



SFMTA

Seventh Amendment to Towing Agreement – Funding for Remainder of Extension

Streets Division, SFMTA

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Board of Supervisors – Budget and Finance Committee

October 19, 2022

Contract Overview

- In 2016 – Approval of Agreement: five year plus option to extend for five years under DOT authority.
- Funding request for initial term, \$64.5 million.
- In February 2021, the 3rd Amendment extended the agreement for five years, to March 2026.
- Funding request for two years only, due to COVID and impacts to SFMTA budget. \$22.8 million approved.
- Proposed Seventh Amendment would fund the remaining extension term (3 years) plus the last three months of Year 7, due to a quicker recovery on tow volume. \$49 million requested.
- Agency will issue a Request for Proposals in 2023 for award prior to March 2026 expiration.

RFP to Contract Award Timeline

Phase	Time
<u>Development and Release of RFP.</u> (Could be delayed until outcome of pending litigation, currently estimated for mid-2023.)	(9 months - 1 year);
<u>Proposals:</u> Proposal development (contractors), confirmation of eligibility, evaluation panel review, discussion, scoring and notification of highest ranked proposer.	4-6 months (possible protests)
<u>Negotiations:</u> Including review of final contract <u>by CAO</u>	Up to 6 months, especially if transition is involved
<u>MTAB and BOS approval</u>	2-3 months
<u>Transition of Contractors</u>	3-6 months
TOTAL	22 – 33 mos. total

Reasons to Fund

- Five-year extension was approved in 2021.
- Current agreement limits Contractor annual cost increases to Consumer Pricing Index (CPI) maximum of three percent.
- Contractor continues to perform at or above service level requirements.
 - Daily deposits are always on-time.
 - 93% on-time arrival, 3% above 90% requirement.
 - 40% subcontracting (mainly tow truck operators)
 - Continued successful negotiations with Teamster's Local 665 for Collective Bargaining Agreement.
- Towing Program is vital, in order to:
 - Maintain transit reliability and traffic safety.
 - Remove vehicles from blocked driveways.
 - Remove vehicles involved in crimes, accidents and abandoned vehicles.