



**Council**  
**Communication**  
Office of the City Manager

<b>Date</b>	May 21, 2007
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<b>Agenda Item No.</b>	<b>39</b>
<b>Roll Call No.</b>	<b><u>07-</u></b>
<b>Communication No.</b>	<b><u>07-285</u></b>
<b>Submitted by: Larry Hulse, Community Development Director</b>	

**AGENDA HEADING:**

Acceptance and Approval of Junk Vehicle Towing Contract with Swifts Auto Salvage.

**SYNOPSIS:**

Recommend acceptance and approval of bid from Swifts Auto Salvage (Dale Swift, President, 1720 East Washington, Des Moines, Iowa) for junk vehicle towing services. The Procurement Division solicited bids from nine potential bidders; three towing companies submitted bids. As part of the contract, the selected contractor will be required to pay the City for each vehicle that becomes the property of the said contractor. Swifts Auto Salvage offered to pay the greatest amount for vehicles (\$250 per vehicle). The other two bidders submitted the following: 1) Des Moines Automotive Parts Company - \$155 per vehicle and 2) Yaw's Auto Salvage - \$35.99 per vehicle. Award is based upon the highest amount paid to the City to transfer or demolish a vehicle.

In accepting and approving this item, Council authorizes City staff to enter into annual agreements renewable for two additional twelve month periods.

**FISCAL IMPACT:**

Revenue received from Swift Auto should be approximately \$331,250 per year.

Clean-up efforts are funded by Community Development Block Grant. Revenue income generated will be shown as program income in Account 480290 (8029), Fund Code SP020, Org. CDD049900, Project CDBG2007005.

**ADDITIONAL INFORMATION:**

The contract between the City of Des Moines and Des Moines Automotive Parts Company to tow, store, and dispose of junk vehicles expired on April 28, 2007. Acceptance of this bid will award the contract to Swifts Auto Salvage.

Under the terms of the contract, payments from the contractor to the City for a transferred or demolished vehicle will increase. For example, between May 1, 2006, and April 25, 2007, 1,325 vehicles impounded by the City of Des Moines became the property of Des Moines Automotive Parts Company. Des Moines Automotive Parts Company paid the City \$26,500 for the vehicles (1,325 vehicles x \$20 per vehicle = \$26,500). Under the contract bid submitted by Swifts Auto Salvage, the company would have paid the City \$331,250 for the same number of vehicles (1,325 vehicles x \$250 per vehicle = \$331,250). Under

the contract bid submitted by Des Moines Automotive Parts Company for the upcoming year, the company would have paid the City \$205,375 (1,325 vehicles x \$155 per vehicle = \$205,375).

The bid from Yaw's Auto Salvage would have generated \$47,687 (1,325 vehicles x 35.99 per vehicle = \$47,687).

If Swifts Auto Salvage's bid is accepted and approved, the company will need approximately two weeks to set up its lot for acceptance of City of Des Moines impounds; the contract requires a separate area to house City of Des Moines impounded vehicles. Des Moines Automotive Parts Company (4100 Vandalia Road, Des Moines, Iowa, Alan Givant, President) has agreed to continue impounding and storing vehicles during the transition.

**PREVIOUS COUNCIL ACTION(S):**

Date: March 28, 2005

Roll Call Number: 05-787

Action: Awarding Junk Vehicle Towing Contract to Des Moines Automotive Parts Company, 4100 Vandalia Road. ([Council Communication No. 05-139](#)) Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**