



Memorandum

TO: TRANSPORTATION AND
ENVIRONMENT COMMITTEE

FROM: Chris Burton
Paul Joseph

SUBJECT: City-Generated Tow Services
Delivery Model Status Report

DATE: March 17, 2025

Approved

Date:

3/27/2025

RECOMMENDATION

Accept the status report of the City-Generated Tow Services Delivery Model for fiscal year 2024-2025.

BACKGROUND

On January 15, 2019, the City Council accepted the City Auditor's "Audit of Towing Services: Changes to Contract Terms and Consolidated Oversight Could Improve Operations" report along with the Administration's response. The audit recommended improvements including issuing a new Request for Proposals (RFP) for towing service agreements and transitioning the tow contract administration from Code Enforcement to the San Jose Police Department (SJPD).

In response, the Administration outlined four primary goals:

1. Address all 17 tow audit recommendations.
2. Develop a new City-Generated Tow Service Delivery Model.
3. Develop an RFP and recommend award of contract(s).
4. Transition the new program model from the Department of Planning, Building, and Code Enforcement (PBCE) to SJPD.

Between 2019 and 2023, staff worked diligently to complete work plan items supporting the Administration's four primary goals. City Council approved six staff-initiated amendments to the City-Generated Tow Services Agreements to address various tow performance issues, make service delivery improvements, and implement audit recommendations.

On August 15, 2023, City Council's awarded a contract to Autura (formerly Auto Return) to administer City-Generated Tow Services. The new agreement with Autura designated them as the third-party contract administrator responsible for managing tow operator

contracts, monitoring performance, enhanced service delivery, and providing software for real-time tow tracking and a public portal for vehicle location and fee payment.

On March 4, 2024, staff provided a status report to the Transportation and Environment Committee on the four primary goals. Staff informed the committee that only one open Tow Audit recommendation remained, consolidating tow contract administration within the Police Department. This audit recommendation was targeted for completion by the end of December 2024 following onboarding of the new tow contract vendor and implementation of the new service model.

On March 13, 2024, staff convened a multi-department Tow Services Administration team including the Department of Transportation, SJPd, and Code Enforcement to begin the new tow service model implementation project including software. To ensure continuity of tow services throughout the project, the City Manager exercised option 4 of 5 to extend the current City-Generated Tow Services Agreements an additional year through March 31, 2025. Given the scope, scale, and critical technology component of the project, the Information Technology Department (ITD) joined the multi-department team in May 2024 providing an ITD project manager to lead the project to completion.

ANALYSIS

Implementation of the new City-Generated Tow Service Delivery Model

As noted above, on August 15, 2023, City Council awarded a contract for Tow Administrator Services (Tow Administrator Agreement) to Autura (formerly Auto Return). Under this new agreement, Autura is responsible for contracting directly with tow operators to provide City-Generated tow services, overseeing and monitoring tow operator performance ensuring all service requests are completed, analyzing performance metrics including regular reporting, and implementing service delivery improvements as needed. Tow management software that enables tow vendors and city staff to track the tow process in real time, from service request to the tow yard, and a public-facing portal for customers to locate their towed vehicles and pay fees is also included.

From March 2024 to February 2025, the Tow Services Administration team worked diligently engaging in not only requirement gathering, problem-solving, user acceptance testing and training, but also integrating vendor software with City systems and navigating change management- all while maintaining daily tow operations. After months of preparation, Phase-I of the new model launched on February 3, 2025. Phase-II which will introduce a public-facing, self-service online portal to enhance transparency and accessibility, and customized reporting tools tailored to departmental needs. Work on Phase-II of the project is scheduled to begin April 2025. The following includes key

implementation components, accomplishments, and operational enhancements as well as some challenges experienced since Phase- 1 implementation.

Key Implementation Components and Accomplishments

As part of Phase 1, several key components in City-generated tow services administration and management were implemented by Autura and the City, leading to early successes in service delivery. A comprehensive administration and management system was established by Autura for City-generated towing operations including the development and launch of an advanced tow management software platform. Direct contracts with tow providers were secured by Autura, allowing for direct oversight, and ensuring compliance with City regulations. Critical infrastructure, tools, software, and staffing were put in place to support seamless service delivery.

Early accomplishments demonstrate the effectiveness of the new tow service model. Since its launch on February 3, 2025, staff has largely transitioned to the updated system, resulting in approximately 1,051 vehicles being towed within the first 40 days (February 3 – March 15, 2025). Of these, around 400 vehicles have been successfully released to their owners. Additionally, seven lived-in vehicles were relocated to designated safe parking sites.

Operational Enhancements

The new tow service model has also introduced significant operational enhancements, improving efficiency, communications, customer service, and oversight. The following includes highlights of those enhancements:

- **Program Modifications:** The City replaced the previous three-page California Highway Patrol 180 (CHP 180) tow slip (manually completed by officers and submitted to SJPd's Auto Desk at the end of their shift) with a more concise, one-page digital tow slip submitted online. This change streamlined record-keeping and reduced administrative burdens.
- **Ease of Administration:** City staff requesting tows can now track their assigned tow trucks in real-time—like Uber—via their mobile devices or MDCs (Mobile Data Computers). Officers no longer need to chase down tow providers for declined tows; instead, they have a single point of contact for any issues related to towing operations.
- **Enhanced Data Tracking:** The new system enables accurate tracking of towed vehicles, ownership details, reasons for towing, and violations—e.g. abandoned, inoperable, and vehicles towed to safe parking sites.
- **Billing Improvements:** Automated functionalities have streamlined tracking financial charges associated with towing services.

- **Expanded Reporting Capabilities:** The system now provides detailed performance insights. Phase II will introduce customized reporting tools tailored to departmental needs.
- **Transfer of Oversight:** The transition of tow program oversight from PBCE to SJPd is near completion, addressing a longstanding audit recommendation.

Challenges

System Failures

While the program has been widely adopted, some technical and operational hurdles remain. For example, due to a failure in the software notification system, approximately 15 vehicles were towed without proper notification to the Police Department's Auto Desk directly impacting both city operations and vehicle owners. By the time the failure was identified and resolved, some of the vehicles had been impounded and stored for several days including one vehicle that was mistakenly sent for dismantling. Although Autura has agreed to reimburse the owner for the lost vehicle, this incident revealed an area of risk to be addressed to avoid future system failures. To mitigate this risk in the interim, staff temporarily reinstated a manual verification process to double-check vehicle impoundments.

Tow Company Compliance

Some tow operators continue to refuse service for recreational (RVs) or oversized vehicles presenting an ongoing challenge. Approximately 10 oversized vehicle tows were refused between Feb 3, 2025 and March 15, 2025. Staff is actively working to resolve these issues through system refinements, vendor coordination, and operational adjustments.

Transition of the Tow Program to the Police Department

Since March 2024 staff has taken many critical steps to ensure a successful transition of the tow program from Code Enforcement to SJPd. As part of the 2024-2025 Adopted Operating Budget, City Council approved the addition of one Senior Analyst position to the Police Department to oversee Tow Contract Administration. In 2024, SJPd completed a successful recruitment to fill this position, onboarding the employee in February 2025. As part of the 2024-2025 Mid-Year Budget Review, \$569,500 for the tow contract was appropriated to the Police Department's budget and ongoing funding for the tow contract will be included in the 2025-2026 Base Budget. Following launch of the new model on February 3, 2025, Code Enforcement and SJPd continue to coordinate to ensure a smooth transition until prior contracts terminate on April 7, 2025.

Status of Tow Audit Recommendations

The City Auditor's bi-annual *Status of Open Audit Recommendations as of June 30, 2024*¹, report accepted by City Council on September 13, 2024, reported that only 1 of the 17 tow audit recommendations remained, Audit recommendation #15 "For improved oversight over the towing services agreements, the administration of the contract should be consolidated in the Police Department with an evaluation of the resources needed to perform this responsibility". With the launch of the new tow service model on February 3, 2025, staff proposed to the City Auditor's Office as part of the upcoming bi-annual review of open audit recommendations that the final recommendation be deemed implemented. The bi-annual review of open audit recommendations will be presented to City Council on March 25, 2025, where this final recommendation and close out of the audit as implemented is anticipated.

Completion of the Administration's Four Primary Goals

The Administration has achieved its four primary goals with completion of the following:

1. Implementation of the final audit recommendation and close out of the "Audit of Towing Services: Changes to Contract Terms and Consolidated Oversight Could Improve Operations" as part of the City Auditor's bi-annual review of open audit recommendations on March 25, 2025. Address all 17 tow audit recommendations.
2. Termination of the prior tow agreements effective April 7, 2025
3. Launch of the new City-Generated Tow Services Delivery Model including software on February 3, 2025
4. Transition of the program to the Police Department- including onboarding of a new Senior Analyst in February 2025

Ongoing Improvements and Next Steps

The implementation of the City-Generated Tow Service Delivery Model has modernized San José's towing operations, enhancing efficiency, accountability, and public service. Moving forward, staff will:

- Continuously monitor performance metrics to assess system effectiveness and outcomes, ensuring that the model remains responsive to the City's and community needs.
- Further optimize service delivery and address outstanding technical challenges in partnership with Autura.

¹ [Status of Open Audit Recommendations as of June 30, 2024](#)

- Collaborate across departments to overcoming operational challenges and refine processes.

These efforts will support ongoing improvements and align with San José's broader goals for public safety and operational excellence.

The Police Department, in coordination with the City Manager's Budget Office, will continue to assess and evaluate the costs, fees, resources, and budget needed to support the City-Generated Tow Services contract administration and program and will forward any necessary budget recommendations as part of future budget processes.

COORDINATION

This memorandum has been coordinated with the Information Technology Department, City Attorney's Office, and City Manager's Budget Office.



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