



Metro

**OPERATIONS COMMITTEE
MAY 20, 2004**

SUBJECT: METRO FREEWAY SERVICE PATROL

**ACTION: AUTHORIZE THE CEO TO EXECUTE TWELVE METRO
FREEWAY SERVICE PATROL CONTRACTS FOR AN AMOUNT
NOT-TO-EXCEED \$15,157,283.**

RECOMMENDATION

Authorize the Chief Executive Officer to execute twelve Metro Freeway Service Patrol (FSP) contracts for a total amount not-to-exceed \$15,157,283 to the following contractors:

Beat	Contractor	Amount	Contract Period
44*	Bob & Dave's Towing, Whittier	\$ 562,495	09/01/04 - 08/31/06
19	J&M Towing, Alhambra	\$ 1,735,272	09/01/04 - 08/31/07
20	Navarro's Towing, Monterey Park	\$ 1,237,860	09/01/04 - 08/31/07
23	City Terrace Service, Los Angeles	\$ 1,273,715	09/01/04 - 08/31/07
12	Al's Towing, Alhambra	\$ 1,214,449	10/01/04 - 09/30/07
14	Kenny's Auto Service, Bellflower	\$ 1,455,915	10/01/04 - 09/30/07
15	Kenny's Auto Service, Bellflower	\$ 1,138,669	10/01/04 - 09/30/07
16	Pepe's Towing, Los Angeles	\$ 1,526,004	10/01/04 - 09/30/07
18	Bob's Towing, Rowland Heights	\$ 1,647,996	11/01/04 - 10/31/07
26	ABA Towing, Los Angeles	\$ 896,974	11/01/04 - 10/31/07
38	Bob & Dave's Towing, Whittier	\$ 959,909	11/01/04 - 10/31/07
41	Hollywood Car Carrier, Los Angeles	\$ 1,508,025	11/01/04 - 10/31/07
Total Amount Not-to-Exceed		\$15,157,283	

* 2-Year Contract

RATIONALE

The contracts being recommended for Board approval will allow the FSP Program to continue assisting stranded freeway motorists along the designated beats for three more years (refer to Attachment A-3 FSP Beat Map for beat locations,). All beats with the exception of Beat 44 are current FSP service areas with expiring contract terms. Beat 44 is located on the recently opened Route 210 extension near the Los Angeles and San Bernardino County Line. Beat 44 is the only two-year contract being recommended for award per the terms of a demonstration project being funded by the AQMD.

The twelve contracts being recommended for Board approval will introduce four new contractors to the FSP Program. The 2-Beat Cap Policy approved by the MTA Board in September 2001 was introduced with the goal of increasing the number of qualified FSP drivers, preventing Contractors from overextending their operational capabilities, and allowing additional small business participation into the FSP Program. This set of expiring contracts will eliminate the last remaining 3-Beat contractors and allows the 2-Beat Cap goal to be fully implemented.

Contract start dates are staggered over a three-month period to accommodate the fleet initiation and radio installation process. Before the radio communications and inspections can take place, contractors are given a three-month mobilization period in order to accommodate contractor start-up tasks (hire and train drivers, procure and equip new tow trucks, furnish decal and signage for all trucks, etc.). The number of contracts that start in any given month is typically limited to four contracts to provide adequate time for the radio installation process (approximately 20 trucks per month). MTA staff installs MTA-owned radio communication equipment. CHP conducts a final inspection and certification of the trucks/drivers prior to the first day of 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. 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 and \$17,500,000 in the proposed FY05 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.

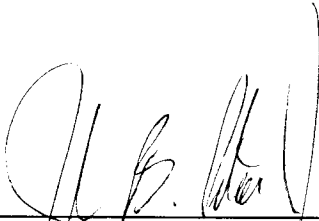
ALTERNATIVES CONSIDERED

MTA can also decide to stop contracting Metro FSP service. This option is 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.

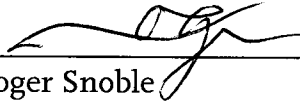
ATTACHMENT (S):

- A. Procurement Summary
- B. Attachment A-1, Procurement History
- C. Attachment A-2, List of Recommended Bidders
- D. Attachment A-3, 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**

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Metro Freeway Service Patrol, 12 Beats

1.	Contract Number: Various		
2.	Recommended Bidders: See Attachment A-2		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$15,157,283	Recommended Price: \$15,157,283	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: IFB, firm fixed hourly rates over a two and three-year period		
5.	Procurement Dates:		
	A. Issued: 01-28-04		
	B. Advertised: 01-28-04		
	C. Pre-bid Conference: 02-17-04		
	D. Bids Due: 03-01-04		
	E. Pre-Qualification Completed: All recommended awardees Pre-Qualified on 04/02/04		
	F. Conflict of Interest Form Submitted to Ethics: 04/08/04		
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: 394	Bids/Proposals Picked up: 27	Bids/Proposals Received: 15
8.	Evaluation Information:		
	A. Bidders/Proposers Names: List of bidders is in Attachment A-2	<u>Bid/Proposal Amount:</u> \$15,157,283	<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: 04/28/04		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Gregory Moore	Telephone Number: 922-7376	
11.	Project Manager: Al Martinez	Telephone Number: 922-2956	

**ATTACHMENT A-1
PROCUREMENT HISTORY**

Metro Freeway Service Patrol, 12 Beats

A. Background on Contractors

All contractors have been in the towing business for at least three years. Each contractor must meet certain vehicle and facility qualifications in order to be considered for contract award. All contractors recommended for award have met the facility and vehicle inspection requirements.

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

	Contractor	Previous MTA Experience
1.	J&M Towing	Yes
2.	Navarro's Towing	Yes
3.	City Terrace Service	Yes
4.	Bob & Dave's Towing	Yes
5.	Al's Towing	Yes
6.	Kenny's Auto Service	Yes
7.	Pepe's Towing	No
8.	Bob's Towing	No
9.	ABA Towing	No
10.	Hollywood Car Carrier	No

B. Procurement Background

Staff made two changes regarding submittal requirements under FSP04, in comparison with the prior solicitation. Namely, FSP04 combined the separate three-year experience requirement and the business permit requirement of FSP03A into a single requirement which calls for bidders to provide "evidence of three (3) consecutive years, beginning immediately prior to bid issuance date, of valid and relevant (i.e., tow) business permit(s)." Secondly, IFB No. FSP 04 required evidence of a current motor carrier permit, instead of mandating that bidders provide proof of a valid motor carrier permit for the previous twelve month period, as required under FSP03A.

The requirement for a current MCP submittal requirement, among other factors to be evaluated by the MTA, will reliably establish that each successful bidder possesses the ability to perform successfully under the terms and conditions of the proposed contract(s). Alternatively, the uncertainties associated with DMV records in establishing the validity of the MCP for a twelve month period could place potential bidders in the untenable position of having its status as a 'responsible' firm jeopardized for reasons that may be entirely outside of its control. Instead, the MTA chose to use the MCP as one of many resources

to make its final determination regarding bidder responsibility, and this method provides the MTA with adequate assurances that the recommended awardee is a responsible firm.

Three separate firms offering low bids were eliminated from the competitive procurement process for varied reasons. First, Reliable Delivery Service did not possess the minimum three (3) years of tow experience required under the terms of the IFB, nor was the firm able to submit proof of its ownership of three (registered) tow vehicles for the twelve month period beginning immediately prior to the bid issuance date. Second, the bid submitted by Vernola's Towing was rejected, as MTA staff determined that unforeseen medical issues with Vernola's key management personnel, and the resulting potential for a substantial cost imbalance in its bid submission, could result in a negative impact on the subject tow services. Vernola's Towing management concurred with the MTA's finding. Lastly, the tow vehicle inspection conducted at All Star Towing by CHP resulted in the assessment of eight (8) separate Vehicle Code violations. Consequently, All Star Towing was deemed non-responsive and disqualified from the competitive procurement process.

Typically, Notices of Intent to Award are forwarded to all bidders, and published on the MTA website, at the same time as the Board Secretary's issuance of the fully approved Board Report to the MTA Board members. However, due to the intensely competitive nature of this particular procurement, staff received authorization to waive this internal policy, after a briefing was provided to MTA Board staff. Thus, the MTA Procurement Department released its Notices of Intent to Award approximately three weeks early, in order to provide its staff with ample time to receive, address, and resolve any disputes or protests from unsuccessful bidders prior to the scheduled May Operations Committee Meeting.

The recommended bid price of \$15,157,283, for a two and three-year period is based on hourly unit rates stated in different bids received from 15 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, twenty-five percent (25%) of the beats will be awarded to Minority Business Enterprises. Overall, thirty-five percent (35%) of the Metro Freeway Service firms participating in the program are owned and operated by Minority Business Enterprises.

C. Evaluation of Bids

Bidder # 1 J&M Towing's bid in the amount of \$1,735,272 is in full compliance with the technical and bid specifications.

- Bidder # 2 Navarro's Towing bid in the amount of \$1,237,860 is in full compliance with the technical and bid specifications.
- Bidder # 3 City Terrace Service's bid in the amount of \$1,273,715 is in full compliance with the technical and bid specifications.
- Bidder # 4 Bob & Dave's Towing's bids in the amount of \$562,495 and \$959,909 are in full compliance with the technical and bid specifications.
- Bidder # 5 Al's Towing's bid in the amount of \$1,214,449 is in full compliance with the technical and bid specifications.
- Bidder # 6 Kenny's Auto Service's bids in the amount of \$1,455,915 and \$1,138,669 are in full compliance with the technical and bid specifications.
- Bidder # 7 Pepe's Towing's bid in the amount of \$1,526,004 is in full compliance with the technical and bid specifications.
- Bidder # 8 Bob's Towing's bid in the amount of \$1,647,996 is in full compliance with the technical and bid specifications.
- Bidder # 9 ABA Towing's bid in the amount of \$896,974 is in full compliance with the technical and bid specifications.
- Bidder # 10 Hollywood Car Carrier's bid in the amount of \$1,508,025 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. Beat 44's higher-than-average hourly rate (\$62.94) was determined to be reasonable because of the uncertainty of the new beat operation as well as the shortened two-year contract period. The two other hourly bid rates for Beat 44 were \$79.50 and \$95.00.

The hourly unit rate for Beat 41 shows a variance of \$30.97 and is within the range of the six contractors who bid for that remotely located service beat. Beat 41 is the longest beat (21 miles) in the FSP program and services an area along Route 14 (Palmdale/Lancaster) that operates at a higher fuel cost because of the steep freeway inclines/declines.

The unit rates were determined to be fair and reasonable based upon selection of the lowest, responsive, responsible bidders.

FST \$62.94

N/A

	CONTRACT	RECOMMENDED UNIT RATE	HISTORICAL UNIT RATE	PRICE VARIANCE
1.	FSP04-19	\$44.00	\$38.24	\$5.76
2.	FSP04-20	\$46.00	\$37.01	\$8.99
3.	FSP04-23	\$43.90	\$37.25	\$6.65
4.	FSP04-44	\$62.94	N/A	N/A
5.	FSP04-12	\$45.13	\$42.26	\$2.87
6.	FSP04-14	\$46.64	\$42.14	\$4.50
7.	FSP04-15	\$46.64	\$42.14	\$4.50
8.	FSP04-16	\$46.00	\$41.69	\$4.31
9.	FSP04-18	\$43.97	\$44.85	- \$0.88
10.	FSP04-26	\$44.61	\$42.14	\$2.47
11.	FSP04-38	\$47.74	\$46.00	\$1.74
12.	FSP04-41	\$74.97	\$44.00	\$30.97

ATTACHMENT A-2

LIST OF RECOMMENDED BIDDERS

Beat	Contractor	
19	J&M Towing	MBE
20	Navarro's Towing	
23	City Terrace Service	MBE
44	Bob & Dave's Towing	
12	Al's Towing	MBE
14	Kenny's Auto Service	
15	Kenny's Auto Service	
16	Pepe's Towing	
18	Bob's Towing	
26	ABA Towing	
38	Bob & Dave's Towing	
41	Hollywood Car Carrier	

LIST OF BIDDERS

No.	Contractor	
1.	ABA Towing	
2.	Al's Towing	MBE
3.	All Star Towing	
4.	Bob's Towing	
5.	Bob & Dave's Towing	
6.	City Terrace Service	MBE
7.	Hadley Towing	
8.	Hollywood Car Carrier Service	
9.	J&M Towing	MBE
10.	Kenny's Auto Service	
11.	Navarro's Towing	
12.	Panorama Towing	
13.	Pepe's Towing	
14.	Reliable Delivery Service	
15.	Vernola's Towing	

ATTACHMENT A-3 FSP MAP

