

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	<b>Contract Period</b>
3	Hollywood Independent Towing, Los Angeles	\$ 1,429,201	051/01/04-0412/130/06
4	Tow Masters, Los Angeles	\$ 1,725,545	0 <u>5</u> 1/01/04- <u>04</u> 12/1 <u>30</u> /06
6	LA's Bestway, Los Angeles	\$ 1,087,238	0 <u>6</u> 2/01/04 - 0 <u>5</u> 1/31/07
8	Al's Towing, Alhambra	\$ 1,171,035	0 <u>6</u> 2/01/04 - 0 <u>5</u> 1/31/07
10	Mid Valley Towing, North Hollywood	\$ 1,390,351	0 <u>6</u> 2/01/04 - 0 <u>5</u> 1/31/07
22	Girard & Peterson, Burbank	\$ 1,159,897	0 <u>6</u> 2/01/04 - 0 <u>5</u> 1/31/07
35	Girard & Peterson, Burbank	\$ 913,863	0 <u>7</u> 3/01/04- 0 <u>6</u> 2/ <u>30</u> 28/07
39	LA's Bestway, Los Angeles	\$ 1,166,792	0 <u>7</u> 3/01/04- 0 <u>6</u> 2/ <u>30</u> 28/07
40	J&M Towing, Alhambra	<b>\$ 1,528,166</b>	07 <del>3</del> /01/04- 0 <u>6</u> 2/ <u>30</u> 2 <del>8</del> /07
	Total	\$11,572,088	

#### **RATIONALE**

Earlier this year staff attempted to solicit tow truck services for the Freeway Service Patrol (FSP) <u>Program.</u> 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 lowbidders 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

Réger Snoble

Chief Executive Officer

## ATTACHMENT A PROCUREMENT SUMMARY

#### METRO FREEWAY SERVICE PATROL, 9 FSP BEATS

1.	Contract Number: Various					
2.	Recommended Bidders: See	Attachment	<b>A-2</b>			
3.	Cost/Price Analysis Informat	ion:				
	A. Bid/Proposed Price:			Recommended	d Price:	
	\$11,572,088			\$11,572,088		
	B. Details of Significant Vari					
4.	Contract Type: IFB, firm fixe	ed hourly rat	es o	ver a three-ye	ar perio	od
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:				ness Ev	aluation Completed:
	0.0%				N/	'A
	A. Small Business Commitm	nent: N/A				
7.	Invitation for Bid Data:					
	Notifications Sent: Bids/Proposals Picked up: Bids/Proposals Received:				Proposals Received:	
	390	28 16			16	
8.	Evaluation Information:					
	A. Bidders/Proposers Names:		В	id/Proposal		Best and Final Offer
	List of bidders is in Attachment A-2 Amount: Amount:			Amount:		
	\$\overline{11,572,088}\overline{\overline{N/A}}				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: TB					
	C. Disposition of Protest Dat	e: TBD				!
10.	Contract Administrator:			lephone Num	ber:	
	Jim Nolan		92	2-1033		
11.	Project Manager:		Te	lephone Num	ber:	
	Al Martinez		92	2-2956		

### 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 Tov	ving
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

#### ATTACHMENT A-3 FSP MAP



# FSP03 and FSP03A SOLICITATION PROTEST SUMMARY 9 FSP BEATS

## FSP03 Issued 11/01/02

	Protest Date	Protester Prot	Protest Issue Outcome
2/14/03	Hollywood Car Carrier	Facility Fencing Requirement	Protest upheld on $3/11/03$
3/18/03	Girard & Peterson	Motor Carrier Permits (MCP) not valid for entire required period for several	Motor Carrier Permits (MCP) not valid Protest upheld on 4/4/03. Decision made to re- or entire required period for several develop FSP evaluation criteria, scope of work and
		bidders.	to re-solicit IFB.
4/11/03	Hollywood Car	MTA's decision to reject all bids and	Determined not to be an official protest because
	Carrier	re-issue solicitation	IFB includes right to reject and re-solicit.

# FSP03A issued 5/30/03

Protest Date	Protester	Protest Issue	Outcome
9/22/03	ABA Towing	MTA's determination that ABA	Protest Rejected 9/30/03. ABA Towing was found to
		Towing did not meet the MPC	have had two significant lapses in their MCP within a
		minimum requirements	12- month period
9/25/03	Hollywood Car	1) MTA's Decision to reject all bids	Protest Rejected on 9/30/03. Allegation concerning
		and to re-issue the IFB.	Mid Valley Towing's MPC is found to be without
		2) MTA's determination that Mid	merit. Charges of Bankruptcy are unfounded. And
		Valley Towing has a valid Motor	decision to reject all bids determined to be an un-
		Carrier Permit.	protestable issue.
		3) Allegation that an un-named	
		recommended awardee recently filed	
		for bankruptcy.	
10/7/03	ABA Towing	Appeal to CEO concerning MTA's	CEO Appeal rejected 10/10/03. ABA Towing was
		determination that ABA Towing did	again confirmed to have had two significant lapses in
		not meet the MPC minimum	their MCP within a 12- month period.
		requirements.	
11/03/03	Hollywood Car	Appeal to CEO concerning	CEO appeal rejected. Staff applies an independent

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Carrier	1) MTA's Decision to reject all bids	review of original allegations, including separate
	and to re-issue the IFB.	Procurement Director and different County Counsel.
	2) MTA's determination that Mid	
	Valley Towing has a valid Motor	The Mid Valley Towing's Motor Carrier permit lapse
	Carrier Permit.	was deemed invalid by MTA staff. The alleged
	3) Allegation that an un-named	
	recommended awardee recently filed	delay.
	for bankruptcy.	



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#### **ATTACHMENT(S):**

- A Procurement Summary
- A-1 Procurement History
- A-2 List of Recommended Bidders
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Prepared by: Al Martinez, FSP Program Manager

Victor Ramirez, Contracts Manager

John B. Catoe, Jr.

Deputy Chief Executive Officer

Roger Snoble

Chief Executive Officer

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	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

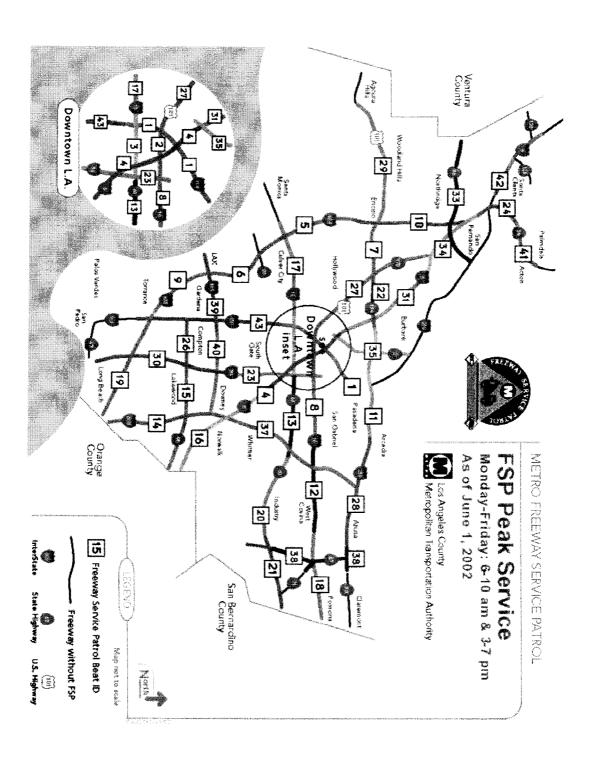
#### LIST OF RECOMMENDED BIDDERS

Beat	Contractor	
3	Hollywood Independent Tov	ving
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

#### ATTACHMENT A-3 FSP MAP



# FSP03 and FSP03A SOLICITATION PROTEST SUMMARY 9 FSP BEATS

## FSP03 Issued 11/01/02

	Protest Date	Protester Prot	Protest Issue Outcome
2/14/03	Hollywood Car Carrier	Facility Fencing Requirement	Protest upheld on $3/11/03$
3/18/03	Girard & Peterson	Motor Carrier Permits (MCP) not valid for entire required period for several	Motor Carrier Permits (MCP) not valid Protest upheld on 4/4/03. Decision made to re- or entire required period for several develop FSP evaluation criteria, scope of work and
		bidders.	to re-solicit IFB.
4/11/03	Hollywood Car	MTA's decision to reject all bids and	Determined not to be an official protest because
	Carrier	re-issue solicitation	IFB includes right to reject and re-solicit.

# FSP03A issued 5/30/03

Protest Date	Protester	Protest Issue	Outcome
9/22/03	ABA Towing	MTA's determination that ABA	Protest Rejected 9/30/03. ABA Towing was found to
		Towing did not meet the MPC	have had two significant lapses in their MCP within a
		minimum requirements	12- month period
9/25/03	Hollywood Car	1) MTA's Decision to reject all bids	Protest Rejected on 9/30/03. Allegation concerning
		and to re-issue the IFB.	Mid Valley Towing's MPC is found to be without
		2) MTA's determination that Mid	merit. Charges of Bankruptcy are unfounded. And
		Valley Towing has a valid Motor	decision to reject all bids determined to be an un-
		Carrier Permit.	protestable issue.
		3) Allegation that an un-named	
		recommended awardee recently filed	
		for bankruptcy.	
10/7/03	ABA Towing	Appeal to CEO concerning MTA's	CEO Appeal rejected 10/10/03. ABA Towing was
		determination that ABA Towing did	again confirmed to have had two significant lapses in
		not meet the MPC minimum	their MCP within a 12- month period.
		requirements.	
11/03/03	Hollywood Car	Appeal to CEO concerning	CEO appeal rejected. Staff applies an independent

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Carrier	1) MTA's Decision to reject all bids	review of original allegations, including separate
	and to re-issue the IFB.	Procurement Director and different County Counsel.
	2) MTA's determination that Mid	
	Valley Towing has a valid Motor	The Mid Valley Towing's Motor Carrier permit lapse
	Carrier Permit.	was deemed invalid by MTA staff. The alleged
	3) Allegation that an un-named	
	recommended awardee recently filed	delay.
	for bankruptcy.	