



City of Chula Vista

Staff Report

File#: 16-0574, Item#: 11.

CONSIDERATION OF APPROVING CONTRACTS FOR CITY-INITIATED TOW AND IMPOUND SERVICES, AND AMENDMENTS TO THE TOW AND STORAGE RATE SCHEDULE AND LICENSE FEE

- A. RESOLUTION NO. 2017-030 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A CONTRACTOR SERVICES AGREEMENT TO PROVIDE VEHICLE TOW AND IMPOUND SERVICES FOR CITY-INITIATED TOWS BETWEEN THE CITY AND AMERICAN TOWING & AUTO DISMANTLING, INC., DOING BUSINESS AS AMERICAN TOWING, AUTHORIZING THE DIRECTOR OF FINANCE/ TREASURER TO EXECUTE THE SAME, AND AUTHORIZING THE DIRECTOR OF FINANCE/ TREASURER TO APPROVE UP TO FOUR ADDITIONAL ONE-YEAR EXTENSIONS
- B. RESOLUTION NO. 2017-031 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A CONTRACTOR SERVICES AGREEMENT TO PROVIDE VEHICLE TOW AND IMPOUND SERVICES FOR CITY-INITIATED TOWS BETWEEN THE CITY AND ALEXANDRA INVESTMENTS, INC., DOING BUSINESS AS ANGELO'S TOWING & RECOVERY, AUTHORIZING THE DIRECTOR OF FINANCE/ TREASURER TO EXECUTE THE SAME, AND AUTHORIZING THE DIRECTOR OF FINANCE/ TREASURER TO APPROVE UP TO FOUR ADDITIONAL ONE-YEAR EXTENSIONS
- C. RESOLUTION NO. 2017-032 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A CONTRACTOR SERVICES AGREEMENT TO PROVIDE VEHICLE TOW AND IMPOUND SERVICES FOR CITY-INITIATED TOWS BETWEEN THE CITY AND AMBER LYNN, INC., DOING BUSINESS AS ASAP TOWING, AUTHORIZING THE DIRECTOR OF FINANCE/ TREASURER TO EXECUTE THE SAME, AND AUTHORIZING THE DIRECTOR OF FINANCE/ TREASURER TO APPROVE UP TO FOUR ADDITIONAL ONE-YEAR EXTENSIONS
- D. RESOLUTION NO. 2017-033 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A CONTRACTOR SERVICES AGREEMENT TO PROVIDE VEHICLE TOW AND IMPOUND SERVICES FOR CITY-INITIATED TOWS BETWEEN THE CITY AND CORTES TOWING ENTERPRISES, INC., DOING BUSINESS AS CORTES TOWING, AUTHORIZING THE DIRECTOR OF FINANCE/ TREASURER TO EXECUTE THE SAME, AND AUTHORIZING THE DIRECTOR OF FINANCE/ TREASURER TO APPROVE UP TO FOUR ADDITIONAL ONE-YEAR EXTENSIONS
- E. RESOLUTION NO. 2017-034 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A CONTRACTOR SERVICES AGREEMENT TO PROVIDE VEHICLE TOW AND IMPOUND SERVICES FOR CITY-INITIATED TOWS BETWEEN THE CITY AND A TO Z ENTERPRISES, INC., DOING BUSINESS AS ROAD ONE, AUTHORIZING THE DIRECTOR

OF FINANCE/ TREASURER TO EXECUTE THE SAME, AND AUTHORIZING THE DIRECTOR OF FINANCE/ TREASURER TO APPROVE UP TO FOUR ADDITIONAL ONE-YEAR EXTENSIONS

F. RESOLUTION NO. 2017-035 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A CONTRACTOR SERVICES AGREEMENT TO PROVIDE VEHICLE TOW AND IMPOUND SERVICES FOR CITY-INITIATED TOWS BETWEEN THE CITY AND TONY'S AUTO CENTER, INC., DOING BUSINESS AS TONY'S AUTO CENTER, AUTHORIZING THE DIRECTOR OF FINANCE/ TREASURER TO EXECUTE THE SAME, AND AUTHORIZING THE DIRECTOR OF FINANCE/ TREASURER TO APPROVE UP TO FOUR ADDITIONAL ONE-YEAR EXTENSIONS

G. RESOLUTION NO. 2017-036 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING THE CITY-INITIATED TOW AND STORAGE RATE SCHEDULE AND THE TOW LICENSE FEE

RECOMMENDED ACTION

Council adopt the resolutions.

SUMMARY

The current contracts for City-initiated tows will expire on January 31, 2017. The City has completed the Request For Qualifications (RFQ) process and recommends awarding contracts to six tow companies that are qualified to provide tow and impound services to the City, as well as amending the City's tow and storage rates and tow license fee.

ENVIRONMENTAL REVIEW

Environmental Notice

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

BOARD/COMMISSION RECOMMENDATION

Not Applicable.

DISCUSSION

The City of Chula Vista is authorized by Section 22671 of the California Vehicle Code to issue a franchise or execute contracts for the tow and storage of abandoned vehicles. Such vehicles also include, but are not limited to, those that have been illegally parked, involved in a traffic accident, obstructing traffic because of mechanical failure, and those belonging to persons who have been arrested. Chula Vista Municipal Code Chapter 5.58 prescribes the basic regulations governing the selection and operation of tow operators for police emergency and non-emergency situations. The

police-initiated tow agreements allow individuals to use the towing company of their choice, if the towing company can arrive in a reasonable period of time.

The Police Department currently uses three companies to provide City-initiated tow services: American Towing, RoadOne and Tony's Auto Center. These three tow companies were selected as a result of the City's last Request For Proposal (RFP) process in 2006.

REQUEST FOR QUALIFICATIONS (RFQ) PROCESS

On April 15, 2016, the City issued RFQ # Q14-15/16 [Attachment 1] to seek proposals from qualified firms to provide tow and impound services to the City, on a rotation basis. A mandatory information meeting was held at the Chula Vista Police Department on April 20, 2016, to explain to prospective respondents the service requirements of the City and answer their questions regarding scope of services, completion of proposals, time frames, and the RFQ process.

Tow companies were allowed to submit questions to the City regarding the RFQ, and the City responded to the questions as Addendum #1 to the RFQ [Attachment 2].

The City received seven proposals by the May 9, 2016 submittal deadline from the following tow companies (listed in alphabetical order):

- 1) American Towing, Inc.
- 2) Angelo's Towing & Recovery
- 3) ASAP Towing
- 4) Cortes Towing Enterprises, Inc.
- 5) Rescue Towing and Recovery
- 6) RoadOne
- 7) Tony's Auto Center, Inc.

An evaluation team, consisting of the Patrol Captain, Police Administrative Services Manager, Traffic Sergeant and Traffic Agent, initially screened the written proposals for responsiveness. After the team's evaluation, all seven proposals were deemed "Responsive" and notifications were sent to the respondents based on the responsive requirements.

Responsive proposals were then further evaluated to determine the proposer's ability to meet the City's requirements. Each proposal was evaluated based on the following criteria:

- **Company History** - Companies were required to have performed essentially the same type of service for a minimum of three years.
- **Corporate/Shareholder Agreements** - Each company was required to report corporate/shareholder agreements in an effort to make sure that the City is contracting with reputable and established organizations.
- **Contracts with other Agencies** - Each company was required to detail their contracts with other law enforcement agencies for tow-related services. This was done to ensure that each company selected had previous experience performing the types of tows that would be required under this contract.
- **Three References** - Each company was required to submit a minimum of three references

that could recommend each company as reliable and trustworthy to perform police related tows.

- **Tow Trucks** - Each company was required to list their complement of tow trucks. This list of tow trucks had to meet the City's minimum required numbers and sizes of trucks.
- **Equipment and Outfitting** - Each company was required to list the equipment that each of their tow trucks are outfitted with. This list had to meet the City's minimum requirements for equipment.
- **Storage Yard(s)** - Each company was required to demonstrate their ability to operate a tow yard(s) that would meet the City's minimum requirements for location, space and storage.
- **Scope of Services** - Each company was required to demonstrate their ability to provide tow and impound services 24 hours a day / 7 days a week, as well as respond to City calls within designated thresholds (within 20 minutes west of I-805 and within 30 minutes east of I-805). This is important because most critical police-initiated tows are performed at scenes of accidents and require tow companies to be prompt, safe and reliable to quickly remove cars from the roadways.

Furthermore, background investigations were conducted for each tow company's owner(s) for business propriety and criminal history. During this process, the background investigations did not reveal any disqualifying factors, and the evaluation team determined that all seven tow companies met the City's tow and impound requirements based on their written proposals. On June 29, 2016, notifications were sent to all seven respondents of their "Conditional Qualified" status, subject to the site and equipment inspection.

Site and equipment inspections were conducted on November 22 and 23, 2016. The time allotted between the "Conditional Qualified" notification and site inspection date gave respondents an opportunity to finalize proposed equipment and storage requirements. The inspection evaluation was acknowledged by both a tow company representative and a Chula Vista Police Department representative. The site inspections were evaluated based on pre-established criteria detailed below:

- **Place of Business** - Each company had to demonstrate appropriate signage, posting of business hours and sufficient staffing at their place of business.
- **Tow Truck Driver Certification** - Each company had to provide documentation of completed training for each tow truck driver.
- **Tow Truck Driver Appearance** - Each company had to demonstrate that their tow truck drivers meet the City's minimum requirements for uniforms and overall appearance.
- **Tow Trucks / Equipment and Outfitting** - Each company was required to demonstrate that their tow trucks are properly outfitted with the City's minimum required equipment.
- **Storage Yard(s)** - Each company was required to demonstrate that their storage yard(s) would immediately be able to handle the volume of cars that are towed each rotation under the City's contract. This required each company to have a fully operational storage yard(s) at time of contract award.

City staff completed due diligence review of the inspections and tow yards in January 2017. Six of the seven tow companies (American Towing, Angelo's Towing & Recovery, ASAP Towing, Cortes Towing Enterprises, RoadOne, and Tony's Auto Center) passed the inspections and were deemed responsible and "Final Qualified."

File#: 16-0574, Item#: 11.

One company, Rescue Towing and Recovery, did not pass inspections and was deemed non-responsible and “Unqualified.” During the site inspection for Rescue Towing and Recovery, the storage yard located at 3487 Main was not in conformance of applicable City zoning and building codes and appropriately permitted, as stated in sub-section 3.9.5 of the RFQ. The tow company did not obtain a Conditional Use Permit (CUP) for the temporary office trailer located at this property, pursuant to Chula Vista Municipal Code 15.58.330. Additionally, the storage yards have no customer parking, no disabled parking, and the customer service window is not handicap accessible. Furthermore, Rescue Towing and Recovery’s signage is a vinyl banner attached to a sign post and obscured by a traffic signal post, and is not visible at night. For these multiple reasons, Rescue Towing and Recovery was deemed “Unqualified” to provide tow and impound services to the City.

Notifications were sent to all seven tow companies of their “Final Qualified” or “Unqualified” status on January 9, 2017.

In coordination with the City Attorney’s Office and Finance Department, the Police Department is recommending to enter into agreements [Attachments #3-8] with six “Final Qualified” tow companies to provide tow and impound services to the City. The agreements will be effective February 1, 2017. The term of the agreements will be 11 months, until December 31, 2017, with extension options of four (4) additional one-year periods (January 1 to December 31), upon mutual agreement of City and contractor.

CITY-INITIATED TOW AND STORAGE RATE UPDATE

The chart below provides a complete schedule of all charges and fees that the tow companies will be authorized to collect from consumers for tow and impound services rendered on behalf of the City.

Chula Vista City-Initiated Tow and Storage Rates (effective February 1, 2017)

Service	Rate
Basic Tow	\$209.00
Medium Tow	\$236.00
Heavy Tow	\$279.00
Mileage	None
Dolly Charge	None
Labor Rate (if exceeding one hour of service)	\$65.00/hour
Basic Storage Rate	\$51.00/24-hour period
Medium Storage Rate	\$61.00/24-hour period
Heavy Storage Rate	\$66.00/24-hour period
Evening Release (after 5:00 pm & Holidays)	\$65.00

This rate schedule is based upon the California Highway Patrol Southern San Diego Region tow rates. Each contracted tow company must post in plain view to the public the City-Initiated Tow and

File#: 16-0574, Item#: 11.

Storage Rates at their place of business.

TOW LICENSE FEE UPDATE

California Vehicle Code Section 12110 authorizes the City to assess a Tow License Fee to tow companies *"to reimburse the public entity for its actual and reasonable costs incurred in connection with the towing program"*. The Tow License Fee relates to staff recovery costs of requesting a tow call for service, from the start time a police employee calls for a tow request to the end time that the tow company leaves the scene. The computation of the City's Tow License Fee is detailed below:

(Annual estimate of police-initiated tows) x (Estimated time spent per tow) x (Fully burdened hourly rate) = Tow License Fee

Position	Annual Estimate of Police-Initiated Tows ¹	Hours Spent per Police-Initiated Tow ²	Fully Burdened Hourly Rate ³	Tow License Fee
Peace Officer	1,035	0.53	\$135.83	\$74,510
Community Service Officer	828	0.53	\$67.66	\$29,692
Parking Enforcement Officer	437	0.53	\$67.84	\$15,712
Police Dispatcher	2,300	0.08	\$99.80	\$18,363
TOTAL				\$138,277

¹ 2-year average of calendar years 2013 and 2014 is 2,300 tows

Does not include private tows or tows during grant-funded operations

Tow request breakdown by classification (Officer 45% of tow requests; CSO 36%; PEO 19%)

² Estimated 32 minutes of Officer/CSO/PEO time during a tow call for service

Estimated 5 minutes of Police Dispatcher time

³ Fully Burdened Hourly Rate as posted on the City's Master Fee Schedule

14221 Peace Officer; 14241 Community Service Officer; 14242 Parking Enforcement Officer; 14260 Police Dispatcher
Each contractor will pay the City a Tow License Fee (in quarterly installments), which is equally apportioned among the selected contractors. Based on the current Tow License Fee computation of \$138,277, each of the six contractors will equally pay \$23,046 for the year. The City intends to recalculate and revise the Tow License Fee every year using the same methodology.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The award of tow contracts supports the Strong and Secure Neighborhoods goal by utilizing qualified tow companies to

File#: 16-0574, Item#: 11.

provide tow and impound services to the City.

CURRENT YEAR FISCAL IMPACT

Approval of these resolutions would result in an updated Tow License Fee of \$138,277, which is equally apportioned to each of the six tow contractors (\$23,046 each). Since this Tow License Fee is already included in the Police Department's budget, there are no further budget appropriations at this time. Consequently, there is no net fiscal impact in the current fiscal year for awarding the tow contracts.

ONGOING FISCAL IMPACT

The Tow License Fee will be re-calculated every year during the term of the tow contract. The Police Department will coordinate with the Finance Department to budget the appropriate Tow License Fee in each respective fiscal year.

ATTACHMENTS

Attachment 1: Tow RFQ # Q14-15/16 dated April 15, 2016

Attachment 2: Addendum #1 to Tow RFQ # Q14-15/16 dated May 4, 2016

Attachment 3: Agreement with American Towing & Auto Dismantling Inc to provide vehicle tow and impound services for City-initiated tows

Attachment 4: Agreement with Alexandra Investments Inc to provide vehicle tow and impound services for City-initiated tows

Attachment 5: Agreement with Amber Lynn Inc to provide vehicle tow and impound services for City-initiated tows

Attachment 6: Agreement with Cortes Towing Enterprises Inc to provide vehicle tow and impound services for City-initiated tows

Attachment 7: Agreement with A to Z Enterprises Inc to provide vehicle tow and impound services for City-initiated tows

Attachment 8: Agreement with Tony's Auto Center Inc to provide vehicle tow and impound services for City-initiated tows

Attachment 9: Disclosure Statements - All Tow Contractors

Staff Contact: Jonathan Alegre, Police Department