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DEPARTMENT OF  
POLICE

CITY OF SACRAMENTO  
CALIFORNIA

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SACRAMENTO, CA  
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ARTURO VENEGAS, JR.  
CHIEF OF POLICE

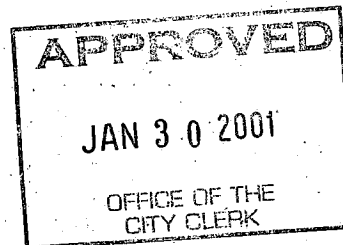
January 16, 2001

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City Council  
Sacramento, California



Honorable Members in Session:

**SUBJECT: REQUEST FOR PROPOSAL (RFP) FOR ROTATIONAL TOW SERVICES**

**LOCATION AND COUNCIL DISTRICT** Citywide

**RECOMMENDATION**

It is recommended that the City Council, by resolution, authorize the issuance of the Request for Proposals to tow companies participating in the Sacramento Police Department's Rotational Tow Agreement.

**CONTACT PERSON**

Lieutenant Jeff Schiele, Metro Sector, 264-8416  
Milt Payne, Administrative Analyst II, 264-2022

**FOR COUNCIL MEETING OF**

January 30, 2001

**SUMMARY**

This report provides information on the Tow Services program. This report also requests that City Council authorize the issuance of the Request for Proposals (RFP) related to the Rotational Tow Services agreement.

**COMMITTEE / COMMISSION ACTION**

There was none required for this report.

## BACKGROUND INFORMATION

Each year, the Sacramento Police Department tows over 16,800 vehicles due to collisions, theft recoveries, traffic violations and citizen requests. The registered owner of the vehicle is responsible for costs associated with the towing and storage. The Tow Services Program is fully funded by fees generated by the program. There are two types of fees generated by the tow program, both of which are intended for cost recovery by the Department:

1. Tow Referral Fee: Tow companies pay this fee each time the Department refers a towing request to a contractor. These fees cover the Department's direct costs in administering the tow contract among the various tow contractors.
2. Tow Release Fee: This is the fee the registered owner must pay for a Police Department authorization form in order to obtain his/her vehicle from the tow yard. This fee is only charged to traffic offenders. It should be noted that auto theft victims, drivers injured in an accident, and evidence impounds are excluded and are not required to pay this fee.

Staff is requesting the City Council to authorize the issuance of a Request for Proposal (RFP) related to the Rotational Tow Agreement. This RFP includes proposed fee changes for the tow referral fee. The RFP also proposes a standardized rate that may be charged for participating companies for tows and storage.

The Police Department uses a tow rotation list for which tow companies are required to submit a fixed schedule of rates applicable for the term of the agreement. Companies that met certain performance standards and whose rates fall within a predetermined range are placed on the Department's tow rotation list. As a result, tow charges presently vary from \$88.00 to \$120.00, and daily storage charges can vary from \$20.00 to \$27.00. Since vehicle owners now pay different rates for the same service depending on which company performs the tow, the City Manager directed the Police Department to propose a set rate for all tow services that would be fair to vehicle owners and tow companies.

A survey conducted of eight metropolitan areas in California (See Exhibit 1) revealed an average tow charge of \$80.00 per vehicle (all averages rounded to nearest dollar). When this average is adjusted for the average referral fee, the average net to the tow operator is \$69.00 per tow. The average tow fee that is charged by the 27 companies currently participating in the Department's Rotational Tow Agreement is \$110.00. Staff proposes that this average become the standard rate for all Department tows. It is also proposed that the rate for storage be set at the current average of \$22.00 per day. This also compares favorably to the surveyed average of \$20.00.

The current tow referral fee of \$7.15 was established in 1996. The tow referral fee provides cost recovery for activities directly related to managing the Rotational Tow Agreement, such as, complaint investigation, billing, disciplinary action, and general administration. This fee is limited to the cost recovery for administering the program. The projected direct cost for these activities is approximately \$60,600 annually, which includes the cost of an automobile to facilitate audits and investigations. Based on a recalculation of the costs, staff proposes the

reduction of this fee to \$3.60. If the proposed tow rate and the referral fee are approved, the net to the tow companies will be \$106.40 per tow. This is 54% more than the average net in our eight-city survey.

The following table illustrates the proposed rates for companies participating in the Rotational Tow Agreement:

Description	Current	Proposed	Difference
Towing	\$80.00 - \$120.00	\$110.00	(\$10.00) - \$30.00
Storage	\$20.00 - \$27.00	\$22.00	(\$5.00) - \$7.00
Referral Fee	\$7.15	\$3.60	(\$3.55)

In addition to the proposed fee changes, the RFP includes several other changes to improve service to the public and program oversight:

- ◆ Provides a cost of living adjustment for towing and storage rates based on the Consumer Price Index, adjusted on the anniversary of the agreement
- ◆ Requires more detailed record keeping by tow companies
- ◆ Revises the discipline for lapse of insurance from termination of the agreement to suspension.
- ◆ Revises the disciplinary procedures for tow contractors passing on or refusing tow service requests
- ◆ Delays contractor suspensions pending the appeal hearing
- ◆ Requires improvements to tow facility for customer comfort (e.g. adequate parking, public restrooms, seating area, etc.)
- ◆ Requires mandatory participation in Pull Notice Program (whereby employers receive notice from DMV whenever employee driver's license status changes)
- ◆ Requires tow vehicles to conform to California Highway Patrol published standards
- ◆ Establishes a \$100 penalty for tow operators each time a citizen is overcharged

Over the past year, a series of meetings have been held between Police Department staff and representatives of the tow industry. Issues such as response time, equipment standards, and tow fees were discussed. Tow operators were provided the opportunity to provide input and express concerns on any matter related to the tow agreement. Several comments and concerns have been included in the development of the RFP.

## FINANCIAL CONSIDERATIONS

The Tow Services Program is fully funded by fees generated by the program. The proposed fees will continue to cover the direct operating costs for the program. The annual revenue for the tow services referral fee is approximately \$60,600.

## ENVIRONMENTAL CONSIDERATIONS

The actions recommended in this report are exempt from CEQA.

## POLICY CONSIDERATIONS

Standard fees will prevent citizens from paying different rates for the same service depending on which contractor is dispatched for the tow. The proposed fees to be charged by companies participating in the Rotational Tow Agreement are consistent with the California Vehicle Code related to tow services.

## ESBD EFFORTS

The Rotational Tow Agreement is open to all tow companies who meet the City's minimum requirements and are willing to provide service for the rates set forth in the RFP. There is no limit on the number of participants. Proposing businesses will be encouraged to apply for ESBP certification.

Respectfully Submitted,



ARTURO VENEGAS, JR  
Chief of Police

RECOMMENDATION APPROVED:



ROBERT P. THOMAS  
City Manager

## Exhibit 1 – Agency Survey

**As of: July 2000**

Population	Agency	Tow Fee	Storage Fee	Referral Fee
402,000	Fresno PD	\$60.00	\$12.50	None
221,000	Bakersfield PD	\$50.00	\$8.00	None
753,000	San Francisco PD	\$105.50	\$29.75	\$15.00
850,000	San Jose PD	\$90.00	\$25.00	\$15.00
185,000	Modesto	\$60.00 day \$70.00 Night	\$15.00	None
372,000	Oakland	\$79.70	\$28.00	None
384,000	Ventura	\$110.00	\$20.00	\$25.00
1,082,900	San Diego	\$82.00	\$18.00	\$39.00
	<b>Averages</b>	\$80.28	\$19.53	\$11.75

APPROVED  
JAN 30 2001  
OFFICE OF THE  
CITY CLERK

RESOLUTION NO. 2001-070

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION RELATED TO THE ISSUANCE OF A REQUEST FOR PROPOSALS  
FOR TOW SERVICES WITH THE CITY OF SACRAMENTO**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:**

The Sacramento Police Department is authorized to issue the Request for Proposals to tow companies to participate in the Sacramento Police Department's Rotational Tow Agreement.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_