

OPERATIONS COMMITTEE
JULY 19, 2007

SUBJECT: METRO FREEWAY SERVICE PATROL

ACTION: AWARD SIXTEEN METRO FREEWAY SERVICE PATROL PROGRAM CONTRACTS

RECOMMENDATION

Authorize the Chief Executive Officer to:

- A. Execute fourteen Metro Freeway Service Patrol (FSP) contracts for a total amount not-to-exceed \$21,652,592 inclusive of a 7% contingency, to the following contractors:

Beat	Contractor	Amount	Contract Period
3	Neighborhood Tow 4U, Los Angeles	\$ 1,625,898	01/01/08 - 12/31/10
4	Sonic Towing, Los Angeles	\$ 1,939,004	12/01/07 - 11/30/10
7	Platinum Tow & Transport, Camarillo	\$ 1,591,563	03/01/08 - 02/28/11
8	Pepe's Towing, Los Angeles	\$ 1,323,150	11/01/07 - 10/31/10
10	EZ Towing, Van Nuys	\$ 1,439,076	01/01/08 - 12/31/10
12	Pepe's Towing, Los Angeles	\$ 1,343,750	12/01/07 - 11/30/10
14	Kenny's Auto Service, Bellflower	\$ 1,566,660	02/01/08 - 01/31/11
16	Reliable Delivery Service, Santa Fe Springs	\$ 1,610,379	02/01/08 - 01/31/11
17	Tip Top Tow, Santa Monica	\$ 1,658,938	03/01/08 - 02/28/11
20	J&M Towing, Alhambra	\$ 1,451,250	11/01/07 - 10/31/10
24	Top Notch Towing, Van Nuys	\$ 1,328,506	03/01/08 - 02/28/11
39	ABA Towing, Inglewood	\$ 1,356,493	12/01/07 - 11/30/10
40	Lara's Tow Service, Los Angeles	\$ 1,644,400	12/01/07 - 11/30/10
41	Jon's Towing, Sun Valley	\$ 1,773,525	02/01/08 - 01/31/11
	Total Amount Not-to-Exceed	\$21,652,592	

- B. Execute two Pilot 4 year term Metro FSP contracts for a total amount not-to-exceed \$4,187,735 inclusive of a 7% contingency, to the following contractors:

Beat	Contractor	Amount	Contract Period
18	Bob's Towing, Rowland Heights	\$ 2,327,507	02/01/08 - 01/31/12
23	Bob's Towing, Rowland Heights	\$ 1,860,228	11/01/07 - 10/31/11
	Total Amount Not-to-Exceed	\$ 4,187,735	

- C. Negotiate and execute contract modifications for the Metro Freeway Service Patrol (FSP) to provide contract extensions and/or redeployment services on Beats 3, 4, 8, 10, 14, 16, 17, 18, 20, 23, 24, & 41 in an amount not-to-exceed \$2,150,000.

RATIONALE

The sixteen 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) in Los Angeles County. All sixteen contracts are for existing FSP Beats. Fourteen of the sixteen contracts will be for the standard FSP 3-year term, while 2 contracts are for 4 year terms.

Contracts for the two Pilot FSP beats, beats 18 & 23, will have terms of four years each. The increase in term of these contracts is part of a pilot program, approved by the Board in January 2007, intended to determine if there are any cost savings as a result of contractors being able to spread their fixed costs over the additional hours provided by the addition of the fourth year. These two beats were selected after discussions with the California Highway Patrol. The beats were selected at random but are generally representative of the majority of the current Metro FSP beats and as such provide valid points of comparison between the three year and four year beats.

A comparison of the recommended 4-year contract rates compared to the recommended 3-year rates show that the 4-year rates are lower than all traditional 3-year FSP beat rates. The lower pricing received for beats 18 & 23 indicates that bidders are more willing to submit lower bids when they are able to spread their costs over four years. Staff will continue to evaluate the efficacy of the 4-year pilot to determine if this pilot should extend to other FSP beats. In addition, staff will continue to evaluate and develop additional solutions to improve the effectiveness and efficiency of the overall FSP program.

As with all current FSP contracts, the contracts recommended for award include a 7% contingency. This contingency allows for minor service adjustments needed to address long-term incidents, special events, extended holiday hours, fleet redeployment, traffic pattern changes, and other operational issues that may arise during the term of the contract.

Due to the number of beats associated with this procurement and the overwhelming response from the tow community, the award recommendation was delayed. This delay caused an impact to the start-up schedule, which in turn required that all beats associated with this procurement be provided with additional service to accommodate the delayed start-up. Staff is proposing to modify existing contracts to provide continued service coverage until the new contractors can initiate service. Generally, FSP contractors are provided with three months from contract award to start their services; however, due to the large number of vehicles associated with this procurement, there are several beats that require 4 or 5 months initialization services prior to start of service. As there is no guarantee that the existing contractor will agree to provide extended FSP service nor agree to provide the service at the current contractual rate, staff is requesting authorization to negotiate contract extensions and/or redeployment services to ensure that all FSP beats are properly covered until the new contractors can start service. The not-to-exceed amount represents a worst

case scenario in which all existing contractors decline to provide the extended services; thereby requiring redeployment services to be obtained from other contractors.

In addition to the gap coverage, the contract modification for Beat 17 includes an allocation to increase the contract value to cover the cost of Caltrans related construction support work performed outside the FSP contracted hours of operation. The construction support costs are fully reimbursed by Caltrans to Metro. This modification will enable the contractor to provide the construction support and receive payment for the services within the framework of their existing FSP contract. This action is consistent with the previously established practice to allow FSP contractors to provide Caltrans related construction support.

FINANCIAL IMPACT

Funding of \$6,460,000 for the recommended FSP service is included in the proposed FY08 budget in cost center 3352 under project 300070, Freeway Service Patrol account 50320, Contract Services. Since these are multi-year contracts, the cost center manager and Interim Chief Operations Officer will be accountable for budgeting the cost for future years.

ALTERNATIVES CONSIDERED

Metro can decide to stop contracting for new FSP service. This option is not recommended as this program has proven to be an important 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 Beat Map

Prepared by: John Takahashi, Motorist Service Program Administrator
Ted Sparkuhl, Contract Administrator

Carolyn Flowers

Carolyn Flowers
Interim Chief Operations Officer

R. Snoble

Roger Snoble
Chief Executive Officer

**ATTACHMENT A
PROCUREMENT SUMMARY**

METRO FREEWAY SERVICE PATROL, 16 BEATS

1.	Contract Number: Various		
2.	Recommended Bidders: See Attachment A-2		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$25,840,327	Recommended Price: \$25,840,327	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm fixed hourly rates over a three-year period		
5.	Procurement Dates:		
	A. Issued: 03/23/07		
	B. Advertised: 03/29/07		
	C. Pre-bid Conference: 04/04/07		
	D. Bids Due: 04/24/07		
	E. Pre-Qualification Completed: 06/21/07		
	F. Conflict of Interest Form Submitted to Ethics: 06/22/07		
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: 414	Bids/Proposals Picked up: 38	Bids/Proposals Received: 29
8.	Evaluation Information:		
	A. Bidders/Proposers Names: See Attachment A-2	<u>Bid/Proposal Amount:</u> \$25,840,327	<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: 07/24/07		
	B. Protest Receipt Date: 06/29/07		
	C. Disposition of Protest Date: 07/06/07, Protest Sustained		
10.	Contract Administrator: Ted Sparkuhl	Telephone Number: 922-7399	
11.	Project Manager: John Takahashi	Telephone Number: 922-6346	

**ATTACHMENT A-1
PROCUREMENT HISTORY**

METRO FREEWAY SERVICE PATROL, 16 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.

Contractors are limited to an award of no more than two contracts (beats) each (3 year contacts).

	Contractor	Previous Metro Experience
1.	Neighborhood Tow 4U, Los Angeles	No
2.	Sonic Towing, Los Angeles	Yes
3.	Platinum Tow & Transport, Camarillo	No
4.	Pepe's Towing, Los Angeles	Yes
5.	EZ Towing, Van Nuys	No
6.	Pepe's Towing, Los Angeles	Yes
7.	Kenny's Auto Service, Bellflower	Yes
8.	Reliable Delivery Service, Santa Fe Springs	No
9.	Tip Top Tow, Santa Monica	Yes
10.	J&M Towing, Alhambra	Yes
11.	Top Notch Towing, Van Nuys	No
12.	ABA Towing, Inglewood	Yes
13.	Lara's Tow Service, Los Angeles	Yes
14.	Jon's Towing	Yes

Pilot 4 year term contracts:

	Contractor	Previous Metro Experience
15.	Bob's Towing, Rowland Heights	Yes

B. Procurement Background

Three bidders were disqualified resulting from their failure to meet responsiveness criteria of the solicitation requirements. The disqualified bidders are Bob & Dave's Towing, Express Road Service and Platinum Tow and Storage.

Platinum Tow and Storage (Platinum) protested Metro's decision to disqualify their firm from competition. Platinum's protest was denied after staff determined that the Invitation for Bid (IFB) requirements and qualifications were fair and consistent with the

maintaining free and open competition. Platinum then protested Procurement’s denial of Platinum’s protest to the Chief Executive Officer (CEO). After reviewing Platinum’s protest and facts not previously known, Procurement sustains Platinum’s protest and will recommend awarding Platinum Beat 7, the only beat for which Platinum submitted a bid.

The recommended bid price of \$25,840,327 for a three-year period is based on hourly unit rates stated in different bids received from 12 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. Notwithstanding, DEOD records show that thirty percent (30%) of the Metro Freeway Service firms participating in the program are owned and operated by Minority Business Enterprises.

C. Evaluation of Bids

All bidders recommended for award are in full compliance with the technical and bid specifications.

D. Cost/Price Analysis Explanation of Variances

The recommended unit rates are higher on average than the current historical unit rates because of 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.	FSP07-3	\$49.21	\$44.45	\$ 4.76
2.	FSP07-4	\$48.44	\$44.33	\$ 4.11
3.	FSP07-7	\$48.17	\$44.00	\$ 4.17
4.	FSP07-8	\$50.00	\$44.16	\$ 5.84
5.	FSP07-10	\$49.48	\$47.92	\$ 1.56
6.	FSP07-12	\$50.00	\$45.13	\$ 4.87
7.	FSP07-14	\$49.90	\$46.64	\$ 3.26
8.	FSP07-16	\$48.14	\$46.00	\$ 2.14
9.	FSP07-17	\$50.21	\$43.44	\$ 6.77
10.	FSP07-18	\$45.97	\$43.97	\$ 2.00
11.	FSP07-20	\$54.00	\$46.00	\$ 8.00
12.	FSP07-23	\$47.97	\$43.90	\$ 4.07

13.	FSP07-24	\$48.69	\$47.77	\$.92
14.	FSP07-39	\$51.26	\$44.00	\$ 7.26
15.	FSP07-40	\$49.77	\$46.00	\$ 3.77
16.	FSP07-41	\$65.00	\$75.00	-\$10.00

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

Beat	Contractor	MBE/WBE
3	Lara's Tow Service, Los Angeles	Yes
4	Sonic Towing, Los Angeles	No
7	Platinum Tow & Storage	No
8	Pepe's Towing, Van Nuys	Yes
10	EZ Towing, Van Nuys	No
12	Pepe's Towing, Van Nuys	Yes
14	Kenny's Auto Service, Bellflower	No
16	Reliable Delivery Service, Santa Fe Springs	No
17	Tip Top Tow, Santa Monica	No
18	Bob's Towing, Rowland Heights	No
20	J&M Towing, Alhambra	No
23	Bob's Towing, Rowland Heights	No
24	Top Notch Towing, Van Nuys	No
39	Kenny's Auto Service, Bellflower	No
40	ABA Towing, Inglewood	No
41	Jon's Towing, Sun Valley	No

LIST OF BIDDERS

No.	Company
1.	ABA Towing
2.	All Star Towing, Inc.
3.	Bob & Dave's Towing
4.	Bob's Towing
5.	California Coach
6.	City Terrace Service, Inc.
7.	Express Road Service
8.	EZ Towing
9.	Girard & Peterson
10.	Hollywood Car Carrier Service
11.	Intercity Towing, Inc.
12.	J & M Towing
13.	Jon's Towing
14.	Kenny's Auto
15.	LA's Bestway Towing
16.	Lara's Tow Services
17.	Larry's Tow
18.	Mid Valley Towing

No.	Company
19.	Navarro's Towing
20.	Neighborhood Towing 4U, Inc.
21.	Our Boyz Towing Company
22.	Pavon Enterprises dba Al's Towing
23.	Pepe's Towing
24.	Platinum Tow & Storage
25.	Reliable Delivery Service (RDS)
26.	Sonic Towing
27.	Tip Top Tow Service
28.	Top Notch Towing, Inc.
29.	Tow Masters
30.	Walton Auto Wrecking & Tow

ATTACHMENT B
FSP BEAT MAP

Los Angeles County
Metro Freeway Service Patrol
Beat Map

July 1, 2006
Monday – Friday 6am – 7pm*
Saturday/Sunday 10am – 6pm*
*Service Level (No. of patrol vans) by day of week/phase of day.



