

Council/Agency Meeting Held: _____	City Clerk's Signature
Deferred/Continued to: _____	
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date: July 16, 2007	Department ID Number: PD -007-003

**CITY OF HUNTINGTON BEACH
REQUEST FOR CITY COUNCIL ACTION**

SUBMITTED TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

SUBMITTED BY: Dr. *Penelope Culbreth Graft*, DPA, City Administrator

PREPARED BY: Kenneth W. Small, Chief of Police *KWS*

SUBJECT: Extend Contract for Police-Directed Tow Services

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

Statement of Issue: Should the City approve a five-year extension of the Police-Directed Tow Services Contract with Mandic Motors, Inc., MetroPro Road Services and Best Towing, and authorize a one-time 10% increase of rates, fees and charges?

Funding Source: No funds are required.

Recommended Action 1: Authorize the Mayor and City Clerk to execute Amendment No. 1 to the Agreements for Police Directed Towing and Storage Services with Mandic Motors, Inc., MetroPro Road Services, Inc., and Best Towing Services; and

Recommended Action 2: Motion to adopt Resolution 2007-44 authorizing a 10% increase of rates.

Alternative Action(s):

1. Do not approve extension of existing Police-Directed Tow Services Contract.
2. Do not approve Resolution No. 2007-44.

REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: July 16, 2007

DEPARTMENT ID NUMBER: PD - 007-003

Analysis: Police-directed towing is any tow authorized by a law enforcement official, such as an illegally parked vehicle. Consensual towing is a tow which is authorized by the owner of the vehicle with a tow company of their choice. A non-consensual tow, sometimes known as "private party impound", is any tow initiated by a person other than the owner of the vehicle or a law enforcement official. For example, a property owner can have a vehicle towed from an apartment complex where a non-resident has parked in a designated resident-only parking area. A non-consensual tow must be reported to the Police Department to ensure that the vehicle is not reported stolen by the owner. This also gives the owner of the towed vehicle a means to determine where their vehicle is located. Currently, the City only regulates police-directed and non-consensual tow services.

The City Council approved the current Police-Directed Tow Services Contract on July 15, 2002. The agreement commenced on August 15, 2002. The term of agreement is a five (5) year period with an option for five (5) additional years upon agreement of both the City and Tow Operators.

Each Tow Operator, Mandic Motors, Inc., MetroPro Road Services and Best Towing services has agreed to extend the contract in accordance with the terms of the agreement.

The Tow Operators have also requested an adjustment to the rates, fees and charges they can impose, based on the following:

1. Decreased revenue due to fewer police-directed tows. This is because of a recent case decision that only allows police-directed tows for a "community care taking" function. The tow companies report nearly a 30% reduction in police-directed tows.
2. Diesel fuel prices have increased 107% since July 2002.
3. Increased tow company staffing and healthcare costs.
4. Increased vehicle salvage costs. The tow companies routinely absorb their staffing costs and the fees they have to pay to dispose of an abandoned vehicle.

A 10% increase of the rates, fees and charges will allow the charges to stay within the range of fees authorized by other Police-Directed Tow Services Contracts in Orange County.

Any future rate increases will be in accordance with the existing Police-Directed Tow Services Contract. It allows for an adjustment on December 1st of each year based on any change in the Metropolitan Consumer Price Index for the Los Angeles-Riverside-Orange County, CA area during the preceding year.

Each of the Tow Operators has provided excellent service to the Police Department and has met the needs of the City and the community since entering into the existing agreement.

REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: July 16, 2007

DEPARTMENT ID NUMBER: PD - 007 - 003

Strategic Plan Goal: Approving the extension to the current Police-Directed Tow Services Contract supports the City Services Goal.

Environmental Status: N/A

Attachment(s):

City Clerk's Page Number	No.	Description
4	1.	Amendment No. 1 to Agreement Between the City of Huntington Beach and Mandic Motors, Inc. for Police Directed Towing and Storage Services
7	2.	Amendment No. 1 to Agreement Between the City of Huntington Beach and MetroPro Road Services, Inc. for Police Directed Towing and Storage Services
10	3.	Amendment No. 1 to Agreement Between the City of Huntington Beach and Best Towing Service for Police Directed Towing and Storage Services
13	4.	A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON BEACH REVISING THE FEES FOR TOWING SERVICES AND GARAGE IMPOUNDS (Resolution No. 2007-44)

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ATTACHMENT #1

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AMENDMENT NO. 1 TO AGREEMENT BETWEEN THE
CITY OF HUNTINGTON BEACH AND MANDIC MOTORS, INC.
FOR POLICE DIRECTED TOWING AND STORAGE SERVICES

THIS AMENDMENT NO 1 is made and entered into by and between the City of Huntington Beach, a California municipal corporation, hereinafter referred to as "City", and Mandic Motors, Inc., a California corporation, hereinafter referred to as "Tow Operator."

WHEREAS, City and Tow Operator are parties to that certain agreement, dated July 15, 2002, entitled "Agreement Between the City of Huntington Beach and Mandic Motors for Police Directed Towing and Storage Services" which agreement shall hereinafter be referred to as the "Original Agreement," and

City and Tow Operator wish to amend the Original Agreement to extend the Term thereof,

NOW, THEREFORE, it is agreed by City and Tow Operator as follows:

1. Paragraph 10 TERM OF AGREEMENT is hereby amended to read as follows:

10. TERM OF AGREEMENT.

- The term of this Agreement shall commence on August 16, 2007, and shall continue for a period not to exceed five (5) years, or upon termination by either party, whichever occurs first. Performance under this Agreement shall not commence until Tow Operator has obtained the City's approval of the insurance and surety bond required by this Agreement.

2. REAFFIRMATION

- Except as specifically modified herein, all other terms and conditions of the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers on _____, 2007.

MANDIC MOTORS, INC. a California corporation

CITY OF HUNTINGTON BEACH, a municipal corporation of the State of California

By: Robert P. Mandic
Robert P. Mandic

print name

ITS: (circle one) Chairman/President/Vice President

Mayor

City Clerk

AND

By: Robert P. Mandic
Robert P. Mandic

print name

ITS: (circle one) Secretary/Chief Financial Officer/Asst. Secretary ~~Treasurer~~

INITIATED AND APPROVED:

[Signature]

Chief of Police

REVIEWED AND APPROVED:

[Signature]

City Administrator

APPROVED AS TO FORM:

[Signature]

City Attorney
4-21-07
MU-6-36-07
6-29-07

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ATTACHMENT #2

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AMENDMENT NO. 1 TO AGREEMENT BETWEEN THE
CITY OF HUNTINGTON BEACH AND METROPRO ROAD SERVICES, INC.
FOR POLICE DIRECTED TOWING AND STORAGE SERVICES

THIS AMENDMENT NO 1 is made and entered into by and between the City of Huntington Beach, a California municipal corporation, hereinafter referred to as "City", and MetroPro Road Services, Inc., a California corporation, hereinafter referred to as "Tow Operator."

WHEREAS, City and Tow Operator are parties to that certain agreement, dated July 15, 2002, entitled "Agreement Between the City of Huntington Beach and MetroPro for Police Directed Towing and Storage Services" which agreement shall hereinafter be referred to as the "Original Agreement," and

City and Tow Operator wish to amend the Original Agreement to extend the Term thereof,

NOW, THEREFORE, it is agreed by City and Tow Operator as follows:

1. Paragraph 10 TERM OF AGREEMENT is hereby amended to read as follows:

10. TERM OF AGREEMENT.

- The term of this Agreement shall commence on August 16, 2007, and shall continue for a period not to exceed five (5) years, or upon termination by either party, whichever occurs first. Performance under this Agreement shall not commence until Tow Operator has obtained the City's approval of the insurance and surety bond required by this Agreement..

2. REAFFIRMATION

- Except as specifically modified herein, all other terms and conditions of the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers on _____, 2007.

METROPRO ROAD SERVICES, INC. a California corporation

CITY OF HUNTINGTON BEACH, a municipal corporation of the State of California

By: [Signature]
Joey Campbell
print name

Mayor

ITS: (circle one) Chairman/President/Vice President

City Clerk

AND

By: [Signature]
Joey Campbell
print name

INITIATED AND APPROVED:
[Signature]
Chief of Police

ITS: (circle one) Secretary/Chief Financial Officer/Asst. Secretary - Treasurer

REVIEWED AND APPROVED:

City Administrator

APPROVED AS TO FORM:
[Signature]
City Attorney
6-21-07
MV-6-30-07 6-29-07

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ATTACHMENT #3

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AMENDMENT NO. 1 TO AGREEMENT BETWEEN THE
CITY OF HUNTINGTON BEACH AND BEST TOWING SERVICE
FOR POLICE DIRECTED TOWING AND STORAGE SERVICES

THIS AMENDMENT NO 1 is made and entered into by and between the City of Huntington Beach, a California municipal corporation, hereinafter referred to as "City", and Best Towing Service, hereinafter referred to as "Tow Operator."

WHEREAS, City and Tow Operator are parties to that certain agreement, dated July 15, 2002, entitled "Agreement Between the City of Huntington Beach and Best Towing Service for Police Directed Towing and Storage Services" which agreement shall hereinafter be referred to as the "Original Agreement," and

City and Tow Operator wish to amend the Original Agreement to extend the Term thereof,

NOW, THEREFORE, it is agreed by City and Tow Operator as follows:

1. Paragraph 10 TERM OF AGREEMENT is hereby amended to read as follows:

10. TERM OF AGREEMENT.

- The term of this Agreement shall commence on August 16, 2007, and shall continue for a period not to exceed five (5) years, or upon termination by either party, whichever occurs first. Performance under this Agreement shall not commence until Tow Operator has obtained the City's approval of the insurance and surety bond required by this Agreement..

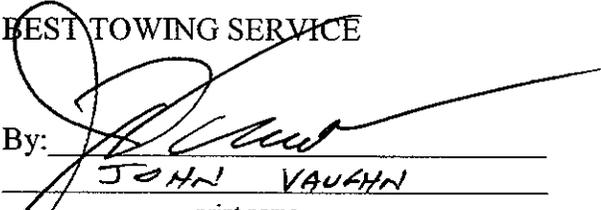
2. REAFFIRMATION

- Except as specifically modified herein, all other terms and conditions of the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers on _____, 2007.

BEST TOWING SERVICE

CITY OF HUNTINGTON BEACH, a municipal corporation of the State of California

By: 

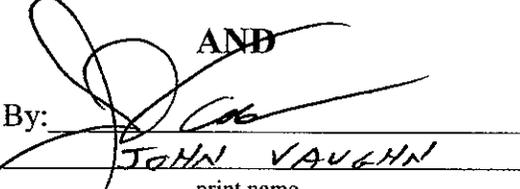
JOHN VAUGHN
print name

ITS: (circle one) Chairman President Vice President

Mayor

City Clerk

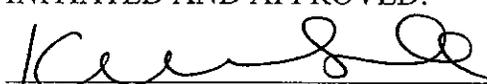
AND

By: 

JOHN VAUGHN
print name

ITS: (circle one) Secretary/Chief Financial Officer/Asst. Secretary - Treasurer

INITIATED AND APPROVED:



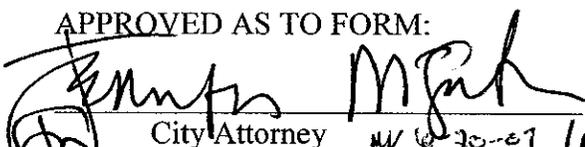
Chief of Police

REVIEWED AND APPROVED:



Lavelle Cullum
City Administrator

APPROVED AS TO FORM:



City Attorney *MM 6-20-07 6-21-07*
6-21-07

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ATTACHMENT #4

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RESOLUTION NO. 2007-44

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF HUNTINGTON BEACH REVISING THE FEES FOR TOWING
SERVICES AND GARAGE IMPOUNDS

WHEREAS, Huntington Beach Municipal Code Section 5.66.170 authorizes the City to set a maximum charge for police-directed towing services and garage impounds; and

On August 20, 2001, the City Council adopted Resolution No. 2001-52 which established maximum fees for police-directed towing services and garage impounds; and

The City's Tow Operators have requested an increase in the maximum fees charged for towing services and garage impounds based on an increase in their operating costs, such as fuel prices, employee health care costs, vehicle salvage costs, and other related expenses; and

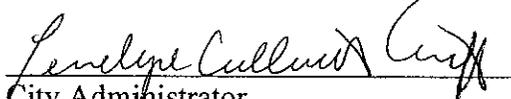
The City Council wishes to revise the maximum charge for police-directed towing services and garage impounds based on the Tow Operators demonstration of an increase in their operating costs,

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Huntington Beach that effective June 19, 2007, the maximum charges for police-directed towing services and garage impounds are as set forth on Exhibit A which is attached hereto and incorporated by this reference.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the _____ day of _____, 2007.

Mayor

REVIEWED AND APPROVED:



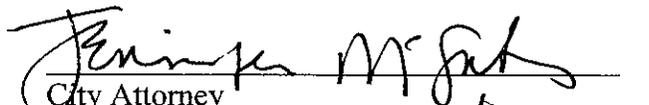
City Administrator

INITIATED AND APPROVED:



Chief of Police
6-26-07

APPROVED AS TO FORM:



City Attorney
6-21-07

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EXHIBIT A

Basic Tow Service (Standard sling or wheel lift truck)	124.00
Medium Duty or Flatbed Request	142.00
Heavy Duty (3) Axle or larger	204.00
Two Ton	164.00
Dolly	52.00
Rollover minimum	52.00
Drop Linkage	42.00
Clean-up fee (Fee charged to the City shall remain \$35.00 by contract)	\$49.00
Hazmat fee, per 5 gallon bucket	102.00
Winching per hour	136.00
Vehicle Storage	
Vehicles Outside—per day	37.00
Vehicles Inside—per day	42.00
Motorcycles Outside—per day	21.00
Motorcycles Inside—per day	29.00
Truck or Motor homes (larger than 20')	42.00
Vehicles stored as evidence—outside	19.00
Vehicles stored as evidence—inside	27.00
Motorcycles stored as evidence—outside	14.00
Motorcycles stored as evidence—inside	16.00
After hours release	
5:00 p.m. – midnight	55.00
Midnight – 8:00 a.m.	76.00
Minimum Service Call or Drop Fee	63.00

Note: Each figure has been rounded up to the next dollar.

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