



CITY OF POMONA COUNCIL REPORT

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**

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:

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

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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 4th, 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., and Carpe Carma, LLC, dba Pomona Valley Towing, all met the requirements of the City's two franchise ordinances. Al & Son's failed to meet the requirements of the ordinances and was deemed non-responsive. California Coach Auto Body, Inc. was initially thought to have met the requirements of the City's tow franchise ordinances; however, upon further evaluation the company has been deemed non-responsible for failing to demonstrate that it has the capacity to fulfill the requirements of the RFP.

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. It was discovered that utilizing two companies for towing services has met the demands of the Police Department for the last two years and choosing to have two or three franchisees would be sufficient for the department's current needs.

Staff recommends adopting proposed Ordinance No. 4272 (Attachment No. 3) awarding 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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ATTACHMENT(S):

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

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Attachment No. 1 – Notice of Public Hearing

Attachment No. 2 – Resolution No. 2019-168

Attachment No. 3 – Proposed Ordinance No.4272

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