

1 [Contract Amendment - TEGSCO, LLC, dba San Francisco AutoReturn - Vehicle Towing,
2 Storage and Disposal Services for Abandoned and Illegally-Parked Vehicles - Not to Exceed
3 \$88,600,000]

4 **Resolution approving the third amendment with TEGSCO, LLC, dba San Francisco**
5 **AutoReturn, for services related to the towing, storage, and disposal of abandoned and**
6 **illegally-parked vehicles, to increase the contract amount by \$23,200,000 for the first**
7 **two years of the five-year extension for a total amount not to exceed \$88,600,000 to**
8 **commence on April 1, 2021.**

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10 WHEREAS, San Francisco Municipal Transportation Agency's (SFMTA) towing
11 program supports transit by maximizing traffic flow - especially during commutes hours - by
12 removing abandoned vehicles that pose potential safety hazards, and collecting vehicles that
13 are involved in accidents or used in the commission of crimes; the towing program supports
14 City parking regulations that are essential for keeping the streets safe and clean, and that help
15 to maintain parking availability for merchants and residents; and

16 WHEREAS, In 2016, the SFMTA executed Contract No. 2014-48 with San Francisco
17 AutoReturn for towing and storage of abandoned and illegally parked vehicles in the City; and

18 WHEREAS, Since contract award, AutoReturn continues to meet or exceed contract
19 requirements, and has maintained 24/7 assistance to the public in retrieving vehicles,
20 assistance to SFMTA Enforcement and the Police Department in clearing illegally parked
21 vehicles and vehicle safety hazards to facilitate traffic management and assist with transit
22 reliability; and

23 WHEREAS, AutoReturn, provides job stability to 58 employees, 20 of whom work
24 under a collective bargaining agreement with Teamsters Local 665, and manages a network

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1 of 11 towing firms with a pool of 65 drivers, a customer service center and two storage
2 facilities; and

3 WHEREAS, In 2016 the Board of Supervisors approved the five-year base term of the
4 agreement in an amount not to exceed \$65,400,000, and also authorized the Director of
5 Transportation to extend the agreement for five additional years under his own authority; and

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

8 WHEREAS, The SFMTA will extend the agreement for the five-year term ending March
9 31, 2026, to lock in cost reductions negotiated with AutoReturn in anticipation of the full
10 extension term previously approved by the Board of Supervisors; and

11 WHEREAS, The COVID-19 pandemic has resulted in uncertainty in predicting long-
12 term budget needs; and

13 WHEREAS, To give the SFMTA time to assess how the ongoing COVID-19 pandemic
14 will impact the towing program costs, and re-evaluate program policies and funding as the
15 City emerges from pandemic conditions, staff recommends that only the first two years of the
16 extension be funded, for a total of \$23,200,000; and

17 WHEREAS, The Agency will return to the Board of Supervisors to request funding for
18 the final three years of the extension that would begin April 1, 2023; and

19 WHEREAS, The \$23,200,000 increase would raise the not to exceed amount of the
20 agreement to \$88,600,000; and

21 WHEREAS, The license agreements associated with the tow agreement have clauses
22 that automatically extend to match the agreement term; and

23 WHEREAS, The Planning Department has determined that the actions contemplated in
24 this Resolution comply with the California Environmental Quality Act (California Public
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1 Resources Code, Sections 21000 et seq.), and said determination is on file with the Clerk of
2 the Board of Supervisors in File No. _____; now, therefore, be it

3 RESOLVED, That the Board of Supervisors authorizes the Director of Transportation of
4 the SFMTA, on behalf of the City, to execute the third amendment with TEGSCO, LLC, dba
5 San Francisco AutoReturn, for services related to the towing, storage, and disposal of
6 abandoned and illegally-parked vehicles, to increase the contract amount by \$23,200,000 to
7 fund the first two years of the five-year extension for a total amount not to exceed
8 \$88,600,000; and, be it

9 FURTHER RESOLVED, That the amendment shall be subject to certification as to
10 funds by the City's Controller, pursuant to Charter, Section 3.105, and, be it

11 FURTHER RESOLVED, That within 30 days of full execution of the amendment by all
12 parties, the final documents shall be provided to the Clerk of the Board for inclusion in the
13 official file.

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