



**OPERATIONS COMMITTEE
SEPTEMBER 16, 2004**

SUBJECT: METRO FREEWAY SERVICE PATROL

ACTION: AUTHORIZE THE CEO TO EXECUTE FOUR CONTRACTS AND TEN AMENDMENTS FOR THE METRO FREEWAY SERVICE PATROL PROGRAM.

RECOMMENDATION

A. Authorize the Chief Executive Officer to execute four Metro Freeway Service Patrol (FSP) contracts for a total amount not-to-exceed \$5,450,322 to the following contractors:

Beat	Contractor	Amount	Contract Period
7	Panorama Towing, San Fernando	\$ 1,461,724	01/01/05 - 12/31/07
17	Sonic Towing, Los Angeles	\$ 1,443,121	01/01/05 - 12/31/07
24	Jon's Towing, Los Angeles	\$ 960,512	01/01/05 - 12/31/07
31	Sonic Towing, Los Angeles	\$ 1,584,965	01/01/05 - 12/31/07
	Total Amount Not-to-Exceed	\$ 5,450,322	

B. Authorize the Chief Executive Officer to execute ten Metro FSP contract amendments for a total amount not-to-exceed \$820,000 (Attachment B).

RATIONALE

The four contracts being recommended for Board approval will allow the FSP Program to continue assisting stranded freeway motorists along designated beats (refer to Attachment C FSP Beat Map for beat locations) for three years. The four beats are currently in operation, and their contract terms are expiring.

The MTA Board approved in September 2001 a policy to limit the number of beats any one contractor could operate to two. This was approved 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. The contracts being recommended for Board approval will introduce one new contractor to the FSP Program. During the past twelve-month period, five new tow contractors have been awarded contracts to provide FSP service.

FSP contractors are awarded three-year contracts and are given a three-month period to complete the fleet initiation and radio installation process. Before the radio communications and inspections can take place, contractor start-up tasks (hiring and training drivers, procuring and equipping new tow trucks, installing FSP-required decal and signage for all trucks, etc.) must be completed. CHP conducts a final inspection and certification of the trucks/drivers prior to the first day of service.

As with all current FSP contracts, the contracts being recommended for award include a 7% contingency. This contingency allows for minor service adjustments needed for long-term incidents, special events, extended holiday hours, redeployment of backup trucks on other beats when necessary, traffic pattern changes, etc.

The MTA has developed a schedule for the procurement of lapsing tow contracts in which approximately one-third of the 40 contracts are awarded each year. This more effectively utilizes not only procurement, CHP and Caltrans' time leading up to contract award, but it also spreads out the work required of Facilities Maintenance in installing radios on new trucks and de-installing radios from lapsing contractor trucks. During the past fiscal year, there was a delay in obtaining Board approval of a set of tow contracts causing a start-up delay to those contracts. The result of that delay has been an imbalance in this three-year cycle of procurement contracts' scheduling.

It is recommended that several of the existing FSP tow contracts be amended to extend their contract termination dates in order to restore the three-year procurement schedule alignment. The contracts for beats 7, 21, 28, 31, 33, 34, and 37, are recommended for contract extension (Attachment B).

As well, there are three additional contract amendments being recommended for beats 22, 30 and 41. Beats 22 and 30 provide construction support work outside the FSP contracted hours of operation and it is recommended that the contract values be increased by \$150,000 and \$100,000 respectively to support Caltrans' request for additional FSP service during major freeway construction along the affected beats. MTA's cost of FSP construction support is fully reimbursed by Caltrans within their construction traffic management plan budget.

The contract for Beat 41 (in Palmdale) was awarded by the Board in May 2004 with a scheduled November 1, 2004 start date. The contractor agreed to amend its contract to begin service on September 1, 2004; two months prior to the scheduled start date in order to eliminate the gap in service created when the previous contractor declined an MTA request to extend its contracted service date. The gap was being filled using back-up trucks from existing FSP contractors; however, it has been difficult to continue filling this service due to the great distance needed just to get to the beat. By having the new contractor begin its operation on this beat earlier, it relieves the MTA of having to constantly find back-up service from various contractors to assign to the beat.

FINANCIAL IMPACT

Funding of \$2,000,000 for FSP service is included in the 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 FY04, approximately \$16,500,000 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
- A-1 Procurement History
- A-2 List of Recommended Bidders
- B Contract Amendment Summary
- C FSP Beat Map

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John B. Catoe Jr.
Deputy Chief Executive Officer

Roger Snoble

Roger Snoble
Chief Executive Officer

**ATTACHMENT A
PROCUREMENT SUMMARY**

Metro Freeway Service Patrol, 4 Beats

1.	Contract Number: Various		
2.	Recommended Bidders: See Attachment A-2		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$5,450,322	Recommended Price: \$5,450,322	
	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: 06-10-04		
	B. Advertised: 06-10-04		
	C. Pre-bid Conference: 06-24-04		
	D. Bids Due: 07-12-04		
	E. Pre-Qualification Completed: 07-21-04		
	F. Conflict of Interest Form Submitted to Ethics: 08-23-04		
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: 393	Bids/Proposals Picked up: 17	Bids/Proposals Received: 9
8.	Evaluation Information:		
	A. Bidders/Proposers Names: List of bidders is in Attachment A-2	<u>Bid/Proposal Amount:</u> \$5,450,322	<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: 09-10-04		
	B. Protest Receipt Date: 08-27-04		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Ted Sparkuhl	Telephone Number: 922-7399	
11.	Project Manager: Al Martinez	Telephone Number: 922-2956	

ATTACHMENT A-1
PROCUREMENT HISTORY

Metro Freeway Service Patrol, 4 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.

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

	Contractor	Previous MTA Experience
1.	Panorama Towing	Yes
2.	Jon's Towing	No
3.	Sonic Towing	Yes

B. Procurement Background

All Star Towing, Inc. (All Star) was determined to be non-responsive and non-responsible as a result of failing to provide proof of current and valid Motor Carrier Permit (MCP). Procurement devoted considerable time and effort working with the bidder and California Department of Motor Vehicles (DMV) to resolve this deficiency without success. Therefore, All Star was disqualified.

Best Car Towing (Best Car) was non-responsible for failing to provide proof of twelve (12) month prior vehicle registration for a minimum of three (3) sling/wheel-lift style tow trucks. Procurement devoted considerable time and effort working with the bidder to resolve this deficiency without success. Therefore, Best Car was disqualified. They submitted a letter on August 27, 2004 requesting further review/discussion of the details/criteria of their disqualification. Staff is treating this as a protest and preparing a response.

The recommended bid price of \$5,450,322 for a three-year period is based on hourly unit rates stated in different bids received from 9 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 on this contract.

Service firms participating in the program are owned and operated by Minority Business Enterprises.

C. Evaluation of Bids

- Bidder # 1 Panorama Towing’s bid in the amount of \$1,461,724 is in full compliance with the technical and bid specifications.

- Bidder # 2 Jon’s Towing’s bid in the amount of \$960,512 is in full compliance with the technical and bid specifications.

- Bidder # 3 Sonic Towing’s bids in the amount of \$1,443,121 and \$1,584,965 are 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. The unit rates were determined to be fair and reasonable based upon selection of the lowest, responsive, responsible bidders.

	CONTRACT	RECOMMENDED UNIT RATE	HISTORICAL UNIT RATE	PRICE VARIANCE
1.	FSP05-7	\$44.00	\$36.90	\$7.10
2.	FSP05-17	\$43.44	\$37.90	\$5.54
3.	FSP05-24	\$47.77	\$37.25	\$10.52
4.	FSP05-31	\$42.68	\$36.49	\$6.19

**ATTACHMENT A-2
LIST OF RECOMMENDED BIDDERS**

Beat	Contractor	MBE/WBE
7	Panorama Towing	No
17	Sonic Towing	No
24	Jon's Towing	No
31	Sonic Towing	No

LIST OF BIDDERS

No.	Contractor
1.	All Star Towing
2.	Best Car Towing
3.	Classic Tow
4.	Hadley Towing
5.	Jon's Towing
6.	Panorama Towing
7.	Sonic Towing
8.	Tow Masters
9.	US Tow

**ATTACHMENT B
FSP CONTRACT AMENDMENT SUMMARY**

Beat	Contractor	Contract No.	Current Contract Expiration Date	Amended Contract Expiration Date	No. of Months to Extend	Current Contract Amount	Proposed Contract Increase	New Contract Amount	Amendment Justification
7	AFT Services	FSP01-07	11/30/04	12/31/04	1	\$1,324,058	\$60,000	\$1,384,058	Procurement Schedule Alignment
31	AFT Services	FSP01-17	11/30/04	12/31/04	1	\$1,243,878	\$60,000	\$1,303,878	Procurement Schedule Alignment
33	TG Towing	FSP02-33	06/30/05	07/31/05	1	\$1,123,071	\$50,000	\$1,173,071	Procurement Schedule Alignment
34	TG Towing	FSP02-34	06/30/05	07/31/05	1	\$1,097,601	\$50,000	\$1,147,601	Procurement Schedule Alignment
37	Navarro's Towing	FSP02-37	06/30/05	07/31/05	1	\$998,673	\$100,000	\$1,048,673	Procurement Schedule Alignment
21	California Coach	FSP02-21	08/31/05	09/30/05	1	\$1,325,139	\$100,000	\$1,425,139	Procurement Schedule Alignment
28	California Coach	FSP02-28	08/31/05	09/30/05	1	\$1,199,748	\$50,000	\$1,249,748	Procurement Schedule Alignment
30	Frank Scotto Towing	FSP02-30	06/30/05	06/30/05	0	\$1,606,651	\$150,000	\$1,756,651	Caltrans Construction Support
22	Girard & Peterson	FSP03A-22	05/31/07	05/31/07	0	\$1,159,897	\$100,000	\$1,259,897	Caltrans Construction Support
41	Hollywood Car Carrier	FSP04-41	11/31/07	11/31/07	0	1,508,025	100,000	\$1,608,025	Early Start of Contract
Total								\$820,000	

