

1 [Approving the First Amendment to the Service Agreement and Property Use License for
2 Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles.]

3 **Resolution approving the First Amendment to the Service Agreement and Property Use**
4 **License for Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles**
5 **between the San Francisco Municipal Transportation Agency and TEGSCO, LLC, d.b.a.**
6 **San Francisco AutoReturn.**

7 WHEREAS, The San Francisco Municipal Transportation Agency ("SFMTA") entered
8 into the Service Agreement and Property Use License for Towing, Storage and Disposal of
9 Abandoned and Illegally Parked Vehicles with TEGSCO, LLC, doing business as San
10 Francisco AutoReturn ("AutoReturn"), on July 31, 2005 ("Towing Services Agreement"); and

11 WHEREAS, Board of Supervisors' approval of the Towing Services Agreement was
12 required under Charter § 9.118(a) as a revenue contract; and

13 WHEREAS, The Board of Supervisors approved the Towing Services Agreement by
14 Resolution Number 556-05, on file with the Clerk of the Board of Supervisors in File No.
15 051196, which is hereby declared to be a part of this resolution as if set forth fully herein; and

16 WHEREAS, AutoReturn has performed the Agreement in a satisfactory manner,
17 transforming a historically difficult municipal towing operation into an efficient and professional
18 service; and

19 WHEREAS, AutoReturn has dedicated substantial efforts and financial resources to
20 improving the appearance and safety of the area immediately surrounding its storage lot at
21 Pier 70 and to accommodate the concerns of nearby residents; and

22 WHEREAS, The number of complaints from towed vehicle owners have been reduced
23 from 10-20 per month under the previous towing contractor, to 1-2 complaints per quarter
24 under AutoReturn's improved service standards; and

1 WHEREAS, The cost of fuel required to operate tow trucks has increased
2 approximately 40% in San Francisco since the contract was executed in 2005; and,

3 WHEREAS, Annual tow volumes have decreased from a four-year historical average of
4 79,360 tows per year as of the date of AutoReturn's response to the City's 2002 Request for
5 Proposals was based, to 66,465 tows in calendar year 2006; and

6 WHEREAS, AutoReturn has fixed operational costs and increasing labor costs that are
7 not reduced when tow volumes go down; and

8 WHEREAS, The SFMTA has negotiated a towing and storage fee rate increase with
9 AutoReturn in the First Amendment to the Agreement, on file with the Clerk of the Board of
10 Supervisors in File No. 070585, which is hereby declared to be a part of this resolution as if
11 set forth fully herein; and

12 WHEREAS, The SFMTA Board of Directors has authorized the rate increases that
13 would be implemented by the First Amendment to the Agreement; now, therefore, be it

14 RESOLVED, The First Amendment to the Service Agreement and Property Use
15 License for Towing, Storage and Disposal of Abandoned and Illegally Parked Vehicles is
16 hereby approved.