



## AGENDA REPORT

**Meeting Date:** July 7, 2011  
**Item Number:** F-14  
**To:** Honorable Mayor & City Council  
**From:** David L. Snowden, Chief of Police  
**Subject:** **AMENDMENT NO. 5 TO AN AGREEMENT FOR POLICE AND CITY TOWING SERVICES BY AND BETWEEN THE CITY OF BEVERLY HILLS AND QUICKSILVER TOWING, INC.; AND**

**APPROPRIATION OF \$42,000 TO IMPLEMENT PHASE II OF THE VEHICLE IMPOUND STORAGE PROGRAM**

**Attachments:** 1. Agreement

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### **RECOMMENDATION**

Staff recommends that the City Council move to appropriate \$42,000 to fund purchases related to the implementation of Phase II of the Vehicle Impound Storage Program as follows:

<b>FROM:</b>	<b>TO:</b>
\$42,000.00 0102608-46041 Vehicle Impound Storage Program, General Fund Police Miscellaneous Services Revenue Account	\$2,000.00 Small Equipment, Tools and Hardware 0102608-72180
	\$15,000.00 Maintenance and Repair - Building & Improvements 0102608-73040
	\$25,000.00 One-Time Contractual Services 0102608-73120
<b>TOTAL: \$42,000.00</b>	<b>TOTAL: \$42,000.00</b>

Staff also recommends that the City Council approve Amendment No. 5 to an Agreement for Police and City Towing Services by and between the City of Beverly Hills and Quicksilver Towing, Inc.

### **INTRODUCTION**

On January 13, 2005, the City entered into an agreement with Quicksilver Towing, Inc. (Quicksilver) for towing services. Since 2005, the agreement has been amended four times. The most significant amendment was made on November 9, 2009 to provide services for Phase I of the Vehicle Impound Storage Program. This fifth amendment will extend the term of the agreement through January 31, 2012 and change the scope of the agreement to allow the City to implement Phase II of the Vehicle Impound Storage Program.

### **DISCUSSION**

On September 15, 2009, the City Council directed staff to proceed with the implementation of the Vehicle Impound Storage Program. This program is aimed at eliminating the inconvenience and logistical problems that members of public experience from having their impounded vehicles stored in West Los Angeles by changing long-standing practices and storing impounded vehicles on City property. The program is being implemented in a two-phased approach.

Phase I of this program was implemented on December 30, 2009 and provides for the storage of "30 Day Impounds" in the secured City-owned garage at 336 Foothill Road. 30 Day Impounds are vehicles that have been impounded by police officers after they have determined that the vehicles' drivers are unlicensed or are driving with licenses that have been suspended or revoked by the California Department of Motor Vehicles. This type of impound accounts for approximately 15% of all of the vehicles impounded by the City. As of December 31, 2010, Phase I of the program had resulted in the storage of 267 vehicles on City property.

On April 21, 2011, the City Council directed staff to proceed with the implementation of Phase II of the Vehicle Impound Storage Program. Phase II provides for the storage of vehicles impounded for expired registration and unpaid parking citations in the garage at 336 Foothill Road. Additionally, Phase II provides for vehicles that are impounded for no stopping zone violations between the hours of 3:00 p.m. and 5:30 p.m. to be temporarily stored on the surface lot adjacent to the garage at 336 Foothill Road. These vehicles will remain stored at the City's facility throughout the afternoon and available locally for release upon payment of towing and vehicle release fees. While staff anticipates the vast majority of vehicles temporarily stored at this facility will be retrieved by their owners by 6:00 p.m., any vehicles not retrieved by that time will be re-towed to the Quicksilver's facility at no extra charge and available for release according to established procedures.

In order to implement Phase II, the City's agreement with Quicksilver needs to be amended. Because the scope of work of this contractual arrangement will significantly expand with the implementation of Phase II, Quicksilver advised the City that it would only be able to provide the increased level of services requested by the City if its towing and storage rates were increased. Staff conducted a survey of the region and comparable cities to determine the market rates for towing and storage fees and

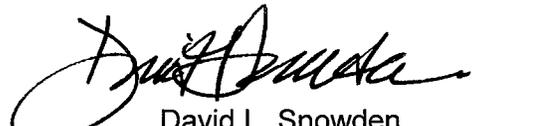
presented its findings to the City Council at its April 21, 2011 meeting. As a result of this survey, staff recommended that towing and daily storage rates be increased to \$150.00 and \$37.06, respectively, to facilitate the program expansion. The City Council directed staff to proceed with increasing these rates with the towing services vendor. On July 1, 2011, the City's daily storage rate increased to \$42.80. Because of this recent increase in the City's daily storage rate, staff now recommends that the vendor's daily storage rate be increase to \$38.91.

Quicksilver understands the progressive nature of the City's Vehicle Impound Storage Program and is capable and willing to assist the City in implementing Phase II immediately. However, there is certainly ample competition in the region to provide towing services for the City. Per the direction given by the City Council at its April 21, 2011 meeting, the amended agreement with Quicksilver will only be for a six-month term. At the conclusion of this term, the Phase II expansion of this program will be stabilized and the City will issue an RFP to solicit competitive bids for the entire expanded program to determine if a decrease in the towing and storage rates is warranted. The results of that RFP will be presented to the City Council along with an analysis of the impact of the 6:00 p.m. cut-off time, when unretrieved vehicles that were temporarily stored at the surface lot are re-towed to the vendor's facility, on vehicle owners.

**FISCAL IMPACT**

Over a five year period, Phase II of the Vehicle Impound Storage Program will allow the City to more productively use its property and offset over \$465,000 in expenses that are currently not being recovered. An appropriation of \$42,000 is needed to launch Phase II of this program.

  
\_\_\_\_\_  
Scott Miller  
Finance Approval

  
\_\_\_\_\_  
David L. Snowden  
Approved By

# **Attachment 1**

AMENDMENT NO. 5 TO AN AGREEMENT FOR POLICE  
AND CITY TOWING SERVICES BY AND BETWEEN THE  
CITY OF BEVERLY HILLS AND QUICKSILVER TOWING,  
INC.

This Amendment No. 5 is to that Agreement between the City of Beverly Hills, a municipal corporation ("City"), and Quicksilver Towing, Inc., a California corporation ("Vendor"), copies of which are on file in the City Clerk's office, dated January 13, 2005 and identified as Contract No. 10-05, as amended by Amendment No. 1 dated July 18, 2005 and identified as Contract No. 191-05 and as amended by Amendment No. 2 dated November 30, 2009 and identified as Contract No. 459-09, and as amended by Amendment No. 3 dated July 8, 2010 and identified as Contract No. 273-10, and as amended by Amendment No. 4 dated December 21, 2010 and identified as Contract No. 540-10 for police and City towing services (collectively "Agreement").

RECITALS

A. On January 13, 2005, the City entered into an Agreement with Vendor for towing services within the boundaries of the City.

B. City and Vendor desire to further amend the Agreement to provide for its extension and to provide additional terms and conditions as set forth herein;

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and undertakings contained herein and for other good and valuable consideration, the adequacy of which is hereby acknowledged, the parties, hereby mutually agree as follows:

Section 1. The term of the Agreement (including those extensions granted by the City pursuant to Paragraph 1.5.2 of Section 1.5) shall be extended to January 31, 2012. The provision of services during this extension period shall be pursuant to the terms of the Agreement.

Section 2. Section 1.3 entitled "Scope of Services" shall be amended to read as follows:

**"1.3 Scope of Services**

A. Upon request by the City and/or its employees, Vendor shall provide City with Vehicle Towing Services, Lien Sale Processing Services and Vehicle Auction Services, as those terms are defined herein. In addition, Vendor shall provide the services described in Exhibit B. Vendor shall tow and store the vehicles at either the Vendor's Primary Facility or the City Facility in the manner set forth in Exhibit B, unless otherwise directed by City in writing. In performing the services set forth in this Agreement, Vendor shall comply with all applicable provisions of state law including but not limited to, the California Vehicle Code, the California Civil Code and the Beverly Hills Municipal Code.



B. Vendor shall provide the City with access to its web-based software that Vendor utilizes in conjunction with providing the services described herein. The Vendor shall ensure that City is deemed an additional licensee of such software if required at no additional cost. The City desires to utilize such software to communicate to Vendor which vehicles have been released by the City.

Section 3. Section 2.1.10 of the Agreement, the definition of Vehicle Towing Service, shall be amended to read as follows:

**“2.1.10 ‘Vehicle Towing Service’ shall mean the activity of towing vehicles for compensation within City which shall include the towing of privately-owned vehicles, the towing of City owned vehicles and equipment, Emergency Towing, Non-Emergency Towing and the following services:**

(a) Road Service Call: Services for shall include tire changes, jump-starts, refilling, and similar services needed to service vehicles.

(b) Standard Towing: Towing of automobiles, light trucks., motorcycles, specialty equipment or other vehicles as necessary.

Vehicle Towing Service also includes the storage of vehicles at either the Vendor’s Primary Facility or the City’s Facility, as set forth in Exhibit B, and all other services performed incident to towing, such as but not limited to the release of vehicles to the registered owner or representative from either the Vendor’s Primary Facility or City’s Facility. Vehicle Towing Service shall exclude heavy-duty tow.”

Section 4. Section 3.2 of the Agreement, Schedule of Payment, is hereby amended to read as follows:

**“3.2 Collection and Schedule of Payment.**

A. Vendor shall submit an itemized statement to City for its performance of Vehicle Towing Service, Lien Sale Processing Services and Vehicle Auction Services performed during the prior month (“Monthly Invoice”). The Monthly Invoice shall separate the charges for Vehicle Towing Services by City department and shall describe in detail the services rendered during the period covered by the invoice. The Monthly Invoice shall also include a detailed breakdown of City’s Daily Storage Fees that were recovered by the Vendor on behalf of the City during its performance of Vehicle Auction Services and shall include the Vehicle Impound Release Fee as set forth in Exhibit A. City shall review the Monthly Invoices and notify Vendor in writing within ten (10) business days of any disputed amounts. Payment shall be as follows:

**1. For Privately-Owned Vehicles Stored at the Vendor’s Primary Facility.** For Privately-owned vehicles stored at the Vendor’s Primary Facility, including those vehicles sold at lien sale, Vendor’s collection of the fees set forth in Exhibit A (i.e. towing, lien sale processing, daily storage fees, etc.) shall compensate Vendor for its services. Vendor shall

pay to the City the Vehicle Impound Release Fee and such payment shall be provided to City along with the Monthly Invoice.

2. **For Privately-Owned Vehicles Stored at the City's Facility and Sold at a Lien Sale.** For privately-owned vehicles stored at the City's Facility, the Vendor shall collect Vendor's fees (Towing and Lien Sale Processing fees, etc.) and the City's fees (daily storage fees, Vehicle Impound Release Fees) at the rates set forth in Exhibit A. Such fees shall be listed on the Monthly Invoice provided to City and shall be collected from the proceeds generated, if any, when the vehicle is sold at auction. If the amount generated from the lien sale is insufficient to recover 100% of the towing, daily storage, and lien sale processing fees owed against a vehicle, the proceeds from the lien sale shall be distributed in the following order:

- a. Towing Fees (to Vendor)
- b. Lien Sale Processing Fees (to Vendor)
- c. Daily Storage Fees (to City)

If the amount collected from the lien sale exceeds the amount owed for the towing, daily storage, lien sale processing fees, etc., that remaining amount shall be remitted to the Department of Motor Vehicles in accordance with the California Vehicle Code and the California Civil Code.

3. **For Privately-Owned Vehicles Stored at the City's Facility and Released by the City to the Owner.** For privately-owned vehicles stored at the City's Facility and released by the City to the Owner, the City shall collect Vendor's fees (Towing and Lien Sale Processing fees, etc.) and the City's fees (daily storage fees, Vehicle Impound Release Fees) from the owner at the rates set forth in Exhibit A. Such fees shall be listed on the Monthly Invoice provided to City. City shall pay Vendor its fees within 30 days of the City's collection of such fees from the vehicle owner/representative.

4. **For Privately-Owned Vehicles Stored at the City's Facility and Released by Vendor to the Owner.** For Privately-Owned Vehicles stored at the City's Facility and Released by Vendor to the Owner, the Vendor shall collect Vendor's Towing fees and the City's Vehicle Impound Release fees from the Owner at the rates set forth in Exhibit A. Vendor's collection of Vendor's Towing fees shall compensate Vendor for its services. Vendor shall pay to the City the Vehicle Impound Release Fee and such payment shall be provided to City along with the Monthly Invoice.

5. **For Vehicle Towing Services Provided to City.** For Vehicle Towing Services provided to the City for its vehicles and/or equipment, City shall pay all undisputed portions of the Monthly Invoice within thirty (30) calendar days after receipt of the Monthly Invoice up to the maximum annual limit set forth in Section 3.1.2.

B. All payments shall be remitted to Vendor at the following address:

Quicksilver Towing, Inc.  
2252 S. Barrington Avenue



West Los Angeles, California 90064

C. All payments shall be remitted to City at the following address:

City of Beverly Hills  
Police Department  
Attention: Traffic Bureau Commander  
464 N. Rexford Drive  
Beverly Hills, California 90210

Section 5. Exhibit A-1, Tow Rates, attached to this Amendment No. 5, shall be added to the Agreement and is effective August 1, 2011. Prior to that date, the Tow Rates in Exhibit A shall continue to apply.

Section 6. Exhibit B, attached to this Amendment 5, shall be added as Exhibit B to the Agreement.

Section 7. Except as specifically amended herein, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the \_\_\_\_ day of July, 2011, at Beverly Hills, California.

CITY OF BEVERLY HILLS  
A Municipal Corporation

\_\_\_\_\_  
BARRY BRUCKER  
Mayor of the City of  
Beverly Hills, California

ATTEST:

\_\_\_\_\_  
(SEAL)  
BYRON POPE  
City Clerk

[Signatures continue]



~~“Vendor” QUICKSILVER TOWING, a  
California corporation~~

~~  
\_\_\_\_\_  
MARK HENNINGER  
Owner/President~~

[Signatures continue]

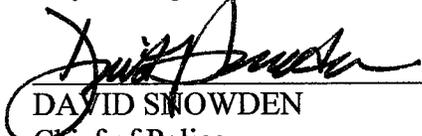


APPROVED AS TO FORM:

  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

\_\_\_\_\_  
JEFFREY KOLIN  
City Manager

  
DAVID SNOWDEN  
Chief of Police

\_\_\_\_\_  
KARL KIRKMAN  
Risk Manager



**EXHIBIT A**

**TOW RATES EFFECTIVE AUGUST 1, 2011**

**1. GENERAL TOW RATES**

**Standard Vehicles Stored at Vendor's Facility**

- a. First hour or fraction thereof \$ 150.00
- b. Each additional half hour or Fraction thereof after the first hour \$ 75.00

**Standard Vehicles Stored at City's Facility with Towing Fees Paid By Vehicle Owner to City**

- a. First hour or fraction thereof \$150.00
- b. Each additional hour or fraction thereof after the first hour \$75.00

**Standard Vehicles Stored at City's Facility and Sold at Lien Sale**

- a. First hour or fraction thereof \$150.00
- b. Each additional hour or fraction thereof after the first hour \$75.00
- c. In addition to the above, a flat fee of \$75.00

**2. CITY VEHICLES**

First 10 miles No Charge  
After first 10 miles \$ 6.50/mile

**3. ADDITIONAL RATES**

- a. Mileage \$ 7.00/mile
- b. Dollies second tow No charge
- c. Hazardous or Dangerous Cargo / Heavy-Duty Removal
  - (i) First hour or fraction thereof \$405.00
  - (ii) Each additional half hour or fraction thereof after the first hour \$202.50
  - (iii) Per hour or fraction thereof for each additional man required \$ 67.50
- d. Major component parts storage per unit per day \$ 35.00
- e. Lien sale processing: Vehicle valued at \$4,000 or less \$70.00  
(50% charged upon initialization of process, 50% charged upon completion of process).
- f. Lien sale processing: Vehicle valued at \$4,000 or more \$100.00  
(50% charged upon initialization of process, 50% charged upon completion of process).

**4. ADDITIONAL PERSONNEL**

Hourly rate per person or fraction thereof for each Additional person required \$ 46.50

**5. STORAGE RATES AT VENDOR'S FACILITY (per day)**

- (a) Standard Vehicles \$ 38.91
- (b) Trucks over 1 ton \$ 38.91
- (c) Trucks over 20 feet \$ 47.00
- (d) Motorcycles \$ 10.00

EXCEPTIONS: When a vehicle is released during the first hour, Vendor shall waive the storage fee.

**6. REMOVAL MAJOR COMPONENT PARTS AND BULK ITEMS**

Removal of major component parts (per hour) \$ 60.50

Removal of bulk items (per hour) \$ 107.50

**7. CITY VEHICLE IMPOUND RELEASE FEE (reimbursed to City each month)**

Fee amounts determined by City Fees and Charges Resolution.

**8. CITY DAILY STORAGE FEE (collected by Vendor during its performance of Vehicle Auction Services and reimbursed to City each month)**

Fee amounts determined by City Fees and Charges Resolution.



## EXHIBIT B

### ADDITIONAL SCOPE OF SERVICES

Vendor shall provide the following services in conjunction with Vehicle Towing Services. In addition, Vendor shall continue to provide Lien Sale Processing Services and Vehicle Auction Services for those vehicles towed to the City Facilities.

#### 1. Vehicle Towing Services to City Facilities.

City Facilities maintained by the City of Beverly Hills include (i) the "Subgarage Facility" located at 336 Foothill Road; and (ii) the "Surface Lot" facility located at the corner of Third Street and Foothill Road. Vendor shall transport impounded vehicles to these City Facilities as follows:

##### A. Sub-Garage Facility

Vehicles impounded pursuant to the following storage authorities will be stored at the City's Sub-Garage facility:

- 14602.6 VC – 30 Day Impounds
- 22651(i) VC – 5 or More Parking Citations
- 22651(o) VC – Expired Registration

At the discretion of the Traffic Bureau Commander, vehicles impounded for other storage authorities may be towed to and stored at the City's sub-garage facility. The maximum number of vehicles that will be stored in the City's sub-garage facility will be mutually agreed upon by the City and Vendor. All vehicles in excess of that number will be stored at Vendor's facility.

Vendor will provide all equipment necessary to efficiently and effectively store vehicles in the City's Sub-Garage facility. Vendor will be permitted to store this equipment in the City's Sub-Garage facility.

##### B. Surface Facility

Vehicles impounded for no stopping zone and other parking violations on weekdays between the hours of 3:00 p.m. and 5:30 p.m. will be towed to and temporarily stored at the City's Surface Lot Facility at the corner of Third Street and Foothill Road.

All other tows shall be taken to the Vendor's Primary Facility.

#### 2. Staffing of Surface Facility

Vendor shall staff the Surface Facility between the hours of 3:00 p.m. and 6:00 p.m. and shall conduct all services required for the impounding and subsequent release of such vehicles at the Surface Facility. City will provide Vendor with access to an office on this lot to transact business related to the release of vehicles stored at this facility. The City will make minor changes to this building to accommodate this business.

Vendor shall ensure that vehicles released at the Surface Facility are released only to their registered owners or authorized representatives of their registered owners. Vendor shall deliver the vehicle release documentation to the City every weekday by 8:00 p.m. Vehicles not retrieved from impound by 6:00 p.m. from the Surface Facility will be re-towed by Vendor to Vendor's Primary Facility. These vehicles will not be assessed a second towing fee.

