

# City of Sacramento

## Legislation Text

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**File #:** 2019-00736, **Version:** 1

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**Title:**

**Supplemental Agreement: Heavy Duty Abatement Towing Contract**

File ID: 2019-00736

**Location:** Citywide

**Recommendation:**

Pass a Motion authorizing the City Manager, or City Manager's designee, to execute a supplemental agreement to contract number 2014-1266 with College Oak Towing for heavy duty abatement tows in an amount not to exceed \$500,000 for a new not-to-exceed amount of \$1,380,000.

**Contact:** Mark Greenlee, Police Captain, Metro Division, Police Department, (916) 808-0854; Jose Mendez, Code Enforcement Manager, Code Compliance Division, Community Development Department, (916) 808-5947.

**Presenter:** None

**Attachments:**

1-Description/Analysis

2-Supplemental Agreement

**Description/Analysis**

**Issue Detail:** The Sacramento Police Department (SPD) and Community Development Department (CDD) have an operational requirement for heavy-duty (Class C and D) tow services. On an annual basis, the City of Sacramento tows approximately 250 heavy-duty vehicles for various types of violations. On December 16, 2014, the City Council approved Resolution No. 2014-0147 to suspend competitive bidding and authorize the execution of agreements with 28 tow service providers to fulfill the City's tow service needs. The Resolution also authorized the execution of agreements with three qualified towing companies to provide abatement towing for heavy-duty vehicles.

Since the agreement was executed, the number of heavy-duty tows has increased significantly, from 50 in 2015 to 256 at present. The SPD and CDD recommend increasing the not-to-exceed amount of

City Agreement No. 2014-1266 to \$1,380,000.

**Policy Considerations:** The recommendations contained in this report are consistent with City Code 3.56.090 requiring City Council approval for nonprofessional services equal to or greater than \$100,000.

**Economic Impacts:** None.

**Environmental Considerations:** Not applicable.

**California Environmental Quality Act (CEQA):** This action concerns administrative and professional activities that will not have a significant impact on the environment, and therefore, does not constitute a “project” as defined by the CEQA Guidelines, per Sections 15061(b)(3) and 15378(b)(2).

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** The initial heavy-duty tow agreement was approved by Resolution No. 2014-0417. The current agreement, with its authorized supplements, has a not-to-exceed amount of \$880,000. The SPD and CDD project that actual heavy-duty towing needs will exceed the current not-to-exceed amount prior to the expiration of the agreement.

The following table illustrates how the increase in costs is largely attributed to increases in the volume of tows, hourly tow rates, daily storage rates, and disposal costs associated with heavy-duty vehicles.

Fiscal Year	Hourly Tow Rate	Daily Storage Rate	Disposal Fees
2015	\$250	\$65.00	\$300
2019	\$315	\$70.00	\$600
% Increase	26%	8%	50%

The CDD coordinates and funds the cost of heavy-duty tows. Qualified tow companies are reimbursed for heavy-duty tows, which includes up to one-half of the tow fees, one-half the cost of 17 days of storage and reimbursement of actual disposal fees. These services have not been competitively bid. Rather, the rates are accepted provided the City determines it to be a reasonable charge.

The following table more specifically illustrates how an increase in the number of heavy-duty tows between fiscal years 2016 and 2018 has increased the cost of such tows.

Fiscal Year	# of Heavy-Duty Tows	% Increase	Heavy-Duty Tow Costs	% Increase
2016	89		\$96,942.50	
2017	176	97%	\$137,661.12	42%
2018	256	45%	\$389,127.83	183%

**Financial Considerations:** The CDD coordinates and funds the cost of heavy-duty abatement tows. Qualified tow companies are reimbursed for heavy duty abatement tows, which includes up to one-half of the tow fees, up to one-half the cost of 17 days of storage, and disposal fees.

**Local Business Enterprise (LBE):** The minimum LBE participation is waived as the City has suspended competitive bidding and utilized an alternative procurement method to select a vendor.