



CITY OF COSTA MESA

P.O. BOX 1200, CALIFORNIA 92628-1200

VI-6

FROM THE OFFICE OF THE CITY MANAGER

February 24, 2008

John Vach
Southside Towing
1640 Babcock Street
Costa Mesa, California 92627

Dear Mr. Vach:

It was a pleasure meeting you and your associate, Mr. Padua, yesterday. I, as well as Ms. Casper and Mr. Coble, appreciate the clear and articulate manner in which you expressed your concerns about the police towing Request for Proposals (RFP) process.

It is entirely understandable that you would be disappointed at not being among the companies staff will recommend to the City Council for the provision of police towing services. These contracts are highly lucrative for the selected firms and can therefore make a real difference in the vitality of the selected companies. You would not have submitted a proposal if you did not believe that you not only could provide the required services, but that you also believed you were best suited to do so. It was apparent from our conversation that you have invested a lot of pride in the way that you conduct your business. It is therefore understandable that you would be disappointed at the outcome of the RFP process as it impacted your individual company.

City staff, however, had to be concerned for the towing services provided to the general public, and for the efficient and effective conducting of City business. In approaching this task, and as was explained to you in our meeting, staff took great pains to be as fair, objective and inclusive as possible in framing the RFP process, and in evaluating the several companies which submitted proposals. As but two examples of staff's inclusive approach to this task, the City allowed inclusion in the process of companies which were not necessarily located within the City, but were within a reasonable service response radius. This was done notwithstanding the previously stated preference of the Council for awarding City business to firms located within the City. In addition, the RFP was structured to allow submissions by firms with space to store 100 vehicles as opposed to the previous standard of 200 stored vehicles. Again, this was to make the process as inclusive as possible while still meeting Costa Mesa needs. These changes were opposed by firms that were already located within Costa Mesa and by firms that already had storage capacity for 200 or more vehicles.

You expressed the view that the City ought to follow the example of other cities and have several tow companies on rotation. Certainly that might solve the issue for you and your company if the City were willing to include at least the top five companies

77 FAIR DRIVE

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which submitted proposals as this would reach your company in fifth place. However, it is the considered opinion of City staff that the most efficient model for this City is to have the indicated two company rotation. If, as you hypothesized, the City was to temporarily suspend one of those two companies from the rotation, we believe that the City could with ease find a towing company in the area – perhaps your own company – to provide any necessary interim services.

Some other issues you raised, and to which we will offer a brief response (in italics), were:

- You felt that selection should be based on ability to tow in a timely manner – *The evaluation committee members did independently rate the ability of the tow companies to provide effective and reliable tow services.*
- You felt that the prior experience of the selected companies gave them the advantage – *Experience and expertise are important criteria in rating service providers.*
- You stated that it is difficult for new companies to have experience with police tows – *There are many ways companies can demonstrate experience. Towing cars for a police department is not the exclusive basis of demonstrable experience.*
- You were concerned with the inclusion of a dispatcher on the review committee because they talk to current tow providers on a regular basis and might be biased – *Actually this committee member was in the management ranks of the Telecommunications Division and not a dispatcher. The rankings by this committee member, gave your company the ranking of 3rd which was your company's highest ranking.*

In our discussion with you, it was also explained that if there were concerns with the actual RFP document or the criteria presented in that document that the pre-proposal conference, which you attended, would have been the time to address the concerns about the RFP.

You expressed concerns related to delays with your ability to obtain approvals for your building permits at your company facility. These concerns do not appear to relate to the fairness or objectivity of the RFP selection process. However, your concerns in this regard have been passed on to Deputy City Manager/Development Services Director Don Lamm. We ask that you contact Mr. Lamm at (714) 754-5270 to further discuss the details of your concerns with the planning review process.

You made a point of mentioning that in 2005 your company was called upon to provide police tow services because the two regular rotation providers were busy. We are, of

course, grateful for that assistance, for which we assume your company was compensated. To us, this serves to reinforce the point that this is a relatively rare occurrence and that we would have little difficulty finding an interim provider if for some reason one of the two regular providers was unavailable or suspended from providing service.

You expressed the view that tow vehicles and drivers' abilities should have been part of the evaluation process, and that drivers should be drug tested randomly. The City Council recently created a new process for the regulation of all tow companies operating in the City. All vehicles and driver backgrounds will be checked by the Police Department for all companies as part of this new tow operator permit process. The Tow Policy Guidelines require that drivers' records are reviewed and drivers are not permitted to operate a tow vehicle if they have a DUI conviction within the last seven years. Finally, the RFP process includes the City Council Policy of a Drug Free Workplace and all Police Department service providers are required to sign this document.

In sum, you offered insights as to how you believe the RFP evaluation process should have been conducted. That you may have valid alternatives does not, however, serve to invalidate the process used by the City. We appreciate your involvement, and hope that you will do so again in the future as the opportunity arises. But at this time and for the reasons stated in our meeting and summarized in this letter, we continue to believe that the RFP evaluation process was fair and reasonable, and that the recommendations being made to the City Council are appropriate.

Again, thank you for taking the time to meet with us to air your concerns, and for affording us the opportunity to do our best to address those concerns.

Sincerely,



Thomas R. Hatch
Assistant City Manager

c: City Council
Allan Roeder, City Manager
Christopher Shawkey, Chief of Police
Don Lamm, Deputy City Manager/Development Services Director
Debbie Casper, Purchasing Supervisor
Paul Coble, Attorney

History of Towing RFP Process

July 2007 - The process of creating the new solicitation began. The prior bid for police towing services was issued in 1992. Language in the prior tow contracts has allowed the City to renew the contracts with the same terms and conditions for two additional five-year periods. It was in the best interest of the City to send out a new solicitation for police towing services. Additional time was needed to perform a comprehensive RFP process and to make the needed updates to the Municipal Code, so the towing contracts were extended on a month to month basis. A committee comprised of employees from various departments was formed. They include representation from the City Manager's office, Telecommunications, Public Services, Finance, and Police. We began by looking at the municipal code relating to towing, all documents relating to the old contracts awarded in November 1992, and other municipal agency policies and solicitations. It became apparent that the municipal code needed to be updated and that it would be best if we established some tow policies because the old documents were rather dated and did not give specifics on how to deal with issues that have presented themselves over the years.

July 2007 – July 2008 - Numerous meetings were held with the committee members to insure that the tow policy addressed all issues and that there were steps in place that would allow the City to enforce compliance with the tow providers.

July 8, 2008 - The new ordinance and tow policy guidelines were presented to City Council.

August 5, 2008 - The City Council gave first reading to the revised Tow Ordinance which provided better guidelines and requirements, reduced the potential for misinterpretation and could achieve better results, expectations and levels of service.

August 19, 2008 - Council had the second reading to Ordinance 08-7, and adopted the new ordinance and Costa Mesa Tow Policy Guidelines and Procedures.

September 2, 2008 - The resolutions for the Tow Operator Permit Application and Towing Rate Schedule were adopted.

October 14, 2008 - The RFP solicitation was sent out. To ensure adequate notice and competition, the RFP was posted on the public bulletin board in City Hall and published in the Daily Pilot. A downloadable version of the RFP was also made available on the City's website.

November 5, 2008 – A pre-proposal conference meeting was held in Conference Room 1-A. This meeting was not mandatory. The purpose of the pre-proposal meeting was to provide a forum for towing companies to request clarification and explanation of RFP requirements. Seven prospective proposers were in attendance at the meeting conducted by the Purchasing Supervisor. An addendum was issued on November 5, 2008, to address the clarifications discussed in the pre-proposal meeting.

November 18, 2008 - The City received six proposals.

November 19, 2008 - The evaluation phase began with an initial meeting to distribute the proposals and evaluation forms and to provide an explanation of the evaluation rules and expectations.

December 8, 2008 - The evaluation team conducted site visits, as a group, at each of the tow company locations.

December 23, 2008 – Letter sent out requesting each tow company to sign a waiver and consent to investigation of criminal and civil history per recommendation from the City Attorney’s office. Due by January 12, 2009.

January 27, 2009 – Evaluations were tallied

The intent of the solicitation was to award multiple contracts to the highest scoring qualified tow service companies participating in the solicitation. There were a total of 500 points possible in the evaluation process. After each team member ranked the towing companies, their raw score was converted to a ranking from 1 to 6. The sum of the results for each company was totaled and the results are shown below. This method of evaluation is known as the Heisman Method and it is used to prevent one committee member from skewing the scores in favor or not in favor of a particular company. There was a natural break between the first two tow companies and the remaining four providers.

	Member	Member	Member	Member	Member	Total
	1	2	3	4	5	
G & W Towing	1	1	1	2	2	7
MetroPro Road Svs	2	2	1	1	1	7
Jim’s Towing	3	3	6	3	3	18
A & B Towing	4	4	5	4	4	21
Southside Towing	5	5	3	5	5	23
Top Towing	6	6	4	6	6	28

February 5, 2009 - The Notice of Intent to Award was sent to all companies that submitted a proposal. Based on the results of the evaluations, staff has determined that it is in the best interest of the City to award two contracts to the highest scoring tow service providers. As part of the towing permit process, the Police Department will be inspecting the vehicles and processing background checks on all employees. The award of the contracts will be contingent upon each of the tow companies meeting all the requirements set forth in the Tow Policy & Guidelines and the municipal code.

March 3, 2009 – Council meeting to award towing contracts