



**OPERATIONS COMMITTEE  
JANUARY 18, 2007**

**SUBJECT: METRO FREEWAY SERVICE PATROL**

**ACTION: APPROVE FREEWAY SERVICE PATROL OPERATIONAL PILOT PROGRAMS & EXTEND EXISTING BEATS**

**RECOMMENDATION**

A. Authorize the Chief Executive Officer to negotiate and execute fourteen contract amendments for the Metro Freeway Service Patrol (FSP) for a total amount not-to-exceed \$3,816,758 including contingencies (See Attachment C).

Beat	Contractor	Contract	Contract Increase	Modified Contract Amount
3	Hollywood Independent Towing	FSP03A-3	\$174,380	\$1,603,681
4	Tow Masters	FSP03A-4	\$210,790	\$1,936,335
6	LA's Bestway Towing Service	FSP03A-6	\$483,667	\$1,570,905
8	Al's Towing	FSP03A-8	\$138,925	\$1,309,960
10	Mid Valley Towing	FSP03A-10	\$166,481	\$1,556,832
15	Kenny's Auto Service	FSP04-15	\$37,203	\$1,269,324
19	J&M Towing	FSP04-19	\$627,614	\$2,362,886
20	Navarro's Towing	FSP04-20	\$477,016	\$1,714,876
22	Girard & Peterson, Inc.	FSP03A-22	\$237,027	\$1,496,924
31	Sonic Towing, Inc.	FSP05-31	\$470,837	\$2,055,802
35	Girard & Peterson, Inc.	FSP03-35	\$214,454	\$1,295,220
38	Bob & Dave's Towing	FSP04-38	\$418,921	\$1,734,898
39	LA's Bestway Towing Service	FSP03A-39	\$69,208	\$1,236,000
40	J&M Towing	FSP03A-40	\$90,235	\$1,618,401
Total			\$3,816,758	

B. Approve Freeway Service Patrol (FSP) Operational Pilot Programs; and,

C. Approve clarifications to FSP Beat Cap Limit Policy.

**ISSUE**

Metro, in partnership with the California Department of Transportation (Caltrans) and the California Highway Patrol (CHP) manages the largest fleet of tow and service trucks in the country. This service is known as the Los Angeles County Metro Freeway Service Patrol (FSP). A fleet of 152 Metro-funded tow trucks assists over 315,000 stranded motorists a year.

These trucks provide service along 41 beats on over 450 miles of Los Angeles County freeways. Currently these beats are contracted to 24 companies.

#### 2007 FSP Procurement Cycle

The current procurement cycle for FSP service contracts has 24 of the 41 beats expiring during the nine months between April and December 2007. Staff is proposing amendments to existing contracts to move some beats into the 2008 procurement cycle. In addition, some terms will be extended within the 2007 cycle to ensure enough Metro and CHP resources are available for equipment installation and inspection of contractor vehicles.

#### FSP Program Cost Effectiveness

The average cost per motorist assist for the FSP program has increased over the last several years from \$49.53 in FY04 to \$62.31 in FY06. This is due in part to the increases in the hourly rate paid to the contractors to operate the service. There are some cost-factors which may lead to continued increase costs during the next procurement. These include:

- Tow-Operator Wages: As tow-operators stay with the program, their wages continue to increase. The contractors have also made Metro aware of the difficulty they are having attracting qualified operators with their current wage structure.
- Fuel Cost: As fuel costs have fluctuated throughout their contracts, staff is anticipating that contractors will be increasing their hourly rates to cover for any unforeseen price spikes during their contract term.
- Vehicle Acquisition: New diesel emissions standards for the type of tow-trucks used in providing FSP service are anticipated to increase the cost of these vehicles in 2007 by approximately 20%.

In order to make the FSP Program more cost-effective and while continuing to provide a high level of service, staff is recommending several pilot programs to test potential efficiency improvements.

#### Super Beat Contracts (Pilot Program)

Staff proposes implementing two "Super Beat" contracts during the 2007 procurement cycles. The Super Beats would be the combination of two adjacent three-truck beats into one larger six-truck beat.

Currently the Metro FSP program has one backup truck per beat. Creating larger beats while continuing to keep the backup trucks at one per beat will reduce the overall number of backups. Staff anticipates the reduction in backup truck and having fixed-costs spread over additional service will lower the unit rate cost for providing the service.

One concern is that the larger number of trucks on the beat and the reduction of one backup truck could compromise the level of service if the contractor is not able to perform. In order to mitigate this concern, staff is recommending that the Super Beat contracts be available to the best performing FSP contractors. The additional requirements for these beats are outlined in Attachment A. Staff estimates that 16 of the 24 current contractors would meet the additional requirements to operate a Super Beat.

Staff recommends creating two pilot Super Beats in the upcoming procurement. The first combination would be Beats 15 & 26 on the 91 Freeway. The second would be Beats 22 & 35 on the 134 and 2 Freeways. Though the implementation of these Super Beats will reduce the number of Beats in the program by two, this is offset by the two additional grant-funded beats added in 2006. There will still be many opportunities for both existing and new companies to bid on FSP contracts.

#### Four-Year Contracts (Pilot Program)

By increasing the contracts from a three-year to a four-year term, it is anticipated that the contractor's fixed-costs will be spread over additional hours which will lower the unit rate cost. The largest component of the fixed-cost is the vehicles used for providing the service. Staff anticipates that the vehicles should be able to handle the additional year of service. This is because the vehicles are now dedicated to providing FSP service only. All of the other larger FSP programs in the state (including the Bay Area, Orange County, and San Diego County) have recently moved to four or five year contracts during their recent procurements in order to reduce cost.

Staff recommends creating three four-year contracts during the upcoming procurement. These would be Beat 23 (3-truck beat), Beat 18 (4-truck beat), and the 91 Freeway Super Beat (6-truck beat). The pricing information from these Beats will provide enough data to determine any cost savings for this Pilot Program.

#### Fuel Adjustment to Rates (All Contracts)

Due to the recent fluctuations in the fuel market, determining the price of fuel throughout the term of a three or four year contract can be difficult for the companies bidding on FSP contracts. Staff is proposing that a fuel escalation clause be added to all new contracts that would allow for a unit rate increase or decrease based upon any large fluctuations in fuel prices.

A current fuel rate based on a federal diesel price index will be provided to contractors during the procurement process for the purposes of developing their cost proposals. The contracts would then include unit rate adjustment for every 50 cents the average fuel price either increased or decreased during the term of the contract.

### **POLICY IMPLICATIONS**

Staff proposes to make two amendments to the existing FSP Beat Cap Policy as follows:

- Allow a contractor to operate a maximum of two 3-5 truck beats or one 6-9 truck beat and one 3-5 truck beat. Contractors would not be able to have more than one 6-9 truck beat.
- Allow a contractor to have three beats for up to a six-month period if they have a beat expiring within the same procurement cycle. This will allow for an overlap when a contractor gets a contract for a beat which starts up earlier than when one of their existing beats expire. Under the current beat cap policy, a contractor cannot bid on certain beats the startup earlier than one of their existing contracts expire during the

same procurement cycle. Allowing this overlap will increase competition by allowing more companies to bid on beats with a later startup date.

Please see Attachment B for the proposed revisions to the policy.

### **FINANCIAL IMPACT**

Funding for the contract amendments is included in the FY07 budget under cost center 3352, 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 in future years. In FY06, \$19,717,383 was expended on these services.

### **ALTERNATIVES CONSIDERED**

Metro may continue to procure FSP services using the existing procurement schedule and operational policies. This alternative is not recommended as the current schedule negatively impacts the equipment installation schedule and cost-effectiveness of the program.

### **NEXT STEPS**

Staff will analyze the financial and operational results of the pilot programs during 2007. Based on this analysis of the pilot programs, staff will bring a recommendation to the Board in 2008 on whether to expand the operational changes to additional beats.

### **ATTACHMENTS**

- A. FSP Contract Qualification Requirements
- B. Proposed Revisions to Beat Cap Policy
- C. FSP Contract Modification Summary
- D. FSP Beat Map

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Roger Snoble  
Chief Executive Officer

**ATTACHMENT A**  
**FSP CONTRACT QUALIFICATION REQUIREMENTS**

**Current Beat Requirements (3-5 Truck Beats)**

- Company in business for a minimum of three years
- Own and operate minimum of three tow trucks for 12 months
- Have necessary insurance coverage
- Be a current FSP contractor, a CHP Rotation Tow contractor in “Good Standing”, or pass a CHP inspection of existing tow truck fleet
- Pass a Site Inspection
- Have adequate financial resources for contract
- Submit a proposal that complies with startup schedule
- Not have been terminated from FSP program within past five years

**Proposed Super Beat Requirements (6-9 Truck Beats)**

- Company in business for a minimum of three years
- Own and operate minimum of six tow trucks for 12 months
- Have necessary insurance coverage
- FSP Contractor for at Least Two of the Past Four Years
- Be in “Good Standing” if a current CHP Rotation Tow contractor
- Pass a Site Inspection
- Have adequate financial resources for contract
- Submit a proposal that complies with startup schedule
- Not have been terminated from FSP program within past five years
- Meet Service Standard Requirements  
(Based on previous 12 months at time of procurement)
  - Operate 99.5% of Scheduled Shifts without missing service
  - Operate 99.0% of Scheduled Shifts without late start, early ending, or in-service breakdowns
  - Operate 98.0% of Scheduled Shifts without contractor requested redeployment
  - Pass 80% of CHP Cursory Inspections
  - Receive No More Than One Validated Complaint Per Peak Vehicle Per Year

## ATTACHMENT B PROPOSED REVISIONS TO BEAT CAP POLICY

The Freeway Service Patrol (FSP) is a countywide program to mitigate traffic congestion by clearing disabled vehicles from freeways. The area of the Los Angeles County freeway system that is patrolled by FSP drivers is divided into over 40 freeway segments. An FSP beat is defined as a tow truck operation confined to a specific freeway segment. The tow truck operator's job is to quickly repair or remove disabled vehicles to relieve freeway congestion. A ~~average regular~~ beat is ~~approximately ten miles and~~ is covered by three to five tow trucks and super beat is covered by six to nine tow trucks.

The FSP "beat" classification matches that of the California Highway Patrol (CHP) beat, which is also the term used to describe the segment of freeway that a CHP officer patrols within their geographic area. The beat length is based on the time that it takes to travel around the beat, traffic volume and patterns, ease of turn around, number of freeway lanes, lane and shoulder width, and geometry of the freeway. Each beat is evaluated to determine its appropriate size and the number of trucks that it will take to effectively assist motorists. The goal is to create cost-effective beats that also help reduce congestion due to automobile accidents and breakdowns.

The Beat Cap policy allows experienced Metro Freeway Service Patrol contractors to operate no more than two regular beats or one super beat and one regular beat ~~two beats, or designated patrol areas~~, at any given time. Any new FSP contractor (i.e., with no previous FSP experience) may operate no more than one beat for a six-month period. ~~Afterward~~ After one year, that contractor will be allowed to have up to two regular beats. After two years, that contractor will be allowed to have up to two regular beats or one super beat and one regular beat. Contractors are allowed to have three beats if at least one of their existing beats is expiring within six months.

**ATTACHMENT C**  
**FSP CONTRACT MODIFICATION SUMMARY**

Beat	Contractor	Contract No.	Number of Trucks	Scheduled Contract Expiration Date	Proposed Contract Expiration Date	No. of Months to Extend	Current Contract Amount
3	Hollywood Independent Towing	FSP03A-3	4	04/30/07	08/31/07	4	\$ 1,429,301
4	Tow Masters	FSP03A-4	5	04/30/07	08/31/07	4	\$ 1,725,545
6	LA's Bestway Towing Service	FSP03A-6	3	05/31/07	08/31/08	15	\$ 1,087,238
8	Al's Towing	FSP03A-8	3	05/31/07	09/30/07	4	\$ 1,171,035
10	Mid Valley Towing	FSP03A-10	3	05/31/07	09/30/07	4	\$ 1,390,351
15	Kenny's Auto Service	FSP04-15	3	09/30/07	10/31/07	1	\$ 1,232,121
19	J&M Towing	FSP04-19	5	08/31/07	08/31/08	12	\$ 1,735,272
20	Navarro's Towing	FSP04-20	3	08/31/07	09/30/08	13	\$ 1,237,860
22	Girard & Peterson, Inc.	FSP03A-22	3	05/31/07	12/31/07	7	\$ 1,259,897
31	Sonic Towing, Inc.	FSP05-31	4	12/31/07	10/31/08	10	\$ 1,584,965
35	Girard & Peterson, Inc.	FSP03-35	3	06/30/07	12/31/07	6	\$ 1,080,766
38	Bob & Dave's Towing	FSP04-38	4	10/31/07	09/30/08	11	\$ 1,315,977
39	LA's Bestway Towing Service	FSP03A-39	3	06/30/07	08/31/07	2	\$ 1,166,792
40	J&M Towing	FSP03A-40	4	06/30/07	08/31/07	2	\$ 1,528,166
Total							



ATTACHMENT D  
FSP BEAT MAP

Los Angeles County  
**Metro Freeway Service Patrol**  
Beat Map

August 1, 2006

Monday – Friday 6am – 7pm\*

Saturday/Sunday 10am – 6pm\*

\*Service Level (No. of Trucks) varies by day of week/time of day



