

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 9, 2012
	Agenda Item No. 33 Roll Call No. <u>12-1118</u> Communication No. <u>12-383</u> Submitted by: Scott E. Sanders, Finance Director

AGENDA HEADING:

Appeal from Swift Auto Parts of the Finance Director’s Decision Regarding Towing and Storage of Junk Vehicles Bid Award: (A) Affirming the Decision and (B) Alternate Resolution Reversing the Decision

SYNOPSIS:

Recommend affirming the Finance Director’s decision on appeal by Swift Auto Parts to uphold the approval of bid award from Crow Tow 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.

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:

Chronological order of events:

- Bids were received on May 4, 2012.
- After the winning bid was accepted by Council on Monday, June 25, 2012, Mr. Swift, Swift Auto Parts, through his attorney, appealed the Council’s decision.
- The Finance Director affirmed the decision to award the bid on June 29, 2012.
- Mr. Swift, through his attorney, on July 3, appealed the Finance Director’s decision.
- The final appeal now rests with the Council.

The Swift Auto Parts appeal of the Finance Director’s decision overruling their initial appeal is based on Swift’s contention that Iowa Code Section 321.90 prohibits the resale of junked vehicles and requires that they be handled pursuant to a junking certificate (junk, scrap, wreck, dismantle or demolish). The Swift Auto parts appeal is asking that the Crow Tow award be cancelled so that “All parties should have had the same understanding at the time the bids were submitted.” Staff agrees that vehicles for which the City issues a demolish certificate may not be sold for use upon the highways. It appears that the basis for this appeal revolves around the misunderstanding that the City’s past practice and policy to issue demolish certificates upon taking possession of junk vehicles will be

changed in the future to allow resale of junked vehicles. Cars towed under our contract have traditionally only been released for demolition. There is no intention to change this practice.

The bid was let with the provision the tow contractor will be issued a Certificate of Disposal of an Abandoned Vehicle – Authority to Transfer and/or Demolish a Vehicle, which can authorize resale of an abandoned vehicle.

Attached to the roll call is the Iowa Department of Transportation form used in this process. NID staff intend to continue its policy and practice of issuing Certificates for demolition and authorizing sale of a junk vehicle in only those extraordinary cases where it would be in the best interests of the City to do so. The City's policy of requiring that junk vehicles be demolished rather than sold is to prevent those same vehicles from being returned to other properties within the city as junk vehicles, or even to the same property from which they were removed.

The winning bid from Crow Tow offers the best return to the City. It is Crow Tow's risk if junk vehicles continue to be required to be demolished, which is the City's current policy. Attachments of the correspondence have been included with the roll call.

However, in the event that Council determines that the Finance Director's decision should be overruled, this will require that the Council's action on June 25 accepting the Crow Tow bid be rescinded and staff recommends that all bids be rejected and a new Invitation to bid be issued which makes clear that the demolition certificates will be issued except under extraordinary circumstances.

PREVIOUS COUNCIL ACTION(S):

Date: June 25, 2012

Roll Call Number: 12-1007

Action: [Bid](#) from Crow Tow (Randy Crow, President) for an annual contract with four (4) additional one-year renewal options to furnish junk vehicle towing services for the Neighborhood Inspection Division, annual estimate \$221,600. (Ten bids mailed, three received) ([Council Communication No. 12-331](#)) **Moved by Griess to adopt. Motion Carried 6-1. Nays: Moore.**

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 bids mailed, three 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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