

Legislation Text

File #: 20-746, Version: 1

Fourth Amendments to City-Generated Tow Services Agreements to Address the Severe Impacts to Tow Business as a Result of COVID-19 Emergency Response to Ensure Continuity of Tow Services in the City of San José. - RENUMBERED TO ITEM 2.23

(a) Adopt a resolution authorizing the City Manager to negotiate and execute Fourth Amendments to the Agreements for City-Generated Zone Tow Services with the option to extend the terms month by month through the end of the contract term 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)

(b) The proposed amendment includes the following terms and conditions and revisions:

(1) Reduce the contract compensation fee from \$41 to \$0 for a term starting retroactively from March 17, 2020 until September 30, 2020.

(2) Provide payment of up to \$25,000 per tow operator for a term starting retroactively from June 1, 2020 until September 30, 2020 for:

(i) Any “Qualified Vehicle”, including any passenger vehicles, recreational vehicles/motor homes, mobile homes (on wheels), campers, trailers, cab-over campers, house-made trailers, boats, jet skis, boat trailers, golf carts, tractor units, semi-trailers, full trailers, box trucks, buses, work vans, street sweepers, and construction equipment, such as backhoes and bulldozers, that is either

1. Issued a form REG 462 (“junk slip”) by the City; or
2. The operator is required to pay to dispose of the vehicle will and receive a payment at a rate of \$200 per Qualified Vehicle.

(ii) In addition, Qualified Vehicles that meet the criteria in part (2)(a) and are also recreational vehicles/motor homes, mobile homes (on wheels), campers, trailers, cab-over campers, house-made trailers, boats, full trailers, box trucks, buses, or work vans will receive a payment of an additional \$1,000 per Qualified Vehicle.

(iii) Compensation will be provided by the City to the tow operator on a monthly basis upon receipt of invoice and required supporting documentation such as receipts for vehicle disposal costs.

(3) Provide compensation up to \$500 each month to each tow operator for garbage disposal or dumpster costs related to the disposal and cleaning of Qualified Vehicles, for a total maximum compensation for each tow operator of no more than \$1,500 from July 1, 2020 until September 30, 2020. This \$1,500 is in addition to the \$25,000 total maximum compensation for each tow operators. The maximum compensation for these costs across all six tow operators is \$9,000. Compensation will be provided by the City to the tow operator on a monthly basis upon receipt of invoice and required supporting documentation such as receipts for garbage disposal and dumpster equipment costs.

(4) Suspend credits for “Qualified Vehicles” to tow operators under section 5.1 for operator expenses and lost profits related to disposing of all qualified vehicles that meet the defined criteria.

(5) Option for City Manager to extend the terms of the fourth amendment month by month for each operator until the end of the original contract term of March 31, 2021 subject to available funds and appropriation as determined by the City Manager.

(6) Authority for the City Manager to provide additional payments as part of the option to extend the amendment to each tow operator after September 30, 2020 as described in (2)(a) and (b) above in excess of the \$25,000 total maximum compensation to each tow operator so long as the total maximum compensation across all six operators does not exceed \$150,000 for the original term of the fourth amendment.

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)

[RENUMBERED TO ITEM 2.23 (20-774)]