

**LASAFE**

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**SAFE BOARD MEETING
FEBRUARY 23, 2012**

**SUBJECT: KENNETH HAHN CALL BOX SYSTEM MAINTENANCE
CONTRACT NO. 05SAFE004**

ACTION: CONTRACT MODIFICATION

RECOMMENDATION

Authorize the Chief Executive Officer to execute modification No. 5 to Contract No. 05SAFE004 with Woods Maintenance Services, Inc. to continue providing call box maintenance services through March 31, 2014, in an amount not to exceed \$1,200,000 increasing the Total Contract Value from \$5,112,600 to \$6,312,600.

ISSUE

LA SAFE is responsible for the maintenance and operation of the Los Angeles County Kenneth Hahn Call Box System. The existing contract for these services is set to expire on March 31, 2012. LASAFE solicited proposals for a replacement contract but received no reasonably priced offers.

DISCUSSION

The Los Angeles County Call Box System is comprised of over 2,000 call box sites located throughout the freeways, highways, and unincorporated county roads in Los Angeles County. On April 1, 2005, LA SAFE entered into a \$5 million contract with Woods Maintenance Services, Inc. to maintain the Los Angeles County Kenneth Hahn Call Box System. This contract currently expires in March 31, 2012.

On October 31, 2011, LA SAFE issued RFP No. PS-12SAFE007 to obtain a new nine year (including option years) call box maintenance contractor. LA SAFE received three bids in response to the RFP and only one bid was selected as technically acceptable. This bid price was evaluated and the price was found to be excessive in comparison to both the existing price and the independent cost

estimate. Analysis of the bid price identified an increase in per unit call box cost of 700% in comparison to the independent cost estimate. The independent cost estimate is based on current pricing from two other public agencies with similar call box programs. LA SAFE attributes this variance, in part to possible confusion over the applicability of prevailing wages.

It is also important to note that since April 2005, the call box system has undergone a number of changes that may impact the cost of maintaining the system, these include:

- Complete system replacement and transition to a digital wireless system;
- Reduction of the size of the system from over 4,500 to approximately 2,000;
- Reduction in the volume of call box calls from a monthly average of 6,000 to 2,500

The extension of the current contract will allow additional time to 1) obtain clarification from the California Department of Industrial Relations regarding the applicability of prevailing wages; 2) conduct and implement a system restructuring evaluation; 3) obtain better information regarding perceived cost drivers; and 4) conduct a new procurement and award a more reasonable maintenance contract.

DETERMINATION OF SAFETY IMPACT

Currently no impact to safety is foreseen. If call boxes are not maintained there will be a negative impact to patrons.

FINANCIAL IMPACT

The funding of \$1,200,000 for call box system maintenance is included in LA SAFE's approved FY12 budget under cost center 3351, project 300209. Since this modification covers two fiscal years, the Cost Center Manager and the Executive Director, Highway Programs will be accountable for budgeting the cost in future years.

ALTERNATIVES CONSIDERED

The Board may decide not to authorize the modification of this contract. This alternative is not recommended as SAFE will not be able to properly perform the required maintenance and repair of the call box system, which will degrade the reliability of the call box system and may in turn pose a safety hazard to the motoring public.

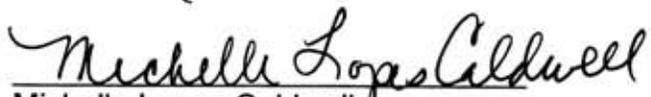
NEXT STEPS

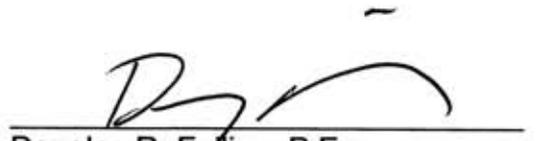
Upon approval by the Board, the Contracting Officer will execute a contract modification allowing Woods Maintenance Services Inc. to continue to provide uninterrupted service.

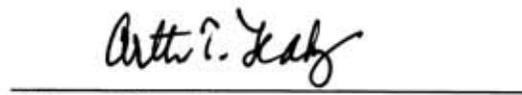
ATTACHMENTS

A. Procurement Summary

Prepared by: Iain Fairweather, Transportation Planning Manger III


Michelle Lopes Caldwell
Chief Administrative Services Officer


Douglas R. Felling, P.E.
Executive Director, Highway Program


Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

KENNETH HAHN CALL BOX SYSTEM MAINTENANCE

1.	Contract Number: PS-05SAFE004	
2.	Recommended Vendor: Woods Maintenance Services, Inc.	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input checked="" type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: April 1, 2005	
	B. Advertised/Publicized: N/A	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: N/A	
	E. Pre-Qualification Completed: N/A	
	F. Conflict of Interest Form Submitted to Ethics: N/A	
	G. Protest Period End Date: N/A	
5.	Solicitations Picked up/Downloaded: N/A	Bids/Proposals Received: N/A
6.	Contract Administrator: Victor Zepeda	Telephone Number: (213) 922-1458
7.	Project Manager: Iain Fairweather	Telephone Number: (213) 922-5650

A. Procurement Background

This is a negotiated Firm Fixed Unit Rate, Non-Competitive Modification 5, to existing contract number PS-05SAFE004. This modification is necessary to extend the existing period of performance for two years to allow LASAFE to analyze its existing requirements and re-solicit a replacement contract.

On April 1, 2005, the SAFE Board approved Contract 05SAFE004. The Contract included a three-year base contract operational period of performance (April 1, 2005 to March 31, 2008). The Contract also included one, two-year option:

Option Period – Years 4 & 5: \$2,114,400

In January 2008, the Project Manager indicated a desire to exercise the first Option Period – Years 4 & 5.

In March 2010, a no-cost contract modification was issued to extend the period of performance for one year in order to complete the upgrade from analog to digital service.

In March 2011, an additional no cost contract modification extended the contract for an additional year to complete a new scope of work for an upcoming procurement release.

In October 2011, a solicitation PS-12SAFE007 was issued for a replacement contract which resulted in no acceptably priced offers.

In January 2012, staff negotiated a twenty-four month extension (March 2011, through March 2014). The contractor agreed to the proposed time extension at the current pricing.

B. Evaluation of Proposals

The LASAFE Project Manager and procurement staff negotiated a twenty-four month period of performance extension at the current pricing schedule with the contractor. The contractor's proposal is consistent with the current Statement of Work and is considered technically acceptable.

C. Cost/Price Analysis

Based upon cost analysis, technical review, and negotiations, the monthly rate of \$50,000 is determined to be fair and reasonable.

Proposer	Proposal Amount	Final Amount
Wood Maintenance Service INC.	\$1,200,000	\$1,200,000

D. Background on Recommended Contractor

Woods Maintenance Services, Inc., (Woods) located in North Hollywood, California, specializes in providing a variety of quality cleaning services, particularly graffiti removal and abatement. They have also performed a variety of maintenance services for SAFE, including preventive maintenance, cleaning, and field repair of call boxes. The business was established in 1975, has annual sales of approximately \$5 million, and has developed numerous municipal and corporate clients in Los Angeles, Orange, and San Diego counties. Woods has performed satisfactorily on several MTA contracts and on three SAFE contracts.