



METROPOLITAN  
TRANSPORTATION  
COMMISSION  
SERVICE AUTHORITY  
FOR FREEWAYS  
AND EXPRESSWAYS

**Agenda Item 3b**  
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## *Memorandum*

TO: Operations Committee

DATE: October 5, 2018

FR: Executive Director

W.I.: 6032

RE: Contracts – Freeway Service Patrol (FSP) Towing Services: Various Tow Contractors (\$36,518,098)

This memorandum seeks Committee authorization to enter into contracts for up to 15 Freeway Service Patrol (FSP) beats with the various tow contractors and in amounts as listed in Attachment A for a total amount not to exceed \$36,518,098 over four years, subject to annual approval of the SAFE budget during Fiscal Years (FY) 2019-20 through 2022-23.

### **Background**

FSP is a congestion relief and management program that deploys roving tow trucks in areas of congestion to quickly remove debris and stalled vehicles during peak commute hours. The benefits of FSP service are improved traffic flow, motorist safety, and reduced emissions. The program is administered through a partnership between MTC SAFE, the California Highway Patrol (CHP) and the California Department of Transportation (Caltrans). Private tow contractors are hired by MTC SAFE to provide the service, and funding for such contracts are a combination of federal, state, and local funds. The program encompasses 31 beats or freeway segments that cover approximately 500 miles of Bay Area freeway with 75 trucks. Numerous modifications have been made over the years to align service levels with each beat's recent congestion trend to ensure that resources are allocated effectively and within budget constraints.

During the November 6, 2018 election, California voters will vote on Proposition 6 which if approved, would repeal Senate Bill 1 (SB 1), the Road Repair and Accountability Act. MTC SAFE is receiving approximately \$6 million per year of SB1 funds to cover cost increases and to expand the FSP program. Loss of SB1 funding would impact the level of FSP service as presented to the June 2018 Operations Committee. Proposition 6 creates two contract award scenarios that are detailed below. Both scenarios are presented for your approval in advance of the election results due to the short time frame the awarded tow contractor will have to order new FSP vehicles. Contract award and execution will occur immediately following the election so that the contractor can meet the FSP vehicle order deadline in late November 2018 and the subsequent FSP vehicle delivery deadline prior to June 2019.

### **Request for Qualifications and Bid Invitation (RFQBI)**

Staff analyzed the program's performance to assess additional modifications that needed to be made to the program and incorporated these modifications into the upcoming beat procurement. These modifications included potential expansion of the program, contingent on future Senate Bill 1 (SB 1) funding. Based on congestion performance resources, assist data collected, and discussions with FSP Partners, minor adjustments were recommended with the objective of maximizing cost-effective congestion reduction. Staff presented the recommended service changes and recommended SB1 expansion to the June 2018 Operations Committee.

On June 25, 2018, the RFQBI was released to over 400 tow vendors on the MTC SAFE mailing list. The RFQBI is a multi-step procurement process in which bidders are qualified through experience and inspections and then invited to submit a bid. This two-step process is as follows:

- Step 1: Qualifications of proposers were reviewed to determine which tow contractors met the minimum qualifications (MQs). The review included site visits, which involved vehicle and facility inspections conducted by CHP and MTC SAFE.
- Step 2: Bidders that met the MQs and passed the site inspections were eligible to submit a price proposal. Bidders with the lowest responsible and responsive contract hourly rate are recommended for contract award, subject to the beat award limitations designed to ensure that bidders are not extended beyond their operational capacity.

### **RFQBI Evaluation**

Seven bidders, including six existing FSP contractors, participated in the initial procurement and passed Step 1. On the closing date of Step 2, MTC SAFE received bids for only 13 of the 15 beats. One bid came in for Beat 5 and was cancelled because the bid's total cost was over the program's budget allowance. Beats 9 and 31 did not receive any bids and were reopened along with Beat 5 to the same 400 tow vendors on the MTC SAFE mailing list with substantially similar specifications as the original RFQBI. Outreach was conducted by staff to garner additional interest and at the Beat 5, 9 and 31 bid submittal closing date, one bid was received for Beat 5 and one bid each was submitted for Beats 9 and 31, respectively. The total costs submitted for the three beats were acceptable and within budget.

Of the 15 beats recommended for award per this memo, all are recommended based on low bid evaluations except for Beat 20. Staff's recommendation for Beat 20 is to award to the second lowest bidder because the lowest bidder is being recommended for five other beats and MTC SAFE feels that adding Beat 20 would put the bidder over operation limitations. The recommended contractors and contract amounts are detailed in Attachment A.

### **2018 Proposition 6 Scenarios**

MTC SAFE is receiving approximately \$6 million per year of SB1 funds to cover cost increases and to expand the FSP program. Scenario 1 represents the failure of Proposition 6, such that SB 1 would not be repealed. Under Scenario 1, staff recommends the award of 15 beats that would include 37 FSP vehicles. Scenario 2 represents the passage of Proposition 6 which would repeal SB 1 and end future SB1 funding for the FSP program. Under Scenario 2, staff recommends the award of 12 beats that would include 30 FSP vehicles. Under Scenario 2, all current core FSP service areas would remain; however, there would be cuts to some of the proposed expanded service areas. Both contract award scenarios were presented to the June 2018 Operations Committee and the award amounts are detailed in Attachment A.

### **DBE and SBE Status**

MTC SAFE is piloting a Small Business Enterprise (SBE) preference on all new FSP procurements with a five percent bid preference awarded to SBE certified vendors. MTC SAFE held an outreach event in March 2018 to assist vendors with obtaining SBE and DBE certification from the State of California. Four of the eight total bidders received a five percent SBE preference.

### **Recommendation**

Staff recommends that the Committee authorize the Executive Director or his designee to negotiate and enter into four-year contracts with the tow contractors in the respective amounts listed in the two scenarios set forth in Attachment A, for a total not-to-exceed the amount of \$36,518,098 under Scenario 1 and a total not-to-exceed the amount of \$30,140,058 under Scenario 2, over four years subject to annual approval of MTC SAFE budgets.



Steve Heminger

### **Attachments:**

- Attachment A: FSP Contract Amounts, Scenario 1 and Scenario 2

SH:jm

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## Attachment A

### FSP Contract Amounts, Scenario 1 and Scenario 2

#### Scenario 1 – Failure of Proposition 6 (no repeal of SB 1)

Beat	Contractor	Contract Amount	Year 1	Year 2	Year 3	Year 4
3	Atlas Towing Services Inc.	\$2,052,983	\$496,576	\$507,689	\$518,802	\$529,916
5	Ameri Tow Inc.	\$4,827,648	\$1,181,914	\$1,198,579	\$1,215,245	\$1,231,910
9	Action Towing and Roadservice Inc.	\$3,453,736	\$844,685	\$857,184	\$869,684	\$882,183
10	Atlas Towing Services Inc.	\$2,490,047	\$603,763	\$616,262	\$628,761	\$641,261
11	Atlas Towing Services Inc.	\$2,054,094	\$496,854	\$507,967	\$519,080	\$530,193
13	Bay Area Tow Inc.	\$1,763,521	\$428,180	\$436,647	\$445,114	\$453,581
14	Atlas Towing Services Inc.	\$2,956,602	\$716,496	\$731,599	\$746,702	\$761,805
15	Yabrough Brothers Towing	\$1,648,684	\$399,672	\$408,005	\$416,338	\$424,670
20	B & A Towing & Bodyworks	\$2,320,475	\$567,620	\$575,952	\$584,285	\$592,618
27	Palace Garage Inc	\$1,631,229	\$395,308	\$403,641	\$411,974	\$420,306
28	Redhill Towing & Auto Repair	\$1,803,508	\$438,378	\$446,711	\$455,043	\$463,376
29	Roadrunner Tow Inc.	\$3,226,549	\$780,291	\$797,855	\$815,419	\$832,984
31	Action Towing and Roadservice Inc.	\$2,233,190	\$545,798	\$554,131	\$562,464	\$570,797
33	Atlas Towing Services Inc.	\$1,631,229	\$395,308	\$403,641	\$411,974	\$420,306
34	Roadrunner Tow Inc.	\$2,424,602	\$586,929	\$599,743	\$612,558	\$625,372
<b>Totals</b>		<b>\$36,518,098</b>	<b>\$8,877,770</b>	<b>\$9,045,606</b>	<b>\$9,213,442</b>	<b>\$9,381,279</b>

#### Scenario 2 – Passage of Proposition 6 (repeal of SB 1)

Beat	Contractor	Contract Amount	Year 1	Year 2	Year 3	Year 4
3	Atlas Towing Services Inc.	\$2,052,983	\$496,576	\$507,689	\$518,802	\$529,916
5	Ameri Tow Inc.	\$4,827,648	\$1,181,914	\$1,198,579	\$1,215,245	\$1,231,910
9	Action Towing and Roadservice Inc.	\$3,453,736	\$844,685	\$857,184	\$869,684	\$882,183
10	Atlas Towing Services Inc.	\$2,386,097	\$577,776	\$590,275	\$602,774	\$615,273
11	Atlas Towing Services Inc.	\$2,824,186	\$683,127	\$698,407	\$713,686	\$728,966
13	Bay Area Tow Inc.	\$1,763,521	\$428,180	\$436,647	\$445,114	\$453,581
14	Atlas Towing Services Inc.	\$2,956,602	\$716,496	\$731,599	\$746,702	\$761,805
15	Yabrough Brothers Towing	\$1,648,684	\$399,672	\$408,005	\$416,338	\$424,670
27	Palace Garage Inc.	\$1,631,229	\$395,308	\$403,641	\$411,974	\$420,306
29	Roadrunner Tow Inc.	\$2,484,038	\$601,013	\$614,344	\$627,675	\$641,006
31	Action Towing and Roadservice Inc.	\$2,338,189	\$572,048	\$580,381	\$588,714	\$597,047
34	Roadrunner Tow Inc.	\$1,773,145	\$430,315	\$438,962	\$447,610	\$456,258
<b>Totals</b>		<b>\$30,140,058</b>	<b>\$7,327,108</b>	<b>\$7,465,712</b>	<b>\$7,604,317</b>	<b>\$7,742,921</b>

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Contracts

Work Item No.:	6032
Work Project Title:	FSP Tow Operations
Purpose of Project:	To provide Freeway Service Patrol service during Fiscal Years 2019-20 through 2022-23 on up to 15 tow services beats, as designated in the Request for Qualifications Bid Invitation (RFQBI) dated June 25, 2018, and the RFQBI dated August 20, 2018 as subsequently amended on August 30, 2018 under the terms and conditions as specified.
Brief Scope of Work:	Provide tow services during hours of congestion and special events as specified by the FSP Partnership, which includes MTC SAFE, Caltrans, and CHP.
Project Cost Not to Exceed:	\$36,518,098 over four years under Scenario 1 or \$30,140,058 over four years under Scenario 2. Individual maximum contract amounts are as specified in Attachment A of the Executive Director's October 5, 2018 memorandum.
Funding Source:	State, SAFE
Fiscal Impact:	Funding subject to approval of each fiscal year's MTC SAFE operating budgets from FY 2019-20 through FY 2022-23.
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into agreements with each of the tow contractors in the respective maximum amounts specified in Attachment A for the purposes described herein and in the Executive Director's October 5, 2018 memorandum, and that the Chief Financial Officer is authorized to set aside \$8,877,770 in FY 2019-20, \$9,045,606 in FY 2020-21, \$9,213,442 in FY 2021-22, and \$9,381,279 in FY 2022-23 subject to approval of each year's annual MTC SAFE operating budget.
Operations Committee:	
	<hr/> Dave Cortese, Chair
Approved:	October 12, 2018