

# **CITY OF CARSON TOWING & STORAGE NON-EXCLUSIVE FRANCHISE AGREEMENT**

This TOWING & STORAGE NON-EXCLUSIVE FRANCHISE AGREEMENT is entered into effective the 30<sup>th</sup> day of September, 2017, ("Agreement") by and between CITY OF CARSON, a general law city & municipal corporation ("City") and KRUGER TOWING, INC., a California corporation ("Operator") (collectively, the "Parties").

## **RECITALS**

A. As a material inducement to City entering into this Agreement, Operator represents and warrants that Operator is a first class provider of towing and storage of vehicles as requested by City, and is experienced in performing the work and services contemplated herein. In light of such status and experience, Operator warrants and represents that it shall follow the highest professional standards in performing the work and services required hereunder. For purposes of this Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized by one or more first-class operators performing similar work or services under similar circumstances.

B. This Agreement contains terms and conditions that Operator agrees to comply with in consideration of the non-exclusive and rotational nature of this Agreement.

C. This Agreement does not establish any agency relationship between Operator, City and Operator is not acting as an agent for City when performing services under this Agreement.

D. City intends that all non-cancelled tows requested by City will be dispatched on a one to one rotating basis between Operator and Falcon Towing. That is: one tow to Operator, then the next tow to Falcon Towing, and then the next tow to Operator, and then the next tow to Falcon Towing without a change of interval in an continuous rotation. City's rotation pattern shall be applied to all City requested tows. This Agreement ***shall not apply to*** tows requested or originated by the Los Angeles County Sheriff's Department, Carson Station, or to tows requested by private parties not affiliated with City.

NOW, THEREFORE, in consideration of the foregoing Recitals and the covenants, promises, and undertakings hereafter contained, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

## **AGREEMENT**

### **1. TERM OF AGREEMENT.**

The term of this Agreement is for a three (3) year period commencing on September 1, 2017 and concluding, unless extended by City as authorized herein, on the close of business on August 31, 2020. City, through its manager, shall have the right, in its sole and unfettered discretion, to extend the term of this Agreement by giving notice to

Operator, not later than thirty (30) calendar days prior to expiration of this Agreement, for two (2) additional one (1) year extended terms. In the event City exercises its option to extend the term of the Agreement, all terms, conditions, and provisions of the original Agreement shall remain the same and apply during the extension period, with the exception that (i) the service charges may be renegotiated between City and Operator in good faith, and (ii) City may impose any additional conditions necessary to improve service to the public. If City exercises its option(s) under this Section 1, Operator understands and agrees that, for any extended term of this Agreement, any adjustments (increases or decreases) in rates charged for towing services and/or additional conditions must be approved by the Carson City Council.

**2. INCORPORATION OF CALIFORNIA HIGHWAY PATROL TOW SERVICE AGREEMENT, CHP 234 (01-2013) OPI 061.**

A. Operator's performance of this Agreement shall be governed, unless otherwise provided herein, by the terms and conditions of that certain "Tow Service Agreement, 2016-2017," executed and issued by the State of California Department of California Highway Patrol, CHP 234 (01-2013) OPI 061 (the "CHP Tow Service Requirements") and attached hereto as Exhibit "A," which terms and conditions are expressly incorporated into this Agreement. If, during the term of this Agreement or during any extended term thereto, the California Highway Patrol changes the CHP Tow Service Requirements, Operator shall provide written notice to the City per Section 23 of said changes within thirty (30) days. If the City Manager, in his/her sole discretion, approves of the changes to the CHP Tow Service Requirements, he/she may incorporate said changes into this Agreement by approving of the changes in writing. If, however, the changes to the CHP Tow Service Requirements materially alter the City's monetary or non-monetary obligations in this Agreement, or materially alter the scope or nature of the services provided hereunder, then the City Manager shall present the changes to the City Council for review and approval. It shall be within the discretion of the City Manager to determine if an alteration to the CHP Tow Service Requirements is material..

B. During the entire term of this Agreement, or any extension(s) thereof, Operator shall be a signatory to, approved for, and in good standing with, the CHP Tow Services Requirements, as the same may be amended from time to time. No work or services under this Agreement shall commence until Operator has provided City with proof that it is a signatory to and in good standing with the CHP Tow Services Requirements.

C. Where Operator shall be required to perform services hereunder different than, or in addition to, those specified in the CHP Tow Service Requirements, the same shall be specified herein. Where there is a conflict between this Agreement and the CHP Tow Services Requirements, this Agreement shall govern.

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**3. TOW TRUCK CLASSIFICATIONS.**

- A. Operator shall equip, repair, and maintain all tow trucks covered under this Agreement in accordance with the provisions set forth in the CHP Tow Service Requirements. In addition, Operator shall have in its fleet of vehicles and available to provide requested services to City at least three (3) vehicles in each of the following classes of vehicles:
  - 1. Class A - Light Duty. Class A tow trucks shall have a manufacturer's GVWR of at least 14,000 pounds.
  - 2. Class B - Medium Duty. Class B tow trucks shall have a GVWR of at least 26,001 pounds. The truck shall be capable of providing and maintaining continuous air to the towed vehicle.

**4. TOW TRUCK DRIVERS.**

- A. Operator shall comply with the provisions set forth in the CHP Tow Service Requirements.
- B. In addition, Operator shall ensure that tow truck drivers ("Drivers") responding to calls initiated by CITY are qualified and competent employees of Operator. Operator shall ensure that the tow truck Drivers are trained and proficient in the use of the tow truck and related equipment, including, but not limited to, the procedures necessary for the safe towing and recovery of the various types of vehicles serviced through CITY rotation. Tow truck Drivers shall be at least 18 years old and possess the following minimum class Driver license:
  - 1. Class A tow truck - A valid Class C license, or a valid Class A license with valid medical certificate. The Class A license must be endorsed to allow operation of special vehicle configurations and/or special cargoes.
  - 2. Class B tow truck - A valid Class B license for non-regulated vehicles, or a valid Class A license with valid medical certificate for regulated vehicles pursuant to Vehicle Code § 34500.
- C. Operator shall maintain a current list of drivers.
  - 1. Operator shall provide a current list of his/her Drivers to City upon implementation of this Agreement and not less than monthly thereafter. Operator shall notify City in writing upon any change in Driver status, including the addition of any new Driver(s), or the deletion of any Driver(s) and revocation or suspension of a Driver's license. An updated list shall be provided to City within seven (7) calendar days of any change in driver status.
  - 2. Operator shall, at a minimum, maintain the following information for each employee, and provide the same to the Police Chief not less than monthly:

- a. Full name.
  - b. Date of Birth.
  - c. California driver license number and expiration date.
  - d. Copy of valid medical certificate (if required).
  - e. Job title/description.
  - f. Current home address.
  - g. Current home phone number.
  - h. Type(s) of truck(s) driver has been trained and instructed to operate.
  - i. Certificate showing driver is California Tow Truck Association (CTTA) trained.
- D. Drivers must maintain a neat, clean, and professional appearance at all times. Drivers must wear a distinctive uniform with shirttails tucked into the waistband of their pants.

## 5. **RATES.**

- A. As of the effective date of this Agreement, the approved rate structure for all towing, storage, and related services requested by CITY is contained in the CHP Tow Service Requirements and as attached hereto as Exhibit "B" and incorporated herein by reference.
- B. Operator agrees that it shall provide, at no cost to City, roadside service to City vehicles up to one (1) ton GVWR as may be requested by City from time to time including, but not limited to, towing, battery services, and tire changes; provided, however, that such roadside service shall occur within the geographic boundaries of City or within ten (10) miles of the geographic boundaries of City. Operator further agrees to tow City's "show mobile" (City's semi tractor-trailer with a mobile stage used for performances, concerts, and exhibits), if any, at no charge, to not more than 25 different locations in any year of this Agreement, provided such locations shall not exceed a distance of ten (10) miles from the show mobile's point of origin.
- C. If Operator charges rates above those approved in Exhibit "B," attached hereto, Operator shall be in violation of the Agreement and subject to termination.

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**6. OPERATOR RESPONSE TO CALLS.**

Operator shall comply with the provisions set forth in the CHP Tow Service Requirements. Operator shall be dispatched to calls according to a rotation system as articulated in Recital D, above.

**7. STORAGE OPERATIONS.**

A. Operator Responsibilities. Operator shall comply with the CHP Tow Service Requirements.

B. In addition, Operator shall comply with each of the following requirements:

1. Operator shall be responsible for all vehicles stored by Operator, together with all accessories and equipment on each vehicle and all personal property in each vehicle. It shall be Operator's responsibility to protect the stored equipment and property against loss or damage by fire, theft, weather or other causes. In the event of loss or damage to a stored vehicle, its accessories or equipment, or personal property contained in the vehicle, Operator shall be responsible to the owner for all losses or damages. Personal property in vehicles stored by Operator shall not be disposed of to defray any charges for the towing or storing of a vehicle; and, if not called for by the owner within thirty (30) days after date of notice by City of impound or storage, all such property shall be disposed of in accordance with all State, County and Municipal laws, statutes, ordinances and regulations.
2. Operator shall take all reasonable precautions as directed by City to avoid damage to any evidence, such as finger prints or stains. Vehicles taken into custody that involve evidence shall be stored in a secured locked area which is protected against entry by unauthorized persons. Operator shall park all stored or impounded vehicles in such a manner as to prevent any damage while other vehicles are being moved or parked in the vicinity of said vehicles.

C. Storage Facilities.

1. Operator shall maintain a vehicle storage area to impound towed vehicles large enough to accommodate all vehicles stored less than thirty (30) days. The primary vehicle storage area must have the legal storage capacity for one hundred fifty (150) vehicles.
2. All vehicles impounded or taken into custody by City must be stored by Operator in areas that are enclosed by substantial wire fences or walls that have gates or doors which lock. Such fences or wall enclosures shall be not less than six (6) feet in height and shall have not less than one (1) gate or door of adequate width and height. A fence or wall enclosures shall be maintained and repaired in good condition throughout the term of this

Agreement. Such fences or walls shall be repaired within twenty-four (24) hours of the time of any damage thereto to insure proper protection of the stored vehicles. The storage area must be paved with concrete or asphalt and maintained in good condition. The City Manager, or his/her designee, may modify security requirements necessary to coincide with local conditions.

3. The storage facility shall be open and attended from 8:00 a.m. to 5:00 p.m., Monday through Friday, 8:00 a.m. to 10:00 a. m. on Saturday, Sunday and legal holidays. The storage facility shall have a responsible person on call on a twenty-four (24) hour basis, seven (7) days a week. The designated on-call person(s) shall be available to release vehicles during the hours the storage facility is not open and attended.
4. In addition to the foregoing, Operator shall also comply with Section III of the "Request for Towing and Storage Services" issued by City.

D. Location and Maintenance of Storage Facility.

1. Operator shall maintain and provide a place of business and storage facilities for the vehicles stored under this Agreement within five (5) miles from the boundaries of City, as may be modified from time to time. The business address and primary storage facility shall be located reasonably close to the police station, as determined by the City Manager in his/her sole opinion.
2. The primary storage facility shall be at the same location as the business address. The vehicle and personal property shall be released at a primary storage facility upon request of the owner. Upon proper identification or proof of authority, the owner or his designated representative shall be permitted to remove personal effects from a stored vehicle without reference to any costs or charges pending because of towing or storage of said vehicle.
3. Operator shall furnish the City Manager, or his/her designee, with the addresses of all storage facilities whenever there is a change.
4. All storage facilities shall meet all City land use, zoning ordinance requirements and the specifications stated in this Agreement and shall be approved by City Director of Community Development. All landscaped and paved areas of Operator's premises shall be maintained in a neat and orderly condition with the landscape in a healthy condition and free of weeds and litter. Any graffiti shall be removed within 24 hours of discovery by Operator or notice from the City.
5. Any unpaved storage space shall be kept free of weeds, litter, debris, and any other materials or substances or any automotive parts unless said parts are stored as evidence for the Police Department. Operator shall avoid

contamination of soil with gasoline, oil, grease, or any other contaminating substance as specified by Federal, State, County or Municipal regulations.

6. Operator shall post not less than one outdoor sign at each storage facility, at or near the entrance thereof, identifying Operator's name, telephone number, and the business telephone number of CITY. All such signs shall comply with City's Municipal Codes, and to the satisfaction of its Director of Community Development.
7. In addition to the foregoing, Operator shall also comply with Section IV of the "Request for Towing and Storage Services" issued by City.

## 8. **INSURANCE REQUIREMENTS.**

- A. Operator shall comply with the CHP Tow Service Requirements, except:

(a) The Commercial Business Automobile Liability Insurance will have a combined single limit of not less than \$2,000,000 for each class of tow trucks for bodily injury and property damage coverage;

(b) The Garage Liability Insurance shall have a combined single limit of not less than \$2,000,000

- B. Contractor also shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance with coverage limits of no less than \$2,000,000 per occurrence for bodily injury and property damage. If Commercial General Liability Insurance or other form with a general limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Coverage for an additional insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits.

(b) On Hook Physical Damage Liability Insurance. A policy of on hook physical damage insurance with limits of not less than \$150,000 per vehicle.

(c) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits, limits, deductibles, self-insurance retentions, or similar forms of coverage limitations or modifications as required by state law.

- C. No work or services under this Agreement shall commence until Operator has provided City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or

binders are approved by City. Proof of insurance certificates must be sent directly to the City Clerk's Office. All of the above policies of insurance shall be primary insurance and shall name City, its officers, employees and agents as additional insureds through an Insurance Endorsement. The insurer shall waive all rights of subrogation and contribution it may have against City, its representatives, officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that said insurance may not be amended or cancelled without providing thirty (30) days prior written notice by registered mail to City. In the event any of said policies of insurance are cancelled, Operator shall, prior to the cancellation date, submit new evidence of insurance to City.

**9. INSPECTIONS.**

Operator shall comply with the CHP Tow Service Requirements.

**10. BUSINESS RECORDS.**

- A. Operator shall maintain records, at its place of business, relating to tow services furnished under this Agreement, including a description of vehicles, nature of service, tow truck Driver's name, start time, end time, location of call, and itemized costs of towing and storage.
- B. Operator shall also maintain business records relating to personnel, insurance, personnel taxes, payroll, applicable operating authorities, local operating authorities, lien sale actions, FCC licensing, and non-City tows.
- C. City may inspect all Operator City business records related to performance of the Agreement without notice during normal business hours.
- D. Operator shall permit City to make copies of business records at their place of business, or to remove business records for the purpose of reproduction. City shall provide a receipt for any (original) records removed from the place of business.
- E. Records shall be maintained and available for inspection for a period of two years plus the current term of this Agreement.
- F. Failure of Operator to comply with the records requirement shall be cause for termination of this Agreement.
- G. Operator shall notify City monthly in writing of all vehicles that have been sold via Lien Sale.

**11. PROHIBITION AGAINST SUBCONTRACTING OR ASSIGNMENT.**

The experience, knowledge, capability and reputation of Operator, its principals and employees were a substantial inducement for City entering into this Agreement. Except for towing requiring Class C or Class D tow trucks, Operator shall not contract with any



other entity to perform in whole or in part the services required hereunder without the express written approval of City. As a condition of approval, City may require any subcontractor to provide City with Certificates of Insurance naming City as an additional insured and other documentation of compliance with Vehicle Code provisions applicable to a towing operation, such as current inspection reports by CHP. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Operator, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release Operator or any surety of Operator of any liability hereunder without the express consent of City. City's consent to one assignment shall in no way be deemed to be acceptance to any further assignment.

## **12. DEMEANOR AND CONDUCT.**

- A. While involved in City requested tow operations, Operator and/or its employees shall refrain from any act(s) of misconduct, to include, but not limited to, any of the following:
  - 1. Rude or discourteous behavior.
  - 2. Lack of service, selective service, or refusal to provide service which 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 alcohol and/or drug use.
  - 6. Appearing at the scene of a City tow call with the odor of an alcoholic beverage emitting from his/her breath. Operator/tow truck Driver shall submit to a preliminary alcohol screening test upon demand of City.
- B. All City related tow service complaints received by City against Operator (or its employees) will be accepted and investigated in a fair and impartial manner. In any event, Operator will be notified of the results of any investigation.

## **13. COMPLIANCE WITH LAW.**

- A. Operator, and its employees, shall, at all times, comply with all federal, state, and local laws and ordinances, which include, but are not limited to, those laws which are applicable to Operator as promulgated by the California Department of Transportation, the California Highway Patrol, and industry practices endorsed by

the California Tow Truck Association (refer to Exhibit "A" for selected California Vehicle Code Sections for general guidelines).

1. In the event of a misdemeanor traffic violation(s) by Operator's tow truck Driver(s) which is/are known by City, Operator shall be advised of the violation(s) by City. Operator will be granted the opportunity to take necessary steps to ensure that such Driver(s) drives in compliance with law. Any subsequent traffic violation(s) may be cause for termination of this Agreement and/or suspension of involved employee(s).
  2. Any traffic violation(s) involving a felony may be cause for termination of this Agreement and/or suspension of the involved employee.
- B. The provisions contained herein do not preclude City from taking appropriate enforcement or administrative action for any violations of law.
- C. Any conviction of Operator or its officers involving a stolen or embezzled vehicle, fraud related to the towing business, stolen or embezzled property, a crime of violence, a drug related offense, felon driving while under the influence of alcohol and/or a drug, misdemeanor driving while under the influence of alcohol and/or a drug while involved in a City requested tow, shall be cause for declaring a default of this Agreement.
- D. Any conviction of an employee of Operator involving a stolen or embezzled vehicle, fraud related to the towing business, stolen or embezzled property, a crime of violence, a drug related offense, felony driving while under the influence of alcohol and/or a drug, misdemeanor driving while under the influence of alcohol and/or a drug while involved in a City requested tow, shall be cause for declaring a default of this Agreement.
- E. Operator, its officer(s), agent(s), or employee(s), arrested/charged for a violation involving any of the above crimes may be suspended until the case is adjudicated.

14. **LICENSES, PERMITS & FRANCHISE FEE.**

- A. Operator shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Operator shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the performance of the services requested by this Agreement.
- B. Operator shall, in consideration of this Agreement, pay to City an annual Franchise fee of Twenty-Five Thousand Dollars (25,000.00) due and owing within five (5) business days of September 1 of each contract year of this Agreement.

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**15. ADVERTISING.**

- A. Operator shall not display any sign or engage in any advertisement indicating an official or unofficial connection with City.
1. Examples include, without limitation, "Official Carson Tow," "Approved by Carson," "Carson Tow."
  2. The provisions under this Section 15 shall not preclude the City Manager, or his/her designee, from implementing a system to mark and identify particular tow trucks as having passed City inspection.

**16. TERMINATION OF AGREEMENT FOR CAUSE.**

- A. Notice & Cure. A Non-Defaulting Party in its discretion may elect to declare a default under this Agreement in accordance with the procedures hereinafter set forth for any failure or breach of the other Party ("Defaulting Party") to perform any material duty or obligation of said Defaulting Party under the terms of this Agreement. Events of default include, without limitation:
1. Overcharging by Operator
  2. Failure by Operator to respond to calls as required, meet the maximum response time requirements set by the CHP Tow Service Requirements, meet the Average Response Time on a regular basis, or perform the required towing or service as required by this Agreement;
  3. Failure of Operator to maintain the minimum insurance requirements as set forth in the Agreement;
  4. Driver misconduct or criminal violations identified hereinabove;
  5. The prohibited transfer or subcontracting/assignment of services in violation of this Agreement;
  6. Failure to maintain all permits, licenses, or certifications required by law;
  7. Failure to maintain storage operations in a secure, safe, neat and clean condition; or
  8. A violation of the Biennial Inspection of Terminals (BIT) Program requirements.

The Non-Defaulting Party must provide written notice to the Defaulting Party setting forth the nature of the breach or failure and the actions, if any, required by Defaulting Party to cure such breach or failure ("Default Notice"). The Defaulting Party shall be deemed in "Default" under this Agreement, if said breach or failure can be cured, but the Defaulting Party has failed to take such actions and cure such breach or failure within

thirty (30) calendar days after the date of such notice ("Cure Period"). However, if such non-monetary breach or failure cannot be cured within such Cure Period, and if and, as long as the Defaulting Party does each of the following:

1. Notifies the Non-Defaulting Party in writing with a reasonable explanation as to the reasons the asserted Default is not curable within the thirty (30) calendar day period;
  2. Notifies the Non-Defaulting Party of the Defaulting Party's proposed cause of action to cure the Default;
  3. Promptly commences to cure the Default within the thirty (30) calendar day period;
  4. Makes periodic reports to the Non-Defaulting Party as to the progress of the program of cure; and
  5. Diligently prosecutes such cure to completion.
- B. Termination. Upon receiving a Default Notice, should the Defaulting Party fail to timely cure any Default, or fail to diligently pursue such cure as prescribed above, or should the default prove uncurable or persistent after attempted cure, the Nondefaulting Party may, in its discretion, provide the Defaulting Party with a written notice of intent to terminate this Agreement for cause ("Termination Notice"). The Termination Notice shall state that the Nondefaulting Party will elect to terminate this Agreement within thirty (30) calendar days (or less) and state the reasons therefor (including a copy of any specific charges of Default) and a description of the evidence upon which the decision to terminate is based. Except as otherwise provided herein, upon such termination all executory obligations under this Agreement that accrue or arise subsequent to the date of termination shall also terminate, but obligations that have accrued or arisen prior to such termination shall remain in full force and effect.
- C. Rights & Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of its rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same Default or any other Default by the other party.
- D. No Waiver. Except as otherwise provided in this Agreement, waiver by either party of the performance of any covenant, condition, or promise shall not invalidate this Agreement, nor shall it be considered a waiver of any other covenant, condition, or promise. Waiver by either party of the time for performing any act shall not constitute a waiver of time for performing any other act or an identical act required to be performed at a later time. The delay or forbearance by either party in exercising any remedy or right as to any Default shall not operate as a waiver of any Default or of any rights or remedies or to deprive such party of its right to institute and maintain any actions or proceedings

which it may deem necessary to protect, assert, or enforce any such rights or remedies.

- E. Suspension Form Rotation. City may suspend Operator from its participation in the rotation for any period in which Operator is in default of this Agreement, including without limitation, while (i) Operator is in the process of curing a default or pending the cure periods set forth above, or (ii) pending any investigation of a default. City will use reasonable, good faith efforts to conduct investigations identified in this Section without unreasonable delay. City shall promptly notify Operator of its intent to suspend Operator's services under the rotation list in a writing stating the grounds for such suspension.

**17. TERMINATION FOR CONVENIENCE.**

Notwithstanding any other termination rights in this Agreement, City may elect, in its sole discretion, to terminate this Agreement, with or without cause, upon thirty (30) days advance written notice to Operator. Operator may elect, in its sole discretion, to terminate this Agreement, with or without cause, upon ninety (90) days advance written notice to City. Where the City determines to terminate this Agreement without cause, the period of notice may be such shorter time as may be determined by City. Upon receipt of any notice of termination from the City, Operator shall immediately cease all services hereunder except such as may be specifically approved or directed by City. Termination pursuant to this Section shall be performed without liability on behalf of City.

**18. COMPENSATION.**

Operator agrees to perform the services herein and to receive, as full payment, the rates described in Exhibit "B" as the same may be modified from time to time only if the Parties agree in writing.

**19. INDEMNIFICATION.**

Operator agrees to indemnify City, its officers, agents, and employees against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, including paying any legal costs, attorneys' fees, or paying any judgment (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work or services of Operator, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the negligent acts or omissions of Operator hereunder, or arising from Operator's negligent performance of or failure to perform any term, provision covenant or condition of this Agreement, but excluding such claims or liabilities to the extent caused by the active negligence or willful misconduct of City.

**20. ATTORNEY'S FEES.**

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in

such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

**21. CORPORATE AUTHORITY.**

- A. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) such party is authorized to execute and deliver this Agreement on behalf of said party, (iii) entering into this Agreement is not contrary to the contentions of any party in any litigation involving the parties hereto, (iv) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (v) the entering into this Agreement does not violate any provision of any other Agreement to which such party is bound.
- B. Operator, and the agents and employees of Operator, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of City.

**22. NOTICE.**

Any notice, demand, request, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail to the address set forth immediately below as to City, and the address following the signatures below as to Operator. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing, if mailed as provided in this Section.

To City: City of Carson  
701 East Carson Street  
Carson, CA 90745  
Attn: City Manager

Copy to: Aleshire & Wynder, LLP  
18881 Von Karman Ave Ste. 1700  
Irvine, California 92612  
Attn: Sunny Soltani, Esq.

**23. INTERPRETATION.**

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. All recitals preceding the terms of this Agreement are incorporated into the terms hereof and understood as binding obligations.

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**24. INTEGRATION; AMENDMENT.**

It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

**25. SEVERABILITY.**

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

**26. NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES.**

No officer or employee of City shall be personally liable to Operator, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Operator or to its successor, or for breach of any obligation of the terms of this Agreement.

**27. CONFLICT OF INTEREST.**

No officer or employee of City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. Operator warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

**28. COVENANT AGAINST DISCRIMINATION.**

Operator covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Operator shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

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29. AMENDMENTS.

The terms of this Agreement may be modified only by written amendment executed by both Parties hereto.

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the date stated in hereinabove in this Agreement.

"CITY"

CITY OF CARSON,  
a general law city & municipal corporation

\_\_\_\_\_  
City Manager


Attest:

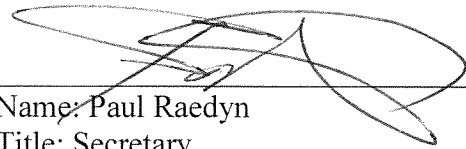
\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:  
ALESHIRE & WYNDER, LLP

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

"OPERATOR"  
KRUGER TOWING, INC., a California  
corporation

  
\_\_\_\_\_  
Name: Joe Gonzalez  
Title: President

  
\_\_\_\_\_  
Name: Paul Raedyn  
Title: Secretary

Address: 17803 South Santa Fe Avenue,  
Rancho Dominguez, Cal. 90221  
Telephone: 310.639.3107  
Fax: 310.635.4877  
E-mail: krugertowman@sbcglobal.net

[END OF SIGNATURES]



**EXHIBIT "A"**  
**TOW SERVICE AGREEMENT, 2016-2017,**  
**STATE OF CALIFORNIA DEPARTMENT OF CALIFORNIA HIGHWAY PATROL,**  
**CHP 234 (01-2013) OPI 061**

**[This Page Left Intentionally Blank – CHP Agreement Follows This Page]**

## **EXHIBIT "B"**

### **KRUGER TOWING RATES FOR TOWING AND STORAGE SERVICES**

1. The following rate structure shall apply for all towing and storage services requested by City shall be applicable for the term commencing on September 1, 2017 and apply through the remainder of the Initial Term of this Agreement (except as specified in the Agreement relating to an extended term):

- A. LIGHT DUTY TOWING RATE: \$155.00 PER HOUR  
(No Minimum)

The base rate per tow shall apply to all towed passenger vehicles and trucks rated at less than 10,000 lbs. gross vehicle weight. This rate also applies to difficult removal work involving the removal of vehicles from deep ditches or flood control channels or burning apart of two entangled vehicles.

- B. MEDIUM DUTY TOWING RATE: \$255.00 PER HOUR  
(No Minimum)

The two (2) axle category shall apply to all towed vehicles with a rate capacity of 10,000 lbs. gross vehicle weight to, but not including, vehicles with 30,000 lbs. gross vehicle weight.

- C. HEAVY DUTY TOWING RATE: \$345.00 PER HOUR  
(No Minimum)

The three (3) axle hourly rate shall apply to all towed vehicles with a rate capacity of 30,000 pounds gross vehicle weight or more.

The hourly rate for medium and heavy duty towing (two and three axle) shall commence when the tow truck arrives on the scene and includes difficult removal work involving the removal of vehicles from deep ditches or flood control channels, burning apart two entangled vehicles, up righting overturned vehicles, and the use of special equipment and preparation prior to towing.

- D. STORAGE/SERVICE/FUEL:

- 1) Automobiles \$50.00 Per Day
- 2) Motorcycles \$50.00 Per Day
- 3) Trucks, light duty -- \$50.00 Per Day
- 4) Trucks, medium duty -- \$55.00 Per Day
- 5) Trucks, heavy duty -- \$65.00 Per Day

- 6) Service Call -- \$77.50 Per Call
- 7) Fuel Charge -- \$10.00 Per Call

The above standard rates apply per vehicle for storage per twenty-four hour period, or any portion thereof.

E. ADDITIONAL CONDITIONS:

- 1) Above towing charges shall apply regardless of the location from which the tow is made or the location of the storage area or garage where the vehicle is delivered.
- 2) There shall be no additional charge for disconnecting a drive shaft where required for towing.
- 3) The service of reconnecting the drive shaft, in the event such reconnecting is necessary, shall be performed without additional charge.
- 5) Except for the towing and storage set forth in this Exhibit, there shall be no additional or ancillary charges, of any kind, including, but not limited to, charges for "lock-out fees," "dolly fees," "non-hazardous waste/collision clean-up fees," or "go-jack fees."

F. RATE SCHEDULE:

- 1) The rates charged by Operator for towing and storage services shall be applicable for the term of this Agreement. Should there be a dispute regarding the fees and charges for towing and/or storage of vehicles or other charges, said dispute shall be decided by the City Manager, or his/her designee. Such decision by the City Manager, or his/her designee, shall be final and binding upon Operator; and Operator shall not make any demand upon the owner of the vehicle for a sum in excess of the amount determined by the City Manager, or his/her designee.
- 2) Posting Rate Schedules. Operator shall post and maintain a sign or signs which have received the approval of the City Manager, or his/her designee, in a conspicuous place or places on Operator's premises, in a location designated by the City Manager, or his designee, which gives notice of:
  - (A) The approved Rate Schedule for towing and storage services under this Agreement, and
  - (B) The method of payment(s) which are acceptable, which include credit cards and U. S. currency, and

- (C) The requirement stating that a written receipt shall be supplied by Operator for amount of payment received, and
- (D) The telephone number and address of the City Manager, or his/her designee.

**2016 — 2017**

**TOW SERVICE**

**AGREEMENT**

**JULY 2016**

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**STATE OF CALIFORNIA  
DEPARTMENT OF CALIFORNIA HIGHWAY PATROL  
TOW SERVICE AGREEMENT  
CHP 234 (01-2013) OPI 061**

This Tow Service Agreement (TSA) contains terms and conditions that a company agrees to comply with in order to receive and maintain a rotation tow listing with the California Highway Patrol (CHP). Participation in the CHP Rotation Tow Program is voluntary and is not intended to be a main source of income. An operator, by agreeing to participate in the program, does not establish a contractual relationship with the CHP and is not acting as an agent for the CHP or the State of California when performing services under the TSA. Exceptions to compliance with the TSA, shall not be authorized by verbal agreement. Any exceptions shall be documented as a written addendum by the Area commander, with justification, and shall have the Division chief's approval.

**1. TOW DISTRICTS**

- A. The CHP Area commander shall establish tow districts for each class of tow truck to facilitate the distribution of calls and meet the needs of the CHP with regard to response time and availability of tow services.
- B. Within each tow district, the Area commander shall determine the maximum response time, reasonable rates, minimum number of trucks, and any applicable addendum.
  - 1) The Area commander may require more than one tow truck in each class in tow districts where rapid response for congestion relief is required.
  - 2) Addendums shall be approved by Division prior to implementation and a copy forwarded to Research and Planning Section as well as the individual operator.
  - 3) Addendums with major cost incurring changes shall contain a fair and equitable projected date for compliance.
- C. An operator shall have a business office and storage yard located within the district they serve, unless this requirement is waived by an addendum from the Area commander in order to meet specific Area needs.
- D. An operator with a business and storage yard in one CHP Area shall provide service in only that Area command. If also applying for an adjacent Area, without having the required business and storage yard, the need must exist, and be

approved by an addendum from both adjacent Area commanders with the Division commander's concurrence.

- E. A secondary storage yard does not qualify an operator for an additional tow district.
- F. Within each tow district, the CHP shall maintain separate rotation tow lists for each class of tow truck to ensure an equitable distribution of calls.

## **2. ROTATION LISTS**

- A. A call to an operator shall constitute one turn on the list and the operator shall be moved to the bottom of the list.
  - 1) This includes when the operator fails to answer the phone, is unable to respond, is unable to perform the required service, refuses to respond or provide service, or is canceled due to excessive response time.
- B. If it is determined the operator is not needed and is canceled by the CHP, up to and including arrival on scene and standby time which does not result in a tow, there shall be no charges and the operator shall be placed back at the top of the list.
- C. If the operator responds to a CHP call and is canceled by the vehicle's registered owner or agent, prior to the operator taking possession of the vehicle, there shall be no charge and the operator shall be placed back at the top of the list.
  - 1) Possession is deemed to arise when the vehicle is removed and is in transit, or when vehicle recovery operations or load salvage operations have begun (Section 3068.1[a] of the Civil Code [CC] and Section 22851[a][1] of the California Vehicle Code [CVC]).
  - 2) Whenever a vehicle owner returns to a vehicle that is in possession of a towing company prior to the removal of the vehicle, the owner may regain possession of the vehicle from the towing company if the owner pays the tow company the towing charges (Section 22851[a][2] CVC).

Note: Simply attaching a cable to or blocking a vehicle does not constitute recovery or load salvage operations.

- D. Nothing in the TSA shall prohibit an Area commander, supervisor, or scene manager, from requesting a specific tow company when, in their opinion, the necessary resources to clear a hazard are not available from the tow company currently at the top of the rotation tow list.



- 1) In such an instance, the selected company would then go to the bottom of the list and those tow companies which were by-passed, would remain in the same list order.
- E. Nothing shall prohibit a Class B, C, or D operator from maintaining a position on a lighter class rotation list, provided the tow truck meets the equipment specifications for that class of operation.
- 1) Regardless of the class of tow truck utilized or responding to the call, charges shall not be more than for the class of vehicle towed or serviced, except when vehicle recovery operations require a larger class tow truck.
- F. A Salvage and Recovery Rotation Tow List shall be established for each Area office when there are tow operators who meet the Salvage and Recovery Rotation Tow List qualifications established in Item G.
- 1) This list shall be utilized whenever a large commercial vehicle is overturned and/or down an embankment regardless of the officer's request.
  - 2) This list **shall not** be utilized for a large commercial vehicle which is upright and on all wheels.
    - a) The Salvage and Recovery Tow List may be for each tow district or for the entire Area.
  - 3) If an operator receives a call for Salvage/Recovery in error due to incorrect information (i.e. vehicle type, weight, type of equipment), the operator shall immediately pass the call and be placed back on top of the rotation list if no recovery attempts are started.
    - a) In the event the operator attempts to start recovery on a Salvage/Recovery call they knowingly should have turned down, they shall be placed on the bottom of the list and no billing charges shall occur.
    - b) Salvage and recovery operations shall be handled in a professional manner. Salvage and recovery operations exceeding two hours from time of arrival on scene shall be justified.
- G. Those operators on the Salvage and Recovery Rotation Tow List shall respond with the following:
- 1) At least one (1) driver shall have five (5) verifiable years' for-hire salvage and recovery experience.

- a) The five (5) verifiable years' for-hire salvage and recovery experience shall be determined by the CHP.
  - b) The driver with five (5) verifiable years' for-hire salvage and recovery experience shall not be shared between tow operators. If two operators combine for salvage and recovery response, both drivers shall have the five (5) verifiable years of experience.
- 2) An operator shall possess two (2) tow trucks of the appropriate class to qualify for the Salvage and Recovery Rotation Tow List. One (1) shall be a Class D tow truck and one (1) Class C tow truck.
  - a) Depending on an Area's needs and a tow operator's equipment availability, the Area commander may allow an operator to respond one of the following to meet the two (2) tow truck response criteria:
    - 1) Two (2) Class C tow trucks.
    - 2) One (1) Class C tow truck and one (1) Class B tow truck only in remote Areas in the state where traffic congestion is not an issue.
    - 3) If the Area does not have sufficient operators who meet the two truck requirement, they may allow two operators from within the same Area to combine, with Area approval, in order to meet the needs of the Area through an approved addendum.

NOTE: A Quick Swap unit does not qualify for the Salvage and Recovery Tow List.

### 3. TOW OPERATORS

- A. Operators applying for the rotation tow program shall have a minimum of three (3) verifiable year's for-hire towing experience, as an owner or principal, prior to the final filing date of an enrollment period in order to qualify for a rotation tow listing.
  - 1) The three (3) verifiable years' for-hire experience shall be determined by the CHP.
- B. Operators and owners who do not meet the three (3) verifiable years' for-hire towing experience, may be considered if a full-time manager is employed who

possesses three (3) verifiable years for-hire tow experience, as an owner, principal, or full-time manager.

- 1) The three (3) verifiable years' for-hire experience, as an owner, principal, or full-time manager shall be determined by the CHP.
- C. Management experience shall be determined and qualified by the CHP as follows:
- 1) The designation of "manager" implies general power and permits reasonable inferences that the employee so designated is invested with the general conduct and control of his employer's business.
  - 2) An individual who has charge and control of a business and is vested with a certain amount of discretion and independent judgment.
- D. If the manager ceases to be employed by the company, the TSA shall be suspended until a new manager is approved by the CHP.
- E. Operators and owners applying for an additional identified business/terminal(s) located in a different CHP Area(s), shall utilize a full-time manager pursuant to Elements 3. B, and C. in each Area. A manager shall not be shared between Areas.
- F. New operators, managers, and tow truck drivers, involved with the CHP Rotation Tow Program, shall be fingerprinted for the purpose of conducting criminal history inquiries.
- 1) Any operator, manager, or tow truck driver who separates from the rotation tow program, in excess of one year, shall be fingerprinted for the purpose of conducting a criminal history regardless of prior criminal history clearances (e.g., CHP Evidence Tow Contract, Freeway Service Patrol).
  - 2) The CHP will receive subsequent arrest/conviction notifications for all operators, managers, and tow truck drivers.
  - 3) An operator shall notify the CHP of any arrest and/or conviction of a tow truck driver, manager, or the operator, prior to the beginning of the next work shift.
    - a) Failure to make notification should be cause for disciplinary action.
  - 4) The Area tow officer shall be notified immediately by an operator upon a manager's or tow truck driver's separation from the rotation tow program.

- G. Operators shall have all tow truck drivers involved with CHP rotation tow operations participate in a controlled substance and alcohol testing (CSAT) program.
- 1) Drivers requiring a Class A, Class B, or commercial Class C license (endorsed for hazardous materials transportation) shall participate in a CSAT program as defined in the Code of Federal Regulations, Title 49, Parts 40 and 382.
  - 2) Drivers not required to possess a Class A, Class B, or commercial Class C license shall be enrolled in a CSAT program substantially similar to the requirements as outlined in Section 1) above.
  - 3) The operator shall ensure selection pools for commercial and non-commercial licensed drivers are maintained separately.
  - 4) A driver possessing a non-commercial driver license who returns with a positive test result shall meet the same reinstatement requirements as a driver required to possess a commercial driver license.
- H. The operator shall provide proof of enrollment in a CSAT and/or similar CSAT program to the Area office during the enrollment period.
- I. The operator, manager, and all tow truck drivers shall be enrolled in the Employer Pull Notice (EPN) program.
- 1) The operator shall provide a current list of all managers and drivers, and a copy of the current EPN report, or in the case of a newly hired tow truck driver, proof of enrollment in the EPN program, to the Area office during enrollment.
    - a) The operator's signed and dated EPN report shall be kept on file in the Area office.
  - 2) Upon the addition of new managers or drivers, an operator shall be granted a maximum of 30 days to enroll drivers in the EPN.
- J. The operator shall maintain a current list of drivers.
- K. Operators shall have a Carrier Identification number and a valid Motor Carrier Property (MCP) permit. The MCP documentation shall be provided to the Area office during the enrollment period.

- 1) The expiration of an operator's MCP and/or suspension of the MCP, pursuant to Section 34623 CVC, shall result in the immediate suspension of the tow operator, as well as additional disciplinary action which may be imposed by the Area commander.
- L. Operators shall have a sufficient number of drivers in order to comply with hours-of-service. All drivers shall comply with intrastate and/or interstate hours of service pursuant to Title 13, Sections 1212 and 1212.5 of the California Code of Regulations (CCR).
- 1) Operators shall ensure their drivers' record of duty status complies with Title 13, Section 1213 CCR.

#### 4. TOW OPERATOR'S BUSINESS

- A. An operator's place of business shall have a sign which clearly identifies it to the public as a tow service.
  - 1) The sign shall have letters which are clearly visible to the public from the street and shall be visible at night.
- B. Business hours shall be posted in plain view to the public.
- C. An operator's place of business shall have posted in plain view to the public the "Towing Fees and Access Notice" and copies of notice readily available to the public pursuant to Section 22651.07(a)(1)(A) CVC.
  - 1) The "Towing Fees and Access Notice" shall be a standardized document plainly printed in no less than 10-point type and shall contain the required language pursuant to Section 22651.07(d) CVC.
- D. An operator's place of business shall be sufficiently staffed to allow customers to talk face-to-face with a tow company's owner, manager, or employee during normal business hours.
  - 1) Normal business hours shall not be less than 8 a.m. to 5 p.m., Monday through Friday, except for the following state recognized holidays: New Year's Day, Martin Luther King Day, President's Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, day after Thanksgiving Day, and Christmas Day.
- E. If an operator's place of business is staffed with only one employee, the business office may only be closed for one hour for lunch and the following shall apply:

- 1) A sign shall be posted which reflects a lunch closure and a phone number where a request by a vehicle's owner/agent shall result in an immediate response to release property or a vehicle.
  - 2) Response to the office shall be within the time frame required for a normal CHP Class A tow as set forth in the Area addendum.
- F. The operator shall maintain records of all tow services furnished at the operator's primary business office (Note: printable electronic records are acceptable).
- 1) Invoices shall contain the required itemized information pursuant to Section 22651.07(e) CVC.
  - 2) Itemized invoices shall contain a distinct notice upon the invoice stating "Upon request, you are entitled to receive a copy of the Towing Fees and Access Notice." This notice shall be contained within a bordered text box, printed in no less than 10-point type pursuant to Section 22651.07(a)(1)(B)(3) CVC.
- G. The operator's primary business office shall also maintain business records relating to personnel, insurance, personnel taxes, payroll, applicable operating authorities, local operating authorities, lien sale actions, driver's record of duty status (intrastate and/or interstate), and Federal Communication Commission licensing (if applicable), and non-CHP tows.
- H. The CHP may inspect **all** operator records relating to compliance with the TSA without notice during normal business hours.
- I. Operators shall permit the CHP to make copies of business records at their place of business, or to remove business records for the purpose of reproduction.
- 1) The CHP shall provide a receipt for any record removed from the place of business.
- J. An operator shall maintain business records for a period of two (2) years (effective July 1, 2012), plus the current term of this TSA, and shall make them available for inspection.
- 1) Failure of the operator to comply with the aforementioned inspection requirements shall be cause for disciplinary action.

**5. FINANCIAL INTEREST**

- A. No operator or applicant shall be directly involved in the towing-related business of any other operator or applicant within the same rotation tow district.
- B. No operator or applicant shall share equipment with any other district or Area involved with the CHP rotation tow list (excluding equipment which may be unavailable due to repairs, equipment replacement, or the operator is involved in the Salvage and Recovery List).
- C. The sale or transfer of the controlling interest in a company shall immediately terminate the TSA.
  - 1) A new owner may apply for the rotation tow program at any time during the remainder of the current TSA term, regardless of the Area's enrollment period.

**6. RESPONSE TO CALLS**

- A. The operator shall respond to calls 24 hours a day, seven (7) days a week, within the maximum response time limits established by the Area commander.
- B. An operator or tow truck driver shall respond with a properly equipped tow truck of the class required to tow the vehicle, perform vehicle recovery (e.g., rollover, down embankment), provide service (e.g., fuel, flat tire change), and be in possession of the appropriate class of driver license, applicable endorsements, and permits.
  - 1) Any applicable permits (e.g., load variance, oversize) shall be valid and maintained in the tow truck.
- C. The operator shall advise CHP dispatch, at the time of notification, if they are either unable to respond or unable to meet the maximum response time.
  - 1) If, after accepting the call, the operator is unable to respond or will be delayed in responding, the operator shall immediately notify the appropriate CHP communications center.
- D. A failure to respond to towing or service calls, and/or repeated failures to meet maximum response time requirements, without justification, shall result in disciplinary action. (This includes refusing to respond for junk vehicle calls. Justification for failure to respond to calls shall be determined by the CHP.)

- E. If service, other than towing, recovery, and load salvage, is canceled by the vehicle's registered owner or agent, no lien shall arise for the service unless the operator has presented a written statement to the vehicle's registered owner or agent for the signed authorization of services to be performed pursuant to Section 3068(a) CC.
  - 1) The operator shall not attempt to take possession of a vehicle in order to establish a lien for any non-towing services performed, or initiated and subsequently canceled.
- F. Nothing shall prohibit a Class B, C, or D tow truck from maintaining a place on a lighter class rotation tow list, provided the tow truck meets the equipment specifications for that class of operation.
  - 1) Regardless of the class of tow truck utilized or responding to the call, charges shall not be more than for the class of vehicle towed or serviced, except when vehicle recovery operations require a larger class tow truck.
- G. Area commanders may establish local policy which allows an operator to dispatch more than one tow truck to a multiple vehicle collision scene in response to a rotation tow call.
- H. If two or more operators are called to the same incident, distribution of the vehicles shall be at the discretion of the CHP incident commander.
- I. When an operator will be temporarily unavailable to provide services due to a pre-planned or scheduled activity, the operator shall notify the Area command at least 24 hours prior to the date that services will be unavailable, noting the times and dates of the unavailability.
- J. Only tow truck personnel and equipment requested shall respond to a CHP call (e.g., tow truck driver bringing significant others, family members, friends, pets, etc., is not allowed).
  - 1) Exceptions would be transporting required personnel to a major incident, or responding a tow truck driver trainee with an approved rotation tow truck driver and only if a CHP 234F, Tow Operator/Driver Information, has already been submitted for the trainee to the Area office.
- K. An operator/tow truck driver shall not respond to a CHP call assigned to another operator or reassign a call to another tow operator, unless requested to do so by the CHP.



- 1) Nothing would preclude the assigned operator/tow truck driver from responding to an incident to ascertain if additional assistance or equipment is required.
- L. There shall be no additional charge for any personnel or equipment which is not necessary to perform the required service.
- M. There may be times when the operator/tow truck driver assigned the initial call, may require assistance from an additional operator/tow truck driver.
  - 1) The assigned operator/tow truck driver may, with concurrence of the scene manager, request a specific operator/tow truck driver for additional assistance.
  - 2) The operator/tow truck driver's approved request shall be routed through the CHP.
- N. There may be times when an operator/tow truck driver, who was not called to the scene, comes upon a collision scene where a vehicle or vehicles are blocking a roadway and the on-scene officer requests assistance in clearing the roadway.
  - 1) In such a case, the operator/tow truck driver may be requested by the officer to move the vehicle to a safe location and leave it.
  - 2) There shall be no charge for this assistance and the assistance provided shall not change the operator's place in the rotation.
    - a) Violations of Section 22513 CVC shall result in disciplinary action.
  - 3) If the operator/tow truck driver is requested to provide service at the scene resulting in a tow, that company would be moved to the bottom of the list.

## 7. STORAGE YARD

- A. The operator shall be responsible for the safekeeping and prevention of vandalism of all vehicles and contents which are stored/impounded by the CHP.
  - 1) At a minimum, a permanent securely fenced or an enclosed storage area of an adequate size shall be provided for the proper storage of vehicles.
- B. The primary storage yard shall be at the same location as the business address.
  - 1) Stored/impounded vehicles shall be at the primary storage yard.

- 2) This requirement may be waived by a written addendum from the Area commander with justification.
- C. A secondary storage yard shall be located reasonably close to the main business office.
    - 1) There shall be no charge to the vehicle's owner/agent for towing a vehicle from a secondary storage yard to the primary storage yard.
  - D. Tow operators shall maintain sufficient storage spaces.
    - 1) A secondary storage yard shall only be utilized if the primary storage yard is full and only with prior CHP approval.
      - a) This requirement may be only waived by a written addendum from the Area commander with justification.
  - E. A storage yard owned by an operator and shared with another operator shall only be approved if the operator/owner charges for the space exclusively on a flat monthly rate rather than a vehicle-by-vehicle basis, or combination thereof.
  - F. A storage yard shared by operators, or any other business establishment(s) regardless if owned by the operator or not, shall be physically separated and secured from each other, including business records related to the tow company.
  - G. Prior to the utilization of a new storage yard, which was not listed on the CHP 234A, Rotation Tow Listing Application, the storage yard shall be inspected, and the operator shall obtain the Area commander's approval.
  - H. An operator's employee shall be properly trained to conduct business transactions related to towing, storage, and release of vehicles/property.
  - I. The operator or their employee shall release personal property from a vehicle which has been stored/impounded by the CHP at the request of the vehicle's registered owner or agent pursuant to Sections 22851(b) and 22651.07 CVC.
    - 1) California Highway Patrol approval shall be obtained prior to the release of personal property from a vehicle that has been impounded for evidence or investigation.
    - 2) A receipt shall be provided for the removed personal property, with a copy placed inside the stored/impounded vehicle.

- a) This procedure shall also apply to the removal of property by the tow operator and/or their employee to a secured area within the business.
- J. Personal property and/or the vehicle shall be released at the primary storage yard.
  - 1) Personal property or a vehicle release from a secondary storage yard shall only be granted if it's acceptable to the vehicle's registered owner or agent.
    - a) Personal property is considered to be items which are not affixed to the vehicle. Personal property includes: papers, cell phones, pull-out radios, clothes, luggage, tools, etc.
- K. No fee shall be charged for the release of a vehicle or personal property during normal business hours pursuant to Sections 22851(b) and 22651.07(c)(1) CVC.
  - 1) The maximum charge for a non-business hours release shall be one-half the hourly tow rate charged for the vehicle towed, or less, for initially towing the vehicle pursuant to Section 22851(b) CVC.
  - 2) No lien shall attach to any personal property in or on the vehicle pursuant to Section 22851(b) CVC.
- L. The operator shall keep a written record of every vehicle stored/impounded for a period longer than 12 hours pursuant to Section 10650(a) CVC.
  - 1) The 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 ascertainable), and a brief vehicle description (make, model, license plate number, and any vehicle damage) pursuant to Section 10650(b) CVC.

## 8. TOW TRUCK DRIVERS

- A. The operator shall ensure tow truck drivers responding to calls initiated by the CHP are competent and have completed a Tow Service Agreement Advisory Committee (TSAAC) approved tow truck driver training program.
  - 1) The TSAAC approved tow truck driver training course list is contained in Attachment A of this TSA.
    - a) Acceptable hands-on tow truck driver training programs shall be approved by the TSAAC. (On-line testing/certification will not be accepted.)

- 2) Effective July 1, 2016, all drivers shall provide documentation that they have completed Traffic Incident Management training in accordance with the Federal Highway Administration.
- 3) Documentation of completion of an approved tow truck driver training program within the past five (5) years shall be submitted along with the CHP 234F. Certificates with a three-year expiration date will be accepted five (5) years from the date of issuance.
  - a) A CHP 234F shall include all convictions of felonies and misdemeanors.
  - b) Tow truck driver training documentation shall be for the appropriate class of tow truck (e.g., a Class D driver shall have heavy duty tow truck driver's training documentation).
 

Note: A certificate for a higher level of training will be acceptable for all lower levels of tow trucks.
  - c) All operators, managers, and drivers shall be provided with written notification regarding the reason(s) for denial of an operator, manager, or driver's CHP 234F within 30 days.
    - 1) If denial is based on fingerprint results, a copy of the results shall be provided to the denied applicant.
  - d) A failure to disclose any felony and/or misdemeanor convictions shall be cause for denial of a CHP 234F and is a misdemeanor pursuant to Sections 20 and 31 CVC.
- B. Completion and/or documentation of a tow truck driver's training does not indicate a sufficient level of competence.
- C. Tow truck drivers shall perform all towing and recovery operations in the safest and most expedient manner possible.
- D. Tow truck drivers shall be at least 18 years of age and shall possess the proper class of license and endorsements for the towed and towing vehicle.
- E. Uniforms: CHP rotation tow truck drivers shall wear an identifiable uniform (either shirt and pants, or coveralls) displaying the company and the driver's name while engaged in CHP rotation tow operations.

- F. Personal Appearance: CHP rotation tow truck drivers shall represent a professional image. An unacceptable representation would include: unbathed, excessively dirty/torn uniform, inappropriate visible body art, visible body piercing, etc.
- G. Safety Garments: CHP rotation tow truck drivers **shall** wear appropriate warning garments (e.g., vests, jackets, shirts, retroreflective clothing) during daylight and hours of darkness in accordance with Code of Title 8, Section 1598 CCR. If the tow truck driver is working on a Federal-aid highway, the operator **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, which 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.

## 9. TOW TRUCK CLASSIFICATIONS

- A. An operator shall equip and maintain tow trucks covered under the TSA in accordance with the provisions set forth in the CVC, Title 13 of the CCR, the specifications contained in this TSA, and in a manner consistent with industry standards and practices.
- B. All recovery vehicles (wreckers) shall have an extendable/retractable recovery boom meeting the specifications contained in this TSA and the most recent electronic version of the CHP 234B, Tow Truck Inspection Guide.
  - 1) Class D tow trucks used exclusively for salvage and recovery operations are not required to possess wheel lift capabilities.
  - 2) An operator who has a car carrier is exempted from the recovery, wheel lift, and boom capability requirements. However, the car carrier must be an additional unit and **shall not be used for recovery**.
  - 3) An auto-loader without an extendable/retractable boom is an additional unit and **shall not be used for recovery**.
    - a) For purposes of the TSA, recovery is defined as a vehicle which is overturned, down an embankment, or otherwise not upright on its wheels.
- C. A violation of the gross vehicle weight rating (GVWR) and/or safe loading requirements of a tow truck should be cause for immediate suspension. This includes exceeding the tow truck's GVWR, front axle weight rating, rear axle

weight rating, maximum tire weight ratings, or not maintaining 50 percent of the tow truck's unladen front axle weight on the front axle when towing.

There are four (4) classes of tow trucks covered under this TSA.

1) **Class A - Light Duty**

- a) An operator should maintain a minimum of one tow truck which has a manufacturer's GVWR of at least 14,000 pounds.
  - (1) After June 30, 2006, Class A 4-wheel drive tow trucks with a GVWR of less than 14,000 pounds may be listed as special equipment on the CHP 234A. These tow trucks shall be used only for recoveries requiring the use of 4-wheel drive.

2) **Class B - Medium Duty**

- a) An operator should maintain a minimum of one tow truck with a GVWR of at least 33,000 pounds. The truck shall be equipped with air brakes and a tractor protection valve or device, and be capable of providing and maintaining continuous air to the towed vehicle.

3) **Class C - Heavy Duty**

- a) An operator should maintain at least one three-axle tow truck with a GVWR of at least 52,000 pounds. The truck shall be equipped with air brakes and must be capable of providing and maintaining continuous air to the towed vehicle.

4) **Class D - Super Heavy Duty**

- a) An operator should maintain at least one three-axle tow truck with a GVWR of at least 54,000 pounds. The truck shall be equipped with air brakes and must be capable of providing and maintaining continuous air to the towed vehicle.
  - (1) If this class of tow truck is used exclusively for salvage and recovery operations, there is no requirement for providing and maintaining continuous air to the towed vehicle.

Note: For purposes of the TSA, a "low-boy trailer" is considered special equipment.

## 10. GENERAL EQUIPMENT SPECIFICATIONS

- A. Tow Truck and Car Carrier Classifications: Tow truck and car carrier classifications are based on the truck chassis GVWR and the classification system used by the American Trucking Association and truck manufacturers. Tow truck and car carrier classifications shall meet all applicable state and/or federal standards.
- B. Identification Labels: Each piece of towing equipment shall have a manufacturer's label or identification tag permanently affixed to the equipment in a prominent location to identify the manufacturer, serial number, model, and rated capacity.
- C. Recovery Equipment Rating: The basic performance rating of the recovery equipment is the weight the equipment can lift in a winching mode, when the boom is static at a 30 degree elevation with the load lines vertical and the lifting cables sharing the load equally, measured with a live load (weight or load cell).
  - 1) The structural design of the recovery equipment must have a higher load capacity than the performance ratings.
  - 2) Winches shall conform to or exceed the specifications set forth by the Recovery Equipment Rating, Society of Automotive Engineers (SAE) Handbook, SAE J706.
  - 3) All ratings for wire rope and chain assemblies are for the undamaged assembly condition. All wire rope and chain assemblies should be the same type, construction, and rating as specified by the original equipment manufacturer for the equipment.
- D. Control/Safety Labels: All controls shall be clearly marked to indicate proper operation, as well as any special warnings or cautions.

## 11. INSPECTIONS

- A. The CHP shall provide one (1) annual inspection of all tow trucks utilized on CHP rotation calls, at no charge to the operator, in order to qualify for participation in the term of the TSA.
  - 1) The CHP may conduct additional inspections without notice during normal business hours.

- B. The operator shall not dispatch any tow truck which has not been inspected and approved by the CHP.
  - 1) The CHP shall inspect a tow truck within thirty (30) days of a request from an operator prior to use in the Rotation Tow Program.
- C. The annual inspection shall consist of the following:
  - 1) A Level One inspection (CHP 407F, Safetynet Driver/Vehicle Inspection Report) conducted by a commercial enforcement officer or Area tow officer with the assistance of a motor carrier specialist or commercial vehicle inspection specialist.
  - 2) A tow truck inspection (CHP 234B) conducted by a commercial enforcement officer or Area tow officer.
  - 3) Tow trucks arriving for inspection shall be properly equipped as outlined on the CHP 234B, and ready for immediate response for service.
- D. Upon the successful completion of a Level One inspection, a Commercial Vehicle Safety Alliance decal shall be issued, regardless of the tow truck inspection (CHP 234B) results.
- E. If two (2) or more CVC requirements on the CHP 234B, Page one, receive a failing mark, the inspected truck has failed the initial annual inspection and shall count against the 50 percent failure rate. An "Out of Service" violation on a CHP 407F shall count as a failure of the initial annual inspection.
  - 1) Other than the two (2) or more CVC requirements, a tow truck may fail based on additional failed items outlined on the CHP 234B, within reason.
- F. If 50 percent or more of the operator's tow trucks fail the initial annual inspection, the operator's application shall be denied and the operator may reapply during the next open enrollment period.
  - 1) The operator whose trucks have successfully passed the initial annual inspection, by more than 50 percent, but still have some tow trucks which failed, shall be allowed one re-inspection for those failed tow trucks.
- G. The intent of these inspections is to ensure operators are involved in an ongoing safety maintenance program for their tow trucks. The annual inspection is not intended to find out what needs to be repaired/replaced on an operator's tow truck. A tow truck responding to a CHP call should be properly equipped and operating in a safe condition.



- H. Tow trucks shall be inspected by the Area for which they are designated. If a tow truck fails its initial inspection for its designated area, it **shall not** be redesignated to another Area and re-inspected for use in another Area. (An exception would be rural areas, i.e. resident posts, that must utilize an "out-of-area" operator.)
- I. The operator shall be provided with written notification of the failure/denial of any tow truck or equipment and allowed a hearing upon request to the Area office pursuant to Section 2424(d) CVC and Element 22. Hearing/Appeal.
- J. All of the equipment listed on an operator's CHP 234A shall be accounted for during the annual inspection.
- K. Special Equipment
  - 1) To properly and safely tow, service, or recover the wide variety of vehicles being operated on the highway, a towing procedure may require the use of special equipment specifically designed for the purpose. This special equipment shall be listed on the operator's CHP 234A and should be used when appropriate.
  - 2) All special equipment listed on the CHP 234A shall be accounted for during the annual inspection or when additional equipment is added.
  - 3) Any special equipment which requires certification/inspection of the equipment and/or operator (e.g., cranes, forklifts), the applicable and current certification/inspection document(s) shall be provided to the Area office at the time of enrollment or as equipment is added by an operator.

## 12. RATES

- A. Fees charged for calls originating from the CHP 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.
  - 1) Reasonableness shall be determined as compared to other similar service rates.
  - 2) Validity shall be based upon the following: telephone quotes, invoices, posted rates, charges to retail customers, etc.

NOTE: Element 12.A, shall not apply if the operator responds to a CHP call in a location where towing rates for all tow companies are established by an Official Police Garage or city/county ordinance pursuant to Section 21100(g) CVC.

- B. Based upon the average of the proposed fees submitted, the Area commander shall determine the reasonableness and validity of all submitted rates (i.e., storage, non-skilled labor, special equipment).

NOTE: Non-skilled labor is work which requires no special training or experience for performing the work adequately.

- C. An operator who submits a rate, which is determined by the Area commander to be unreasonable and/or invalid, shall be allowed to re-submit rates only once.
- 1) If the re-submitted rate is unreasonable and/or invalid, the operator shall be disqualified from participating in that class for which the rate was unacceptable, or charge for services in which the rate was submitted, until the next enrollment period.
  - 2) An operator shall be provided with written notification regarding the disqualification within 30 days.
- D. Rate requirements represent the maximum an operator may charge on a CHP call per hour.
- 1) An operator is not precluded from charging less when deemed appropriate by the operator.
  - 2) These requirements shall not be construed as requiring a charge if an operator would not normally charge for such service.
- E. Any operator who charges rates above the submitted rates for a CHP call shall be subject to disciplinary action.
- F. In an effort to remain competitive in the open market, the operator may lower retail rates at any time by notifying the CHP.
- 1) When an operator lowers the retail rate, that retail rate becomes the operator's new approved rate.
- G. A valid bank credit card or cash payment shall be accepted for payment of towing and/or storage pursuant to Sections 22651.1 and 22651.07(c)(4) CVC.
- 1) A surcharge shall not be imposed upon a cardholder who elects to use a credit card for payment pursuant to Section 1748.1 CC and Section 22651.07(c)(4) CVC.

- H. The approved schedule of rates charged by the operator shall be available in the tow truck, and shall be presented upon demand to the vehicle owner/agent for whom the tow service was provided or any CHP officer at the scene.
- I. There shall be no additional charge for moving (i.e., driving, towing, pushing, utilizing a forklift) a stored/impounded vehicle from inside an operator's storage yard to the front of the business establishment.
- J. Operators may only raise rates during the enrollment period or upon approval after a midterm review initiated by the CHP.
- K. Tow Rates
  - 1) The rate for towing should be computed from portal to portal when a vehicle is towed to the operator's storage yard.
    - a) 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 another call is pending, whichever is shorter.
  - 2) The time expended, for towing a vehicle back to the operator's storage yard, should be charged at a rate not to exceed the hourly rate.
    - a) Time expended in excess of the hourly rate shall be calculated in no more than one-minute increments.
    - b) There shall be no additional charges for mileage, etc.
  - 3) A clear, itemized, and detailed explanation of any additional service that caused the time to exceed one hour shall be documented on the invoice pursuant to Section 22651.07(e)(7) CVC.
  - 4) The operator may submit two retail hourly tow rates to the Area: One rate for calls originating during normal business hours and one rate for calls originating after business hours.
  - 5) The operator shall base charges for the class of vehicle being towed or serviced regardless of the class of tow truck used. When vehicle recovery operations require a larger class tow truck, the higher rate may be charged.

L. Service Calls

- 1) The operator may charge up to a 30-minute minimum per call for any service which is performed when the vehicle operator or agent is present and the vehicle is not stored at the direction of an officer or returned to the operator's storage yard.
- 2) Rates for a service call (out-of-gas, lockouts, tire changes, etc.) should be from portal to end of service.
- 3) Charges, in excess of a 30-minute service call, may be charged in no more than one-minute increments.
  - a) A clear, itemized, and detailed explanation of any additional service that caused the time to exceed one hour shall be documented on the invoice pursuant to Section 22651.07(e)(7) CVC.
  - b) If the service cannot be performed safely at the vehicle's location, the vehicle may be moved to safe location to perform the service at the service call rate.
- 4) Fuel charges for gasoline dispensed on out-of-gas service calls shall be at the prevailing market rate.

M. Fees for Special Operations

- 1) Fees shall be reasonable and consistent with industry standards for similar operations.
- 2) Operators involved in the two (2) tow truck Salvage and Recovery List may charge a minimum two-hour rate.
  - a) Time expended in excess of the two-hour minimum shall be at the hourly rate in no more than one-minute increments.
  - b) If a second hour is charged, the second hour shall meet the invoicing requirements pursuant to Section 22651.07(e) (7) CVC.
  - c) If it is determined that only one truck is required, the second truck may claim portal to portal and time expended on scene until determination was made that it was not required.
- 3) Hourly rates shall be established for the following:

- a) Auxiliary and contracted equipment (e.g., airbags, converter gear/dolly, additional trailers, fork lift, front loaders, low-boy trailers, rotators).
- 4) Operators shall submit a mark-up rate (percentage of the cost to the operator) for rental equipment and labor not otherwise listed on the CHP 234A.
- 5) If an operator performs a service for which a required rate was not submitted and approved by the Area, the operator shall only be entitled to charge for the actual cost of that service plus a markup rate not to exceed ten (10) percent.

N. Storage Fees

- 1) A vehicle stored/impounded 24 hours or less shall be charged no more than one-day storage pursuant to Section 3068.1(a) CC.
  - a) If the vehicle is released from storage after 24 hours has lapsed, charges may be allowed on a full, calendar-day basis for each day of storage, or part thereof pursuant to Section 3068.1(a) CC.
- 2) Storage of vehicles in combination should be charged a per vehicle rate except for dollies, con-gear, vehicle on a car carrier/trailer, etc.
  - a) Dollies and con-gear, not in combination, may be charged a storage rate not to exceed Class A storage fees.
- 3) Inside storage fees shall only be charged when inside storage is requested by the CHP, registered owner, legal owner, insurance company, or when the inside storage can be justified by the tow operator.
- 4) 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.

O. Lien Fees

- 1) If a vehicle has been determined to have a value exceeding four thousand dollars (\$4,000), pursuant to Section 22670 CVC, the lien shall be satisfied pursuant to Section 3071 CC (Section 3074 CC).
- 2) The lienholder may charge a fee for lien sale preparations not to exceed seventy dollars (\$70), for a vehicle valued at four thousand dollars (\$4,000)

or less and not to exceed one hundred dollars (\$100) for a vehicle valued at greater than four thousand dollars (\$4,000) (Section 3074 CC).

- a) These charges may commence when the lienholder requests the names and addresses of all persons who have an interest in the vehicle from the Department of Motor Vehicles (Section 3074 CC).
- b) Not more than 50 percent of the allowable fee may be charged until the lien sale notifications are mailed to all interested parties and the lienholder or registration service agent has possession of the required lien processing documents (Section 3074 CC).
- c) This charge shall not be made in the case of any vehicle redeemed prior to 72 hours from the initial storage (Section 3074 CC).

### **13. COLLUSION**

- A. An operator and/or applicant shall not conspire, attempt to conspire, or commit any other act of collusion with any other operator or applicant for the purpose of secretly, or otherwise, establishing an understanding regarding rates or conditions to the TSA that would bring about any unfair condition which could be prejudicial to the CHP, the motoring public, or other operators.
- B. A finding by the CHP that any operator or applicant has been involved in collusion shall be cause for denial of an application or shall nullify the TSA. Any operator or applicant found to be involved in any act, or attempted act of collusion, shall be disqualified from participation on all CHP rotation tow lists for the current term, plus three years.

### **14. INSURANCE**

- A. The operator shall maintain the following minimum levels of insurance from an insurance carrier admitted in California, or admitted in the state in which the operator's business is located, and is authorized to do business in California:
  - 1) Minimum Level of Financial Responsibility (as required by Section 34631.5 CVC) - Bodily injury and property damage with a combined single limit of not less than \$750,000 for Class A tow trucks. The combined limits for Classes B, C, and D shall not be less than \$1,000,000. These minimum standards are to include non-owned and hired auto coverage.
  - 2) Uninsured Motorist - Legal minimum, combined single limit.

- 3) On-Hook Coverage/Cargo - Insuring the vehicle in tow with limits based on the size of the tow truck.
    - a) Class A tow truck.....\$50,000.
    - b) Class B tow truck.....\$100,000.
    - c) Class C tow truck.....\$200,000.
    - d) Class D tow truck.....\$250,000.
  - 4) Garage Liability - Includes premises and operations. Coverage for bodily injury and property damage with a combined single limit of not less than \$500,000.
  - 5) Garage Keeper's Liability – Shall be the same minimum as on-hook coverage for vehicles in the care, custody, and control of the operator in the storage yard.
- B. An operator shall provide proof of insurance for all storage facilities listed on the CHP 234A.
  - C. Proof of insurance shall be in the form of a certificate of insurance. The operator's insurance policy shall provide for not less than 30 days written notice to the CHP in the event the insurance policy is canceled or is due to expire.
  - D. Failure of the operator to maintain the minimum insurance requirements set forth in the TSA shall immediately nullify the TSA, remove the operator from the rotation tow list, and subject to disciplinary action by the Area commander.

## 15. ANNUAL OPEN ENROLLMENT MEETINGS

- A. The Area commander shall conduct one (1) annual open enrollment meeting to discuss the forthcoming TSA term and issues concerning the rotation tow program.
  - 1) The CHP shall provide a 30-day written notice of the meeting to operators currently approved for the rotation tow program and to those new operators expressing interest.
    - a) The written notice shall be sent via certified mail, hand delivered, or electronically delivered with confirmation within 24 hours, or next business day.

- 2) If an operator or operator's designee fails to attend the annual open enrollment meeting, the operator's application for the forthcoming TSA term shall be denied.
  - a) The operator shall be provided with written notification of the denial and may reapply during the next open enrollment.
- B. Any subsequent meetings, outside of the open enrollment meeting, shall be mandatory for the operator or operator's designee.
  - 1) The CHP shall give a 30-day written notice, if practical, of the meeting.
  - 2) Failure to attend a meeting shall result in disciplinary action.

#### **16. DEMEANOR AND CONDUCT**

- A. While involved in CHP rotation tow operations or related business, the tow operator and/or employee(s) 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 which the operator is capable of performing.
  - 3) Any act of sexual harassment or sexual impropriety.
  - 4) Unsafe driving practices.
  - 5) Exhibiting any objective symptoms of alcohol or drug use.
    - a) The operator/tow truck driver shall submit to a preliminary alcohol screening test upon demand of the CHP if an odor of an alcoholic beverage is detected upon their person.

#### **17. TOW COMPLAINTS**

- A. All CHP related tow service complaints received or initiated by the CHP against a tow operator or tow operator's employees, shall be accepted and investigated in a fair and impartial manner.
  - 1) The tow operator and their employees shall cooperate with CHP investigators during the course of an investigation.



- B. Alleged violations of the TSA shall be investigated by the CHP Area covered by the TSA.
- C. Should the filing of criminal charges be a possibility, the CHP shall conduct the investigation to conclusion or assist the lead investigating agency and request prosecution if warranted.
- D. Complaints for violations of the law not normally investigated by CHP shall be referred to the agency with investigation jurisdiction.
- E. Completed complaint investigations shall be forwarded to the Division for review and approval.
- F. The operator shall be notified in writing of the findings within 30 days of the conclusion of any investigation.

**18. COMPLIANCE WITH LAW**

- A. The tow operator and employees shall, at all times, comply with federal, state, and local laws and ordinances.
- B. Any conviction of the operator or employee involving a stolen or embezzled vehicle, fraud related to the towing business, stolen or embezzled property, a crime of violence, a sexual offense, a drug-related offense, felony driving while under the influence of alcohol or drugs, misdemeanor driving while under the influence of alcohol or drugs; or acts of moral turpitude should be cause for suspension or removal of an operator/employee, or denial of an operator/employee's application, or termination of the TSA.
- C. California Highway Patrol personnel, as well as tow operators and their employees, shall not be offered nor accept gratuities pursuant to Section 12110(a) CVC.
- D. No tow operator or their employees shall accept any gratuities 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) CVC.
- E. An operator shall satisfy a court order mandating reimbursement to the vehicle or property owner for the damage or loss which occurred while the vehicle was in the operator's custody.
- F. An operator or employee arrested/charged for a violation involving any of the above crimes should be suspended until the case is adjudicated.

## **19. COMPLIANCE WITH TSA**

- A. The operator agrees, as a condition of inclusion in the rotation tow program, to comply with the terms and conditions of the TSA. Furthermore, the operator or operator's agent agrees that failure to comply with these terms and conditions shall be cause for disciplinary action (i.e., written reprimand, suspension, termination, or denial of an application).
- B. A violation of the equipment requirements, related to safety, shall be cause for immediate suspension.
  - 1) The suspension shall remain in effect until the suspension period is completed and the CHP has inspected the equipment and concluded the operator is in compliance.
- C. A violation of the GVWR and/or safe loading requirements of a tow truck may be cause for disciplinary action.
  - 1) This includes exceeding the tow truck's GVWR, front axle weight rating, rear axle weight rating, maximum tire weight ratings, or not maintaining 50 percent of the tow truck's laden front axle weight on the front axle when in tow.
- D. A violation of intentionally overcharging or a pattern of overcharging shall be cause for suspension.
  - 1) The suspension shall remain in effect until the suspension period is completed and proof of reimbursement to the aggrieved customer has been provided to the CHP.
- E. Any unsatisfactory terminal evaluation rating issued by the Motor Carrier Safety Unit (MCSU) shall be cause for suspension.
  - 1) The suspension shall remain in effect until proof of a satisfactory compliance rating from the MCSU has been provided to the Area commander.
- F. Allowing an incompetent tow truck driver to respond to a CHP call shall be cause for disciplinary action of the operator.
- G. An operator responding a tow truck driver to a CHP call (i.e., those drivers dispatched by the tow operator's business) who have not been approved by the Area office, shall be cause for disciplinary action of the operator.

- H. Tow operators shall not record (i.e., videotape or photograph) a scene unless it is for official use by the tow company for business related reasons.
  - 1) The on-scene investigating officer or incident commander shall make the determination when a tow operator may record a scene for tow related business reasons.
  - 2) In the event a tow operator is determined to be in violation of this provision, they will immediately surrender any such recording device to an officer of the CHP.

## 20. DISCIPLINARY ACTION

- A. The Area commander shall take disciplinary action against an operator for violations investigated and sustained. Furthermore, the operator agrees that failure by the operator, or their agent, to comply with these terms and conditions shall be cause for disciplinary action (i.e., written reprimand, suspension, denial of an application, or termination from the CHP Rotation Tow Program – Section 2424[d] CVC).
  - 1) The Area commander shall retain discretion regarding the length of any suspension imposed pursuant to the terms and conditions of this TSA.
- B. Nothing shall preclude the CHP from taking the appropriate enforcement or administrative action for any violations of law.
- C. Nothing herein shall be deemed to prohibit the CHP from immediately suspending, terminating, or denying an application of any operator or employee for any of the following:
  - 1) Whose conduct, in the opinion of the Area commander, is deemed to be a danger to the motoring public (e.g., registered sex offender).
  - 2) A violation of equipment requirements, related to safety.
  - 3) Who has engaged in conduct constituting a flagrant violation of the TSA.
- D. Records of violations shall be retained by the CHP for 36 months, plus the current TSA term.
- E. Disciplinary action taken against an operator by an Area commander should be honored by all CHP Areas being serviced by the operator in question.

## **21. TERMS OF DISCIPLINARY ACTION**

- A. Violations of the terms and conditions of the TSA may be cause for disciplinary action in the following manner:

- 1) First violation within a 12-month period – letter of written reprimand.
- 2) Second violation within a 12-month period – one to 30-day suspension.
- 3) Third violation within a 12-month period – 60 to 90-day suspension.
- 4) Fourth violation within a 12-month period – termination of the TSA.

NOTE: Nothing may preclude an Area commander from imposing a suspension for a first violation pursuant to Element 20, Disciplinary Action, Item C.

- B. Violations of the terms and conditions of the TSA which warrant suspension for the first violation are categorized as major violations. Any subsequent or continuing major violation may be cause for termination.

- 1) In lieu of termination, the CHP may impose additional suspensions for longer periods, if deemed appropriate.
- 2) When considering disciplinary action for a major violation of the TSA, an Area commander should take into consideration all violations which have occurred within 36 months prior to the date of the current violation.

- C. A suspended or terminated operator, and/or the tow business owner at the time of the suspension or termination, shall not be eligible for a rotation listing for the duration of the suspension or termination.

- 1) This provision applies to the operator working in any capacity within any tow business or operating any tow business, even if operated under new ownership.

- D. If the operator is serving a suspension, the operator shall be required to have complied with all terms and conditions of the current TSA at the time of reinstatement.

- E. An operator shall comply with all the terms of the suspension (i.e., restitution to victims, court orders) prior to reinstatement or reapplication.

## 22. HEARING/APPEAL

- A. A hearing shall be granted, upon an operator's request, within ten (10) calendar days, for any of the following circumstances:
  - 1) Operator is served with disciplinary action.
  - 2) Denial of an operator's rotation tow application (CHP 234A) or an operator/driver application (CHP 234F).
- B. The Area commander shall provide written notification to the operator requesting a hearing indicating acknowledgement of the hearing request and a hearing date assigned.
- C. A hearing shall be held as soon as practicable.
- D. The hearing shall be conducted by the Area commander or designee, and the operator shall be entitled to present all relevant facts and circumstances in support of the operator's position.
  - 1) The operator shall be entitled to present testimony of at least one qualified person. (i.e., representation by counsel or attorney.)
- E. The operator shall be notified in writing of the Area commander's decision(s) within ten (10) business days of the date of completion of the hearing.
- F. Upon receipt of the Area commander's written hearing decision, if the operator is dissatisfied with the decision(s), the operator may appeal by submitting a written request to the CHP Division commander within ten (10) business days.
- G. The appeal shall be conducted by the Division commander or designee and shall be held as soon as practicable.
- H. The Division commander shall provide written notification to the operator requesting an appeal indicating acknowledgement of the appeal request and an appeal date assigned.
  - 1) The operator shall have the same rights as afforded at the Area level.
  - 2) The operator shall be notified in writing of the Division commander's decision(s) within ten (10) business days of the appeal.
  - 3) The Division commander's decision(s) shall be subject to no further administrative appeal.

- I. Disciplinary action shall not take effect until the hearing and appeal process has been exhausted, with the exception of operators whose conduct is deemed to be a danger to the motoring public or who continue to violate the terms and conditions of this TSA.
- J. If an operator fails to request a hearing or appeal within the specified time or fails to appear at a scheduled hearing or appeal, the action taken by the CHP Area commander shall be final and the disciplinary action shall take effect upon written notification to the operator by the Area commander.

### **23. MIDTERM REVIEW**

- A. The purpose of this section is to provide a process for a midterm review of the terms and conditions of the TSA in the event there is a legitimate and substantial change in conditions or law affecting the majority of the operators within an Area or the CHP.
- B. A midterm review, when granted by the Commissioner or designee, will not automatically authorize a change in the terms and conditions of the TSA.
  - 1) If a midterm review is announced by the Commissioner or designee, it is the responsibility of the affected Area commander to conduct a review of the conditions which initially caused the request to be communicated and to determine if the change is justified.

### **24. ADVERTISING**

The operator shall not display any sign or engage in any advertisement indicating an official or unofficial connection with the CHP or the Department of Motor Vehicles.

### **25. CANCELLATION**

This TSA may be canceled by an operator by providing written notice to the Department.

## 26. OPERATOR APPROVAL

I certify that all drivers operating under this Tow Service Agreement (TSA) are qualified and competent. I further certify that I have read and understand this TSA and agree to abide by all the provisions. I further agree to indemnify, defend, and save harmless the state, its officers, agents, and employees from any and all claims and losses accruing or resulting to the operator in connection with the performance of the TSA, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the operator in the performance of this TSA. The operator, and the agents and employees of the operator, in the performance of this TSA, shall act in an independent capacity and not as officers or employees or agents of the State of California. The terms of this TSA (2016-2017 TSA) will become effective:

\_\_\_\_\_ and end \_\_\_\_\_  
Date Date

Operator Approval		
Signature	Typed Name	
Company	Title	Date
Business Address		Phone Number
Motor Carrier Permit Number		

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**ATTACHMENT A**  
TOW SERVICE AGREEMENT ADVISORY COMMITTEE  
APPROVED TOW TRUCK DRIVER TRAINING COURSES

Automobile Club of Southern California  
3333 Fairview Road  
Costa Mesa, CA 92626  
Contact: Rob Wade at (714) 885-1333  
E-mail: [wade.robert@caaa-calif.com](mailto:wade.robert@caaa-calif.com)

California Tow Truck Association  
3050 Beacon Blvd.  
West Sacramento, CA 95691  
Contact: (800) 874-2860  
E-mail: [president@ctta.com](mailto:president@ctta.com)

International Institute of Towing & Recovery (Instructor Led / Self Study Course)  
700 12<sup>th</sup> Street NW, Suite 700  
Washington, DC 20005  
(888) 392-9300  
Contact: Peter Fuerst at (415) 859-1889  
E-mail: [pfuerst1@comcast.net](mailto:pfuerst1@comcast.net)

Randy Resch  
21020 Fog Ridge  
Alpine, CA 91901  
Telephone: (619) 807-3173  
E-mail: [rreschran@gmail.com](mailto:rreschran@gmail.com)

Tow Pros, LLC  
4615 East Brundage Lane  
Bakersfield, CA 93307  
Contact: Ken Kay at (661) 979-0747  
E-mail: [kktowman@towpros.com](mailto:kktowman@towpros.com)

WreckMaster Incorporated  
P.O. Box 473  
Lewiston, NY 14092  
Telephone: (800) 267-2266  
E-mail: [www.WreckMaster.com](http://www.WreckMaster.com)

AAA Northern California-Nevada-Utah (NCNU)  
1900 Powell Street  
Emeryville, CA 94608  
Contact: Esther Hauser  
Telephone: (510) 596-3830  
E-mail: [Esther.Hauser@goAAA.com](mailto:Esther.Hauser@goAAA.com)

**2016 — 2017**

**TOW SERVICE**

**AGREEMENT**

**JULY 2016**

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**STATE OF CALIFORNIA  
DEPARTMENT OF CALIFORNIA HIGHWAY PATROL  
TOW SERVICE AGREEMENT  
CHP 234 (01-2013) OPI 061**

This Tow Service Agreement (TSA) contains terms and conditions that a company agrees to comply with in order to receive and maintain a rotation tow listing with the California Highway Patrol (CHP). Participation in the CHP Rotation Tow Program is voluntary and is not intended to be a main source of income. An operator, by agreeing to participate in the program, does not establish a contractual relationship with the CHP and is not acting as an agent for the CHP or the State of California when performing services under the TSA. Exceptions to compliance with the TSA, shall not be authorized by verbal agreement. Any exceptions shall be documented as a written addendum by the Area commander, with justification, and shall have the Division chief's approval.

**1. TOW DISTRICTS**

- A. The CHP Area commander shall establish tow districts for each class of tow truck to facilitate the distribution of calls and meet the needs of the CHP with regard to response time and availability of tow services.
- B. Within each tow district, the Area commander shall determine the maximum response time, reasonable rates, minimum number of trucks, and any applicable addendum.
  - 1) The Area commander may require more than one tow truck in each class in tow districts where rapid response for congestion relief is required.
  - 2) Addendums shall be approved by Division prior to implementation and a copy forwarded to Research and Planning Section as well as the individual operator.
  - 3) Addendums with major cost incurring changes shall contain a fair and equitable projected date for compliance.
- C. An operator shall have a business office and storage yard located within the district they serve, unless this requirement is waived by an addendum from the Area commander in order to meet specific Area needs.
- D. An operator with a business and storage yard in one CHP Area shall provide service in only that Area command. If also applying for an adjacent Area, without having the required business and storage yard, the need must exist, and be

approved by an addendum from both adjacent Area commanders with the Division commander's concurrence.

- E. A secondary storage yard does not qualify an operator for an additional tow district.
- F. Within each tow district, the CHP shall maintain separate rotation tow lists for each class of tow truck to ensure an equitable distribution of calls.

## **2. ROTATION LISTS**

- A. A call to an operator shall constitute one turn on the list and the operator shall be moved to the bottom of the list.
  - 1) This includes when the operator fails to answer the phone, is unable to respond, is unable to perform the required service, refuses to respond or provide service, or is canceled due to excessive response time.
- B. If it is determined the operator is not needed and is canceled by the CHP, up to and including arrival on scene and standby time which does not result in a tow, there shall be no charges and the operator shall be placed back at the top of the list.
- C. If the operator responds to a CHP call and is canceled by the vehicle's registered owner or agent, prior to the operator taking possession of the vehicle, there shall be no charge and the operator shall be placed back at the top of the list.
  - 1) Possession is deemed to arise when the vehicle is removed and is in transit, or when vehicle recovery operations or load salvage operations have begun (Section 3068.1[a] of the Civil Code [CC] and Section 22851[a][1] of the California Vehicle Code [CVC]).
  - 2) Whenever a vehicle owner returns to a vehicle that is in possession of a towing company prior to the removal of the vehicle, the owner may regain possession of the vehicle from the towing company if the owner pays the tow company the towing charges (Section 22851[a][2] CVC).

Note: Simply attaching a cable to or blocking a vehicle does not constitute recovery or load salvage operations.
- D. Nothing in the TSA shall prohibit an Area commander, supervisor, or scene manager, from requesting a specific tow company when, in their opinion, the necessary resources to clear a hazard are not available from the tow company currently at the top of the rotation tow list.

- 1) In such an instance, the selected company would then go to the bottom of the list and those tow companies which were by-passed, would remain in the same list order.
- E. Nothing shall prohibit a Class B, C, or D operator from maintaining a position on a lighter class rotation list, provided the tow truck meets the equipment specifications for that class of operation.
- 1) Regardless of the class of tow truck utilized or responding to the call, charges shall not be more than for the class of vehicle towed or serviced, except when vehicle recovery operations require a larger class tow truck.
- F. A Salvage and Recovery Rotation Tow List shall be established for each Area office when there are tow operators who meet the Salvage and Recovery Rotation Tow List qualifications established in Item G.
- 1) This list shall be utilized whenever a large commercial vehicle is overturned and/or down an embankment regardless of the officer's request.
  - 2) This list **shall not** be utilized for a large commercial vehicle which is upright and on all wheels.
    - a) The Salvage and Recovery Tow List may be for each tow district or for the entire Area.
  - 3) If an operator receives a call for Salvage/Recovery in error due to incorrect information (i.e. vehicle type, weight, type of equipment), the operator shall immediately pass the call and be placed back on top of the rotation list if no recovery attempts are started.
    - a) In the event the operator attempts to start recovery on a Salvage/Recovery call they knowingly should have turned down, they shall be placed on the bottom of the list and no billing charges shall occur.
    - b) Salvage and recovery operations shall be handled in a professional manner. Salvage and recovery operations exceeding two hours from time of arrival on scene shall be justified.
- G. Those operators on the Salvage and Recovery Rotation Tow List shall respond with the following:
- 1) At least one (1) driver shall have five (5) verifiable years' for-hire salvage and recovery experience.

- a) The five (5) verifiable years' for-hire salvage and recovery experience shall be determined by the CHP.
  - b) The driver with five (5) verifiable years' for-hire salvage and recovery experience shall not be shared between tow operators. If two operators combine for salvage and recovery response, both drivers shall have the five (5) verifiable years of experience.
- 2) An operator shall possess two (2) tow trucks of the appropriate class to qualify for the Salvage and Recovery Rotation Tow List. One (1) shall be a Class D tow truck and one (1) Class C tow truck.
  - a) Depending on an Area's needs and a tow operator's equipment availability, the Area commander may allow an operator to respond one of the following to meet the two (2) tow truck response criteria:
    - 1) Two (2) Class C tow trucks.
    - 2) One (1) Class C tow truck and one (1) Class B tow truck only in remote Areas in the state where traffic congestion is not an issue.
    - 3) If the Area does not have sufficient operators who meet the two truck requirement, they may allow two operators from within the same Area to combine, with Area approval, in order to meet the needs of the Area through an approved addendum.

NOTE: A Quick Swap unit does not qualify for the Salvage and Recovery Tow List.

### 3. TOW OPERATORS

- A. Operators applying for the rotation tow program shall have a minimum of three (3) verifiable year's for-hire towing experience, as an owner or principal, prior to the final filing date of an enrollment period in order to qualify for a rotation tow listing.
  - 1) The three (3) verifiable years' for-hire experience shall be determined by the CHP.
- B. Operators and owners who do not meet the three (3) verifiable years' for-hire towing experience, may be considered if a full-time manager is employed who

possesses three (3) verifiable years for-hire tow experience, as an owner, principal, or full-time manager.

- 1) The three (3) verifiable years' for-hire experience, as an owner, principal, or full-time manager shall be determined by the CHP.
- C. Management experience shall be determined and qualified by the CHP as follows:
- 1) The designation of "manager" implies general power and permits reasonable inferences that the employee so designated is invested with the general conduct and control of his employer's business.
  - 2) An individual who has charge and control of a business and is vested with a certain amount of discretion and independent judgment.
- D. If the manager ceases to be employed by the company, the TSA shall be suspended until a new manager is approved by the CHP.
- E. Operators and owners applying for an additional identified business/terminal(s) located in a different CHP Area(s), shall utilize a full-time manager pursuant to Elements 3. B. and C. in each Area. A manager shall not be shared between Areas.
- F. New operators, managers, and tow truck drivers, involved with the CHP Rotation Tow Program, shall be fingerprinted for the purpose of conducting criminal history inquiries.
- 1) Any operator, manager, or tow truck driver who separates from the rotation tow program, in excess of one year, shall be fingerprinted for the purpose of conducting a criminal history regardless of prior criminal history clearances (e.g., CHP Evidence Tow Contract, Freeway Service Patrol).
  - 2) The CHP will receive subsequent arrest/conviction notifications for all operators, managers, and tow truck drivers.
  - 3) An operator shall notify the CHP of any arrest and/or conviction of a tow truck driver, manager, or the operator, prior to the beginning of the next work shift.
    - a) Failure to make notification should be cause for disciplinary action.
  - 4) The Area tow officer shall be notified immediately by an operator upon a manager's or tow truck driver's separation from the rotation tow program.



- G. Operators shall have all tow truck drivers involved with CHP rotation tow operations participate in a controlled substance and alcohol testing (CSAT) program.
  - 1) Drivers requiring a Class A, Class B, or commercial Class C license (endorsed for hazardous materials transportation) shall participate in a CSAT program as defined in the Code of Federal Regulations, Title 49, Parts 40 and 382.
  - 2) Drivers not required to possess a Class A, Class B, or commercial Class C license shall be enrolled in a CSAT program substantially similar to the requirements as outlined in Section 1) above.
  - 3) The operator shall ensure selection pools for commercial and non-commercial licensed drivers are maintained separately.
  - 4) A driver possessing a non-commercial driver license who returns with a positive test result shall meet the same reinstatement requirements as a driver required to possess a commercial driver license.
- H. The operator shall provide proof of enrollment in a CSAT and/or similar CSAT program to the Area office during the enrollment period.
- I. The operator, manager, and all tow truck drivers shall be enrolled in the Employer Pull Notice (EPN) program.
  - 1) The operator shall provide a current list of all managers and drivers, and a copy of the current EPN report, or in the case of a newly hired tow truck driver, proof of enrollment in the EPN program, to the Area office during enrollment.
    - a) The operator's signed and dated EPN report shall be kept on file in the Area office.
  - 2) Upon the addition of new managers or drivers, an operator shall be granted a maximum of 30 days to enroll drivers in the EPN.
- J. The operator shall maintain a current list of drivers.
- K. Operators shall have a Carrier Identification number and a valid Motor Carrier Property (MCP) permit. The MCP documentation shall be provided to the Area office during the enrollment period.

- 1) The expiration of an operator's MCP and/or suspension of the MCP, pursuant to Section 34623 CVC, shall result in the immediate suspension of the tow operator, as well as additional disciplinary action which may be imposed by the Area commander.
- L. Operators shall have a sufficient number of drivers in order to comply with hours-of-service. All drivers shall comply with intrastate and/or interstate hours of service pursuant to Title 13, Sections 1212 and 1212.5 of the California Code of Regulations (CCR).
  - 1) Operators shall ensure their drivers' record of duty status complies with Title 13, Section 1213 CCR.

#### 4. **TOW OPERATOR'S BUSINESS**

- A. An operator's place of business shall have a sign which clearly identifies it to the public as a tow service.
  - 1) The sign shall have letters which are clearly visible to the public from the street and shall be visible at night.
- B. Business hours shall be posted in plain view to the public.
- C. An operator's place of business shall have posted in plain view to the public the "Towing Fees and Access Notice" and copies of notice readily available to the public pursuant to Section 22651.07(a)(1)(A) CVC.
  - 1) The "Towing Fees and Access Notice" shall be a standardized document plainly printed in no less than 10-point type and shall contain the required language pursuant to Section 22651.07(d) CVC.
- D. An operator's place of business shall be sufficiently staffed to allow customers to talk face-to-face with a tow company's owner, manager, or employee during normal business hours.
  - 1) Normal business hours shall not be less than 8 a.m. to 5 p.m., Monday through Friday, except for the following state recognized holidays: New Year's Day, Martin Luther King Day, President's Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, day after Thanksgiving Day, and Christmas Day.
- E. If an operator's place of business is staffed with only one employee, the business office may only be closed for one hour for lunch and the following shall apply:

- 1) A sign shall be posted which reflects a lunch closure and a phone number where a request by a vehicle's owner/agent shall result in an immediate response to release property or a vehicle.
  - 2) Response to the office shall be within the time frame required for a normal CHP Class A tow as set forth in the Area addendum.
- F. The operator shall maintain records of all tow services furnished at the operator's primary business office (Note: printable electronic records are acceptable).
- 1) Invoices shall contain the required itemized information pursuant to Section 22651.07(e) CVC.
  - 2) Itemized invoices shall contain a distinct notice upon the invoice stating "Upon request, you are entitled to receive a copy of the Towing Fees and Access Notice." This notice shall be contained within a bordered text box, printed in no less than 10-point type pursuant to Section 22651.07(a)(1)(B)(3) CVC.
- G. The operator's primary business office shall also maintain business records relating to personnel, insurance, personnel taxes, payroll, applicable operating authorities, local operating authorities, lien sale actions, driver's record of duty status (intrastate and/or interstate), and Federal Communication Commission licensing (if applicable), and non-CHP tows.
- H. The CHP may inspect **all** operator records relating to compliance with the TSA without notice during normal business hours.
- I. Operators shall permit the CHP to make copies of business records at their place of business, or to remove business records for the purpose of reproduction.
- 1) The CHP shall provide a receipt for any record removed from the place of business.
- J. An operator shall maintain business records for a period of two (2) years (effective July 1, 2012), plus the current term of this TSA, and shall make them available for inspection.
- 1) Failure of the operator to comply with the aforementioned inspection requirements shall be cause for disciplinary action.

**5. FINANCIAL INTEREST**

- A. No operator or applicant shall be directly involved in the towing-related business of any other operator or applicant within the same rotation tow district.
- B. No operator or applicant shall share equipment with any other district or Area involved with the CHP rotation tow list (excluding equipment which may be unavailable due to repairs, equipment replacement, or the operator is involved in the Salvage and Recovery List).
- C. The sale or transfer of the controlling interest in a company shall immediately terminate the TSA.
  - 1) A new owner may apply for the rotation tow program at any time during the remainder of the current TSA term, regardless of the Area's enrollment period.

**6. RESPONSE TO CALLS**

- A. The operator shall respond to calls 24 hours a day, seven (7) days a week, within the maximum response time limits established by the Area commander.
- B. An operator or tow truck driver shall respond with a properly equipped tow truck of the class required to tow the vehicle, perform vehicle recovery (e.g., rollover, down embankment), provide service (e.g., fuel, flat tire change), and be in possession of the appropriate class of driver license, applicable endorsements, and permits.
  - 1) Any applicable permits (e.g., load variance, oversize) shall be valid and maintained in the tow truck.
- C. The operator shall advise CHP dispatch, at the time of notification, if they are either unable to respond or unable to meet the maximum response time.
  - 1) If, after accepting the call, the operator is unable to respond or will be delayed in responding, the operator shall immediately notify the appropriate CHP communications center.
- D. A failure to respond to towing or service calls, and/or repeated failures to meet maximum response time requirements, without justification, shall result in disciplinary action. (This includes refusing to respond for junk vehicle calls. Justification for failure to respond to calls shall be determined by the CHP.)

- E. If service, other than towing, recovery, and load salvage, is canceled by the vehicle's registered owner or agent, no lien shall arise for the service unless the operator has presented a written statement to the vehicle's registered owner or agent for the signed authorization of services to be performed pursuant to Section 3068(a) CC.
  - 1) The operator shall not attempt to take possession of a vehicle in order to establish a lien for any non-towing services performed, or initiated and subsequently canceled.
- F. Nothing shall prohibit a Class B, C, or D tow truck from maintaining a place on a lighter class rotation tow list, provided the tow truck meets the equipment specifications for that class of operation.
  - 1) Regardless of the class of tow truck utilized or responding to the call, charges shall not be more than for the class of vehicle towed or serviced, except when vehicle recovery operations require a larger class tow truck.
- G. Area commanders may establish local policy which allows an operator to dispatch more than one tow truck to a multiple vehicle collision scene in response to a rotation tow call.
- H. If two or more operators are called to the same incident, distribution of the vehicles shall be at the discretion of the CHP incident commander.
- I. When an operator will be temporarily unavailable to provide services due to a pre-planned or scheduled activity, the operator shall notify the Area command at least 24 hours prior to the date that services will be unavailable, noting the times and dates of the unavailability.
- J. Only tow truck personnel and equipment requested shall respond to a CHP call (e.g., tow truck driver bringing significant others, family members, friends, pets, etc., is not allowed).
  - 1) Exceptions would be transporting required personnel to a major incident, or responding a tow truck driver trainee with an approved rotation tow truck driver and only if a CHP 234F, Tow Operator/Driver Information, has already been submitted for the trainee to the Area office.
- K. An operator/tow truck driver shall not respond to a CHP call assigned to another operator or reassign a call to another tow operator, unless requested to do so by the CHP.

- 1) Nothing would preclude the assigned operator/tow truck driver from responding to an incident to ascertain if additional assistance or equipment is required.
- L. There shall be no additional charge for any personnel or equipment which is not necessary to perform the required service.
- M. There may be times when the operator/tow truck driver assigned the initial call, may require assistance from an additional operator/tow truck driver.
  - 1) The assigned operator/tow truck driver may, with concurrence of the scene manager, request a specific operator/tow truck driver for additional assistance.
  - 2) The operator/tow truck driver's approved request shall be routed through the CHP.
- N. There may be times when an operator/tow truck driver, who was not called to the scene, comes upon a collision scene where a vehicle or vehicles are blocking a roadway and the on-scene officer requests assistance in clearing the roadway.
  - 1) In such a case, the operator/tow truck driver may be requested by the officer to move the vehicle to a safe location and leave it.
  - 2) There shall be no charge for this assistance and the assistance provided shall not change the operator's place in the rotation.
    - a) Violations of Section 22513 CVC shall result in disciplinary action.
  - 3) If the operator/tow truck driver is requested to provide service at the scene resulting in a tow, that company would be moved to the bottom of the list.

## 7. STORAGE YARD

- A. The operator shall be responsible for the safekeeping and prevention of vandalism of all vehicles and contents which are stored/impounded by the CHP.
  - 1) At a minimum, a permanent securely fenced or an enclosed storage area of an adequate size shall be provided for the proper storage of vehicles.
- B. The primary storage yard shall be at the same location as the business address.
  - 1) Stored/impounded vehicles shall be at the primary storage yard.

- 2) This requirement may be waived by a written addendum from the Area commander with justification.
- C. A secondary storage yard shall be located reasonably close to the main business office.
  - 1) There shall be no charge to the vehicle's owner/agent for towing a vehicle from a secondary storage yard to the primary storage yard.
- D. Tow operators shall maintain sufficient storage spaces.
  - 1) A secondary storage yard shall only be utilized if the primary storage yard is full and only with prior CHP approval.
    - a) This requirement may be only waived by a written addendum from the Area commander with justification.
- E. A storage yard owned by an operator and shared with another operator shall only be approved if the operator/owner charges for the space exclusively on a flat monthly rate rather than a vehicle-by-vehicle basis, or combination thereof.
- F. A storage yard shared by operators, or any other business establishment(s) regardless if owned by the operator or not, shall be physically separated and secured from each other, including business records related to the tow company.
- G. Prior to the utilization of a new storage yard, which was not listed on the CHP 234A, Rotation Tow Listing Application, the storage yard shall be inspected, and the operator shall obtain the Area commander's approval.
- H. An operator's employee shall be properly trained to conduct business transactions related to towing, storage, and release of vehicles/property.
- I. The operator or their employee shall release personal property from a vehicle which has been stored/impounded by the CHP at the request of the vehicle's registered owner or agent pursuant to Sections 22851(b) and 22651.07 CVC.
  - 1) California Highway Patrol approval shall be obtained prior to the release of personal property from a vehicle that has been impounded for evidence or investigation.
  - 2) A receipt shall be provided for the removed personal property, with a copy placed inside the stored/impounded vehicle.

- a) This procedure shall also apply to the removal of property by the tow operator and/or their employee to a secured area within the business.
- J. Personal property and/or the vehicle shall be released at the primary storage yard.
  - 1) Personal property or a vehicle release from a secondary storage yard shall only be granted if it's acceptable to the vehicle's registered owner or agent.
    - a) Personal property is considered to be items which are not affixed to the vehicle. Personal property includes: papers, cell phones, pull-out radios, clothes, luggage, tools, etc.
- K. No fee shall be charged for the release of a vehicle or personal property during normal business hours pursuant to Sections 22851(b) and 22651.07(c)(1) CVC.
  - 1) The maximum charge for a non-business hours release shall be one-half the hourly tow rate charged for the vehicle towed, or less, for initially towing the vehicle pursuant to Section 22851(b) CVC.
  - 2) No lien shall attach to any personal property in or on the vehicle pursuant to Section 22851(b) CVC.
- L. The operator shall keep a written record of every vehicle stored/impounded for a period longer than 12 hours pursuant to Section 10650(a) CVC.
  - 1) The 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 ascertainable), and a brief vehicle description (make, model, license plate number, and any vehicle damage) pursuant to Section 10650(b) CVC.

## 8. TOW TRUCK DRIVERS

- A. The operator shall ensure tow truck drivers responding to calls initiated by the CHP are competent and have completed a Tow Service Agreement Advisory Committee (TSAAC) approved tow truck driver training program.
  - 1) The TSAAC approved tow truck driver training course list is contained in Attachment A of this TSA.
    - a) Acceptable hands-on tow truck driver training programs shall be approved by the TSAAC. (On-line testing/certification will not be accepted.)



- 2) Effective July 1, 2016, all drivers shall provide documentation that they have completed Traffic Incident Management training in accordance with the Federal Highway Administration.
- 3) Documentation of completion of an approved tow truck driver training program within the past five (5) years shall be submitted along with the CHP 234F. Certificates with a three-year expiration date will be accepted five (5) years from the date of issuance.
  - a) A CHP 234F shall include all convictions of felonies and misdemeanors.
  - b) Tow truck driver training documentation shall be for the appropriate class of tow truck (e.g., a Class D driver shall have heavy duty tow truck driver's training documentation).
 

Note: A certificate for a higher level of training will be acceptable for all lower levels of tow trucks.
  - c) All operators, managers, and drivers shall be provided with written notification regarding the reason(s) for denial of an operator, manager, or driver's CHP 234F within 30 days.
    - 1) If denial is based on fingerprint results, a copy of the results shall be provided to the denied applicant.
  - d) A failure to disclose any felony and/or misdemeanor convictions shall be cause for denial of a CHP 234F and is a misdemeanor pursuant to Sections 20 and 31 CVC.

- B. Completion and/or documentation of a tow truck driver's training does not indicate a sufficient level of competence.
- C. Tow truck drivers shall perform all towing and recovery operations in the safest and most expedient manner possible.
- D. Tow truck drivers shall be at least 18 years of age and shall possess the proper class of license and endorsements for the towed and towing vehicle.
- E. Uniforms: CHP rotation tow truck drivers shall wear an identifiable uniform (either shirt and pants, or coveralls) displaying the company and the driver's name while engaged in CHP rotation tow operations.

- F. Personal Appearance: CHP rotation tow truck drivers shall represent a professional image. An unacceptable representation would include: unbathed, excessively dirty/torn uniform, inappropriate visible body art, visible body piercing, etc.
- G. Safety Garments: CHP rotation tow truck drivers **shall** wear appropriate warning garments (e.g., vests, jackets, shirts, retroreflective clothing) during daylight and hours of darkness in accordance with Code of Title 8, Section 1598 CCR. If the tow truck driver is working on a Federal-aid highway, the operator **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, which 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.

## 9. TOW TRUCK CLASSIFICATIONS

- A. An operator shall equip and maintain tow trucks covered under the TSA in accordance with the provisions set forth in the CVC, Title 13 of the CCR, the specifications contained in this TSA, and in a manner consistent with industry standards and practices.
- B. All recovery vehicles (wreckers) shall have an extendable/retractable recovery boom meeting the specifications contained in this TSA and the most recent electronic version of the CHP 234B, Tow Truck Inspection Guide.
  - 1) Class D tow trucks used exclusively for salvage and recovery operations are not required to possess wheel lift capabilities.
  - 2) An operator who has a car carrier is exempted from the recovery, wheel lift, and boom capability requirements. However, the car carrier must be an additional unit and **shall not be used for recovery**.
  - 3) An auto-loader without an extendable/retractable boom is an additional unit and **shall not be used for recovery**.
    - a) For purposes of the TSA, recovery is defined as a vehicle which is overturned, down an embankment, or otherwise not upright on its wheels.
- C. A violation of the gross vehicle weight rating (GVWR) and/or safe loading requirements of a tow truck should be cause for immediate suspension. This includes exceeding the tow truck's GVWR, front axle weight rating, rear axle

weight rating, maximum tire weight ratings, or not maintaining 50 percent of the tow truck's unladen front axle weight on the front axle when towing.

There are four (4) classes of tow trucks covered under this TSA.

1) **Class A - Light Duty**

- a) An operator should maintain a minimum of one tow truck which has a manufacturer's GVWR of at least 14,000 pounds.
  - (1) After June 30, 2006, Class A 4-wheel drive tow trucks with a GVWR of less than 14,000 pounds may be listed as special equipment on the CHP 234A. These tow trucks shall be used only for recoveries requiring the use of 4-wheel drive.

2) **Class B - Medium Duty**

- a) An operator should maintain a minimum of one tow truck with a GVWR of at least 33,000 pounds. The truck shall be equipped with air brakes and a tractor protection valve or device, and be capable of providing and maintaining continuous air to the towed vehicle.

3) **Class C - Heavy Duty**

- a) An operator should maintain at least one three-axle tow truck with a GVWR of at least 52,000 pounds. The truck shall be equipped with air brakes and must be capable of providing and maintaining continuous air to the towed vehicle.

4) **Class D - Super Heavy Duty**

- a) An operator should maintain at least one three-axle tow truck with a GVWR of at least 54,000 pounds. The truck shall be equipped with air brakes and must be capable of providing and maintaining continuous air to the towed vehicle.
  - (1) If this class of tow truck is used exclusively for salvage and recovery operations, there is no requirement for providing and maintaining continuous air to the towed vehicle.

Note: For purposes of the TSA, a "low-boy trailer" is considered special equipment.

## 10. GENERAL EQUIPMENT SPECIFICATIONS

- A. Tow Truck and Car Carrier Classifications: Tow truck and car carrier classifications are based on the truck chassis GVWR and the classification system used by the American Trucking Association and truck manufacturers. Tow truck and car carrier classifications shall meet all applicable state and/or federal standards.
- B. Identification Labels: Each piece of towing equipment shall have a manufacturer's label or identification tag permanently affixed to the equipment in a prominent location to identify the manufacturer, serial number, model, and rated capacity.
- C. Recovery Equipment Rating: The basic performance rating of the recovery equipment is the weight the equipment can lift in a winching mode, when the boom is static at a 30 degree elevation with the load lines vertical and the lifting cables sharing the load equally, measured with a live load (weight or load cell).
  - 1) The structural design of the recovery equipment must have a higher load capacity than the performance ratings.
  - 2) Winches shall conform to or exceed the specifications set forth by the Recovery Equipment Rating, Society of Automotive Engineers (SAE) Handbook, SAE J706.
  - 3) All ratings for wire rope and chain assemblies are for the undamaged assembly condition. All wire rope and chain assemblies should be the same type, construction, and rating as specified by the original equipment manufacturer for the equipment.
- D. Control/Safety Labels: All controls shall be clearly marked to indicate proper operation, as well as any special warnings or cautions.

## 11. INSPECTIONS

- A. The CHP shall provide one (1) annual inspection of all tow trucks utilized on CHP rotation calls, at no charge to the operator, in order to qualify for participation in the term of the TSA.
  - 1) The CHP may conduct additional inspections without notice during normal business hours.

- B. The operator shall not dispatch any tow truck which has not been inspected and approved by the CHP.
  - 1) The CHP shall inspect a tow truck within thirty (30) days of a request from an operator prior to use in the Rotation Tow Program.
- C. The annual inspection shall consist of the following:
  - 1) A Level One inspection (CHP 407F, Safetynet Driver/Vehicle Inspection Report) conducted by a commercial enforcement officer or Area tow officer with the assistance of a motor carrier specialist or commercial vehicle inspection specialist.
  - 2) A tow truck inspection (CHP 234B) conducted by a commercial enforcement officer or Area tow officer.
  - 3) Tow trucks arriving for inspection shall be properly equipped as outlined on the CHP 234B, and ready for immediate response for service.
- D. Upon the successful completion of a Level One inspection, a Commercial Vehicle Safety Alliance decal shall be issued, regardless of the tow truck inspection (CHP 234B) results.
- E. If two (2) or more CVC requirements on the CHP 234B, Page one, receive a failing mark, the inspected truck has failed the initial annual inspection and shall count against the 50 percent failure rate. An "Out of Service" violation on a CHP 407F shall count as a failure of the initial annual inspection.
  - 1) Other than the two (2) or more CVC requirements, a tow truck may fail based on additional failed items outlined on the CHP 234B, within reason.
- F. If 50 percent or more of the operator's tow trucks fail the initial annual inspection, the operator's application shall be denied and the operator may reapply during the next open enrollment period.
  - 1) The operator whose trucks have successfully passed the initial annual inspection, by more than 50 percent, but still have some tow trucks which failed, shall be allowed one re-inspection for those failed tow trucks.
- G. The intent of these inspections is to ensure operators are involved in an ongoing safety maintenance program for their tow trucks. The annual inspection is not intended to find out what needs to be repaired/replaced on an operator's tow truck. A tow truck responding to a CHP call should be properly equipped and operating in a safe condition.

- H. Tow trucks shall be inspected by the Area for which they are designated. If a tow truck fails its initial inspection for its designated area, it **shall not** be redesignated to another Area and re-inspected for use in another Area. (An exception would be rural areas, i.e. resident posts, that must utilize an "out-of-area" operator.)
- I. The operator shall be provided with written notification of the failure/denial of any tow truck or equipment and allowed a hearing upon request to the Area office pursuant to Section 2424(d) CVC and Element 22. Hearing/Appeal.
- J. All of the equipment listed on an operator's CHP 234A shall be accounted for during the annual inspection.
- K. Special Equipment
  - 1) To properly and safely tow, service, or recover the wide variety of vehicles being operated on the highway, a towing procedure may require the use of special equipment specifically designed for the purpose. This special equipment shall be listed on the operator's CHP 234A and should be used when appropriate.
  - 2) All special equipment listed on the CHP 234A shall be accounted for during the annual inspection or when additional equipment is added.
  - 3) Any special equipment which requires certification/inspection of the equipment and/or operator (e.g., cranes, forklifts), the applicable and current certification/inspection document(s) shall be provided to the Area office at the time of enrollment or as equipment is added by an operator.

## 12. RATES

- A. Fees charged for calls originating from the CHP 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.
  - 1) Reasonableness shall be determined as compared to other similar service rates.
  - 2) Validity shall be based upon the following: telephone quotes, invoices, posted rates, charges to retail customers, etc.

NOTE: Element 12.A, shall not apply if the operator responds to a CHP call in a location where towing rates for all tow companies are established by an Official Police Garage or city/county ordinance pursuant to Section 21100(g) CVC.

- B. Based upon the average of the proposed fees submitted, the Area commander shall determine the reasonableness and validity of all submitted rates (i.e., storage, non-skilled labor, special equipment).

NOTE: Non-skilled labor is work which requires no special training or experience for performing the work adequately.

- C. An operator who submits a rate, which is determined by the Area commander to be unreasonable and/or invalid, shall be allowed to re-submit rates only once.
- 1) If the re-submitted rate is unreasonable and/or invalid, the operator shall be disqualified from participating in that class for which the rate was unacceptable, or charge for services in which the rate was submitted, until the next enrollment period.
  - 2) An operator shall be provided with written notification regarding the disqualification within 30 days.
- D. Rate requirements represent the maximum an operator may charge on a CHP call per hour.
- 1) An operator is not precluded from charging less when deemed appropriate by the operator.
  - 2) These requirements shall not be construed as requiring a charge if an operator would not normally charge for such service.
- E. Any operator who charges rates above the submitted rates for a CHP call shall be subject to disciplinary action.
- F. In an effort to remain competitive in the open market, the operator may lower retail rates at any time by notifying the CHP.
- 1) When an operator lowers the retail rate, that retail rate becomes the operator's new approved rate.
- G. A valid bank credit card or cash payment shall be accepted for payment of towing and/or storage pursuant to Sections 22651.1 and 22651.07(c)(4) CVC.
- 1) A surcharge shall not be imposed upon a cardholder who elects to use a credit card for payment pursuant to Section 1748.1 CC and Section 22651.07(c)(4) CVC.

- H. The approved schedule of rates charged by the operator shall be available in the tow truck, and shall be presented upon demand to the vehicle owner/agent for whom the tow service was provided or any CHP officer at the scene.
- I. There shall be no additional charge for moving (i.e., driving, towing, pushing, utilizing a forklift) a stored/impounded vehicle from inside an operator's storage yard to the front of the business establishment.
- J. Operators may only raise rates during the enrollment period or upon approval after a midterm review initiated by the CHP.
- K. Tow Rates
  - 1) The rate for towing should be computed from portal to portal when a vehicle is towed to the operator's storage yard.
    - a) 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 another call is pending, whichever is shorter.
  - 2) The time expended, for towing a vehicle back to the operator's storage yard, should be charged at a rate not to exceed the hourly rate.
    - a) Time expended in excess of the hourly rate shall be calculated in no more than one-minute increments.
    - b) There shall be no additional charges for mileage, etc.
  - 3) A clear, itemized, and detailed explanation of any additional service that caused the time to exceed one hour shall be documented on the invoice pursuant to Section 22651.07(e)(7) CVC.
  - 4) The operator may submit two retail hourly tow rates to the Area: One rate for calls originating during normal business hours and one rate for calls originating after business hours.
  - 5) The operator shall base charges for the class of vehicle being towed or serviced regardless of the class of tow truck used. When vehicle recovery operations require a larger class tow truck, the higher rate may be charged.



L. Service Calls

- 1) The operator may charge up to a 30-minute minimum per call for any service which is performed when the vehicle operator or agent is present and the vehicle is not stored at the direction of an officer or returned to the operator's storage yard.
- 2) Rates for a service call (out-of-gas, lockouts, tire changes, etc.) should be from portal to end of service.
- 3) Charges, in excess of a 30-minute service call, may be charged in no more than one-minute increments.
  - a) A clear, itemized, and detailed explanation of any additional service that caused the time to exceed one hour shall be documented on the invoice pursuant to Section 22651.07(e)(7) CVC.
  - b) If the service cannot be performed safely at the vehicle's location, the vehicle may be moved to safe location to perform the service at the service call rate.
- 4) Fuel charges for gasoline dispensed on out-of-gas service calls shall be at the prevailing market rate.

M. Fees for Special Operations

- 1) Fees shall be reasonable and consistent with industry standards for similar operations.
- 2) Operators involved in the two (2) tow truck Salvage and Recovery List may charge a minimum two-hour rate.
  - a) Time expended in excess of the two-hour minimum shall be at the hourly rate in no more than one-minute increments.
  - b) If a second hour is charged, the second hour shall meet the invoicing requirements pursuant to Section 22651.07(e) (7) CVC.
  - c) If it is determined that only one truck is required, the second truck may claim portal to portal and time expended on scene until determination was made that it was not required.
- 3) Hourly rates shall be established for the following:

- a) Auxiliary and contracted equipment (e.g., airbags, converter gear/dolly, additional trailers, fork lift, front loaders, low-boy trailers, rotators).
- 4) Operators shall submit a mark-up rate (percentage of the cost to the operator) for rental equipment and labor not otherwise listed on the CHP 234A.
- 5) If an operator performs a service for which a required rate was not submitted and approved by the Area, the operator shall only be entitled to charge for the actual cost of that service plus a markup rate not to exceed ten (10) percent.

N. Storage Fees

- 1) A vehicle stored/impounded 24 hours or less shall be charged no more than one-day storage pursuant to Section 3068.1(a) CC.
  - a) If the vehicle is released from storage after 24 hours has lapsed, charges may be allowed on a full, calendar-day basis for each day of storage, or part thereof pursuant to Section 3068.1(a) CC.
- 2) Storage of vehicles in combination should be charged a per vehicle rate except for dollies, con-gear, vehicle on a car carrier/trailer, etc.
  - a) Dollies and con-gear, not in combination, may be charged a storage rate not to exceed Class A storage fees.
- 3) Inside storage fees shall only be charged when inside storage is requested by the CHP, registered owner, legal owner, insurance company, or when the inside storage can be justified by the tow operator.
- 4) 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.

O. Lien Fees

- 1) If a vehicle has been determined to have a value exceeding four thousand dollars (\$4,000), pursuant to Section 22670 CVC, the lien shall be satisfied pursuant to Section 3071 CC (Section 3074 CC).
- 2) The lienholder may charge a fee for lien sale preparations not to exceed seventy dollars (\$70), for a vehicle valued at four thousand dollars (\$4,000)

or less and not to exceed one hundred dollars (\$100) for a vehicle valued at greater than four thousand dollars (\$4,000) (Section 3074 CC).

- a) These charges may commence when the lienholder requests the names and addresses of all persons who have an interest in the vehicle from the Department of Motor Vehicles (Section 3074 CC).
- b) Not more than 50 percent of the allowable fee may be charged until the lien sale notifications are mailed to all interested parties and the lienholder or registration service agent has possession of the required lien processing documents (Section 3074 CC).
- c) This charge shall not be made in the case of any vehicle redeemed prior to 72 hours from the initial storage (Section 3074 CC).

### **13. COLLUSION**

- A. An operator and/or applicant shall not conspire, attempt to conspire, or commit any other act of collusion with any other operator or applicant for the purpose of secretly, or otherwise, establishing an understanding regarding rates or conditions to the TSA that would bring about any unfair condition which could be prejudicial to the CHP, the motoring public, or other operators.
- B. A finding by the CHP that any operator or applicant has been involved in collusion shall be cause for denial of an application or shall nullify the TSA. Any operator or applicant found to be involved in any act, or attempted act of collusion, shall be disqualified from participation on all CHP rotation tow lists for the current term, plus three years.

### **14. INSURANCE**

- A. The operator shall maintain the following minimum levels of insurance from an insurance carrier admitted in California, or admitted in the state in which the operator's business is located, and is authorized to do business in California:
  - 1) Minimum Level of Financial Responsibility (as required by Section 34631.5 CVC) - Bodily injury and property damage with a combined single limit of not less than \$750,000 for Class A tow trucks. The combined limits for Classes B, C, and D shall not be less than \$1,000,000. These minimum standards are to include non-owned and hired auto coverage.
  - 2) Uninsured Motorist - Legal minimum, combined single limit.

- 3) On-Hook Coverage/Cargo - Insuring the vehicle in tow with limits based on the size of the tow truck.
    - a) Class A tow truck.....\$50,000.
    - b) Class B tow truck.....\$100,000.
    - c) Class C tow truck.....\$200,000.
    - d) Class D tow truck.....\$250,000.
  - 4) Garage Liability - Includes premises and operations. Coverage for bodily injury and property damage with a combined single limit of not less than \$500,000.
  - 5) Garage Keeper's Liability – Shall be the same minimum as on-hook coverage for vehicles in the care, custody, and control of the operator in the storage yard.
- B. An operator shall provide proof of insurance for all storage facilities listed on the CHP 234A.
  - C. Proof of insurance shall be in the form of a certificate of insurance. The operator's insurance policy shall provide for not less than 30 days written notice to the CHP in the event the insurance policy is canceled or is due to expire.
  - D. Failure of the operator to maintain the minimum insurance requirements set forth in the TSA shall immediately nullify the TSA, remove the operator from the rotation tow list, and subject to disciplinary action by the Area commander.

## 15. ANNUAL OPEN ENROLLMENT MEETINGS

- A. The Area commander shall conduct one (1) annual open enrollment meeting to discuss the forthcoming TSA term and issues concerning the rotation tow program.
  - 1) The CHP shall provide a 30-day written notice of the meeting to operators currently approved for the rotation tow program and to those new operators expressing interest.
    - a) The written notice shall be sent via certified mail, hand delivered, or electronically delivered with confirmation within 24 hours, or next business day.

- 2) If an operator or operator's designee fails to attend the annual open enrollment meeting, the operator's application for the forthcoming TSA term shall be denied.
  - a) The operator shall be provided with written notification of the denial and may reapply during the next open enrollment.
- B. Any subsequent meetings, outside of the open enrollment meeting, shall be mandatory for the operator or operator's designee.
  - 1) The CHP shall give a 30-day written notice, if practical, of the meeting.
  - 2) Failure to attend a meeting shall result in disciplinary action.

#### **16. DEMEANOR AND CONDUCT**

- A. While involved in CHP rotation tow operations or related business, the tow operator and/or employee(s) 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 which the operator is capable of performing.
  - 3) Any act of sexual harassment or sexual impropriety.
  - 4) Unsafe driving practices.
  - 5) Exhibiting any objective symptoms of alcohol or drug use.
    - a) The operator/tow truck driver shall submit to a preliminary alcohol screening test upon demand of the CHP if an odor of an alcoholic beverage is detected upon their person.

#### **17. TOW COMPLAINTS**

- A. All CHP related tow service complaints received or initiated by the CHP against a tow operator or tow operator's employees, shall be accepted and investigated in a fair and impartial manner.
  - 1) The tow operator and their employees shall cooperate with CHP investigators during the course of an investigation.

- B. Alleged violations of the TSA shall be investigated by the CHP Area covered by the TSA.
- C. Should the filing of criminal charges be a possibility, the CHP shall conduct the investigation to conclusion or assist the lead investigating agency and request prosecution if warranted.
- D. Complaints for violations of the law not normally investigated by CHP shall be referred to the agency with investigation jurisdiction.
- E. Completed complaint investigations shall be forwarded to the Division for review and approval.
- F. The operator shall be notified in writing of the findings within 30 days of the conclusion of any investigation.

**18. COMPLIANCE WITH LAW**

- A. The tow operator and employees shall, at all times, comply with federal, state, and local laws and ordinances.
- B. Any conviction of the operator or employee involving a stolen or embezzled vehicle, fraud related to the towing business, stolen or embezzled property, a crime of violence, a sexual offense, a drug-related offense, felony driving while under the influence of alcohol or drugs, misdemeanor driving while under the influence of alcohol or drugs; or acts of moral turpitude should be cause for suspension or removal of an operator/employee, or denial of an operator/employee's application, or termination of the TSA.
- C. California Highway Patrol personnel, as well as tow operators and their employees, shall not be offered nor accept gratuities pursuant to Section 12110(a) CVC.
- D. No tow operator or their employees shall accept any gratuities 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) CVC.
- E. An operator shall satisfy a court order mandating reimbursement to the vehicle or property owner for the damage or loss which occurred while the vehicle was in the operator's custody.
- F. An operator or employee arrested/charged for a violation involving any of the above crimes should be suspended until the case is adjudicated.

## 19. COMPLIANCE WITH TSA

- A. The operator agrees, as a condition of inclusion in the rotation tow program, to comply with the terms and conditions of the TSA. Furthermore, the operator or operator's agent agrees that failure to comply with these terms and conditions shall be cause for disciplinary action (i.e., written reprimand, suspension, termination, or denial of an application).
- B. A violation of the equipment requirements, related to safety, shall be cause for immediate suspension.
  - 1) The suspension shall remain in effect until the suspension period is completed and the CHP has inspected the equipment and concluded the operator is in compliance.
- C. A violation of the GVWR and/or safe loading requirements of a tow truck may be cause for disciplinary action.
  - 1) This includes exceeding the tow truck's GVWR, front axle weight rating, rear axle weight rating, maximum tire weight ratings, or not maintaining 50 percent of the tow truck's laden front axle weight on the front axle when in tow.
- D. A violation of intentionally overcharging or a pattern of overcharging shall be cause for suspension.
  - 1) The suspension shall remain in effect until the suspension period is completed and proof of reimbursement to the aggrieved customer has been provided to the CHP.
- E. Any unsatisfactory terminal evaluation rating issued by the Motor Carrier Safety Unit (MCSU) shall be cause for suspension.
  - 1) The suspension shall remain in effect until proof of a satisfactory compliance rating from the MCSU has been provided to the Area commander.
- F. Allowing an incompetent tow truck driver to respond to a CHP call shall be cause for disciplinary action of the operator.
- G. An operator responding a tow truck driver to a CHP call (i.e., those drivers dispatched by the tow operator's business) who have not been approved by the Area office, shall be cause for disciplinary action of the operator.

- H. Tow operators shall not record (i.e., videotape or photograph) a scene unless it is for official use by the tow company for business related reasons.
  - 1) The on-scene investigating officer or incident commander shall make the determination when a tow operator may record a scene for tow related business reasons.
  - 2) In the event a tow operator is determined to be in violation of this provision, they will immediately surrender any such recording device to an officer of the CHP.

## 20. DISCIPLINARY ACTION

- A. The Area commander shall take disciplinary action against an operator for violations investigated and sustained. Furthermore, the operator agrees that failure by the operator, or their agent, to comply with these terms and conditions shall be cause for disciplinary action (i.e., written reprimand, suspension, denial of an application, or termination from the CHP Rotation Tow Program – Section 2424[d] CVC).
  - 1) The Area commander shall retain discretion regarding the length of any suspension imposed pursuant to the terms and conditions of this TSA.
- B. Nothing shall preclude the CHP from taking the appropriate enforcement or administrative action for any violations of law.
- C. Nothing herein shall be deemed to prohibit the CHP from immediately suspending, terminating, or denying an application of any operator or employee for any of the following:
  - 1) Whose conduct, in the opinion of the Area commander, is deemed to be a danger to the motoring public (e.g., registered sex offender).
  - 2) A violation of equipment requirements, related to safety.
  - 3) Who has engaged in conduct constituting a flagrant violation of the TSA.
- D. Records of violations shall be retained by the CHP for 36 months, plus the current TSA term.
- E. Disciplinary action taken against an operator by an Area commander should be honored by all CHP Areas being serviced by the operator in question.



## **21. TERMS OF DISCIPLINARY ACTION**

- A. Violations of the terms and conditions of the TSA may be cause for disciplinary action in the following manner:
- 1) First violation within a 12-month period – letter of written reprimand.
  - 2) Second violation within a 12-month period – one to 30-day suspension.
  - 3) Third violation within a 12-month period – 60 to 90-day suspension.
  - 4) Fourth violation within a 12-month period – termination of the TSA.
- NOTE: Nothing may preclude an Area commander from imposing a suspension for a first violation pursuant to Element 20, Disciplinary Action, Item C.
- B. Violations of the terms and conditions of the TSA which warrant suspension for the first violation are categorized as major violations. Any subsequent or continuing major violation may be cause for termination.
- 1) In lieu of termination, the CHP may impose additional suspensions for longer periods, if deemed appropriate.
  - 2) When considering disciplinary action for a major violation of the TSA, an Area commander should take into consideration all violations which have occurred within 36 months prior to the date of the current violation.
- C. A suspended or terminated operator, and/or the tow business owner at the time of the suspension or termination, shall not be eligible for a rotation listing for the duration of the suspension or termination.
- 1) This provision applies to the operator working in any capacity within any tow business or operating any tow business, even if operated under new ownership.
- D. If the operator is serving a suspension, the operator shall be required to have complied with all terms and conditions of the current TSA at the time of reinstatement.
- E. An operator shall comply with all the terms of the suspension (i.e., restitution to victims, court orders) prior to reinstatement or reapplication.

## **22. HEARING/APPEAL**

- A. A hearing shall be granted, upon an operator's request, within ten (10) calendar days, for any of the following circumstances:
  - 1) Operator is served with disciplinary action.
  - 2) Denial of an operator's rotation tow application (CHP 234A) or an operator/driver application (CHP 234F).
- B. The Area commander shall provide written notification to the operator requesting a hearing indicating acknowledgement of the hearing request and a hearing date assigned.
- C. A hearing shall be held as soon as practicable.
- D. The hearing shall be conducted by the Area commander or designee, and the operator shall be entitled to present all relevant facts and circumstances in support of the operator's position.
  - 1) The operator shall be entitled to present testimony of at least one qualified person. (i.e., representation by counsel or attorney.)
- E. The operator shall be notified in writing of the Area commander's decision(s) within ten (10) business days of the date of completion of the hearing.
- F. Upon receipt of the Area commander's written hearing decision, if the operator is dissatisfied with the decision(s), the operator may appeal by submitting a written request to the CHP Division commander within ten (10) business days.
- G. The appeal shall be conducted by the Division commander or designee and shall be held as soon as practicable.
- H. The Division commander shall provide written notification to the operator requesting an appeal indicating acknowledgement of the appeal request and an appeal date assigned.
  - 1) The operator shall have the same rights as afforded at the Area level.
  - 2) The operator shall be notified in writing of the Division commander's decision(s) within ten (10) business days of the appeal.
  - 3) The Division commander's decision(s) shall be subject to no further administrative appeal.

- I. Disciplinary action shall not take effect until the hearing and appeal process has been exhausted, with the exception of operators whose conduct is deemed to be a danger to the motoring public or who continue to violate the terms and conditions of this TSA.
- J. If an operator fails to request a hearing or appeal within the specified time or fails to appear at a scheduled hearing or appeal, the action taken by the CHP Area commander shall be final and the disciplinary action shall take effect upon written notification to the operator by the Area commander.

## **23. MIDTERM REVIEW**

- A. The purpose of this section is to provide a process for a midterm review of the terms and conditions of the TSA in the event there is a legitimate and substantial change in conditions or law affecting the majority of the operators within an Area or the CHP.
- B. A midterm review, when granted by the Commissioner or designee, will not automatically authorize a change in the terms and conditions of the TSA.
  - 1) If a midterm review is announced by the Commissioner or designee, it is the responsibility of the affected Area commander to conduct a review of the conditions which initially caused the request to be communicated and to determine if the change is justified.

## **24. ADVERTISING**

The operator shall not display any sign or engage in any advertisement indicating an official or unofficial connection with the CHP or the Department of Motor Vehicles.

## **25. CANCELLATION**

This TSA may be canceled by an operator by providing written notice to the Department.

## 26. OPERATOR APPROVAL

I certify that all drivers operating under this Tow Service Agreement (TSA) are qualified and competent. I further certify that I have read and understand this TSA and agree to abide by all the provisions. I further agree to indemnify, defend, and save harmless the state, its officers, agents, and employees from any and all claims and losses accruing or resulting to the operator in connection with the performance of the TSA, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the operator in the performance of this TSA. The operator, and the agents and employees of the operator, in the performance of this TSA, shall act in an independent capacity and not as officers or employees or agents of the State of California. The terms of this TSA (2016-2017 TSA) will become effective:

\_\_\_\_\_ and end \_\_\_\_\_  
Date Date

Operator Approval		
Signature	Typed Name	
Company	Title	Date
Business Address		Phone Number
Motor Carrier Permit Number		

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**ATTACHMENT A**  
**TOW SERVICE AGREEMENT ADVISORY COMMITTEE**  
**APPROVED TOW TRUCK DRIVER TRAINING COURSES**

Automobile Club of Southern California  
3333 Fairview Road  
Costa Mesa, CA 92626  
Contact: Rob Wade at (714) 885-1333  
E-mail: [wade.robert@caaaa-calif.com](mailto:wade.robert@caaaa-calif.com)

California Tow Truck Association  
3050 Beacon Blvd.  
West Sacramento, CA 95691  
Contact: (800) 874-2860  
E-mail: [president@ctta.com](mailto:president@ctta.com)

International Institute of Towing & Recovery (Instructor Led / Self Study Course)  
700 12<sup>th</sup> Street NW, Suite 700  
Washington, DC 20005  
(888) 392-9300  
Contact: Peter Fuerst at (415) 859-1889  
E-mail: [pfuerst1@comcast.net](mailto:pfuerst1@comcast.net)

Randy Resch  
21020 Fog Ridge  
Alpine, CA 91901  
Telephone: (619) 807-3173  
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