



AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

SUBJECT: Towing Services Contract

FROM: Sean C. Whent
Chief of Police

DATE: January 13, 2016

City Administrator Approval

Date:

1/14/16

RECOMMENDATION

Staff Recommends That The City Council Approve A Resolution Authorizing The City Administrator To: 1) Negotiate And Enter Into A Towing Services Contract With Auto Plus Towing (APT) For The Period July 1, 2016 To June 30, 2021, With An Option To Extend The Contract For One Additional Five-Year Term, For Towing And Storage Of Vehicles, Collection And Administration Of Administrative Towing Fees, Lien Sale By Public Auction Of Abandoned Vehicles And Various Administrative Services Related To Towing Operations; 2) Accept And Appropriate An Annual Payment Estimated At One Hundred Seventy Two Thousand Dollars (\$172,000), As Annually Adjusted Based On The Consumer Price Index (CPI), Plus A Referral Fee Of Fifty-Four Dollars (\$54) Per Towed Vehicles Annually Adjusted By The CPI, And Plus A Percentage Of Gross Revenue Received By APT In Conducting Tow Services For The City Of Oakland/Oakland Police Department (OPD) From APT For Payment Of Administrative And Other Costs

EXECUTIVE SUMMARY

The Oakland Police Department (OPD) has concluded a Request for Proposal (RFP) process. Auto Plus Towing (APT) is the only bidder who: 1) responded to the RFP; 2) met the requirements outlined for tow management and auction services; and 3) is prepared to both install a Tow Vehicle Management System (TVMS) to provide detailed records of service in an electronic format, and provide tow management and auction services. The City has begun discussions with APT and is now seeking City Council approval to execute a contract. OPD requires a contract with a towing service firm so that the City's critical towing service needs are maintained without disruption.

BACKGROUND / LEGISLATIVE HISTORY

The City of Oakland is required by state law (*see Attachment A*) to provide vehicle towing and storage services in connection with crime and traffic related vehicle impounds and vehicle abandonment. Vehicles must be towed by properly trained, equipped, licensed and insured tow operators to safe and secure storage facilities. Towing operations are location-specific and service operators must have access to sufficient land and buildings to provide all needed

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services. The need for land and facilities in or near Oakland has historically limited the availability of firms that can provide this service to the City.

B&B Vehicle Processing, Incorporated (B&B), formerly known as A&B Towing, has provided the City of Oakland with towing services since 1979. Police initiated tows have averaged 8,883 annually over the previous five years and this service has been provided to the City by B&B. The current contract with B&B expires on June 30, 2016. B&B did not provide a proposal in response to the RFP. OPD does not currently have adequate staff to perform towing services in-house. Even with adequate staff, the City does not have the proper equipment or adequate storage facilities to manage its own towing operation.

ANALYSIS AND POLICY ALTERNATIVES

In November 2014, the City organized a steering committee comprised of staff from OPD, the Revenue Bureau, the Office of Contracts and Compliance, the City Administrator's Office, and a consulting firm to research best practices related to towing services. The City's goals for this steering committee were to: 1) assist in developing a comprehensive RFP that maintains City standards related to adequate storage space for towed vehicles; 2) address recognized concerns with the previous RFP, including the need to eliminate the perception of an unfair advantage toward any particular company and make the process more competitive for prospective contractors; and 3) ensure the City's RFP process leads to a new contract that maintains towing service operations without interruption.

Fundamental components of the RFP include the requirement for the Contractor to install a Tow Vehicle Management System (TVMS) to provide detailed records of service in an electronic format. This system will be available for the City to inspect at all times; will produce monthly, quarterly, and annual reports as requested by the City; and provide the public information via a web-based interface to determine if a vehicle has been towed by the OPD. The RFP also requires the Contractor to pay certain reimbursement of service fees to the City to defer costs associated with managing tow service operations. A mandatory assessment of late charges was also included if payments are not made to the City by the required due date.

On June 8, 2015, the City advertised the Towing Services RFP with two parts to be bid upon separately. The first component was for a Tow Vehicle Management System (TVMS) Service Provider, and the second component was for a Tow Management and Auction Services Provider. The RFP had a response due date of June 25, 2015. The City only received one valid response (from APT, for the Tow Management and Auction Services part). In order to reach as many prospective Contractors as possible the RFP was re-advertised on July 15, 2015, with a response due date of August 5, 2015. There were no changes to the content of the RFP. The City received one valid response to the re-advertisement; APT again responded to the Tow Management and Auction Service component, and Dispatch and Tracking Solutions responded to the TMVS component.

Members of the City of Oakland Tow Contract steering committee carefully reviewed both responses to the RFP and determined that APT is prepared to meet both the Tow Management and Auction Services and TVMS services. Subsequently, in October 2015, the City met with APT, whose primary facility is located at 5401 San Leandro Street in Oakland, to discuss the

terms of a new towing services contract, subject to City Council approval. The major items agreed upon by both APT and the City are as follows:

- The City will recommend an initial contract term of five years, with the administrative authority to extend the contract one time for an additional five year term. At the end of the initial five year term, if the City chooses to exercise the additional five year contract extension, the Contract Administration Fee and Gross Revenue Percentage Fee associated with this contract are subject to renegotiation.
- APT will pay the City a Contract Administration Fee in the amount of \$172,000 annually to cover the cost of 1.0 Full Time Employee (FTE) Police Services Technician II and 0.25 FTE Police Services Manager I as a cost for the administration of the contract. This fee will be subject to an annual adjustment based on the Consumer Price Index (CPI).
- APT will pay the City a referral fee in the amount of \$54 per towed vehicle. This fee will be subject to an annual adjustment based on the CPI.
- APT will pay the City a Gross Revenue Percentage Fee beginning at two percent in year one of the contract and increasing incrementally by one-half percent each year thereafter, for a total of four percent in year five of the contract.
- A TVMS will be purchased, installed, and maintained by APT at no cost to the City.
- APT will be open for vehicle release Monday through Friday from 8:00 a.m. to 5:00 p.m. and Saturday and Sunday from 8:00 a.m. to 3:30 p.m.
- Tow rates will go into effect July 1, 2016, as long as the rates have been approved by the California Highway Patrol (CHP).
- The City will be allowed 40 error tows per fiscal year at no cost to the City. Anything exceeding 40 error tows will be billed to the City at prescribed rates, as long as the rates have been approved by CHP. An error tow is a vehicle towed by the OPD when law or policy is not followed by Departmental personnel.
- APT will remove at no cost to the City any City owned/leased disabled vehicle with a 100 mile radius from the City Corporation Yards (7101 Edgewater Drive or 5050 Coliseum Way for heavy equipment).
- APT will waive the first 48 hours of storage for Oakland residents on all recovered stolen vehicles towed in Oakland.
- APT will be in compliance with all CVC requirements related to debris clean up and the operation and maintenance of tow trucks as well as the operation of its business as outlined in CVC Section 27700 – Required Equipment.

Approval of this resolution will authorize the City Administrator or designee to negotiate and execute a contract with APT for a period of five years, commencing July 1, 2016 and ending

June 30, 2021, with an option to extend the contract for one term of five years, to provide towing and storage services in the city of Oakland. Without a designated Contractor to tow and store vehicles OPD will be unable to effectively perform required traffic operations.

FISCAL IMPACT

As the City is mandated by law to provide certain services related to towing vehicles, it is impossible to recover 100 percent of the City costs associated with these services. For example, in situations related to the recovery and towing of stolen vehicles or vehicles used in crimes, when the owner of the vehicle has been identified as the victim of said crime, the City will waive the administrative vehicle release fee associated with the tow of the vehicle, which is currently \$166.

Over the past 4 years, the City has collected, on average, 44 percent of the cost associated with performing towing operations. With the proposed contract, the estimated cost recovery will remain close to this rate at 45 percent. While there will be an increase in fees the new Contractor is required to pay the City, the actual costs of managing tow services has also increased. This is due in part to an increase in compensation for City personnel performing towing operations.

City of Oakland Proposed Fee Schedule for Towing Services

Fee Type	Fee Amount Paid by B&B	Fee Amount Paid by APT
Contract Administration Fee – Fee Contractor must pay to reimburse the City for some staffing cost associated with contract	\$160,000 annually	\$172,000 annually
Referral Fee – Fee Contractor must pay for each vehicle towed (excluding City owned vehicles)	\$45 per vehicle	\$54 per vehicle
Gross Revenue Percentage Fee – Fee Contractor must pay the City to cover some staffing cost associated with contract	0.5% Annually	Year 1: 2.0% Year 2: 2.5% Year 3: 3.0% Year 4: 3.5% Year 5: 4.0%

Revenue from the Contractor will be received in General Purpose Fund (1010), Treasury Division Org (08721), Miscellaneous Service Charges Account (45729), Financial Management Program (IP59). Revenue received from the Vehicle Release Fee will be received in General Purpose Fund (1010), Records and Warrants Org (103242), Miscellaneous Service Charges Account (45729), Police Records Program (PS07).

Fund Source	Organization	Account	Project	Program	Amount
1010	08721	45729	0000000	IP59	TBD
1010	103242	45729	0000000	PS07	TBD

The City of Oakland has historically waived administrative fees for both Oakland residents and non-residents who have had their stolen vehicles towed. This practice is consistent with that of neighboring jurisdictions. Annually, the City waives over \$400,000 annually in these

administrative (release) fees. With respect to Tow Charges, the cost would be about \$500,000 annually to waive this cost for both Oakland residents and non-residents. With respect to Vehicle Storage, as mentioned above, APT will waive the first 48 hours of storage for Oakland residents on all recovered stolen vehicles towed in Oakland. If the city were to waive the first 48 hours storage fee for non-residents, the cost would be up to \$372,600 annually.

As proposed, an Oakland resident who has had their stolen vehicle towed would at a minimum pay \$198 to get one's stolen vehicle back. (If administrative fees were not covered by the city, the cost would be \$379 minimum.) For a non-Oakland resident, one would at a minimum pay \$198 to get one's stolen vehicle back plus \$75/day for storage fees.

PUBLIC OUTREACH / INTEREST

OPD issued two RFPs in order to identify qualified Contractors for this service. No other outreach was deemed necessary for the proposed action beyond the standard City Council agenda noticing procedures.

COORDINATION

The Contracts and Compliance Division, the Revenue Office, and the City Administrator's Office were consulted in the preparation of this report.

SUSTAINABLE OPPORTUNITIES

Economic: No economic opportunities are associated with the contract.

Environmental: Maintaining a towing service in Oakland will help the City limit its carbon emissions associated with required vehicle towing. Removing non-running and otherwise abandoned vehicles from Oakland city streets also has positive environmental impacts.

Social Equity: This contract will assist with maintaining an important service that benefits all Oakland residents who are impacted by the need to remove vehicles from City streets.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Approve A Resolution Authorizing The City Administrator To: 1) Negotiate And Enter Into A Towing Services Contract With Auto Plus Towing (APT) For The Period July 1, 2016 To June 30, 2021, With An Option To Extend The Contract For One Additional Five-Year Term, For Towing And Storage Of Vehicles, Collection And Administration Of Administrative Towing Fees, Lien Sale By Public Auction Of Abandoned Vehicles And Various Administrative Services Related To Towing Operations; 2) Accept And Appropriate An Annual Payment Estimated At One Hundred Seventy Two Thousand Dollars (\$172,000), As Annually Adjusted Based On The Consumer Price Index (CPI), Plus A Referral Fee Of Fifty-Four Dollars (\$54) Per Towed Vehicles Annually Adjusted By The CPI, And Plus A

Percentage Of Gross Revenue Received By APT In Conducting Tow Services For The City Of Oakland/Oakland Police Department (OPD) From APT For Payment Of Administrative And Other Costs

For questions regarding this report, please contact Kiona Suttle, Police Services Manager I, at 238-6886.

Respectfully submitted,



Sean C. Whent
Chief of Police
Oakland Police Department

Prepared by:
Kiona Suttle, Police Services Manager I
Records Division

Bruce Stoffmacher, Legislation Manager
OCOP, Research and Planning

Attachments (1)

A: California Vehicle Code Section: 22651

Attachment A
California Vehicle Code Section: 22651

22651.

A peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, or a regularly employed and salaried employee, who is engaged in directing traffic or enforcing parking laws and regulations, of a city, county, or jurisdiction of a state agency in which a vehicle is located, may remove a vehicle located within the territorial limits in which the officer or employee may act, under the following circumstances:

(a) When a vehicle is left unattended upon a bridge, viaduct, or causeway or in a tube or tunnel where the vehicle constitutes an obstruction to traffic.

(b) When a vehicle is parked or left standing upon a highway in a position so as to obstruct the normal movement of traffic or in a condition so as to create a hazard to other traffic upon the highway.

(c) When a vehicle is found upon a highway or public land and a report has previously been made that the vehicle is stolen or a complaint has been filed and a warrant thereon is issued charging that the vehicle was embezzled.

(d) When a vehicle is illegally parked so as to block the entrance to a private driveway and it is impractical to move the vehicle from in front of the driveway to another point on the highway.

(e) When a vehicle is illegally parked so as to prevent access by firefighting equipment to a fire hydrant and it is impracticable to move the vehicle from in front of the fire hydrant to another point on the highway.

(f) When a vehicle, except highway maintenance or construction equipment, is stopped, parked, or left standing for more than four hours upon the right-of-way of a freeway that has full control of access and no crossings at grade and the driver, if present, cannot move the vehicle under its own power.

(g) When the person in charge of a vehicle upon a highway or public land is, by reason of physical injuries or illness, incapacitated to an extent so as to be unable to provide for its custody or removal.

(h) (1) When an officer arrests a person driving or in control of a vehicle for an alleged offense and the officer is, by this code or other law, required or permitted to take, and does take, the person into custody.

(2) When an officer serves a notice of an order of suspension or revocation pursuant to Section 13388 or 13389.

(i) (1) When a vehicle, other than a rented vehicle, is found upon a highway or public land, or is removed pursuant to this code, and it is known that the vehicle has been issued five or more notices of parking violations to which the owner or person in control of the vehicle has not responded within 21 calendar days of notice of citation issuance or citation issuance or 14 calendar days of the mailing of a notice of delinquent parking violation to the agency responsible for processing notices of parking violations, or the registered owner of the vehicle is known to have been issued five or more notices for failure to pay or failure to appear in court for traffic violations for which a certificate has not been issued by the magistrate or clerk of the court hearing the case showing that the case has been adjudicated or concerning which the registered owner's record has not been cleared pursuant to Chapter 6 (commencing with Section 41500) of Division 17, the vehicle may be impounded until that person furnishes to the impounding law enforcement agency all of the following:

(A) Evidence of his or her identity.

(B) An address within this state at which he or she can be located.

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(C) Satisfactory evidence that all parking penalties due for the vehicle and all other vehicles registered to the registered owner of the impounded vehicle, and all traffic violations of the registered owner, have been cleared.

(2) The requirements in subparagraph (C) of paragraph (1) shall be fully enforced by the impounding law enforcement agency on and after the time that the Department of Motor Vehicles is able to provide access to the necessary records.

(3) A notice of parking violation issued for an unlawfully parked vehicle shall be accompanied by a warning that repeated violations may result in the impounding of the vehicle. In lieu of furnishing satisfactory evidence that the full amount of parking penalties or bail has been deposited, that person may demand to be taken without unnecessary delay before a magistrate, for traffic offenses, or a hearing examiner, for parking offenses, within the county in which the offenses charged are alleged to have been committed and who has jurisdiction of the offenses and is nearest or most accessible with reference to the place where the vehicle is impounded. Evidence of current registration shall be produced after a vehicle has been impounded, or, at the discretion of the impounding law enforcement agency, a notice to appear for violation of subdivision (a) of Section 4000 shall be issued to that person.

(4) A vehicle shall be released to the legal owner, as defined in Section 370, if the legal owner does all of the following:

(A) Pays the cost of towing and storing the vehicle.

(B) Submits evidence of payment of fees as provided in Section 9561.

(C) Completes an affidavit in a form acceptable to the impounding law enforcement agency stating that the vehicle was not in possession of the legal owner at the time of occurrence of the offenses relating to standing or parking. A vehicle released to a legal owner under this subdivision is a repossessed vehicle for purposes of disposition or sale. The impounding agency shall have a lien on any surplus that remains upon sale of the vehicle to which the registered owner is or may be entitled, as security for the full amount of the parking penalties for all notices of parking violations issued for the vehicle and for all local administrative charges imposed pursuant to Section 22850.5. The legal owner shall promptly remit to, and deposit with, the agency responsible for processing notices of parking violations from that surplus, on receipt of that surplus, the full amount of the parking penalties for all notices of parking violations issued for the vehicle and for all local administrative charges imposed pursuant to Section 22850.5.

(5) The impounding agency that has a lien on the surplus that remains upon the sale of a vehicle to which a registered owner is entitled pursuant to paragraph (4) has a deficiency claim against the registered owner for the full amount of the parking penalties for all notices of parking violations issued for the vehicle and for all local administrative charges imposed pursuant to Section 22850.5, less the amount received from the sale of the vehicle.

(j) When a vehicle is found illegally parked and there are no license plates or other evidence of registration displayed, the vehicle may be impounded until the owner or person in control of the vehicle furnishes the impounding law enforcement agency evidence of his or her identity and an address within this state at which he or she can be located.

(k) When a vehicle is parked or left standing upon a highway for 72 or more consecutive hours in violation of a local ordinance authorizing removal.

(l) When a vehicle is illegally parked on a highway in violation of a local ordinance forbidding standing or parking and the use of a highway, or a portion thereof, is necessary for the cleaning, repair, or construction of the highway, or for the installation of underground utilities, and signs giving notice that the vehicle may be removed are erected or placed at least 24 hours prior to the removal by a local authority pursuant to the ordinance.

(m) When the use of the highway, or a portion of the highway, is authorized by a local authority for a purpose other than the normal flow of traffic or for the movement of equipment, articles, or structures of unusual size, and the parking of a vehicle would prohibit or interfere with that use

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or movement, and signs giving notice that the vehicle may be removed are erected or placed at least 24 hours prior to the removal by a local authority pursuant to the Ordinance.

(n) Whenever a vehicle is parked or left standing where local authorities, by resolution or ordinance, have prohibited parking and have authorized the removal of vehicles. Except as provided in subdivisions (v) and (w), a vehicle shall not be removed unless signs are posted giving notice of the removal.

(o) (1) When a vehicle is found or operated upon a highway, public land, or an off-street parking facility under the following circumstances:

(A) With a registration expiration date in excess of six months before the date it is found or operated on the highway, public lands, or the off-street parking facility.

(B) Displaying in, or upon, the vehicle, a registration card, identification card, temporary receipt, license plate, special plate, registration sticker, device issued pursuant to Section 4853, or permit that was not issued for that vehicle, or is not otherwise lawfully used on that vehicle under this code. (C) Displaying in, or upon, the vehicle, an altered, forged, counterfeit, or falsified registration card, identification card, temporary receipt, license plate, special plate,

registration sticker, device issued pursuant to Section 4853, or permit. (2) When a vehicle described in paragraph (1) is occupied, only a peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, may remove the vehicle.

(3) For the purposes of this subdivision, the vehicle shall be released under either of the following circumstances:

(A) To the registered owner or person in control of the vehicle only after the owner or person furnishes the storing law enforcement agency with proof of current registration and a currently valid driver's license to operate the vehicle.

(B) To the legal owner or the legal owner's agency, without payment of any fees, fines, or penalties for parking tickets or registration and without proof of current registration, if the vehicle will only be transported pursuant to the exemption specified in Section 4022 and if the legal owner does all of the following:

(i) Pays the cost of towing and storing the vehicle.

(ii) Completes an affidavit in a form acceptable to the impounding law enforcement agency stating that the vehicle was not in possession of the legal owner at the time of occurrence of an offense relating to standing or parking. A vehicle released to a legal owner under this subdivision is a repossessed vehicle for purposes of disposition or sale. The impounding agency has a lien on any surplus that remains upon sale of the vehicle to which the registered owner is or may be entitled, as security for the full amount of parking penalties for any notices of parking violations issued for the vehicle and for all local administrative charges imposed pursuant to Section 22850.5. Upon receipt of any surplus, the legal owner shall promptly remit to, and deposit with, the agency responsible for processing notices of parking violations from that surplus, the full amount of the parking penalties for all notices of parking violations issued for the vehicle and for all local administrative charges imposed pursuant to Section 22850.5.

(4) The impounding agency that has a lien on the surplus that remains upon the sale of a vehicle to which a registered owner is entitled has a deficiency claim against the registered owner for the full amount of parking penalties for any notices of parking violations issued for the vehicle and for all local administrative charges imposed pursuant to Section 22850.5, less the amount received from the sale of the vehicle.

(5) As used in this subdivision, "off-street parking facility" means an off-street facility held open for use by the public for parking vehicles and includes a publicly owned facility for off-street parking, and a privately owned facility for off street parking if a fee is not charged for the privilege to park and it is held open for the common public use of retail customers.

(p) When the peace officer issues the driver of a vehicle a notice to appear for a violation of Section 12500, 14601, 14601.1, 14601.2, 14601.3, 14601.4, 14601.5, or 14604 and the vehicle is not impounded pursuant to Section 22655.5. A vehicle so removed from the highway or public land, or from private property after having been on a highway or public land, shall not be released to the registered owner or his or her agent, except upon presentation of the registered owner's or his or her agent's currently valid driver's license to operate the vehicle and proof of current vehicle registration, to the impounding law enforcement agency, or upon order of a court.

(q) When a vehicle is parked for more than 24 hours on a portion of highway that is located within the boundaries of a common interest development, as defined in Section 4100 or 6534 of the Civil Code, and signs, as required by paragraph (1) of subdivision (a) of Section 22658 of this code, have been posted on that portion of highway providing notice to drivers that vehicles parked thereon for more than 24 hours will be removed at the owner's expense, pursuant to a resolution or ordinance adopted by the local authority. (r) When a vehicle is illegally parked and blocks the movement of a legally parked vehicle.

(s) (1) When a vehicle, except highway maintenance or construction equipment, an authorized emergency vehicle, or a vehicle that is properly permitted or otherwise authorized by the Department of Transportation, is stopped, parked, or left standing for more than eight hours within a roadside rest area or viewpoint.

(2) Notwithstanding paragraph (1), when a commercial motor vehicle, as defined in paragraph (1) of subdivision (b) of Section 15210, is stopped, parked, or left standing for more than 10 hours within a roadside rest area or viewpoint.

(3) For purposes of this subdivision, a roadside rest area or viewpoint is a publicly maintained vehicle parking area, adjacent to a highway, utilized for the convenient, safe stopping of a vehicle to enable motorists to rest or to view the scenery. If two or more roadside rest areas are located on opposite sides of the highway, or upon the center divider, within seven miles of each other, then that combination of rest areas is considered to be the same rest area.

(t) When a peace officer issues a notice to appear for a violation of Section 25279.

(u) When a peace officer issues a citation for a violation of Section 11700 and the vehicle is being offered for sale.

(v) (1) When a vehicle is a mobile billboard advertising display, as defined in Section 395.5, and is parked or left standing in violation of a local resolution or ordinance adopted pursuant to subdivision (m) of Section 21100, if the registered owner of the vehicle was previously issued a warning citation for the same offense, pursuant to paragraph (2).

(2) Notwithstanding subdivision (a) of Section 22507, a city or county, in lieu of posting signs noticing a local ordinance prohibiting mobile billboard advertising displays adopted pursuant to subdivision (m) of Section 21100, may provide notice by issuing a warning citation advising the registered owner of the vehicle that he or she may be subject to penalties upon a subsequent violation of the ordinance, that may include the removal of the vehicle as provided in paragraph (1). A city or county is not required to provide further notice for a subsequent violation prior to the enforcement of penalties for a violation of the ordinance.

(w) (1) When a vehicle is parked or left standing in violation of a local ordinance or resolution adopted pursuant to subdivision (p) of Section 21100, if the registered owner of the vehicle was previously issued a warning citation for the same offense, pursuant to paragraph (2).

(2) Notwithstanding subdivision (a) of Section 22507, a city or county, in lieu of posting signs noticing a local ordinance regulating advertising signs adopted pursuant to subdivision (p) of Section 21100, may provide notice by issuing a warning citation advising the registered owner of the vehicle that he or she may be subject to penalties upon a subsequent violation of the ordinance that may include the removal of the vehicle as provided in paragraph (1). A city or

county is not required to provide further notice for a subsequent violation prior to the enforcement of penalties for a violation of the ordinance.

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

Approved as to Form and Legality


City Attorney

2016 JAN 13 PM 5:48

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO:

- 1) **NEGOTIATE AND ENTER INTO A TOWING SERVICES CONTRACT WITH AUTO PLUS TOWING (APT) FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2021, WITH AN OPTION TO EXTEND THE CONTRACT FOR ONE ADDITIONAL FIVE-YEAR TERM, FOR TOWING AND STORAGE OF VEHICLES, COLLECTION AND ADMINISTRATION OF ADMINISTRATIVE TOWING FEES, LIEN SALE BY PUBLIC AUCTION OF ABANDONED VEHICLES AND VARIOUS ADMINISTRATIVE SERVICES RELATED TO TOWING OPERATIONS;**

- 2) **ACCEPT AND APPROPRIATE AN ANNUAL PAYMENT ESTIMATED AT ONE HUNDRED SEVENTY TWO THOUSAND DOLLARS (\$172,000), AS ANNUALLY ADJUSTED BASED ON THE CONSUMER PRICE INDEX (CPI), PLUS A REFERRAL FEE OF FIFTY-FOUR DOLLARS (\$54) PER TOWED VEHICLE AS ANNUALLY ADJUSTED BY THE CPI, AND PLUS A PERCENTAGE OF GROSS REVENUE RECEIVED BY APT IN CONDUCTING TOW SERVICES FOR THE CITY OF OAKLAND/OAKLAND POLICE DEPARTMENT (OPD) FROM APT FOR PAYMENT OF ADMINISTRATIVE AND OTHER COSTS**

WHEREAS, the City of Oakland submitted a Request for Proposal (RFP) on June 8, 2015 with two parts related to the towing services operation, the first component for a Tow Vehicle Management System (TVMS) Service Provider, and the second component for a Tow Management and Auction Services Provider, with a response due date of June 25, 2015; and

WHEREAS, the City of Oakland received only one valid response to the RFP, which was from Auto Plus Towing (APT), for the Tow Management and Auction Services component of the RFP, and received no valid response for the TVMS service component of the RFP; and

WHEREAS, the City of Oakland then resubmit the RFPs on July 15, 2015, with a response due date of August 5, 2015; and

WHEREAS, the City of Oakland received two valid responses to the second RFP; one for each component . APT responded to the Tow Management and Auction Service component, and Dispatch and Tracking Solutions responded to the TMVS component; and

WHEREAS, the City of Oakland carefully reviewed both responses to the RFP and determined that APT is prepared to meet both the Tow Management and Auction Services and TVMS components of the proposed tow contract needs; and

WHEREAS, the initial term of the agreement will be five years, for the period of July 1, 2016 to June 30, 2021, with an option to extend the agreement for one additional five-year term; and

WHEREAS, APT will provide the City of Oakland with a reimbursement of services fee in the amount of \$172,000 annually, subject to an annual adjustment based on the Consumer Price Index (CPI), to cover related policing and administrative costs; and

WHEREAS, APT will provide the City of Oakland with a referral fee of \$54 per vehicle towed, subject to an annual adjustment based on the CPI, to cover related policing and administrative costs ; and

WHEREAS, APT will provide the City of Oakland with a percentage of their gross revenue (Gross Revenue Percentage Fee) associated with conducting tow services for the City, to cover related policing and administrative costs of two percent (2%) per year in the first year of the contract and increase this fee by one-half percent per year to reach four percent in the fifth year of the contract; and

WHEREAS, revenue from the Contractor will be received in General Purpose Fund (1010), Treasury Division Org (08721), Miscellaneous Service Charges Account (45729), Financial Management Program (IP59); and

WHEREAS, revenue received from the Vehicle Release Fee, which is charged to vehicle owners to cover related policing and administrative costs, will be received in the General Purpose Fund (1010), Records and Warrants Organization Code (103242), Miscellaneous Service Charges Account (45729), Police Records Program (PS07); now, therefore be it

RESOLVED: That the Oakland City Council, hereby authorizes the City Administrator, or designee, to negotiate and enter into an agreement for towing and storage services with APT; and be it

FURTHER RESOLVED: That the proposed contract term shall include the following provisions:

- Performance period of five years, for the period of July 1, 2016 to June 30, 2021, with an option to extend the agreement for an additional five years;
- APT will provide the City of Oakland with a reimbursement of services fee in the amount of \$172,000 annually, subject to an annual adjustment based on the CPI;
- APT will provide the City of Oakland with a referral fee of fifty-four dollars (\$54) per vehicle towed subject to an annual adjustment based on the CPI;
- APT will provide the City of Oakland with a percentage of their gross revenue (Gross Revenue Percentage Fee) associated with conducting tow services for the City of two percent per year in the first year of the contract and increase this fee by one-half percent per year to reach four percent in the fifth year of the contract; and be it

FURTHER RESOLVED: That the City Administrator is authorized to accept and appropriate an estimated annual payment in the amount of one hundred seventy two thousand dollars (\$172,000), subject to an annual adjustment based on the CPI, referral fees of fifty-four dollars (\$54) per vehicle towed subject to an annual adjustment based on the CPI, and a percentage of APTs gross revenue associated with conducting tow services for the City at two percent (2%) per year for the first year and at an increase of one-half percent (0.5%) thereafter to reach four percent (4%) in the fifth year of the contract; and be it

FURTHER RESOLVED: That revenue from the Contractor will be received in General Purpose Fund (1010), Treasury Division Org (08721), Miscellaneous Service Charges Account (45729), Financial Management Program (IP59); and be it

FURTHER RESOLVED: That revenue received from the Vehicle Release Fee will be received in General Purpose Fund (1010), Records and Warrants Org (103242), Miscellaneous Service Charges Account (45729), Police Records Program (PS07); and be it

FURTHER RESOLVED: That the City administrator or designee is authorized to complete and execute all required negotiations, assurances, and documentation required to accept, modify, extend and/or amend this agreement for services, without returning to Council; and be it

FURTHER RESOLVED: That the City Attorney shall approve the agreement and

contract terms as to form and legality; and be it

FURTHER RESOLVED: That the City Administrator or designee shall place a copy of the fully executed Agreement with APT on file with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and
PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council of the
City of Oakland, California