



CITY OF POMONA

COUNCIL REPORT

November 4, 2019

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted By: Michael Olivieri, Police Chief

SUBJECT: APPROVE A RESOLUTION PROVIDING NOTICE OF INTENT TO AWARD NON-EXCLUSIVE TOWING FRANCHISES FOR CITY-INITIATED TOWS TO FOUR (4) FRANCHISEES AND SETTING THE PUBLIC HEARING TO INTRODUCE A TOWING FRANCHISE ORDINANCE

RECOMMENDATION:

It is recommended that the City Council adopt the following resolution:

RESOLUTION NO. 2019-168 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA DECLARING ITS INTENT TO GRANT THREE YEAR NON-EXCLUSIVE TOWING FRANCHISES FOR CITY-INITIATED TOWS AND SETTING THE PUBLIC HEARING TO INTRODUCE A TOWING FRANCHISE ORDINANCE

EXECUTIVE SUMMARY:

The City Charter sets forth the procedures for entering into franchise agreements with providers of service utilized by the City. Pomona City Code Chapter 58, Article VIII, sets forth the procedures specific to the award of towing service franchises. Entering into Non-Exclusive Franchise agreements with qualified tow companies for City-initiated tows provides the Police Department with a reliable and orderly means for towing vehicles when required, such as: 1) when a vehicle is involved in a traffic collision and is non-operable, 2) a vehicle requires impoundment pursuant to State Law, and 3) other situations where leaving a vehicle unattended or unsecured on public rights-of-way could pose a hazard or public safety issue. The Police Department is recommending three-year contracts be awarded to S & J Towing, Inc., Pomona Valley Towing, Inc., Sanders Towing, Inc., and California Coach Auto Body. The attached resolution (Attachment No. 1) declares the City's intent to award the franchises for a three-year term. Public hearing on the matter will be set for November 18, 2019.

FISCAL IMPACT:

General Fund revenue from Franchise Fees for FY18/19 was \$143,700. It is estimated that the City will receive \$165,000 for Fiscal Year 2019/20. It is anticipated that Franchise Fees for Cityinitiated tows, at the rate of \$50 per tow, will generate an estimated \$178,000 in FY2020/21.

PUBLIC NOTICING REQUIREMENTS:

There is no public notice required for adoption of the Resolution of Intent or Introduction of the ordinance. However, the Notice for the recommended public hearing date of November 18, 2019 will be published in the Inland Valley Daily Bulletin.

PREVIOUS RELATED ACTION:

September 12, 2016- Adoption of Ordinance No. 4174 extending the three franchises for one year and directing staff to issue a Request for Qualification to seek additional two franchise applications.

September 9, 2013

- 1) Introduction of Ordinance No. 4174 for the award of three non-exclusive towing franchises,
- 2) Adoption of Resolution No. 2013-87 declaring the City's intent to award the franchises and setting the public hearing on the matter for October 7, 2013,
- 3) Adoption of Resolution No. 2013- 88 approving the maximum towing and storage rates for City -initiated tows, and
- 4) Direction to staff to bring back an ordinance to lower the vehicle storage capacity to 75 and amend the Pomona business history requirement for franchise applicants.

October 21 2013 - Ordinance No. 4176 was adopted at second reading.

October 7, 2013

- 1) Adoption of Ordinance No. 4174 approving three, three-year non-exclusive towing franchises for City -initiated tows; and,
- 2) Introduction of Ordinance No. 4176 to reduce the vehicle storage capacity from 100 vehicles to 75 and modify the Pomona business history requirement for franchise applicants.

February 25, 2013 — Extension of franchises for 90 days to allow staff time to review the existing code and determine what amendments could be incorporated that would allow additional tow franchise opportunities.

June 17, 2013 — Adoption of Ordinance No. 4171 reduced the vehicle storage requirements from 200 to 100 with the requirement that the tow yard and business office must be at the same Pomona location and have been in operation for at least two years before obtaining a franchise.

DISCUSSION:

Pursuant to Pomona City Code section 58-678, the initial term of a towing franchise agreement is three years, which the City Council may extend for additional terms for a period of one year to three years. The initial three-year term of the current tow franchise agreements expires November 6, 2019. In accordance with the provisions of Chapter 58, Article VIII, and the term of the franchise agreements, the current franchises may be extended for a second three-year term. In 2016, franchise agreements were awarded to S & J Towing Service, Inc., Pomona Valley Towing, Inc., and Bill and Wags Towing, Inc. for the contract term set to expire November 6, 2019. The City currently has Non-Exclusive Tow Franchise agreements with Pomona Valley Towing, Inc. and S & J Towing Service, Inc. Bill & Wags Towing was awarded an extension on September 12, 2016. However, the company filed for bankruptcy in 2016 shortly after being awarded the extension, and it is no longer in existence. Staff recommends awarding franchise agreements to S & J Towing Service, Inc., Pomona Valley Towing, Inc., Sanders Towing, Inc., and California Coach Auto Body, Inc.

On August 15, 2019, a Request-for-Proposal (RFP) was prepared and posted on the City's website. The RFP was sent to eight (8) tow service companies: Onvia, Inc., Carpe Carma, LLC, Avisare, Sandra Towing, Inc., S & J Towing Service, Inc., Pepe's Inc., Al & Son's Towing, Inc., and Burke Consulting. The City received five (5) proposals from, S & J Towing Service, Inc., Sanders Towing, Inc., Pomona Valley Towing, Inc., California Coach Auto Body, Inc., and Al and Son's Towing, Inc. All five companies submitted complete proposals by the deadline of August 29, 2019.

Each proposal was reviewed for completeness and qualifications, and an inspection of each tow yard was conducted by Police Traffic Bureau Personnel. S & J Towing Service, Inc., Sanders Towing, Inc., Pomona Valley Towing, Inc., and California Coach Auto Body, Inc. met the requirements of the City's two franchise ordinances. However, Al & Son's failed to meet the requirements.

Staff recommends awarding S & J Towing Service, Inc., Sanders Towing, Inc., Pomona Valley Towing, Inc., and California Coach Auto Body, Inc. Non-Exclusive Towing Franchises for City-initiated tows for the contract term of January 1, 2020 through December 31, 2022. (Attachments No. 3-6).

Staff is requesting that City Council, as allowed by Section 58-678 of the City Code, extends the two current Franchise Agreements for City-Initiated Tows with S and J Towing, Inc. and Pomona Valley Towing, Inc. until Ordinance No. 2019-xxxx becomes effective, which is thirty (30) days after second reading and adoption of said ordinance. During the extension period, all terms and conditions of the Franchise Agreements approved by Ordinance No. 4174 and extended by Ordinance No. 4228 shall remain in full force and effect.

Pursuant to PCC§ 56-678 the initial term of a towing franchise agreement is three years, which the City Council may then extend for an additional term; for a period of one year to three years. Pursuant to PCC § 58- 675, the Chief of Police may determine whether an additional tow franchise operator is needed for the rotation process, due to an increase in volume or termination of an existing franchise. Based on the anticipated number of City-initiated tows that can be expected annually over the next three years, the Chief of Police is recommending four non-exclusive tow franchise agreements be awarded to S and J Towing Service, Inc., Pomona Valley Towing, Inc., Sanders Towing, Inc., and California Coach Auto Body, Inc.

Prepared by:

Yecenia Ross
Administrative Service Manager

ATTACHMENT(S):

- Attachment No. 1 – Resolution No. 2019-168