



Metro

**OPERATIONS COMMITTEE
APRIL 17, 2008**

SUBJECT: METRO FREEWAY SERVICE PATROL

ACTION: EXECUTE 20 MODIFICATIONS TO EXTEND FREEWAY SERVICE PATROL AND BIG RIG SERVICE CONTRACTS

RECOMMENDATION

Authorize the Chief Executive Officer to execute 20 modifications with the following contractors of Metro Freeway Service Patrol (FSP) and Big Rig service contracts for a total amount not-to-exceed \$9,967,000 increasing the Total Cumulative Contract Value from \$34,062,757 to \$44,029,757:

<u>Beat</u>	<u>Contractor</u>	<u>Contract</u>	<u>Contract Increase</u>	<u>Modified Contract Amount</u>
1	South Coast Towing	FSP05A-1	\$630,000	\$2,476,040
2	South Coast Towing	FSP06-2	\$104,000	\$1,600,545
5	Classic Club	FSP05A-5	\$568,000	\$2,071,251
6	LA's Bestway	FSP03A-6	\$537,000	\$2,107,905
9	Tip Top Tow	FSP05A-9	\$601,000	\$2,255,406
11	Hadley Tow	FSP05A-11	\$453,000	\$1,814,329
19	J & M Towing	FSP04-19	\$636,000	\$2,998,886
21	California Coach	FSP05A-21	\$609,000	\$2,515,274
27	Panorama Towing	FSP05A-27	\$621,000	\$2,288,584
29	Classic Club	FSP05A-29	\$719,000	\$2,400,890
30	Frank Scotto Towing	FSP05A-30	\$462,000	\$2,188,861
31	Sonic Towing	FSP05-31	\$583,000	\$2,638,802
33	TG Tow	FSP05A-33	\$531,000	\$2,077,052
34	TG Tow	FSP05A-34	\$477,000	\$1,955,745
36	Lara's Tow	FSP06-36	\$114,000	\$1,507,006
37	Hadley Tow	FSP05A-37	\$677,000	\$2,346,786
38	Bob & Dave's	FSP04-38	\$632,000	\$2,366,898
42	Jon's Towing	FSP06-42	\$ 49,000	\$1,336,200
43	Frank Scotto Towing	FSP05A-43	\$522,000	\$2,145,843
45	US Tow	FSP05-BR1647	<u>\$442,000</u>	<u>\$2,937,454</u>
		Total	\$9,967,000	\$44,029,757

RATIONALE

The Metro FSP program is a highly successful program that has assisted over 3.5 million disabled motorists on Los Angeles County freeways since 1991. Since its inception, the Metro FSP program has expanded both its hours of operation and coverage to provide service on all major freeways from 6 a.m. to 7 p.m. on weekdays and 10 a.m. to 6 p.m. on weekends. Although the program continues to provide excellent service, there is room for improvement. In the most recent procurements, FSP07 and FSP07P, we introduced two pilot services, 1) the combination of two adjacent beats into one larger beat (super-beat) and 2) implementing longer term contracts (e.g. four years versus three year contracts). It was projected that these modifications would help control and possibly decrease Metro FSP operational costs while maintaining a consistent level of service to the public. The impact of these changes was demonstrated by the resulting bids, with the four-year pilot contracts having the lowest overall hourly rate and the super-beat pilot rates being lower than the majority of the non-pilot rates.

In an effort to both evaluate the impact of the pilots and identify additional changes to improve the operational efficiency and effectiveness of the Metro FSP program, an evaluation of the entire Metro FSP operations is being conducted. The evaluation shall examine items such as the current beat structure, procurement and contracting methodology, operational procedures, potential impact of hybrid (clean fuel) vehicles, data and reporting requirements and other operational issues. It is anticipated that the evaluation will provide recommendations that will impact Metro FSP operations and in order to realize the benefits of the recommendations, a delay in the scheduled Invitation for Bid (IFB) procurement and modifications to the existing expiring contracts is needed. Upon completion of the evaluation and final approval of the recommendations, some of which may require Board approval, appropriate modifications will be made and a solicitation advertised to secure new contracts. The evaluation is expected to be completed during the 1st quarter of 2009.

In addition to the evaluation of the Metro FSP program, an evaluation of the current I-710 Metro Big Rig Service Patrol Demonstration project is also underway. The Big Rig Service Patrol was initiated as a demonstration project in October 2005 and has assisted over 6,600 heavy duty vehicles. The evaluation will assist in determining the overall viability of the Big Rig Service Patrol as an on-going program. The recommendation will allow sufficient time to complete the evaluation and, if warranted, conduct a subsequent procurement to obtain a new contractor for this service.

The recommendation will modify the contract termination dates anywhere from one to eighteen months, to ensure that the results of the evaluation are incorporated into the next procurement cycle. The recommendation also includes an increase in the contract value for Beat 6, 405 freeway between the 105 and 10 freeways, to account for the cost of providing Caltrans-reimbursable construction support. The hourly rates for the modified terms with all impacted Metro FSP contractors and will not exceed the recommendation. The contract increase amount contains both the negotiated cost increases as a result of continued operation and a contingency to provide for the ability to respond to any unforeseen service requests such as construction projects, major incidents, and special needs.

IMPACTS TO OTHER CONTRACTS

There is no impact to other contracts except for those listed in the recommendation.

FINANCIAL IMPACT

Funding of \$22,000,000 is included in the proposed FY09 budget in cost center 3352, Freeway Service Patrol, under project 300070, Freeway Service Patrol and line item 50320. Since these are multi-year contracts, the cost center manager and Chief Operations Officer will be accountable for budgeting the cost for future years. In FY07, approximately \$20,000,000 was expended on this line item.

ALTERNATIVES CONSIDERED

The Board can decide not to approve the modifications for the FSP and Big Rig programs. This alternative is not recommended because without the modifications, we will not be able to conduct the evaluations and implement recommendations in a timely manner. In addition, if the Board chooses to not approve the modifications, there may be a lapse in Metro FSP and Big Rig service until a new procurement is conducted and new contracts awarded.

ATTACHMENT (S):

- A. Procurement Summary
- A-1 Procurement History
- B. Contract Modification Summary
- C. FSP Beat Map

Prepared by: John Takahashi, Motorist Services Program Administrator

Carolyn Flowers

Carolyn Flowers
Chief Operations Officer



ESR Roger Snoble
Chief Executive Officer

**ATTACHMENT A
PROCUREMENT SUMMARY**

METRO FREEWAY SERVICE PATROL CONTRACT MODIFICATIONS

1.	Contract Number: Various		
2.	Recommended Bidders: See Attachment B		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: N/A	Recommended Price: \$9,967,000	
	B. Details of Significant Variances: N/A		
4.	Contract Type: Firm fixed hourly rates over a three-year period		
5.	Procurement Dates: N/A		
	A. Issued: Various: N/A		
	B. Advertised: N/A		
	C. Pre-bid Conference: N/A		
	D. Bids Due: N/A		
	E. Pre-Qualification Completed: Completed for all existing firms.		
	F. Conflict of Interest Form Submitted to Ethics: 03/17/08		
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: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names: See Attachment B	<u>Modified Amount:</u> \$44,029,757	<u>Best and Final Offer Amount:</u> N/A
	B. Evaluation Methodology: N/A		
9.	Protest Information: None		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date:		
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 CONTRACT MODIFICATIONS

A. Background on Contractors

The FSP Contractors recommended for contract extensions have been performing satisfactorily under contracts awarded during the 2003, 2004, 2005 and 2006 procurement cycles using established sealed bid procedures.

B. Procurement Background

FSP contractors whose contracts are recommended for extension were chosen based upon the restructuring plan approved by the Board of Directors January 2007, Board Item No. 34. All recommended contractors were offered a five percent increase in their respective hourly rates to account for reasonable price escalation in labor, maintenance, and fuel. Of the 22 contractors offered the 5% increase only two did not accept our offer to extend their contracts.

C. Evaluation of Bids

We made direct contract extension offers only to existing contractors that were necessary to fulfill the restructuring plan. The determining factor for extending beats was based solely on meeting the schedule goals of the program restructure. Discussions and negotiated agreements were completed in accordance with policies and procedures.

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.

**ATTACHMENT B
FSP CONTRACT MODIFICATION SUMMARY**

Beat	Contractor	Contract No.	# of Trucks	Current Contract Expiration	Recommended Contract Expiration	# of Months Extended	Current Contract Value	Recommended Contract Increase	Modified Contract Value
1	South Coast Towing	FSP05A-1	5	08/31/08	12/31/2009	16	\$ 1,846,040	\$ 630,000	\$ 2,476,040
2	South Coast Towing	FSP06-2	4	07/31/09	12/31/2009	5	\$ 1,496,545	\$ 104,000	\$ 1,600,545
5	Classic Club	FSP05A-5	4	08/31/08	12/31/2009	16	\$ 1,503,251	\$ 568,000	\$ 2,071,251
6	LA's Bestway	FSP03A-6	3	08/31/08	12/31/2009	16	\$ 1,570,905	\$ 537,000	\$ 2,107,905
9	Tip Top Tow	FSP05A-9	4	08/31/08	12/31/2009	16	\$ 1,654,406	\$ 601,000	\$ 2,255,406
11	Hadley Tow	FSP05A-11	3	09/30/08	12/31/2009	15	\$ 1,361,329	\$ 453,000	\$ 1,814,329
19	J&M Towing	FSP04-19	5	08/31/08	12/31/2009	16	\$ 2,362,886	\$ 636,000	\$ 2,998,886
21	California Coach	FSP05A-21	4	09/30/08	12/31/2009	15	\$ 1,906,274	\$ 609,000	\$ 2,515,274
27	Panorama Towing	FSP05A-27	5	06/30/08	12/31/2009	18	\$ 1,667,584	\$ 621,000	\$ 2,288,584
29	Classic Club	FSP05A-29	4	06/30/08	12/31/2009	18	\$ 1,681,890	\$ 719,000	\$ 2,400,890
30	Frank Scotto Towing	FSP05A-30	4	06/30/08	12/31/2009	18	\$ 1,726,861	\$ 462,000	\$ 2,188,861
31	Sonic Towing	FSP05-31	4	10/31/08	12/31/2009	14	\$ 2,055,802	\$ 583,000	\$ 2,638,802
33	TG Tow	FSP05A-33	4	07/31/08	12/31/2009	17	\$ 1,546,052	\$ 531,000	\$ 2,077,052
34	TG Tow	FSP05A-34	4	07/31/08	12/31/2009	17	\$ 1,478,745	\$ 477,000	\$ 1,955,745
36	Lara's Tow	FSP06-36	3	07/31/09	12/31/2009	5	\$ 1,393,006	\$ 114,000	\$ 1,507,006
37	Hadley Tow	FSP05A-37	4	07/31/08	12/31/2009	17	\$ 1,669,786	\$ 677,000	\$ 2,346,786
38	Bob & Dave's	FSP04-38	4	09/30/08	12/31/2009	15	\$ 1,734,898	\$ 632,000	\$ 2,366,898
42	Jon's Towing	FSP06-42	3	07/31/09	12/31/2009	5	\$ 1,287,200	\$ 49,000	\$ 1,336,200
43	Frank Scotto Towing	FSP05A-43	4	09/30/08	12/31/2009	15	\$ 1,623,843	\$ 522,000	\$ 2,145,843
45	US Tow	FSP05-BR1647	2	09/30/08	6/30/2009	9	\$ 2,495,454	\$ 442,000	\$ 2,937,454
Total							\$ 34,062,757	\$ 9,967,000	\$ 44,029,757

