



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

# C-8

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January 10, 2017

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt Specifications No. RFP FS16-037 and authorize the City Manager, or designee, to execute any and all necessary documents to enter into contracts, and any necessary amendments thereto, with A & A Towing, Inc., Supreme Towing Service, Inc., dba City Tow Service, both of Long Beach, CA, A & E Towing, Inc., of Cypress, CA, and Mighty Transport, Inc., of Torrance, CA, to perform as-needed vehicle towing services, in an annual aggregate amount not to exceed \$300,000, for a period of two years, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

## DISCUSSION

City Council approval is requested to increase the existing Blanket Purchase Orders (BPOs) with multiple towing companies by \$100,000, for an annual aggregate amount not to exceed \$300,000, to provide as-needed towing services. Furthermore, it is projected that this amount will be needed on an annual basis for the remaining term of contracted use. These services are needed to supplement the regular operations of the Fleet Services Bureau, Towing and Lien Sale Division.

A formal procurement process was completed in March 2016 to identify qualified firms to provide as-needed towing services for the City. In May 2016, BPOs were issued pursuant to the City Purchasing guidelines, in an annual aggregate amount not to exceed \$200,000, for a two-year period, with the option to renew for two additional one-year periods, to the following firms:

- A & A Towing, Inc., of Long Beach, CA
- A & E Towing, Inc., of Cypress, CA
- Mighty Transport, Inc., of Torrance, CA
- Supreme Towing Service, Inc., of Long Beach, CA

## HONORABLE MAYOR AND CITY COUNCIL

January 10, 2017

Page 2

The contracts are in the first year of a two-year term. Towing requests had been on a decline for several years. Since June 2016, however, towing requests have been steadily increasing and are projected to continue trending upwards for the foreseeable future. In addition to the increased volume of tows, staffing shortages over the past year (up to 33 percent) have exacerbated the situation. While reassignment of staff and overtime have been used to help cover these vacancies and workload peaks, it is both safer and more economical to utilize contract tow agencies when these situations produce gaps in towing coverage and response times.

Should tow volumes not continue to increase as expected, it may not be necessary to exercise this full contract authority in later years. However, to maintain service levels and manage peak workloads, this increase in contract authority is recommended to ensure prompt response to towing requests. This helps to ensure that traffic accidents are cleared quickly, that law enforcement personnel are supported in the field, and that adequate parking is available for City residents, visitors and businesses.

For these reasons, the Financial Management Department is requesting approval for an additional annual aggregate amount of \$100,000.

This matter was reviewed by Deputy City Attorney Monica J. Kilaita and by Assistant Finance Director Lea Eriksen on December 19, 2016.

### TIMING CONSIDERATIONS

City Council action on this matter is requested on January 10, 2017, to ensure that contracts are in place expeditiously.

### FISCAL IMPACT

An additional \$100,000 is needed for the current contract period, bringing the annual aggregate contract amount to \$300,000; and an annual allocation of \$300,000 is requested for the remaining terms with the selected vendors. These costs are budgeted in the Towing Operations Fund (EF 340) in the Financial Management Department (FM). A portion of the expense will be recovered through charges to user departments when towing service is needed for City vehicles. The remaining costs are recovered when the vehicle owner pays to reclaim their towed vehicles, or when unclaimed vehicles are auctioned during a lien sale. Award of these contracts will provide continued support to our local economy by assisting in the preservation of employment for 16 full-time employees residing in Long Beach.

HONORABLE MAYOR AND CITY COUNCIL  
January 10, 2017  
Page 3

SUGGESTED ACTION:

Approve recommendation.

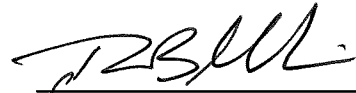
Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

JG:DB:dh  
1-10-17 CCL - RFP FS16-037 AS NEEDED TOWING CONTRACTS.DOCX

APPROVED:



PATRICK H. WEST  
CITY MANAGER