

MEMORANDUM

TO: CITY COUNCIL

FROM: BEAU D. PRYOR, CHIEF OF POLICE

BY: MICHAEL T. MARTINEZ, POLICE COMMANDER

SUBJECT: CONSIDERATION OF APPROVAL OF AN EXCLUSIVE VENDOR
POLICE TOW SERVICE AGREEMENT

DATE: SEPTEMBER 12, 2017

RECOMMENDATION:

It is recommended that the City Council approve and authorize the City Manager to execute a two-year exclusive vendor police tow service agreement with College Towing South of Grover Beach for light-duty towing.

SUMMARY OF ACTION:

Take action to approve an exclusive police tow service agreement.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

As part of the August 10, 2011 exclusive vendor police tow service agreement, an administrative fee of \$62 was established by Council for each vehicle towed under the terms of the agreement. At the time the 2011 agreement was executed, the \$62 administrative fee per vehicle recovered the actual and reasonable costs incurred by the City in connection with the towing service program. Staff will reassess the adequacy of the administrative fee as part of the process for the next service agreement in two years. College Towing South of Grover Beach paid the City \$15,996.00 in administrative fees for the 2015 to 2017 contract to date.

BACKGROUND:

On August 10, 2015 the City entered into an exclusive vendor police tow service agreement with College Towing South of Grover Beach for light duty towing after a Request for Proposal (RFP) process in which proposals were solicited from twelve (12) tow operators from Santa Maria to San Luis Obispo. Only two (2) proposals were received in 2015 by the Police Department. At that time, College Towing South submitted the lowest cost proposal that complied with the Police Department towing requirements and was granted the exclusive vendor police tow service agreement in 2015 for light duty towing. During the 2015 – 2017 tow service agreement, the Police Department only requested one (1) heavy duty tow request from City Motors Towing, Santa Maria, CA. The total cost of the heavy duty tow was \$3,000.00.

**CITY COUNCIL
CONSIDERATION OF APPROVAL OF AN EXCLUSIVE VENDOR POLICE TOW
SERVICE AGREEMENT
SEPTEMBER 12, 2017
PAGE 2**

The 2015 exclusive vendor police tow service agreement with College Towing South expired on August 9, 2017. In anticipation of the expiration of the agreement, the Police Department again initiated an RFP process in which proposals were solicited from fifteen (15) tow operators from Santa Maria to San Luis Obispo. The RFP process provided written notice to the tow operators that there are no changes in the terms of the tow agreement and towing program requirements from the 2015 version. Only two (2) proposals were received by the Police Department. College Towing South provided the lowest proposal exclusive to light-duty towing only. Johnboy's Towing provided an exclusive proposal for light, medium and heavy-duty towing.

ANALYSIS OF ISSUES:

Although College Towing South's 2017 proposal was restricted to light-duty towing, it clearly was the lowest cost proposal for tow services in which the company agreed to comply with the Police Department towing requirements.

Johnboy's Towing also agreed to comply with the Police Department towing requirements. They submitted the only 2017 proposal that included light, medium and heavy-duty towing. College Towing South had the lowest cost proposal in the light-duty towing category which covers the majority of tows within the City of Arroyo Grande. In anticipation of the occasional medium and heavy duty tows, Johnboy's Towing was contacted to identify an interest in contracting for the medium and heavy duty tow service. Johnboy's Towing declined unless offered the all-inclusive service pursuant to their proposal.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendation and authorize the City Manager to execute a two-year exclusive vendor police tow service agreement with College Towing South of Grover Beach for light-duty towing.
2. Do not approve staff's recommendation; or
3. Provide direction to staff.

ADVANTAGES:

Adopting the staff recommendation would continue the practice of awarding an exclusive vendor police service tow agreement for the next two year term. In addition, adopting the staff recommendation would ensure consistency in the Police Department mandated high standards of police tow service, while maintaining the revenue stream that recovers the actual and reasonable costs incurred in connection with the towing service program.

**CITY COUNCIL
CONSIDERATION OF APPROVAL OF AN EXCLUSIVE VENDOR POLICE TOW
SERVICE AGREEMENT
SEPTEMBER 12, 2017
PAGE 3**

DISADVANTAGES:

The sole vendor provision of the police towing service program restricts the use of outside tow service providers.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATIONS AND COMMENTS:

The Agenda was posted in accordance with Government Code Section 54954.2.

Attachments:

1. City of Arroyo Grande Tow Service Agreement with College Towing South

**CITY OF ARROYO GRANDE
TOW SERVICE AGREEMENT**

This AGREEMENT is made and entered into this 12th day of September, 2017 by and between the CITY OF ARROYO GRANDE, (hereinafter referred to as "CITY") and College Towing South, whose address is 94 Atlantic City Ave., Grover Beach, CA 93420 (hereinafter referred to as "Operator"), and is made with reference to the following:

I. RECITALS

- A. The City of Arroyo Grande Police Department ("AGPD") has established a Towing Program in order to provide for the designation of a specific company as the police tow service provider. The AGPD desires to ensure the availability of prompt, efficient and reliable police towing services in emergency or arrest situations and in the removal of vehicles that are abandoned, involved in an accident, or constitute an obstruction to traffic because of mechanical failure within the CITY.
- B. It is the purpose of the Towing Program to provide a fair and impartial means of reviewing competitive bids for police towing services from qualified Operators and to ensure that such service is prompt and reasonably priced and in the best interests of the public as well as the interest of efficient policing operations for the removal of vehicles from public property.
- C. The City of Arroyo Grande has selected College Towing South to operate as the AGPD's exclusive tow service company to provide light-duty tow service at the request of the Police Department throughout the CITY.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the undersigned parties agree as follows:

II. TERM

- A. The term of this Agreement shall be for two (2) years, and shall commence on the 12th day of September, 2017, and shall terminate on the 11th day of September, 2019, unless terminated earlier as set forth herein.

III. SERVICES TO BE PERFORMED BY OPERATOR

- A. The Operator agrees to operate as the AGPD's exclusive light-duty police tow service company pursuant to the terms of this Agreement.
- B. All services of the Operator shall be performed in accordance with the AGPD Towing Program requirements, a copy of which is attached hereto as Exhibit "A," and incorporated herein by this reference.

IV. RATES AND FEES

- A. The Operator shall charge the rates and fees for services in accordance with the AGPD Towing Program requirements and Operator's proposal attached hereto as Exhibit "B" and incorporated herein by this reference.
- B. ***In accordance with this Agreement, the Operator shall pay to the CITY a fee of \$62 for each vehicle provided tow service at the request of the AGPD for which a CHP 180 Form is completed.*** The parties agree that based upon the analysis contained in the Staff Report dated January 12, 2010 from the Chief of Police to the Arroyo Grande City Council, this fee represents an amount necessary for the CITY to recover its actual and reasonable costs incurred in connection with its towing service program, consistent with the requirements of Vehicle Code Section 12110(b).
 - 1. Fee payments shall be made on a quarterly basis to the Director of Administrative Services for the CITY, payable no later than the 15th calendar day of the month following the close of each preceding quarter.

V. INDEPENDENT CONTRACTOR

- A. The parties of this Agreement intend that the relationship between them created by this Agreement is that of CITY and an independent contractor. The manner and means of conducting the work are under the control of the Operator, except to the extent limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of the Operator's services. None of the benefits provided by the CITY or the AGPD to its employees, including but not limited to unemployment insurance, workers'

compensation insurance, retirement and deferred compensation plans, vacation and sick leave, are available from the CITY to the Operator, its employees or agents.

VI. HOLD HARMLESS

- A. The Operator shall indemnify, defend and hold harmless the CITY, its City Council, boards and commissions, officers, agents, servants and employees from and against any and all loss, damages, liability, claims, suits, costs and expenses (including attorney's fees) for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, property damages, or any other claims arising from any and all negligent acts or omissions of the Operator, its employees, agents or subcontractors which arise out of or result from, or occur in connection with the Operator's performance of services pursuant to this Agreement. This hold harmless and indemnification provision shall survive termination of this Agreement.

VII. INSURANCE

- A. Without limiting the indemnification provided in Section VI above, the Operator shall obtain and maintain throughout the term of this Agreement, at the Operator's sole cost and expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the services provided by the Operator under this Agreement. On or before the commencement of the term of this Agreement, the Operator shall furnish the CITY with certificates showing the type, amount, class or operations covered by such insurance, and the effective dates and dates of expiration of such insurance policies. Such certificates shall also contain substantially the following statement: "The insurance covered by this certificate will not be canceled or materially altered, except after thirty (30) days written notice has been received by the CITY."
- B. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact the business of insurance in the State of California, with an assigned policyholders' Rating of A (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Bests Key Rating Guide, unless otherwise approved by the CITY Director of Administrative Services. The policies required are as follows:

1. Commercial Liability: The Operator shall obtain and maintain at all times during the term of this Agreement comprehensive general commercial liability insurance covering third-party liability risks in a minimum amount of \$2 million combined single limit per occurrence for bodily injury, personal injury and property damage.
2. Automobile Liability: Commercial automobile liability and property insurance covering any vehicles owned, leased, hired or borrowed by the Operator in a minimum amount of \$2 million combined single limit per occurrence for bodily injury and property damage, and shall include sudden and accidental coverage.
3. Workers' Compensation: The Operator shall maintain full Worker's Compensation Insurance for all persons for whom it employs in accordance with the requirements of the most current and applicable State Workers' Compensation Insurance laws in effect
4. Subrogation Waiver: The Operator agrees that in the event of loss due to any of the perils for which it has agreed to provide insurance, the Operator shall look solely to its insurance for recovery. The Operator hereby grants to the CITY, on behalf of any insurer providing insurance to either the Operator or the CITY with respect to the services of the Operator herein, a waiver of any right of subrogation that any such insurer of said the Operator may acquire against the CITY by virtue of the payment of any loss under such insurance.
5. Additional Insured: The CITY, its City Council, boards and commissions, officers, agents, servants and employees shall be named as an additional insured on all policies of insurance required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured and an additional insured named herein shall not be held liable for any premium or expense of any nature on this policy or extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy. Proceeds from any such policy or policies shall be payable to the CITY primarily, and to the Operator secondarily, if necessary.

- C. The Operator agrees that if any policy of insurance required by this Agreement is not maintained in full force and effect, the Chief of Police or his/her designee may, in his/her sole discretion, suspend this Agreement, immediately, until such time as the required insurance is in effect and the required certificates and endorsements are delivered to the CITY.

VIII. PROHIBITION AGAINST TRANSFER

- A. The Operator shall not assign, sublease, hypothecate or transfer this Agreement or any interest therein directly or indirectly, by operation of law or otherwise, without the prior written consent of the CITY. Any attempt to do so without the consent of the CITY shall be null and void, and any assignee, sublessee, hypothecatee or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecate or transfer.
- B. The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of the Operator, or of the interest of any general partner or joint venture or syndicate member or cotenant, which shall result in change in the control of the Operator, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation, partnership, joint venture, syndicate, or co-tenancy.

IX. PERMITS AND LICENSES

- A. The Operator, at its sole expense, shall obtain and maintain during the term of this Agreement, all appropriate permits, licenses and certificates that may be required in connection with the performance of services provided hereunder including, but not limited to CITY zoning and business license requirements and the appropriate display of the business license on a tow vehicle or business location.

X. NOTICES

- A. All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and shall be deemed served when delivered personally or on the second business day after

deposit in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided.

All notices, demands, requests or approvals from the Operator to the CITY shall be addressed to the Arroyo Grande Police Department at:

Arroyo Grande Police Department
200 North Halcyon Road
Arroyo Grande, California 93420
Attention: Chief of Police

All notices, demands, requests or approvals from the CITY to the Operator shall be addressed to Operator at:

College Towing South
94 Atlantic City Avenue
Grover Beach, California 93433

XI. TERMINATION OF AGREEMENT

- A. The grounds for termination of this Agreement include breach of any terms of this Agreement. In the event the Operator has breached the terms of this Agreement or other grounds for termination exist, the CITY shall provide written notice of the nature of the default and the steps necessary to cure the default. If such default is not cured within a period of two (2) days after receipt by the Operator of written notice of default, this Agreement may be terminated by the Chief of Police by giving written notice to the Operator. Notice that the Agreement has been terminated shall state the reasons for termination. Notwithstanding any other term or provision of this Agreement, either party may terminate this Agreement upon 30 days written notice.

XII. COST OF LITIGATION

- A. If any legal action is necessary to enforce any provisions of this Agreement or for damages by reason of an alleged breach of any provisions of this Agreement, the prevailing party shall be entitled to receive from the losing party all reasonable attorneys' fees and costs.

XIII. COMPLIANCE WITH ALL LAWS

- A. The Operator shall comply with all laws, state or federal, and all ordinances, rules and regulations enacted or issued by the CITY.

XIV. WAIVER

- A. A waiver by the CITY of any breach of any term, covenant or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein whether of the same or a different character.

XV. INTEGRATED CONTRACT

- A. This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by written execution signed by both the CITY and the Operator.

The CITY hereby reserves every right and power, in the exercise thereof, which is reserved or authorized by any provision of any lawful ordinance or resolution of the CITY, whether enacted before or after the effective date of this Agreement. Neither the decision to select the Operator as a rotational police tow service provider nor any provision of this Agreement shall constitute a waiver or a bar to the exercise of any governmental right or power of the CITY.

XVI. OPERATOR MEETINGS

- A. As necessary, the Chief of Police or his/her designee will schedule and chair a meeting with the Operator. The purpose of the meeting will be to discuss and, if possible, resolve mutual problems. While attendance is not mandatory, it is strongly encouraged.
- B. The undersigned agrees that as a condition for inclusion in the towing list of the AGPD, he/she will fully comply with the Agreement and all towing service procedures as established by the AGPD. Furthermore, the undersigned agrees that any failure to fully comply with the provisions of this Agreement, by him/her or anyone in his/her employment may be cause for immediate suspension or removal from the towing list and/or termination of the Agreement, upon notification by the Chief of Police.

IN WITNESS THEREOF, the parties hereto have caused the Agreement to be executed the day and year first above written.

CITY OF ARROYO GRANDE

OPERATOR

By: _____
James Bergman, City Manager

By: _____

Its: _____
(Title)

Attest:

Kelly Wetmore, City Clerk

Approved As To Form:

Heather Whitham, City Attorney

**ARROYO GRANDE POLICE DEPARTMENT
TOWING PROGRAM**

I. PURPOSE AND INTENT

This Towing Program is established to set forth standards to provide for a method of establishing a towing program whereby a towing service company can be designated the exclusive police tow service provider for the Arroyo Grande Police Department (AGPD). The AGPD desires to ensure the availability of prompt, efficient and reliable police towing services in emergency or arrest situations and in the removal of vehicles that are abandoned, involved in an accident, or constitute an obstruction to traffic because of mechanical failure within the City of Arroyo Grande (City).

It is the purpose and intent of this Towing Program to provide a fair and impartial means of requesting bid proposals for police towing services from qualified tow companies (hereinafter called "Operator") and to ensure that police towing service is prompt and reasonably priced and in the best interests of the public as well as the interest of efficient policing operations for the removal of vehicles from public property. Agreements entered into by the City pursuant to this Towing Program shall be exclusive based upon a review of the bids submitted that are consistent with the specifications of the AGPD.

II. OPERATOR AGREEMENT AND TOWING PROCEDURE.

- A. The City may enter into an Agreement with an Operator to provide exclusive towing service for the AGPD pursuant to the terms of this Towing Program.
- B. The Operator shall be available on a 24-hour, 7-day a week basis and the area of availability of such service shall be within the incorporated City limits. The Operator shall provide a 20-minute response time. In the event the Operator is unable to respond or will be delayed, AGPD Dispatch shall be notified immediately and another tow service company may be requested by the AGPD.

III. RATES AND FEES.

- A. The Operator shall charge rates for services originating from the AGPD based upon an open competitive bid process announced by a Request for Proposal (RFP).

EXHIBIT "A"

1. Based upon the rates submitted, the Chief of Police or his/her designee shall determine the lowest reasonable bid that is consistent with the requirements of the AGPD.
 - a. A reasonable rate shall be not in excess of 115% of the average of rates charged for similar services by all competitive bids submitted by the Operators.
 2. The rates shall apply to **all** vehicles towed at the request of the AGPD, whether or not a CHP Form 180 is completed, **including vehicles towed at the driver's/owner's request if the driver/owner does not specifically request the contract Operator.** For example, a vehicle involved in a traffic collision may be towed at the request of the driver/owner because the driver/owner has no preference for a specific Operator, but a CHP Form 180 would not be completed. **The AGPD rates shall apply to that vehicle.**
 3. ***The rates submitted shall be all-inclusive based upon the type of towing service, e.g. light, medium or heavy duty.***
- B. An Operator who submits a rate that is determined by the Chief of Police or his/her designee to be unreasonable shall be allowed to re-submit rates only one time.
1. If the re-submitted rate is determined to be unreasonable, the Operator shall be disqualified until the next enrollment period.
 2. The Operator shall be provided with written notification regarding disqualification within thirty (30) days.
- C. Rate requirements represent the maximum the Operator may charge. The Operator is not precluded from charging less when deemed appropriate by the Operator.
1. These requirements shall not be construed as requiring a charge if an Operator would not normally charge for a specific service.
- D. In an effort to remain competitive in the open market, the Operator may lower retail rates at any time by notifying the AGPD. When the Operator lowers the retail rate, that retail rate becomes the Operator's new approved rate. Operators may raise rates for non-AGPD calls at anytime.

EXHIBIT "A"

- E. Any Operator who charges rates above the submitted rates for an AGPD call shall be in violation of the Agreement and subject to disciplinary action up to and including termination of the Agreement.
- F. No Operator or employee shall refer to any rate as a required or "AGPD Rate."
- G. The approved schedule of rates charged by the Operator shall be available in the tow vehicle and shall be presented upon demand to the vehicle owner/agent for whom the tow service was provided or to any AGPD member at the scene.
- H. There shall be no additional charge for moving, e.g. driving, towing, pushing or utilizing a forklift a stored vehicle from inside an Operator's storage yard to the front of the business establishment.
- I. Operators may only raise rates during the RFP period or upon approval after a mid-term agreement review.
- J. The rate for towing service shall be computed from portal to portal when a vehicle is towed to the Operator's storage yard.
 - 1. Portal to portal is defined as follows: Time shall start from either the point of dispatch or upon departure from the place of business, whichever is closer to the location of the call, and shall end at the estimated time of return to the place of business or completion of the call, if any other call is pending, whichever is shorter.
 - 2. The time expended for towing a vehicle back to the Operator's storage yard shall be charged at a rate not to exceed the hourly rate. Time expended in excess of the hourly rate shall be in no more than one-minute increments. There shall be no additional charges for mileage, labor, etc.
- K. The Operator may charge up to a one-hour minimum per call on AGPD response calls.
- L. The Operator may submit two tow rates to the AGPD: One rate for calls originating during normal business hours and another rate for calls originating after normal business hours.
- M. The Operator shall base towing charges upon the class of vehicle being towed regardless of the class of tow vehicle used, except when the vehicle recovery operation requires a large class tow vehicle.

EXHIBIT "A"

1. The Operator shall only provide bids on the type of towing service, i.e. light, medium or heavy duty, that the Operator can provide with his/her own company. As such, based upon a review of the bids, it may be necessary to determine one designated Operator for light and medium duty towing service and another designated Operator for heavy duty towing service.
- N. Fees for special operations shall be reasonable and consistent with industry standards for similar operations.
- O. Storage Fees
1. The Operator shall submit proposed storage fees for inside and outside storage to the AGPD. The Chief of Police or his/her designee shall determine the reasonableness of the storage fees for inside and outside storage based upon the average of the proposed storage fees submitted.
 - a. Fees charged for storage of a vehicle originating from the AGPD shall be reasonable and not in excess of 115% of the average of rates charged for similar storage services by all competitive bids submitted by the Operators.
 - b. The Operator shall display in plain view at all cashiers' stations a sign as described in Section 3070(d)(2)(E) of the Civil Code disclosing all storage fees and charges in force, including the maximum storage rate.
 - c. Vehicles stored 24 hours or less shall be charged no more than one-day storage pursuant to Section 3068.1(a) of the Civil Code. Each day thereafter may be calculated on a full calendar-day basis, pursuant to Section 3068.1(a) of the Civil Code.
 - d. Inside storage fees shall only be charged when inside storage is requested by the AGPD, registered owner, legal owner, insurance company, or when inside storage can be reasonably justified by the Operator.
- P. AAA Rates
1. If an AGPD tow and/or storage involves a vehicle subject to special tow and/or storage rates, e.g. AAA or a similar company requested by the driver/owner, the tow and/or storage rate shall not exceed the rate established by AAA or a similar company.

Q. Collusion

1. The Operator and/or applicant shall not conspire, attempt to conspire, or commit any other act of collusion with any other Operator and/or applicant for the purpose of secretly, or otherwise, establishing an understanding regarding rates or conditions to the Towing Program agreement that would bring about any unfair condition that could be prejudicial to the AGPD or the public.
2. A finding by the AGPD that any Operator or applicant has been involved in collusion shall be cause for denial of an application or shall nullify the Towing Program agreement with that Operator. Any Operator or applicant found to be involved in any act, or attempted act, of collusion shall be disqualified from participation in all AGPD tow lists for the current term of the Agreement, plus three (3) years.

R. In accordance with this Towing Program, the Agreement shall provide that the Operator shall pay to the City a fee **for each vehicle towed for which a CHP 180 Form is completed.** This fee shall be calculated so as to be consistent with the requirements of California Vehicle Code Section 12110(b) which permits the City to collect a fee to recover its actual and reasonable costs incurred in connection with its towing service program. As of February 12, 2010, such fee shall be \$62/vehicle towed **for which a CHP 180 Form is completed** under the terms of the Towing Program and Agreement.

1. Fee payments shall be made on a quarterly basis to the Director of Administrative Services for the City of Arroyo Grande, payable no later than the 15th calendar day of the month following the close of each preceding quarter.

IV. STORAGE OF VEHICLES

- A. The Operator shall store all impounded/stored vehicles, together with all accessories, equipment, and personal property located on or in each vehicle, in a storage facility approved by the AGPD and within reasonable driving distance from the City. Such storage facility shall contain a minimum of 25 vehicle storage spaces.
- B. The Operator shall maintain minimum operating hours for the storage facility of Monday through Friday, 8:00 AM to 5:00 PM, except legal holidays. An attendant responsible for arranging the release of vehicles to the public shall be present in person or on-call during those days and times to respond to police requests and to assist the public in obtaining vehicles within a reasonable time.

EXHIBIT "A"

- C. Provisions will be made for the adequate off-street security of vehicles and property at the place of storage. As a minimum, a 6-foot high fenced or enclosed area shall be provided.
- D. The Operator shall take any and all reasonable measures necessary to prevent theft or damage to vehicles and the accessories, equipment, or other personal property on or in them while in the storage facility.
- E. **At the discretion of the vehicle owner**, the Operator shall repair damage to a vehicle that occurs while the vehicle is under his/her control or shall reimburse vehicle owners for such damage **if such damage is caused by the action(s) of the Operator**. "Damage" includes, but is not limited, to body damage such as dents, paint damage, and chrome damage; transmission damage; undercarriage damage caused by unreasonable towing procedures; and cut, broken, removed or damaged accessories and wires caused by unreasonable towing procedures.
- F. Vehicles that are impounded as evidence shall be stored in a secure area and under conditions approved by the AGPD. The storage area shall be protected against access by persons not authorized by the AGPD. The AGPD shall retain sole custody of the lock mechanism used to prevent unauthorized access to vehicles impounded as evidence.
 - 1. At the reasonable discretion of the AGPD, the Operator agrees to tow a vehicle impounded as evidence to an alternative secure storage facility, e.g. the San Luis Obispo County Sheriff's Department. The Operator shall be entitled to charge all reasonable towing fees associated with towing a vehicle impounded as evidence to an alternative secure storage facility.
- G. The Operator shall take all reasonable precautions required by the AGPD to avoid damage to any evidence in or on a vehicle, e.g. fingerprints, stains, or forensic evidence.
- H. The Operator agrees to reduce or waive towing and/or storage fees when reasonably requested by any AGPD supervisor of the rank of Police Sergeant or above. Such request shall generally be limited to the towing of City or AGPD vehicles and the towing and storage of other vehicles as a result of a mistake or error by a City or AGPD member.
- I. **The Operator agrees to hold the registered owner of a vehicle impounded as evidence by AGPD responsible for all towing and impound/storage fees, including towing fees created by towing a vehicle to an alternative secure storage facility outside the City.**

- J. The tow service will provide a receipt with a copy placed in the stored vehicle whenever any item is removed from that vehicle and taken to another place of storage.
- K. **Only upon approval from the AGPD and with AGPD present** shall the Operator release personal property from a vehicle ***impounded for evidence or investigation. The personal property shall only be released to the person approved by the AGPD.***
1. There shall be no charge for the release of personal property during normal business hours as per California Vehicle Code Section 22851(b). Pursuant to Section 22851(b) of the California Vehicle Code, an Operator may charge a release fee for property released after normal business hours that shall not exceed one-half the hourly tow rate charged, or less, for initially towing the vehicle.
 2. Personal property is considered to be items that are **not** affixed to the vehicle.
 - a. Personal property includes: papers, transportable cellular telephones, portable stereo equipment, clothes, luggage, tools, etc.
 - b. Personal property from a **stored** vehicle shall be released upon request of the vehicle owner or agent.
 3. Cargo shall be released upon demand of the carrier or pursuant to a court order.
 4. No lien shall be attached to any personal property in or on the vehicle, pursuant to Section 22851(b) of the California Vehicle Code.
- L. All vehicles towed and stored by the AGPD shall be made available by the Operator to the owner of the vehicle or his/her representative, any insurance agent, insurance adjuster, or any body shop or car dealer for the purpose of estimating or appraising damages, ***except vehicles impounded as evidence.***
- M. All vehicles towed and stored as a result of an AGPD request shall be towed directly to the Operator's storage lot unless the AGPD or other person legally responsible for the vehicle requests that it be taken to another location.
- N. The Operator shall not proceed with any repair work on a vehicle or place any charges against a vehicle other than those required for towing and storage at the request of the AGPD, unless authorized by the vehicle owner or his/her designated agent.

- O The Operator shall keep a written record of every vehicle stored for a period longer than 12 hours, pursuant to Section 10650(a) of the California Vehicle Code.
 - 1. Such record shall contain the name and address of the person storing or requesting the tow, the names of the owner and driver of the vehicle (if reasonably ascertainable) and a brief description of the vehicle (make, model, license plate and any vehicle damage) pursuant to Section 10650(b) of the California Vehicle Code.

V. RECORDS

- A. The Operator will maintain records of towing and storage services furnished at the Operator's primary business office. Records for each call shall indicate the description of each vehicle, the nature of service, start time, end time, location of call, itemized costs of towing and storage and tow vehicle driver's name and tow vehicle used. If Form CHP422A, Notice of Stored Vehicle, is not received within one week from the date of storage, the Operator must contact the AGPD. The Operator's lien for towing and storage is contingent upon the required notice being forwarded to the legal and registered owners of such vehicle. The Operator will comply with Section 10652 of the California Vehicle Code in reporting the storage of vehicles over 30 days.
- B. When disposing of unclaimed vehicles, the Operator shall abide by all applicable California Civil Code regulations and requirements.
- C. Upon specific request from the AGPD, or at least on a quarterly basis on or before the 15th calendar day of the month following the close of the preceding quarter, an Operator shall submit a report to the Chief of Police and/or the Administrative Services Director which shall include the following:
 - 1. Total calls for police tows and storage/impounds.
 - 2. Location of the calls.
 - 3. Number of vehicles towed and stored/impounded.
 - 4. License number, make and model of each vehicle towed or stored/impounded.
 - 5. Date of release of each vehicle.
 - 6. Person or firm to whom the vehicle was released.
 - 7. Charges imposed and proceeds received.
 - 8. Number of vehicles sold on lien sale under authority of Section 3072, California Civil Code and reporting such lien sales as per authority of Section 22851.2 of the California Vehicle Code.

EXHIBIT "A"

9. Number of vehicles sold under authority of Section 3073, California Civil Code (under \$200 value).
 10. Names and addresses of buyers and descriptions of vehicles when sold.
 11. Total price and net price the Operator received from each vehicle disposed of by lien sale.
- D. Operators shall maintain all records related to police tows and storage/impounds under the Agreement for a period of three (3) years. Such records shall include, but are not limited to:
1. Information described in Section V. A through C.
 2. Vehicle impound reports (CHP 180).
 3. Copies of registered letters to vehicle owners.
 4. Charge sheets that list police tow, labor and storage fees charged against each vehicle and administrative fees collected on behalf of the City or the AGPD. Charge sheets must contain the signature of the vehicle owner or legal representative and be available for reasonable periodic data collection.
 5. Inventory list of personal property in each vehicle impounded or stored.
 6. Record of all vehicles sold under authority of California Civil Code Section 3074.
 7. Record of all vehicles sold under authority of California Civil Code Section 3072.
- E. All required reports and records shall be furnished at the sole expense of the Operator and shall be submitted on computer disk, or by modem, in a format compatible with the City computer system at no additional charge to the City.
- F. All Operator records shall be subject to periodic inspection without notice during normal business hours by AGPD personnel.
- G. All reports provided by the Operator pursuant to this Towing Program shall be signed under penalty of perjury by a responsible official representing the Operator that the report is complete and true.
- VI. FINANCIAL INTEREST
- A. No Operator or applicant shall be directly involved in the towing-related business of any other Operator or applicant in the AGPD Towing Program.

- B. The sale or transfer of the controlling interest in a company shall immediately terminate the Agreement. A new owner may apply for the Towing Program at any time during the remainder of the current Agreement term regardless of the open enrollment period.

VII. OPERATION

- A. Operators and tow vehicle drivers will be sufficiently capable to ensure safe and proper discharge of their service responsibilities.
 - 1. Operators applying for the Towing Program shall have a minimum of three (3) verifiable years of for-hire towing experience, as an owner or principal, prior to the final filing date of an enrollment period in order to qualify for the towing list.
 - a. The three (3) verifiable years of for-hire towing experience shall be decided by the AGPD.
 - 2. Operators and owners who do not meet the three (3) verifiable years of for-hire towing experience may be considered for the towing list if a full-time manager is employed who possesses three (3) verifiable years of for-hire towing experience as an owner, principal or full-time manager.
 - a. The three (3) verifiable years of for-hire towing experience as an owner, principal or full-time manager shall be decided by the AGPD.
 - b. Management experience shall be decided and qualified by the AGPD as an individual with general powers that reasonably infers that the individual so designated is vested with the general conduct and control of his/her employer's business or an individual who has charge and control of a business and is vested with a certain reasonable level of discretion and independent judgment.
 - c. If a manager ceases to be employed by an Operator, the Agreement shall be terminated until a new manager is approved by the AGPD.
- B. Operators and tow vehicle drivers will be properly licensed in accordance with the requirements of the California Vehicle Code.
- C. Tow vehicles will be maintained in compliance with the applicable California Vehicle Code Sections and the California Revenue and Taxation Code.
 - 1. The Operator shall arrange with the AGPD or the CHP for inspection of new and/or replacement tow vehicles prior to placing them in service.

EXHIBIT "A"

2. The Operator must equip each tow vehicle in compliance with Section 27700(a) of the California Vehicle Code. This Section of the California Vehicle Code requires the driver of the tow vehicle to remove all glass and debris deposited upon the roadway by the disabled vehicle.
 3. The Operator must comply with Section 27907 of the California Vehicle Code regarding signs on tow vehicles.
- D. An Operator on the AGPD towing list is required to have an ample supply of highway flares in each tow vehicle. Flares used by a tow vehicle prior to the arrival of the AGPD will be replaced by the AGPD.
- E. All tow vehicles must be equipped with two-way radios between the tow vehicle and the Operator's dispatch personnel.
- F. A request from the AGPD for any type of towing services shall not be accepted unless:
1. A tow vehicle and competent driver are immediately available.
 2. The specific rig and/or equipment requested is/are immediately available.
- G. In the event there is to be a delay in responding to the call, such fact shall be made known to the AGPD so that a determination may be made if the call should be directed to another towing company. Deliberately providing misleading information shall result in disciplinary action. If the Operator will be unavailable for any extended period of time, the AGPD must be notified.
- H. AGPD calls shall not be referred to nor accepted from another towing agency unless requested to do so by the AGPD. If the Operator cannot respond, the AGPD must be advised. The AGPD will then decide what alternative tow service will be called.
1. If the Operator assigned to an initial call requires assistance from an additional towing company, the Operator may, with the concurrence of the AGPD personnel at the scene of the incident, request a specific towing company for additional assistance. Such request shall be routed through the AGPD.
- I. When tow service is requested by the AGPD, then cancelled prior to the vehicle actually being towed, the Operator shall not charge the AGPD. The Operator may collect fees for services from the vehicle owner, if appropriate. (This paragraph does not apply to "owner's request" for services).

- J. ***Unreasonable excessive failures to comply with the response provisions above without reasonable explanation(s) shall result in removal from the towing list, subject to the termination provisions in the Tow Service Agreement.***
- K. If it is determined that the Operator is not needed and is canceled by the AGPD, up to and including arrival at the scene, there shall be no monetary charges. There shall be no monetary charges for standby time that does not result in a tow.
 - 1. If the tow service is canceled by the vehicle's owner or agent prior to the Operator taking possession of the vehicle, there shall be no charges for towing. The Operator shall immediately contact the AGPD and advise of the cancellation.
- L. If an Operator who is not called to a collision comes upon a collision scene where a vehicle or vehicles is/are blocking a roadway or where immediate tow assistance is needed for lifesaving operations, the AGPD officer on scene may direct that Operator to move vehicle(s). The Operator shall provide the assistance as directed. There shall be no charge for this assistance.
- M. The Operator receiving a call shall be certain that it is understood exactly where the accident or incident is located and the type of equipment required before leaving to the call. If there is a question as to this information, the AGPD Dispatch should be contacted at 473-5100. If the tow driver is unable to find the vehicle or accident scene, the driver should use the nearest telephone and request further instruction.
- N. Speed and driving procedure enroute to a tow request must be within lawful limits. Unless an emergency is encountered, no stops should be made enroute to the accident or incident scene. If a delay in response is unavoidable, a reasonable effort should be made to advise the AGPD Dispatch.
 - 1. No flashing or rotating warning lights are to be used enroute to any calls.
- O. All tow drivers should receive and sign a copy of the AGPD storage report from the officer requesting his/her services, as well as to indicate agreement with the inventory in and on the vehicle being towed. The tow driver, upon signing for the inventory of the contents of the vehicle stored by the AGPD, is responsible for this property.

- P. The AGPD officer at the scene investigating an accident or incident is in charge. Anyone called to the scene will act under his/her direction. Any problems that may arise at the scene may be addressed to the Chief of Police or his/her designee by telephone, in writing, or by appointment in person. An officer at the scene will normally not involve himself/herself in towing techniques, but only in maintaining the security of the incident scene.
1. If two or more towing companies are called to the same incident, distribution of the vehicles shall be at the discretion of the AGPD.
- Q. The Operator is required to have in its possession Transportation Permits that are issued by the Department of Transportation authorizing the movement of extra-legal size loads and/or equipment. Operators of heavy-duty tow vehicles shall obtain permits for movements involving extra-legal size and/or weight. An Operator desiring such a permit should contact the California Department of Transportation Permit Department in San Luis Obispo.
- R. All towing services that will result in road blockage in excess of 30 minutes during a salvage operation and where there will be no AGPD officer in attendance shall have an appropriate encroachment permit obtained at first opportunity. These permits can be secured from the California Department of Transportation or the San Luis Obispo County Road Department, whichever is appropriate.
- S. **ALL VEHICLES TOWED AT THE REQUEST OF THE AGPD FOR WHICH A CHP FORM 180 HAS BEEN COMPLETED MUST BE RELEASED ONLY WITH AUTHORIZATION FROM THE AGPD. All vehicle owners requesting the release of their vehicles shall be directed to the AGPD to obtain the necessary documentation to authorize the release.**

VIII. STANDARD OF CARE

- A. Operators shall warrant and guarantee that all services performed pursuant to an Agreement with the City shall be provided in a manner reasonably consistent with the highest professional standards and shall be performed by qualified, licensed, and experienced personnel. The Operator shall be responsible for the acts employees while on duty. The Operator shall not permit any of the following conditions to occur:
1. Failure to comply with the requirements and provisions of the signed AGPD Tow Service Agreement.
 2. Repeated and/or flagrant violations of the provisions of the California Vehicle Code by the driver(s) or Operator(s).

EXHIBIT "A"

3. A pattern of not being available, failure to answer calls, or failure to respond to calls within the required 20-minute time frame.
4. Failure to reimburse the owner for property stolen or lost while under control of the Operator.
5. Failure to maintain reasonably clean and orderly storage facilities.
6. Failure to perform all towing operations in the safest and most expeditious manner reasonably possible.
7. Failure to ensure that all tow drivers who respond to AGPD tows are at least 18 years of age and in possession of current and proper class of license and endorsements for the towed and towing vehicle.
8. Failure to ensure that all tow drivers who respond to AGPD tows are wearing an identifiable uniform, e.g. shirts and pants or coveralls, displaying the company and driver name while engaged in AGPD tows.
9. Failure to ensure that all tow drivers who respond to AGPD tows present a professional personal appearance. An unacceptable personal appearance would include, but is not limited to, unbathed or excessively dirty/torn uniform.
10. Failure to ensure that all tow drivers who respond to AGPD tows are wearing appropriate warning garments, e.g. vests, jackets, shirts or retro-reflective clothing, for daylight and hours of darkness in accordance with California Code of Regulations, Title 8, Section 1598.
 - a. If the tow driver is working on a Federal-aid highway, the driver shall comply with the guidelines contained in the Federal Code of Regulations, Title 23, Highways, Chapter 1, Federal Highway Administration, Department of Transportation, Part 634, Worker Visibility that requires high-visibility personal protective safety clothing to be worn that meets the Performance Class 2 or 3 requirements of the ANSI/ISEA 107-2004 (compliance date of November 24, 2008).
11. Failure to comply with the secure storage requirements for vehicles impounded as evidence by the AGPD.
12. Failure to maintain reasonable business records related to AGPD tows.
13. Engaging in unethical business practices.

14. Failure to maintain a current City of Arroyo Grande business license.
15. Failure to participate in and/or comply with the AGPD 72-hour vehicle abatement program.
16. For any reasonably justifiable cause as determined by the Chief of Police or his/her designee.

IX. INSPECTION OF TOW SERVICES

- A. The AGPD shall provide or arrange for not less than one annual inspection of all tow vehicles at no charge to the Operator. The AGPD may conduct additional inspections without notice during normal business hours. The Operator shall not dispatch a tow vehicle to an AGPD initiated call that has not been inspected and approved.
 1. Inspection of tow vehicles by the AGPD may be waived when there is documentation of current CHP inspection of the vehicle provided to the AGPD.
- B. Storage facilities for the Operator will be inspected at random to ensure compliance with the applicable provisions of the California Vehicle Code and this Agreement.

X. DEMEANOR AND CONDUCT

- A. While involved in AGPD towing operations or related business, the Operator and/or employees shall refrain from any acts of misconduct including, but not limited to, any of the following:
 1. Rude or discourteous behavior.
 2. Lack of service, selective service, or refusal to provide service that the operator is/should be capable of performing.
 3. Any act of sexual harassment or sexual impropriety.
 4. Unsafe driving practices.
 5. Exhibiting any objective symptoms of alcoholic beverage and/or illegal narcotic use.
 6. Appearing at the scene of an AGPD towing call with the odor of an alcoholic beverage emanating from the driver's or employee's breath.
 - a. The tow driver shall submit to a preliminary alcohol screening (PAS) examination upon demand of the AGPD.

XI. TOW COMPLAINTS

- A. All AGPD related tow service complaints received by the AGPD against an Operator or the Operator's employees will be accepted and investigated in a fair and impartial manner.
 - 1. The Operator and his/her employees shall cooperate with the AGPD and/or its designated representative during the course of an investigation.
 - 2. As a result of the investigation, the AGPD may remove the Operator from the towing list.
 - 3. The Operator will be notified of the results of all investigations if legally permitted and/or if notification will not jeopardize a criminal investigation in writing within 30 calendar days of the conclusion of the investigation.
- B. Should the filing of criminal charges be a possibility, the AGPD will conduct the investigation to conclusion or assist the lead investigating agency and, if warranted, request criminal prosecution.

XII. COMPLIANCE WITH LAW

- A. The Operator and his/her employees shall at all times comply with federal, state and local laws and ordinances.
- B. Any conviction of the Operator or an employee involving a stolen or embezzled vehicle, fraud related to the towing business, stolen or embezzled property, a crime of violence, an illegal drug-related offense, felony driving under the influence of an alcoholic beverage or drugs, misdemeanor driving under the influence of an alcoholic beverage or drugs or moral turpitude should be cause for suspension or removal of an Operator or employee, denial of an Operator's application or termination of the Agreement.
- C. Operators and their employees shall not accept gratuities pursuant to Section 12110(a) of the California Vehicle Code.
- D. Operators and their employees shall not accept a gratuity from a repair shop for the delivery of a vehicle not owned by the repair shop or tow company, for the purpose of storage or repair pursuant to Section 12110(c) of the California Vehicle Code.
- E. Operators shall satisfy a court order mandating reimbursement to the vehicle or property owner for damage or loss that occurred while the vehicle or property was in the Operator's custody.
- F. Any Operator or employee arrested/charged with any of the above issues should be suspended until the case is adjudicated.

XIII. COMPLIANCE WITH THE AGREEMENT

- A. The Operator agrees, as a condition of inclusion in the Towing Program, to comply with the terms and conditions of the Agreement. Failure to comply with the requirements of the Program will result in removal as the designated Operator for police tows, subject to the termination provisions in the Tow Service Agreement.
- B. A violation of the equipment requirement related to safety shall be cause for immediate suspension that shall remain in effect until the suspension period is completed and the AGPD has inspected the equipment and determined that the Operator is in compliance.
- C. A violation of intentionally overcharging or a pattern of overcharging shall be cause for immediate suspension that shall remain in effect until the suspension period is completed and proof of reimbursement to the aggrieved customer(s) has been provided to the AGPD.
- D. Operators and/or their employees shall not record, e.g. videotape or photograph, a scene unless it is for official use by the tow company for business-related reasons.
 - 1. The AGPD personnel on scene shall determine when an Operator or his/her employee may record a scene for tow-related business reasons.
 - 2. If an Operator or his/her employee is determined to be in violation of this condition, the recording shall be immediately surrendered to the AGPD.

XIV. MID-TERM REVIEW

- A. A mid-term review of the terms and conditions of the existing Agreement may be provided by the AGPD if there is a legitimate and substantial change in conditions or laws impacting the majority of tow service companies in the Arroyo Grande area or the AGPD.
- B. A mid-term review, if granted, will not automatically authorize a change in the terms or conditions of an existing Agreement.
 - 1. It is the responsibility of the AGPD to review the conditions that initially caused the mid-term review and determine if any change in the terms or conditions of the existing Agreement is justified. If the mid-term review is requested by the Operator, it is the responsibility of the Operator to provide the relevant information necessary for the AGPD to review the request.

XV. ADVERTISING

- A. An Operator shall not display any sign or engage in any advertisement indicating an official or unofficial connection with the AGPD.

XVI. 72-HOUR/ABATEMENT TOWS

- A. The Operator agrees to participate in the AGPD established vehicle abatement program. When a vehicle is found to be in violation of an applicable section of the California Vehicle Code or the Arroyo Grande Municipal Code regarding abandoned vehicles, call out procedures for abatement towing are the same as regular towing with some defined exceptions:
 - 1. Dispatch or any member of the AGPD authorized by the Traffic Unit commander will contact the Operator.
 - 2. A CHP 180 form will be completed by AGPD personnel and delivered to Dispatch after the vehicle has been removed by the Operator.
 - 3. Abatement towing should only be completed during normal business hours.
- B. ***Failure to comply with the requirements of the Towing Program regarding vehicle abatement towing may be considered adequate grounds for removal from the towing list, subject to the termination provisions in the Tow Service Agreement.***
- C. The Operator must respond to an abatement tow request within 24 hours. Under special limited circumstances, e.g. an abandoned vehicle causing a public safety hazard, the Operator must respond as soon as reasonably possible. ***Failure to comply with this requirement of the Towing Program may be considered adequate grounds for removal from the towing list, subject to the termination provisions in the Tow Service Agreement.***

XVII. ENROLLMENT PERIOD

- A. The request for proposal (RFP) bid period must be held at least once every two (2) years. The RFP period will be open for at least 30 days and the date is determined by the Chief of Police or his/her designee.
- B. Applicants shall be given a 30-day written notice of the annual RFP period.

College Towing Inc
College Towing South

94 Atlantic City Ave

Grover Beach Ca 93423

805-489-8600

7-20-2017

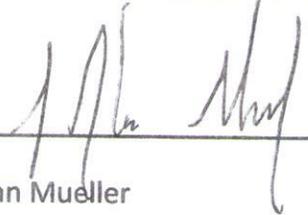
Arroyo Grande Police Dept. exclusive light duty towing contract bid for services

All calls where the CHP180 form is used \$155.00 per hour ! hour minimum \$2.58 per minute after the first hour

Non CHP180 form calls \$155.00 per ½ hour minimum \$2.58 per minute after the first ½ hour

Outside storage \$18.00 per day

Inside storage \$23.00 per day



John Mueller

College Towing Inc

General Manager