FILE NO. 160134

RESOLUTION NO. 99-16

[Agreement - TEGSCO, LLC, dba San Francisco AutoReturn - Towing and Storage of Abandoned and Illegally-Parked Vehicles - Not to Exceed \$65,400,000]

Resolution approving the Agreement with TEGSCO, LLC, dba San Francisco AutoReturn, for services related to the towing, storage, and disposal of abandoned and illegally-parked vehicles in an amount not to exceed \$65,400,000 and for a five year term of April 1, 2016, through March 31, 2021, with the option to extend for up to five additional years; and approving a License between the San Francisco Municipal Transportation Agency and AutoReturn for a portion of the premises at 2650 Bayshore Boulevard in Daly City for use as the long-term vehicle storage and auction facility for a term of five years, with the option to extend for five additional years.

WHEREAS, The City has contracted out for services related to the towing, storage, release and disposal of illegally-parked and abandoned vehicles since 1987; and

WHEREAS, The City, through its Municipal Transportation Agency, is responsible for effectively controlling and removing illegally parked and abandoned vehicles to maximize onstreet parking, manage traffic congestion, respond to blocked driveway requests, and maintain clean, safe, and functional streets for the public's use; and

WHEREAS, The current towing agreement expires on March 31, 2016; and

WHEREAS, The San Francisco Municipal Transit Agency ("SFMTA") conducted a competitive procurement process that yielded three submitted proposals; and the highest-ranked proposer was the incumbent contractor, AutoReturn; and

WHEREAS, Since 2005, AutoReturn has provided customer service to the public and performed its contractual obligations under the current towing agreement to the satisfaction of the SFMTA through successful technological improvements and integrations with other

agency software; and, these improvements have enabled the SFMTA to redirect enforcement labor to other transportation commitments, such as traffic mitigation and safety; and

WHEREAS, AutoReturn currently manages two facilities in support of the current towing agreement, a facility it leases at 450 7th Street in San Francisco that serves as the short-term vehicle storage facility and the customer service center, and a facility at 2650 Bayshore Boulevard in Daly City that the SFMTA leases for use, in part, as a long-term vehicle storage facility and the site of lien sale auctions; and

WHEREAS, The SFMTA is currently negotiating with Caltrans, the owner of the 450 7th Street facility, to transfer the facility's lease to the SFMTA; and

WHEREAS, AutoReturn currently occupies the Bayshore facility pursuant to a license agreement with the SFMTA; and

WHEREAS, Under the proposed Agreement with TEGSCO, dba San Francisco AutoReturn, for Towing, Storage, and Disposal of Abandoned and Illegally-Parked Vehicles ("the Proposed Towing Agreement") AutoReturn must enter into a Revocable License to Enter and Use Property for the Bayshore facility ("the Bayshore License") for a term of five years with the option to extend for five additional years; and

WHEREAS, The business model under the existing towing agreement is dependent on tow volume which decreased from approximately 71,000 tows in 2005 to approximately 42,000 tows in 2015; and

WHEREAS, Under the business model reflected in the Proposed Towing Agreement, the contractor will collect all towing, storage, and auction related fees on behalf of the SFMTA, the SFMTA will retain those fees, and the SFMTA will pay the contractor for contract services through a fixed monthly management fee and variable, per vehicle, fees for towing, storage, transfer, and lien/auction expenses, which will improve cost control, service oversight, and fee setting; and

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WHEREAS, After an analysis of all costs related to the towing program, the SFMTA Board approved modifications to the Transportation Code on February 16, 2016 (Resolution No. 16-024) to establish a fee schedule for tow, storage, lien and sale of towed vehicles, and to lower the administrative fee and the base tow fee by \$22.25 or 5%, in total; and

WHEREAS, The proposed not-to-exceed amount for the Towing Agreement is \$65,400,000; the term of the Towing Agreement is five years with the option to extend for up to five additional years; and

WHEREAS, The local business enterprise goal under the Proposed Towing Agreement will be 20%, as opposed to 12% under the existing towing agreement to encourage participation from local businesses; and

WHEREAS, The SFMTA Board of Directors approved the Proposed Towing Agreement and Bayshore License on February 16, 2016, (Resolution No. 16-024) and recommended both to the Board of Supervisors for review and approval; and

WHEREAS, The Towing Agreement and Bayshore License are on file with the Clerk of the Board of Supervisors in File No. 160134; and

WHEREAS, The Planning Department has determined that the actions contemplated in this Resolution comply with the California Environmental Quality Act (California Public Resources Code, Sections 21000 et seq.), and said determination is on file with the Clerk of the Board of Supervisors in File No. 160134; now, therefore, be it

RESOLVED, That the Board of Supervisors authorizes the Director of Transportation of the SFMTA, on behalf of the City, to execute the Towing Agreement and the Bayshore License and to take all actions under the Towing Agreement and the Bayshore License, including the exercise of the extension options described in those documents; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Transportation of the SFMTA to enter into any amendments or modifications to the Towing

Agreement or the Bayshore License (including, without limitation, the exhibits to those documents) that the Director of Transportation determines, in consultation with the City Attorney, are in the best interest of the City, do not increase the rent or otherwise materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the Towing Agreement, the Bayshore License, or this Resolution, and are in compliance with all applicable laws, including the City's Charter; and, be it

FURTHER RESOLVED, That the Planning Department's determination that the actions contemplated by this Resolution comply with the California Environmental Quality Act (California Public Resources Code, Sections 21000 et seq.) is affirmed by this Board; and, be it

FURTHER RESOLVED, That the Towing Agreement shall be subject to certification as to funds by the City's Controller, pursuant to Charter, Section 3.105, and, be it

FURTHER RESOLVED, That within 30 days of the Towing Agreement and Bayshore License documents being fully executed by all parties, the final documents shall be provided to the Clerk of the Board for inclusion in the official file.



City and County of San Francisco Tails Resolution

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

File Number: 160134

Date Passed: March 15, 2016

Resolution approving the Agreement with TEGSCO, LLC, dba San Francisco AutoReturn, for services related to the towing, storage, and disposal of abandoned and illegally-parked vehicles in an amount not to exceed \$65,400,000 and for a five year term of April 1, 2016, through March 31, 2021, with the option to extend for up to five additional years; and approving a License between the San Francisco Municipal Transportation Agency and AutoReturn for a portion of the premises at 2650 Bayshore Boulevard in Daly City for use as the long-term vehicle storage and auction facility for a term of five years, with the option to extend for five additional years.

March 02, 2016 Budget and Finance Sub-Committee - RECOMMENDED

March 08, 2016 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

March 15, 2016 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

File No. 160134

I hereby certify that the foregoing Resolution was ADOPTED on 3/15/2016 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

Mav

25/2016

Date Approved