

# **Metro**

*Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
3rd Floor Board Room*



**Metro**<sup>®</sup>

## **Agenda - Final**

**Wednesday, October 14, 2015**

**3:30 PM**

**One Gateway Plaza, Los Angeles, CA 90012,  
3rd Floor, Metro Board Room**

### **Ad-Hoc Congestion Reduction Committee**

*John Fasana, Chair*

*Jacquelyn Dupont-Walker, Vice Chair*

*Mike Bonin*

*Mark Ridley-Thomas*

*Hilda Solis*

*Carrie Bowen, non-voting member*

*Phillip A. Washington, Chief Executive Officer*

## **METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES (ALSO APPLIES TO BOARD COMMITTEES)**

### **PUBLIC INPUT**

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

**CONDUCT IN THE BOARD ROOM** - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

**REMOVAL FROM THE BOARD ROOM** The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

### **INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD**

Agendas for the Regular MTA Board meetings are prepared by the Board Secretary and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded on CD's and as MP3's and can be made available for a nominal charge.

### **DISCLOSURE OF CONTRIBUTIONS**

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

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**NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA**

## CALL TO ORDER

## ROLL CALL

### 32. CONSIDER:

[2015-1397](#)

- A. APPROVING the guidelines for **Round 2 of the ExpressLanes Net Toll Revenue Allocations** (Attachment A); and
- B. ADOPTING a timely use of funds provision to be applied to projects funded as part of the 2014 (Round 1) Net Toll Revenue Reinvestment Grant Program.

**Attachments:**     [net toll revenue guidelines2015](#)  
                          [Attachment B - CAGs meeting attendee list](#)

### 33. AUTHORIZE the Chief Executive Officer to:

[2015-1444](#)

- 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

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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.

**Attachments:**      [Attachment B FSP Beat Map](#)  
                                 [Attachment A Procurement summary FSP11857](#)  
                                 [Attachment C DEOD Summary - IFB Award.docx](#)

## Adjournment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.



## Board Report

File #: 2015-1397, File Type: Program

Agenda Number: 32.

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

**SUBJECT: METRO EXPRESSLANES ROUND 2 NET TOLL REVENUE ALLOCATION GUIDELINES**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

AD-HOC CONGESTION REDUCTION RECOMMENDED (3-0) AS AMENDED:

- A. APPROVING the guidelines for **Round 2 of the ExpressLanes Net Toll Revenue Allocations** (Attachment A); and
- B. ADOPTING a timely use of funds provision to be applied to projects funded as part of the 2014 (Round 1) Net Toll Revenue Reinvestment Grant Program.

DUPONT-WALKER AMENDMENT: include the proposal release period being 3 months versus 2 months and return in January with information on including non-profits.

**ISSUE**

State law requires net toll revenues generated from the ExpressLanes program be reinvested for transportation improvements in the corridor where generated, pursuant to an expenditure plan adopted by the Metro Board. The Round 2 guidelines incorporate lessons learned from Round 1.

Additionally, as of this date, many of the projects funded as part of Round 1 of the grant program have not executed their initial grant agreements. Staff recommends that a timely use of funds policy be adopted for these projects providing the sponsors with six months ending on April 22, 2016 within which to execute their agreement and begin expenditure of funds or risk lapsing the funds. Incorporation of such a policy is consistent with board adopted policy for other Metro discretionary grant programs. Any funds that are lapsed as a result of non-compliance with this policy will be added to the available funding for Round 2 projects.

**BACKGROUND**

Gross toll revenues generated from the ExpressLanes program are first used to cover the direct expenses related to the maintenance, administration, and operation, including marketing, toll

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collection, and enforcement activities related to the ExpressLanes. Any remaining revenue produced must be used in the corridor from which the revenue was generated.

The net toll revenue program's primary objective is to increase mobility and person throughput through implementation of integrated strategies that enhance transit operations, transportation demand management, transportation systems management, active transportation, and capital investments in the 1-10 and 1-110 corridors. These combined strategies have resulted in more reliable and consistent outcomes and greater magnitude of positive change than a single strategy scenario. This rationale is confirmed by actual usage on the ExpressLanes. Specifically, customer account activity demonstrates that, on a monthly basis, the majority (75%) of account trips are a combination of SOV & HOV. Only 4 % of trips are solely made by SOVs. The primary payers of the toll benefit 100% from the proposed allocation since mode shift through alternative transportation choices reduces congestion and as a result, reduces travel time and the toll amount for toll paying customers. An expenditure plan that retains this focus on integrated strategies and multi-modalism advances Metro's Long Range Transportation Plan and sustainability goals.

In October 2013, the Metro Board adopted guidelines governing reinvestment of approximately \$26.7 million in net toll revenue funds to projects with a direct mobility benefit to the ExpressLanes Corridors. The overall program is comprised of two elements: a set-aside component and a competitive grant. The set-aside is comprised of funds provided to continue the operation of transit services that address social equity and encourage increased transit ridership as well as a reserve fund. The competitive grant provides funding to implement multi-modal mobility options including freeway/roadway improvements, transit enhancements and active transportation and system connectivity.

As part of Round 2, staff estimates that \$42.5 to \$53.3 million will be available for allocation through June 30, 2017. This represents a 63 to 100 percent increase in available funding over Round 1. Staff is seeking approval of the guidelines to begin Round 2 of the net toll revenue allocation with funding from FY 16 and FY 17.

### **Proposed Reinvestment Guidelines for Round 2:**

#### **Maintain Core Principles consistent with Round 1:**

- Reinvestments in the transportation corridor provide a direct benefit to reducing congestion on the Metro ExpressLanes corridors (1-10 and 1-110);
- Establish a reserve fund, consistent with the Board approved Toll Policy to ensure financial sustainability of the Metro ExpressLanes and to enable potential system expansion;
- Direct annual allocation to fund the incremental transit service implemented to support the deployment of the Metro ExpressLanes. The incremental services include Metro Silver Line, Foothill Silver Streak and Route 699, Gardena Lines 1X and 2, and Torrance Transit Line 4;
- Allocate net of set-asides on a competitive basis utilizing targets of 40% for other Transit Uses, 40% for System Connectivity/Active Transportation, and 20% for Roadway Improvements to benefit the ExpressLanes and support sustainable transportation strategies; and,
- Leverage net toll revenues with other funding sources. Locally sponsored capital projects and

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operating programs are encouraged. The funding will be mutually determined by Metro and the lead agency, proportionate to the local and regional benefits of the project/program.

### **Continuation of the Reserve Fund**

Establishment of a Reserve fund is crucial to the continuing financial health of the ExpressLanes program. A reserve fund ensures that funding is retained to cover unanticipated costs to avoid placing a burden on general funds for operations as well as to meet future debt service obligations of the Metro ExpressLanes. This policy is consistent with the Board approved toll policy regarding the ExpressLanes' financial sustainability as well as policies of other toll facilities in the State where net toll revenues are generated.

As part of the Round 1 Net Toll Revenue program, the Metro Board approved a set aside of 3 to 5% of net toll revenues in the amount of \$801,695 toward establishing a reserve. While that level of reserve funding was adequate during the demonstration phase, given the fact that the I-10 and I-110 ExpressLanes were made permanent and have been in operation for approximately 2 ½ and 3 years respectively and based on analysis of potential needs, staff recommends an increase to \$3 million per year. This level of funding will ensure adequate funding for state of good repair, potential near term replacement of lane side and system components, as well as system expansion.

### **Continuation of Direct Allocation to Support Existing Metro ExpressLanes Transit Services**

A continuation of the direct allocation is recommended to subsidize the incremental operating costs of the transit service deployed to support the Metro ExpressLanes. The incremental additional service was initially provided through the purchase of 59 clean fuel buses and operating subsidies funded by the CRD grant. The operation of these services within the ExpressLanes corridor has resulted in net benefit for low income commuters as well as an increase in bus ridership denoting a potential mode shift. The Silver Line has experienced consistent increase in ridership since the inception of the incremental additional services culminating in a cumulative 144% increase in ridership between FY 2012 and FY 2015. Concerns about the impact of ExpressLanes on low-income drivers decrease when toll revenues are used to enhance transit services along the same routes or corridors, thus providing more choices for low-income travelers (and others).

A direct allocation of up to \$6.25 million per year is recommended to provide an operating subsidy to support these incremental services for an additional 24 months.

### **Continuation of Competitive Application Categories**

Three categories of projects are recommended that enhance the Metro ExpressLanes program and promote multi-modal and sustainable transportation strategies in support of the LTRP. Consistent with Round 1, a category for Transit Use is recommended because operation of high frequency transit and feeder service as well as transit capital improvements have proven to be effective in creating



mode shift and reducing congestion on the Metro ExpressLanes. A category for System Connectivity/Active Transportation is recommended to improve system connectivity between transit and the state highway. The category also demonstrates Metro's commitment to advance sustainable community strategies since Metro currently does not have a discretionary fund source eligible to fund operations activity for Active Transportation. A category for Roadway improvements is recommended to build upon prior investments in signal synchronization and ITS.

### **Continuation of the Requirement to Leverage Net Toll Revenues**

Consistent with Metro's other discretionary grant programs, matching funds are recommended.

### **Proposed Guideline Changes from Round 1 based upon Lessons Learned:**

- Establish a new set aside for direct allocation of funds to Caltrans for freeway improvements that benefit the ExpressLanes. In order to secure the funds, Caltrans must identify projects with a direct benefit to the ExpressLanes subject to approval by Metro. Additionally, 50% of the Caltrans set-aside will be distributed based on Caltrans' ability to meet project schedule milestones developed in collaboration with Metro. Staff discussed this policy with Caltrans representatives and secured their concurrence with the proposed changes.
- Execute agreements within 6 months of receipt of agreement from Metro or risk de-obligation of funds.
- Funds are subject to lapsing if the Grantee has not expended any funds within one year of executing their agreement.

### **Lessons Learned Detail: Direct Allocation to Caltrans**

One of the objectives of the ExpressLanes program is to more effectively and proactively manage traffic to optimize the efficiency of the entire freeway corridor. As part of Round 1, Caltrans competed for funding within the Highway category. Based on recent discussions with Caltrans and in light of the fact that Caltrans is in a singular position to implement freeway improvements, for the purposes of Round 2 funding, staff is recommending an off-the-top set-aside equivalent to 20 percent of the competitive grant funding in the amount of up to \$2.4 million annually. This will enable Caltrans to implement mainline, on/off ramp and Intelligent Transportation Systems (ITS) improvements that benefit the ExpressLanes corridors' users. As a condition of and prior to receiving these funds, Caltrans must submit a project list identifying the benefits of the project to the ExpressLanes, project cost, milestones and schedule for approval by the Metro Board. Upon the Board's approval and execution of the necessary agreements, Caltrans will receive 50 percent of the funds. In order to ensure Caltrans is completing critical projects in a timely manner, the remaining 50 percent will be tied to Caltrans' ability to meet project milestones per their original schedule. Since Caltrans will be receiving this set aside, they will be precluded from participation in the competitive grant program.

### **Lessons Learned Detail: Timely Use of Funds**

Based on best practices and in order to assure project readiness to implement improvements in a timely manner, staff recommends adoption of a timely use of funds provision whereby project sponsors must execute their funding agreements within six months of receipt of funding agreements from Metro or risk losing the funds. Execution of the funding agreement is the first step in project

implementation. As of this date, 14 of the 20 projects that received funding through the round 1 competitive grant have failed to execute their funding agreements. Staff is recommending that this policy also be applied to projects funded as part of Round 1 Net Toll Revenue grants. Round 1 projects will be subject to lapsing if they have not executed their agreements by April 22, 2016. Furthermore, in order to assure that funds are optimally utilized to implement ready to go project improvements, staff recommends that if no funds are expended on a project within one year of execution of the funding agreement, the project be considered for lapsing of funds. Any funds lapsed as part of Round 1 will be considered for allocation as part of Round 2 grant funds. If approved by the Board, the timely use of funds provision would also apply to the Caltrans direct allocation projects.

**Funding Target Goals for Round 2**

If the recommended guidelines are approved by the Metro Board as outlined above, the ROUND 2 expenditure plan could provide the following:

Draft Reinvestment Categories	Estimated Net Toll Revenues	Allocation Target Estimate (per Corridor)	
Period Ending June 2017	\$42,500,000 - \$53,300,000		
Set-Aside (Reserve Fund)	(\$6,000,000 )		
Set-Aside (Direct Allocation -Transit Ops)	(\$12,500,000)	I-110	I-10
Set-Aside (Caltrans)	(\$4,000,000 - \$4,800,000)		
Subtotal Net Set-Asides	\$20,000,000 - \$24,000,000	\$12,400,000-	\$7,600,000-
		\$14,880,000	\$9,120,000
Allocation Target (40%- Transit Uses)*	\$8,000,000 - \$9,600,000	\$4,960,000-	\$3,040,000-
		\$5,950,000	\$3,650,000
Allocation Target (40%- System Connectivity)*	\$8,000,000 - \$9,600,000	\$4,960,000-	\$3,040,000-
		\$5,950,000	\$3,650,000
Allocation Target (20%- Roadway Improvements)*	\$4,000,000 - \$4,800,000	\$2,480,000-	\$1,520,000-
		\$2,980,000	\$1,820,000
Reserve funds approved in Round 1		\$875,000	

\*Baseline targets of 40% for Transit Uses, 40% for System Connectivity/Active Transportation, and 20% for Roadway Improvements are identified as goals; however, the actual allocation of the funding will be based on the merits of the proposed projects and programs.

**Outreach**

As part of the Round 1 Net Toll Revenue program process, for the purposes of guidelines development and project evaluation, staff consulted with the Metro ExpressLanes I-10 and I-110

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Corridor Advisory Groups (CAGs). The CAGs are composed of participants with subregional and multi-modal expertise whose input has proven beneficial and crucial in developing and funding a program of priority projects.

Consistent with the Round 1 process, on October 1, 2015, staff convened a CAG meeting which included representatives from both corridors to present guideline changes and seek stakeholder input. As Attachment B illustrates, the summit was attended by a myriad of agencies representing public and non-profit interests in transit, highways, active transportation, health and housing. Participants concurred with the proposed guidelines changes.

Finally, staff informed Round 1 grant recipients of the recommended timely use of funds provision that would be considered by the Board as part of this item.

### **DETERMINATION OF SAFETY IMPACT**

Approval of the Guidelines will have no impact on the safety of Metro patrons or staff.

### **FINANCIAL IMPACT**

Approval of Round 2 Net Toll Revenue Allocation Guidelines has no financial impact.

#### Impact to Budget

No impact to the FY 16 Budget is anticipated as a result of approval of the guidelines.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to approve or defer approval of the Net Toll Revenue Guidelines. Staff does not recommend this option as the program as designed furthers the Board's objectives with regard to the LRTP, reinvestment within the corridor where funds are generated, congestion reduction and sustainability.

### **NEXT STEPS**

Upon adoption of the guidelines, staff will proceed as follows:

- Develop a grant application package for Board approval: January 2016
- Release grant application package: February 2016
- Application due date: April 2016
- Evaluate applications/outreach: May 2016
- Seek Board Approval: June 2016


**ATTACHMENTS**

Attachment A - Metro ExpressLanes Round 2 Net Toll Revenue Allocation Guidelines

Attachment B - ExpressLanes 1-10 and I-110 CAG Summit Attendees

Prepared by: Kathleen McCune, Director, (213) 922-7241  
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Reviewed by: Stephanie Wiggins, Deputy CEO, (213) 922-1023



Phillip A. Washington  
Chief Executive Officer

# **METRO EXPRESSLANES**

Net Toll Revenue Reinvestment  
Round 2



Ad Hoc Congestion Reduction  
October 14, 2015



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# Toll Revenue Reinvestment Overview



- As specified in State tolling legislation, Metro ExpressLanes revenue is to be used for:
  - Maintenance
  - Administration
  - Operations
  - Toll Collection
  - Enforcement
- Remaining revenue is to be used in the corridor that the revenue was generated in; an expenditure plan must be developed for these revenues and approved by the Metro Board

# Background: Toll Revenue Reinvestment – Round 1



\$26.7 million available for reinvestment

October 2013 - Metro Board approved reinvestment plan comprised of :

- Set Aside of Transit Operating Subsidy (Metro Silver Line, Foothill, Gardena, and Torrance Transit)
- 3-5% of funds set aside as program reserve
- Remaining funds granted on competitive basis (Net Toll Revenue Grant Program)
  - 40% Transit System Improvements
  - 40% System Connectivity/Active Transportation
  - 20% Highway System Improvements



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# Round 1 Grant Program



- Grant funding awarded on a competitive basis
- Eligible applicants included public agencies that provide transportation facilities or services within Los Angeles County (cities, transit operators, Los Angeles County, Caltrans, Metro)
- Corridor defined as 3 miles on either side of the I-110 or I-10 Corridors
- Metro received 35 applications totaling \$123,405,007 in requested funding
- Funding granted to 20 projects totaling \$19,854,458 in July/September 2014
- \$875,000 put in reserve for I-110 for next round



# Round 1 Status



- 20 grants were awarded in July/September 2014
- Five funding agreements executed to date
  - City of LA (My Fig Project Marketing & Safety)
  - County of LA (South Bay Arterial Performance)
  - Access Services (CNG MV-1 Vehicles)
  - Baldwin Park (Commuter Connector Line)
  - Monterey Park (Bike Corridor)
- 12 agreements still to be executed - represents over \$11 M in grant funding for projects not yet started

# Toll Revenue Reinvestment – Round 2



- Estimated funding available is \$42.5 to \$53.3 million
  - ❑ 63-100% increase in available funding over Round 1
  
- Consistent with the previous round – core principles are:
  - ❑ Establish a reserve fund
  - ❑ Direct allocation to transit – Foothill, Gardena, Torrance, Metro
  - ❑ Competitive Grant Program –
    - ❑ 40% Transit System Improvements
    - ❑ 40% Active Transportation/System Connectivity
    - ❑ 20% **Roadway Improvements**

# Proposed Guidelines Changes for Round 2



## 1) Increase the Reserve Amount

- 3-5% not adequate for continued operation
- \$3 million per year
- Increase would ensure adequate funds for state of good repair, replacement of system components /new vendor selection and system expansion

## 2) Establish Direct Set Aside for Caltrans

- 20% of competitive grant funding available
- Caltrans precluded from the competitive portion
- Caltrans to provide project list, schedule and milestones
- 50% up front and 50% based on meeting milestones
- Caltrans concurs with the proposed changes

## 3) Timely Use of Funds Provisions

- Execute Agreements within 6 months of receipt of template
- Projects that have not expended any funding within one year of execution of Agreement subject to lapsing of funds
- Timely use of funds will also apply to Round 1 recipients – April 22, 2016 deadline for agreement execution
- Lapsed funds from Round 1 will be available in Round 2



# Funding Targets – Round 2



Draft Reinvestment Categories	Estimated Net Toll Revenues	Allocation Target Estimates (per Corridor)	
Period Ending June 2017	\$42,500,000 - \$53,300,000		
Set-Aside (Reserve Fund)	(\$6,000,000 )		
Set-Aside (Direct Allocation -Transit Ops)	(\$12,500,000)	<b>I-110</b>	<b>I-10</b>
Set-Aside (Caltrans)	(\$4,000,000 - \$4,800,000)		
Subtotal Net Set-Asides	(\$20,000,000 - \$24,000,000)	(\$12,400,000- \$14,880,000)	(\$7,600,000- \$9,120,000)
<b>Net Toll Grant Program</b>			
Allocation Target (40%- Transit Uses)*	\$8,000,000 - \$9,600,000	\$4,960,000- \$5,950,000	\$3,040,000- \$3,650,000
Allocation Target (40%- Active Transportation/System Connectivity)*	\$8,000,000 - \$9,600,000	\$4,960,000- \$5,950,000	\$3,040,000- \$3,650,000
Allocation Target (20%- Roadway Improvements)*	\$4,000,000 - \$4,800,000	\$2,480,000- \$2,980,000	\$1,520,000- \$1,820,000
Reserve Fund approved in Round 1		\$875,000	



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# Eligible Projects



## **Transit System Improvements:**

- Transit operations to increase level of service
- Fare subsidies
- Bus purchases
- Station enhancements

## **Active Transportation/System Connectivity:**

- First mile/last mile connections to transit facilities
- Complete Streets projects
- Bicycle infrastructure
- Pedestrian enhancements
- Bus station improvements

## **Roadway Improvements:**

- Intelligent Transportation System improvements-arterials and connections to on/off ramps
- Graffiti removal
- Landscaping



# Corridor Advisory Group (CAG) Meeting



- A combined I-10 and I-110 CAG meeting was held on October 1<sup>st</sup>
- 32 people were in attendance representing 18 different Agencies/Organizations:
  - LAWA
  - LA County Bicycle Coalition
  - SGV Economic Partnership
  - So Cal Transit Advocates
  - FAST
  - Torrance Transit
  - Gardena Transit
  - Go Day One
  - Foothill Transit
  - Caltrans
  - LA Trade Tech College
  - City of Redondo Beach
  - SBCCOG
  - LA City Housing Dept.
  - LANI
  - LADOT
  - Mt. St. Mary's College
  - Office of Assemblymember Burke

# CAG Meeting – Questions & Comments



- Overall the CAG members are very supportive of the ExpressLanes Program and the changes being recommended for allocation of funds
- Questions about Lesson Learned from Round 1 and if there would be an audit of progress for Round 1 projects?
  - Lessons Learned are incorporated into the Round 2 changes
  - CAG members not supportive of an Audit
- Round 2 questions were about eligibility of organizations/agencies and types of projects?
  - Project eligibility consistent with Round 1
  - Not for profit Agencies will have to partner with an eligible Agency (i.e. City)
- CAG members thought Metro ExpressLanes was not doing enough to inform the public about the mobility improvements ExpressLanes is funding
  - Suggested an information campaign be undertaken
- CAG members have volunteered to review and rank applications as part of the process



# Proposed Schedule - Round 2



- Round 2 Guidelines Board Adoption      October 2015
- Grant Application Package Board Approval      January 2016
- Release Grant Application Package      February 2016
- Application Due Date      April 2016
- Evaluate Applications/Outreach      May 2016
- Grant Recommendations Board Approval      June 2016



**Metro ExpressLanes Round 2 Net Toll Revenue Reinvestment Guidelines**

The generation of net toll revenues from the **Metro ExpressLanes program** ~~Congestion Reduction Demonstration project~~ offers a unique opportunity to advance the Long Range Transit Plan (LRTP) and Los Angeles County Metropolitan Transportation Authority's (LACMTA) goals for a more sustainable countywide transportation system.

The objective of the Program is to increase mobility and person throughput through a series of integrated strategies (transit operations, transportation demand management, transportation systems management, active transportation, and capital investments) in the I-10 and I-110 corridors. These combined strategies have consistently shown to result in more reliable and stable outcomes and greater magnitude of positive change than a single strategy scenario. An expenditure plan that retains this focus on integrated strategies and multi-modalism would advance Metro's LRTP and sustainability goals as outlined in Metro's Countywide Sustainability Planning Policy (CSPP).

The guideline principles are summarized as follows:

1. Reinvestments in the transportation corridor provide a direct benefit to reducing congestion on the Metro ExpressLanes (I-10 and I-110);
2. Establish a reserve fund of ~~3-5%~~, consistent with the Board Approved Toll Policy to ensure financial sustainability of the Metro ExpressLanes;
3. Direct allocation of revenue to support the incremental transit service implemented to support the deployment of the Metro ExpressLanes. The incremental services include Metro Silver Line, Foothill Silver Streak, Foothill Route 699, Gardena Line 1, and Torrance Transit Line 4;
4. **Direct allocation of revenue to Caltrans for Intelligent Transportation Systems (ITS), deck rehabilitation, on/off ramp and mainline improvements that benefit the ExpressLanes Corridors. Caltrans will be precluded from seeking additional funding from the competitive grant. 50% of Caltrans's funding will be tied to the agency's ability to meet agreed-upon timelines.**
5. Net of set-asides identified in #2 & #3 & 4 above, establish allocation targets of 40% for Transit Uses, 40% for Active Transportation, and 20% for **Highway Roadway** Improvements to support sustainable transportation strategies; and
6. Leverage net toll revenues with other funding sources. Locally sponsored capital projects and operating programs are encouraged. The funding will be mutually determined by Metro and the lead agency, proportionate to the local and regional benefits of the project or program.

Note: Guidelines would be amended by the Board to address changed circumstances such as the ability to bond against the toll revenues or any subsequent policy changes adopted by the Board.

## **Sustainability**

The LRTP and the CSPP identify principles and priorities to be advanced through a broad range of activities across all modes. The principles/priorities include:

- Connect People and Places
  - o Access – Better integrating land-use and transportation planning to reduce trip lengths and increase travel choices
  - o Prosperity – Reduce transportation costs for residents and provide the mobility necessary to increase economic competitiveness
  - o Green Modes – Promote clean mobility options to reduce criteria pollutants, greenhouse gas emissions, and dependence on foreign oil
- Create Community Value
  - o Community Development – Design and build transportation facilities that promote infill development, build community identity, and support social and economic activity
  - o Urban Greening – Enhance and restore natural systems to mitigate the impacts of transportation projects on communities and wildlife, and ecosystems
- Conserve Resources
  - o Context Sensitivity – Build upon the unique strengths of Los Angeles County’s communities through strategies that match local and regional context and support investment in existing communities
  - o System Productivity – Increase the efficiency and ensure the long-term viability of the multimodal transportation system
  - o Environmental Stewardship – Plan and support transportation improvements that minimize material and resource use through conservation, re-use, re-cycling, and re-purposing

## **Eligible Uses**

The LRTP and CSPP identify a number of key concepts which will help outline eligible uses to reduce congestion on the I-10 and I-110 corridors:

- Green Modes  
Green modes include active transportation, rideshare, and transit. Given that all three of these modes operate along the I-10 and I-110 corridors, this key concept would make expanded use of the above modes consistent with the Plan.

Such projects include the addition of bicycle and pedestrian facilities, expanded park-n-ride facilities, expanded service span and/or increased levels of service.

- Bundling Strategies for Greatest Impact

The Metro ExpressLanes, as designed, seeks to increase mobility and person throughput through a series of integrated strategies (transportation demand management, transportation systems management, and multimodal capital investments) in specific corridors. This “bundling of strategies” as referred to in the CSPP has been consistently shown to result in more reliable outcomes and greater magnitude of positive change than a single strategy scenario. An expenditure plan that retains this focus on integrated strategies and multimodalism would exemplify guidance from the CSPP. Projects that demonstrate the ability to further link or expand the use of existing facilities such as complete streets improvements and first mile/last mile improvements are recommended.

- Network Optimization

One of the primary objectives of the ExpressLanes project is to better utilize existing capacity within a corridor by using dynamic pricing. This approach of network optimization through the use of data represents the future of transportation policy and planning. To that end, the Policy also identified the concept of network optimization as a key component of sustainability. Projects falling under this concept include complete streets, signal prioritization, real-time ride share matching, and other smart technology improvements.

- Act Regionally and Locally

The I-10 and I-110 are two of the busiest corridors in Los Angeles County. Given the regional significance of these corridors, improvements to these facilities as well as additional services utilizing these corridors should emphasize the varying needs of the corridors as well as needs of adjacent communities. Projects which can improve the connection of the local communities to the regional network will be essential to improving the quality of life in those neighborhoods as well as maximizing the potential of the corridors. Projects falling under this concept include first mile/last mile improvements, expanded park-n-ride facilities, expanded service span and/or increased levels of service, and urban greening initiatives which reduce pollution and improve the quality of life for residents.

Based on the key concepts, three project categories are recommended for the allocation of net toll revenues (excluding set-asides):

1. Transit Uses (40% of funds)

- Increased levels of service and/or increased service span
- Fare subsidy programs
- Purchase of new bus and commuter rail vehicles
- Station enhancements and capacity improvements, including intelligent transportation system improvements

- Metro transit corridor projects serving ExpressLanes corridors
2. System Connectivity/Active Transportation (40% of Funds)
- First mile/last mile connections to transit facilities, focusing on multimodal elements recommended as part of the First/Last Mile Strategic Plan including investments that might support 3<sup>rd</sup> party mobility solutions (car-share, bike-share)
  - Complete streets projects which emphasize multi-modalism
  - Bicycle infrastructure including bicycle lanes and secured bicycle parking facilities
  - Pedestrian enhancements including on/off-ramp safety improvements, street crossings, and ADA-compliance improvements
  - Infrastructure and programs to support the use of electric vehicles.
  - Bus station improvements including enhanced bus shelters, real-time arrival information, and other related improvements
  - El Monte Bus Maintenance facility
  - Rideshare/ Vanpool programs
  - Park-n-Ride facility improvements including restrooms, lighting, and security.
  - Landscaping suited to the Southern California ecology. For example, vegetation that does not contribute to smog and requires little or no irrigation. Additionally, landscaping with a high carbon sequestration factor and/ or provides habitat to environmentally sensitive species is favorable.
3. Highway Roadway Improvements (20% of funds)
- Intelligent transportation system improvements to manage demand
  - **Signal Synchronization programs**
  - ~~Deck rehabilitation and maintenance above the required Caltrans maintenance for the facility~~
  - On/off ramp improvements which reduce the incidents of bicycle and pedestrian collisions with vehicles
  - ~~Expanded freeway service patrol~~
  - Graffiti removal and landscaping suited to the Southern California ecology. For example, vegetation that does not contribute to smog and requires little or no irrigation. Additionally, landscaping with a high carbon sequestration factor and/ or provides habitat to environmentally sensitive species is favorable
  - Subject to Metro Board approval, extension of the ExpressLanes corridors

NOTE: Baseline targets of 40% for Transit Uses, 40% for System Connectivity/Active Transportation, and 20% for Highway Improvements are identified as goals, however the actual allocation of the funding will be based on the merits of the proposed projects and programs.

## **Project Evaluation Criteria**

### Implementation of Regional and Local Sustainability Plans and Policies

- The extent to which the project, program, or enhanced transit service supports the recommendations and goals for each transportation mode as stated in the LACMTA's adopted Long Range Transportation Plan and SCAG's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)
- Extent to which the project, program, or enhanced transit service conforms to local plans to support the implementation of sustainable projects, including transit-oriented development and bicycle and pedestrian master plans

### Matching Funds/Leveraging Funds

- Extent to which project, program, or enhanced transit service uses ExpressLanes funds to leverage additional local, state, and/or federal funds

### Innovative Transportation Technology

- Extent to which the project, program, or enhanced transit service facilitates the adoption of zero and near-zero emission vehicles
- The degree to which the project, program, or enhanced transit service supports improved transportation systems management strategies

### Sustainable Transportation

- Extent to which the project, program, or enhanced transit service increases mobility options to support car-free and/or one-car living
- Extent to which project, program, or enhanced transit service enhances transit coverage, frequency, and reliability within the corridor
- The project, program, or enhanced transit service's connectivity with and ability to complement nearby transit projects
- The degree to which the project, program, or enhanced transit service provides access to regional trip generators, regional activity centers, fixed guideway, and Metrolink, and improves access between jurisdictional or community plan area boundaries
- Extent to which project, program, or enhanced transit service gives priority to transit and active transportation modes
- Extent to which the project, program, or enhanced transit service increases the mode share of transit services operating within the corridor
- The degree to which the project, program, or enhanced transit service provides additional resources for transportation demand management strategies to reduce solo driving
- The degree to which the project, program, or enhanced transit service promote the Metro ExpressLanes.

### Cost Effectiveness

- The project, program, or enhanced transit service's cost effectiveness in relationship to the total project cost

- The applicant's demonstrated commitment to covering life-cycle operational and maintenance expenses

### **Recommended Standard Project Requirements**

- Project, program, or enhanced transit service must operate along or within three miles of either the I-110 Corridor (defined as Adams Boulevard to the north and the Harbor Gateway Transit Center to the south) or the I-10 Corridor (between the Alameda Street on the West and the El Monte Transit Center to the east) or provide regionally significant improvements for the 110 or 10 Corridor.
- Project, program, or enhanced transit service must provide direct operational benefits to the operation of the ExpressLanes and/or transit service within the corridors.
- Project, program, or enhanced transit must incorporate, to the extent possible, utilize green design techniques that minimize the environmental impact of transportation projects and/or support local urban greening initiatives.
- Eligible applicants include public agencies that provide transportation facilities or services within Los Angeles County. These include cities, transit operators, the County of Los Angeles, Caltrans, and Metro. Transportation-related public joint powers authorities must be sponsored by one of the above public agencies. All applicants must be in compliance with Maintenance of Effort requirements.
- **Timely Use of Funds provision: project sponsors must execute their funding agreement within six months of receipt of the agreement from Metro and begin expenditure of funds within one year of executing the agreement to avoid potential lapsing of the funds.**
- If applicant is seeking funding for transit operations or highway maintenance, the service/maintenance must either be new service/maintenance meeting a previously unmet need in the corridor or must increase service for existing lines in the corridor.
- Applicants must maintain their existing commitment of local, discretionary funds for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair in order to remain eligible for Net Toll Revenue funds to be expended for streets and roads.
- Monies cannot be used to supplant, replace, or reduce the project sponsor's previously required match in Metro's Call for Projects.
- Applicants shall ensure that all Communication Materials contain the recognition of Metro's contribution to the project, program, or service. Sponsor shall ensure

that at a minimum, all Communication Materials include the phrase “This project/program/service was partially funded by Metro ExpressLanes.”

**ATTACHMENT B**

**ExpressLanes I-10 and I-110 Corridor Advisory Groups (CAGs) Summit**

**October 1, 2015 - Attendee List**

<u>Contact</u>	<u>Organization</u>
Ta-Lecia Arbor	City of Los Angeles Housing Department
Eric Bruins	Los Angeles County Bicycle Coalition
Ruben Cervantes	Foothill Transit
Le Chen	Caltrans
Devon Deming	Los Angeles World Airports
David Diaz	Go Day One
Steve Diels	AAMCOM Call Center
Bart Doyle	SGVEP
Hank Fung	Southern California Transit Advocates
LaShawn Gillespie	Foothill Transit
Veronica Hahni	LANI
Dawn Helou	Caltrans
Ihenacho Ifeanyi	Torrance Transit
Steve Lantz	SBCCOG
James Lee	Torrance Transit
Joseph Loh	Gardena Transit
Sherry Matthews	Los Angeles Trade Tech College
Jordan Miles	Gardena Transit
Sheik Moinuddin	Caltrans
Hilary Norton	FAST
Garland Seto	LADOT
Matt Stauffer	Office of Assemblywoman Autumn R. Burke
Kim Sterling	Mount St. Mary's College
Kim Turner	Torrance Transit
Pat Williams	Mount St. Mary's College
Shahrzad Amiri	LACMTA
Bronwen Keiner	LACMTA
Silva Mardrussian	LACMTA
Kathleen McCune	LACMTA
Patricia Soto	LACMTA
Philbert Wong	LACMTA



**Board Report**

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

**Agenda Number:** 33.

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**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.

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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

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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**

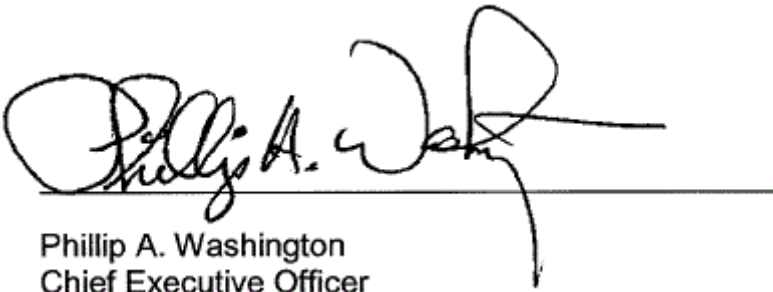
Attachment A - Procurement Summary  
Attachment B - FSP Beat Map

Attachment C - DEOD Summary

Prepared by: John Takahashi, Sr. Highway Operations Program Manager, (213) 922-6346  
Kathleen McCune, Director Countywide Planning and Development, (213) 922-7241

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

<b>Bidder</b>	<b>Bids Received</b>
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
<b>Total Bids Received</b>	<b>133</b>

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
<b>Step-One Not Technically Acceptable Total</b>		<b>14</b>

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
<b>Total bids received</b>		<b>117</b>

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%
	<b>Total</b>	<b>10.20%</b>

**Beat 5 – Sonic Towing, Inc.**

	SBE Subcontractor(s)	% Commitment
1	Casanova Towing Equipment	16.70%
	<b>Total</b>	<b>16.70%</b>

**Beat 6 – Neighborhood Towing 4U**

	SBE Subcontractor(s)	% Commitment
1	Casanova Towing Equipment	16.70%
	<b>Total</b>	<b>16.70%</b>

**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%
	<b>Total</b>	<b>4.03%</b>

**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%
	<b>Total</b>	<b>11.32%</b>

**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%
	<b>Total</b>	<b>4.03%</b>

**Beat 17 – Sonic Towing, Inc.**

	SBE Subcontractor(s)	% Commitment
1.	Casanova Towing Equipment	16.70%
	<b>Total</b>	<b>16.70%</b>

**Beat 23 – South Coast Towing, Inc.**

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

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

	SBE Subcontractor(s)	% Commitment
1.	None	0.00%
	<b>Total</b>	<b>0.00%</b>

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

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

**Beat 31 – Navarro’s Towing, LLC**

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

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

	SBE Subcontractor(s)	% Commitment
1.	None	0.00%
	<b>Total</b>	<b>0.00%</b>

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

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

**Beat 50 – Navarro’s Towing, LLC**

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

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

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

**Beat 71 – Bob and Dave’s Towing, Inc.**

	SBE Subcontractor(s)	% Commitment
1.	None	0.00%
	<b>Total</b>	<b>0.00%</b>

**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.