

2014



CULVER CITY POLICE DEPARTMENT

TOW SERVICE AGREEMENT/FRANCHISE FEE FEASIBILITY STUDY

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FEASIBILITY STUDY

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Introduction

PURPOSE

The purpose of conducting a **Tow Service Agreement (TSA)/Franchise Fee** feasibility study is to explore the consideration of the Culver City Police Department (CCPD) entering into a formal agreement for tow service and the possibility of franchise fee application. The results of this study are to be presented to the Chief of Police for further consideration.

BACKGROUND

The Culver City Police Department (CCPD) does not currently have a TSA or franchise fee with any tow service. Historically, rotation tow service has been requested and provided by local tow companies on an “as needed” basis.

Tow companies located within the City of Culver City are:

- 1) Redwood Towing
- 2) Southside Tow Service
- 3) Goodman’s Towing
- 4) All City Tow Service

Redwood Towing is a very small tow service with limited vehicle storage capacity and light-duty tow units. As a result, it has been over 10 years since CCPD has utilized Redwood Towing for tow service.

Southside Tow has very limited storage capacity and stores the vast majority of their tows at an off- site facility. CCPD has not utilized Southside Tow for service.

The evolution of informal tow service criteria including the following conditions has resulted in CCPD’s current usage of tow service provided entirely from Goodman’s Towing/All City Tow Service:

- Both tow facilities are located within the city of Culver City which enables them to provide rapid response to CCPD requests for service.
- All City Tow Service provides comprehensive tow service (light duty, medium duty, heavy duty, and lowboy service) that is not offered by any other Culver City tow service.
- CCPD has been provided excellent service by Goodman’s Towing/All City Tow Service for many years without complaint.
- Goodman’s Towing has an ongoing TSA with the California Highway Patrol (CHP) and Marina Sheriff’s which means they are continually monitored for compliance with said agreement. As a result, Goodman’s Towing facilities/equipment are inspected on an annual basis, drivers are thoroughly screened and enrolled in the Employer Pull Notice

(EPN) program, and reasonable rates approved by the CHP are applied to CCPD authorized tows.

Although they exist as separate companies, Goodman's Towing and All City Tow are commonly owned and operated (all calls for service are routed through Goodman's). For purposes of this study, both entities are to be included when reference is made to "Goodman's Towing."

All City Towing has been providing tow service for over 20 years. A GPS-based system dispatches the closest truck to calls for service, ensuring the fastest possible response time. Their tow unit operators are experienced and specialize in damage-free towing. They also have a 24-hour secure vehicle storage facility including designated space for police evidence holds.

Vendor invoices from Goodman's Towing have consistently remained well under \$30,000. Tow related invoices totaled \$5,783 for FY 2010-11, \$10,298 for FY 2011-12, and \$4,218 for FY 2012-13.

Associated administrative costs of our current impound program are recouped through administrative release fees that are imposed on the vehicles' registered owner(s). The administrative release fee is charged by CCPD pursuant to Sections 14602.6, 22651(h), 22651(o), 22651(p), or 22655.5 of the California Vehicle Code.

CCPD administrative release fees for FY 2012-13 are set at:

- \$175 Non-commercial passenger vehicles
- \$225 Commercial vehicles (GVWR in excess of 10,000 lbs.)
- \$200 Investigative impound
- \$100 Stored vehicles (no charge for GTA victims)

Said charges are in accordance with and by the authority of Section 22850.5 of the California Vehicle Code:

22850.5. (a) A city, county, or city and county, or a state agency may adopt a regulation, ordinance, or resolution establishing procedures for the release of properly impounded vehicles and for the imposition of **a charge equal to its administrative costs relating to the removal, impound, storage, or release of the vehicles.** Those administrative costs may be waived by the local or state authority upon verifiable proof that the vehicle was reported stolen at the time the vehicle was removed.

Adjustments to the CCPD impound fee schedule in 2011 and augmented in 2012 have closed potential gaps in our administrative cost recovery rate (single fee prior to FY 2011-12 was set at \$125.00).

CCPD currently tows an average of 60 vehicles per month. Those tows are typically comprised of stored vehicles, impounded commercial vehicles, and impounded passenger vehicles. Of the impounded vehicles requiring release from CCPD, not all vehicles are redeemed by registered owners (hence no release fee assessed). Redemption rates are approximately 86%.

CCPD generated tows have decreased over the past few years. CCPD impounded approximately 1200 vehicles during FY 2010-11, 1000 vehicles in FY 2011-12, and 850 vehicles in FY 2012-13. This is likely correlated to a decrease in police personnel. However, as a result of improved cost recovery measures taken in FY 2011-12 in the form of vehicle release fee increases, the department has since recovered \$150,000 for FY 2011-12 and \$148,000 for FY 2012-13 as compared to \$91,000 in FY 2010-11.

CCPD has traditionally impounded more heavy duty vehicles than surrounding agencies with the exception of Santa Monica. These impounds are the result of CCPD's Commercial Enforcement Section which has traditionally been operated by two Culver City Police Officers assigned to the Traffic Bureau. Since October 2011 this program has been operated by only one officer and as a result, related impounds have decreased by approximately 50%.

OVERVIEW

CCPD's tow service has been without the protection of a formal TSA. Maintaining CCPD's current tow service arrangement may bear the consequence of future complications without the safeguard of protective terms set forth in a TSA.

For the aforementioned reason, the formalization of a TSA should be explored. A TSA has the advantage of ensuring the City's motoring public and CCPD receive, and continue to receive, efficient and quality service for all tow services. In addition, a written contract is in line with overall City policy regarding written contracts with vendors.

INDUSTRY POINT OF VIEW

Over the past decade, an increasing number of police departments have turned toward Tow Service Agreements (often inclusive of a rotation tow program) in an effort to ensure quality service at a fair rate. In order to ensure vendor compliance with the extensive criteria set forth in a TSA, ongoing administrative oversight is necessary. In an effort to offset costs to monitor the Rotation Tow Program, periodically audit and inspect records, administrate complaints, and other administrative costs, some police departments have implemented a franchise fee as part of their TSA. Said fees are in accordance with and by the authority of Section 12110 of the California Vehicle Code:

12110. (a) Except as provided in subdivision (b), no towing service shall provide and no person or public entity shall accept any direct or indirect commission, gift, or any compensation whatever from a towing service in consideration of arranging or requesting the services of a tow truck. As used in this section, "arranging" does not include the activities of employees or principals of a provider of towing services in responding to a request for towing services.

(b) Subdivision (a) does not preclude a public entity otherwise authorized by law from requiring a fee in connection with the award of a franchise for towing vehicles on behalf of that public entity. **However, the fee in those cases may not exceed the**

amount necessary to reimburse the public entity for its actual and reasonable costs incurred in connection with the towing program.

There are several reasons cities may find a Rotation Tow Program and/or the oversight of a TSA beneficial. These reasons vary with each city's unique set of circumstances including:

1. The need to span a large geographical area necessitating multiple tow vendors.
2. The availability of multiple tow vendors who meet service criteria.
3. The existence of tow vendors meeting service criteria that are not Official Police Garages (OPG's) and are not regulated as such under an existing TSA.
4. Available OPG vendors' existing TSA regulations do not meet desired TSA specifications.
5. The City's tow volume is at such a high level that the imposition of a franchise fee is necessary to offset TSA oversight and is agreeable to available tow vendor(s).

Because of the variety of individual factors affecting each individual city, police departments typically have a distinctive manner in which they have constructed their tow arrangements. Although the City of Los Angeles' Official Police Garages (LAOPG) is the "model program that many government administrators go to for solutions regarding municipal towing and storage issues," the City of Los Angeles' considerations are massive and not generally reflective of a small municipal entity such as Culver City. Santa Monica and Beverly Hills are instead discussed for obvious geographic and demographic considerations, and Fullerton is discussed for purposes of process examination.

Santa Monica

Neighboring Santa Monica P.D. has an informal rotation tow program (no contract, no franchise fee) with Tip Top Tow, Pacific Towing, and Wilson & Vallely Towing. All three tow companies are located within the city of Santa Monica. The notion of a formal contract was entertained in years past, but was dismissed due to difficulties in coming to agreeable terms with the three tow companies. Santa Monica charges an aggressive release fee (\$127.00 for general impounds, \$861 for 30-day holds) to offset administrative costs of their tow program.

Beverly Hills

Beverly Hills P.D. maintains a City owned garage for 30-day impounds and has a formal contract with Tip Top Tow. Tip Top Tow provides tow service to the Beverly Hills garage for the 30-day impounds, and transports all other vehicles to their Santa Monica facility. Tip Top Tow also contracts as an OPG for Santa Monica and the California Highway Patrol. Although Beverly Hills entertained the idea of implementing a franchise fee, they elected not to as they felt there was no legal cause (their release fees, like Culver City's, are set at a level which covers the cost of their tow program – \$114 for all impounds except investigative holds set at \$154).

Both Beverly Hills P.D. and Santa Monica P.D. must call an outside tow agency when in need of heavy duty or super heavy duty tow service. Goodman's Towing/All City Tow is one such source for these requests.

In 2010, Beverly Hills submitted a RFP for tow services. The impetus for the RFP was an attempt to find a vendor that would lease and man the Beverly Hills lot, resulting in 100% of vehicles stored in Beverly Hills rather than distant West Los Angeles. This request was the direct result of pressure from unhappy Beverly Hills residents/visitors having to retrieve their car from an inconvenient location. Revenue increase was also a major consideration for this innovative RFP. Only two tow service providers (Goodman's Tow and Quick Silver) responded to the Beverly Hills RFP, and neither was in agreement with the terms of leasing the Beverly Hills garage as it was cost prohibitive. The end result was an extension of the pre-existing contract with Quick Silver tow for continued tow service.

Fullerton (*Note: Data current as of 2012*)

Fullerton covers 22.3 square miles and has a monthly tow volume of approximately 260 vehicles. Fullerton P.D. historically utilized Anaheim Fullerton Towing for general tow service. Fullerton charged vehicle owners a release fee of \$75 and Anaheim Fullerton Towing charged vehicle owners an uncommonly low industry rate of \$75. At accident scenes where no AAA existed, an informal rotation tow (no preference tow) from 6 different companies was utilized (approximately 15 tows per month). According to Fullerton staff, this became problematic as no rate controls existed, and each company charged vehicle owners varying fees.

In an effort to alleviate tow service issues, Fullerton conducted a study to determine what administrative costs were not being recovered under their current fee schedule. It was concluded that approximately \$244,000 (\$75/vehicle) was not recouped through their existing fee schedule. As a result, Fullerton P.D. entered a formal agreement with Anaheim Fullerton Towing in which the tow company agreed to pay a franchise fee of \$75/vehicle. This was only made possible without impacting Anaheim Fullerton Towing as they raised their rates to competitive market status (\$168 tow fee). Fullerton did not raise their release fee, which remained at \$75, further justifying the imposition of a franchise fee to completely offset administrative costs. In January 2011, Fullerton went out to bid with an RFP for tow service. After an exhaustive review of Respondents and an inspection of approximately 60 tow trucks, Fullerton found only two tow services met the requirements of the RFP (their current service provider, Anaheim Fullerton Towing, included).

CONSIDERATIONS

Attempts from Police/City entities to generate revenue from tow companies have not been without difficulty. Expenses imposed upon tow service businesses are generally agreeable to the tow service only when potential tow demand (minus imposed fees) exceeds a level well above and beyond that which is currently realized. As a result, attempts to seek revenues from tow service vendors has proved challenging.

While franchise fees work well when properly applied (see Fullerton example above), they can also prove problematic if agencies are unable to justify the level of application for which they are imposed.

Other complications of the franchise fee are collection and the agreement of application. The City of Los Angeles has dealt with such issues that have created a serious loss in projected revenue.

CCPD TOW SERVICE OPTIONS

Several options exist for CCPD's future tow services:

1. Maintain status quo – no Tow Service Agreement
2. Formalize a Tow Service Agreement with current provider (Goodman's Towing), no franchise fee required
3. Formalize a Tow Service Agreement with current provider (Goodman's Towing), franchise fee required
4. Request for proposal (RFP) with option of Rotation Tow Program, contract with vendor(s) selected through Culver City's formal bid procedure, no franchise fee required
5. Request for proposal (RFP) with option of Rotation Tow Program, contract with vendor(s) selected through Culver City's formal bid procedure, franchise fee required.

NOTE: Culver City's Professional Services and Formal Bid Procedures are as follows:

CCMC § 3.07.085 PROFESSIONAL AND PERSONAL SERVICES.

A. Except as otherwise provided in this Subchapter, the City may award purchase orders and contracts in any amount for professional or personal services without complying with the provisions of this Subchapter; provided, the purchase order or contract shall be based upon competitive quotations, whenever practical, as determined by the City Manager.

B. For purposes of this Section, professional services shall include, but not be limited to, services of engineers; architects, accountants, attorneys, doctors, and similar professionals when the City is contracting for the skill, integrity, judgment, and/or special technical ability of the professional.

C. For purposes of this section, personal services shall include, but not be limited to:

1. Any communication, gas.-water, electric light and power service or similar utility service;
2. Insurance, postage, freight and courier service;
3. Travel/hotel accommodations, education and training expense;
4. Subscriptions and memberships;
5. Repair or maintenance service for equipment, machinery or other City-owned personal property; and
6. Repair and maintenance service for City-owned or occupied real property and buildings; and
7. Rental of real property or equipment and other personal property.

CCMC § 3.07.075 FORMAL BID PROCEDURE. Except as otherwise provided in this Subchapter, purchases of equipment, goods and supplies of an estimated value of more than thirty thousand dollars (\$30,000.00) shall be by formal sealed written competitive bids. Awards for such expenditures shall be made by the City Council to the Lowest Responsive and Responsible Bidder in accordance with the following provisions:

A. Budget verification. Prior to bid solicitation, the Purchasing Officer shall confirm the requested purchase is identified in the current fiscal year adopted budget. For items not identified in the current fiscal year adopted budget, the requesting City department shall be required to receive City Council approval prior to bid solicitation.

B. Bid specifications. Bid specifications shall be prepared and include the criteria that must be met to be considered the lowest responsive and responsible bidder.

C. Notice inviting bids. Notices inviting sealed bids shall be published in a newspaper of general circulation within the City at least ten (10) days prior to the date set for opening of the bids. In addition, notices inviting bids shall be disseminated to at least three (3) prospective bidders approved by the Purchasing Officer, and all those who have requested to be placed on the bidders list. Notices shall be posted at City Hall and other public posting locations as determined by the Purchasing Officer. Notices shall include a general description of the articles for which bids are being sought, and the time, date and location for submitting and opening of the bids.

D. Bid submittal and bid opening. Sealed bids shall be submitted to the City Clerk and shall be opened in public at the time and place stated in the notice inviting bids. All bids received shall be available for public inspection at the time and place of opening, and thereafter, in the Office of the City Clerk. Bids must be received prior to the bid opening to be considered.

E. Rejection or waiver of bid requirements.

1. The City Council may reject any and all bids-presented and may re-solicit for bids in its discretion.

2. Except as provided in § [3.07.090](#), the City Council may waive any irregularities or informalities in any bid or bidding.

3. Except as provided in § [3.07.090](#), upon determining that conformance with the procedures set forth in this Section would be contrary to the best interests of the City or upon determining that compliance with the procedures would be impractical, the City Council may waive any or all of the requirements of this Section and, if it deems it to be in the City's best interest, authorize a negotiated contract.

CRITERIA

In consideration of the implementation of a Tow Service Agreement, criteria for such an agreement must be established. The following basic criteria are set forth as necessary for the success of available Culver City tow service options:

1. No significant cost to the City of Culver City
2. Minimal addition to workload of existing personnel
3. Provision for efficient and quality tow service at standardized rates

4. Minimal vendor response time

The following basic tow service vendor criteria are set forth as desirable and/or necessary:

1. Vendor must provide light, medium, heavy, and super heavy duty tow service
2. Fees charged for calls originating from CCPD shall be reasonable, valid, and not in excess of those rates charged for similar services provided in response to requests initiated by a public agency or private person.
3. The primary storage facility must accommodate all vehicles stored less than thirty days and include a secure structure for evidence holds.
4. All vendor equipment and facilities, including the primary storage facility, utilized for Culver City service shall be located within one mile of Culver City limits.

Although most cities require tow service operators be located within a 5 mile radius, worsening Los Angeles area traffic conditions make this distance somewhat unreasonable for Culver City residents/businesses/visitors. Additionally, the City of Culver City has demonstrated preference to local businesses:

CCMC § 3.07.060 AWARDS OF CONTRACTS TO LOCAL BUSINESSES. The City shall give preference to a Local Business when awarding any contract for the purchase of equipment, goods or supplies; provided, the Local Business to be awarded the contract will be able to provide equipment, goods or supplies which are equal in quality and meet all bid specifications of the City and of other competing bidders, and the contract to be awarded meets one of the following criteria, as determined by the Purchasing Officer:

A. The difference between bids from the Local Business and a business outside the City is less than the current sales tax benefit the City would receive from the local sales tax; or

B. Any other reason which would reasonably justify selection of Local Businesses based upon criteria which do not illegally discriminate against outside businesses.

SCOPE

This study focuses on options available to CCPD for future tow service arrangements. These options are meant to provide a basis for decision-making that will most benefit the City of Culver City.

Factors unique to the City of Culver City are covered and used for relevant discussion. Information gleaned from outside police agencies is provided as a tool for reference, and neither has the ability nor intention to convey a direct correlation to the position of the City of Culver City.

Basic assumptions include:

- No change in police personnel (number of personnel assigned to existing bureaus and general job description)
- No change in budgetary position
- No major change in services offered by existing tow service companies in/near Culver City
- Criteria as set forth is necessary and/or desirable to the City of Culver City

Discussion

The following discussion will highlight each tow service option as outlined in the overview. Each option will be analyzed and evaluated for its ability to satisfy criteria previously set forth.

OPTION 1 – MAINTAIN TOW SERVICE STATUS QUO

This option calls for no change to CCPD’s current tow service program.

ADVANTAGES

CCPD’s current tow arrangement with Goodman’s Towing meets all the criteria set forth as necessary and/or desirable. There are no complaints or ongoing issues with CCPD’s current tow service. Goodman’s Towing facilities are located within the city of Culver City, and they are the only tow service within several miles of the city that offer heavy duty and super heavy duty tow. Proximity allows for optimal response time. All vehicles are stored on premises (including evidence holds requiring CCPD Forensics’ access) allowing for convenience in the release process to vehicle owners.

Under this option, no oversight is mandatory. Goodman’s is currently under a TSA with the California Highway Patrol (CHP) and has been so for over a decade. They are monitored by the CHP for compliance with their Tow Service Agreement. Areas of oversight include tow operator qualifications, business regulations, response time, storage facilities, tow truck drivers, tow truck classifications (light – super heavy duty), equipment specifications, regular inspections, rates, insurance, compliance with law, and compliance with TSA.

Per the CHP TSA with Goodman’s Towing, fees charged “shall be reasonable, valid, and not in excess of those rates charged for similar services provided in response to requests initiated by a public agency or private person...the operator shall display in plain view at all cashiers stations, a sign as described in Section 3070(d)(2)(E) CC, disclosing all storage fees and charges in force, including the maximum storage rate.” As a result of the aforementioned conditions of the CHP TSA, Goodman’s automatically imposes posted CHP approved rates to CCPD approved tows in an effort to avoid confusion or conflict during vehicle release.

DISADVANTAGES

Although CCPD’s current tow arrangement with Goodman’s Towing meets all the criteria set forth as necessary and/or desirable, it is without the protection of a formal TSA. Maintaining

CCPD's current tow service arrangement may bear the consequence of future complications without the safeguard of protective terms set forth in a TSA.

CCPD's current tow arrangement also does not allow for periodic inspection/oversight of Goodman's place of business and/or equipment. While the CHP may currently oversee requirements of their TSA with Goodman's, CCPD is not privy as to when/if this oversight occurs and that inspections meet Culver City expectations.

The lack of a TSA with Goodman's does not ensure future control over rates, response time, or any specifications to be adhered to in such agreement. This puts CCPD in a position of vulnerability in regards to future business expectations.

OPTION 2 -TSA WITH CURRENT TOW PROVIDER, NO FRANCHISE FEE

This option maintains status quo (see OPTION 1) with the exception of formalizing a TSA between CCPD and Goodman's Towing.

ADVANTAGES

CCPD's current tow arrangement with Goodman's Towing meets all the criteria set forth as necessary and/or desirable, and would be positively impacted by the added protection of a formal agreement. The safeguard of protective terms set forth in a TSA would ensure the City's motoring public and CCPD receive and continue to receive efficient and quality service for necessary tow services.

All disadvantages addressed under OPTION 1 would be remedied by OPTION 2. This option allows for the continuance of a positive business relationship that best services the public and police department.

Oversight would be on an "as needed" basis, allowing CCPD the freedom to conduct inspections as deemed necessary or desired. As police resources are already stretched thin, this flexible oversight minimizes departmental time/labor burden. By not imposing a franchise fee, Goodman's Towing continues to operate at a profitable level and the continuance of a positive business relationship with the City of Culver City remains intact. .

DISADVANTAGES

A TSA that is agreeable to both parties must be constructed. Future ongoing TSA maintenance (renewal and revision) would also be necessary.

No franchise fee is collected under OPTION 2. The projected oversight of this option is very minimal, and associated costs are expected to be negligible.

OPTION 3 -TSA WITH CURRENT TOW PROVIDER, FRANCHISE FEE

Option 3 provides for a TSA with Goodman's Towing with the addition of a franchise fee.

ADVANTAGES

As with OPTION 2, CCPD's current tow arrangement with Goodman's Towing meets all the criteria set forth as necessary and/or desirable, and would be positively impacted by the added protection of a formal agreement. The safeguard of protective terms set forth in a TSA would ensure the City's motoring public and CCPD receive and continue to receive efficient and quality service for necessary tow services.

The imposition of a franchise fee would offset any costs incurred by the implementation and oversight of a TSA.

DISADVANTAGES

Ongoing oversight of the TSA would be mandatory in order to legally justify the charge of a franchise fee. Police resources are already stretched thin and additional oversight increases the time/labor burden to the department.

The franchise fee cannot utilize administrative costs that are already covered through the imposition of vehicle release fees. As CCPD's release fees are established to offset administrative costs, the department does not perceive legal justification for the implementation of a franchise fee. Implementation of a franchise fee would necessitate either the creation of new costs (additional personnel and/or workload) or a decrease in current vehicle release fees.

By imposing a franchise fee, Goodman's Towing takes a direct loss as there is no viable way for the business to recoup this expenditure. The City of Culver City has a relatively low tow demand level, further making such an arrangement unfeasible to Goodman's Towing.

As with OPTION 2, time and effort must be spent to formulate a TSA that is agreeable to both parties. Future ongoing TSA maintenance (renewal and revision) would also be necessary.

OPTION 4 – REQUEST FOR PROPOSAL, NO FRANCHISE FEE

This option calls for the City of Culver City to invite prospective respondents to submit proposals for the provision of tow services.

ADVANTAGES

OPTION 4 allows for all qualified respondents to be considered for contract award. It is unknown whether this option would meet all the criteria set forth as necessary and/or desirable. Businesses selected for award are bound by contract that seeks to ensure quality service and controlled rates. The safeguard of protective terms set forth in a signed contract would inhibit future concerns.

Administrative oversight would ensure the terms of the contract are strictly adhered to, to the satisfaction of the City of Culver City. By not imposing a franchise fee, businesses are not concerned with the ability to continue operating at a profitable level.

DISADVANTAGES

An RFP must be created and sent through necessary channels for presentation. Proposals must then be reviewed and considered for contract award. As part of this time consuming process, tedious inspections must be completed of each business and of all equipment operated by these businesses.

Facility location, tow distance, lack of evidence storage, and lack of heavy duty tow are several reasons most vendors will not meet set criteria. For this reason, although many vendors are likely to submit a proposal, they are likely to be disqualified during the review process.

CCPD also runs the risk of their current vendor not submitting a proposal, and losing the current level of service we have come to expect. Service from a vendor whose premises are located outside the city would result in lost tax revenue to the City of Culver City. Police business such as forensics processing on evidence holds would also bear the burden of greater travel distance and lost time.

OPTION 5 – REQUEST FOR PROPOSAL, FRANCHISE FEE

This option calls for the City of Culver City to invite prospective respondents to submit proposals for the provision of tow services. As part of the final agreement between the City of Culver City and the awarded respondent(s), a franchise fee would be assessed.

ADVANTAGES

OPTION 5 allows for all qualified respondents to be considered for contract award. It is unknown whether this option would meet all the criteria set forth as necessary and/or desirable. Businesses selected for award are bound by contract that seeks to ensure quality service and controlled rates. The safeguard of protective terms set forth in a signed contract would inhibit future concerns.

Administrative oversight would ensure the terms of the contract are strictly adhered to, to the satisfaction of the City of Culver City. The implementation of a franchise fee would offset administrative oversight created by this option.

DISADVANTAGES

An RFP must be created and sent through the necessary channels for presentation. Proposals must then be reviewed and considered for contract award. As part of this time consuming process, tedious inspections must be completed of each business and of all equipment operated by these businesses.

Facility location, tow distance, lack of evidence storage, and lack of heavy duty tow are several reasons most vendors will not meet set criteria. For this reason, although many vendors are likely to submit a proposal, they are likely to be disqualified during the review process.

The current tow level demand created by CCPD may not be at a level which makes the burden of a franchise fee palatable to potential vendors. CCPD also runs the risk of their current vendor not submitting a proposal for this reason, and losing the current level of service we have come to

expect. Service from a vendor whose premises are located outside the city would result in lost tax revenue to the City of Culver City. Police business such as forensics processing on evidence holds would also bear the burden of greater travel distance and lost time.

Ongoing oversight of the TSA would be mandatory in order to legally justify the charge of a franchise fee. Police resources are already stretched thin and additional oversight increases the time/labor burden to the department. The franchise fee cannot utilize administrative costs that are already covered through the imposition of increased vehicle release fees.

Conclusions

Based on option evaluation and analysis, it is concluded that the advantages of the recommended solution must outweigh the disadvantages associated with option recommendation. Of utmost importance is the ability for the selected option to meet criteria set forth as necessary and/or desirable.

Options 1 and 2 meet specified criteria and require little effort to implement. Options 3, 4 and 5 entail significant effort and the prospective advantages of each of these options are outweighed by associated disadvantages.

The resulting option that appears most feasible is **OPTION 2, TSA WITH CURRENT TOW PROVIDER, NO FRANCHISE FEE**. OPTION 2 requires minimal preparation and ongoing administrative oversight, and ensures that CCPD continues to receive excellent local tow services with the protection of a formal agreement. Vehicle release fees will continue to offset tow program costs in adherence to the California Vehicle Code.

OPTION 2 is feasible and could be implemented fairly quickly. An agreeable TSA to both CCPD and Goodman's Towing will establish expectations and authorizations.

Recommendations

Based on the above conclusions, it is recommended that CCPD proceed with **OPTION 2, TSA WITH CURRENT TOW PROVIDER, NO FRANCHISE FEE**. CCPD should create an agreeable TSA specifying terms and conditions, effective dates, renewal options, and have such agreement signed by relevant parties.

For consistency, it is further recommended that the Culver City TSA closely mirror the California Highway Patrol TSA. This would enable CCPD to quickly prepare a comprehensive TSA and facilitate Goodmans' rapid adoption and conformance as they are currently in compliance with the CHP TSA.

Oversight of the CCPD tow service program should continue at the direction of the CCPD Traffic Bureau Captain. This includes periodic program evaluation for effectiveness and relevance.