



CITY COUNCIL STAFF REPORT



December 7, 2021

ITEM TITLE

Contract Award: Approve the Contracts for City-Initiated Tow and Impound Services, and Amendments to the Tow and Storage Rate Schedule and Tow License Fee

Report Number: 21-0235

Location: No specific geographic location

Department: Police

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.

Recommended Action

Adopt resolutions approving seven (7) contractor services agreements to provide Vehicle Tow and Impound Services for City-Initiated Tows and amending the City-Initiated Tow and Storage Rate Schedule and Tow License Fee.

SUMMARY

The current contracts for City-initiated tows will expire on December 31, 2021. The City has completed the Request For Qualifications (RFQ) process and recommends awarding contracts to seven 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

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE 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 four companies to provide City-initiated tow services: American Towing, Cortes Towing, RoadOne and Tony's Auto Center. These four tow companies were selected as a result of the City's last Request For Qualifications (RFQ) process in 2016.

REQUEST FOR QUALIFICATIONS (RFQ) PROCESS

On July 26, 2021, the City issued RFQ # Q01-22/23 [Attachment 1] to seek proposals from qualified firms to provide tow and impound services to the City, on a rotation basis. The City received eight proposals by the August 27, 2021 submittal deadline from the following tow companies (listed in alphabetical order):

- 1) A to Z Enterprises, Inc., doing business as RoadOne
- 2) Alexandra Services, Inc., doing business as Angelo's Towing & Recovery
- 3) Amber Lynn, Inc., doing business as ASAP Towing
- 4) American Towing & Auto Dismantling, Inc., doing business as American Towing, Inc.
- 5) Angie's Towing, Inc. doing business as Quality Towing and Recovery
- 6) Cortes Towing Enterprises, Inc., doing business as Cortes Towing
- 7) Severin Mobile Towing Inc., doing business as USA Towing & Recovery
- 8) Tony's Auto Center, Inc., doing business as Tony's Auto Center

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

Upon notification of "Responsive" proposals, one of the tow companies, USA Towing & Recovery, withdrew from the process on September 29, 2021 because they were not able to meet the City's storage yard requirements.

For the next step of the RFQ process, background investigations for each tow company's owner(s) regarding business propriety and criminal history were conducted by the Police Department's Special Investigations Unit. The background investigations did not reveal any disqualifying factors, and the seven remaining tow companies moved forward with the RFQ process.

After the background process, 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.

The evaluation team, with the addition of the Patrol Captain, collectively agreed that all seven written proposals met the City's tow and impound requirements, resulting with seven tow companies moving forward with the site inspection process.

Site and equipment inspections were conducted on October 26-28, 2021. The inspection criteria was provided in the RFQ published on July 26, 2021. 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.

All seven tow companies passed the site inspections and were deemed “Final Qualified” to meet the City’s tow and impound requirements. Notifications were sent to all seven tow companies of their “Final Qualified” status on November 8, 2021.

In coordination with the City Attorney’s Office and Finance Department, the Police Department is recommending to enter into agreements [Attachments #2-8] with seven “Final Qualified” tow companies to provide tow and impound services to the City. The agreements will be effective January 1, 2022. The initial term of the agreements will be 12 months, until December 31, 2022, 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 January 1, 2022)

Service	Rate
Basic Tow	\$235.00
Medium Tow	\$272.00
Heavy Tow	\$323.00
Mileage	None
Dolly Charge	None
Labor Rate per hour (if exceeding one hour of service)	\$65.00
Basic Storage Rate (per 24-hour period)	\$62.00
Medium Storage Rate (per 24-hour period)	\$71.00
Heavy Storage Rate (per 24-hour period)	\$76.00
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 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:

$$\text{(Annual estimate of police-initiated tows)} \times \text{(Estimated time spent per tow)} \times \text{(Fully burdened hourly rate)} \\ = \text{Tow License Fee}$$

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	1,199	0.53	\$131.21	\$83,380
Community Service Officer	959	0.53	\$64.05	\$32,555
Sr Parking Enforcement Officer	505	0.53	\$67.74	\$18,131
Police Dispatcher	2,663	0.08	\$85.01	\$18,111
TOTAL				\$152,177

¹ 2-year average of calendar years 2019 and 2020 is 2,663 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 provided by Finance Department

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 \$152,177, each of the seven contractors will equally pay \$21,739.57 for the year. The City intends to re-calculate 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 City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

Approval of these resolutions would result in an updated Tow License Fee of \$152,177, which is equally apportioned to each of the seven tow contractors (\$21,739.57 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 # Q01-22/23 dated July 26, 2021

Attachment 2: Agreement with A to Z Enterprises Inc to provide vehicle tow and impound services for City-initiated tows

Attachment 3: Agreement with Alexandra Services Inc to provide vehicle tow and impound services for City-initiated tows

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

Attachment 5: Agreement with American Towing & Auto Dismantling Inc to provide vehicle tow and impound services for City-initiated tows

Attachment 6: Agreement with Angie's Towing Inc to provide vehicle tow and impound services for City-initiated tows

Attachment 7: Agreement with Cortes Towing 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

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