

3.4 Fee Schedule for City-Generated Zone Towing Services Agreements.

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Harry Freitas

SUBJECT: SEE BELOW

DATE: March 1, 2017

Approved

D. D. Syl

Date

3/8/17

SUBJECT: CITY-GENERATED ZONE TOWING RATES

RECOMMENDATION

Adopt a resolution setting a new fee schedule for City-Generated Zone Towing Services with rates not to exceed the allowable tow fees under the State of California Highway Patrol Tow Services Agreement for the Golden Gate Region- San José Office to take effect March 22, 2017, with the below contractors:

- Matos Auto Towing & Transport
- City Towing, Inc.
- Century Tow
- Motor Body Company, Inc.
- Courtesy Tow Services, Inc.
- Alongi Brothers, Inc.

OUTCOME

This action will supersede Council Resolution 76772¹ and update the current fee schedule for the executed City-Generated Zone Towing Services Agreements not to exceed the maximum rates allowed under the State of California Highway Patrol Tow Services Agreement for the Golden Gate Region- San José Office.

¹ Council Resolution 76772: <http://web-apps/clerk/chad/prod/FileNetViewer.asp?DocId=RES76772>

BACKGROUND

The City has agreements for City-Generated Zone Towing Services with six towing contractors selected through a competitive Request for Proposal process and approved by Council on March 29, 2016². Each contractor services a specific geographic tow zone within the City and is granted the exclusive privilege to provide towing services for the City within its designated zone. Services include towing for the Police Department for accidents, vehicle violations, investigations, and evidence in criminal cases; the Department of Transportation for abandoned, inoperable and illegally stored vehicles on the public right-of-way; and Planning Building and Code Enforcement for the Neighborhood Clean-up Program.

The tow zones are as follows:

- Zone 1: Matos Auto Towing & Transport
- Zone 2: City Towing, Inc.
- Zone 3: Century Tow
- Zone 4: Motor Body Company, Inc.
- Zone 5: Courtesy Tow Services, Inc.
- Zone 6: Alongi Brothers, Inc.

Each agreement includes a fee schedule that lists the tow rates to be paid by the owner of the towed vehicle to the tow company. The tow rates are set in accordance with the State of California Highway Patrol Tow Services Agreement for the Golden Gate Region- San José Office (except for the Contract Compensation Fee and the Dispatch Fee, which are set by the City). Specifically, the local California Highway Patrol Area Commander conducts a market rate survey of their area (Santa Clara County) based on the data of operational costs received by all tow companies who submit an application to provide CHP tow services. The Area Commander then uses the data to set the maximum local rate allowed for CHP tow services.

Council Policy No. 9-8

City Council Policy No. 9-8 went into effect on October 11, 1983 and was amended on March 2008³. The purpose of the policy is to set forth the method and standard for establishing tow rates and City contractual compensation for the City-Generated Zone Towing Services. Staff reviews the rates annually and, if necessary, makes a recommendation to Council to adjust the fee schedule to remain consistent with the State of California Highway Patrol Tow Services Agreement for the Golden Gate Region-San José Office.

² March 29, 2016 Council Memo:

http://sanjose.granicus.com/MetaViewer.php?view_id=&event_id=2129&meta_id=563758

³ Council Policy 9-8: <https://www.sanjoseca.gov/DocumentCenter/View/3923>

Council passed resolutions in 2009⁴, 2012⁵ and 2013⁶ to adjust the fee schedule to remain consistent with the tow rates allowed by the State of California Highway Patrol Tow Services Agreement for the Golden Gate Region-San José Office.

ANALYSIS

On July 1, 2016, the adjusted tow rates for the State of California Highway Patrol Tow Services Agreement took effect. Staff has completed its review of the adjusted rates and recommends Council adjust the fee schedule to remain consistent with the State of California Highway Patrol Tow Services Agreement for the Golden Gate Region-San José Office. A comparison of the changes is as follows:

Category	Current Rate	Adjusted Rate	Change
Basic Tow Service	\$200.00 per tow	\$215.00 per tow	\$15.00
Service Call – Class “A”	\$50.00 per quarter hour	\$53.75 per quarter hour	\$3.75
Service Call – Class “B”	\$87.00 per quarter hour	\$102.50 per quarter hour	\$15.50
Service Call – Class “C”	\$117.00 per quarter hour	\$137.50 per quarter hour	\$20.50
Service Call – Class “D”	\$117.00 per quarter hour	\$150.00 per quarter hour	\$33.00
Extraordinary Services “A”	\$100.00 per hour	\$215.00 per hour	\$115.00
Extraordinary Services “B”	\$350.00 per hour	\$410.00 per hour	\$60.00
Extraordinary Services “C”	\$470.00 per hour	\$550.00 per hour	\$80.00
Extraordinary Services “D”	\$470.00 per hour	\$600.00 per hour	\$130.00
After Hours Gate Fee	\$85.00	\$85.00	\$0.00
Outside Vehicle Storage Fee	\$85.00 per day	\$87.50 per day	\$2.50
Inside Vehicle Storage Fee	\$95.00 per day	\$95.00 per day	\$0.00
Contract Compensation Fee	\$80.00 per tow	\$80.00 per tow	\$0.00
Dispatch Fee	\$8.00 per dispatch	\$8.00 per dispatch	\$0.00

EVALUATION AND FOLLOW-UP

This memo will not require any follow up from Staff.

PUBLIC OUTREACH

This item will be posted on the City’s website for the March 21, 2017 City Council Agenda.

⁴ 2009 Fee Schedule: <http://web-apps.sjcity.net/Clerk/Chad/Prod/FileNetViewer.asp?DocId=RES75086>

⁵ 2012 Fee Schedule: <http://web-apps.sjcity.net/Clerk/Chad/Prod/FileNetViewer.asp?DocId=RES76148>

⁶ See footnote #1.

HONORABLE MAYOR AND CITY COUNCIL

March 1, 2017

Subject: Amendments for Agreements for City-Generated Zone Towing Services

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COORDINATION

This memorandum has been coordinated with the San José Police Department and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP10-067(a), Adjustment to Fees and Charges.

/s/

HARRY FREITAS, DIRECTOR
Planning, Building, and Code Enforcement

For questions please contact Hector Ortiz, Tow Liaison, at 408-793-6901.

RESOLUTION NO. _____

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN
JOSE ADOPTING A FEE SCHEDULE FOR TOW
SERVICES AGREEMENTS**

WHEREAS, on August 27, 2013, the City Council adopted Resolution No. 76772 establishing a Fee Schedule for Tow Services Agreements; and

WHEREAS, the tow rates are set in accordance with the State of California Highway Patrol Tow Services Agreement for the Golden Gate Region- San José Office ("CHP Agreement"), with the exception of the Contract Compensation Fee and the Dispatch Fee, which are set by the City of San José ("City"); and

WHEREAS, on July 1, 2016, the adjusted tow rates for the CHP Agreement took effect; and

WHEREAS, in accordance with Council Policy 9-8, City staff has completed its review of the adjusted rates and recommends that Council adjust the City's fee schedule to remain consistent with the CHP Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

SECTION 1. Effective as of 12:01 am on March 22, 2017, in addition to fees set by state and federal law, the following maximum charges are hereby established for services or materials furnished by the Contractor engaged in the tow-car business in connection with any vehicle tow pursuant to an Agreement for Tow Services entered into by the City of San Jose. (All charges shall include any charge for unlocking a vehicle when necessary):

1. Basic Tow - For any tow of a disabled vehicle from the scene of an accident; \$215.00
or of an unattended or abandoned vehicle from a public street when
authorized by a police officer or other authorized employee of City; or of a
driverless vehicle from a public street or private property, when authorized by
a police officer, or other authorized employee of City; and when required on
account of the disability of the driver. For any tow of a vehicle from a public
street or private property when authorized by the person lawfully entitled to
the possession of the vehicle; or of a vehicle parked without authorization on
private property by the person lawfully entitled to the possession of the real
property. For any tow of a vehicle authorized by a San José police officer or
other authorized City employee from a location on a freeway within the city
limits of the City of San José

2. Service call - response by a tow truck to a request by or on
behalf of the person in lawful possession of a vehicle, or by a
police officer, but towing is found not to be necessary, required
to be spent from the time of departure to return to the customary
tow-car location or to release to another assignment:

Class "A" regular duty tow-trucks	\$53.75 per quarter hour
Class "B" medium duty tow-trucks	\$102.50 per quarter hour
Class "C" heavy duty tow-trucks	\$137.50 per quarter hour
Class "D" heavy duty tow-trucks	\$150.00 per quarter hour

3. Extraordinary Service Tows

Where one or more of the following conditions is met:

- a. tow services authorized in writing by the City as requiring more than the
use of one Class "A" tow truck for more than one hour from the time of
dispatch to the time of departing the scene
- b. vehicles that have been driven off of embankments;
- c. accidents where a vehicle is overturned, burned, or imbedded in a
structure or another vehicle;
- d. vehicles which must be recovered over six feet from the roadway.
- e. Heavy Vehicle Tows (Special Tows):
Class "B" – for towing vehicles which are under 6,000 lbs. (empty) which
require Class "B" truck recovery, e.g. fifth wheel trailers, small motor
homes, horse trailers and heavily loaded one-ton trucks; and for towing
vehicles which exceed 6,000 lbs. (empty), e.g. medium to large motor
homes, commercial trucks and trailers and trailers less than 26,000 lbs.
(empty);
Class "C" and "D" - for towing vehicles where weight or complex
recovery requires the use of a Class "C" or "D" Tow Truck (e.g. vehicles

with a weight exceeding 26,000 lbs. (empty) such as a very large motor home bus or semi-truck and trailer rig;

- f. Vehicles which are in more than one piece as a result of a collision;

and it has been documented by requiring the written authorization of the impounding officer on the CHP 180 form (impounds only) or Tow Authorization Form when the CHP 180 form is not required, then the following rates are applicable as authorized:

Class "A" regular duty tow-trucks	\$215.00 per hour
Class "B" medium duty tow-trucks	\$410.00 per hour
Class "C" heavy duty tow-trucks	\$550.00 per hour
Class "D" heavy duty tow-trucks	\$600.00 per hour

The foregoing rates shall be charged as a one hour minimum charge plus a prorata charge for each quarter hour as authorized.

4. Storage fee:

Passenger vehicles, motorcycles, vans and light trucks (per day)	
Per Space, Outside	\$87.50
Per Space, Indoors	\$95.00

5. After Hours Gate Fee - for the release of a vehicle one hour after close of the SJPD desk hours until the desk re-opens. \$85.00

SECTION 2. During the term of the Agreement for Tow Services, from the effective date of this Resolution until this Resolution is superseded, each Contractor shall pay City, as consideration for the right to perform City-generated tows pursuant to the Agreement for Tow Services the following fees:

Contract Compensation Rate - per tow (all tows including motorcycles)	\$80.00
Dispatch Rate - per dispatch	\$8.00

SECTION 3. Resolution No. 76772 is superseded as of the date and time set forth in Section 1 above.

ADOPTED this _____ day of _____, 2017, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk