



# **Toll Operations Cost of Service Analysis FY 2013**

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# Tolling Facilities

## Current toll facilities:

- Tacoma Narrows Bridge
- SR 167 HOT Lanes
- SR 520 Bridge



# Background

- **2009 Joint Transportation Committee Toll Operations Costs Expert Review Panel Recommendation**

“Determine fixed and variable costs of *key customer service account and payment method activities* and establish a management process to report on the same as performance indicators and other information that can be used to modify business rules.”

- **Premise of the analysis is to understand cost drivers to allow the Toll Division to better evaluate its cost drivers and the effects of its business rules.**

# Setting Expectations

- **Analysis represents appropriated Toll Division expenses rather than actual costs incurred by the vendor**
  - Services only customer service center contract, no direct insight into vendor's actual expenses
  - Informed by the vendor that their actual expenses exceed the value of the original contract
  - Due to a settlement agreement, actual vendor payments have been reduced from the original contract terms
- **Directionally accurate but not precise due to data quality issues**

# Payment Methods

- **Toll booths**

- Pay with cash or credit card (only available on Tacoma Narrows Bridge)



- **Electronic Tolling**

- *Good To Go!* Pass (available on Tacoma Narrows Bridge, SR 520 and SR 167)
- Photo Tolling (only available on Tacoma Narrows Bridge and SR 520)
  - Pay By Plate
  - Pay By Mail
  - Short Term Account



# Tacoma Narrows Bridge

## FY 2013 Results

Transaction Type	Transaction Count <sup>1</sup>	Cost to Operate and Maintain <sup>2</sup>	Cost to Collect <sup>3</sup>	Cost to Operate and Maintain <sup>2</sup>	Cost to Collect <sup>3</sup>
		All Funding Sources		Toll Funding Only	
Good To Go! Pass	9,093,586	\$0.46	\$0.32	\$0.43	\$0.30
Tollbooth	3,297,580	\$1.22	\$1.07	\$1.20	\$1.05
Pay By Mail	658,260	\$1.26	\$1.11	\$1.21	\$1.07
Pay By Plate	565,304	\$0.57	\$0.44	\$0.53	\$0.40
Non-Revenue	3,650	\$0.41	\$0.26	\$0.38	\$0.24
Short Term Account	563	\$7.26	\$7.03	\$6.94	\$6.71
Weighted Average	13,618,943	\$0.69	\$0.55	\$0.66	\$0.52

<sup>1</sup> Transaction counts for this analysis have been adjusted to represent final disposition.

<sup>2</sup> Cost to Operate and Maintain excludes debt payments, transponder costs, capital outlays for software, and adjudication costs.

<sup>3</sup> Cost to Collect is a subset of Cost to Operate and Maintain and additionally excludes insurance, supporting roadway expansion, maintaining bridges/roads, providing ongoing bond support, patrol services, and services rendered by other state agencies or government.

# SR 167 HOT Lanes

## FY 2013 Results

Transaction Type	Transaction Count <sup>1</sup>	Cost to Operate and Maintain <sup>2</sup>		Cost to Collect <sup>3</sup>	
		All Funding Sources		Toll Funding Only	
Good To Go! Pass	1,005,355	\$1.12	\$0.71	\$0.99	\$0.63
Non-Revenue	26,877	\$0.97	\$0.65	\$0.84	\$0.57
Pay By Plate	N/A	N/A	N/A	N/A	N/A
Short Term Account	N/A	N/A	N/A	N/A	N/A
Pay By Mail	N/A	N/A	N/A	N/A	N/A
Tollbooth	N/A	N/A	N/A	N/A	N/A
Weighted Average	1,032,232	\$1.11	\$0.71	\$0.99	\$0.63

<sup>1</sup> Transaction counts for this analysis have been adjusted to represent final disposition.  
<sup>2</sup> Cost to Operate and Maintain excludes debt payments, transponder costs, capital outlays for software, and adjudication costs.  
<sup>3</sup> Cost to Collect is a subset of Cost to Operate and Maintain and additionally excludes supporting roadway expansion, maintaining bridges/roads, providing ongoing bond support, patrol services, and services rendered by other state agencies or government.

# SR 520 Bridge

## FY 2013 Results

Transaction Type	Transaction Count <sup>1</sup>	Cost to Operate and Maintain <sup>2</sup>	Cost to Collect <sup>3</sup>	Cost to Operate and Maintain <sup>2</sup>	Cost to Collect <sup>3</sup>
		All Funding Sources		Toll Funding Only	
Good To Go! Pass	14,094,962	\$0.45	\$0.31	\$0.41	\$0.29
Pay By Mail	3,214,463	\$1.14	\$0.98	\$1.08	\$0.94
Pay By Plate	2,560,756	\$0.53	\$0.40	\$0.49	\$0.37
Non-Revenue	109,381	\$0.62	\$0.25	\$0.58	\$0.23
Short Term Account	6,785	\$7.16	\$6.97	\$6.84	\$6.66
Tollbooth	N/A	N/A	N/A	N/A	N/A
Weighted Average	19,986,347	\$0.57	\$0.43	\$0.53	\$0.40

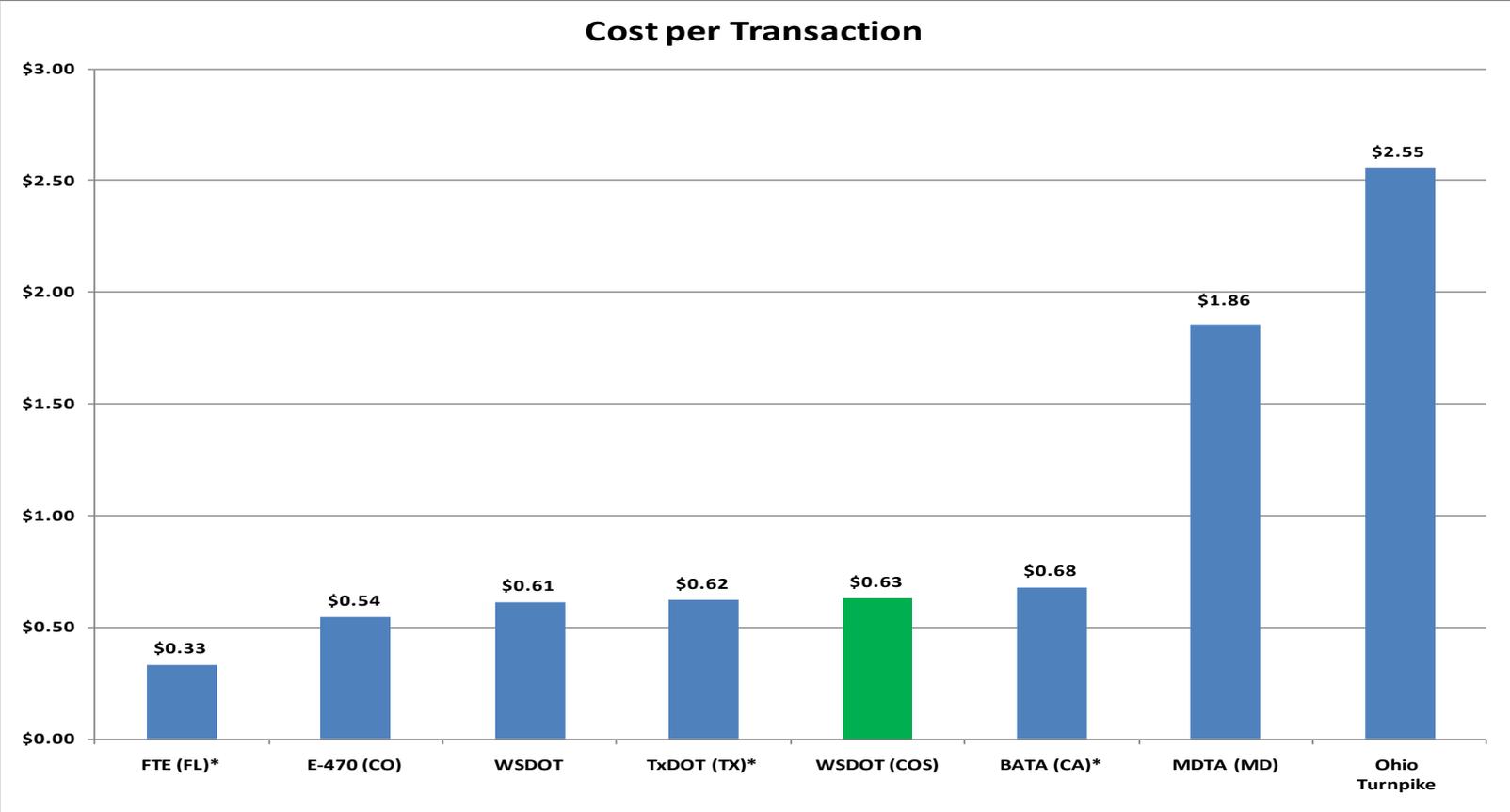
<sup>1</sup> Transaction counts for this analysis have been adjusted to represent final disposition.

<sup>2</sup> Cost to Operate and Maintain excludes debt payments, transponder costs, capital outlays for software, and adjudication costs.

<sup>3</sup> Cost to Collect is a subset of Cost to Operate and Maintain and additionally excludes supporting roadway expansion, maintaining bridges/roads, providing ongoing bond support, patrol services, and services rendered by other state agencies or government.

# Agency Comparisons

## Cost to Operate and Maintain



- Peer agency comparisons are based on agencies' published financial statements from 2013; those marked with an asterisk are from 2012. WSDOT information shown in blue is from the FY 2013 financial statements; information shown in green is the averaged cost to operate and maintain from the FY 2013 Cost of Service analysis.
- Only FTE and Ohio Turnpike report interest expenses under Operating Expenses; all other agencies report interest expenses under Non-Operating Revenue (Expenses), so interest expenses have been removed from the analysis.

# For questions or further information...

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