

Agenda Report

TO:

CITY COUNCIL

DATE: January 12, 1998

FROM:

CITY MANAGER

SUBJECT:

RESOLUTION OF INTENTION TO AWARD NON-EXCLUSIVE

FRANCHISES FOR POLICE TOWING SERVICES AND TO SET

DATE OF PUBLIC HEARING FOR THAT PURPOSE

<u>RECOMMENDATION</u>: It is recommended that the City Council adopt the attached resolution of intention which provides public notice of City Council's intent to award non-exclusive franchises for police towing services and sets the date for a public hearing thereon.

BACKGROUND: Chapter 10.46 of the Pasadena Municipal Code establishes a system for franchising towing services that are provided to the Pasadena Police Department. Under this system, the Police Department regulates those firms which tow and store vehicles which are impounded or towed by the Police Department. This does not affect towing services provided to the public.

Five towing firms submitted applications for franchises. However, only three firms satisfied all the requirements established in the Request for Proposals. These requirements were written to ensure that towing services would be available on a timely basis, would be performed competently and that towed vehicles would be safely stored until claimed by their owners. Applicants were required to maintain sufficient facilities in Pasadena to avoid unnecessary inconvenience, have sufficient liability insurance and demonstrate that their employees posses a knowledge of state laws regarding towing of vehicles, are properly uniformed and operate safe, adequately equipped vehicles.

The City Charter provides a three step process for awarding franchises. First, the City Council must adopt a resolution of intention to award franchises to designated bidders. Second, a public hearing on the award of the franchises must be conducted. After the hearing, the City Council may award the franchises by ordinance.

AGENDA ITEM NO. 4.A.3.

City Council January 12, 1998 Page 2

This resolution gives notice of intent to award non-exclusive franchises to the three applicants whose applications were deemed responsive and acceptable by the police department: S.N. Ward & Co., Johnnie's Towing Service and Master Towing Service. In compliance with the City Charter, this resolution also sets the date of the public hearing on awarding these franchises for January 26, 1998.

FISCAL IMPACT: An annual franchise fee of \$150,000, to be divided equally among the successful applicants, is to be paid to the city in installments beginning in April, 1998. Except in rare instances, the cost of towing and storing vehicles impounded or removed by police is paid by the owner of the vehicle. Those fees are set in the services contracts between the City and each of the towing companies to whom franchises are awarded and are based on prevailing rates in surrounding cities.

Respectfully submitted,

Philip A. Hawkey

City Manager

Concurrence:

Bernard Melekian

Police Chief

Prepared by:

Lawrence S. Newberry
Assistant City Attorney