

City-Generated Tow Services Delivery Model Report

Transportation and Environment Committee
February 3, 2020

Presenters: Rachel Roberts, Deputy Director, Code Enforcement, PBCE
Jennifer Cheng, Deputy Director, Finance
Captain Dave Santos, Police Department

City-Generated Tow Services Audit and Council Direction

January 2019

➤ City Council:

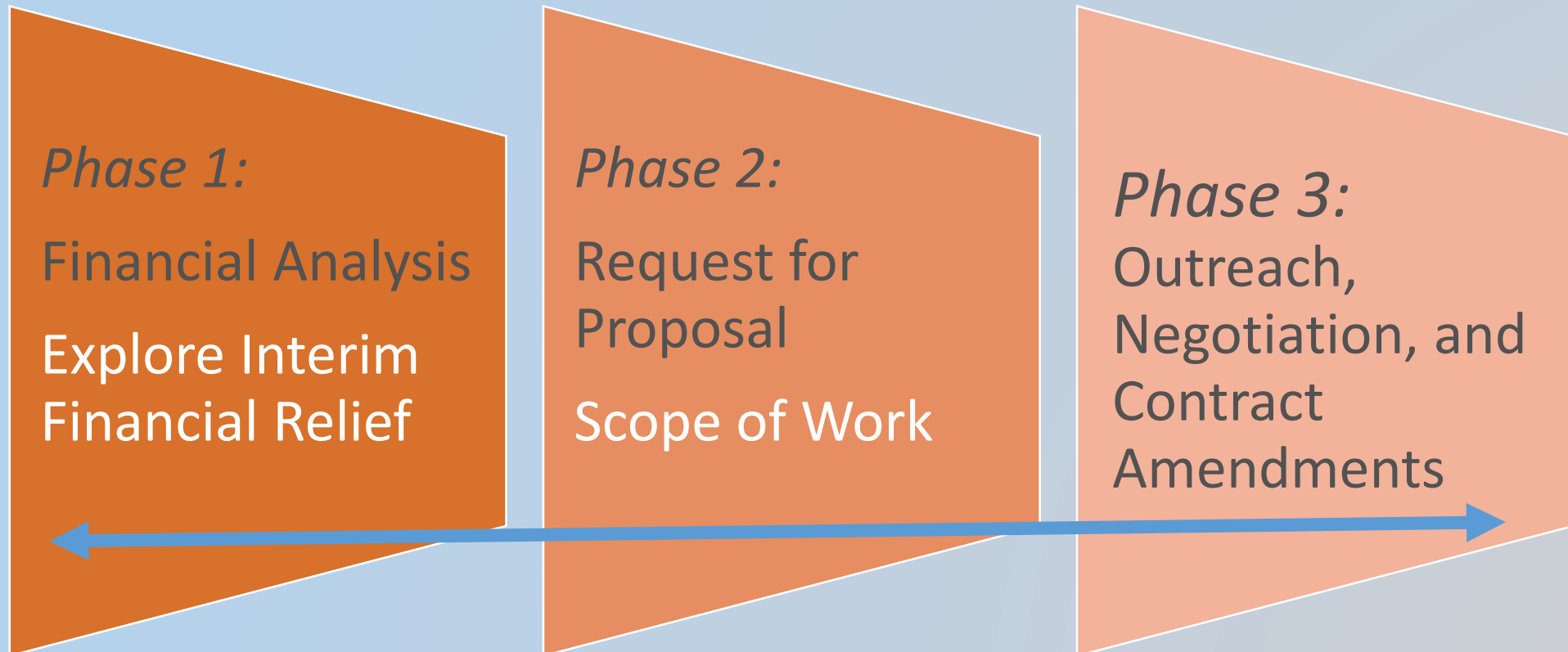
- Accepted City Auditor's "Audit of Towing Services: Changes to Contract Terms and Consolidated Oversight Could Improve Operations" and Administration Response
- Directed staff to Return to T & E in Fall 2019 with a proposed Tow Service Delivery Model and status report

November 4, 2019

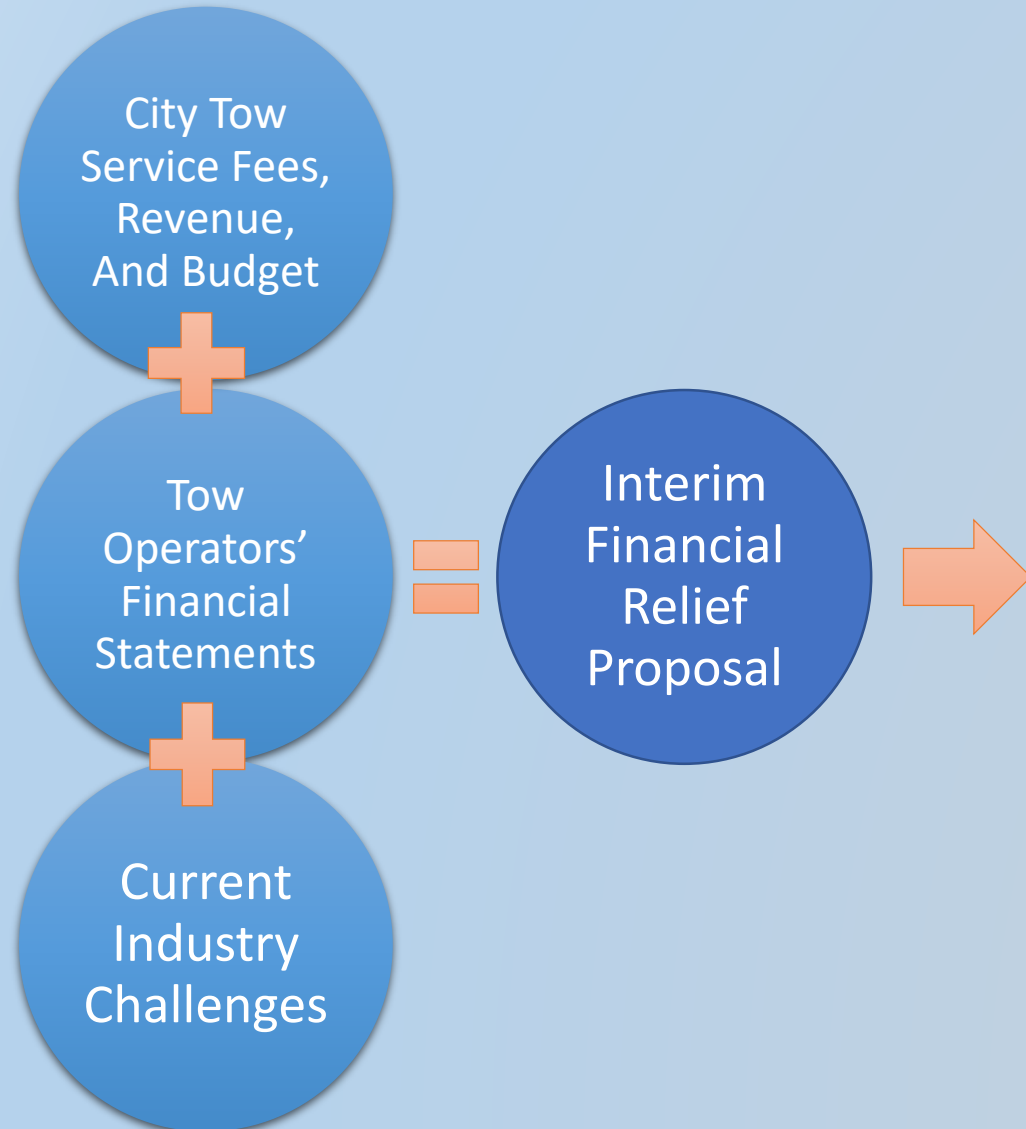
- T & E Committee approved the status report and directed staff to:
 - Continue to refine the proposed service model and pilot program approach;
 - Explore an interim solution to provide financial relief to six contracted tow operators with corresponding commitment to ensure responsive service; and
 - Return to T & E in February 2020 with a final plan for implementation

Work Plan Progress (*November 2019- January 2020*)

Focus: Three Pilot Program Implementation Phases



Phase 1: Financial Analysis- *Interim Financial Relief*

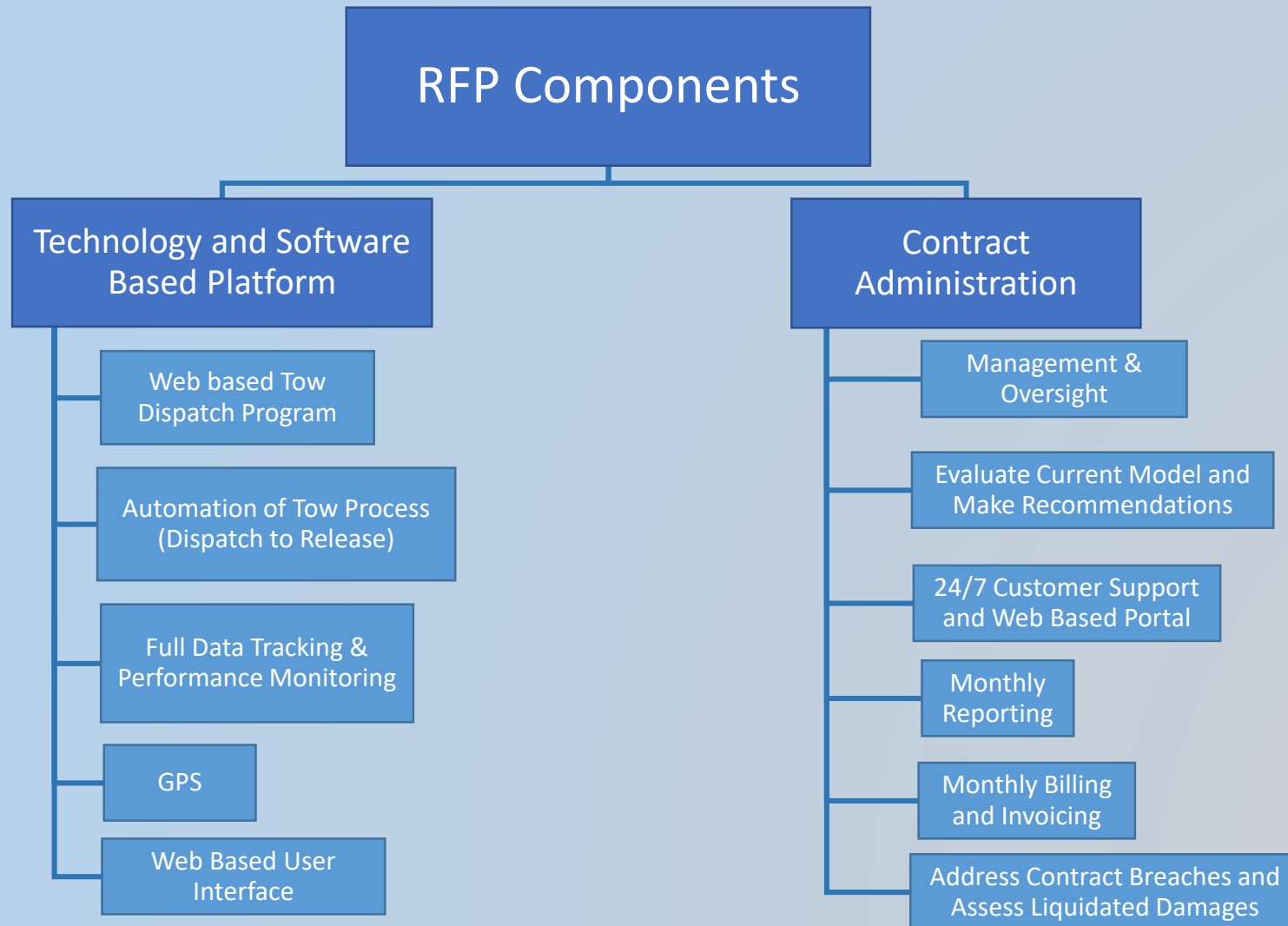


Staff

Recommendation:

1. *Decrease Contract Compensation Fee From \$59 To \$41*
2. *Expand The List Of Qualified Vehicles To Include All Vehicles That Meet Criteria*
3. *Credit Tow Operators For Expenses And Lost Profits Of Qualified Vehicles*

Phase 2: Technology and Software Platform and Contract Administration Request for Proposal (RFP)- *Preliminary Scope*



Phase 3: Outreach, Negotiation, and Contract Amendments

Program Issues/Challenges

- City/Tow Operator Communication and Coordination for City Activities with High Tow Volume (e.g. Street Sweeps, Special Events)
- “Junk-slip” Process

Process Improvements

- ✓ Updated Street Sweep Calendar to Include Tow Zones
- ✓ Ensure Advance Communication and Coordination between City/Tow Operators
- ✓ SJPD Increase Issuance of “Junk-slips” to Two Days/Week

Tow Refusals

**Down
45%
In
2019**

Proposed Estimated Timeline

March 2020

- Return to Council with Proposed Contract Amendments to Implement Financial Relief
- Release RFP for Software Platform and/or Contract Administration



June 2020

- Return to Council for Authority to Negotiate and Execute Final Award of RFP Contract for Software Platform and/or Contract Administration



July- September 2020

- Negotiate with Tow Operators to Amend Tow Contract Agreements
- Return to Council with Proposed Amendments to Tow Contract Agreements
- Begin:
 - Implementation of new Software and/or Contract Administration
 - Pilot Program Launch
 - Begin Transition of Tow Program from PBCE to SJPD



November 2020

- Transition of Tow Program from PBCE to SJPD Complete
- Release RFP for new City-Generated Tow Services Delivery Agreements*



March 2021

- Return to Council for Direction to Negotiate and Execute Final Award of RFP Contract for new City-Generated Tow Services Delivery Agreements

*Tentative

Recommendation

1. Accept the final plan for implementation of the new City-Generated Tow Services Delivery Model and pilot program including:
 - Approving the release of the RFP; and
 - Directing staff to bring to Council:
 - A recommendation to award the RFP Contract; and
 - A proposed City-Generated Tow Services Delivery Model fees and charges for FY 20-21
2. Accept the recommendation for interim financial relief from January 1 through June 30, 2020, with the option to extend, and;
3. Direct staff to return to City Council with an amendment to the City Generated Tow Service Agreements retroactive to January 1, 2020 including:
 - Reduce the contract compensation fee from \$59 to \$41; and
 - Expand the definition of “Qualified Vehicles” (e.g. junk vehicles) to include all vehicles which meet the criteria as defined in the contract terms.
 - Credit the tow operators for lost profits and expenses related to disposing of all qualified vehicles that meet the defined criteria, against the \$41 contract fee that is required to be remitted to the City.