



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

January 18, 2005

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**SUBJECT: Contract With Mr. C's Towing, Incorporated, to Provide Towing Services in the East Region of Long Beach (Citywide)**

## DISCUSSION

City Council approval is being requested to execute a contract with Mr. C's Towing, Incorporated, to provide towing services for light and medium vehicles in the east region of Long Beach.

A bid document was released on May 27, 2004 and bids were opened on August 11, 2004. Bid notifications were sent utilizing the Purchasing Division's bid management system. The bid document was made available from the Purchasing Division located on the Plaza Level of City Hall and the Division's website at [www.lbpurchasing.org](http://www.lbpurchasing.org). A bid announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities sent to 32 local, minority, and women's groups. Multiple purchase orders were issued to the lowest responsible bidders to ensure adequate towing coverage would be available to respond to the Police Department and other Safety personnel.

On an annual basis the City Towing Operation contracts for supplemental tows when City staff are unavailable. Based on historical expenditures, regional towing services were expected to remain under \$100,000 and a purchase order was issued; however, various factors have caused the City to exceed the annual estimated amount, which will now exceed \$100,000 and necessitate a formal contract. The most significant contributing factor was changes made to the specifications that increased service requirements, paperwork, and employee background checks to meet the requirements of the Police Department and the Department of Public Works, Fleet Services Bureau. These changes resulted in a higher cost per tow. Additional contributing factors include an increase in towing activity and Mr. C's Towing, Incorporated's ability to maintain a 99% response rate providing tows for the east region and serving as back up to other providers when necessary, therefore increasing the number of tows Mr. C's Towing, Incorporated, has been requested to perform.

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This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin on January 3, 2005 and Budget Management Officer David Wodynski on January 4, 2005.

TIMING CONSIDERATIONS

City Council action is requested on January 18, 2005, as it is anticipated that the current purchase order with Mr. C's Towing, Incorporated, will be expended as of January 2005.

FISCAL IMPACT

Annual expenditures, including those disbursed through the purchase order, will not exceed \$250,000. Sufficient funding has been budgeted in the Towing Operations Fund (EF 340) in the Department of Public Works (PW), with the additional cost for this provider being covered by savings from not utilizing the other providers. A formal competitive bid will be processed prior to the expiration of this contract on August 1, 2005.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute a contract with Mr. C's Towing, Incorporated, to provide towing services for the east region of Long Beach in an annual amount not to exceed \$250,000 (which includes the \$100,000 previously paid under purchase order). The term of the contract will be from August 1, 2004 to August 1, 2005.

Respectfully submitted,



MICHAEL A. KILLEBREW  
ACTING DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



GERALD R. MILLER  
CITY MANAGER