



PURCHASING ITEM FOR COUNCIL AGENDA

1. Agenda Item Number:

25

2. Council Meeting Date:

October 23, 2014

TO: MAYOR & COUNCIL

3. Date Prepared: September 17, 2014

THROUGH: CITY MANAGER

4. Requesting Department: Police

5. SUBJECT: Amendment No. 1 to Agreement PD3-968-3140 for Police Towing Service

6. RECOMMENDATION: Recommend approval of Amendment No. 1 to Agreement PD3-968-3140 for Police Towing Service with ACT Towing dba All City Towing, for a two-year term with the option of one additional two-year extension.

7. HISTORICAL BACKGROUND/DISCUSSION: In December of 1995, the City began utilizing a contract for towing service. Contract towing service has proven to be a successful alternative to the previous rotation program. Some of the benefits provided by contract service include lower cost to the citizens, fewer customer complaints, and a streamlined workload for the Police Department. The Police Department utilizes the contract for vehicle towing, storage and impounding services including removal of wrecked vehicles, vehicles abandoned on city streets, vehicles left unattended in a traffic way, vehicles towed for evidentiary purposes, vehicles impounded, and vehicles towed due to an arrested driver.

8. EVALUATION PROCESS: In November of 2012, City Council approved the current Agreement PD3-968-3140 for Police Towing Service with ACT Towing dba All City Towing following a Request For Proposal process. The Agreement was awarded for two years with provisions to extend up to two additional terms of two years each. Staff has been satisfied with the service provided and recommends execution of the first available extension. Additionally, in 2013, Senate Bill 1075 revised provisions regarding storage fees related to impounds pursuant to ARS 28-3511 et. seq. Senate Bill 1075 revised the maximum storage rate to a state legislated rate of \$15 per day. The current contract storage rate is \$9 per day for all storage including impound and non-impound storage. The purpose of Amendment No. 1 is to amend the Agreement provisions regarding impound fees to reflect the new statute, and to execute the first available extension. The rates for non-impound storage will remain at \$9 per day.

9. FINANCIAL IMPLICATIONS: The vehicle owner will be responsible for payment of all fees associated with police related tows.

10. PROPOSED MOTION: Move to approve Amendment No. 1 to Agreement PD3-968-3140 for Police Towing Service with ACT Towing dba All City Towing, for a two-year term with the option of one additional two-year extension.

APPROVALS

11. Requesting Department

ED Upshaw

Edward Upshaw, Police Commander

12. Department Head

Sean E. Duggan

Sean E. Duggan, Chief of Police

13. Buyer/Contract Admin.

Mike Mandt

Mike Mandt, Procurement Officer

14. City Manager

Rich Dlugas

Rich Dlugas

AMENDMENT NUMBER ONE  
CITY OF CHANDLER SERVICES AGREEMENT  
FOR TOWING  
PD3-968-3140

This AMENDMENT ONE to the Agreement between the City of Chandler hereinafter referred to as "CITY" and ACT Towing LLC, *dba* All City Towing, an Arizona Limited Liability Company, hereinafter referred to as "CONTRACTOR" dated awarded November 7, 2012, and identified as PD3-968-3140 hereinafter referred to as "AGREEMENT" is hereby amended as follows:

WHEREAS, in November of 2012 City Council approved agreement PD3-968-3140 for Police Towing Service with ACT Towing *dba* All City Towing, and

WHEREAS Senate Bill 1075 enacted by the Arizona Legislature and signed by the Arizona Governor on April 10, 2013, adopted provisions that are mandatory as to all towing agreements between cities and towing companies relating to storage fees related to impounds and are set forth in amended Arizona Revised Statute A.R.S. § 28-3512, and

WHEREAS, the contract was awarded for a two year term through December 31, 2014 with provisions to extend up to two additional terms of two years each,

NOW THEREFORE, the parties agree as follows:

1. Section 5 of the AGREEMENT shall be amended to read as follows effective January 1, 2015:
  - "5. **Allowed Charges.** For all services provided under this Agreement except for the storage charges relating to the impoundment of a vehicle pursuant A.R.S. Section 28-3511, *et seq.*, which storage charges are excluded from this Agreement and are controlled by A.R.S. Section 28-3512 H, CONTRACTOR may charge vehicle owners only those fees set forth herein at the rates and in the amounts listed in the Price Sheet attached hereto as Exhibit A and incorporated herein by reference.
  - 5.1. **Flat Rate Per Tow Fee.** CONTRACTOR shall charge vehicle owners the Flat Rate Per Tow Fee listed in Exhibit A. This fee covers all towing services 24 hours per day including weekdays, weekends and holidays. The flat rate per tow fee includes all costs for hookups, winching, preparation to tow, cleanup of debris, stand by time, use of dollies when necessary, drive line dropping, all labor incurred, mileage, sealing of windows if necessary, and delivery to the public roadway for subsequent

tow if necessary. The allowable flat rate per tow fee is listed in Exhibit A and is a flat rate for vehicles up to and including 25,000 lb. GVW.

- 5.2. Unit Price for Storage.** CONTRACTOR may charge the full daily storage charge shown on Exhibit A for any part of a 24-hour period. The Rate set forth in Exhibit A shall apply to all vehicles stored pursuant to this contract excluding those vehicles impounded pursuant to A.R.S. 28-3511 *et. seq.* The time period for billing for storage shall commence from the time the vehicle arrives at the storage lot. The unit price for storage is for vehicles up to and including 25,000 lb. GVW.
- 5.3. Extraordinary Recoveries.** With prior written approval from the officer on the scene, CONTRACTOR may charge an additional hourly fee for extraordinary recoveries, i.e. lake recoveries, recoveries from canals with water in them, recoveries from swimming pools, etc. This fee will be in addition to the flat rate per tow fee.
- 5.4. After Hours Opening.** CONTRACTOR may charge the fee shown on Exhibit A to open the lot after normal business hours, as defined in Paragraph 3.3.7 Storage Lot Availability. Contractor shall make vehicle available within 60 minutes from the time owner or owner's agent notifies the contractor of request for afterhours opening.
- 5.5. Mileage.** CONTRACTOR shall not charge a "cost per mile" charge when the tow is made to the CONTRACTOR'S storage facility or any location within the City of Chandler. CONTRACTOR may charge the Mileage charge shown on Exhibit A only when (1) the owner or agent requests that the vehicle be towed to a location other than CONTRACTOR'S storage facility or a location outside the City of Chandler and then only for the additional actual mileage beyond the mileage to the nearest City of Chandler border based on the most direct route or (2) when a vehicle is towed from outside the City Limits and then only for the actual mileage from the point of pick up to the nearest City or Chandler border based on the most direct route .
- 5.6. Device Verification.** When requested by CITY to verify installation of an interlock or other device, CONTRACTOR shall not charge any fee for such verification.
- 5.7. Incidental Services.** CONTRACTOR shall perform related services such as inflating tires, jump starting, opening of locked vehicles and other incidental services requested by the owner of a towed vehicle without

charge from the time the contractor is dispatched to the time vehicle is released.

- 5.8. Filing Fee.** CONTRACTOR may charge a filing fee at the rate set forth by state law for reimbursement of any filing fee paid by CONTRACTOR pursuant to state law.
- 5.9. Re-tows.** CONTRACTOR shall provide vehicle owners or their agents a choice to use CONTRACTOR or another source for re-towing. CONTRACTOR may not charge any re-tow fee nor any other fee to allow the vehicle owner or agent to use another source for re-towing.
- 5.10. Outside Contracted Services.** With approval from the officer on scene, CONTRACTOR may charge actual expenses in cases where it is necessary to hire outside services or lease additional equipment for vehicle recoveries, i.e. hiring divers, crane rental, etc.
- 5.11. Business Card and Rate Sheet.** CONTRACTOR shall provide a business card and Contract Rate Sheet to the owner or agent of each vehicle towed. If unable to do so because the owner or agent has been transported to a hospital or otherwise left the scene, CONTRACTOR will provide the business card and rate sheet to the officer investigating the accident. The Contract Rate Sheet will be provided to CONTRACTOR by CITY. CONTRACTOR shall notify CITY if additional rate sheets are needed.
- 5.12. Additional Fees.** Under no circumstances shall CONTRACTOR charge any fees not authorized herein and listed in the Price Sheet, Exhibit A, or as set forth by law for services by reason of this Contract. This contract covers all services, charges and fees from the time CONTRACTOR receives a request from the City of Chandler to respond until possession of the vehicle is released from CONTRACTOR and passes to the vehicle's owner or owner's agent.
- 5.13. Compensation.** Taxes and Workman's Compensation. CONTRACTOR shall be solely responsible for any and all tax obligations, which may result out of CONTRACTOR'S performance of this Agreement. CITY shall have no obligation to pay any amounts for taxes, of any type, incurred by CONTRACTOR. CONTRACTOR shall have the total responsibility for all salaries, wages, bonuses, retirement, withholdings, Workmen's Compensation and occupational disease compensation insurance, all unemployment compensation, other benefits and all taxes and premiums pertinent thereto concerning any person or persons supplied

by the CONTRACTOR in the performance of this Agreement and CONTRACTOR shall indemnify and hold harmless with respect thereto."

2. Section 7 of the AGREEMENT, Term, is amended to read as follows:

"7. TERM: The second term of this Contract commences on January 1, 2015 and terminates on December 31, 2016. Pursuant to the original Agreement, this two year term may be extended by mutual agreement of the parties for up to one additional term of two years. All prices offered herein shall be firm against any increase for two (2) years from the effective date of the Contract, contract extension, or amendment. Prior to commencement of subsequent renewal terms, CITY will entertain a fully documented request for price adjustment. Other than the price increase approved by this Amendment #1, the requested increase shall be based upon a cost increase to contractor that was clearly unpredictable at the time the contract or any contract extension or amendment was executed directly correlated to the price of the service concerned."

3. Exhibit A to the AGREEMENT is attached to this Amendment and remains unchanged.

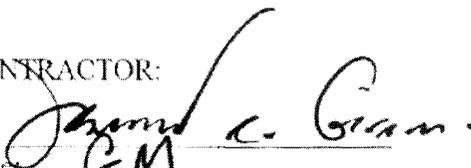
4. All terms and conditions in the original Agreement not specifically amended herein shall be incorporated by reference in its entirety and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this \_\_\_\_ day of \_\_\_\_\_, 2014.

CITY OF CHANDLER:

By: \_\_\_\_\_  
MAYOR

CONTRACTOR:

By:   
Title: G.M.

APPROVED AS TO FORM:

City Attorney

ATTEST: (If corporation)

Secretary

ATTEST:

City Clerk

WITNESS: (If individual or Partnership)

**EXHIBIT A**  
**PRICE SHEET**

<b>Description</b>	<b>Unit</b>	<b>Estimated Quantity Per Year</b>	<b>Unit Price</b>
Flat rate per tow	Each	4312	\$ <u>15.00</u>
Storage	Day	33647	\$ <u>9.00</u>
Extraordinary Recovery	Hour	10	\$ <u>50.00</u>
After hours opening	Each	24	\$ <u>40.00</u>
Mileage	Mile	1224	\$ <u>3.00</u>

**Total\***

Outside Contracted Services at actual cost may also be charged upon written approval from the officer at the scene.

A listing of all towing and service prices as contracted shall be issued to the owner, agent of the owner, or the owner's insurance representative at pick-up and a copy shall be issued when invoiced at the time of vehicle release.