

City-Generated Tow Services Delivery Model Report

Transportation and Environment Committee
November 4, 2019

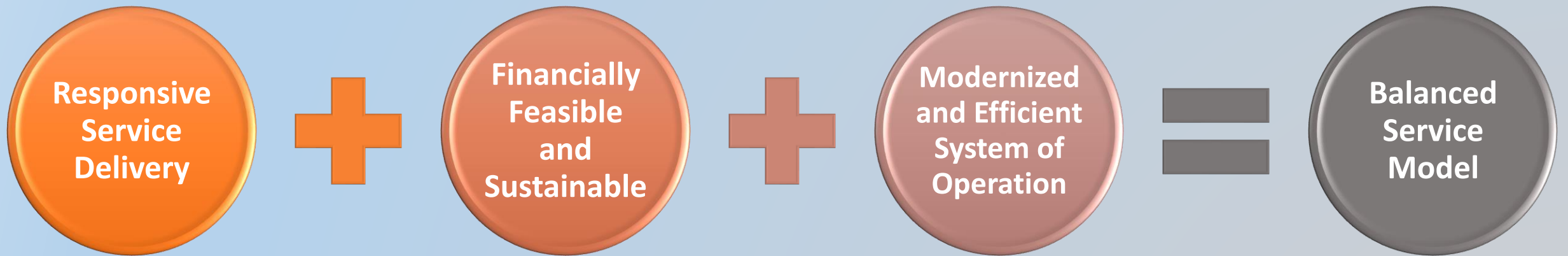
Presenters: Rachel Roberts, Deputy Director, Code Enforcement, PBCE
Jennifer Cheng, Deputy Director, Finance
Captain Dave Santos, Police Department

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"
 - Administration Response
- City Council directed staff to:
 - Return to T & E in Fall 2019 with a proposed Tow Service Delivery Model and provide status report on the Vehicle Abatement Audit
 - Consider various factors when developing new model

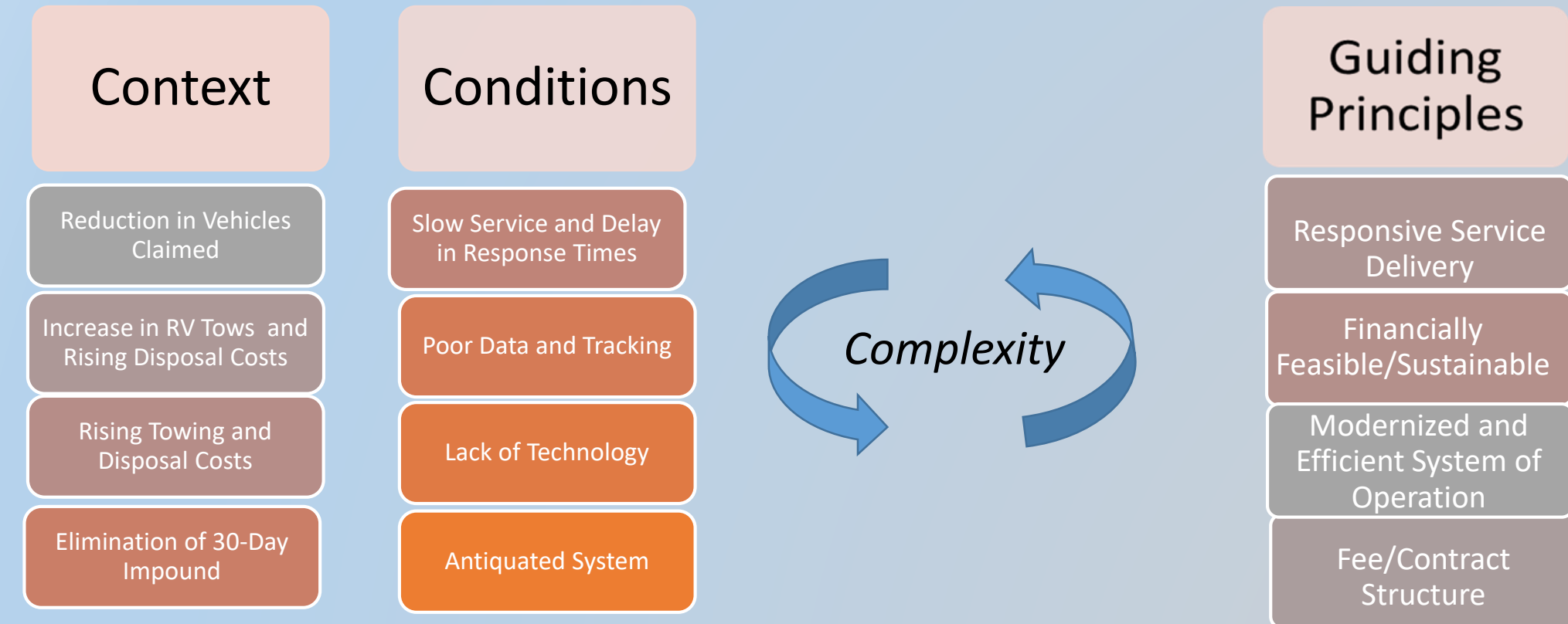
Guiding Principles



Work Plan Progress to Date

- Developed Work Plan and Established Multi-Department Tow Audit Working Group
- Conducted Research through Benchmarking:
 - 11 CA Jurisdictions (including San Diego, San Francisco, Los Angeles, and CHP)
 - Follow up on Council Direction and Questions
- Released Two Contingency RFPs for back up towing services
- Conducted Industry RFI to Elicit Insights from Both Tow Operators and Third-Party Administrator/Software Companies
- Conducted RFP and RFI Follow Up (still on-going)
- Addressed some Audit Recommendations through the Second Amendment to the Tow Agreements and Update to Council Priority 9-8

New Service Model Development: Challenges



Balancing Context and Conditions with Achieving Guiding Principles

New
Service
Model

New Service Model Development: Insights

- Contingent Back up Towing is Costly and May Not be Viable for Tow Operators Under Current System
- Technology and Software is Central to Reliable Data, Performance Tracking, Reporting, and Automation of Processes
- A Balanced and Sustainable Financial Model is Vital
- Finding Viable Solutions is Difficult and Complex and Requires a Multi-Step Process

Proposed Tow Services Delivery Model Framework

Technology and Software Based Platform

Automation of
tow process
tow - release of
vehicle

Process
streamlining

Data tracking
and
performance
monitoring

Web-based
user interface

Third-Party Administrator

Provides
management
and oversight

Coordinates
efforts of tow
providers

Provides 24/7
Customer
support

Customer
Website

Regular
reporting,
billing and
invoicing

Financially Balanced and Sustainable*

Cost Recovery
Administrative fee

Viable
reimbursement
program

Proper contract
compensation fee

Modified Contract Terms and Performance Standards

Provides first right
of refusal for
existing six tow
operators with good
standing

Modifies zones for
more equitable and
efficient service
delivery

Performance
based
standards

Escalating
contract breach
penalty
structure

Revised back
up tow process

**The fiscal sustainability of the proposed framework is still under development and will need further evaluation*

Proposed Pilot Program

Modified Tow Operator Agreements

Contracted Third-Party Administrator

Full Service Technology Platform

Pilot Program Implementation



In Summary: *Key Take-Aways*

- Framework is Designed to Achieve Balance Between Service Model and Industry Challenges and Guiding Principles
- Contracting with Third-Party Administrator/Software Company allows the City to:
 - Retain and Improve City Oversight
 - Set Contract Performance Standards for Tech/Software Provider and Tow Operators
 - Streamline Processes and Gain Efficiency through Automated Service Delivery Model
- A Full Evaluation and Analysis of Fees, Costs, and Budget is Necessary to Develop a Financially Feasible and Sustainable Model for all
- Continuing Outreach with Operators and Software Companies will Continue to Provide Valuable Insights and Inform Model
- Amending Tow Service Agreements Will Bring More Accountability, Equity, Performance, and Service Delivery Model Improvements
- Implementing a Pilot will Allow the City to Test the Model, Gather and Evaluate Data, Track Performance, and Make Meaningful Improvements

Recommendation

1. Accept Status Report on the development of a new City-Generated Tow Services Delivery Model; and
2. Direct Staff to continue to refine the service model and pilot program approach
3. Return to T & E in February 2020 with the final plan for implementation