

Agenda Report

TO: CITY COUNCIL

DATE: January 26, 1998

FROM: CITY MANAGER

SUBJECT: PUBLIC HEARINGS ON AWARD OF NON-EXCLUSIVE FRANCHISES FOR POLICE TOWING SERVICES AND AUTHORIZATION TO PREPARE APPROPRIATE ORDINANCES AWARDEDING SUCH FRANCHISES

RECOMMENDATION: It is recommended that the City Council conduct public hearings as required by Section 1104 of the Pasadena City Charter to solicit the comments of interested persons regarding the award of police towing franchises. It is further recommended that after the public hearing, the City Council instruct the City Attorney to prepare the proper ordinances to award franchises to the proposed franchisees.

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 by a towing company. The City is prohibited from regulating those services by federal law.

Five towing firms submitted applications for franchises for police towing. However, only three firms satisfied all the requirements established in the Request for Proposals by their owners. Applicants were required to maintain sufficient facilities and equipment in Pasadena to avoid unnecessary inconvenience, have sufficient liability insurance and demonstrate that their employees possess a knowledge of state laws regarding towing of vehicles, are properly uniformed and operate safe, adequately equipped vehicles. Specifically, applicants were rated on the following criteria:

1. Record Keeping and Customer Service facilities: Applicants must provide efficient processing of vehicle storage records and receipts in a clean and secure office area equipped with a customer waiting area.

2. Uniforms: Tow truck operators must be attired in uniforms appropriate for the industry and protection of the public.

3. Tow vehicles: Applicants must comply with the requirements of the California Vehicle Code standards for tow vehicles.

4. Storage lots: Applicants must own or have leased a minimum of 30,000 square feet of space which is properly paved, fenced and secured.

5. Off street parking: Applicants' facilities must evidence the ability to store towing equipment and impounded vehicles on private property and off public streets and alleyways.

6. Insurance: Applicants must be covered by liability insurance in an amount no less than \$1,000,000.

7. Business license: Applicants must possess and display a current Pasadena business license.

8. Inspection area: Applicants must have available a secured area in which vehicles towed in connection with a criminal investigation may be inspected and searched.

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. The Resolution of Intention was adopted on January 12, 1998.

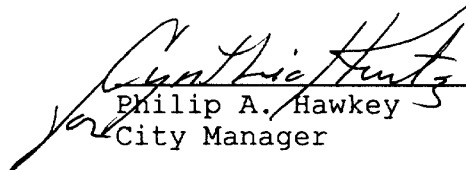
Second, a public hearing on the award of each franchise must be conducted. The public hearings to be conducted tonight satisfy this requirement of the City Charter. After the public hearings, the City Council may award franchises to any or all of the proposed franchisees by ordinance adopted by the affirmative vote of at least five council members. Those ordinances will be presented at the City Council's February 2, 1998 meeting if the City Council, by motion after the public hearing, directs the City Attorney to prepare those ordinances.

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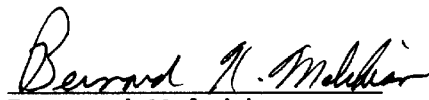
The City Council, by adopting the Resolution of Intention on January 12, 1998, has indicated that it proposes to award non-exclusive franchises to the three applicants whose applications were deemed responsive and acceptable by the police department: S.N. Ward & Son, Inc., Johnnie's Towing Service and Master Towing Service. The public hearing this evening is held to permit any person having an interest in or objecting to the granting of such franchise to appear before City Council and be heard.

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.

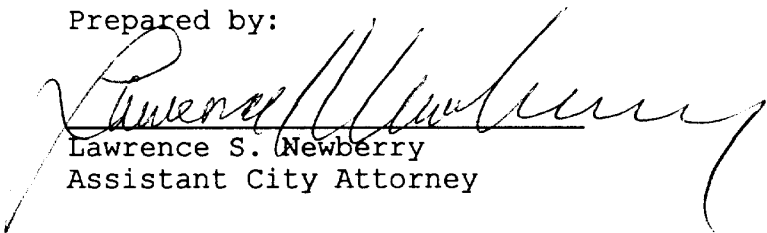
Respectfully submitted,


Philip A. Hawkey
City Manager

Concurrence:


Bernard Melekian
Police Chief

Prepared by:


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