

Towing Agreement

Current Towing Agreement Summary:

- In place since 2005; expires July 31, 2015.
- No provision for waiver of towing and storage fees for individuals with stolen vehicles.
- Tow RFP to be released after June 16, 2015 SFMTA Board approval.
- Current contractor leases 7th Street customer service center and short term storage lot from Caltrans on a month-to-month basis.
- Current contractor leases Bayshore long-term storage lot from SFMTA.

Extension Agreement Summary (approved by the SFMTA Board on June 16, 2015, pending Board of Supervisors approval):

- Extends agreement by eight months, to March 31, 2016.
- Will establish a stolen vehicle waiver fee policy to be approved by the SFMTA Board on August 18, 2015, to go into effect on December 1, 2015, as follows:

<u>Type of Fee</u>	<u>SF Residents</u>	<u>Non-SF Residents</u>
SFMTA Administrative Tow Fee (\$266.00)	Waived	50% waived
SFMTA Administrative Storage Fee (\$3.00)	Waived	Waived
Contractor's Tow Fee (\$225.75)	Waived	Waived
Contractor's Storage Fee (\$68.25)	48-hour grace period before storage fees begin to accrue	24-hour grace period before storage fees begin to accrue

- Cost to SFMTA: ~\$226,000 for the extension term.
- Allows SFMTA time to negotiate transfer of 7th Street Customer Service Center and short-term storage lot with Caltrans from current contractor to SFMTA.
- Allows time for proposal evaluation and new contract award, and transition between contractors if needed.
- Allows current contractor, during the extension period, to offset \$53,000 of \$147,985.76 rent for Bayshore to pay for Caltrans rent increase for the short term storage site from \$36,379 to \$90,000. Estimated cost to the SFMTA for the 8 months extension is \$424K.

New Agreement

- Completed best practices review to serve as guidance for new contract.
- Will continue waivers of fees for individuals with stolen vehicles.
- Will move from a tow-volume dependent business model where the Contractor is paid directly by the public, to a flat management fee and variable per tow fee hybrid, paid to the Contractor by the SFMTA.
- Will have one towing and one storage fee, set by the SFMTA, instead of two types of each fee; and will reflect the agency's commitment to fee reduction. Have both tow storage lots directly under SFMTA control.
- Will update technology to maximize customer service support during the tow and vehicle recovery process.
- Will attempt to reduce fees towing fees to the public to the extent possible.
- Will be before the SF MTA Board of Directors and Board of Supervisors for approval in the 1st quarter of 2016.