

**OFFICE OF THE CITY MANAGER
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-404
SEPTEMBER 23, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
TOWING CONTRACT ASSIGNMENT	◆ RESOLUTION ORDINANCE RECEIVE/FILE	PAMELA S. MCADAMS ADMINISTRATIVE INTERN

SYNOPSIS —

For the best interest of the parties involved, Des Moines Automotive Parts Co. has requested assignment of its towing and storage contract for the eastern part of the City to Owen Crist. One party can more efficiently and economically service the whole area.

FISCAL IMPACT —

Assignment of Des Moines Automotive's impound towing contract could have financial benefits to the City, if the assignment results in one towing vendor for the City. Consolidation of impound towing services to one vendor will reduce the City's storage costs on vehicles sold at auction. Operations would be centralized. Department personnel will have better control of record keeping requirements, making service to the public easier and more accurate. Cost savings will result in areas of storage.

RECOMMENDATION —

Approval of assignment of Des Moines Automotive Parts Co.'s portion of the towing and storage contract to Owen Crist Auto Body Service, and authorization of Art Goodale, Purchasing Agent, to sign the assignment on behalf of the City.

BACKGROUND —

On November 21, 1994, by Roll Call No. 94-4423, the City Council denied a 12-month renewal of a towing contract with Owen Crist Auto Body Service, and on January 3, 1995, by Roll Call No. 95-94, staff was directed to re-open the contract with the City divided into two towing and storage districts.

On April 17, 1995, by Roll Call No. 95-1521, Council voted to Award District 1 towing and storage to Owen Crist Auto Body Service, Inc. and District 2 towing and storage to Des Moines Automotive. That contract expires in May, 1997.

Since that time, Des Moines Automotive Parts Co. has indicated that various conditions have changed since the date the contracts were awarded that have had a severe financial impact upon the parties to these contracts. These conditions included:

- As of July 1, 1996, minimum storage time has been reduced from 21 days to 10 days due to the amendment of Section 321.89 of the *Code of Iowa*. Subsequently, storage fees realized by the two parties have substantially decreased.

In light of the above, the parties have suggested that Des Moines Automotive should be allowed to assign its contract for the eastern part of the City to Owen Crist. After the assignment, City storage charges will be reduced and difficulties in alternate vehicle sales sites can be eliminated.

Both Des Moines Automotive and Owen Crist have agreed to and signed the assignment contract.