



## City Council Report

915 I Street, 1<sup>st</sup> Floor

Sacramento, CA 95814

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**File ID:** 2019-00736

May 28, 2019

**Consent Item 15**

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

**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
<b>% Increase</b>	<b>26%</b>	<b>8%</b>	<b>50%</b>

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.

**CONTRACT SUPPLEMENT  
(Nonprofessional Services)**

**Project Title and Job Number:**  
**Purchase Order #:**

**Date:**  
**Contract Supplement No.:**

The City of Sacramento ("City") and \_\_\_\_\_ ("Contractor"), as parties to that certain Nonprofessional Services Agreement designated as Agreement Number \_\_\_\_\_, including any prior contract supplements modifying the agreement (the agreement and contract supplements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The scope of Services specified in Exhibit A of the Agreement is amended as follows:
  
  
  
  
  
  
  
  
  
  
2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Contractor's fees and expenses, is by \_\_\_\_\_, and the Agreement's maximum not-to-exceed amount is amended as follows:  
  
Agreement's original not-to-exceed amount: \_\_\_\_\_  
Net change by previous contract supplements: \_\_\_\_\_  
Not-to-exceed amount prior to this contract supplement: \_\_\_\_\_  
by this contract supplement: \_\_\_\_\_  
New not-to exceed amount including all contract supplements: \_\_\_\_\_
  
3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Contractor.
  
4. Contractor warrants and represents that the person or persons executing this contract supplement on behalf of Contractor has or have been duly authorized by Contractor to sign this contract supplement and bind Contractor to the terms hereof.
  
5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this contract supplement.

**Approval Recommended By:**

**Approved As To Form By:**

\_\_\_\_\_  
Project Manager

\_\_\_\_\_  
City Attorney

**Approved By:**

\_\_\_\_\_  
Contractor

**Attested To By:**

**Approved By:**

\_\_\_\_\_  
City of Sacramento

\_\_\_\_\_  
City Clerk