



Metro

Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE
AUGUST 18, 2005**

SUBJECT: FSP TOWING SERVICES: I-710 BIG RIG DEMONSTRATION

ACTION: AWARD CONTRACT TO U.S. TOW, INC. FOR THE I-710 HEAVY-DUTY BIG RIG TOW DEMONSTRATION PROJECT

RECOMMENDATION

Authorize the Chief Executive Officer to award a three-year contract, Contract No. FSP05-BR1647, to U.S. Tow, Inc. for services associated with the performance of a Metro Freeway Service Patrol (FSP) I-710 Heavy-Duty Big Rig Tow Demonstration project in an amount not-to-exceed \$2,495,454, inclusive of a 7% contingency amount and a one-year option term, starting October 1, 2005.

RATIONALE

Los Angeles freeways are amongst the most congested in the nation. Exacerbating this problem are heavy concentrations of freight vehicles on several area freeways, most significantly on the I-710 (Long Beach) Freeway. Various studies conducted on the I-710 transportation corridor have concluded that a disablement to any heavy-duty truck can significantly increase congestion, thereby negatively impacting travel time and commerce.

The importance of addressing congestion caused by heavy-duty vehicles was referenced in Metro's 2003 Short Range Transportation Plan. That document proposed a need for an assessment to examine the feasibility of instituting Freeway Service Patrol-style service on the I-710 freeway. Based upon the extremely high truck volumes along this freeway, and data obtained from the existing light duty FSP contractors, the conditions are appropriate for performing a FSP big rig tow services demonstration. Moreover, through the commitment, coordination and support of CHP at both the local and State levels, this demonstration will be the first of its kind in the nation focused on freeway congestion caused by freight and goods movement along the I-710 freeway.

The project will extend over a two-year base period starting October 1, 2005 with an available one-year option term. The contractor will use two Metro-owned, heavy-duty tow trucks operating from 5am to 7pm, Monday through Friday, along the I-710 (Long Beach Freeway) from Pacific Coast Highway in Long Beach to just north of the I-5 (Santa Ana Freeway) in East Los Angeles, for a total of 18 miles. The I-710 Big Rig Tow Demonstration will operate much like the current successful FSP program, with the goal of assisting *heavy-duty* vehicles requiring short-term mechanical assistance, when feasible, or providing a tow to a

designated drop location off of the freeway, allowing disabled heavy-duty truck operators to seek longer-term assistance from a provider of their choice.

UC Berkeley's Partners for Advanced Transit and Highways (PATH) will assist Metro by providing a pre- and post-demonstration evaluation. CHP will provide raw freeway incident data to UC Berkeley for the demo evaluations. UC Berkeley will evaluate the demonstration project and offer a recommendation on the feasibility of instituting heavy-duty tow service on heavily traveled truck routes within Los Angeles County, as well as its applicability to other metropolitan areas in California.

FINANCIAL IMPACT

Funding for the I-710 Big Rig demonstration project is provided under a 100% reimbursable funding agreement provided to Metro by the Service Authority for Freeway Emergencies (SAFE). Funding for this project is included in the FY06 budget under cost center 3352, project 300070, Freeway Service Patrol. Since this is a multi-year contract, the cost center manager and Deputy Chief Executive Officer will be accountable for budgeting the cost for future years.

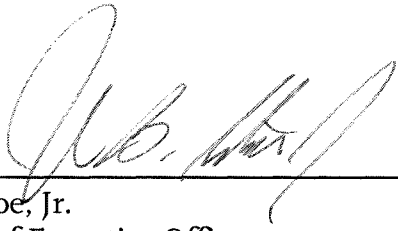
ALTERNATIVES CONSIDERED

The Board may decide not to support this demonstration project. This option is not recommended, as this project is expected to have a positive impact on the I-710 freeway, which is the heaviest traveled truck route in Los Angeles County. The project will also provide valuable data to determine whether this type of new service might also be a practical and feasible solution in other high truck traffic areas of Los Angeles County.

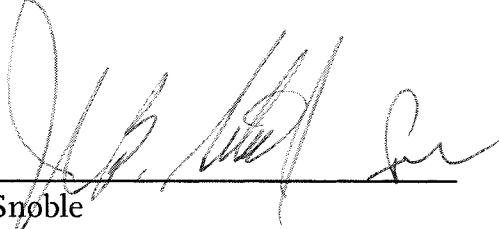
ATTACHMENT (S):

- A Procurement Summary
- A-1 Procurement History
- A-2 List of Recommended Proposer(s)

Prepared by: Al Martinez, FSP Program Manager
Gregory Moore, Sr. Contract Administrator



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**ATTACHMENT A
PROCUREMENT SUMMARY**

FSP Towing Services: I-710 Big Rig Demonstration

1.	Contract Number: FSP05-BR1647		
2.	Recommended Bidder/Proposer: U.S. Tow, Inc.		
3.	Cost/Price Analysis Information:		
	A. Proposed/Recommended Price: \$2,704,104 / 2,495,454	Proposed / Recommended Hourly Rate: \$ 162.00 / \$149.50	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm fixed hourly rate over a two-year period with a one-year option		
5.	Procurement Dates:		
	A. Issued: 2-15-05		
	B. Advertised: 2-15-05		
	C. Pre-proposal Conference: 03-01-05		
	D. Proposals Due: 03-31-05		
	E. Pre-Qualification Completed: 3-24-05		
	F. Conflict of Interest Form Submitted to Ethics: 03-31-05		
6.	Small Business Participation: No goal recommended		
	A. Proposal Goal: 0.0%	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: N/A		
7.	Request for Proposal Data:		
	Notifications Sent: 267	Proposals Picked up: 21	Proposals Received: 3
8.	Evaluation Information:		
	A. Bidders/Proposers Names: 1. Pepe's Tow 2. U.S. Tow, Inc. 3. Frank Scotto Towing	<u>Proposal Amount:</u> 1. \$1,950,022.87 2. \$2,704,104.00* 3. \$1,885,250.00 (* \$3,123,240 Revised)	<u>Best and Final Offer Amount:</u> 1. N/A 2. \$2,495,454 3. N/A
	B. Evaluation Methodology: Responsive and responsible proposer earning the highest total evaluation score based upon weighted evaluation criteria.		
9.	Protest Information:		
	A. Protest Period End Date: 08-23-05		
	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

FSP Towing Services: I-710 Big Rig Demonstration Project

A. Background on Contractors

U.S. Tow, Inc. (U.S. Tow) was incorporated in 1984 and is based in downtown Los Angeles. In 1994, U.S. Tow began providing heavy-duty big rig towing and recovery services on a 24-hour basis for various commercial accounts and government entities. U.S. Tow's current clients include the Los Angeles County Sheriff's Department, Los Angeles City Fire Department and Penske Truck Leasing. The firm has also participated in the California Highway Patrol tow rotation program since 1995, and is the Official Police Garage for the Los Angeles Police Department's Newton Division.

B. Procurement Background

Request for Proposal (RFP) No. FSP05-BR1647 was released on February 15, 2005 and advertised on that date, as well. A pre-proposal conference was held on March 1, 2005. Staff responded to all technical questions and contractor inquiries in the form of RFP amendment numbers 1 and 2. The proposal deadline was March 31, 2005 and three firms (U.S. Tow, Pepe's Tow, and Frank Scotto Towing, respectively) submitted a proposal prior to the stated deadline.

One firm, Pepe's Tow, was deemed non-responsive and eliminated from the competitive procurement process, because the firm did not directly employ the required minimum number of experienced heavy-duty tow operators, as set forth under the terms of the RFP. Thus, only the proposals submitted by Frank Scotto Towing and U.S. Tow were deemed responsive, and both firms were included in the site inspection and driver proficiency phase of the proposal evaluation process.

Since Metro will be consigning Metro-owned tow vehicles to the successful contractor for the term of the demonstration project, the RFP ensured that each firm's maintenance plan, capabilities, and experience would be factored into each proposer's final evaluation score. The Metro Source Selection Committee (SSC) reviewed the overall condition of the respective firm's repair facilities, vehicle service programs (including copies of planned maintenance forms), and available support proposed for the maintenance and service of the consigned, Metro-owned trucks. The SSC also examined available training documentation for mechanics and heavy-duty tow operators, the state of existing maintenance files and file keeping system, and other related qualifications and compliance issues.

The 'driver proficiency' element of the proposal evaluation accounted for 20% of the total evaluation points. Each of the proposers was required to provide Metro with a minimum of five (5) driver/operators with the appropriate training requirements and certifications, as described in the RFP. No more than two of the five operators could be subcontracted by the

respective proposers. Frank Scotto Towing only provided four drivers for the driver proficiency phase of the proposal evaluation, and these four individuals were tested. All of the proposed drivers were interviewed by members of the Source Selection Committee and required to provide a response to several tow incident scenario questions, in order to determine how the drivers would generally respond to a particular tow incident and the specific steps each would undertake in various incidence response situations.

Two of the driver/operators proposed by each firm were then randomly selected to perform a behind-the-wheel proficiency test. The test included an actual vehicle hookup and towing from a simulated accident scene at the Metro Regional Rebuild Center facility and a road test through a designated route on surrounding surface streets. The testing gave the SSC the opportunity to assess the drivers' proficiency including, but not limited to, their ability to safely and properly hook-up a heavy-duty tow vehicle, safely tow a tractor trailer on city streets and/or freeways, back into a pre-designated drop location with a tractor trailer in tow, and troubleshoot mechanical problems.

The drivers from both firms communicated their general understanding of relevant industry principles and practices; however, U.S. Tow's drivers provided greater specificity, detail, and depth of knowledge. Furthermore, Frank Scotto Towing was unable to complete the behind-the-wheel testing phase of the driver proficiency assessment.

C. Evaluation of Proposals

The proposals submitted by U.S. Tow and Frank Scotto Towing were evaluated by the Sole Source Committee (SSC) using the criteria set forth in the Request for Proposal (RFP). The SSC determined that Frank Scotto Towing would not be included in the competitive range and, consequently, was eliminated from further consideration in the procurement process.

U.S. Tow's original proposal, submitted in response to RFP No. FSP05-BR1647, was for an amount of \$2,704,104 for the three-year contract term. The firm's original submission, however, was deficient in terms of the completeness of its proposed costs. Consequently, staff requested a revised proposal from U.S. Tow, which more accurately reflected the anticipated costs associated with the required services. The request by staff for a revised pricing proposal resulted in a substantial price increase, however. U.S. Tow's revised proposal amounted to \$3,123,240, or \$419,136 higher than its original price proposal.

Staff entered negotiations with U.S. Tow and, once the firm's pricing issues were clarified, staff issued a request for Best and Final Offers on June 30, 2005, requiring a formal response prior to July 8, 2005. Staff was able to negotiate a substantial reduction of the revised pricing proposal submitted by U.S. Tow, resulting in a final negotiated cost of \$2,495,454 for the three-year contract period. The SSC then modified its evaluation scoring based upon the firm's original proposal, site inspections, driver proficiency testing and the negotiated pricing terms. U.S. Tow earned a high total evaluation score, based upon the stated criteria (i.e., experience, price, maintenance program inspection and driver capabilities).

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.

D. Cost/Price Analysis Explanation of Variances

Metro has determined that the negotiated price of \$2,495,454, or \$149.50 per hour, for the term of the contract is fair and reasonable based upon perceived price competition associated with the procurement process, a cursory market survey conducted by staff, Metro fact finding regarding contractor costs, MASD audit findings, and the professional assessment of in-house staff and retained consultants.

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

FSP Towing Services: I-710 Big Rig Demonstration Project

Prime Contractor: U.S. Tow, Inc.

Subcontractor(s): None

Total SBE Commitment: 0%