

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 25, 2012							
	<table style="width: 100%; border: none;"> <tr> <td style="text-align: right;">Agenda Item No.</td> <td>38</td> </tr> <tr> <td style="text-align: right;">Roll Call No.</td> <td><u>12-1007</u></td> </tr> <tr> <td style="text-align: right;">Communication No.</td> <td><u>12-331</u></td> </tr> <tr> <td style="text-align: right;">Submitted by:</td> <td>Phillip Delafield, Community Development Director</td> </tr> </table>	Agenda Item No.	38	Roll Call No.	<u>12-1007</u>	Communication No.	<u>12-331</u>	Submitted by:
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Roll Call No.	<u>12-1007</u>							
Communication No.	<u>12-331</u>							
Submitted by:	Phillip Delafield, Community Development Director							

AGENDA HEADING:

Approving Bid for Junk Vehicle Towing Service Contract with Crow Auto Services Inc. d/b/a Crow Tow .

SYNOPSIS:

Recommend approval of bid from Crow Auto Services, Inc. for a contract to furnish junk vehicle towing services to be used by the Neighborhood Inspection Division and authorizing the Procurement Administrator to enter into contract for a period of one (1) year with four (4) - one (1) year options for renewal. The four (4) - one (1) year renewal options shall be executed upon mutual consent of the City and the vendor.

FISCAL IMPACT:

Amount: \$221,600.00 estimated revenue to the City.

Funding Source: Cleanup efforts are funded by Community Development Block Grant funds. Revenue income generated will be shown as program income in Operating Budget, SP020, CDD049900, CDBG2008005, page 106.

ADDITIONAL INFORMATION:

On May 21, 2007, City Council approved a contract with Swifts Auto Salvage for junk vehicle towing services to support the Neighborhood Inspection Division neighborhood cleanup efforts. That contract has expired.

On April 19, 2012, the City Procurement Division solicited bids from ten (10) potential bidders and advertised the invitation to bid in the Des Moines Register. The city received three (3) bids. A cost evaluation summary and comparison of responses to bid specifications is attached. The specifications stated that the award will be determined by the maximum amount of revenue generated to the City and the ability of the vendor to deliver service in a timely fashion. While the City reserved the right to reject proposals that failed to address each criteria, no rejections were deemed necessary as the Crow Tow bid will generate the maximum amount of revenue and was fully compliant in responding to each criteria.

Staff subsequently received numerous concerns from Swift Auto Salvage regarding Crow Tow operations. Staff provides the following responses to those concerns:

Concern: Mr. Swift believes the contract award is to take into consideration a vendors past performance in fulfilling prior city contracts and shall be sufficient cause for rejection of the proposal and that Crow Tow had a contract with the City that was rebid due to overcharging and complaints.

Staff Response: Staff review did not find such language in the bid specifications. Pursuant to section 1.0 of the specifications, the award is to be determined by maximum amount of revenue generated to the city and the ability of the vendor to deliver service in a timely fashion. Staff cannot confirm or deny Mr. Swifts allegations regarding overcharging or complaints. Staff does not believe such complaints are applicable to the bid as submitted by Crow Tow.

Concern: Mr. Swift alleges that Crow Tow has not turned in mercury switches.

Staff Response: The Iowa DNR web site indicates that it is mandatory for any business that is in operation of parting out cars to recycle mercury switches. Such a requirement was not specifically a criterion of the City's specifications and the City is not the responsible entity for enforcing this Iowa DNR regulation.

Crow Tow has since received the information and implemented the recycling process.

Concern: Mr. Swift alleges that Crow Tow is not complying with federal laws regarding registration of VIN's when he auctions cars.

Staff Response: It was not specifically a criterion of the City's specifications that the operation report vehicles through the NMVTIS. The City is not the responsible entity for enforcing this federal regulation.

Mr. Crow indicates that he will comply with this program for all cars that fall into the guidelines as they relate to the city contract.

Concern: Mr. Swift alleges that Crow Tow has not possessed a Salvage License for the last five (5) years, as required.

Staff Response: Pursuant to Section 5.4 of the specifications, the company or owner must have a minimum of five (5) years experience in vehicle salvage operations or as a vehicle disposal facility. It does not require that the operator or business have a salvage dealer's license for the last five (5) years. Randy Crow the owner of Crow Tow, states in his proposal he has been in the industry since 1996. He further states this business has been in operation since 2001. Mr. Crow also provided copies of his City Salvage Dealer License and Iowa DOT Vehicle Recycler/Vehicle Salvage License that are currently valid.

Concern: Mr. Swift alleges that he contacted all the other recyclers in the area and they were not given an opportunity to bid.

Staff Response: Information from the Purchasing Division indicates the bid packets went out to a 10 local companies. The proposal to bid was also published in the Des Moines Register. No one approached the city to be added to the mailing list. Three (3) proposals were received and the Crow Tow

bid will generate the maximum amount of revenue and was fully compliant in responding to each criteria.

Mr. Swift indicates that there was some impropriety on the part of Mr. Crow, in another bid contract held with the police department. Des Moines Police Department confirms that Crow Tow held a contract with them. During the term of the contract Crow Tow did nothing that violated the terms, conditions or intent of the contract. The contract was bid out at its expiration and there was controversy regarding the bid submission and review process. Crow Tow did raise questions about the bids with city staff and in front of Council. The bid was re-let and Crow Tow was not awarded the bid. It was not due to any illegal or unethical conduct or any impropriety by Crow Tow during the term of the contract.

Staff reviewed the bid packages submitted Crow Tow, G&S and Swift. There were a number of specific requirements outlined in the bid proposal. The following is an analysis of what information was provided by each company regarding each specification.

Was the Invitation to Bid filled out and signed?

Crow Tow - completed

G& S – completed

Swift – not completed

State Recyclers License and the City Auto Salvage Dealers license attached:

Crow Tow – attached

G& S – attached

Swift – not attached

Insurance Certificate Form attached:

Crow Tow – attached

G& S – attached

Swift – attached

Site meets zoning requirements:

Crow Tow - yes

G& S – yes

Swift – yes

Response regarding adequate storage of 300 cars separate from other stored vehicles:

Crow Tow – completed

G& S – completed

Swift – not addressed

Statement regarding the number of year's experience:

Crow Tow - completed

G& S – completed

Swift – not addressed

Statement of agreement to comply with removal of vehicle parts:

Crow Tow - completed

G& S – completed

Swift – not addressed

Statement of agreement to meet city hours of operation:

Crow Tow - completed

G& S – completed

Swift – not addressed

Listing of equipment, tow truck and two flatbed salvage trucks:

Crow Tow - completed
G& S – completed
Swift – not addressed

Driver information supplied:

Crow Tow - completed
G& S – completed
Swift – not addressed

Statement of wireless communication with driver and agreement for one hour response time:

Crow Tow - completed
G& S – not supplied
Swift – not addressed

Show ability to provide tow services for all specified vehicles:

Crow Tow - completed
G& S – not supplied
Swift – not addressed

Agreement to comply with record keeping:

Crow Tow - completed
G& S – not supplied
Swift – not addressed

Department of Finance, Purchasing Division did an analysis of the bid amounts.

Amount paid to the City for authority dispose of vehicle -		
Crow Tow \$277.00	G&S \$165.00	Swift \$180.65
Charge of tow to owner -		
Crow Tow \$48.00	G&S \$75.00	Swift \$65.00
Daily storage paid by owner -		
Crow Tow \$9.00	G&S \$15.00	Swift \$15.00
Charges to the city for towing -		
Crow Tow \$45.00	G&S \$55.00	Swift \$45.00
Charges to the city for daily storage -		
Crow Tow \$8.00	G&S \$12.50	Swift \$8.00
Per hour moving charge to city -		
Crow Tow \$45.00	G&S \$65.00	Swift \$55.00

Crow Tow submitted a complete bid, meeting all of the specifications. Additionally, Crow Tow pays the city the most for vehicles transferred them and charges the least for services provided to the City.

Staff recommends the Neighborhood Inspection Division towing contract be awarded to Crow Tow.

PREVIOUS COUNCIL ACTION(S):

Date: March 23, 2009

Roll Call Number: [09-484](#)

Action: Bid from Swifts Auto Salvage for an annual contract with two (2) additional one-year renewal options to furnish junk vehicle towing services to be used by the Neighborhood Inspection Division,

\$126,500. (Eights (8) bids mailed, three (3) received). (Deferred from March 9, 2009 Council meeting). ([Council Communication No. 09-186](#)). Moved by Hensley to adopt. Motion Carried 5-2.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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