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# CITY OF POMONA

## COUNCIL REPORT

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November 18, 2019

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted By: Michael Olivieri, Police Chief

**SUBJECT: INTRODUCTION AND FIRST READING OF AN ORDINANCE  
AWARDING NON-EXCLUSIVE TOWING FRANCHISES FOR CITY-  
INITIATED TOWS TO THREE (3) FRANCHISES AND ADOPTION OF A  
RESOLUTION TO INCREASE THE MAXIMUM TOW AND STORAGE  
CHARGES FOR CITY-INITIATED TOWS**

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### **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

- 1) Open the public hearing and after receiving testimony and public comment, close the public hearing and introduce and wave first reading of the following ordinance:

**ORDINANCE NO. 4272- AN ORDINANCE OF THE CITY COUNCIL OF  
THE CITY OF POMONA, CALIFORNIA, AWARDING NON-EXCLUSIVE  
TOWING FRANCHISES FOR CITY-INITIATED TOWS TO SANDERS  
TOWING INC., S & J TOWING SERVICE, INC., AND CARPE CARMA,  
LLC, dba POMONA VALLEY TOWING, FOR A TERM OF THREE  
YEARS**

- 2) Adopt the following resolution:

**RESOLUTION NO. 2019-181 - A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF POMONA, CALIFORNIA, APPROVING THE MAXIMUM  
ALLOWABLE TOW AND STORAGE RATE SCHEDULE FOR CITY-INITIATED  
TOWS**

### **EXECUTIVE SUMMARY:**

It is recommended the City Council approve the award of three-year franchise agreements to the identified three tow companies for city-initiated tows and approve a resolution adjusting the allowable tow and storage rates that these companies would be allowed to charge for their services.

## **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 City-initiated tows, at the rate of \$50 per tow, will generate an estimated \$178,000 in FY2020/21.

## **PUBLIC NOTICING REQUIREMENTS:**

A public hearing notice was submitted to the Inland Valley Bulletin to be published on November 4, 2019, noticing the November 18, 2019 Public Hearing (Attachment No. 1) .

## **PREVIOUS RELATED COUNCIL ACTION:**

On November 4<sup>th</sup>, 2019 the City Council approved Resolution No. 2019-168 (Attachment No. 2), 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 on November 18, 2019.

## **DISCUSSION:**

### **Franchise Awards - Recommendation**

On August 15, 2019, a Request-for-Proposal (RFP) for city-initiated towing services was prepared and posted on the City's website. The RFP was also sent to eight (8) tow service companies: Onvia, Inc., Carpe Carma, LLC, dba Pomona Valley Towing, Avisare, Sanders 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., Carpe Carma, LLC dba Pomona Valley Towing, California Coach Auto Body, Inc., and Al & Son's Towing, Inc.

All five companies submitted 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 the Police Department's Traffic Bureau. Sanders Towing, Inc., S & J Towing Services, Inc., Carpe Carma, LLC, dba Pomona Valley Towing, and California Coach Auto Body, Inc., all met the requirements of the City's two franchise ordinances and were ranked one through four respectively, based on capacity and confirmation of references,. Al & Son's failed to meet the requirements of the ordinances and was deemed non-responsive.

Historically the Police Department has operated with three tow companies providing city-initiated towing services. In 2017 one of the three companies declared bankruptcy and no longer provided services to the city, bringing the number of companies with towing franchises down to two. For the last two years having two tow-companies has been sufficient based on the needs of the police department. However, we are recommending three companies be awarded tow franchises to bring us back to our historical level. Maintaining three tow franchises will ensure response times remain at an acceptable level and that the city has the resources available to address and properly respond to large scale incidents and accidents.

Staff recommends adopting proposed Ordinance No. 4272 (Attachment No. 3) awarding to the top three ranked companies: Sanders Towing, Inc., S & J Towing Service, Inc., and Carpe Carma, LLC, dba Pomona Valley Towing, non-exclusive towing franchises for City-initiated tows for the contract term of January 1, 2020 through December 31, 2022. Pursuant to PCC§ 56-678 the initial term of the proposed towing franchise agreements may be extended for an additional term of one to three years. Any extensions to the agreements will be brought to the City Council for consideration at the appropriate time.

City Council, as allowed by Section 58-678 of the City Code, extended the two existing franchise agreements for City-initiated tows with S & J Towing Service, Inc., and Carpe Carma, LLC, dba Pomona Valley Towing, until proposed Ordinance No. 4272 becomes effective. The effective date will be thirty (30) days after the second reading and adoption of the 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.

### **Tow and Storage Rates**

Pursuant to the City Code, rates for towing and storage for city-initiated tows shall not exceed the rate schedule approved by the City Council. A request was received from a current tow franchisee to evaluate the current tow and storage rates, which have not received a rate increase since 2013 (Attachment No. 4), and in the case of Class A tows, 2009. Our tow franchisees charge these rates to vehicle owners to recover their costs related to payroll, facilities and other operating expenses.

The Police Department's Traffic Bureau staff conducted a survey (Attachment No. 5) of surrounding cities to assess their current towing and storage rates. Those cities include Chino, Claremont, La Verne, Montclair and Upland. The survey also lists the current average of those rates, which was used to establish the proposed three-year step plan in proposed resolution No. 20-19-181 (Attachment No. 6) to adjust Pomona's rates to the average of the survey cities.

Prepared by:

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Natalie Diaz, MPA  
Management Analyst

### **ATTACHMENT(S):**

Attachment No. 1 – Notice of Public Hearing  
Attachment No. 2 – Resolution No. 2019-168  
Attachment No. 3 – Proposed Ordinance No.4272

First Reading of Ordinance & Adoption of Resolution Awarding Non-Exclusive Towing  
Franchises for City-Initiated Tows

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Attachment No. 4 – Resolution No. 2013-88

Attachment No. 5 – Tow and Storage Rate Survey – Surrounding Cities

Attachment No. 6 – Proposed Resolution No. 2019-181