



Board Report

File #: 2024-0292, File Type: Contract

Agenda Number: 28.

REVISÉD
OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
JUNE 20, 2024

SUBJECT: METRO FREEWAY SERVICE PATROL

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a 54-month firm fixed unit rate Contract No. FS118013-C0003000-13A to Neighborhood Towing 4U, Inc. for Metro Freeway Service Patrol (FSP) towing services for Beat 7 and Beat 29 in the amount of \$9,432,184, effective July 2024, subject to resolution of any properly submitted protest(s), if any;
- B. AWARD a 54-month firm fixed unit rate Contract No. FS118013-C0003001-13B to Reliable Delivery Service, Inc., DBA R.D.S. Towing, for FSP towing services for Beat 11 and Beat 28 in the amount of \$8,596,062.16, effective July 2024, subject to resolution of any properly submitted protest(s), if any;
- C. AWARD a 54-month firm fixed unit rate Contract No. FS118013-C0003002-13C to Hovanwil, Inc., DBA Jon's Towing, for FSP towing services for Beat 24 and Beat 41 in the amount of \$10,212,384.70, effective July 2024, subject to resolution of any properly submitted protest(s), if any;
- D. AWARD a 54-month firm fixed unit rate Contract No. FS118013-C0003003-13D to Disco Auto Sales, DBA Hollywood Car Carrier Service, for FSP towing services for Beat 27 and Beat 33, in the amount of \$8,623,240.45, effective July 2024, subject to resolution of any properly submitted protest(s), if any;
- E. AWARD a 54-month firm fixed unit rate Contract No. FS118013-C0003004-13E to Sonic Towing, Inc. for FSP towing services for Beat 36 and Beat 42, in the amount of \$7,837,402.68, effective July 2024, subject to resolution of any properly submitted protest(s), if any; and
- F. AWARD a 54-month firm fixed unit rate Contract No. FS118013-C0003005-13F to Safeway Towing Services, Inc., DBA Bob's Towing, for FSP towing services for Beat 50, in the amount of

\$4,449,861.00, effective July 2024, subject to resolution of any properly submitted protest(s), if any.

HORVATH AMENDMENT: For the upcoming RFP, evaluate the feasibility of a pilot program that includes battery-powered, Level 2 EV charging capabilities as a feature to assist motorists.

ISSUE

The award of six Freeway Service Patrol (FSP) light duty tow service contracts (11 beats) is intended to replace expired or expiring contracts to prevent gaps in service provision.

BACKGROUND

The FSP program is a congestion mitigation program managed in partnership with Metro, CHP, and Caltrans, serving motorists on all major freeways in Los Angeles County. The program began as a pilot in LA County in 1991 and is now the largest FSP program of its kind in the nation. Metro's FSP program has performed over 9,500,000 assists to date and maintains the highest Benefit to Cost (B/C) ratio of all 14 FSP programs within California.

The program utilizes a fleet of roving tow and service trucks designed to reduce traffic congestion by efficiently rendering disabled vehicles operational by changing out flat tires, providing a jump start, adding water to the radiator, taping leaking hoses, providing a gallon of gas and/or quickly towing those vehicles from the freeway to a designated safe location. These services are free to motorists. Removing 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 through the provision of free services to motorists and operates seven days a week during peak commuting hours.

Metro contracts with independent tow service providers for Freeway Service Patrol Light Duty (FSPLD) tow service on general purpose lanes on all major freeways in Los Angeles County, two Freeway Service Patrol ExpressLanes (FSPEL) contracts on the I-110 and I-10, and two Freeway Service Patrol Heavy Duty (FSPHD) contracts (I-710 and SR-91) to assist large commercial vehicles (Attachment C). 138 tow and service trucks are deployed each weekday during peak commuting hours.

FSP light duty contracts are re-procured approximately every four years to replace aging vehicles, encourage competition by providing tow service contractors the opportunity to bid on new contracts and allow new contracts to reset rates using current industry prices.

The annual benefits of the program are as follows:

- For individual beats, an annual B/C Ratio of 6:1 - For every \$1 spent, there is a \$6 benefit to motorists
- 238,000 motorist assists
- 3,824,756 hours motorists saved from sitting in traffic
- 6,574,756 gallons of fuel savings

- Approximately 57,726,359 kg of CO2 reductions
- The average motorist wait time for FSP service is 10 minutes (the average wait time for other roadside services 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.

DISCUSSION

The award of contracts for beats 7 and 29, 11 and 28, 24 and 41, 27 and 33, 36 and 42, and 50 will replace expiring and vacant contracts. The beats are comprised of 179 centerline miles of freeway and will utilize a combination of 35 tow and service trucks to provide service.

Once contracts are awarded, contractors will have a mobilization period to complete the required startup activities to begin service. The following list summarizes the major activities that must be completed prior to FSP service operations:

- Purchase vehicle chassis and beds
- Build vehicles to FSP specifications (8-12 weeks)
- Metro Radio Shop installation of communications equipment (4-5 weeks)
- Hire and train prospective FSP drivers
- CHP testing and certification of FSP drivers
- Obtain program supplies
- CHP inspection and certification of contract vehicles

Increased Program Costs

Over the past four years, rising operating costs have significantly impacted the towing industry. This includes liability insurance premiums, which in some cases, have increased over 200%, the cost of new tow trucks increasing 100%, fuel costs (which is a major expenditure of FSP contractors) remaining at high levels for diesel, and the implementation of Living Wage Standards, which can increase the cost of labor up to 3% annually. Vehicle maintenance costs have also increased due to changing emissions standards and the lack of availability of replacement parts (related to supply chain issues), increasing prices for parts suppliers. These increased industry costs translate into higher hourly rate bids for FSP contracts. Between 2016 and 2021, hourly rates awarded increased approximately 33%, and for contracts recommended for award in this report, the hourly rates increased an additional 25% from 2021.

Cost Reduction Efforts

Staff continues to implement strategies to reduce program costs through various methods.

- Created FSP Regions - consolidating six beats into a single procurement with multiple contract awards and reducing the number of required backup trucks per beat.

- Outreach efforts to local firms and former contractors to obtain feedback and increase the number of firms bidding on FSP contracts to increase competition.
- FSP staff participation at the annual towing industry convention sponsored by the California Tow Truck Association. FSP agencies from across the state staff a booth to increase awareness of the FSP program and inform tow operators of contracting opportunities.
- Staff have created a bidders list of firms contacted at the annual convention, through local outreach, and through unsolicited requests for information about the FSP program from various tow firms. This list supplements the firms registered with Vendor Contract Management (VC/M) when releasing solicitations.
- Five of the contracts recommended for award in this report are two-beat contracts. Two-beat contracts were offered to reduce the number of backup trucks to reduce program costs. Usually, each beat will have its own backup truck, but combining two beats into a single contract could eliminate one backup truck to minimize program costs. Reducing one tow truck (each tow truck costs approximately \$170,000) for each of the five contracts should create a savings opportunity of approximately \$850,000.

Program Funding

Caltrans allocates and manages funding dedicated to FSP programs statewide from two funding sources each year. The first is through legislation (state highway funds) provided when the program was established.

The second funding source is Senate Bill 1 (SB-1), passed in 2017. Metro staff worked proactively to assure a discrete funding source for FSP during SB-1's development and, upon its passage, collaborated in developing guidelines for funding allocation.

LA County has the worst congestion in the nation, and Metro's FSP program is the largest in the state. In comparison to the state's other FSP programs, it consistently performs at the highest B/C ratio, generates approximately 50% of the state's performance metrics (number of assists, emissions/fuel/motorist delay savings), and does so while receiving only 31% of state allocated funds. While Metro must provide a 25% match to the state funds due to the congestion level and the program's size, Metro ultimately provides 59% of the total FSP program funding using local funds.

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 pose a hazard to motorists.

In February 2024, HAAS Alert, Safety Cloud was installed on all FSP vehicles. Safety Cloud sends a notification to WAZE and Apple Maps users within 30 seconds of approaching an FSP truck assisting a motorist on the freeway. The notification alerts the users that FSP is stopped ahead and to slow down. HAAS Alert provides this service primarily to first responders, FSPs, and tow operators responding to freeway incidents. There are many instances where motorists are stranded in traffic lanes and may not be visible to other motorists approaching at a high rate of speed. Safety Cloud can effectively reduce traffic

speeds in a specific area to enhance the safety of the FSP driver and the motorist they are assisting. In March 2024, there were 234,000 notifications to WAZE and Apple Maps users alerting motorists to FSP trucks stopped to assist motorists. HAAS Alert is working to expand the number of motorists it can alert by adding Safety Cloud to Google Maps.

FINANCIAL IMPACT

The first-year startup and operational costs of approximately \$3,576,700 for beats 7 and 29, 11 and 28, 24 and 41, 27 and 33, 36 and 42, and 50 are included in the FY25 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 Deputy Chief of Operations, Shared Mobility 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 Metro Proposition C 25% sales tax revenues. 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.

EQUITY PLATFORM

Through Outreach efforts, the Diversity & Economic Opportunity Department (DEOD), FSP's program management, and contract administration staff have conducted targeted certification outreach events for Tow Service providers in an effort to increase the pool of certified Small Business Enterprise (SBE), Disabled Veteran Business Enterprise (DVBE), and Disadvantaged Business Enterprise (DBE) firms. Currently, 57% of the FSP Tow Service providers are SBE certified, and 20% are DBE certified.

In addition, FSP program management staff continue their outreach to the towing community and potential SBE/DVBE vendors to provide information on contracting opportunities in Metro's programs. These efforts include attending the largest towing convention on the West Coast (sponsored by the California Tow Truck Association), contacting local towing firms via phone or in person, and contacting former FSP tow contractors.

DEOD established a 6% SBE goal for this procurement. Five of the six awardees are SBE primes, and all six awardees made SBE/DVBE commitments that exceeded the goal.

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 authorize these awards. This alternative is not recommended as it could adversely impact the level and quality of FSP service provided in Los Angeles County.

NEXT STEPS

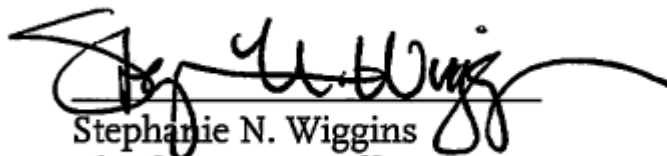
Upon Board approval, staff will execute Contract Nos. FS118013-C0003000-13A, FS118013-C0003001-13B, FS118013-C0003002-13C, FS118013-C0003003-13D, FS118013-C0003004-13E, and FS118013-C0003005-13F for FSP towing services to ensure efficient and seamless delivery of the FSP program. Staff will work on new procurements to address needs beyond FY25.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - DEOD Summary
- Attachment C - FSP Beat Map

Prepared by: John Takahashi, Senior Director, Shared Mobility, (213) 418-3271
Mark Linsenmayer, Executive Officer, Shared Mobility, (213) 922-5569
Shahrzad Amiri, Deputy Chief Operations Officer, Shared Mobility,
(213) 922-3061
Carolina Coppolo, Deputy Chief Vendor/Contract Management Officer (Interim),
(213) 922-4471

Reviewed by: Conan Cheung, Chief Operations Officer, (213) 418-3034


Stephanie N. Wiggins
Chief Executive Officer