



## MEMORANDUM

**TO:** City Council

**FROM:** Michael Martinez, Chief of Police

**BY:** David Culver, Police Commander

**SUBJECT:** Consideration to Approve an Exclusive Vendor Police Tow Service Agreement Extension with College Towing South

**DATE:** August 22, 2023

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### **SUMMARY OF ACTION:**

Approval of an extension of an exclusive police tow service agreement with College Towing South.

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

This action will generate an administrative fee of \$62 for each tow as established under the terms of the contract. Based on previous years, an exclusive tow agreement generates approximately \$13,000 a year in net revenue to the City over a two-year contractual period.

### **RECOMMENDATION:**

Authorize the Interim City Manager to execute a two-year extension for the exclusive vendor police tow service Agreement with College Towing South for towing services with several modified terms, described herein.

### **BACKGROUND:**

In 2017, the City entered into an exclusive vendor police tow service agreement for light duty towing, after a request for proposal (RFP) process in which proposals were solicited from 15 vendors from both San Luis Obispo and Santa Barbara Counties. Only two (2) proposals were received in 2017 by the Police Department. At that time, College Towing South submitted the lowest proposal that complied with the Police Department towing requirements and was granted the exclusive vendor police tow service agreement in 2017 for light-duty towing. This process was repeated in 2019 and 2021, meaning an RFP was issued after the 2-year exclusive vendor police tow service agreements with College Towing South expired in 2019 and 2021, respectively. Under the City's Purchasing Policy, the Police Department would not need to expend the time and resources every 2-years to issue a formal RFP, which is a byproduct solely of the Police Department's

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Towing Policy, which is incorporated into the towing vendor contract. As part of this extension with College Towing South (the only vendor who responded to City's 2021 RFP), City is recommending removal of that RFP requirement and language that requires the fees charged for each tow be tied to a competitive bid process.

**ANALYSIS OF ISSUES:**

The Police Department has entered into exclusive vendor police tow service agreements with College Towing South since 2015 through these present, and the current 2-year contract is set to expire on September 11, 2023. In anticipation of the agreement's expiration, the Police Department solicited an informal bid from the existing vendor. College Towing South and reviewed and submitted the contract bid for service fees for the 2023-2025 term attached and referenced in Attachment 1. The Agreement before the City Council, with the exception of the term dates and fees, and removal of the 2-year RFP requirement/competitive bid language within the City's Towing Program which is incorporated into the contract, is unchanged from the 2015, 2017, 2019 and 2021 tow service agreements between the City and College Towing South.

The Police Department has had an exclusive contract agreement with College Towing South since 2015 and has followed its RFP requirements since that time. College Towing has provided adequate service to the City during these contractual time periods. College Towing has met the Police Department's needs as stipulated in the contractual agreement and provides annual net revenue to the City in undertaking an important function of the Police Department. The revisions to the exclusive vendor police tow service agreement are consistent with the City's Purchasing Policy, which would not require a formal RFP for a contract that brings net revenue to the City annually.

**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;
2. Do not approve staff's recommendation; or
3. Provide direction to staff.

**ADVANTAGES:**

Approving staff's recommendation would continue the practice of awarding exclusive vendor police service tow agreements for the next two-year term. In addition, approving staff's recommendation would ensure consistency in the Police Department's 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.

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**DISADVANTAGES:**

There are no known disadvantages currently.

**ENVIRONMENTAL REVIEW:**

The contract for towing services is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines §§ 15060, subd. (b)(2)-(3), 15378.) The towing contract and related towing activities will not cause a physical change to the environment because the actions undertaken in this contract will not result in alteration of land or existing structures. Alternatively, the towing contract and related towing activities is exempt from CEQA on the basis that it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. (State CEQA Guidelines, § 15061, subd. (b)(3).) College Towing will transport cars using tow trucks, and emissions generated will be within normal ranges for light-duty towing operations.

**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachments:

1. Proposed Revised City of Arroyo Grande Tow Service Agreement
2. Proposed Revised Arroyo Grande Police Department Towing Program (incorporated into the contract)