



Memorandum

TO: TRANSPORTATION AND ENVIRONMENT COMMITTEE

FROM: Christopher Burton
Anthony Mata

SUBJECT: CITY-GENERATED TOW SERVICES DELIVERY MODEL STATUS REPORT **DATE:** 2/15/24

Approved

Date

2/21/24

RECOMMENDATION

Accept the status report of the City-Generated Tow Services Delivery Model for fiscal year 2023-2024.

OUTCOME

The Transportation and Environment (T & E) Committee will be informed on the status of the City-Generated Tow Services Delivery Model for fiscal year 2023-2024.

BACKGROUND

On January 15, 2019, City Council accepted the City Auditor's "Audit of Towing Services: Changes to Contract Terms and Consolidated Oversight Could Improve Operations" Report and the Administration Response. Key Audit recommendations included issuing a new RFP for the towing services agreements and consolidating contract administration in the San Jose Police Department (SJPD) with an evaluation of the resources needed to perform this responsibility. The Administration's response to the audit included the following four key goals.

1. Address all 17 tow audit recommendations
2. Develop a new City-Generated Tow Service Delivery Model
3. Develop a Request for Proposals (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

Staff developed a work plan to meet these key goals and address tow service delivery issues in the interim.

Between 2019 and 2023, staff worked diligently to complete work plan items supporting the four key 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 or partially implement several audit recommendations. On February 6, 2023, staff reported to the T & E Committee that the RFP was planned for release in

February 2023 and that the timeline for completion of the remaining work plan items- RFP award of contract; development of budget proposals to support tow contract administration and oversight of city operations; implementing remaining audit recommendations; and transition of the tow program from PBCE to SJPD was to be determined pending outcome of the RFP. The RFP was released on schedule on February 24, 2023, and the contract was awarded to Autura (formerly Auto Return) by City Council on August 15, 2023.

This report provides a status update on the remaining work plan items and progress toward completing the four key goals established by the City Administration's response.

ANALYSIS

The following analysis provides updates on the remaining work plan items and progress toward completing the four key goals established by the City Administration in response to the City Auditor's "Audit of Towing Services: Changes to Contract Terms and Consolidated Oversight Could Improve Operations" Report.

Goal 1: Address all 17 tow audit recommendations

The City Auditor's bi-annual *Status of Open Audit Recommendations as of June 30, 2023*¹, report accepted by City Council on September 26, 2023, indicated that there were 10 of 17 open tow audit recommendations remaining. Staff proposed to the City Auditor's Office as part of the upcoming bi-annual review of open audit recommendations that 9 of the remaining 10 should be deemed closed or implemented as the recommendations are no longer applicable under the new model or were incorporated or addressed by the RFP scope of work and new contract. Status of these recommendations is currently under review by the City Auditor's Office. 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," is in process. Staff hopes to complete all audit recommendations by the end of calendar year 2024.

Goals 2 and 3: Develop a new City-Generated Tow Service Delivery Model and Develop Request for Proposals (RFP) and recommend award of contract(s)

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 will serve as the third-party contract administrator responsible for:

- Contracting directly with tow operators to provide City-Generated tow services,
- Overseeing and monitoring tow operator performance and ensuring all tow service requests are completed,
- Tracking and analyzing performance metrics and providing regular reporting,
- Assessing and making improvements to service delivery as needed, and

¹ [23-1275 - Memorandum \(legistar.com\)](#)

- Providing tow management software that will allow tow vendors and city staff to track the tow process in real time from service request to the tow yard and provide a public facing portal that will allow customers to locate their towed vehicle and pay fees.

The multidepartment project plan for implementation and onboarding of Autura includes six phases or sprints: 1) Requirement Gathering and Configuration; 2) Validation; 3) Integrations; 4) Reporting; 5) Training; and 6) Go-Live. The project implementation is underway and is being led by PBCE with SJPD as support. Project completion (Go-Live) is currently projected to conclude by the end of June 2024.

To ensure continuity of tow services throughout the project, the City Manager will exercise option 4 of 5 to extend the City-Generated Tow Services Agreements for all six tow operators an additional year through March 31, 2025, or until the agreements are terminated per the contract terms.

Goal 4: Transition the new program model from the Department of Planning, Building, and Code Enforcement (PBCE) to SJPD

PBCE and SJPD continue to work in partnership to complete the remaining open audit recommendations, including the tow program transition from PBCE to SJPD. PBCE will develop a transition plan to transfer oversight to the Police Department upon project completion in fiscal year 2024-2025. Once the program has transitioned, the Police Department will assess the resources needed to oversee the program and will bring forward any necessary budget actions as part of a future budget process.

CONCLUSION

Staff will continue efforts to complete the remaining open audit recommendations and preparations to transition the tow program from PBCE to SJPD. Staff will assess and evaluate the costs, fees, resources, and budget needed to support the City-Generated Tow Services contract administration, software, and program and will propose resource needs as part of future budget process as appropriate. PBCE will be developing a transition plan to transfer oversight to the Police Department upon completion of the project in fiscal year 2024-2025 and any bring forward any necessary budget actions as part of a future budget process.

COORDINATION

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

/s/

Anthony Mata
Chief of Police
San Jose Police Department

/s/

Christopher Burton
Director
Planning, Building, and Code Enforcement

TRANSPORTATION & ENVIRONMENT COMMITTEE

February 15, 2024

Subject: City-Generated Tow Services Delivery Model Status Report

Page 4 of 4

For questions, please contact Rachel Roberts, Deputy Director of Code Enforcement, at rachel.roberts@sanjoseca.gov.