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Title: CONSIDER AUTHORIZING STAFF AND THE CITY ATTORNEY TO NEGOTIATE TWO (2) TOWING & STORAGE FRANCHISE AGREEMENT WITH FALCON TOWING & KRUGER TOWING (ON A ROTATING BASIS) TO PROVIDE CITY-INITIATED TOWING SERVICES AND TO RETURN THE SAME TO THE CITY COUNCIL FOR CONSIDERATION AND POSSIBLE AWARD (CITY COUNCIL)

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Report to Mayor and City Council

Tuesday, August 15, 2017

Discussion

SUBJECT:

CONSIDER AUTHORIZING STAFF AND THE CITY ATTORNEY TO NEGOTIATE TWO (2) TOWING & STORAGE FRANCHISE AGREEMENT WITH FALCON TOWING & KRUGER TOWING (ON A ROTATING BASIS) TO PROVIDE CITY-INITIATED TOWING SERVICES AND TO RETURN THE SAME TO THE CITY COUNCIL FOR CONSIDERATION AND POSSIBLE AWARD (CITY COUNCIL)

I. SUMMARY

A Request for Proposals to provide Towing and Storage Services for the City of Carson (the "RFP") was issued on April 3, 2017. The City received two (2) responding proposals by the deadline of May 8, 2017.

After reviewing these responses and conducting follow-up interviews, staff is recommending that the City Council authorize staff and the City Attorney to negotiate two (2) Towing Franchise Agreements (on a rotating basis), consistent with the requirements of *Jacks v. Santa Barbara*, with Falcon Towing and Kruger Towing and return the same to the City Council for consideration and possible award.

II. RECOMMENDATION

The City Council authorize staff and the City Attorney to negotiate two (2) Towing Franchise Agreements, consistent with the requirements of *Jacks v. Santa Barbara*, with Falcon Towing and Kruger Towing and return the same to the City Council for consideration and possible award.

III. ALTERNATIVES

Reject all proposals and provide different direction to staff regarding towing services in the City of Carson.

IV. BACKGROUND

The City's "police powers" permit it to contract for activities related to services provided to the City and residents of the City. Among those activities is the legal authority to tow vehicles. Typically the City will be required to tow abandoned vehicles, non-operable vehicles, illegally parked vehicles, and vehicles involved in accidents or traffic stops. The City's Code and Parking Control Officers and/or the Los Angeles County Sheriff's Department ("LASD") personnel request and authorize the towing of vehicles in the City.

LASD has it's own and independent process for selecting towing companies to respond to calls for tows by law enforcement. In the LASD process, a panel of LASD Chiefs review towing companies who are interested in towing vehicles for the Department and then award contracts. LASD contracts are for three year terms. Carson's Sheriff's Station contract was up for renewal in May, 2017 and the ***LASD awarded contracts to Carson City Tow and Kruger Tow to provide tows for the Carson Sheriff's Station.***

For City tows, the City has the legal authority to select its own towing company(ies) for City calls for tow services. The City is free to award either an exclusive towing franchise or a non-exclusive tow rotation franchise. The RFP staff prepared and issued was for the purpose of either selecting an exclusive towing company and awarding an exclusive Towing Franchise Agreement for City requested and authorized tows or awarding two Franchise Agreements (co-Franchisees).

Among other criteria, the RFP specified that any towing company responding to the RFP to provide City tows also be approved for towing under LASD's and California Highway Patrol's eligibility criteria (even if such company[ies] do(es) not have a contract to tow for the Carson Sheriff's Station). The City received proposals from Falcon Towing and Kruger Towing. Both have met the criteria set forth in the RFP and staff interviewed both companies.

Following the interviews, City Code Enforcement performed an inspection of both towing company's yards and determined that both Falcon Towing and Kruger Towing had yards that were in compliance with other criteria in the RFP.

V. FISCAL IMPACT

The two (2) Towing Franchise Agreement to be negotiated with Falcon Towing and Kruger Towing will include an annual franchise fee payable to the City's General Fund in an

amount consistent with the requirements of *Jacks v. Santa Barbara*, and expected to be \$25,000 each annually.

VI. EXHIBITS

None

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