

**Board Report**

File #: 2021-0756, **File Type:** Contract**Agenda Number:** 17.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
FEBRUARY 17, 2022****SUBJECT: PURCHASE OF NINE (9) 35 TON TOW TRUCKS****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a firm fixed price contract under IFB No. DR81105 with Baatz Enterprises Inc. DBA Tow Industries, the lowest responsive and responsible bidder for nine (9) 35-ton tow trucks for a firm fixed price of \$3,948,479.62 inclusive of sales tax.

ISSUE

This procurement is for the replacement of nine (9) Metro owned and operated 35-ton tow trucks currently operating in support of Bus Maintenance Operations that have exceeded the Metro vehicle replacement policy of 12 years and/or 150,000 miles. The 35-ton tow trucks will support bus towing requirements of the revenue fleet in the Metro bus revenue service area within Los Angeles County.

The purchase of these nine tow trucks will provide Metro Bus Maintenance Operations Bus Divisions with the necessary equipment for the consistent, timely, and effective support and maintenance of Metro revenue bus fleet for the next 12-15 years.

BACKGROUND

Metro currently operates a fleet of thirteen (13) tow trucks. Each Maintenance Division is assigned and operates at least one (1) tow truck to support its respective fleet. This fleet of tow trucks is used to support in-service bus failures that are required to be towed back to the Maintenance Divisions for repair. Bus divisions normally operate over 200 buses that require timely on-street support for repair and tow as necessary. This support is critical for the retrieval and repair of the bus fleet for timely return to revenue service.

Of this fleet of thirteen existing tow trucks owned by Metro, nine trucks are being replaced that have exceeded 12 years of age and/or exceeded 150,000 miles of service. In addition, these nine trucks have been determined unreliable with excessive mechanical failures, costly repairs, and parts are becoming difficult to locate due to the age of the vehicles.

DISCUSSION

The award of this firm fixed price contract with Baatz Enterprises Inc. DBA Tow Industries will replace nine Metro-owned and operated 35-ton tow trucks. These trucks are used for tow and recovery operations at Metro's ten bus operating divisions and for training and central tow operations at Metro's Central Maintenance Facility. These trucks are required to support the bus operations throughout the Metro system, including over 2,200 buses. The nine new tow trucks will replace trucks that have been in operation for approximately 18 years, since 2003. These trucks have experienced reduced reliability in the last few years and have now surpassed their useful life and require replacement.

Three of the nine new tow trucks will be powered by compressed natural gas (CNG) and six powered by diesel fuel. The purchase of three CNG tow trucks aligns with the AQMD Rule 1196, requiring Metro to purchase alternate fuel vehicles to replace heavy-duty diesel-powered vehicles. AQMD Rule 1196 allows purchase of the six (6) new diesel tow trucks to support the retrieval and towing of the 60' Articulated CNG and Electric bus fleets due to the excessive weight of the buses and the towing capability the diesel-powered tow trucks provide. These tow trucks will be distributed to Bus Operating Divisions that operate 60' articulated or electric buses. The CNG tow trucks will be assigned to the bus Divisions that operate standard 40' CNG buses due to the CNG tow trucks having insufficient torque to tow 60' Articulated or electric buses.

To understand the impacts of emissions to the service areas of divisions receiving required diesel Tow Trucks, a comparable analysis from both CNG and diesel trucks was conducted. It was determined that the new diesel tow truck emissions systems are far superior to the tow trucks being replaced. The new diesel tow trucks emit the same levels of Reactive Organic Gas (ROG) and Particulate Matter (PM) emissions as the new CNG trucks. The new CNG tow trucks' Nitrogen Oxide (NOx) emissions are slightly lower; however, the new diesel tow truck NOx levels are 86% lower than the current diesel tow trucks.

DETERMINATION OF SAFETY IMPACT

LA Metro's current tow truck fleet is antiquated, with systems and equipment that is outdated in the heavy-duty truck industry. The purchase of new tow trucks will provide Metro with current state-of-the-art tow trucks that maximize tow truck operator safety.

FINANCIAL IMPACT

A total of \$3,948,479.62 is needed for this action. Budget is contained in Capital Project 208608 - FY22 AQMD 1196 Rule Non-Revenue Vehicles. The Life of Project (LOP) budget is \$9,400,000.00, which is within the project budget.

Since this is a multi-year contract, the Project Manager will be responsible for budgeting resources in future Fiscal Years.

Impact to Budget

Funding comes from State and Local sources including TDA4 that are eligible for State of Good Repair (SGR) projects. Allocating these funds to this effort maximizes project funding use given approved provisions and guidelines.

EQUITY PLATFORM

This action will provide support equipment (tow trucks) that will ensure the bus fleet that serves most regions in Los Angeles County and is a vital life line for many underserved communities can provide reliable transportation services. The nine (9) tow trucks procured will be assigned to Bus Operating Divisions located throughout Los Angeles County, including Downtown Los Angeles, El Monte, Long Beach, and Sun Valley. These tow trucks will be assigned to Bus Operating Divisions in Metro's Equity Focus Communities (EFCs) and per our analysis, delays in the procurement of the new tow trucks will result in higher emissions levels for EFCs.

The Diversity and Economic Opportunity Department (DEOD) did not recommend a SBE or DVBE participation goal for this procurement due to limited suppliers and only one bid submitted for the 35-ton tow trucks.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports Metro Strategic Plan Goal 5) Provide responsive, accountable, and trustworthy governance within the Metro organization. New Tow Trucks will minimize vehicle maintenance needs, improve safety, and lower emissions by purchasing and deploying CNG and diesel-powered trucks with the latest emission control devices on the market. With this, Metro is exercising good public policy judgment and sound fiscal stewardship.

ALTERNATIVES CONSIDERED

Staff considered leasing equipment and/or contracting out tow services. These alternatives are not recommended as this work has historically been performed by Amalgamated Transit Union (ATU) contract personnel. Contracting out this service would conflict with the current LA Metro/ATU Collective Bargaining Agreement. Additionally, staff calculated that the cost of external contracted towing services for one tow truck would equal or exceed the full purchase price of one tow truck in the first five years of operation.

The alternative of retaining the existing tow truck fleet for primary tow services is not recommended. Diminished reliability, high maintenance costs and frequent repairs over the past several years has rendered the use of the existing tow truck fleet a poor alternative for continued operation.

Not purchasing the recommended tow trucks will significantly reduce the ability of the Metro Bus Operations and Maintenance Departments to effectively provide world-class transportation for all.

NEXT STEPS

Following the authorization and execution of the contract, the vendor will begin the manufacturing

process and provide Metro with a production schedule to identify milestones consistent with the scheduled delivery of the equipment 16 to 22 months after award of the contract.

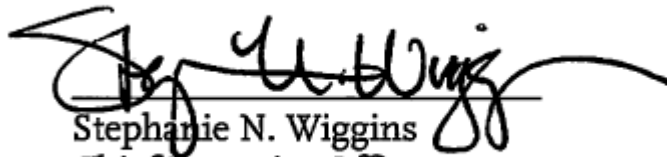
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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