

# Agenda Report

TO: City Council

DATE: April 1, 2002

FROM: City Manager

SUBJECT: Presentation of applications and adoption of resolution of intention to grant non-exclusive police towing franchises for the term of one year and setting the notice of hearing thereon.

## **RECOMMENDATION:**

It is recommended that City Council:

- 1) Adopt a resolution declaring its intention to consider granting non-exclusive franchises for police towing services.
- 2) Set a public hearing for April 22, 2002, at 7:30 p.m. to consider granting these franchises.

## **BACKGROUND:**

On June 4, 2001 the City Council approved modifications to the Police Towing Franchise System, Pasadena Municipal Code 10.46 that established the process for awarding franchises as well as providing a mechanism by which the franchises may be renewed for up to four additional one-year periods.

Pursuant to the revised ordinance, a notice inviting applications for police towing franchises was published in the Pasadena Journal on October 11, 2001 and requests for applications were sent to eight tow operators.

The following five companies have submitted applications for police towing franchises:

Name	Address
American Tow	1539 Lincoln Ave., Pasadena, CA 91103
Freddie Mac	2740 N. Bruin Ave., South El Monte, CA 91733

Johnnies Tow Service	77 N. Daisy Ave., Pasadena, CA 91107
Masters Tow	640 N. Fair Oaks Ave., Pasadena, CA 91103
McVey Towing	2568 E. Walnut Ave., Pasadena, CA 91107

Based on the criteria established in the request for applications as well as PMC 10.46, which outlines the purpose, and declarations for Police Impound Towing Franchises, two of the applications, Masters Tow and Freddie Mac, meet the requirements for award of a police towing franchise.

The City has used Masters Tow for many years and the Police Department staff believes that this company provides adequate service.

Freddie Mac is the only company that is outside the City of Pasadena city limits, but meets the requirements (7-miles) of the established RFP. This company is located in South El Monte. Freddie Mac is currently conducting police impounds with the Los Angeles County Sheriff's Department without any problems. In fact, since 1997, only one complaint was made about a slow response or no response to a call for police tow from the Sheriff's department. There have been no reported burglaries or thefts from stored vehicles from the Freddie Mac facility in the past two years. Freddie Mac has the largest storage facility (100,000 square feet), a secure police inspection area, and a fleet of nine tow trucks to ensure a rapid response to calls for service. This company has worked with the City in the past for the towing of large vehicles (buses, multi-axel trucks, etc.) and there have been no problems. The other tow operators listed in this agenda report do not have the ability to tow such large vehicles. The City of South El Monte, the State Assembly, the State Senate, and the County of Los Angeles have recognized them as being an outstanding business.

The City has used Johnnies Tow Service for many years. Over the course of the City's relationship with this vendor, the City has received a large number of citizen complaints concerning various practices implemented by this tow operator. Johnnies Tow Service has received cash payment from many of its customers, and a "cash only" sign is displayed in their office. The State of California Vehicle Code forbids tow operators from mandating cash payment for customers of police tows. Additionally, City staff observed two tow trucks parked on the street during a recent inspection, which is not allowed in the last Franchise Agreement signed by Johnnies Tow Service in 1998. According to Police Department staff, this occurs on a regular basis and Johnnies has been warned on many occasions. The Police Department has documented long delays when calling this tow operator for police tows and Johnnies Tow Service has failed to respond to police dispatched calls for service 164 times over a two-year period. Last year, Johnnies Tow Service allowed its tow operator license to expire. The company is routinely late making payment to the City for the last tow franchise contract. Johnnies Tow has had the highest rate of thefts and burglaries (19 in the past two years) from stored vehicles than any other company applying for this franchise.

American Tow does not have a track record with the City and this company has no outside contracts in which to gauge their level of service. They do not have a secure

inspection area for use during police investigations, they do not possess the required \$1,000,000 liability insurance, and they have a "cash only" policy which do not meet the standards set in the RFP. American Tow had 7 incidents of burglary or theft from stored vehicles in the last 24 months.

McVey Towing is currently conducting police impounds for the local office of the California Highway Patrol without significant problems. This tow operator has insufficient trucks (two) in its fleet to ensure service and a storage facility (10,000 square feet) below the specified amount of the RFP. McVey Towing also operators on a "cash only" basis, in violation of the State of California Vehicle Code for police impounds.

Each approved franchise shall be subject to the terms and conditions specified in the City Charter, the Police Towing Franchise System Ordinance P.M.C. 10.46, the RFP itself, and all other applicable federal, state and local laws and regulations.

Public hearings for each applicant shall be held on April 22, 2002 at City Hall in the City Council meeting room at 8:00 p.m. or as soon thereafter as each of the matters may be heard. At the hearings, all persons interested may express favor of or opposition to the granting of a non-exclusive franchise to an applicant.

**FISCAL IMPACT:**

The City will receive an aggregate total of \$90,000 from the awarded franchises.

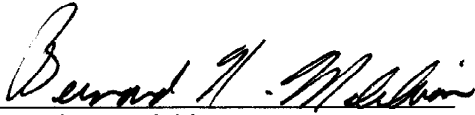
Respectfully submitted,

  
Cynthia J. Kurtz  
City Manager

Approved by:

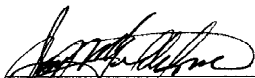
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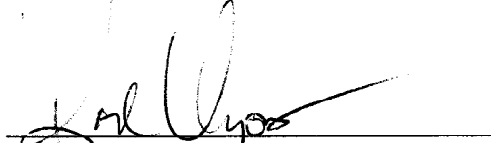
Bernard K. Melekian  
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Concurred with:



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