

## Legislation Text

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**File #:** 19-532, **Version:** 1

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### **Amendment to Agreements for City-Generated Zone Tow Services.**

(a) Adopt a resolution authorizing the City Manager to negotiate and execute a Second Amendment to the Agreements for City-Generated Zone Tow Services for a term commencing July 1, 2019, and ending on or around March 31, 2021, with the following tow operators:

- (1) Alongi Brothers, Inc. (San José, CA)
- (2) Century Tow (San José, CA)
- (3) City Towing, Inc. (San José, CA)
- (4) Courtesy Tow Services, Inc. (San José, CA)
- (5) Matos Auto Towing & Transport (San José, CA)
- (6) Motor Body Company, Inc. (San José, CA)

The proposed amendment includes the following terms and conditions and revisions:

- (1) Continues the provisions of the City-Generated Zone Tow Services Agreement Amendment (Pilot Compensation Program) approved by Council on October 31, 2017, and expiring June 30, 2019. Specifically, the Pilot Compensation Program decreased the contract compensation fee from \$80 to \$59 per tow; allowed contracted tow operators to be credited for lost profits and expenses related to the disposal of vehicles that have no value against the \$59 contract fee; and reduced each tow operator's security deposit from \$25,000 to \$5,000;
- (2) Clarifies hazardous waste disposal and documentation requirements for contracted tow operators;
- (3) Sets the citywide maximum tow services rate set by the California Highway Patrol for the Golden Gate Region-San José Offices, as amended;
- (4) Adds a performance standard breach of \$50 for "Refusal to Tow;"
- (5) Increases the performance standard breach for failure to respond within 25 minutes from \$35 to \$100;
- (6) Eliminates the service call fee paid by the City to tow contractors for cancelled tows if the reason for the cancellation is the tow contractor's failure to timely arrive at the scene;
- (7) Combines billing of dispatch and contract compensation fees into a single invoice;
- (8) Clarifies language regarding City-Generated Zone Towing Services for Code Enforcement from private property;
- (9) Clarifies the City's right to have a vehicle towed, by whatever means deemed necessary, including having the vehicle towed by a company that does not have an agreement for City-Generated Zone Towing Services; and
- (10) Authorizes the City Manager or designee to terminate the Agreement on behalf of the City.

(b) Adopt a resolution approving proposed revisions to City Council Policy 9-8 "Rate Review Process for Tow Car Services" to set citywide tow rates at an amount not to exceed the California Highway Patrol rates for the Golden Gate Region-San José Offices, as amended, without annual Council approval.

(c) Accept the status report on the Contingency City-Generated Tow Services.

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment. (Planning, Building and Code Enforcement)