



## Board Report

File #: 2019-0208, File Type: Contract

Agenda Number: 43.

### OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE JULY 18, 2019

**SUBJECT: METRO FREEWAY SERVICE PATROL**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm fixed unit rate Contract No. FS58039000 for Metro Freeway Service Patrol (FSP) Regional light duty towing services Region 1 to Kenny's Auto Service, in an amount not to exceed \$20,936,369 for 52 months, subject to resolution of protest(s), if any; and,
- B. AWARD a firm fixed unit rate Contract No. FS58039001 for Metro Freeway Service Patrol (FSP) regional light duty towing services Region 2 to Platinum Tow and Transport in an amount not to exceed \$24,006,823 for 52 months, subject to resolution of protest(s), if any; and,
- C. INCREASE Contract Modification Authority (CMA) to 29 existing Freeway Service Patrol contracts as delineated below for a total amount of \$14,521,000 thereby increasing the CMA amount from \$11,161,294 to \$25,682,294 and extend the periods of performance as follows:
  - Beat no. 1: All City Tow Contract No. FSP2828200FSP141, for \$219,000 for 8 months
  - Beat no. 2: Citywide Towing Contract No. FSP2785600FSP142, for \$258,000 for 9 months
  - Beat no. 3: Hollywood Car Carrier Contract No. FSP3469400B3/43, for \$849,000 for 9 months
  - Beat no. 4: Frank Scotto Towing Contract No. FSP2788200FSP144, for \$237,000 for 9 months
  - Beat no. 5: Sonic Towing, Inc. Contract No. FSP3469500B5/17, for \$320,000 for 11 months
  - Beat no. 6: Neighborhood Towing 4 U Contract No. FSP3469600B6, for \$338,000 for 11 months
  - Beat no. 8: Citywide Towing Contract No. FSP2825800FSP148, for \$293,000 for 9 months
  - Beat no. 9: Frank Scotto Towing Contract No. FSP3470000B9, for \$394,000 for 11 months
  - Beat no. 10: Neighborhood Towing 4 U Contract No. FSP3848100FSP1410, for \$365,000 for 12 months
  - Beat no. 12: Tip Top Tow Contract No. FSP2826700FSP14, for \$796,000 for 12 months
  - Beat no. 13: Reliable Delivery Service Contract No. FSP2831500FSP1413, for \$440,000 for 7

months

- Beat no. 17: Sonic Towing, Inc. Contract No. FSP3469500B5/17, for \$241,000 for 9.5 months
- Beat no. 18: Bob & Dave's Towing, Inc. Contract No. FSP2690300FSP1418, for \$695,000 for 14.5 months
- Beat no. 20: Bob's Towing Contract No. FSP2836600FSP1420, for \$211,000 for 12 months
- Beat no. 21: Bob's Towing Contract No. FSP2839000FSP1421, for \$153,000 for 12 months
- Beat no. 24: T.G. Towing, Inc. Contract No. FSP2833200FSP1424, for \$275,000 for 11

months

- Beat no. 28: Hadley Tow Contract No. FSP3847300FSP1428, for \$99,000 for 11 months
- Beat no. 33: Mid Valley Towing Contract No. FSP2851900FSP1433, for \$266,000 for 9

months

- Beat no. 34: South Coast Towing, Inc. Contract No. FSP2839600FSP1434, for \$292,000 for 11 months
- Beat no. 36: Hadley Tow Contract No. FSP2841400FSP1436, for \$288,000 for 11 months
- Beat no. 37: Reliable Delivery Service Contract No. FSP3696000FSP1437, for \$690,000 for 11 months

- Beat no. 38: Steve's Towing Contract No. FSP38468001438, for \$106,000 for 11 months
- Beat no. 39: Jon's Towing Contract No. FSP3470400B27/39, for \$253,000 for 9.5 months
- Beat no. 41: T.G. Towing, Inc. Contract No. FSP2760200144, for \$322,000 for 8 months
- Beat no. 42: Platinum Tow & Transport Contract No. FSP2842100FSP1442, for \$290,000 for 11 months

- Beat no. 43: Hollywood Car Carrier Contract No. FSP3469400B3/43, for \$828,000 for 9.5 months

- Beat no. 70: Tip Top Tow Contract No. FSP3471300B70, for \$920,000 for 7 months

- Beat no. 71: Bob & Dave's Towing, Inc. Contract No. FSP3471500B71, for \$932,000 for 6 months

- Region 1: Kenny's Auto Service Contract No. FSP13-R1, for \$3,151,000 for 9 months

## **ISSUE**

Based on the success of the regional approach as demonstrated with the first regional beat, staff is recommending the award of two FSP Regional light duty tow service contracts (Regions 1 & 2). The Region 1 contract award will replace the expiring Region 1 contract. The Region 2 contract award will expand the FSP Regional format from a single region to two (2) regions. Region 2 consolidates six (6) FSP beats in and around the central downtown Los Angeles freeway corridor into a single regional contract. A single contractor managing the FSP service in this area will have the flexibility to more quickly and efficiently respond to congestion due to incidents consistent with the Region 1 experience.

Recommendation C authorizes contract modification authority (CMA) in the amount of \$14,521,000 to execute contract modifications to existing FSP light duty tow service contracts. Additional funds are needed to extend and replenish existing FSP contracts, in anticipation of the phased startup of the two multi-beat Regional contracts (Recommendations A & B) and the award and startup of

sixteen (16) individual beat contracts in Q3 FY2020.

To ensure the largest pool of prospective proposers for the Regions, it was necessary to procure the Regional contracts before the individual beat contracts to avoid the contract cap limits required to ensure optimal service. Extending the period of performance will ensure seamless and efficient operation of the FSP program during the initial contract mobilization phase of the new Regional contracts where contractors order trucks to be built to Metro FSP specifications, hire and train drivers, contract with various sub-contractors and outfit their vehicles with the appropriate equipment at Metro's radio shop. Increased CMA will also provide funds to address increased operating costs such as insurance and fuel and will also replenish funding to contracts that provide support to Caltrans construction projects through a Cooperative Agreement. The FSP program currently expends up to \$75,000 each month to support Caltrans construction projects.

## **BACKGROUND**

FSP is a congestion mitigation program managed in partnership with Metro, CHP and Caltrans serving motorists on all major freeways in Los Angeles County. The Los Angeles County FSP program has the highest benefit to cost ratio of all the statewide FSP programs.

The program utilizes a fleet of roving tow and service trucks designed to reduce traffic congestion by efficiently rendering disabled vehicles operational or by quickly towing those vehicles from the freeway to a designated safe location. Quick removal of motorists and their disabled vehicles from the freeway reduces the chances of further incidents caused by onlookers and impatient drivers. FSP helps save fuel and reduce air polluting emissions by reducing stop-and-go traffic. The service is free to motorists and operates seven days a week during peak commuting hours.

Metro contracts with independent tow service providers for light duty tow service on general purpose lanes on all major freeways in Los Angeles County, 2 light duty contracts on the ExpressLanes (I-110 and I-10), and 2 heavy duty (Big Rig) contracts (I-710 and SR-91). Each weekday, 170 tow and service trucks are deployed during peak commuting hours.

The annual benefit of the program is as follows:

- For individual beats, an annual Benefit to Cost Ratio of 10:1 - For every \$1 spent there is a \$10 benefit to motorists.
- 300,000 motorist assists
- 9,847,881,840 hours motorists saved from sitting in traffic
- 16,928,508 gallons of fuel savings
- Approximately 150,000,000 kg of CO2 reductions
- The average motorist wait time for FSP service is 7 minutes (the average wait time for AAA service is over 30 minutes)
- The Los Angeles County FSP program generates one-half of the cumulative benefits of the 14 FSP programs in the state.

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## **DISCUSSION**

The regional concept was introduced to improve performance, control program costs, and enhance the ability to actively conduct incident response in a large geographic area. The concept divided the FSP service area into six geographic regions. Each region would be comprised of six individual FSP light duty tow service beats with the contract awarded to a single vendor. The first FSP Regional contract (Region 1) was awarded on January 23, 2014. An evaluation of Region 1 was conducted and completed in August 2017 to assess the impacts and benefits of the regional approach. The evaluation focused on three general areas: 1) performance, 2) program efficiency and 3) operational effectiveness.

To evaluate Region 1 performance, various data sources were used including; FSP Assist information, FSP contract information, Caltrans FSP statewide annual report, and Caltrans PeMS. Metrics such as assists per vehicle hour, percentage of time assisting motorists, cost per assist and benefit to cost ratio were utilized to evaluate potential differences between a single contract per beat and a regional beat. Within each performance category, Region 1 consistently outperformed all other contracts on every metric. The Benefit-to-Cost Ratio is one of the Key Performance Indicators used by Metro and Caltrans to measure the success of the FSP program. Region 1 performed at a 17.2:1 ratio which is 7 points higher than the FSP program's overall ratio of 10:1 (Metro's program is the top performing program in the state).

In terms of program efficiency, the evaluation revealed that by consolidating 6 beats into one region under a single contract, the contractor was able to leverage the large number of vehicles (25 tow and service vehicles) to negotiate volume discounts on vehicle prices, parts and equipment. As anticipated, the implementation of Region 1 reduced the administrative workload. This provided the opportunity to focus on operations and program performance. As a result, the Los Angeles County FSP program has been the most cost effective program in the state for the past two years.

The evaluation also identified operational efficiencies associated with the regional approach in terms of the contractor's ability to manage and motivate employees to exceed past beat performance, properly maintain and repair 25 contracted vehicles, and keep contract violation assessments to a bare minimum. This allowed program management staff and FSP CHP field supervision to focus their efforts in other areas of the FSP service area (communications system development).

Based on the benefits of the first regional beat, staff recommends award of a new contract for Region 1 which is expiring and award of an additional contract for a second region (Region 2). Staff will evaluate Region 2's operations and performance in a similar fashion as was done for Region 1.

## **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 can 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**

The amount of \$14,521,000 for CMA, and first year startup and operational costs of \$5,255,583 for Region 1 and \$5,497,288 for Region 2 is included in the FY20 budget in cost center 3352, Metro Freeway Service Patrol, under project number 300070. Since this action includes multi-year contracts, the cost center manager and Executive Officer, Congestion Reduction will be responsible for budgeting funds in future years.

### **Impact to Budget**

The FSP program is funded through a combination of dedicated state funds, SB1 funding and Proposition C 25% sales tax. These funds are not eligible for Metro Bus and Rail Operating and Capital expenses. Metro is also reimbursed for the services provided to support Caltrans construction projects.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The FSP Program aligns with Strategic **Goal 1: Provide high quality mobility options that enable people to spend less time traveling.** The program mitigates congestion on all major freeways in Los Angeles County.

## **ALTERNATIVES CONSIDERED**

The Board may decide not to award the contracts or authorize the increase in contract modification authority. This alternative is not recommended as it will adversely impact the existing contracts and the level and quality of FSP service provided in Los Angeles County.

## **NEXT STEPS**

Upon Board approval, staff will execute the necessary contracts to assure efficient and seamless delivery of the FSP program.

## **ATTACHMENTS**

Attachment A - Procurement Summary (Region 1 and Region 2)

Attachment B - Procurement Summary (Various Beats)

Attachment C - Contract Modification Authority Summary


Attachment D - Contract Modification/Change Order Log

Attachment E - DEOD Summary

Attachment F - FSP Regional Beat Map

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