

**Board Report**

File #: 2015-1444, **File Type:** Contract

Agenda Number: 33.

**AD-HOC CONGESTION REDUCTION COMMITTEE
OCTOBER 14, 2015**

SUBJECT: METRO FREEWAY SERVICE PATROL

ACTION: APPROVE RECOMMENDATION

RECOMMENDATIONS

AD-HOC CONGESTION REDUCTION RECOMMENDED (3-0) authorizing the Chief Executive Officer to:

- A. AWARD a firm fixed unit rate Contract No. FSP3469400B3/FSP3471100B43 (IFB No. FSP11857) to Disco Auto Sales, Inc., dba Hollywood Car Carrier, the lowest responsive and responsible bidder for **Metro Freeway Service Patrol (FSP) towing services** in the amount of \$3,830,652 (Beat 3 for \$1,915,326 and Beat 43 for \$1,915,326) for 39 months.
- B. AWARD a firm fixed unit rate Contract No. FSP3469500B5/FSP3470200B17 (IFB No. FSP11857) to Sonic Towing, Inc., the lowest responsive and responsible bidder, for Metro FSP towing services in the amount of \$3,590,266 (Beat 5 for \$1,808,057 and Beat 17 for \$1,782,209) for 39 months.
- C. AWARD a firm fixed unit rate Contract No. FSP3469600B6 (IFB No. FSP11857) to Neighborhood Towing 4U, Inc., the lowest responsive and responsible bidder, for Metro FSP Beat 6 towing services in the amount of \$1,760,238 for 39 months.
- D. AWARD a firm fixed unit rate Contract No. FSP3469900B7/FSP3470100B11 (IFB No. FSP11857) to Girard & Peterson, Inc., the lowest responsive and responsible bidder, for Metro FSP towing services in the amount of \$5,782,602 (Beat 7 for \$2,891,301 and Beat 11 for \$2,891,301) for 51 months.
- E. AWARD a firm fixed unit rate Contract No. FSP3470000B9 (IFB No. FSP11857) to Mighty Transport, Inc., dba Frank Scotto Towing, the lowest responsive and responsible bidder, for Metro FSP Beat 9 towing services in the amount of \$1,835,200 for 39 months.
- F. AWARD a firm fixed unit rate Contract No. FSP3470300B23 (IFB No. FSP11857) to South Coast Towing, Inc., the lowest responsive and responsible bidder, for Metro FSP Beat 23 towing services in the amount of \$1,843,380 for 33 months.
- G. AWARD a firm fixed unit rate Contract No. FSP3470400B27/FSP3470800B39 (IFB No.

FSP11857) to Hovanwil, Inc., dba Jon's Towing, the lowest responsive and responsible bidder, for Metro FSP towing services in the amount of \$4,746,479 (Beat 27 for \$2,594,126 for 51 months and Beat 39 for \$2,152,353 for 39 months).

- H. AWARD a firm fixed unit rate Contract No. FSP3470600B29 (IFB No. FSP11857) to Platinum Tow & Transport, Inc., the lowest responsive and responsible bidder, for Metro FSP Beat 29 towing services in the amount of \$3,012,024 for 51 months.
- I. AWARD a firm fixed unit rate Contract No. FSP3470700B31/FSP3471200B50 (IFB No. FSP11857) to Navarro's Towing, LLC, the lowest responsive and responsible bidder, for Metro FSP towing services in the amount of \$6,193,182 (Beat 31 for \$2,909,952 and Beat 50 for \$3,283,230) for 51 months.
- J. AWARD a firm fixed unit rate Contract No. FSP3471300B70 (IFB No. FSP11857) to Classic Tow, Inc., dba Tip Top Tow Service, the lowest responsive and responsible bidder, for Metro FSP Beat 70 ExpressLanes towing services in the amount of \$3,885,770 for 39 months.
- K. AWARD a firm fixed unit rate Contract No. FSP3471500B71 (IFB No. FSP11857) to Bob & Dave's Towing, Inc., the lowest responsive and responsible bidder, for Metro FSP Beat 70 ExpressLanes towing services in the amount of \$5,455,124 for 39 months.

ISSUE

The recommended contract awards will replace 16 tow service contracts that received modification approval by the Board in September 2015.

DISCUSSION

The Metro FSP program currently manages 38 tow service contracts covering over 475 center line miles on all major freeways in Los Angeles County. The service is provided by 25 independent tow service operators deploying over 150 vehicles throughout Los Angeles County that provide assistance to stranded or disabled motorists. On average FSP performs 25,000 motorist assists per month and per the most recent statewide evaluation provides a benefit to cost ratio of 10.8:1.

New Contract Award

The recommendation ensures that 16 FSP contracts are replaced and will provide a total of 55 trucks covering over 175 centerline freeway miles for periods of 30 to 48 months.

The average hourly rate awarded for this procurement is 16.27% higher than the hourly rate of the existing 16 contracts that they will replace. The increase is partially due to the implementation of Metro's Living Wage Policy which is being incorporated into FSP tow service contracts for the first time. Additional factors that may have attributed to the hourly rate increase are market forces which,

over time, have slowly increased program costs. There are a total of 11 bidders receiving contracts. All bidders are either existing or former FSP contractors and as such, are eligible to operate up to two FSP contracts each.

Once contracts are awarded, Contractors will have a 12 to 14 week mobilization period to complete the required startup activities in order to begin service. The following list comprises the majority of the activities that must be completed in order to provide FSP service:

- Purchase vehicle chassis and beds
- Build vehicles to FSP specifications (6-8 Weeks)
- Metro Radio Shop installation of communications equipment (2-3 Weeks)
- Hire and train prospective FSP drivers
- CHP testing and certification of FSP drivers
- Obtain program supplies
- CHP inspection and certification of contract vehicles

Once the contract is awarded, the contractor is responsible for coordination of vehicles/parts/equipment and the timing of the activities to ensure that they are completed before the scheduled start of service.

The award of these contracts will continue to realign existing FSP contracts to support the multi-beat Regional structure. The FSP Regional concept for L.A. County proposes to consolidate the remaining 33 smaller single-Beat contracts into five large multi-beat regions each managed by a single contractor. The first FSP Regional multi-beat contract began work on August 1, 2014. Staff has monitored contract performance and evaluation of Regional service delivery to determine its operational effectiveness and cost efficiency. Meanwhile, it will be necessary to continue to align the expiration dates of existing single beat contracts with the proposed start dates of Regional contracts until the evaluation is complete and a decision is made whether to move forward with the Regional program.

In addition, the contract award recommendations include changes to service levels in specific contracts. Eleven of the sixteen contracts recommended for award have been reduced by either one or two trucks for a total reduction of 13 trucks. This reduction is expected to further improve the program's 'assist per truck per hour' performance. The current FSP Statewide Guidelines established by the Motorist Aid Oversight Committee have established a goal of "one assist per truck per service hour". Staff conducted an analysis of program and congestion data for each FSP Beat/Contract to determine the optimal number of trucks per beat in order to provide service at or near the FSP Statewide Program goal. The current average number of assists per truck per hour for the Metro FSP program is 0.75 which is a 0.05 improvement since the implementation of the first Regional FSP contract where service reductions were first implemented to improve service efficiency. FSP14 contracts awarded in October 2014 also included service reductions to specific beats. The FSP14 contracts are currently in the process of being phased in to replace the recently

extended contracts. In future FSP contract procurements, staff will continue to analyze service levels and assist rates in order to optimize the number of trucks to meet the FSP Statewide goal.

DETERMINATION OF SAFETY IMPACT

The FSP Program enhances safety on Los Angeles County freeways by assisting motorists with disabled vehicles, towing vehicles from freeway lanes to prevent secondary accidents, and removing debris/obstacles from lanes that may be a hazard to motorists. During FSP operating hours, drivers provide specific services to motorists with disabled vehicles to get them safely back on the road or tow them to a designated safe location off of the freeway. FSP drivers patrolling their Beat locate and assist motorists in freeway lanes or along the shoulder significantly faster than it would take to call a private tow service. The FSP Program completes approximately 300,000 assists annually.

FINANCIAL IMPACT

A portion of the funding of \$41,934,917 for this program is included in the FY16 budget in cost center 3352, Metro Freeway Service Patrol, under project number 300070.

Since this is a multi-year contract/project, the cost center manager and Executive Officer, Congestion Reduction will be accountable for budgeting the funds in future years.

Impact to Budget

The FSP program is funded through a combination of Proposition C 25% sales tax, State and SAFE funds. There is no impact to bus and rail operating or capital; Proposition A, C and TDA administration; or Measure R administration budgets.

ALTERNATIVES CONSIDERED

The Board may decide not to authorize the execution of these contracts. This alternative is not recommended as it would result in interruption to FSP services and prevent staff from managing the FSP program in the most cost-effective and efficient manner possible.

NEXT STEPS

Upon Board approval, staff will award and execute the new contracts.

ATTACHMENTS

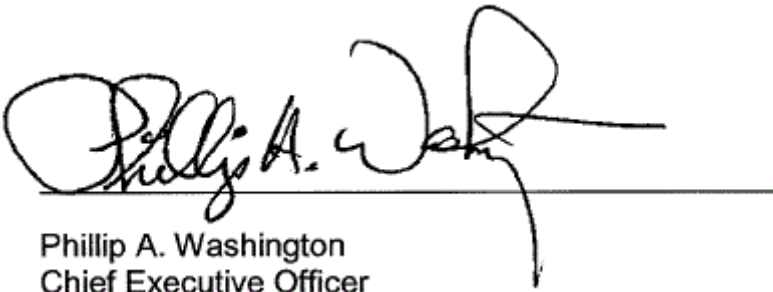
Attachment A - Procurement Summary
Attachment B - FSP Beat Map

Attachment C - DEOD Summary

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Reviewed by: Shahrzad Amiri, Executive Officer Congestion Reduction Initiative (213) 922-3061

Ivan Page, Interim Executive Director, Vendor/Contract Management, (213) 922-6383



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

**METRO FREEWAY SERVICE PATROL
TOWING SERVICES FOR GENERAL PURPOSE LANES AND EXPRESSLANES**

1.	Contract Number: Various, See Table in Section C	
2.	Recommended Vendor: Various, See Table in Section C	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: May 27, 2015	
	B. Advertised/Publicized: L.A. Daily News and La Opinion May 27, 2015	
	C. Pre-proposal/Pre-Bid Conference: June 3, 2015	
	D. Proposals/Bids Due: July 8, 2015	
	E. Pre-Qualification Completed: September 8, 2015	
	F. Conflict of Interest Form Submitted to Ethics: July 29, 2015	
	G. Protest Period End Date: September 23, 2015	
5.	Solicitations Picked up/Downloaded: 59	Bids/Proposals Received: 15 firms submitted bids for a combination of 133 beats
6.	Contract Administrator: Aielyn Dumaua	Telephone Number: 213-922-7320
7.	Project Manager: John Takahashi	Telephone Number: 213-922-6346

A. Procurement Background

This Board Action is to approve 11 contracts (representing 16 beats) to provide Freeway Service Patrol (FSP) towing services on selected roadway segments referred to as Beats (14 General Purpose Lane contracts - Beats 3, 5, 6, 7, 9, 11, 17, 23, 27, 29, 31, 39, 43 and 50; and two ExpressLanes' contracts - Beats 70 and 71) in the Los Angeles County.

IFB No. FSP11857 was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed unit rate. Awards are recommended to the lowest responsive and responsible bidders subject to the Beat cap limitation and Small Business Preference.

Three amendments were issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on June 9, 2015, provided electronic copies of the Plan-Holders' List, sign-in sheets, PowerPoint presentation and Living Wage flyer from the pre-bid conference and responses to bidders' questions, and extended the due date to July 8, 2015;
- Amendment No. 2, issued on June 17, 2015, provided responses to additional bidder's questions; revised the IFB Letters to include the Bidders Motor Carrier Permit (MCP) Number and NAICS classification type; revised submittal requirements for the FSP Facility and Vehicle Inspections requirement; allowed copies of MCP, revised the Schedule of Quantities and Prices and accompanying instructions; and instructed

bidders submitting bids for multiple beats, to submit separate price bid package per beat;

- Amendment No. 3, issued on June 25, 2015, provided responses to additional bidders questions, revised the following special provisions: SP-8 (Insurance), SP-29 (Motor Carrier Permit), SP-30 (FSP Vehicle and Driver Requirements), SP-31(Falsification of FSP Documents and Making False Statements to LACMTA FSP Management and California Highway Patrol), SP-32 (Compliance with Law) and SP-33 (Violations and Monetary Assessments). In addition, Compensation & Payment Provision No. 2 (Payment to Contractor) was revised to align with changes to the SP provisions.

A pre-bid meeting was conducted on June 3, 2015, and was attended by 30 individuals representing 27 firms. Thirty-six questions were asked and responses were provided prior to the bid due date.

A total of 133 bids from 15 firms were received by the due date July 8, 2015.

B. Evaluation of Bids

IFB No. FSP11857 is a Two-Step procurement process. A Bid Evaluation Committee (BEC) consisting of staff from Metro FSP was convened and conducted a Step-One Technical evaluation review based on pass/fail criteria to determine which bids are “technically acceptable”. The pass/fail criteria included having a current and active Motor Carrier Permit, and operating a minimum of three sling/wheel lift type tow vehicles for a minimum of three years.

Below is the list of firms that were evaluated in alphabetical order:

Bidder	Bids Received
Bob & Dave's Towing, Inc.	1
Classic Tow, Inc. dba Tip Top Tow Service	13
Disco Auto Sales, Inc. dba Hollywood Car Carrier	10
EZ Towing, Inc.	7
Girard & Peterson, Inc.	6
Honvawil, Inc. dba Jon's Towing	16
J&M Towing, LLC	1
KLNG, Inc.	1
LA Car Carrier	6
Mighty Transport, Inc. dba Frank Scotto Towing	6
Navarro's Towing, LLC	7
Neighborhood Towing 4U, Inc.	16
Platinum Tow & Transport, Inc.	16
Sonic Towing, Inc.	16
South Coast Towing, Inc.	11
Total Bids Received	133

Of the 133 bids received, 14 bids from 3 firms were deemed not technically acceptable for failure to meet Step-One Technical Evaluation requirements (including Motor Carrier permit requirements, suspensions, and lack of insurance coverage):

No.	Bidder	Bids
1	EZ Towing, Inc.	7
2	KLNG, Inc.	1
3	LA Car Carrier	6
Step-One Not Technically Acceptable Total		14

After the Step-One Technical Evaluation, 119 bids submitted by 12 firms were determined to be technically acceptable. On August 5, 2015, the Step-Two Price Bid public opening was held and attended by 14 individuals representing 11 firms. J&M Towing, Inc. bid was subsequently deemed non-responsive for failure to use the revised Schedule of Quantities and Prices Form issued in IFB Amendment No. 2. On August 10, 2015, Sonic Towing, Inc. submitted a written request to voluntarily withdraw its bid for Beat 29 based on a bid mistake. Metro confirmed the mistake and allowed Sonic Towing, Inc. to withdraw its bid for that one Beat.

At the conclusion of the Two-Step evaluation, the following table represents eligible firms and bids.

No.	Bidder	Bids Received
1	Bob & Dave's Towing, Inc.	1
2	Classic Tow, Inc. dba Tip Top Tow Service	13
3	Disco Auto Sales, Inc. dba Hollywood Car Carrier	10
4	Girard & Peterson, Inc.	6
5	Honvawil, Inc. dba Jon's Towing	16
6	Mighty Transport, Inc. dba Frank Scotto Towing	6
7	Navarro's Towing, LLC	7
8	Neighborhood Towing 4U, Inc.	16
9	Platinum Tow & Transport, Inc.	16
10	Sonic Towing, Inc.	15
11	South Coast Towing, Inc.	11
Total bids received		117

Per the IFB instructions to Bidders 13-E-1, bidders with current Metro FSP contracts are exempt from facility and vehicle inspections. Ten of the 11 eligible firms are exempt. The remaining firm, Jon's Towing, underwent a facility and vehicle inspection on August 25, 2015, and successfully passed. As a result, all eleven firms are recommended for an

award. Of the 11 recommended firms, five firms are awarded 2 beats each and six forms are awarded 1 beat respectively.

C. Price Analysis

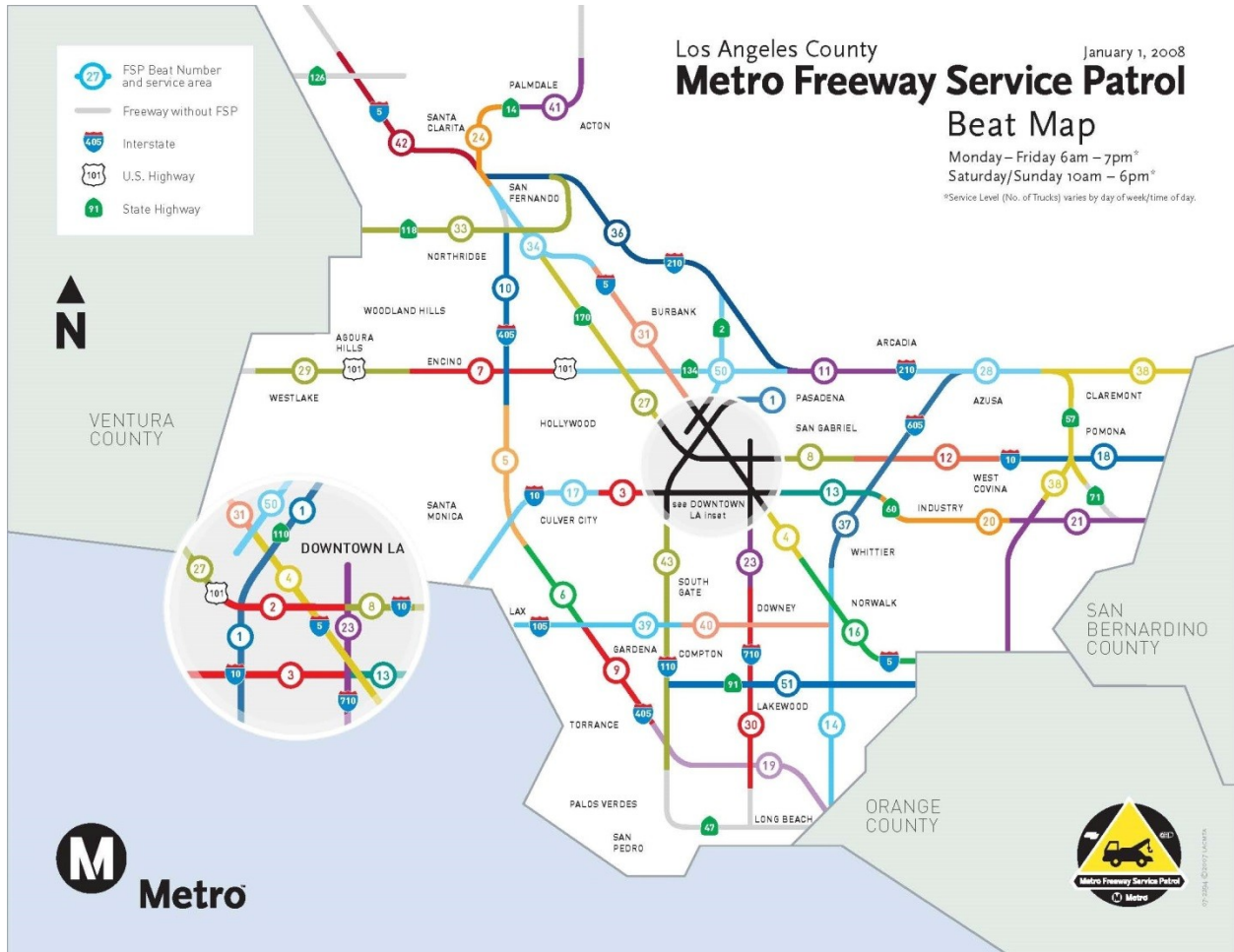
The recommended prices have been determined to be fair and reasonable based upon full and open competition resulting from the competitive sealed bid process. Contract period of performance terms are staggered in accordance with the multi-beat FSP Regional Program.

No.	Contract No.	Beat	Contractor	Metro Estimating Unit Rate		Recommended Unit Rate		Amount	Contract Term * (in mos)
				Reg. Hours	Optional Hours	Reg. Hours	Optional Hours		
1	FSP3469400B3	3	Disco Auto Sales, Inc. dba Hollywood Car Carrier	\$70.31	\$79.71	\$66.00	\$54.00	\$1,915,326	39
	FSP3471100B43	43	Disco Auto Sales, Inc. dba Hollywood Car Carrier	\$70.31	\$79.71	\$66.00	\$54.00	\$1,915,326	39
2	FSP3469500B5	5	Sonic Towing, Inc.	\$70.31	\$79.71	\$62.00	\$53.00	\$1,808,057	39
	FSP3470200B17	17	Sonic Towing, Inc.	\$70.31	\$79.71	\$61.00	\$53.00	\$1,782,209	39
3	FSP3469600B6	6	Neighborhood Towing 4U, Inc.	\$70.31	\$79.71	\$60.00	\$54.00	\$1,760,238	39
4	FSP3469900B7	7	Girard & Peterson, Inc.	\$65.75	\$74.42	\$72.95	\$72.95	\$2,891,301	51
	FSP3470100B11	11	Girard & Peterson, Inc.	\$65.75	\$74.42	\$72.95	\$72.95	\$2,891,301	51
5	FSP3470000B9	9	Mighty Transport, Inc. dba Frank Scotto Towing	\$70.31	\$79.71	\$65.00	\$40.00	\$1,835,200	39
6	FSP3470300B23	23	South Coast Towing, Inc.	\$71.59	\$80.52	\$69.50	\$50.00	\$1,843,380	33
7	FSP3470400B27	27	Hovanwil, Inc. dba Jon's Towing	\$65.75	\$74.42	\$67.77	\$50.00	\$2,594,126	51
	FSP3470800B39	39	Hovanwil, Inc. dba Jon's Towing	\$70.31	\$79.71	\$75.77	\$50.00	\$2,152,353	39
8	FSP3470600B29	29	Platinum Tow & Transport, Inc.	\$65.75	\$74.42	\$65.90	\$65.90	\$3,012,024	51
9	FSP3470700B31	31	Navarro's Towing, LLC	\$63.62	\$72.80	\$56.00	\$55.00	\$2,909,952	51
	FSP3471200B50	50	Navarro's Towing, LLC	\$63.62	\$72.80	\$55.00	\$54.00	\$3,283,230	51
10	FSP3471300B70	70	Classic Tow, Inc. dba Tip Top Tow Service	\$76.78	\$85.79	\$61.47	\$50.00	\$3,885,770	39
11	FSP3471500B71	71	Bob & Dave's Towing, Inc.	\$77.75	\$86.77	\$74.74	\$74.74	\$5,455,124	39

* Inclusive of a minimum of 3 months for mobilization and start-up

D. Background on Recommended Contractor

All recommended contract awardees have previously or are currently performing FSP contracts and are considered to be contractors in good standing. There is one towing company that previously provided FSP services and is now returning to the FSP program, Honvawil, Inc., dba Jon's Towing that will be awarded two beats.



DEOD SUMMARY

**METRO FREEWAY SERVICE PATROL
TOWING SERVICES FOR GENERAL PURPOSE LANES AND EXPRESSLANES**

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 10% Small Business Enterprise (SBE) goal for this solicitation. Out of 11 bidders recommended for award, seven firms met the goal: Disco Auto Sales, Sonic Towing, Inc., Neighborhood Towing 4U, Mighty Transport, Inc. dba Frank Scotto Towing, South Coast Towing, Inc., Platinum Tow & Transport, Inc. (SBE Prime) and Classic Tow, Inc. dba Tip Top Tow Service. Bidders who met the goal were eligible for SBE Preference.

Four firms, out of the 11 bidders recommended for and award, did not meet the goal: Girard and Peterson, Inc., Hovanwil, Inc. dba Jon's Towing, Navarro's Towing, LLC, and Bob and Dave's Towing, Inc. Because the project is a non-federal IFB, achieving the goal is neither a condition of award nor an issue of responsiveness. County Counsel provided guidance that SBE goals on non-federally funded IFBs cannot be a condition of award because Metro can only award to the lowest bidder in accordance with Section 130232(5) of the California Public Utilities Code. Staff will be working with Metro Government Relations to request a legislative change to the Public Utilities Code to authorize meeting the SBE goal as a condition of award. Bidders recommended for award who did not meet the goal are strongly encouraged to identify opportunities for SBEs throughout the life of the contract.

Beat 3 – Disco Auto Sales dba Hollywood Car Carrier

	SBE Subcontractor(s)	% Commitment
1.	AAA Oils, Inc. dba California Fuels	10.20%
	Total	10.20%

Beat 5 – Sonic Towing, Inc.

	SBE Subcontractor(s)	% Commitment
1	Casanova Towing Equipment	16.70%
	Total	16.70%

Beat 6 – Neighborhood Towing 4U

	SBE Subcontractor(s)	% Commitment
1	Casanova Towing Equipment	16.70%
	Total	16.70%

Beat 7 – Girard & Peterson, Inc.

	SBE Subcontractor(s)	% Commitment
1.	AAA Oils, Inc. dba California Fuels	1.45%
2.	Buchanan & Associates	1.20%
3.	Casanova Towing Equipment	1.38%
	Total	4.03%

Beat 9 – Mighty Transport, Inc. dba Frank Scotto Towing

	SBE Subcontractor(s)	% Commitment
1.	AAA Oils, Inc. dba California Fuels	10.14%
2.	Buchanan & Associates	0.87%
3.	JCM & Associates	0.10%
4.	Performance Auto Body	0.22%
	Total	11.32%

Beat 11 – Girard & Peterson, Inc.

	SBE Subcontractor(s)	% Commitment
1.	AAA Oils, Inc. dba California Fuels	1.45%
2.	Buchanan & Associates	1.20%
3.	Casanova Towing Equipment	1.38%
	Total	4.03%

Beat 17 – Sonic Towing, Inc.

	SBE Subcontractor(s)	% Commitment
1.	Casanova Towing Equipment	16.70%
	Total	16.70%

Beat 23 – South Coast Towing, Inc.

	SBE Subcontractor(s)	% Commitment
1.	AAA Oils, Inc. dba California Fuels	10.09%
	Total	10.09%

Beat 27 – Hovanwil, Inc. dba Jon’s Towing

	SBE Subcontractor(s)	% Commitment
1.	None	0.00%
	Total	0.00%

Beat 29 – Platinum Tow & Transport, Inc. (SBE Prime)

	SBE Subcontractor(s)	% Commitment
1.	Platinum Tow & Transport, Inc.	100%
	Total	100%

Beat 31 – Navarro’s Towing, LLC

	SBE Subcontractor(s)	% Commitment
1.	AAA Oils, Inc. dba California Fuels	6.00%
	Total	6.00%

Beat 39 – Hovanwil, Inc. dba Jon’s Towing

	SBE Subcontractor(s)	% Commitment
1.	None	0.00%
	Total	0.00%

Beat 43 – Disco Auto Sales, Inc. dba Hollywood Car Carrier

	SBE Subcontractor(s)	% Commitment
1.	AAA Oils, dba California Fuels	10.20%
	Total	10.20%

Beat 50 – Navarro’s Towing, LLC

	SBE Subcontractor(s)	% Commitment
1.	AAA Oils, Inc. dba California Fuels	6.00%
	Total	6.00%

Beat 70 – Classic Tow, Inc. dba Tip Top Tow Service

	SBE Subcontractor(s)	% Commitment
1.	AAA Oils, Inc. dba California Fuels	10.20%
	Total	10.20%

Beat 71 – Bob and Dave’s Towing, Inc.

	SBE Subcontractor(s)	% Commitment
1.	None	0.00%
	Total	0.00%

B. Living/Prevailing Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) will be applicable on this contract. Metro staff will monitor and enforce the policy guidelines to ensure that workers are paid at minimum, the current Living Wage rate of \$16.04 per hour (\$11.17 base + \$4.87 health benefits), including yearly increases. In addition, contractors will be responsible for submitting the required reports for the Living Wage and Service Contract Worker Retention Policy and other related documentation to staff to determine overall compliance with the policy.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.