SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 200216-023

WHEREAS, The SFMTA is responsible for efficiently controlling and removing illegally parked and abandoned vehicles to maximize on-street parking, manage traffic congestion and maintain clean, safe and functional streets for the public's use; and,

WHEREAS, On April 1, 2016, the SFMTA executed Contract No. 2014-48 with San Francisco AutoReturn (Contractor) to manage towing operations on behalf of the SFMTA and the San Francisco Police Department, release towed vehicles to their owners upon payment of relevant fees, and dispose (through lien sale auction) vehicles not retrieved by their owners; and,

WHEREAS, At the time of contract award, the Board of Supervisors (Resolution 0099-16) and the SFMTA Board (Resolution 16-024) authorized the Director of Transportation to execute the five-year agreement and the option to extend for up to five years; and,

WHEREAS, The proposed extension includes a negotiated 6.35% reduction in the management fee and a 21.6% reduction in the auction fee, totaling approximately $532,000 over the first two years of the Agreement; and,

WHEREAS, Funding for the extension years was not requested at the time of contract award and is now needed to exercise the extension option; and,

WHEREAS, Since the COVID-19 pandemic has resulted in uncertainty in predicting long-term budget needs, staff recommends requesting funds for the next two contract years only, for $23.2 million; and,

WHEREAS, The funding reduction will give the SFMTA time to assess how COVID-19 has impacted pre-pandemic towing program practices, and to re-evaluate program policies and funding needs as the City emerges from sustained Shelter-In-Place conditions during the pandemic; and,

WHEREAS, Before the end of the first two years of the extended term (March 31, 2023), the SFMTA will return the SFMTA Board and the Board of Supervisors to request funding to pay for the remainder of the extension term under a separate amendment to the Towing Agreement; and,

WHEREAS, Contractor continues to meet or exceed operational and customer service requirements, with job stability and benefits to 58 employees (including 20 operating under a collective bargaining agreement with Teamsters Local 665); and,

WHEREAS, Collaborations between the SFMTA, the Board of Supervisors and the San Francisco Office of Homelessness and Supportive Housing have resulted in reductions in the SFMTA's Administrative Fees for certified low-income towed vehicles as well as reductions in Tow Operator Fees for low-income vehicle owners and renters; one-time tow fee waivers for

vehicle owners certified as experiencing homelessness; and an extended 14-day grace period before vehicle storage fees begin to accrue; and,

WHEREAS, On January 21, 2021, the SFMTA, under authority delegated by the Planning Department, determined that the Two-year Funding of the SFMTA Contract No. 2014-48 Five-year Extension is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, Said CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by this reference; and,

WHEREAS, Any amendment that seeks to increase the contract amount by more than $500,000 requires approval of the Board of Supervisors under Section 9.118 of the San Francisco Charter; now, therefore, be it

RESOLVED, The SFMTA Board of Directors authorizes the Director of Transportation to execute the Third Amendment to SFMTA Contract No. 2014-48, Towing and Storage of Abandoned and Illegally Parked Vehicles, with TEGSCO, LLC. (doing business as San Francisco AutoReturn), to increase the contract amount by $23.2 million for the first two years of the extension for a total contract amount not to exceed $88.6 million and, to extend the Agreement for five years, and be it

FURTHER RESOLVED, that the SFMTA Board authorizes the Director of Transportation to seek approval of the Third Amendment from the Board of Supervisors.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of February 16, 2021.

Caroline Celaya

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency