



## Board Report

File #: 2016-0096, File Type: Contract

Agenda Number: 28.

### SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE SEPTEMBER 15, 2016

**SUBJECT: METRO FREEWAY SERVICE PATROL**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATIONS**

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm fixed unit rate Contract No. FSP57678900B60 to **Freeway Towing for Metro Freeway Service Patrol (FSP) heavy duty towing services Beat 60** in the amount of \$5,255,700 for 60 months; and
- B. AWARD a firm fixed unit rate Contract No. FSP5769100B61 to **All City Towing for Metro Freeway Service Patrol (FSP) heavy duty towing services Beat 61** in the amount of \$4,741,020 for 60 months.
- C. INCREASE the FY17 budget in Cost Center 3352 in the amount of \$2,019,002.

#### **ISSUE**

Recommendations A and B will replace two expiring heavy duty tow service contracts. Recommendation C increases the FY17 Freeway Service Patrol (FSP) budget due to initial project contract expenses.

#### **DISCUSSION**

The Metro FSP Big Rig service is an integral part of the countywide FSP program and is currently provided on two major large commercial truck corridors, the I-710 (Beat 60) and the SR-91 (Beat 61) freeways. The award of these two contracts will enable Metro to continue to provide a valuable tool in the region's on-going efforts to address congestion created by these larger vehicles.

FSP Big Rig provides free roadside assistance and towing services to disabled vehicles larger than 6,000 Gross Vehicle Weight Rating (GVWR). Each beat consists of two roving vehicles, a heavy-duty tow truck and a heavy-duty utility truck, that patrol their respective freeway segments on weekdays from 5 am to 7 pm. The services provided by FSP Big Rig are similar to the services provided by the FSP light duty service and include providing fuel, water, minor repair services, and towing assistance. FSP Big Rig drivers

performed 3,087 assists in 2015.

The FSP Big Rig service is part of the larger Metro FSP program which also provides light duty service on all freeways and ExpressLanes service via 38 tow service contracts comprised of 43 beats patrolled by 149 trucks providing service during peak commuting periods, and patrolling over 475 center line miles on all major freeways in Los Angeles County. The FSP program provides assistance to motorists with disabled vehicles weighing less than 6,000 GVWR on all major freeways and on the two ExpressLanes corridors. The service is provided by 22 independent tow service contractors and performs approximately 25,000 assists per month and, per the most recent statewide evaluation, provides a benefit to cost ratio of 10:1.

#### New Contract Award

The recommendation ensures that the two FSP Big Rig contracts are replaced and will continue to provide service for a period of 60 months.

The recommendation awards contracts to one current and one former FSP contractor each of whom provides or has /provided service on one FSP light duty beat. Contractors are eligible to operate up to two FSP contracts each based on the beat cap policy approved by the Metro Board on September 20, 2001. The award of the Big Rig contract will give one of the two proposers the maximum number of contracts allowed.

The overall cost of each contract to be awarded is higher than the current existing contract. The increase in costs is attributed to several factors: the two awardees do not have the capability of manufacturing their own vehicles as the current contractor was able to do; the implementation of Metro's Living Wage Policy; and market forces which, over time, have slowly increased program costs.

Once contracts are awarded, Contractors will have a 16 to 20-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 prior to providing FSP service:

- Purchase vehicle chassis and beds
- Build vehicles to FSP specifications (12-16 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
- Inspection and certification of contract vehicles

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

### Budget Amendment

Budget amendment authority for cost center 3352 is required to increase the FY17 budget by \$2,019,002 due to increased vehicle costs, the Living Wage Policy and other market forces.

### **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 \$9,996,720 for this program is included in the FY17 budget in cost center 3352, Metro Freeway Service Patrol, under project number 300070. However, it is necessary to increase the FY17 budget in the amount of \$2,019,002 for the upfront contract startup costs.

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 funds.

### **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 of the Big Rig FSP services thereby hindering staff's ability to manage non-recurrent congestion caused by trucks in the most cost-effective and efficient manner.

### **NEXT STEPS**

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Upon Board approval, staff will execute the new contracts with Freeway Towing and All City Towing and budget amendment.

**ATTACHMENTS**

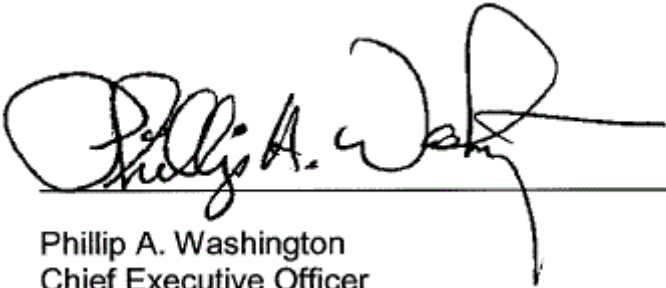
Attachment A - Procurement Summary

Attachment B - FSP Beat Map

Attachment C - DEOD Summary

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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

**FREEWAY SERVICE PATROL BIG RIG SERVICES**  
**FSP5768900B60 – BEAT 60**  
**FSP5769100B61 – BEAT 61**

1.	<b>Contract Number:</b> Beat 60 – FSP5768900B60 Beat 61 – FSP5769100B61	
2.	<b>Recommended Vendor:</b> Beat 60 – Freeway Towing, Inc. Beat 61 – EVS (dba All City Tow Services)	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> November 18, 2015	
	<b>B. Advertised/Publicized:</b> November 17, 2015	
	<b>C. Pre-proposal/Pre-Bid Conference:</b> December 2, 2015	
	<b>D. Proposals/Bids Due:</b> January 11, 2016	
	<b>E. Pre-Qualification Completed:</b> August 9, 2016	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> August 9, 2016	
	<b>G. Protest Period End Date:</b> September 21, 2016	
5.	<b>Solicitations Picked up/Downloaded:</b> 22	<b>Bids/Proposals Received:</b> 4 (2 for each beat)
6.	<b>Contract Administrator:</b> Brian Selwyn	<b>Telephone Number:</b> (213) 922-4679
7.	<b>Project Manager:</b> John Takahashi	<b>Telephone Number:</b> (213) 922-6346

**A. Procurement Background**

This Board Action is to approve two contracts for the provision of Big Rig Freeway Service Patrol Services (FSP), Contract No. FSP5768900B60 (Beat 60), and Contract No. FSP5769100B61 (Beat 61).

Metro has established a contracting opportunity to provide heavy duty FSP towing services on Beat 60 (I-710, Long Beach Freeway) and Beat 61 (SR-91, Riverside Freeway). Proposers awarded FSP contracts are required to provide continuous roving patrol vehicles and service assistance to disabled vehicles (over 6,000 lbs.) during contracted hours.

The RFP was issued as a competitively negotiated procurement in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit price. This RFP was issued with an SBE/DVBE goal of 10% (SBE 7% and DVBE 3%). In addition, the RFP, which reflects the regulations of the Metro FSP Program, stated ***"Contractors are limited to operate only one (1) Big Rig Contract under the Metro Freeway Service Patrol Program."*** Therefore, Metro is awarding **separate contracts** for Beats 60 and 61.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on December 4, 2015, provided a planholders list, sign-in sheets from the pre-proposal conference, a Living Wage flyer, information on changes to the Letter of Invitation in the subject RFP, and responses to questions posed by potential proposers. The amendment also marked “Reserved” SP-24, Subcontract Administration, Item L, Modified Compensation and Payment, which addresses progress payment retention by Metro and also the permissibility for the Contractor to substitute securities in lieu of retention.
- Amendment No. 2, issued on December 22, 2015, provided changes to proposer instructions, changes to submittal requirements and proposal letter format, and responses to proposer questions.

A pre-proposal conference, held on December 2, 2015, was attended by 13 participants, representing 11 firms. Eighteen questions were asked and responses provided prior to the proposal due date. A total of 22 firms downloaded the RFP and those firms were included in the planholder’s list. On January 11, 2016, two firms, EVS, Inc. -dba All City Tow Services (All City) and Freeway Towing, Inc. (Freeway Towing) submitted two proposals each, one to provide big rig towing service for Beat 60 and one to provide service for Beat 61.

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Metro, the Orange County Transportation Authority and the San Diego Association of Governments was convened and conducted a comprehensive technical evaluation of the proposals received in response to the RFP for both Beat 60 and Beat 61.

The proposals were evaluated based on the following evaluation criteria and weights:

- |  |            |
|--|------------|
| • Degree of Skills and Experience of the Team              | 30 percent |
| • Experience and Capabilities of Key Personnel of the Team | 15 percent |
| • Management Plan  | 15 percent |
| • Site Visit   | 15 percent |
| • Cost   | 25 percent |

The evaluation criteria are appropriate and consistent with criteria developed for similar procurements for towing services. Several factors were considered when developing these weights, giving the greatest importance to the degree of skills and experience of the proposed team.

The two proposals received were determined to be within the competitive range and are listed below in alphabetical order:

1. All City
2. Freeway Towing

On January 22, 2016, the PET and Metro Project Manager conducted site visits at both proposers' facilities. The proposed facilities were the same for both beats. During the week of January 26, 2016, the PET met and evaluated the proposals submitted by Freeway Towing and All City. Subsequently, on February 10, 2016, the PET interviewed both firms. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the PET's questions. Each team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project. Also highlighted were daily staffing plans, facility-related questions, driver training plans, daily service plans, and perceived project issues. Each proposing team was asked questions related to their firm's previous experience.

The final scoring, after interviews and site visits, determined that both firms were qualified to undertake the work delineated in the RFP for both beats. Staff recommends award of Beat 60 to Freeway Towing. Freeway Towing was selected to receive Beat 60 because their facility is adjacent to the I-710 freeway/Beat 60. Their facility is in the ideal location to operate this beat with minimal service disruptions in the event of equipment or manpower issues. As the highest rated firm, All City, in turn, is being proposed for award of Beat 61. Neither firm is eligible for award of two Big Rig FSP Towing contracts. As stated earlier, the RFP included the provision that ***“Contractors are limited to operate only one (1) Big Rig Contract under the Metro Freeway Service Patrol Program.”*** Freeway Towing and All City both currently have one non-Big Rig FSP contract.

#### **Qualifications Summary of Firms Within the Competitive Range:**

##### **ALL CITY**

All City is located in Culver City and serves the greater West Los Angeles area and surrounding cities. The firm has provided roadside, towing, recovery, and impound services for the past quarter century. Thirty-five of the company's 40 employees, including the CEO and management staff, are licensed and certified tow truck operators. All City has been providing big rig towing services since 2000, having grown from a fleet of two trucks to the current fleet of four trucks and five road service utility support vehicles. On average, the company performs 70 big rig tows and 2,500 light duty tows per month and has worked with governmental agencies such as the California Highway Patrol, the Santa Monica Police Department, and the City of Culver City. All City has also held towing contracts with the Cross Country Motor Club and Road America.

All City's proposal strongly reflects the company's thorough understanding of the project and its ability and experience to successfully perform the work required of an FSP provider. The work and staffing plans are well thought out and, coupled with the firm's service record, provide a good indication of the firm's ability to successfully undertake the work of the contract over its five year term.

### **FREEWAY TOWING**

Freeway Towing is a family-owned and operated towing and storage company which serves the greater Los Angeles area. It was founded in 1991 by John Haddad and is currently run by members of his family. The proposed team has a great deal of experience providing light, heavy and super heavy duty and recovery towing throughout the region, working with such governmental agencies as the California Highway Patrol, Santa Clarita Transit and the Monterey Park Police Department.

Freeway Towing's proposal strongly demonstrates an understanding of the project and the company's capability and experience to successfully perform the work required of an FSP provider. The work and staffing plans are well thought out and, coupled with the firm's service record, provide a good indication of the firm's ability to successfully undertake the work of the contract over its five year term.

Following is a summary of the PET evaluation scores. Again, scoring was applied to the PET's evaluation of proposals for both beats:

<b>1</b>	<b>Firm</b>	<b>Average Score</b>	<b>Factor Weight</b>	<b>Weighted Average Score</b>	<b>Rank</b>
<b>2</b>	<b>All City</b>				
<b>3</b>	Skills and Experience of the Team	70.00	30.00%	21.00	
<b>4</b>	Experience and Capabilities of Key Personnel of the Team	83.33	15.00%	12.50	
<b>5</b>	Management Plan	90.00	15.00%	13.50	
<b>6</b>	Site Visit	86.66	15.00%	13.00	
<b>7</b>	Cost		25.00%	25.00	
<b>8</b>	<b>Total</b>		<b>100.00%</b>	<b>85.00</b>	<b>1</b>
<b>9</b>	<b>Freeway Towing</b>				
<b>10</b>	Skills and Experience of the Team	80.00	30.00%	24.00	
<b>11</b>	Experience and Capabilities of Key Personnel of the Team	80.00	15.00%	12.00	
<b>12</b>	Management Plan	89.00	15.00%	13.35	
<b>13</b>	Site Visit	63.33	15.00%	9.50	
<b>14</b>	Cost		25.00%	22.55	
<b>15</b>	<b>Total</b>		<b>100.00%</b>	<b>81.40</b>	<b>2</b>



### **C. Price Analysis**

Both proposers submitted identical price proposals for both beats. Since the price proposals of each firm are identical the table below shows the price for a single beat. The recommended prices have been determined to be fair and reasonable based upon adequate price competition, including an independent cost estimate (ICE), price analysis, technical analysis, fact finding, and final negotiations. The discrepancy between the ICE and All City's and Freeway Towing's final negotiated costs can be attributed to the following factors:

- Metro's estimated price for the vehicles required in the operation of the FSP, two big rig tow trucks and one heavy duty service truck, was lower than the negotiated price. All City's price and Freeway Towing's price have been determined to be reasonable based on a review of vehicles of a similar type available for purchase over the next six months.
- Metro's estimation of the cost of diesel fuel over the life of the contract was lower than that proposed by both contractors. The negotiated costs were determined to be fair and reasonable based on projections on changes in fuel costs through 2022.
- Metro's estimation of the cost of vehicle insurance over the life of the contract was lower than that estimated by the contractors. The negotiated cost was determined to be fair and reasonable based on projections on changes in insurance costs through 2022.

The negotiated hourly rate for each of the five proposed years, which excludes the cost of purchasing three trucks to be used by the contractors in service, is \$112.56 for All City and \$130.00 for Freeway Towing. Below is a comparison of total five year contract costs for the two proposers.

	<b>Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated Amount</b>
1.	All City	\$5,116,040	\$4,636,500	<b>\$4,741,020</b>
2.	Freeway Towing	\$5,846,835	\$4,636,500	<b>\$5,255,700</b>

### **D. Background on Recommended Contractors**

#### **Beat 60: Freeway Towing**

The recommended firm for Beat 60, Freeway Towing, is located in Monterey Park, with a second office in Santa Clarita. The company has been in business for 25 years, providing both light and heavy duty towing services during this time. Freeway sits on the Automobile Club of Southern California's advisory committee, a distinction held by only eight other towing companies. The company has prior experience working with Metro as a light duty FSP contractor. The company has

also performed heavy duty recovery work for the California Highway Patrol and has worked with such private sector firms as FedEx, Penske, 7 Up and GE Financial. The proposed project manager and assistant project manager have both been certified by the California Tow Truck Association for heavy duty towing.

Beat 61: All City

The recommended firm for Beat 61, All City, is located in Culver City. This full-service towing company has been in business for 24 years and currently operates heavy, medium, flatbed, and light duty trucks. All City has commercial accounts to provide heavy duty service for companies such as Hertz and Penske and provides big rig towing for several local municipalities, including the cities of Culver City and Santa Monica.



## DEOD SUMMARY

**FREEWAY SERVICE PATROL BIG RIG  
FSP57678900B60 – FREEWAY TOWING  
FSP5769100B61 – ALL CITY TOW SERVICES**

**A. Small Business Participation (Freeway Towing Inc./Beat 60)**

The Diversity and Economic Opportunity Department (DEOD) established a 10% goal, inclusive of a 7% Small Business Enterprise (SBE) and 3% Disabled Veteran Owned Business Enterprise (DVBE) goal for this solicitation. Freeway Towing Inc. exceeded the goal by making a 10.65% commitment, inclusive of a 7.23% SBE and 3.42% DVBE commitment.

<b>SMALL BUSINESS GOAL</b>	<b>7% SBE 3% DVBE</b>	<b>SMALL BUSINESS COMMITMENT</b>	<b>7.23% SBE 3.42% DVBE</b>
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	<b>SBE Subcontractors</b>	<b>% Committed</b>
1.	Manatek Insurance Services	0.44%
2.	Casanova Towing Equipment	6.79%
	<b>Total SBE Commitment</b>	<b>7.23%</b>

	<b>DVBE Subcontractors</b>	<b>% Committed</b>
1.	Oasis Fuels	3.42%
	<b>Total DVBE Commitment</b>	<b>3.42%</b>

**B. Small Business Participation (All City Towing/Beat 61)**

The Diversity and Economic Opportunity Department (DEOD) established a 10% goal, inclusive of a 7% Small Business Enterprise (SBE) and 3% Disabled Veteran Owned Business Enterprise (DVBE) goal for this solicitation. For Beat 61, All City Towing exceeded the goal by making a 10.24% commitment, inclusive of a 7.00% SBE and 3.24% DVBE commitment.

<b>SMALL BUSINESS GOAL</b>	<b>7% SBE 3% DVBE</b>	<b>SMALL BUSINESS COMMITMENT</b>	<b>7.00% SBE 3.24% DVBE</b>
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	<b>SBE Subcontractors</b>	<b>% Committed</b>
1.	Casanova Towing Equipment	7.00%
	<b>Total SBE Commitment</b>	<b>7.00%</b>

	<b>DVBE Subcontractors</b>	<b>% Committed</b>
1.	Arciero and Sons	1.39%
2.	Image Gear dba Reflective Stripe	0.56%
3.	Oasis Fuels	1.29%
	<b>Total DVBE Commitment</b>	<b>3.24%</b>

**C. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is applicable to this solicitation. Metro staff will monitor and enforce the policy guidelines to ensure that applicable 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.

**D. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**E. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this contract.