



METROPOLITAN
TRANSPORTATION
COMMISSION
SERVICE AUTHORITY
FOR FREEWAYS
AND EXPRESSWAYS

Agenda Item 4d

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Memorandum

TO: Operations Committee

DATE: April 7, 2016

FR: Executive Director

W.I.: 6032

RE: Contract – Freeway Service Patrol Towing Services: Palace Garage (\$2,100,800)

This memorandum seeks Committee approval of a contract with Palace Garage in an amount not to exceed \$2,100,800 to provide Freeway Service Patrol (FSP) service on Beat 22 in Alameda County from September 1, 2017 through June 30, 2021, subject to annual MTC SAFE budget approval for future fiscal years.

General Background

Increasing insurance rates and a very tight labor market have greatly impacted the towing industry. The very low unemployment rate in the Bay Area has made it difficult for the tow contractors to recruit new FSP drivers and costly to retain existing FSP drivers. Additionally, many of MTC SAFE's tow contractors have experienced a very large increase in their insurance rates due to many insurers withdrawing from the towing industry. These issues have also caused the contractor on Beat 28 (Hwy 101 Novato-Petaluma) to withdraw from its current contract and the contractor on Beat 32 (SR-85 Mt. View-So. San Jose) to withdraw from its upcoming contract. Beat 28 has been integrated into the coverage area of the adjacent beats. Beat 32 is currently under procurement. MTC SAFE is working within the existing FSP contract limitations to assist contractors. Future contract strategies include a plan to incentivize the hiring of new FSP drivers and a plan to integrate a yearly cost of living increase into the hourly rate. MTC is also working with the statewide FSP program for a budget increase for the entire program.

Contract Background

Beat 22 FSP coverage is in Alameda County along I-580 from Foothill Blvd to Grant Line Rd. On January 11, 2013, this Committee awarded a four-year contract to Myers Towing to provide service on Beat 22. However, on February 13, 2017, Myers Towing's Beat 22 contract was terminated for failure to provide services under the terms and conditions of the contract.

Procurement Process

On February 17, 2017, MTC SAFE issued an Invitation for Bids (IFB) to bidders that had passed the final qualification step from the FY 2014-18 FSP tow procurement and currently operate FSP certified tow yards within 30 minutes driving time from Beat 22. Three existing FSP tow contractors, all of whom met the above qualifications, submitted bids for Beat 22. The IFB required the awarded contractor to provide three FSP vehicles to service Beat 22 from 5:30-9:30 AM and 3:30-7:00 PM, Monday through Friday and one newly required backup FSP vehicle. Total FSP service hours are approximately 21,785.

The IFB was a one-step process that required qualified bidders to submit a price proposal. The bidder with the lowest, responsive bid would be recommended for contract award. A total of 3 bids were received, all responsive. Palace Garage submitted the lowest bid at \$91.84 per truck service hour, while both Atlas Towing and Ken Betts Tow submitted a bid price of \$115.00. Palace Garage is neither a small business nor a disadvantaged business enterprise and currently has no subcontractors.

Recommendation

Staff recommends that the Committee authorize the Executive Director or his designee to negotiate and enter into a 3 year, 10 month contract with Palace Garage in an amount not to exceed \$2,100,800 to provide tow service on Beat 22 from September 1, 2017 through June 30, 2021 subject to annual MTC SAFE budget approval for future fiscal years.



Steve Heminger

SH: gd

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REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract

Work Item No.:	6032
Work Project Title:	FSP Tow Operations
Consultant:	Palace Garage
Purpose of Project:	To provide Freeway Service Patrol service on Beat 22 during FY 2017-18 through FY 2021-21, as designated in the IFB dated February 17, 2017 under the terms and conditions as specified.
Brief Scope of Work:	Provide tow services during hours of congestion as specified by the FSP Partnership, which includes MTC SAFE, Caltrans and CHP.
Project Cost Not to Exceed:	\$2,100,800
Funding Source:	STP, State, SAFE
Fiscal Impact:	<p>\$456,500 is available in the FY 2017-18 budget.</p> <p>\$548,100 is subject to inclusion in FY 2018-19 budget.</p> <p>\$548,100 is subject to inclusion in FY 2019-20 budget.</p> <p>\$548,100 is subject to inclusion in FY 2020-21 budget.</p>
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a contract with Palace Garage for the purposes described herein and in the Executive Director's April 7, 2017 memorandum and that the Chief Financial Officer is authorized to set aside funds in the amount of \$2,100,800 for such contract in the yearly amounts provided above, with amounts for future fiscal years subject to inclusion in such fiscal years' budgets.
Operations Committee:	<hr/> <p>Dave Cortese, Chair</p>
Approved:	Date: April 14, 2017