

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: January 28, 2013
	Agenda Item No. 56 Roll Call No. <u>13-0168</u> Communication No. <u>13-033</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Approving Bid for Junk Vehicle Towing, Storage and Disposition Service Contract with G & S Service.

SYNOPSIS:

Recommend approval of bid from G & S Service 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 a 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: \$85,760.45 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 16.

ADDITIONAL INFORMATION:

On May 21, 2007, City Council approved a contract with Swifts Auto Salvage for junk vehicle towing services to support the Neighborhood Inspections Division neighborhood cleanup effort. That contract expired in the spring of 2012.

On April 19, 2012, the City Procurement Division solicited bids for a new contract. Crow Tow came in with the bid that generated the maximum amount of revenue and was fully compliant with the bid requirements.

On June 25, 2012, by Roll Call No. 12-1007, the City Council accepted and approved the award to Crow Tow and authorized the Procurement Department to enter into an agreement.

Swift Auto Parts appealed the award of the bid to Crow Tow. The appeal raised questions regarding disposition of vehicles under the contract. The bid from Crow Tow was based on an understanding the contract allowed the successful vendor to auction vehicles deemed highway worthy. Swift's appeal was based on understanding the department policy of only releasing vehicles for demolition would continue. The Finance Director upheld the acceptance of the bid to Crow Tow.

On July 9, 2012, the City Council, upon advice of the Finance Director, determined the contract was not specific enough to allow a perspective bidder to know in advance how the release of the vehicle would be handled. City Council rescinded Roll Call No. 12-1007 approving the award to Crow Tow, rejecting all bids and referred the matter to the City Manager, Procurement Officer and Legal Department to work on appropriate language for the bid specifications and encourage use of pre-bid meetings.

Staff from the Legal Department, Finance Department and Neighborhood Inspection Division reviewed the bid, state law, state administrative rules, Iowa Department of Transportation rules, Polk County tow contract, and the Des Moines Police Department tow contract. The consensus was that the bid contract, as written, was not clear enough to determine if vehicles would be released only for demolition or with an opportunity for auction. Following a policy review by Neighborhood Inspection Division with the City Manager's Office, it was determined that the bid specifications should be rewritten to clarify the contractor would have the right to determine the disposition of the towed vehicle. The bid specification require compliance with Iowa Code Section 321.89.

On December 4, 2012, the bid was re-let for the Neighborhood Inspection Division vehicle towing and storage contract. On December 13, 2012, a pre-bid meeting was held with all those interested in attending. Questions were taken and reviewed by the Neighborhood Inspection Division, Finance Department, and the Legal Department. On December 28, 2012, response to questions and clarification was sent to those who requested additional information. On January 7, 2013, the bids were accepted.

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

Amount Paid to the City for Authority to Dispose of Vehicle:

Crow Tow; \$191.00 Dales Towing (Swift); \$232.00 G & S Services; \$279.35

Towing Charge to the Owner of a Vehicle:

Crow Tow; \$65.00 Dales Towing (Swift); \$65.00 G & S Services; \$125.00

Daily Storage Charge to Owner of a Vehicle:

Crow Tow; \$15.00 Dales Towing (Swift); \$15.00 G & S Services; \$25.00

Towing Charge to City:

Crow Tow; \$30.00 Dales Towing (Swift); \$45.00 G & S Services; \$65.00

Storage Charge to City:

Crow Tow; \$5.00 Dales Towing (Swift); \$8.00 G & S Services; \$13.00

Moving Charge to City Per Hour:

Crow Tow; \$45.00 Dales Towing (Swift); \$55.00 G & S Services; \$75.00

G & S Services submitted a complete bid with one question of clarification. G & S pays the City the most for vehicles transferred to them. Citizens will be charged more for the towing and storage. The City would also pay more under a contract with G & S for towing and storage of vehicles that need to be retained for criminal investigation. This process was initiated by the Des Moines Police Department as part of their case investigations. G & S will charge the City more for vehicles moved to access a junk vehicle that must be towed from the property. This happens infrequently and staff believes it will not adversely affect the overall gain to the City under the bid.

Staff recommends the Neighborhood Inspection Division towing contract be awarded to G & S Services.

PREVIOUS COUNCIL ACTION(S):

Date: July 9, 2012

Roll Call Number: [12-1120](#)

Action: ALTERNATE RESOLUTION: Reversing the decision. Moved by Hensley to adopt; refer to the City Manager and Legal Department to work with the Procurement Officer on appropriate language for the bid specifications, and to encourage use of Pre-Bid Meetings. Motion Carried 6-1. Absent: Meyer.

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.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Staff will monitor the implementation of the contract terms and review of unintended consequences.

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