

**CITY OF CHULA VISTA  
CONTRACTOR/SERVICE PROVIDER SERVICES AGREEMENT  
WITH CORTES TOWING ENTERPRISES, INC.  
TO PROVIDE VEHICLE TOW AND IMPOUND SERVICES FOR CITY-INITIATED TOWS**

This Agreement is entered into effective as of January 1, 2022 (“Effective Date”) by and between the City of Chula Vista, a chartered municipal corporation (“City”) and **Cortes Towing Enterprises, Inc.**, a California Corporation doing business as **Cortes Towing** (“Contractor/Service Provider”) (collectively, the “Parties” and, individually, a “Party”) with reference to the following facts:

**RECITALS**

WHEREAS, the City requires vehicle tow and impound services for tows and impounds initiated by the Chula Vista Police Department; and

WHEREAS, in order to procure these services, the City in July 2021 solicited proposals in Request for Qualifications Q01-22/23 in accordance with Chula Vista Municipal Code sections 2.56 and 5.58; and

WHEREAS, the City evaluated each proposal and inspected the proposers’ tow yards, equipment and businesses for responsibility to the the Request for Qualification; and

WHEREAS, the City determined that Contractor/Service Provider was responsible and “Final Qualified” under the RFQ; and

WHEREAS, the City is entering into an Agreement with each Final Qualified Contractor/Service Provider to provide vehicle tow and impound services for City-initiated tows and impounds on a rotation basis; and

WHEREAS, Contractor/Service Provider warrants and represents that it is experienced and staffed in a manner such that it can deliver the services required of Contractor/Service Provider to City in accordance with the time frames and the terms and conditions of this Agreement.

**[End of Recitals. Next Page Starts Obligatory Provisions.]**

## OBLIGATORY PROVISIONS

NOW, THEREFORE, in consideration of the above recitals, the covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, City and Contractor/Service Provider hereby agree as follows:

### 1. SERVICES

1.1 Required Services. Contractor/Service Provider agrees to perform the services, and deliver to City the “Deliverables” (if any) described in the attached Exhibit A, incorporated into the Agreement by this reference, within the time frames set forth therein, time being of the essence for this Agreement. The services and/or Deliverables described in Exhibit A shall be referred to herein as the “Required Services.”

1.2 Reductions in Scope of Work. City may independently, or upon request from Contractor/Service Provider, from time to time, reduce the Required Services to be performed by the Contractor/Service Provider under this Agreement. Upon doing so, City and Contractor/Service Provider agree to meet and confer in good faith for the purpose of negotiating a corresponding reduction in the compensation associated with the reduction.

1.3 Additional Services. Subject to compliance with the City’s Charter, codes, policies, procedures and ordinances governing procurement and purchasing authority, City may request Contractor/Service Provider provide additional services related to the Required Services (“Additional Services”). If so, City and Contractor/Service Provider agree to meet and confer in good faith for the purpose of negotiating an amendment to Exhibit A, to add the Additional Services. Unless otherwise agreed, compensation for the Additional Services shall be charged and paid consistent with the rates and terms already provided therein. Once added to Exhibit A, “Additional Services” shall also become “Required Services” for purposes of this Agreement.

1.4 Standard of Care. Contractor/Service Provider expressly warrants and agrees that any and all Required Services hereunder shall be performed in accordance with the highest standard of care exercised by members of the profession currently practicing under similar conditions and in similar locations.

1.5 No Waiver of Standard of Care. Where approval by City is required, it is understood to be conceptual approval only and does not relieve the Contractor/Service Provider of responsibility for complying with all laws, codes, industry standards, and liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of the Contractor/Service Provider or its subcontractors.

1.6 Security for Performance. In the event that Exhibit A Section 4 indicates the need for Contractor/Service Provider to provide additional security for performance of its duties under this Agreement, Contractor/Service Provider shall provide such additional security prior to commencement of its Required Services in the form and on the terms prescribed on Exhibit A, or as otherwise prescribed by the City Attorney.

1.7 Compliance with Laws. In its performance of the Required Services, Contractor/Service Provider shall comply with any and all applicable federal, state and local laws, including the Chula Vista Municipal Code.

1.8 Business License. Prior to commencement of work, Contractor/Service Provider shall obtain a business license from City.

1.9 Subcontractors. Prior to commencement of any work, Contractor/Service Provider shall submit for City's information and approval a list of any and all subcontractors to be used by Contractor/Service Provider in the performance of the Required Services. Contractor/Service Provider agrees to take appropriate measures necessary to ensure that all subcontractors and personnel utilized by the Contractor/Service Provider to complete its obligations under this Agreement comply with all applicable laws, regulations, ordinances, and policies, whether federal, state, or local. In addition, if any subcontractor is expected to fulfill any responsibilities of the Contractor/Service Provider under this Agreement, Contractor/Service Provider shall ensure that each and every subcontractor carries out the Contractor/Service Provider's responsibilities as set forth in this Agreement.

1.10 Term. This Agreement shall commence on the earlier to occur of the Effective Date or Contractor/Service Provider's commencement of the Required Services hereunder, and shall terminate when the Parties have complied with all their obligations hereunder; provided, however, provisions which expressly survive termination shall remain in effect.

## 2. TOW LICENSE FEE

2.1 Authorization of Tow License Fee. According to California Vehicle Code Section 12110:

*(a) Except as provided in subdivision (b), no towing service shall provide and no person or public entity shall accept any direct or indirect commission, gift or any compensation whatever from a towing service in consideration of arranging or requesting the services of a tow truck. As used in this section, "arranging" does not include the activities of employees or principals of a provider of towing services in responding to a request for towing services.*

*(b) Subdivision (a) does not preclude a public entity otherwise authorized by law from requiring a fee in connection with the award of a franchise for towing vehicles on behalf of that public entity. However, the fee in those cases may not exceed the amount necessary to reimburse the public entity for its actual and reasonable costs incurred in connection with the towing program.*

2.2 Tow License Fee Amount/Apportionment. Each contractor shall pay an annual Tow License Fee to the City for each year of the term of the contract. The Tow License Fee will be apportioned equally among the selected contractors. Exhibit D shows the 2022 Tow License Fee based upon the number of tow companies in contract with the City. 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 Tow License Fee shall be paid by Contractor/Service Provider in equal quarterly installments.

With seven (7) tow companies currently contracting with City, Contractor/Service Provider agrees to pay an annual Tow License Fee of **\$21,739.57** in calendar year 2022.

2.3 Fee Updates. The Tow License Fee is subject to review and revision each year of the contract by the City in accordance with the methodology set forth in Exhibit D. In addition, the City may make prorated adjustments on a quarterly basis to compensate for either an increase or decrease in the number of contractors providing service.

2.4 Late Payments. The City will bill the Tow License Fee to the contractor in equal quarterly installments. If the City fails to receive the Tow License Fee within thirty (30) calendar days of the quarterly due date, the

payment shall be considered delinquent and a penalty of 10% of the amount due shall be applied and collected. For any payments not received within sixty (60) calendar days after the due date, an additional 1.5% per month multiplied by the amount due and any accrued penalties shall be applied and collected. The City will allow one late payment (with corresponding late penalties) of the Tow License Fee if it is received within ninety (90) calendar days after the due date. Any one payment received ninety (90) calendar days after the due date, or any two payments received after sixty (60) calendar days after the due date shall be cause for additional damages for breach of contract and/or termination of contract.

**2.5 Negligent Vehicle Impound Fee.** The Negligent Vehicle Impound Fee, which is a separate fee in addition to the Tow License Fee, relates to additional City staff recovery costs to process a negligent vehicle impound. If applicable, the Negligent Vehicle Impound Fee shall be paid by the vehicle owner in person at the Chula Vista Police Department or online on the Chula Vista Police Department's website prior to the release of the vehicle.

### **3. INSURANCE**

**3.1 Required Insurance.** Contractor/Service Provider must procure and maintain, during the period of performance of Required Services under this Agreement, and for twelve months after completion of Required Services, the policies of insurance described on the attached Exhibit B, incorporated into the Agreement by this reference (the "Required Insurance"). The Required Insurance shall also comply with all other terms of this Section.

**3.2 Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions relating to the Required Insurance must be disclosed to and approved by City in advance of the commencement of work.

**3.3 Standards for Insurers.** Required Insurance must be placed with licensed insurers admitted to transact business in the State of California with a current A.M. Best's rating of A V or better, or, if insurance is placed with a surplus lines insurer, insurer must be listed on the State of California List of Eligible Surplus Lines Insurers (LESLI) with a current A.M. Best's rating of no less than A X. For Workers' Compensation Insurance, insurance issued by the State Compensation Fund is also acceptable.

**3.4 Subcontractors.** Contractor/Service Provider must include all sub-Contractor/Service Providers/sub-contractors as insureds under its policies and/or furnish separate certificates and endorsements demonstrating separate coverage for those not under its policies. Any separate coverage for sub-Contractor/Service Providers must also comply with the terms of this Agreement.

**3.5 Additional Insureds.** City, its officers, officials, employees, agents, and volunteers must be named as additional insureds with respect to any policy of general liability, automobile, or pollution insurance specified as required in Exhibit B or as may otherwise be specified by City's Risk Manager. The general liability additional insured coverage must be provided in the form of an endorsement to the Contractor/Service Provider's insurance using ISO CG 2010 (11/85) or its equivalent; such endorsement must not exclude Products/Completed Operations coverage.

**3.6 General Liability Coverage to be "Primary."** Contractor/Service Provider's general liability coverage must be primary insurance as it pertains to the City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers is wholly separate from the insurance provided by Contractor/Service Provider and in no way relieves Contractor/Service Provider from its responsibility to provide insurance.

3.7 No Cancellation. No Required Insurance policy may be canceled by either Party during the required insured period under this Agreement, except after thirty days' prior written notice to the City by certified mail, return receipt requested. Prior to the effective date of any such cancellation Contractor/Service Provider must procure and put into effect equivalent coverage(s).

3.8 Waiver of Subrogation. Contractor/Service Provider's insurer(s) will provide a Waiver of Subrogation in favor of the City for each Required Insurance policy under this Agreement. In addition, Contractor/Service Provider waives any right it may have or may obtain to subrogation for a claim against City.

3.9 Verification of Coverage. Prior to commencement of any work, Contractor/Service Provider shall furnish City with original certificates of insurance and any amendatory endorsements necessary to demonstrate to City that Contractor/Service Provider has obtained the Required Insurance in compliance with the terms of this Agreement. The words "will endeavor" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents, or representatives" or any similar language must be deleted from all certificates. The required certificates and endorsements should otherwise be on industry standard forms. The City reserves the right to require, at any time, complete, certified copies of all required insurance policies, including endorsements evidencing the coverage required by these specifications.

3.10 Claims Made Policy Requirements. If General Liability, Pollution and/or Asbestos Pollution Liability and/or Errors & Omissions coverage are required and are provided on a claims-made form, the following requirements also apply:

a. The "Retro Date" must be shown, and must be before the date of this Agreement or the beginning of the work required by this Agreement.

b. Insurance must be maintained, and evidence of insurance must be provided, for at least five (5) years after completion of the work required by this Agreement.

c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a "Retro Date" prior to the effective date of this Agreement, the Contractor/Service Provider must purchase "extended reporting" coverage for a minimum of five (5) years after completion of the work required by this Agreement.

d. A copy of the claims reporting requirements must be submitted to the City for review.

3.11 Not a Limitation of Other Obligations. Insurance provisions under this section shall not be construed to limit the Contractor/Service Provider's obligations under this Agreement, including Indemnity.

3.12 Additional Coverage. To the extent that insurance coverage provided by Contractor/Service Provider maintains higher limits than the minimums appearing in Exhibit B, City requires and shall be entitled to coverage for higher limits maintained.

## 4. INDEMNIFICATION

4.1. General. To the maximum extent allowed by law, Contractor/Service Provider shall protect, defend, indemnify and hold harmless City, its elected and appointed officers, agents, employees and volunteers (collectively, “Indemnified Parties”), from and against any and all claims, demands, causes of action, costs, expenses, (including reasonable attorneys’ fees and court costs), liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions, negligence, or willful misconduct of Contractor/Service Provider, its officials, officers, employees, agents, and contractors, arising out of or in connection with the performance of the Required Services, the results of such performance, or this Agreement. This indemnity provision does not include any claims, damages, liability, costs and expenses arising from the sole negligence or willful misconduct of the Indemnified Parties. Also covered is liability arising from, connected with, caused by or claimed to be caused by the active or passive negligent acts or omissions of the Indemnified Parties which may be in combination with the active or passive negligent acts or omissions of the Contractor/Service Provider, its employees, agents or officers, or any third party.

4.2. Modified Indemnity Where Agreement Involves Design Professional Services. Notwithstanding the forgoing, if the services provided under this Agreement are design professional services, as defined by California Civil Code section 2782.8, as may be amended from time to time, the defense and indemnity obligation under Section 1, above, shall be limited to the extent required by California Civil Code section 2782.8.

4.3 Costs of Defense and Award. Included in Contractor/Service Provider’s obligations under this Section 4 is Contractor/Service Provider’s obligation to defend, at Contractor/Service Provider’s own cost, expense and risk, any and all suits, actions or other legal proceedings that may be brought or instituted against one or more of the Indemnified Parties. Subject to the limitations in this Section 4, Contractor/Service Provider shall pay and satisfy any judgment, award or decree that may be rendered against one or more of the Indemnified Parties for any and all related legal expenses and costs incurred by any of them.

4.4. Contractor/Service Provider’s Obligations Not Limited or Modified. Contractor/Service Provider’s obligations under this Section 4 shall not be limited to insurance proceeds, if any, received by the Indemnified Parties, or by any prior or subsequent declaration by the Contractor/Service Provider. Furthermore, Contractor/Service Provider’s obligations under this Section 4 shall in no way limit, modify or excuse any of Contractor/Service Provider’s other obligations or duties under this Agreement.

4.5. Enforcement Costs. Contractor/Service Provider agrees to pay any and all costs City incurs in enforcing Contractor/Service Provider’s obligations under this Section 4.

4.6 Survival. Contractor/Service Provider’s obligations under this Section 4 shall survive the termination of this Agreement.

## 5. FINANCIAL INTERESTS OF CONTRACTOR/SERVICE PROVIDER.

5.1 Form 700 Filing. The California Political Reform Act and the Chula Vista Conflict of Interest Code require certain government officials and Contractor/Service Providers performing work for government agencies to publicly disclose certain of their personal assets and income using a Statement of Economic Interests form (Form 700). In order to assure compliance with these requirements, Contractor/Service Provider shall comply with the disclosure requirements identified in the attached Exhibit C, incorporated into the Agreement by this reference.

5.2 Disclosures; Prohibited Interests. Independent of whether Contractor/Service Provider is required to file a Form 700, Contractor/Service Provider warrants and represents that it has disclosed to City any economic interests held by Contractor/Service Provider, or its employees or subcontractors who will be performing the Required Services, in any real property or project which is the subject of this Agreement. Contractor/Service Provider warrants and represents that it has not employed or retained any company or person, other than a bona fide employee or approved subcontractor working solely for Contractor/Service Provider, to solicit or secure this Agreement. Further, Contractor/Service Provider warrants and represents that it has not paid or agreed to pay any company or person, other than a bona fide employee or approved subcontractor working solely for Contractor/Service Provider, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Contractor/Service Provider further warrants and represents that no officer or employee of City, has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, the proceeds hereof, or in the business of Contractor/Service Provider or Contractor/Service Provider's subcontractors. Contractor/Service Provider further agrees to notify City in the event any such interest is discovered whether or not such interest is prohibited by law or this Agreement. For breach or violation of any of these warranties, City shall have the right to rescind this Agreement without liability.

## 6. REMEDIES

6.1 Termination for Cause. If for any reason whatsoever Contractor/Service Provider shall fail to perform the Required Services under this Agreement, in a proper or timely manner, or if Contractor/Service Provider shall violate any of the other covenants, agreements or conditions of this Agreement (each a "Default"), in addition to any and all other rights and remedies City may have under this Agreement, at law or in equity, City shall have the right to terminate this Agreement by giving five (5) days written notice to Contractor/Service Provider. Such notice shall identify the Default and the Agreement termination date. If Contractor/Service Provider notifies City of its intent to cure such Default prior to City's specified termination date, and City agrees that the specified Default is capable of being cured, City may grant Contractor/Service Provider up to ten (10) additional days after the designated termination date to effectuate such cure. In the event of a termination under this Section 6.1, Contractor/Service Provider shall immediately provide City any and all "Work Product" (defined in Section 7 below) prepared by Contractor/Service Provider as part of the Required Services. Such Work Product shall be City's sole and exclusive property as provided in Section 7 hereof. Contractor/Service Provider may be entitled to compensation for work satisfactorily performed prior to Contractor/Service Provider's receipt of the Default notice; provided, however, in no event shall such compensation exceed the amount that would have been payable under this Agreement for such work, and any such compensation shall be reduced by any costs incurred or projected to be incurred by City as a result of the Default.

6.2 Termination or Suspension for Convenience of City. City may suspend or terminate this Agreement, or any portion of the Required Services, at any time and for any reason, with or without cause, by giving specific written notice to Contractor/Service Provider of such termination or suspension at least fifteen (15) days prior to the effective date thereof. Upon receipt of such notice, Contractor/Service Provider shall immediately cease all work under the Agreement and promptly deliver all "Work Product" (defined in Section 7 below) to City. Such Work Product shall be City's sole and exclusive property as provided in Section 7 hereof. Contractor/Service Provider shall be entitled to receive just and equitable compensation for this Work Product in an amount equal to the amount due and payable under this Agreement for work satisfactorily performed as of the date of the termination/suspension notice plus any additional remaining Required Services requested or approved by City in advance that would maximize City's value under the Agreement.

6.3 Waiver of Claims. In the event City terminates the Agreement in accordance with the terms of this Section, Contractor/Service Provider hereby expressly waives any and all claims for damages or compensation as a result of such termination except as expressly provided in this Section 6.

6.4 Administrative Claims Requirements and Procedures. No suit or arbitration shall be brought arising out of this Agreement against City unless a claim has first been presented in writing and filed with City and acted upon by City in accordance with the procedures set forth in Chapter 1.34 of the Chula Vista Municipal Code, as same may be amended, the provisions of which, including such policies and procedures used by City in the implementation of same, are incorporated herein by this reference. Upon request by City, Contractor/Service Provider shall meet and confer in good faith with City for the purpose of resolving any dispute over the terms of this Agreement.

6.5 Governing Law/Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any action arising under or relating to this Agreement shall be brought only in San Diego County, State of California.

6.6 Service of Process. Contractor/Service Provider agrees that it is subject to personal jurisdiction in California. If Contractor/Service Provider is a foreign corporation, limited liability company, or partnership that is not registered with the California Secretary of State, Contractor/Service Provider irrevocably consents to service of process on Contractor/Service Provider by first class mail directed to the individual and address listed under "For Legal Notice," in section 1.B. of Exhibit A to this Agreement, and that such service shall be effective five days after mailing.

## 7. OWNERSHIP AND USE OF WORK PRODUCT

All reports, studies, information, data, statistics, forms, designs, plans, procedures, systems and any other materials or properties produced in whole or in part under this Agreement in connection with the performance of the Required Services (collectively "Work Product") shall be the sole and exclusive property of City. No such Work Product shall be subject to private use, copyrights or patent rights by Contractor/Service Provider in the United States or in any other country without the express, prior written consent of City. City shall have unrestricted authority to publish, disclose, distribute, and otherwise use, copyright or patent, in whole or in part, any such Work Product, without requiring any permission of Contractor/Service Provider, except as may be limited by the provisions of the Public Records Act or expressly prohibited by other applicable laws. With respect to computer files containing data generated as Work Product, Contractor/Service Provider shall make available to City, upon reasonable written request by City, the necessary functional computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

## 8. GENERAL PROVISIONS

8.1 Amendment. This Agreement may be amended, but only in writing signed by both Parties.

8.2 Assignment. City would not have entered into this Agreement but for Contractor/Service Provider's unique qualifications and traits. Contractor/Service Provider shall not assign any of its rights or responsibilities under this Agreement, nor any part hereof, without City's prior written consent, which City may grant, condition or deny in its sole discretion.

8.3 Authority. The person(s) executing this Agreement for Contractor/Service Provider warrants and represents that they have the authority to execute same on behalf of Contractor/Service Provider and to bind



Contractor/Service Provider to its obligations hereunder without any further action or direction from Contractor/Service Provider or any board, principle or officer thereof.

8.4 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one Agreement after each Party has signed such a counterpart.

8.5 Entire Agreement. This Agreement together with all exhibits attached hereto and other agreements expressly referred to herein, constitutes the entire Agreement between the Parties with respect to the subject matter contained herein. All exhibits referenced herein shall be attached hereto and are incorporated herein by reference. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are superseded.

8.6 Record Retention. During the course of the Agreement and for three (3) years following completion of the Required Services, Contractor/Service Provider agrees to maintain, intact and readily accessible, all data, documents, reports, records, contracts, and supporting materials relating to the performance of the Agreement, including accounting for costs and expenses charged to City, including such records in the possession of sub-contractors/sub-Contractor/Service Providers.

8.7 Further Assurances. The Parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Agreement and the intentions of the Parties.

8.8 Independent Contractor. Contractor/Service Provider is and shall at all times remain as to City a wholly independent contractor. Neither City nor any of its officers, employees, agents or volunteers shall have control over the conduct of Contractor/Service Provider or any of Contractor/Service Provider's officers, employees, or agents ("Contractor/Service Provider Related Individuals"), except as set forth in this Agreement. No Contractor/Service Provider Related Individuals shall be deemed employees of City, and none of them shall be entitled to any benefits to which City employees are entitled, including but not limited to, overtime, retirement benefits, worker's compensation benefits, injury leave or other leave benefits. Furthermore, City will not withhold state or federal income tax, social security tax or any other payroll tax with respect to any Contractor/Service Provider Related Individuals; instead, Contractor/Service Provider shall be solely responsible for the payment of same and shall hold the City harmless with respect to same. Contractor/Service Provider shall not at any time or in any manner represent that it or any of its Contractor/Service Provider Related Individuals are employees or agents of City. Contractor/Service Provider shall not incur or have the power to incur any debt, obligation or liability whatsoever against City, or bind City in any manner.

8.9 Notices. All notices, demands or requests provided for or permitted to be given pursuant to this Agreement must be in writing. All notices, demands and requests to be sent to any Party shall be deemed to have been properly given or served if personally served or deposited in the United States mail, addressed to such Party, postage prepaid, registered or certified, with return receipt requested, at the addresses identified in this Agreement at the places of business for each of the designated Parties as indicated in Exhibit A, or otherwise provided in writing.

8.10 Electronic Signatures. Each Party agrees that the electronic signatures, whether digital or encrypted, of the Parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic Signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a Party with the intent to sign such record,

including facsimile or email electronic signatures, pursuant to the California Uniform Electronic Transactions Act (Cal. Civ. Code §§ 1633.1 to 1633.17) as amended from time to time.

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**SIGNATURE PAGE**  
**CONTRACTOR/SERVICE PROVIDER SERVICES AGREEMENT**

IN WITNESS WHEREOF, by executing this Agreement where indicated below, City and Contractor/Service Provider agree that they have read and understood all terms and conditions of the Agreement, that they fully agree and consent to bound by same, and that they are freely entering into this Agreement as of the Effective Date.

CORTES TOWING ENTERPRISES, INC.

CITY OF CHULA VISTA

BY: \_\_\_\_\_  
JOHNNY CORTES  
PRESIDENT

BY: \_\_\_\_\_  
MARIA V. KACHADOORIAN  
CITY MANAGER

APPROVED AS TO FORM

BY: \_\_\_\_\_  
Glen R. Googins  
City Attorney

**EXHIBIT A**  
**SCOPE OF WORK AND PAYMENT TERMS**

**1. Contacts for Contract Administration and Legal Notice**

**A. City Contract Administration:**

Jonathan Alegre, Police Administrative Services Administrator  
Chula Vista Police Department  
315 Fourth Avenue, Chula Vista, CA 91910  
(619) 476-2570  
jalegre@chulavistapd.org

For Legal Notice Copy to:

City of Chula Vista  
City Attorney  
276 Fourth Avenue, Chula Vista, CA 91910  
619-691-5037  
CityAttorney@chulavistaca.gov

**B. Contractor/Service Provider Contract Administration:**

CORTES TOWING ENTERPRISES, INC.  
919 Hollister Street  
San Diego, CA 92154  
619-250-3408  
johnnycortes@cortestowingsd.com

For Legal Notice Copy to:

Johnny Cortes, President, same as above

**2. Required Services**

**I. TOW AND IMPOUND SERVICES**

**A. Response To City Calls.**

A.1 If on-call during a rotation, Contractor/Service Provider shall respond to calls 24 hours a day, seven (7) days a week. For tow service requests located west of the Interstate 805, Contractor/Service Provider shall respond within twenty (20) minutes of being notified by the City. Thirty (30) minute response times are authorized for locations east of Interstate 805. "Response time" shall be measured from the time of notification to arrival at the tow site.

A.2 Contractor/Service Provider shall respond with a properly equipped tow truck of the class required to tow the vehicle and perform requested service.

A.3 Contractor/Service Provider shall advise City dispatch, at the time of notification, if Contractor/Service Provider is unable to respond or unable to meet the maximum response time.

A.4 Only Contractor/Service Provider's personnel and equipment requested shall respond to a City call (e.g. tow truck driver bringing a girlfriend, child, or pet is not allowed).

A.5 Contractor/Service Provider shall not respond to a City call assigned to another Contractor/Service Provider or re-assign a call to another Contractor/Service Provider or to another tow company. Contractor/Service Providers who do not occupy the first position of the Call List (as described in Section II.L) shall not "jump calls" unless specifically called by the vehicle owner and approved by the on-scene officer.

**B. Removing Motor Vehicles.** Contractor/Service Provider shall, at the request of the City, move, tow away, and impound motor vehicles under the authority of the California Vehicle Code or Chula Vista Municipal Code, declared by the City to be: illegally parked, abandoned, have been involved in a traffic collision, or constitute an obstruction of traffic due to mechanical failure or operator negligence or arrest. Such services are required 24 hours a day, seven (7) days a week during the Contractor/Service Provider's rotation period (as described in Section II.L). Tow truck operators shall perform all towing and recovery operations in the safest and most expedient manner possible.

**C. Inoperable City Vehicles.** The City may, from time-to-time, require the removal of inoperable City vehicles from the public right-of-way and towing to an appropriate City facility. The Contractor/Service Provider occupying the first position on the Call List (as described in Section II.L) shall provide such services to the City at the rate of \$50 per tow.

C.1 Occasionally, the City may require the response of the on-call Contractor/Service Provider to assist with the changing of flat tires, jump starts and/or unlocking vehicles (lockouts) of City vehicles. Such service shall be provided by the tow company occupying the first position on the Call List at a cost of \$35 per occurrence.

**D. Abandoned Vehicle Abatement.** The Contractor/Service Provider occupying the first position on the Call List (as described in Section II.L) shall, at the request of the City, remove and impound up to twenty (20) vehicles annually from private property, or from the public right-of-way, which are declared abandoned by the City. As the Contractor/Service Provider rotates to the top of the list, the Contractor/Service Provider may not waive responsibility to remove the next twenty (20) vehicles, passing the request to the next Contractor/Service Provider on the list. Such services shall be provided from 8:00 a.m. until 5:00 p.m., Monday through Friday, at the City at a rate of \$50 per tow.

**E. On-Scene Duties.** Upon arriving on-scene, Contractor/Service Provider's employee shall report to the Peace Officer in charge and discharge its duties in accordance with the following requirements:

E.1 Shall make every reasonable effort to comply with direction provided by the officer-in-charge.

E.2 Shall be responsible for making an accurate damage assessment for each vehicle towed and recording said damage assessment on City approved forms and signed by an authorized Contractor/Service Provider's employee.

E.3 Shall be responsible for making an accurate content inventory for each vehicle towed and recording said vehicle's inventory on City approved forms and signed by an authorized Contractor/Service Provider's employee.

E.4 Shall be responsible for removing and appropriately disposing of collision-related debris, including broken glass, from the public right-of-way to ensure public safety.

E.5 May make any emergency alterations reasonably required to safely move and/or tow vehicles.

**F. Vehicle Impounds.** Subsequent to removing a vehicle from the public right-of-way or private property, Contractor/Service Provider shall securely impound that vehicle.

**G. Collection of Negligent Vehicle Impound Fees.** Negligent Vehicle Impound Fees (NVIF) may be paid in person to the Chula Vista Police Department or online on the police department's website. Proof of NVIF payment must be provided to the tow company prior to release of any vehicle.

**H. Vehicle Release Services/Requirements.** Contractor/Service Provider shall provide vehicle release services 24 hours a day, seven (7) days a week. Any vehicle releases outside of the normal business hours of 8:00 a.m. to 5:00 p.m. Monday through Friday, is subject to the after-hours release fee as outlined in the City-Initiated Tow and Storage Rate schedule. Vehicles subject to NVIF must not be released unless the vehicle's owner/agent is in possession of a paid receipt for NVIF from the Chula Vista Police Department. Release of any NVIF vehicles without the receipt will be billed to Contractor/Service Provider at the then current NVIF rate contained in the City's Master Fee Schedule (currently \$175).

## **I. Tow Rates**

I.1 The rate for towing should be computed based on the time of travel from portal to portal when a vehicle is towed to the Contractor/Service Provider's storage yard. Portal to portal is defined as follows: Time shall start from either the point of dispatch or upon departure from the place of business, whichever is closer to the location of the call, and shall end at the estimated time of return to Contractor/Service Provider's storage yard or completion of the call, if another call is pending, whichever is shorter.

I.2 The time expended, for towing a vehicle back to the Contractor/Service Provider's storage yard as provided in Subsection I.1, shall be charged at a rate not to exceed the labor rate indicated in the City-Initiated Tow and Storage Rate schedule. The rates for Basic Tow, Medium Tow & Heavy Tow include one hour of labor. If any city-initiated tows shall exceed one hour of service time portal to portal, then the time expended in excess of that hour shall be calculated at no more than one-minute increments at the hourly rate. A clear, itemized and detailed explanation of any additional service that caused the time to exceed one hour shall be documented on the invoice pursuant to Section 22651.07 (e)(7) of the California Vehicle Code.

I.3 There shall be no additional charges for mileage or a dolly charge.

I.4 Contractor/Service Provider may charge a fee for vehicle releases outside of their normal business hours (e.g. after 5:00 pm and holidays) as indicated in the City-Initiated Tow and Storage Rate schedule.

I.5 Contractor/Service Provider shall base charges for the class of vehicle being towed or serviced regardless of the class of tow truck used.

I.6 No additional transportation charges, mileage, or other reimbursable expenses are allowed for services provided pursuant to this Agreement.

I.7 The City's tow and impound requirements are indeterminate. Quantities may vary depending on need. Contractor/Service Provider agrees to waive any variations in tow and impound requirements and to hold prices, terms and conditions firm for the duration of the Agreement.

**J. Storage Fees.** A vehicle stored/impounded 24 hours or less shall be charged no more than one day storage. If a vehicle is released from storage after 24 hours has elapsed, charges may be allowed on a full, calendar-day basis for each day of storage, or part thereof. The storage rate shall be determined by the class of vehicle that was towed.

**K. Access to Stored Vehicles.** During regular business hours, Contractor/Service Provider must, except as provided in Subsection L below, make vehicles stored at the request of the City available to that registered owner, a person who can be verified to be the registered owner's agent, insurance agents, insurance adjusters, or representatives of automotive repair businesses for the purpose of estimating or appraising damages.

**L. Evidentiary Vehicle Security.** Vehicles impounded by the City for investigative purposes shall be held in maximally secured, non-public areas of the Contractor/Service Provider's property until the vehicle is released by the City. Any property or other contents of such vehicles shall not be removed by any person other than a Peace Officer or Evidence Technician employed by the City. Property removed from such vehicles shall be recorded as removed on the content inventory and the content inventory dated and signed by a representative of Contractor/Service Provider and the Peace Officer or Evidence Technician removing such property. Evidentiary or investigative tows requested by the City shall be charged at a rate of \$50 per tow and a maximum storage rate of \$10 per day.

L.1 Contractor/Service Providers who store evidentiary vehicles shall furnish a report to the City each month detailing which cars are being held for evidence and the length of time the car has been held. Failure to provide a detailed report shall relieve the City from the responsibility to pay storage fees for these vehicles.

## II. GENERAL TERMS & CONDITIONS

**A. Individual Rights.** Contractor/Service Provider shall not infringe the right of any individual involved in a non-criminal traffic collision to call the tow company of his/her own choosing, except in those cases where an unnecessary delay in removing the motor vehicle will, in the opinion of the investigating Peace Officer, diminish public safety. However, City may initiate the tow with the on-call Contractor/Service Provider notwithstanding the contrary desires of an individual.

**B. Courteous Customer Relations.** Contractor/Service Provider shall courteously provide any information required by a claimant to effect the release of the impounded vehicle including: confirming that a particular vehicle is in the Contractor/Service Provider's possession, directions to the location of the vehicle, the method of securing its release, documentation required, applicable charges and fees required to be paid, and terms of payment.

**C. Consumer Complaints.** The Chief of Police or designee will review and investigate consumer complaints at his/her discretion, whether such complaints are provided to the Contractor/Service Provider or to the City directly. Excessive, valid consumer complaints, or improper handling of same by may result in termination of the Agreement.

**D. Efficient Processing.** Contractor/Service Provider shall efficiently process claimants' requests so that legitimate and appropriate requests for the release of stored or impounded vehicles are completed within one (1) hour of the time a claimant arrives at the Contractor/Service Provider's location.

**E. Charges & Fees.** Contractor/Service Provider is authorized to, and is responsible for, collecting applicable tow and storage charges as outlined in the City-Initiated Tow and Storage Rate schedule, prior to releasing a vehicle.

**F. Billings.** All invoices for tows and impounds shall be clearly itemized by charge or fee type. Contractor/Service Provider shall exercise its best efforts to amicably and fairly resolve billing disputes with consumers. Billing disputes resulting in consumer complaints will be handled as described in Section II.C

**G. Repair & Alteration of Impounded Vehicles.** Except as provided in Section I.E.5, emergency alternations, Contractor/Service Provider shall not make any repairs or alterations of vehicles in its possession without the express written authorization of the vehicle's registered owner, the registered owner's insurance carrier, or a verifiable agent of the owner or insurance carrier.

**H. Damage to Vehicle.** Contractor/Service Provider shall be responsible for any damage occurring to the vehicle while in its possession. All damage not recorded on the damage assessment will be considered the Contractor/Service Provider's responsibility.

**I. Loss of Property While in Contractor/Service Provider's Possession.** Contractor/Service Provider shall be responsible for all property belonging to that vehicle as identified by the content inventory.

**J. Documents Required Prior to Release.** Contractor/Service Provider shall not release any vehicle impounded as the result of a Police-initiated tow unless the claimant presents a valid, City-issued Police Release.

**K. City Errors & Omissions.** When any vehicle has been ordered towed by the City, and it is established by City in its sole discretion that the tow was in error, Contractor/Service Provider shall release the vehicle to its registered owner or legitimate claimant at no cost. In the case of erroneous towing, Contractor/Service Provider shall charge the City at a rate of \$50 per tow and a maximum storage rate of \$10 per day.

**L. Call List.** The City will designate the Contractor/Service Provider to provide required tow and impound service on the basis of a Call List. The City will create and maintain the Call List. Exhibit E shows the 2022 Tow Rotation Schedule based upon the number of tow companies in contract with the City. The City will contact, by telephone, the Contractor/Service Provider occupying the first position on the Call List whenever the City requires towing service.

L.1 Each eligible Contractor/Service Provider will occupy the first position on the Call List for an eight (8) day rotation period. The City, in its sole discretion, may change the duration of a rotation period and will notify Contract/Service Providers of such change. At midnight of the prescribed "first-up" transition dates, the Contractor/Service Provider in the first position on the Call List will rotate downward to the last position, and the Contractor/Service Provider in the second position will rotate upward to the first position.

L.2 If, except as a result of natural disaster or other causes beyond the reasonable control of the Contractor/Service Provider, the Contractor/Service Provider occupying the first position on the Call List cannot perform services required by the City, the City will Contract/Service Providers, in descending order of the Call List, until a Contractor/Service Provider who can perform the towing service is identified.



L.3 Except in extraordinary circumstances, an Interim Call List rotation will be effected by City by contacting the Contractor/Service Provider in the second position, if the Contractor/Service Provider occupying the first position on the Call List fails to respond to three (3) consecutive requests for service from City. Interim Call List rotations will remain in effect until the non-responding Contractor/Service Provider's turn in the rotation has been completed. At that time, the Interim Call List shall revert to the regular Call List.

L.4 In order to preserve the integrity of the Call List rotation schedule, a Contractor/Service Provider rotating into the first position as the result of an Interim Call List rotation shall, in addition to retaining the first position for the remainder of the non-responding Contractor/Service Provider's turn, maintain the first position for its regularly scheduled turn.

**M. Demeanor and Conduct.** While involved in City-initiated tow operations or related business, the tow company owner and/or employees shall refrain from any acts of misconduct including, but not limited to, any of the following: rude or discourteous behavior; lack of service, selective service, or refusal to provide service which the company is capable of performing; any act of sexual harassment or sexual impropriety; unsafe driving practices; or exhibiting any objective symptoms of alcohol or drug use.

**N. Responsibility for Acts of Employees.** Contractor/Service Provider shall be responsible for all acts of its employees while those employees are performing services for the City.

**O. Compliance with Law.** Contractor/Service Provider and its employees shall at all times comply with federal, state and local laws and ordinances, including but not limited to business, building, construction, and zoning requirements. Evidence that an owner or manager is operating any illegal business, or has an ownership interest in any illegal business, may result in termination of the Agreement.

**P. Amendments to Scope of Work.** City may independently, or upon request from Contractor/Service Providers, increase or reduce the scope of work to be performed. Upon doing so, City and Contractor/Service Provider agree to meet in good faith and confer for the purpose of resolving issues of concern to either party that may arise from such an increase or reduction in scope of work.

**Q. Notification of Arrest or Conviction.** Contractor/Service Provider shall notify the City of any arrest and/or conviction of a tow truck owner, manager or driver, immediately, but no later than prior to the beginning of the relevant party's next work shift. Any arrest and/or conviction of a tow company owner or employee involving a stolen or embezzled vehicle, fraud related to the towing business, stolen or embezzled property, a crime of violence, a sexual offense, a drug-related offense, driving while under the influence of alcohol or drugs, a driving offense resulting in damage to property or injury to a person, or a crime of moral turpitude, as defined in Subsection Q.1, immediately disqualifies such employee from providing services under this Agreement, and in the case of an owner or manager, may result in termination of the Agreement. The City reserves the right to periodically conduct criminal history inquiries, which may require an owner, manager or employee to be fingerprinted or to provide personal identifying information. The City shall keep personal identifying information confidential to the extent allowed by law.

Q.1 For the purposes of Section Q, a crime of moral turpitude is, as was stated in Section 2.5.3.1 of RFQ# Q01-22/23, conduct which is contrary to justice, honesty, modesty, or good morals, for which there is a nexus, or logical relationship between the criminal conduct and the individual's fitness to engage in the towing business – California Department of Motor Vehicles driver license and endorsement guidelines.

**R. Tow Companies Not Authorized to Represent City.** Contractor/Service Providers shall have no authority to act as City's agent to bind City to any contractual agreements whatsoever.

### III. CONTRACTOR'S BUSINESS REQUIREMENTS

**A. Place of Business.** Contractor/Service Provider's place of business must have a sign which clearly identifies it to the public as a tow service. The sign must have letters which are clearly visible to the public from the street and must be visible at night.

**B. Business Hours.** Contractor/Service Provider's business hours must be posted in plain view to the public.

**C. Tow and Storage Rates Posted.** Contractor/Service Provider's place of business must have posted in plain view to the public the "Chula Vista City-Initiated Tow and Storage Rates" as outlined in **Exhibit A, Section 4** of the Agreement. This posting must also include all instructions necessary for consumers to effect an after-hours vehicle release.

**D. Chula Vista City-Initiated Tow and Storage Rates.** The Chula Vista City-Initiated Tow and Storage Rates provides a complete schedule of all charges and fees that the Contractor/Service Providers are authorized to collect from consumers for tow and impound services rendered on behalf of the City. This rate schedule is based upon the California Highway Patrol Southern San Diego Region Tow Rates. The City, at its sole discretion, may amend the rate schedule. Any Contractor/Service Provider who charges rates above the listed City-Initiated Tow and Storage Rates for City-initiated tows is subject to termination of the Agreement.

**E. Staffing.** Contractor/Service Provider's place of business must be sufficiently staffed to allow customers to talk face-to-face with Contractor/Service Provider's owner, manager or employee during normal business hours.

**F. Normal business hours.** Normal business hours must be not less than 8 a.m. to 5 p.m., Monday through Friday, except for the following City recognized holidays: New Year's Day, Martin Luther King Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, day after Thanksgiving Day, and Christmas Day.

**G. Closure for lunch.** If Contractor/Service Provider's place of business is staffed with one employee, the business office may be closed one hour for lunch. A sign must be posted which reflects a lunch closure and a phone number where a request by a vehicle's owner/agent shall result in an immediate response to release property or a vehicle.

**H. Motor Carrier Property Permit.** Contractor/Service Provider must have a valid Motor Carrier Property (MCP) permit and maintain a valid MCP permit during the term of the Agreement. The expiration of Contractor/Service Provider's MCP and/or suspension of the MCP pursuant to Section 34623 CVC will result in the immediate suspension of its Agreement with the City and may result in termination of its Agreement.

**I. Tow Truck Driver Certification.** Contractor/Service Provider shall ensure tow truck drivers responding to calls initiated by the City are competent and have completed a Tow Service Agreement Advisory Committee (TSAAC) approved tow truck driver training program as outlined in the California Highway Patrol's Tow Service Agreement. These records are subject to inspection by City during business hours.

I.1 Contractor/Service Provider shall maintain documentation of completion of an approved tow truck driver training program within the past five (5) years. Tow truck driver documentation should be for the appropriate class of tow truck.

I.2 Tow truck drivers shall be at least 18 years of age and shall possess the proper class of license and endorsements for the towed and towing vehicle.

## **J. Tow Truck Driver Uniform, Appearance and Safety Garments**

J.1 Tow truck drivers shall wear an identifiable uniform (either shirt and pants, or coveralls) displaying the Contractor/Service Provider's name and the driver's name while engaged in City rotation tow operations.

J.2 Tow truck drivers shall represent a professional image. An unacceptable representation includes: unbathed, excessively dirty/torn uniform, body art, visible body piercing, etc.

J.3 Tow truck drivers shall wear appropriate safety warning garments (e.g. vests, jackets, shirts, retroreflective clothing) during daylight and hours of darkness in accordance with Cal/OSHA Regulations (Title 8, Section 1598 CCR.)

**K. Tow Truck Requirements.** A tow truck company must equip and maintain tow trucks in accordance with the provisions set forth in the California Vehicle Code (CVC), Title 13 of the CCR, the specifications contained in the City's RFQ, and in a manner consistent with industry standard and practices.

K.1 The following is a list of the City's tow truck requirements. Tow trucks that can demonstrate a functional equivalency to any or all of the requirements of this sub-section may be proposed as an exception and must be approved by the City before use under the Agreement. Verification of tow truck specifications will be determined via unaltered manufacturer's installed plate. The Contractor/Service Provider must currently own and operate a minimum of three (3) tow trucks and demonstrate capability of providing heavy duty services.

K.1.a One Class A (Light Duty) Wheel-Lift: A Wheel-Lift tow truck which has a manufacturer's gross vehicle weight rating (GVWR) of at least 14,000 pounds.

K.1.b One Class A (Light Duty) Flatbed: A Flatbed tow truck which has a manufacturer's gross vehicle weight rating (GVWR) of at least 14,000 pounds.

K.1.c One Class B (Medium Duty) Wheel-Lift: A Wheel-Lift tow truck with a GVWR of at least 33,000 pounds. The truck shall be equipped with air brakes and a tractor protection valve or device and be capable of providing and maintaining continuous air to the towed vehicle.

K.1.d Contractor must demonstrate either: 1) Possession of One Class C (Heavy Duty) truck (a three-axle tow truck with a GVWR of at least 52,000 pounds. The truck shall be equipped with air brakes and must be capable of providing and maintaining continuous air to the towed vehicle.); or 2) Ability to subcontract with another reliable tow company (with City's approval) for heavy duty services.

**L. “GREEN” Fleet.** On April 1, 2008, the City Council of the City of Chula Vista adopted new climate mitigation policies in order to reduce the City of Chula Vista’s carbon footprint. One of these policies mandated that City-contracted fleet operators adopt the use of high efficiency (hybrid) or alternative fuel vehicles (AFVs) by stipulating that 100% of replacement vehicle purchases be AFVs or hybrid vehicles. AFVs include vehicles that operate on biodiesel (B20), compressed natural gas (CNG), ethanol (E85), hydrogen, or electricity. Contractor/Service Provider agrees to comply with this policy.

Contractor/Service Provider agrees to provide the City, upon request, a detailed list of vehicles that will provide service to the City, whether these vehicles already meet AFV/hybrid status, and if not, the Contractor/Service Provider’s plan to meet this Council policy for vehicles scheduled for replacement during the term of the Agreement.

**M. Tow Truck Equipment & Outfitting.** The following is a list of the tow truck equipment required by the City.

M.1 Each truck shall have an operational winch that is power-driven in both directions and equipped with an adequate braking system.

M.2 Each truck shall be equipped with the lighting systems as required by California Vehicle Code (CVC) Sections 24605, 24606 and 25253. Additionally, trucks shall be equipped with utility lamp lighting systems that comply with CVC Section 25110.

M.3 Each truck shall carry the miscellaneous equipment required by CVC Section 27700. Additionally, each Contractor/Service Provider shall maintain three (3) sets of dollies for use by tow trucks providing services to the City. It is the City’s preference that each tow truck carry its own set of dollies.

**N. Tow Truck Identification.** Each truck responding to requests for City initiated tow and impound services shall, on both sides of the vehicle, conspicuously bear the company name, address and phone number(s) in lettering that complies with CVC Section 27907.

**O. Tow Truck Communications.** Each truck responding to requests for City-initiated tow and impound services shall be capable of effecting two-way communications between the truck and the tow company’s dispatching operation. Tow companies may determine the type of two-way communications between their truck and their dispatcher, as long as it complies with all applicable sections of the California Vehicle Code (CVC).

**P. Tow Truck Maintenance.** Each truck responding to requests for City-initiated tow and impound services shall be well maintained and clean on the exterior and interior and should reflect a clean and professional image for the Contractor/Service Provider and the City.

**Q. Tow Truck Inspections.** At its discretion, the City shall conduct inspections without notice of all tow trucks utilized on City rotation calls. The intent of these inspections is to ensure the Contractor/Service Provider is engaged in an ongoing safety maintenance program for its tow trucks.

**R. Storage Yard.** The following is a list of the storage yard specifications required by the City.

R.1 Storage yard(s) must be within one air mile of City limits as shown on Attachment D of RFQ# Q01-22/23. The red line on Attachment D shows the boundary limits of storage yard(s). **Contractor/Service Provider’s storage yards are located at 919 Hollister Street, San Diego, CA 92154 and 7310 Pogo Row Space #91, San Diego, CA 92154.**

R.2 Storage yard(s) shall have adequate space to fulfill the needs outlined in RFQ# Q01-22/23. The City will require a minimum of one acre of vehicle storage space and must be net of office space or other non-storage usable space. The one acre of vehicle storage space must not be shared with other tow vendors, whether they are contracted with the City or not.

R.3 If Contractor/Service Provider's primary storage yard does not meet the one acre minimum storage space requirement, a secondary storage yard site may be proposed, provided that (a) the storage space in the primary and secondary lot exceeds one acre, (b) the second site meets all storage yard requirements outlined in the RFQ, and (c) only one secondary storage yard is allowed (i.e. a maximum of two storage yards are allowed for use for City-initiated tows). A secondary storage yard may be utilized only if the primary storage yard is full. There shall be no charge to the vehicle's owner/agent for towing a vehicle from a secondary storage yard to the primary storage yard.

R.4 Contractor/Service Provider must maintain security and control of storage yard(s) at all times. The storage yard(s) shall be secure and enclosed, at minimum, by a six-foot high fence with adequate lighting. Contractor/Service Provider shall be responsible for the safekeeping and prevention of vandalism of all vehicles and contents which are stored/impounded by the City.

R.5 The storage yard(s) must be in conformance with applicable City zoning and building codes and must be permitted as such.

**S. Business Records.** Contractor/Service Provider shall maintain records of all tow and impound services at their place of business. (Note: printable electronic records are acceptable).

S.1 At a minimum, these records shall include: date of tow; make and model of vehicle; license plate number and vehicle identification number (presuming both are readily available); the time the tow company arrived on-scene; and the fees and charges levied against the vehicle and disposition thereof.

S.2 Contractor/Service Provider's place of business shall also maintain business records relating to personnel, insurance, personnel taxes, payroll, applicable operating authorities, local operating authorities, lien sale actions, driver's record of duty status, and non-City tows.

S.3 The City may inspect all company records relating to compliance of contract award without notice during normal business hours.

S.4 Contractor/Service Provider shall permit the City to make copies of business records at their place of business, at no cost to the City.

S.5 Contractor/Service Provider shall maintain business records for a period of three (3) years and shall make them available for inspection.

**3. Term:** In accordance with Section 1.10 of this Agreement, the term of this Agreement shall begin January 1, 2022 and end on December 31, 2022 for completion of all Required Services.

#### **4. Compensation:**

**A. Form of Compensation**

City-Initiated Tow and Storage Rates. For the completion of each Deliverable of the Required Services, as identified in section 2.B., above, Contractor/Service Provider shall charge the vehicle’s owner/agent the fixed fee associated with each Deliverable, in the amounts set forth below:

**2022 Chula Vista City-Initiated Tow and Storage Rates**

<b>Service</b>	<b>Rate</b>
<b>Basic Tow <sup>1</sup></b>	<b>\$235.00</b>
<b>Medium Tow <sup>2</sup></b>	<b>\$272.00</b>
<b>Heavy Tow <sup>3</sup></b>	<b>\$323.00</b>
<b>Mileage</b>	<b>None</b>
<b>Dolly Charge</b>	<b>None</b>
<b>Labor Rate (if exceeding one hour of service)</b>	<b>\$65.00/hour</b>
<b>Basic Storage Rate <sup>4</sup></b>	<b>\$62.00/24-hour period</b>
<b>Medium Storage Rate <sup>5</sup></b>	<b>\$71.00/24-hour period</b>
<b>Heavy Storage Rate <sup>6</sup></b>	<b>\$76.00/24-hour period</b>
<b>Evening Release (after 5:00 pm &amp; Holidays)</b>	<b>\$65.00</b>

<sup>1</sup> Basic Tow Rate is average of CHP's Class A tow rates

<sup>2</sup> Medium Tow Rate is average of CHP's Class B tow rates

<sup>3</sup> Heavy Tow Rate is average of CHP's Class C tow rates

<sup>4</sup> Basic Storage Rate is average of CHP's Class A storage rates

<sup>5</sup> Medium Storage Rate is average of CHP's Class B storage rates

<sup>6</sup> Heavy Storage Rate is average of CHP's Class C storage rates

Tow License Fee. For performance of the Required Services by Contractor/Service Provider as identified in Section 2.B., above, Contractor/Service Provider shall pay the City the fixed fee, in the amounts as indicated below:

**2022 ANNUAL TOW LICENSE FEE APPORTIONMENT**

<b>NUMBER OF CONTRACTORS</b>	<b>TOW LICENSE FEE PER CONTRACTOR</b>	<b>TOW LICENSE FEE TOTAL</b>
<b>1</b>	<b>\$152,177.00</b>	<b>\$152,177</b>
<b>2</b>	<b>\$76,088.50</b>	
<b>3</b>	<b>\$50,725.67</b>	
<b>4</b>	<b>\$38,044.25</b>	
<b>5</b>	<b>\$30,435.40</b>	
<b>6</b>	<b>\$25,362.83</b>	
<b>7</b>	<b>\$21,739.57</b>	

*The City intends to enter into agreements for tow and impound services with all qualified firms who meet the City's requirements. If one or more of the service providers are terminated/withdraw from service for any reason, the Tow License Fee for the remaining contractors will be adjusted per the schedule above.*

**B. Reimbursement of Costs**

Invoiced or agreed-upon amounts as follows:

<b>Service</b>	<b>Cost</b>
Tow of inoperable City vehicle	\$50 per tow
Flat tire change, jump start, lockout of City vehicle	\$35 per occurrence
Tow of abandoned vehicle	\$50 per tow
Tow of evidentiary/investigative vehicle	\$50 per tow
Storage of evidentiary/investigative vehicle	\$10 per day
Vehicle tow in City's error	\$50 per tow
Vehicle storage in City's error	\$10 per day

Notwithstanding the foregoing, the maximum amount to be paid to the Contractor/Service Provider for services performed through December 31, 2026 shall not exceed \$25,000.

## 5. Special Provisions:

Permitted Sub-Contractor/Service Providers: only pursuant to Section K.1.d, if applicable

Security for Performance: None

Notwithstanding the completion date set forth in Section 3 above, City has option to extend this Agreement for four (4) additional terms, defined as a one-year increment or January 1 to December 31, through December 31, 2026, for a total of five (5) years. The City Manager or Director of Finance/Treasurer shall be authorized to exercise the extensions on behalf of the City. If the City exercises an option to extend, each extension shall be on the same terms and conditions contained herein, provided that the amounts specified in Section 4 above may be increased by up to computed amount of Tow License Fee and City-Initiated Tow and Storage Rates for each extension. The City shall give written notice to Contractor/Service Provider of the City's election to exercise the extension via the Notice of Exercise of Option to Extend document. Such notice shall be provided at least 30 days prior to the expiration of the term.



**EXHIBIT B**  
**INSURANCE REQUIREMENTS**

Contractor/Service Provider shall adhere to all terms and conditions of Section 3 of the Agreement and agrees to provide the following types and minimum amounts of insurance, as indicated by checking the applicable boxes (x).

	Type of Insurance	Minimum Amount	Form
<input checked="" type="checkbox"/>	General Liability: Including products and completed operations, personal and advertising injury	\$2,000,000 per occurrence for bodily injury, personal injury (including death), and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit must apply separately to this Agreement or the general aggregate limit must be twice the required occurrence limit  Additional Insured Endorsement or Blanket AI Endorsement for City*  Waiver of Recovery Endorsement	Insurance Services Office Form CG 00 01  <i>*Must be primary and must not exclude Products/Completed Operations</i>
<input checked="" type="checkbox"/>	Automobile Liability	\$1,000,000 per accident for bodily injury, including death, and property damage	Insurance Services Office Form CA 00 01 Code 1-Any Auto Code 8-Hired Code 9-Non Owned
<input checked="" type="checkbox"/>	Workers' Compensation Employer's Liability	\$1,000,000 each accident \$1,000,000 disease policy limit \$1,000,000 disease each employee Waiver of Recovery Endorsement	

Other Negotiated Insurance Terms: **Garagekeeper's Legal Liability or Commercial General Liability Insurance** coverage in the amount of \$1,000,000 per occurrence, combined single limit and an aggregate limit of \$2,000,000 applied separately to each project away from premises owned or rented by tow companies, which names the City, its officials, officers, employees and volunteers as an Additional Insured, and which is primary to any policy which the City may otherwise carry ("Primary Coverage"), and treats the employees of the City in the same manner as members of the general public ("Cross-liability Coverage").

**EXHIBIT C**  
**CONTRACTOR/SERVICE PROVIDER CONFLICT OF INTEREST DESIGNATION**

The Political Reform Act<sup>1</sup> and the Chula Vista Conflict of Interest Code<sup>2</sup> (“Code”) require designated state and local government officials, including some Contractor/Service Providers, to make certain public disclosures using a Statement of Economic Interests form (Form 700). Once filed, a Form 700 is a public document, accessible to any member of the public. In addition, Contractor/Service Providers designated to file the Form 700 are also required to comply with certain ethics training requirements.<sup>3</sup>

A. Contractor/Service Provider **IS** a corporation or limited liability company and is therefore **EXCLUDED**<sup>4</sup> from disclosure.

B. Contractor/Service Provider is **NOT** a corporation or limited liability company and disclosure designation is as follows:

**APPLICABLE DESIGNATIONS FOR INDIVIDUAL(S) ASSIGNED TO PROVIDE SERVICES**

(Category descriptions available at [www.chulavistaca.gov/departments/city-clerk/conflict-of-interest-code](http://www.chulavistaca.gov/departments/city-clerk/conflict-of-interest-code).)

<i>Name</i>	<i>Email Address</i>	<i>Applicable Designation</i>
		<input type="checkbox"/> <b>A. Full Disclosure</b> <input type="checkbox"/> <b>B. Limited Disclosure</b> ( <i>select one or more of the categories under which the Contractor shall file</i> ): <input type="checkbox"/> 1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. Justification:  <input checked="" type="checkbox"/> <b>C. Excluded from Disclosure</b>

**1. Required Filers**

Each individual who will be performing services for the City pursuant to the Agreement and who meets the definition of “Contractor/Service Provider,” pursuant to FPPC Regulation 18700.3, must file a Form 700.

**2. Required Filing Deadlines**

Each initial Form 700 required under this Agreement shall be filed with the Office of the City Clerk via the City's online filing system, NetFile, within 30 days of the approval of the Agreement. Additional Form 700 filings will be required annually on April 1 during the term of the Agreement, and within 30 days of the termination of the Agreement.

**3. Filing Designation**

The City Department Director will designate each individual who will be providing services to the City pursuant to the Agreement as *full disclosure*, *limited disclosure*, or *excluded from disclosure*, based on an analysis of the services the Contractor/Service Provider will provide. Notwithstanding this designation or anything in the Agreement, the Contractor/Service Provider is ultimately responsible for complying with FPPC regulations and filing requirements. If you have any questions regarding filing requirements, please do not hesitate to contact the City Clerk at (619)691-5041, or the FPPC at 1-866-ASK-FPPC, or (866) 275-3772 \*2.

Pursuant to the duly adopted City of Chula Vista Conflict of Interest Code, this document shall serve as the written determination of the Contractor’s requirement to comply with the disclosure requirements set forth in the Code.

**Completed by: Jonathan Alegre**

1 Cal. Gov. Code §§81000 *et seq.*; FPPC Regs. 18700.3 and 18704.

2 Chula Vista Municipal Code §§2.02.010-2.02.040.

3 Cal. Gov. Code §§53234, *et seq.*

4 CA FPPC Adv. A-15-147 (*Chadwick*) (2015); *Davis v. Fresno Unified School District* (2015) 237 Cal.App.4<sup>th</sup> 261; FPPC Reg. 18700.3 (Consultant defined as an “individual” who participates in making a governmental decision; “individual” does not include corporation or limited liability company).

**EXHIBIT D**  
**COMPUTATION METHODOLOGY OF ANNUAL TOW LICENSE FEE**

(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 <sup>1</sup>	Hours Spent per Police-Initiated Tow <sup>2</sup>	Fully Burdened Hourly Rate <sup>3</sup>	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
			<b>TOTAL</b>	<b>\$152,177</b>

- <sup>1</sup> 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%)
- <sup>2</sup> Estimated 32 minutes of Officer/CSO/PEO time during a tow call for service  
Estimated 5 minutes of Police Dispatcher time
- <sup>3</sup> Fully Burdened Hourly Rate provided by Finance Department

Note: The City of Chula Vista reserves the right to review and revise the annual Tow License Fee each year.

**EXHIBIT E**  
**TOW ROTATION SCHEDULE**

<b>Start Date</b>	<b>End Date</b>	<b>Tow Company</b>	<b>Doing Business As</b>
1/1/2022	1/8/2022	Tony's Auto Center, Inc.	Tony's Auto Center
1/9/2022	1/16/2022	A to Z Enterprises, Inc.	RoadOne
1/17/2022	1/24/2022	American Towing & Auto Dismantling, Inc.	American Towing
1/25/2022	2/1/2022	Cortes Towing Enterprises, Inc.	Cortes Towing
2/2/2022	2/9/2022	Alexandra Services, Inc.	Angelo's Towing & Recovery
2/10/2022	2/17/2022	Amber Lynn, Inc.	ASAP Towing
2/18/2022	2/25/2022	Angie's Towing, Inc.	Quality Towing and Recovery
2/26/2022	3/5/2022	Tony's Auto Center, Inc.	Tony's Auto Center
3/6/2022	3/13/2022	A to Z Enterprises, Inc.	RoadOne
3/14/2022	3/21/2022	American Towing & Auto Dismantling, Inc.	American Towing
3/22/2022	3/29/2022	Cortes Towing Enterprises, Inc.	Cortes Towing
3/30/2022	4/6/2022	Alexandra Services, Inc.	Angelo's Towing & Recovery
4/7/2022	4/14/2022	Amber Lynn, Inc.	ASAP Towing
4/15/2022	4/22/2022	Angie's Towing, Inc.	Quality Towing and Recovery
4/23/2022	4/30/2022	Tony's Auto Center, Inc.	Tony's Auto Center
5/1/2022	5/8/2022	A to Z Enterprises, Inc.	RoadOne
5/9/2022	5/16/2022	American Towing & Auto Dismantling, Inc.	American Towing
5/17/2022	5/24/2022	Cortes Towing Enterprises, Inc.	Cortes Towing
5/25/2022	6/1/2022	Alexandra Services, Inc.	Angelo's Towing & Recovery
6/2/2022	6/9/2022	Amber Lynn, Inc.	ASAP Towing
6/10/2022	6/17/2022	Angie's Towing, Inc.	Quality Towing and Recovery
6/18/2022	6/25/2022	Tony's Auto Center, Inc.	Tony's Auto Center
6/26/2022	7/3/2022	A to Z Enterprises, Inc.	RoadOne
7/4/2022	7/11/2022	American Towing & Auto Dismantling, Inc.	American Towing
7/12/2022	7/19/2022	Cortes Towing Enterprises, Inc.	Cortes Towing
7/20/2022	7/27/2022	Alexandra Services, Inc.	Angelo's Towing & Recovery
7/28/2022	8/4/2022	Amber Lynn, Inc.	ASAP Towing
8/5/2022	8/12/2022	Angie's Towing, Inc.	Quality Towing and Recovery
8/13/2022	8/20/2022	Tony's Auto Center, Inc.	Tony's Auto Center
8/21/2022	8/28/2022	A to Z Enterprises, Inc.	RoadOne
8/29/2022	9/5/2022	American Towing & Auto Dismantling, Inc.	American Towing
9/6/2022	9/13/2022	Cortes Towing Enterprises, Inc.	Cortes Towing
9/14/2022	9/21/2022	Alexandra Services, Inc.	Angelo's Towing & Recovery
9/22/2022	9/29/2022	Amber Lynn, Inc.	ASAP Towing
9/30/2022	10/7/2022	Angie's Towing, Inc.	Quality Towing and Recovery
10/8/2022	10/15/2022	Tony's Auto Center, Inc.	Tony's Auto Center
10/16/2022	10/23/2022	A to Z Enterprises, Inc.	RoadOne
10/24/2022	10/31/2022	American Towing & Auto Dismantling, Inc.	American Towing

<b>Start Date</b>	<b>End Date</b>	<b>Tow Company</b>	<b>Doing Business As</b>
11/1/2022	11/8/2022	Cortes Towing Enterprises, Inc.	Cortes Towing
11/9/2022	11/16/2022	Alexandra Services, Inc.	Angelo's Towing & Recovery
11/17/2022	11/24/2022	Amber Lynn, Inc.	ASAP Towing
11/25/2022	12/2/2022	Angie's Towing, Inc.	Quality Towing and Recovery
12/3/2022	12/10/2022	Tony's Auto Center, Inc.	Tony's Auto Center
12/11/2022	12/18/2022	A to Z Enterprises, Inc.	RoadOne
12/19/2022	12/26/2022	American Towing & Auto Dismantling, Inc.	American Towing
12/27/2022	1/3/2023	Cortes Towing Enterprises, Inc.	Cortes Towing

Tow rotation schedule as of 1/1/2022. The City will notify tow companies if there are any schedule changes.