

# Mayor and Council Communication

**DATE:** 06/28/22

**M&C FILE NUMBER:** M&C 22-0500

**LOG NAME:** 35POLICE INITIATED TOWING CONTRACT INCREASE

**SUBJECT**

(ALL) Authorize Amendment to Increase Annual Expenditures Under City Secretary Contract No. 51239 with Tegsco LLC for Law Enforcement Purpose Tows to Increase the Annual Amount by \$300,000.00 for a New Total Contract Amount of \$950,000.00 and Authorize the Final Annual Renewal Option in an Amount Not to Exceed \$950,000.00

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**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize an Amendment to City Secretary Contract No. 51239 with Tegsco LLC for law enforcement purpose tows to increase the annual amount by \$300,000.00 for a new total of \$950,000.00.
  2. Authorize the final annual renewal option with Tegsco LLC in an amount not to exceed \$950,000.00.
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**DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to authorize an amendment to increase the annual maximum expenditures under an existing City contract and to authorize the final annual renewal option with an amount not to exceed \$950,000.

On September 11, 2018, City Council authorized the execution of an Agreement with Tegsco LLC for Law Enforcement Purpose Tows in the amount of \$525,000.00 (M&C P-12251). For Fiscal Year 2022, the maximum contract authority was increased by 24% to \$650,000. Law Enforcement Purpose Tows are made up of two categories of tows, tows that are dispatched at the request of a police officer and are paid for by the citizen ("Police-Initiated Tows") and tows that are dispatched at the request of a police officer and are paid for by the City ("Police-Purpose Tows"). Since 2021, the number of Police Purpose Tows have increased which has caused the City to exceed the existing contract authority. A portion of the Police Purpose Tows costs are offset by fee revenue from customers claiming vehicles following the release of the vehicles to the City Auto Pound.

Staff recommends amending City Secretary Contract No. 51239 to increase the annual maximum expenditures under the Agreement in the amount of \$300,000.00 for a total contract amount of \$950,000.00. The increase in contract authority will allow the Police Department to continue to pay for the up-front costs associated with Police Purpose Tows to the City Auto Pound.

The expense budget for this contract is offset by fee revenue in the Police Department General Fund.

A waiver of the goal for MBE/ SBE subcontracting requirements was requested by the Police Department and approved by the M/WBE Office, in accordance with the BDE Ordinance, because the purchase of goods or services is from sources where subcontracting or supplier opportunities are negligible.

The current renewal term is from October 1, 2021 to September 30, 2022. Upon the expiration of the renewal term, the City has one option to renew the Agreement for additional one-year term.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the recommendations, funds are available in the current operating budget, as appropriated, of the General Fund and that, prior to an expenditure being made, the Police department has the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:** Fernando Costa 6122

**Originating Business Unit Head:** Neil Noakes 4212

**Additional Information Contact:** Keith Morris 4243