alternatives in Los Angeles County beyond the year 2010;
- Identify and evaluate risks and opportunities;
- Show the results of the evaluation and a preliminary ranking of the broad range of congestion pricing strategies that have the potential for implementation in Los Angeles County beyond the year 2010;
- Recommend the congestion pricing strategies, including supporting travel demand and traffic management strategies that have the best potential for implementation in Los Angeles County beyond the year 2010, either countywide or in one or more specific sub-regional areas and/or corridors;
- Discuss, in general, the steps that would be required to implement congestion pricing strategies in Los Angeles County in the long-term.

The Contractor shall ensure that as part of Task 3.1 and Task 3.2, the broad range of congestion pricing strategies includes the following:

- Evaluate the feasibility of implementing congestion pricing and other travel demand strategies and active traffic management strategies to improve the performance of the region's entire highway system and comply with mandated operating and regulatory requirements to prevent degradation of service. Any proposed congestion pricing alternatives to be implemented in Los Angeles County shall be compatible with the HOV Business Plan developed by Caltrans and complement an overall system management strategy that would also include general purpose lanes, not just HOV lane corridors;
- Evaluate the feasibility of implementing congestion pricing alternatives targeting major traffic generators in Los Angeles County, such as Los Angeles International Airport (LAX);
- Evaluate the feasibility of partnering with neighboring counties in the Southern California Association of Governments (SCAG) region to implement congestion pricing projects, such as extending the State Route 91 Express Lanes in Orange County to Los Angeles County.

Task 3.0 Deliverables: A Preliminary Congestion Pricing Feasibility Report evaluating the viability of implementing congestion pricing strategies in the short-term and in the long-term in

Los Angeles County. This report shall recommend three congestion pricing alternatives with potential for implementation in Los Angeles County in the short-term period (by the year 2010) for further detailed analysis in Phase II of the Work Plan. Similarly, the report shall recommend congestion pricing alternatives with potential for implementation in Los Angeles County in the long-term period (beyond the year 2010).

PHASE II

TASK 4.0 Refined Travel Demand Forecasting Model

The Contractor shall include an assessment of the strengths and weaknesses of the regional travel demand models of Metro, SCAG, and Caltrans for testing the impacts of each one of the top three congestion pricing alternatives identified in Task 3.0.

The Contractor shall recommend a methodology to assess the reliability of the travel demand forecasting model to be used to conduct the analysis for developing the Operating Plan. In this regard, the Contractor shall upgrade only one of the region's travel demand forecasting models to simulate congestion pricing scenarios, provide forecasts, and conduct sensitivity analyses or recommend an alternative approach. The travel demand forecasting model or alternative approach to be recommended by the Contractor shall include market research and travel survey data to evaluate travel behavior and transportation system performance, particularly with respect to the price sensitivity of various socio-economic, transit, and other road user or travel groups. The Contractor shall, but not limited to, perform the following:

- Assess the capabilities of existing regional travel demand models and recommend and implement needed improvements to only one of them to strengthen its sensitivity to congestion pricing and other travel demand market-based strategies;
- Assess the need for additional market research or other data collection to improve the travel demand model, particularly to strengthen the use of income/value-of-time in the mode choice models;
- Refine, calibrate, and validate (at least recommend a methodology if not feasible in the short-term) to a travel demand model capable of simulating travel behavior changes due to pricing, particularly those related to trip generation (including impact on and trip suppression effects, time-of-day decisions and peak spreading effects), trip distribution effects, mode choice, and traffic assignment;
- Refine a travel demand model to allow conducting sensitivity analyses of the top three ranked congestion pricing strategies at various charging levels. The model should also allow conducting sensitivity analyses of congestion pricing strategies versus active traffic management and travel demand strategies (e.g., parking pricing, expanded transit service, rideshare, and telecommuting and other flexible work schedules);
- Prepare model inputs and analyze model outputs to allow for detailed transportation systems analyses at both the county and sub-regional levels for up to three of the top ranked congestion pricing alternatives that were recommended in the previous task of the SOW.

Task 4.0 Deliverables: A refined Travel Demand Forecasting Model capable to simulate transportation system performance at the regional and sub-regional levels from the implementation of each one the top three congestion pricing alternatives that were identified in Task 3.0 for Los Angeles County. This refined model shall allow simulations for a baseline year and for a timeframe consistent with Metro's Long Range Transportation Plan. The Contractor shall document all work performed to develop the refined model Travel Demand Modeling Technical Report and shall provide all relevant data in electronic format that allows further analysis.

TASK 5.0 Transportation System Performance Technical Report

The Contractor shall use the refined travel demand model to test the performance of the region's transportation system by establishing an existing baseline and comparing it against each one of the top three ranked congestion pricing alternatives that were identified in Task 3.0.

The Contractor shall run simulations and conduct sensitivity analyses focusing on the objectives of the Operating Plan, particularly mobility and environmental impacts, and by combining congestion pricing alternatives with other travel demand and/or active traffic management strategies. The analyses should be comprehensive enough to allow developing measures and documenting results that could be used as a base for a "before/after" study, if congestion pricing is ultimately implemented in the region. The timeframe for the analysis shall be consistent with Metro's Long Range Transportation Plan. The Contractor shall, but not limited to, complete the following:

- Perform a baseline run of Los Angeles County's existing transportation system, including its major road network and transit service, to describe current system performance in terms of quantifiable measures on travel demand, congestion levels, transit use, and air quality conditions, among other;
- Develop short-term and long-term forecasts to assess the system's operating performance without any congestion pricing applications;
- Compare the impacts of implementing each one of the top three ranked congestion pricing alternatives that were recommended in Task 3.0 with the existing baseline in terms of the performance measures;
- Assess the impacts of parking management, expanded transit service, and other mobility improvements that will be packaged with each one of the top three ranked congestion pricing alternatives that were recommended in Task 3.0;
- Conduct sensitivity tests to simulate the operating performance of the region's transportation system for scenarios that include additional transportation services and/or improvements that could become feasible due to new revenue generated from the implementation of each one of the top three ranked congestion pricing alternatives that were recommended in Task 3.0.

Task 5.0 Deliverables: A Transportation System Performance Technical Report documenting the analyses of scenarios that include the implementation of each one of the top three congestion pricing alternatives that were identified in Task 3.0 for time frames in the near and long terms, respectively.

TASK 6.0 Technical Feasibility, System Design, and Management Report

The Contractor shall evaluate the technical feasibility for designing, implementing, and managing each one of the top three congestion pricing alternatives for Los Angeles County by the year 2010 and which were identified in Task 3.0. In this regard, the region's transportation stakeholders are pioneers in the area of implementing intelligent transportation systems (ITS) technologies and have relied extensively in developing plans to operationally test them for achieving traffic congestion reduction.

For example, Metro has created a Regional Integration of ITS (RIITS) Network to exchange information between individual ITS projects so as to leverage maximum benefit from investments. Metro has invested in developing a Universal Fare System (UFS) and Transportation Access Pass (TAP) smart cards that allow multi-modal access and fare integration by transit riders across the county's sub-regions. Similarly, the Los Angeles County Department of Public Works has developed the Information Exchange Network (IEN) to share information and control of the various traffic control systems in the region. These examples of the region's transportation related technologies need to be better integrated to maximize benefits, particularly to facilitate the implementation, operation, and administration of congestion pricing alternatives. Therefore, the Contractor is expected to coordinate with staff from Metro and from other regional stakeholders to become familiar with the technologies that they have already been implemented or being considered for implementation. The Contractor shall, but not limited to, perform the following as related to each one of the three congestion pricing alternatives that were recommended in Task 3.0:

- Describe technologies relevant to implementation, operation, administration, and enforcement;
- Evaluate the advantages and disadvantages of different technologies, whether currently available or under development;
- Evaluate the potential of active traffic management related technologies and strategies;
- Consider the potential of technologies that already are being used in Los Angeles County or being considered for implementation, as relevant to the first three requirements of this task, such as: electronic payment and pricing, traveler information, information management, freeway and arterial management, emergency management, incident management, transit management, parking management, and commercial vehicle operations, among other;
- Develop policies, parameters and/or criteria for system design, including safety and privacy considerations;
- Evaluate alternative system design approaches and strategies;
- Analyze alternative revenue generation, procurement, and management strategies, including the feasibility of Public-Private Partnerships;
- Recommend preferred technologies for system design, operation, management, and enforcement.

Task 6.0 Deliverables: A Technical Feasibility, System Design, and Management Report documenting the ITS technologies recommended by the Contractor to support the

implementation, operation, administration, and enforcement of each one of the top three ranked congestion pricing alternatives that were recommended in Task 3.0.

TASK 7.0 Supporting Travel Demand Management Strategies Report

Building on the work done in Phase I, the Contractor shall conduct a more detailed evaluation of the impact of travel demand strategies, including parking pricing, expanded transit service, telecommuting, and flexible work schedules that could support the implementation of each one of the top three ranked congestion pricing alternatives that were recommended in Task 3.0. The Contractor shall, but not limited to, perform the following as related to each one of these three alternatives:

- Assess current parking policies regulating the use and charge rates of on-street and off-street parking facilities and transit fares, rideshare, flexible work schedules, and telecommuting;
- Evaluate the potential application of parking pricing and other travel demand management strategies, as well as of active traffic demand management strategies;
- Analyze the supply and demand for public and private parking facilities by time of the day, as well as for telecommuting and flexible work hour schedules;
- Evaluate the impact of parking charges and transit fares that vary by the time of the day, telecommuting, and flexible work schedules;
- Evaluate and quantify the acceptance of workers and employers of different ranges of parking charges and transit fares, as well of telecommuting and more flexible work schedules;
- Evaluate the potential of Public-Private Partnerships for designing, implementing, and operating programs that allow variable parking pricing and transit fares, telecommuting, and more flexible work hour schedules.

Task 7.0 Deliverables: A Supporting Travel Demand Management Strategies Report documenting the potential of parking pricing and other travel demand strategies, as well as of active traffic management strategies, that support the implementation of each one of the top three ranked congestion pricing alternatives that were recommended for Los Angeles County in Task 3.0.

TASK 8.0 Goods Movement Congestion Pricing Technical Report

The Contractor shall evaluate the need and feasibility of charging fees on the movement of goods through the region's transportation system as part of an overall congestion pricing strategy to be implemented in the region by the year 2010. The Contractor shall analyze this feasibility as related to the implementation of each one the top three congestion pricing alternatives that were recommended in Task 3.0. For this purpose, the Contractor shall review ongoing efforts for charging fees on the movement of goods in the region and consult with Metro staff about relevant studies and projects. The evaluation shall include the quantification of the impacts that charging congestion pricing fees on the movement of goods by truck or rail would have on achieving the stated objectives of the Operating Plan and for implementing each one of the top three ranked congestion pricing alternatives that were previously recommended. In addition, the Contractor shall evaluate the impact of such charges on the extent of public and

political support for implementing each one of these three alternatives. The Contractor shall, but not limited to, perform the following as related to each one of these alternatives:

- Review current and projected goods movement activity in Los Angeles County by rail, road, air, and sea by monetary value, volume, or other appropriate measure and identify surface freight activity patterns, with origins and destinations (if possible by sub-region within Los Angeles County) and the extent of freight traffic to other regions in California and other parts of the country;
- Review studies discussing the impact of current and projected goods movement activity on the region's traffic congestion, air quality, and overall economic development;
- Evaluate the feasibility of congestion pricing charges on goods movement, including those that vary by the time of day, by mode, and/or type of facility, and evaluate their impact on the region's traffic congestion, air quality, and overall economic development;
- Identify any legal, institutional, and administrative issues at the federal, state, and local levels that would need to be considered when imposing congestion pricing charges on goods movement;
- Recommend congestion pricing strategies for trucks which could be implemented by the year 2010 to support the top three ranked congestion pricing alternatives that were recommended in Task 3.0.

Task 8.0 Deliverables: A Goods Movement Congestion Pricing Technical Report evaluating the feasibility of implementing congestion pricing on surface freight activity by the year 2010 in Los Angeles County to support each one of the top three ranked congestion pricing alternatives that were recommended in Task 3.0.

TASK 9.0 Congestion Pricing Financial and Investment Plan

The Contractor shall prepare a financial and investment plan that includes at minimum an evaluation of the revenues, costs, and economic impacts resulting from the implementation of each one of the top three ranked congestion pricing alternatives that were recommended in Task 3.0 of the SOW. The Contractor shall evaluate the financial and economic impacts from implementing congestion pricing on different geographic levels, sectors of the economy, and income groups. The Contractor shall recommend mitigation strategies and quantify their corresponding costs and impacts for implementing each one of the top three ranked congestion pricing alternatives that were identified in Task 3.0. The Contractor shall analyze the financial and economic impacts under the broader concept of environmental justice for low income groups and minorities in terms of accessibility, mobility, and household/ personal budgets, among other. The Contractor shall evaluate the eligible uses of revenue and recommend investment opportunities that are consistent with Metro's Long Range Transportation Plan and with meeting the stated objectives for developing the Operating Plan. In making revenue projections and investment recommendations, the Contractor shall take into consideration the assumptions included in the region's financial forecasting model and transportation plans. In this regard, the Contractor shall assess the validity of these assumptions and recommend changes due to the likely implementation of each one of the top three congestion pricing

alternatives. The Contractor shall, but not limited to, perform the following as related to each one of these alternatives:

- Develop methodologies for conducting financial and economic analyses;
- Compare results with a baseline that excludes congestion pricing;
- Develop more detailed revenue projections based on alternative congestion pricing fee schedules;
- Identify any impacts on the projected revenue from the implementation of active traffic management strategies recommended to complement these alternatives;
- Quantify environmental, economic, and other financial impacts;
- Identify negative financial and economic impacts and recommend appropriate mitigation activities and policies;
- Assess the advantages and disadvantages of having a predetermined expenditure plan for the use of revenues generated for gaining public and political support for implementation;
- Contrast the financial and economic benefits compared to more common revenue generating methods, including financial projections developed by Metro staff;
- Identify various levels of investment (minimum, desirable, required) for infrastructure needs regarding the construction, operation, maintenance, management and administration, and enforcement and conduct Life Cycle analysis to determine the long-term sustainability of these alternatives and of related investments;
- Evaluate the cost-effectiveness and operational efficiency;
- Develop a financial plan for implementing, managing, operating, maintaining, and funding for periods of not less than 30 years from the expected date of implementation and assess various funding and delivery options, such as Public-Private Partnerships (PPP);
- Recommend an investment plan with several potential strategies for using congestion pricing revenue, including possible allocation among the region's stakeholders, and funding eligibility (including a discussion on how to meet nexus requirements), particularly the feasibility for funding expenditures for transit capital, maintenance, and operations that could be incorporated in Metro's Long Range Transportation Plan.

Task 9.0 Deliverables: A Congestion Pricing Financial and Investment Plan that includes an evaluation of the financial and economic impacts resulting from the implementation of each one of the top three ranked congestion pricing alternatives that were recommended in Task 3.0. This plan shall include recommendations related to the distribution and use of revenues generated by the implementation of these congestion pricing alternatives and for a period not less than 30 years.

TASK 10.0 Legislative, Institutional, and Regulatory Technical Report

The Contractor shall assess the legal, institutional, and regulatory requirements that would be needed in Los Angeles County by the year 2010 to implement, manage, operate, maintain, and/or fund each one of the top three ranked congestion pricing alternatives that were recommended in prior tasks of the SOW. The analyses should be comprehensive enough and assess any requirements that would be needed if the implementation of congestion pricing in Los Angeles County is to be expanded to neighboring counties within the SCAG region beyond

the year 2010. The Contractor shall identify required legislative changes, approvals, and agreements at the federal, state, and local levels. In addition, the Contractor shall assess the regulatory role of the administrative agency, potential roles of the private sector, procurement strategies, revenue allocation, and project funding eligibility. The Contractor shall, but not limited to, perform the following as related to each one of the three congestion pricing alternatives recommended in Task 3.0:

- Identify legislative, institutional, and regulatory requirements that would allow the implementation, operation, management, administration, funding, and use of generated revenue;
- Identify existing legislation, amendments, and new legislative actions needed at the federal, state, and local levels to facilitate implementation;
- Assess the need for voter approval, cooperative agreements, nexus requirements, and expenditure plans to facilitate implementation;
- Identify strategies and methodologies to enforce compliance;
- Define successful organizational models used elsewhere that could be adapted for a particular geographic area or specific road corridor in Los Angeles County;
- Identify the authority, roles, and responsibilities of the region's major stakeholders, particularly of the agency or agencies to be responsible for the funding, implementation, administration and management, operation, and maintenance;
- Evaluate the viability of creating a Joint Powers Authority or other institutional structures for design, funding, implementation, operation, and maintenance and recommend management plans accordingly;
- Identify the policies and regulations that should govern the setting of congestion pricing rates, exceptions, geographic coverage (i.e., area, corridor, etc.), and the eligible use and distribution of generated revenue;
- Evaluate the potential risks associated with procurement processes, concession agreements, and other financial, administrative, institutional, and legal agreements;
- Evaluate the advantages and disadvantages of potential institutional and regulatory arrangements with respect to policy and profit considerations, provision of capital, risk assumption, and service quality and monitoring, among other factors.

Task 10.0 Deliverables: A Legislative, Institutional, and Regulatory Technical Report that includes the evaluation of the requirements for implementing each one of the top three ranked congestion pricing alternatives that were recommended in task 3.0, including any relevant applications on goods movement.

TASK 11.0 Congestion Pricing Operating Plan

The Contractor shall develop a detailed Operating Plan for implementing each one of the top three ranked congestion pricing alternatives that were recommended in Task 3.0. The Operating Plan shall provide a comprehensive assessment of the objectives, criteria, and findings identified in the previous tasks regarding the feasibility of implementing congestion pricing in Los Angeles County by the year 2010. In particular, the Operating Plan shall provide revenue projections and evaluate environmental effects, mobility impacts, technical feasibility, and legislative requirements. The Operating Plan shall also describe in detail the outreach and market activities that must be executed to successfully implement each one of the three congestion pricing alternatives.

The Contractor shall develop a detailed operating plan for implementing each one of the top three ranked congestion pricing alternatives that were recommended in Task 3.0 of the SOW. The Contractor shall also identify the Locally Preferred Strategy for Los Angeles County for the year 2010. This plan shall summarize the information and findings from the previous tasks as related to the three top congestion pricing alternatives and include:

- Revenue projections and the evaluation of environmental effects, mobility impacts, legislative requirements, and technical feasibility;
- Institutional and regulatory requirements;
- Conceptual designs and specifications, but at minimum to comprise construction of roadway facilities, equipment, and supporting technologies for enforcement, revenue collection, and performance monitoring;
- Cost project management plan, including detailed cost estimates and schedules;
- Mechanisms for the design, construction, operation, maintenance, and/or funding, including the evaluation of the role of Public-Private Partnerships and the potential of design-build alternatives, among other;
- Compliance with federal, state, and local regulations regarding meeting environmental, planning, and other requirements and clearances, such as the National Environmental Policy Act (NEPA), California Environmental Quality Act (CEQA), Federal Transportation Improvement Program (FTIP), and Environmental Impact Report (EIR);
- Outreach and marketing activities needed prior and post implementation;
- The feasibility and merits of implementing a congestion pricing pilot project to gauge public acceptance and perform operational testing prior to full-scale and/or longer-term (e.g., a HOT lane project as opposed to regional HOT lane network).

Task 11.0 Deliverables: A Congestion Pricing Operating Plan with details for implementing in Los Angeles County by the year 2010 each one of the top three ranked congestion pricing alternatives (or a combination of them) that were recommended in Task 3.0.

TASK 12.0 Congestion Pricing Monitoring Plan

The Contractor shall develop a detailed Congestion Pricing Monitoring Plan to allow evaluating transportation system performance and other criteria as applicable prior and post implementation of each one of the top three ranked congestion pricing alternatives (or a combination of them) that were recommended in Task 3.0. The Contractor shall, but not limited to, perform the following:

- Evaluate transportation system performance and other criteria, such as environmental effects, impact on low income population, revenues and economic impact, and safety, among other.

Task 12.0 Deliverables: A Congestion Pricing Monitoring Plan for evaluating transportation system performance and other criteria prior and post implementation of each one of the top three ranked congestion pricing alternatives (or a combination of them) that were recommended in Task 3.0. At minimum, the Contractor shall recommend monitoring the corresponding operating plans for these three alternatives in terms of revenue projections, recommend

investments, and the evaluation of environmental effects, mobility impacts, technical feasibility, and legislative requirements, among other.

TASK 13.0 Executive Summary

The Contractor shall summarize the findings from the analyses and assessments conducted in previous tasks and draw conclusions about the overall feasibility of implementing congestion pricing in Los Angeles County by the year 2010. The Contractor shall assess the overall reliability of the Operating Plan, particularly as related to the implementation of each one of the top three ranked congestion pricing alternatives that were identified. In this regard, the Contractor shall also summarize the merits of the congestion pricing alternatives recommended for implementation in Los Angeles County by the Year 2010 compared to other funding and travel demand strategies in meeting the stated objectives for developing the Operating Plan. The Contractor shall summarize the recommended designs, technologies, and strategies, as well as institutional, legal, and administrative changes that will be required to facilitate the funding, implementation, operation, and maintenance of each one of the top three ranked congestion pricing alternatives that were recommended, including any relevant applications on goods movement or any combination of them if recommended. The Contractor shall identify public and political acceptability issues that will need to be addressed to minimize risks and increase the likelihood of success of any congestion pricing alternative to be ultimately implemented in Los Angeles County by the year 2010. The Contractor shall also summarize any creative ideas recommended to address any gaps that were identified in the SOW and which are deemed necessary to achieve the objectives for developing the Operating Plan.

Task 13.0 Deliverables: An Executive Summary that compiles the work and results from the previous tasks of the SOW, as documented in the different reports and plans described in the corresponding deliverables for each one of these tasks.

SUMMARY OF DELIVERABLES

The Contractor shall present findings and recommendations to the Ad-Hoc Congestion Pricing Committee and to the Stakeholder and Community groups, as needed. The Contractor shall actively participate in up to 30 meetings and/or presentations during the 12-month period of the contract.

Any materials related to these presentations shall become the property of Metro. In addition, the Contractor shall provide all databases prepared for developing the Operating Plan, including data obtained and processed from market research efforts for developing the Outreach Plan and the travel demand forecasting model. In addition, the Contractor shall provide the deliverables described for each one of the task of the SOW, whether technical reports or plan, each with a corresponding executive summary.

The following is a summary of these deliverables:

- **Task 1.0:** Detailed Project Management Plan and Work Program.
- **Task 2.0:** Stakeholder Outreach and Marketing Plan and Market Research Technical Report.

- **Task 3.0:** Preliminary Congestion Pricing Feasibility Report.
- **Task 4.0:** Refined Travel Demand Forecasting Model and Travel Demand Modeling Technical Report.
- **Task 5.0:** Transportation System Performance Technical Report.
- **Task 6.0:** Technical Feasibility, System Design, and Management Report.
- **Task 7.0:** Supporting Travel Demand Management Strategies Report.
- **Task 8.0:** Goods Movement Congestion Pricing Technical Report.
- **Task 9.0:** Congestion Pricing Financial and Investment Plan.
- **Task 10.0:** Legislative, Institutional, and Regulatory Technical Report.
- **Task 11.0:** Congestion Pricing Operating Plan.
- **Task 12.0:** Congestion Pricing Monitoring Plan.
- **Task 13.0:** Executive Summary.

Six hard copies and one electronic copy of all required documents shall be submitted to the Metro Project Office.

This shall include color copies of maps, figures, charts, or other graphic display of information. In addition, the Contractor shall provide these reports, including maps, figures, charts, and databases in an editable electronic format

Metro Project Team will provide acceptance/comments within five (5) business days after receipt of draft documents; comments shall be incorporated into Final documents within five (5) business days after receipt of comments.