



REVISED
OPERATIONS COMMITTEE
OCTOBER 16, 2003-JANUARY 15, 2004

SUBJECT: METRO FREEWAY SERVICE PATROL

ACTION: AUTHORIZE THE CEO TO EXECUTE NINE CONTRACTS FOR THE METRO FREEWAY SERVICE PATROL PROGRAM

RECOMMENDATION

Authorize the Chief Executive Officer to execute 9 three-year Metro Freeway Service Patrol (FSP) contracts for a total amount not-to-exceed \$11,572,088 to the following contractors:

| Beat | Contractor | Amount | Contract Period |
|-------------|---|---------------|------------------------|
| 3 | Hollywood Independent Towing, Los Angeles | \$ 1,429,201 | 051/01/04-0412/130/06 |
| 4 | Tow Masters, Los Angeles | \$ 1,725,545 | 051/01/04-0412/130/06 |
| 6 | LA's Bestway, Los Angeles | \$ 1,087,238 | 062/01/04 - 051/31/07 |
| 8 | Al's Towing, Alhambra | \$ 1,171,035 | 062/01/04 - 051/31/07 |
| 10 | Mid Valley Towing, North Hollywood | \$ 1,390,351 | 062/01/04 - 051/31/07 |
| 22 | Girard & Peterson, Burbank | \$ 1,159,897 | 062/01/04 - 051/31/07 |
| 35 | Girard & Peterson, Burbank | \$ 913,863 | 073/01/04- 062/3028/07 |
| 39 | LA's Bestway, Los Angeles | \$ 1,166,792 | 073/01/04- 062/3028/07 |
| 40 | J&M Towing, Alhambra | \$ 1,528,166 | 073/01/04- 062/3028/07 |
| Total | | \$11,572,088 | |

RATIONALE

Earlier this year staff attempted to solicit tow truck services for the Freeway Service Patrol (FSP) Program. But in April they discovered that it was a challenge to establish from the program requirements and solicitation evaluation criteria which bidders were the most responsible and responsible bidders. So, staff rejected six of the seven apparently low bidders and decided to reevaluate the requirements and criteria. Staff wrote a new, and more precisely worded, IFB document that made it easier to successfully compete the solicitation.

~~In April 2003, due to problems with our procurement process, staff rejected six of the seven low-bidders for FSP services. Staff wrote a new, more precisely worded IFB document, enabling a successfully complete solicitation~~

In this procurement action, staff is recommending nine tow truck operators to the Board. Among them are three operators that are new to the FSP Program. This increases the number of operators under FSP contracts from 19 to 22, making available to the traveling public additional certified drivers and enlarging the number of small firms doing business with MTA.

These contracts, as all FSP contracts, are awarded for three-year periods. They will commence on staggered dates— ~~May January 1, June February 1 or July March 1, 2004~~— to accommodate the tow truck operators who must perform particular start-up tasks such as hiring and training drivers, procuring and equipping tow trucks, and installing radio communications equipment that MTA has provided. As part of the refined requirements, all tow trucks will be required to have the FSP logo affixed to their vehicle. Since the existing contracts will expire before these new contract start dates, they will be amended through an administrative process to avoid short-term reductions in service.

Background

The Los Angeles County Metro FSP program is the largest of its kind in the nation. The Metro FSP helps improve mobility on freeways throughout the metropolitan Los Angeles County area by reducing the time to respond and clear freeway incidents. The program consists of 40 beats (designated freeway segments) served by 147 tow trucks that patrol over 400 miles of congested freeways during weekday peak hours, and, on selected beats, during the weekday midday and weekends. Nineteen different private contractors perform this service for the Los Angeles County Metro FSP program. The Metro FSP operation provides an average of nearly 30,000 assists per month.

Metro FSP data sources show that wait time for FSP service is less than 5 minutes on over 70% of all vehicle assists. Metro FSP is first on the scene for 85% of freeway incidents that occur during FSP service hours. Service hours are typically: Monday through Friday 6–10 a.m. and 3–7 p.m.; reduced service during midday 10am–3pm; and on weekends 10 a.m.–6:30 p.m. The latest benefit-cost analysis performed by UC Berkeley documented an average benefit-cost ratio of almost 15:1 for the Los Angeles program, the highest in the State.

FINANCIAL IMPACT

Funding of \$16,500,000 for FSP service is included in the FY04 budget in cost center 3352 under project 300070, Freeway Service Patrol. Since these are multi-year contracts, the cost center manager and Deputy Chief Executive Officer will be accountable for budgeting the cost for future years. In FY03, approximately \$14,200,000 was expended on this line item.

ALTERNATIVES CONSIDERED

MTA can decide to extend existing contracts under the current terms and conditions for the three-year period. This option is not recommended because the cost-effectiveness of an aging

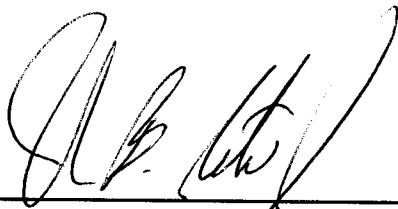
vehicle fleet decreases significantly after the third year due to increased need for vehicle maintenance and would have a negative impact on the operation.

MTA can also decide to stop contracting the FSP service. This option is also not recommended as this program has proven to be a cost effective strategy in reducing freeway congestion and is highly appreciated by the motoring public.

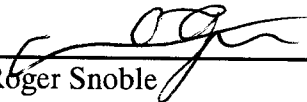
ATTACHMENT(S):

- A Procurement Summary
- A-1 Procurement History
- A-2 List of Recommended Bidders
- B FSP Map

Prepared by: Al Martinez, FSP Program Manager
Victor Ramirez, Contracts Manager



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**ATTACHMENT A
PROCUREMENT SUMMARY**

METRO FREEWAY SERVICE PATROL, 9 FSP BEATS

| | | | |
|-----|--|--|--|
| 1. | Contract Number: Various | | |
| 2. | Recommended Bidders: See Attachment A-2 | | |
| 3. | Cost/Price Analysis Information: | | |
| | A. Bid/Proposed Price: \$11,572,088 | Recommended Price: \$11,572,088 | |
| | B. Details of Significant Variances are in Attachment A-1.D | | |
| 4. | Contract Type: IFB, firm fixed hourly rates over a three-year period | | |
| 5. | Procurement Dates: | | |
| | A. Issued: 5-30-03 | | |
| | B. Advertised: 5-30-03 | | |
| | C. Pre-bid Conference: 6-11-03 | | |
| | D. Bids Due: 8-01-03 | | |
| | E. Pre-Qualification Completed: 8-28-03 | | |
| | F. Conflict of Interest Form Submitted to Ethics: 08-21-03 | | |
| 6. | Small Business Participation: No goal recommended | | |
| | A. Bid Goal: 0.0% | Date Small Business Evaluation Completed: N/A | |
| | A. Small Business Commitment: N/A | | |
| 7. | Invitation for Bid Data: | | |
| | Notifications Sent: 390 | Bids/Proposals Picked up: 28 | Bids/Proposals Received: 16 |
| 8. | Evaluation Information: | | |
| | A. Bidders/Proposers Names: List of bidders is in Attachment A-2 | <u>Bid/Proposal Amount:</u> \$11,572,088 | <u>Best and Final Offer Amount:</u> N/A |
| | B. Evaluation Methodology: Lowest responsive and responsible bidder & Price Analysis | | |
| 9. | Protest Information: | | |
| | A. Protest Period End Date: 9-26-03 | | |
| | B. Protest Receipt Date: TBD | | |
| | C. Disposition of Protest Date: TBD | | |
| 10. | Contract Administrator: Jim Nolan | Telephone Number: 922-1033 | |
| 11. | Project Manager: Al Martinez | Telephone Number: 922-2956 | |

**ATTACHMENT A-1
PROCUREMENT HISTORY**

METRO FREEWAY SERVICE PATROL, 9 FSP BEATS

A. Background on Contractors

All contractors have been in the towing business for at least three years. The California Highway Patrol and Caltrans have inspected their business locations. Each contractor must meet certain vehicle and facility qualifications in order to be considered for contract award.

Seven contractors will be awarded a total of nine contracts. Contractors are limited to an award of no more than two contracts (beats) each.

| | Contractor | Previous MTA Experience |
|----|------------------------------|--------------------------------|
| 1. | Hollywood Independent Towing | No |
| 2. | Tow Masters | No |
| 3. | LA's Bestway | Yes |
| 4. | Al's Towing | Yes |
| 5. | Girard & Peterson | Yes |
| 6. | Mid Valley Towing | No |
| 7. | J&M Towing | Yes |

B. Procurement Background

This present procurement FSP03A is the reissue of previous Invitation For Bid FSP03 for ten FSP beats. Nine of the ten FSP beats are covered by FSP03A. One beat was previously awarded by Board motion.

In the course of investigating issues raised by contractor protests, staff determined that FSP03 was sufficiently flawed, due to problems with evaluation factors and contractor qualifications, as to require the IFB to be revised and reissued. Only one beat was awarded by motion of the Board pursuant to FSP03. Nine beats were not awarded at that time. Accordingly, a revised IFB for nine beats, FSP03A, was developed, advertised and reissued. This resulted in receipt of 16 bids and subsequent selection of seven responsive, responsible bidders to be awarded a total of nine beats.

ABA Towing and Best Car Towing were disqualified from award recommendation and deemed non-responsible. Both of these contractors had lapses in their state-mandated motor carrier permits (MCP) for the required 12-month period prior to the bid submittal date. ABA Towing had a lapse in their MCP permit from 7/31/02 through 5/15/03 and again from 7/31/03 through 8/15/03. Best Car Towing had a lapse in their MCP permit from 1/31/03 through 3/18/03. There were additional minor irregularities regarding MCP permits which were deemed negligible due to

administrative policies with the Department of Motor Vehicles regarding dates of payment and corresponding posting date of MCP permits.

The recommended bid price of \$11,572,088 for a three-year period is based on hourly unit rates stated in different bids received from 16 contractors. These unit rates were determined to be fair and reasonable based on price analysis selection of the lowest responsible and responsive bidders.

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Voluntary Anticipated Level of Participation (VALP) goal for this procurement. The contract services required for the Metro Freeway Service Patrol (FSP) Program do not involve subcontracting opportunities. Based on industry practices, it is expected that the Prime FSP Contractor will provide all the services, equipment and/or supplies required without subcontracting. Notwithstanding, DEOD records show that in this Board action, 22.2% of the beats will be awarded to Minority Business Enterprises. Overall, 29.3% of the Metro Freeway Service firms participating in the program are owned and operated by Minority Business Enterprises.

C. Evaluation of Bids

- Bidder # 1 Hollywood Independent Towing's bid in the amount of \$1,429,201 is in full compliance with the technical and bid specifications.
- Bidder # 2 Tow Master's bid in the amount of \$1,725,545 is in full compliance with the technical and bid specifications.
- Bidder # 3 LA's Bestway's bids in the amount of \$1,087,238 and \$1,166,792 are in full compliance with the technical and bid specifications.
- Bidder # 4 Al's Towing's bid in the amount of \$1,171,035 is in full compliance with the technical and bid specifications.
- Bidder # 5 Mid Valley Towing's bid in the amount of \$1,390,351 is in full compliance with the technical and bid specifications.
- Bidder # 6 Girard and Peterson's bids in the amount of \$1,159,897 and \$913,863 are in full compliance with the technical and bid specifications.
- Bidder # 7 J & M Towing's bid in the amount of \$1,528,166 is in full compliance with the technical and bid specifications.

D. Cost/Price Analysis Explanation of Variances

The recommended unit rates are higher than the current historical unit rates due to escalation and increases in the cost of labor, insurance and the uncertainty of fuel prices over the three-year term of the contract. In addition, the dedicated vehicle requirement may have impacted the hourly rates.

These unit rates were determined to be fair and reasonable based upon selection of the lowest responsive and responsible bidders and adequate price competition.

| | CONTRACT | RECOMMENDED UNIT RATE | HISTORICAL UNIT RATE | PRICE VARIANCE |
|----|-----------------|----------------------------------|---------------------------------|---------------------------|
| 1. | FSP03A-3 | \$44.45 | \$37.32 | \$7.13 |
| 2. | FSP03A-4 | \$44.33 | \$37.29 | \$7.04 |
| 3. | FSP03A-6 | \$41.00 | \$39.00 | \$2.00 |
| 4. | FSP03A-8 | \$44.16 | \$37.16 | \$7.00 |
| 5. | FSP03A-10 | \$47.92 | \$39.10 | \$8.82 |
| 6. | FSP03A-22 | \$43.75 | \$34.99 | \$8.76 |
| 7. | FSP03A-35 | \$45.45 | \$35.35 | \$10.10 |
| 8. | FSP03A-39 | \$44.00 | \$39.00 | \$4.90 |
| 9. | FSP03A-40 | \$46.00 | \$37.49 | \$8.51 |

**ATTACHMENT A-2
METRO FREEWAY SERVICE PATROL, 9 FSP BEATS**

LIST OF RECOMMENDED BIDDERS

| Beat | Contractor |
|-------------|------------------------------|
| 3 | Hollywood Independent Towing |
| 4 | Tow Masters |
| 6 | LA's Bestway |
| 8 | Al's Towing DBE/MBE |
| 10 | Mid Valley Towing |
| 22 | Girard & Peterson |
| 35 | Girard & Peterson |
| 39 | LA's Bestway |
| 40 | J&M Towing DBE/MBE/SBE |

LIST OF BIDDERS

| | Contractor |
|-----|-------------------------------|
| 1. | ABA Towing |
| 2. | Al's Towing |
| 3. | Best Car Towing |
| 4. | Citywide Towing |
| 5. | Girard & Peterson |
| 6. | Hadley Towing |
| 7. | Hollywood Car Carrier Service |
| 8. | Hollywood Independent Towing |
| 9. | J&M Towing |
| 10. | Jon's Towing |
| 11. | LA's Bestway |
| 12. | Mid Valley Towing |
| 13. | Navarro's Towing |
| 14. | Panorama Towing |
| 15. | Sunset Towing |
| 16. | Tow Masters |

