

1 [Contract Amendment - San Francisco AutoReturn Towing - \$147,928.28 Monthly]

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3 **Resolution approving the First Amendment to the restated and amended Towing**
4 **Agreement and Property Use License for towing, storage and disposal of abandoned**
5 **and illegally parked vehicles, between the Municipal Transportation Agency and**
6 **TEGSCO, LLC, dba San Francisco AutoReturn, for a per-month rent amount of**
7 **\$147,928.28 for a period to commence upon Board approval to July 31, 2015.**

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9 WHEREAS, San Francisco AutoReturn has been the contractor for towing services for
10 the city since 2004, and is currently under an agreement for services through August 2015,
11 including management of a long-term vehicle storage facility and vehicle auction area; and

12 WHEREAS, At the time of contract award, a portion of Pier 70 served as the location
13 of this facility; however, in 2011 the Port announced that a developer had been chosen to
14 redevelop Pier 70, which necessitated relocating the long-term storage and auction facility;
15 and

16 WHEREAS, In 2012, after approval from the Board of Supervisors (Resolution # 365-
17 12) the SFMTA entered into a lease for occupation of property located at 2650 Bayshore
18 Blvd., and in May 2013 exercised its right to move the long-term vehicle storage facilities
19 from Pier 70 to the Bayshore location; and

20 WHEREAS, To document the long-term towing storage facility's move from Pier 70 to
21 the Bayshore location, two appendices to the towing agreement - the previous MOU with the
22 Port of San Francisco (Appendix C) and the existing license agreement (Appendix D) - will be
23 deleted and a revised license agreement (Appendix H) will be added to reflect the new
24 license agreement for the Bayshore facility; in addition, modifications will be made to the
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1 Amended and Restated Towing Agreement to reflect the changes in location and a
2 modification to the financial assurance requirements requested by AutoReturn; and

3 WHEREAS, The per-month rent amount will be reduced from \$150,378.75 to
4 \$147,928.28 resulting in a net monthly reduction of \$2,450.47; and

5 WHEREAS, There will be a modification to the current contract's financial assurances
6 of a \$1 million Letter of Credit and \$1 million Performance Bond to a single \$2 million
7 Performance Bond; and,

8 WHEREAS, Under normal circumstances, the amendments to the contract and
9 approval of the revised license agreement could be approved by the San Francisco Municipal
10 Transportation Board of Directors; however, because the City Attorney has determined a
11 change of the financial assurance from a letter of credit and a performance bond of \$1 million
12 each to a single \$2 million performance bond is considered to be a material modification,
13 Board of Supervisors approval is required; and

14 WHEREAS, A copy of the proposed agreement is on file with the Clerk of the Board of
15 Supervisors in File No. 140093, which is hereby declared to be a part of this resolution as if
16 set forth fully herein; now, therefore, be it

17 RESOLVED, That the Board of Supervisors approves the First Amendment to the
18 Restated and Amended Towing Agreement and Property Use License for Towing, Storage
19 and disposal of Abandoned and Illegally Parked Vehicles by and between the Municipal
20 Transportation Agency and TEGSCO, LLC, d.b.a. San Francisco AutoReturn, until July 31,
21 2015, to reduce the monthly rent by \$2,450.47 and change the financial assurance
22 requirement from \$1 million in a letter of credit and \$1 million in a performance bond to a \$2
23 million performance bond; and be it

1 FURTHER RESOLVED, That within thirty (30) days of the contract being fully executed
2 by all parties the Municipal Transportation Agency shall provide the final contract to the Clerk
3 of the Board for inclusion into the official file.

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