

AMENDED IN COMMITTEE  
04/07/2021

FILE NO. 210175

RESOLUTION NO.

1 [Contract Amendment - Retroactive - TEGSCO, LLC, dba San Francisco AutoReturn - Vehicle  
2 Towing, Storage and Disposal Services for Abandoned and Illegally-Parked Vehicles - Not to  
3 Exceed \$88,200,000]

4 **Resolution retroactively approving the third amendment with TEGSCO, LLC, dba San**  
5 **Francisco AutoReturn, for services related to the towing, storage, and disposal of**  
6 **abandoned and illegally-parked vehicles, to authorize an increase to the contract**  
7 **amount by \$11,200,000 for the first year of the five-year extension, with the option to**  
8 **increase the contract amount by an additional \$11,600,000 in the second year of the**  
9 **extension, for a total amount not to exceed \$88,200,000 to commence on April 1, 2021.**

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

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

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

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

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 Board has extended the agreement for the five-year term  
9 ending March 31, 2026 to lock in cost reductions negotiated with AutoReturn in anticipation of  
10 the full 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 \$22,800,000; 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 combined \$22,800,000 increase would raise the not to exceed  
20 amount of the agreement to \$88,200,000; and

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

23 RESOLVED, That the Board of Supervisors retroactively authorizes the Director of  
24 Transportation of the SFMTA, on behalf of the City, to execute the third amendment with  
25 TEGSCO, LLC, dba San Francisco AutoReturn, for services related to the towing, storage,

1 and disposal of abandoned and illegally-parked vehicles, to increase the contract amount by  
2 \$11,200,000 for the first year of the five-year extension to commence on April 1, 2021 and,  
3 with the approval of the Director of Transportation, to increase the contract amount by an  
4 additional \$11,600,000 in the second year of the extension, for a total amount not to exceed  
5 \$88,200,000; and, be it

6 FURTHER RESOLVED, That SFMTA will provide a comprehensive report on the tow  
7 program and cost containment strategies to the Board of Supervisors by March 31, 2022; and,  
8 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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