

**OFFICE OF THE CITY MANAGER
LITTLE ROCK, ARKANSAS**

**BOARD OF DIRECTORS COMMUNICATION
SEPTEMBER 6, 2016 AGENDA**

<p>Subject:</p> <p>A resolution to reject all bids and to create a contract and process for towing and recovery services for the City</p> <p>Submitted By:</p> <p>Fleet Services Department</p>	<p>Action Required:</p> <p style="text-align: center;">Ordinance √ Resolution Approval Information Report</p>	<p>Approved By:</p> <p style="text-align: right;">Bruce T. Moore City Manager</p>
<p>SYNOPSIS</p> <p>FISCAL IMPACT</p> <p>RECOMMENDATION</p> <p>BACKGROUND</p>	<p>To reject the current bid process and establish an efficient procedure for the City’s towing and recovery contracts for non-consent tows.</p> <p>None.</p> <p>Approval of the resolution.</p> <p>For several years, the City has had a Franchise Agreement with various companies to perform towing and recovery services for non-consent tows. These matters are done at the direction of the City, and the City has some control over the costs imposed.</p> <p>At one point, the City would grant one (1) company a contract each year; however, there was litigation on virtually every contract for a number of years, and while the City was successful with these lawsuits, it took an inordinate amount of time. Several years ago, the City changed the bid process to be any company that met the qualifications, i.e., had the requisite trucks and insurance in place to perform the work; however, even here problems have arisen.</p>	

**BACKGROUND
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Several years ago, there was an overcharging issue that could not be finally resolved until the State Regulatory Board made its decision. By the time that decision was made, the contract was basically up. In addition, every time there has been a new bid procedure, one of the companies challenges the procedures and creates a necessity for City Staff to spend inordinate amounts of time to respond to the challenges; this year is no different.

Since the policy decision has been in place for some period of time that any qualified company can be on the rotation, and to assure that the wasteful time spent on annual challenges is focused upon administration of the rotation, this resolution sets aside all bids for 2016. The City always reserves the right to reject any and all bids for whatever reason; therefore, this is totally proper.

Instead, the City Staff will develop a City contract that addresses any problem issues like those mentioned above, or that have arisen in the past. For example, there have been allegations that companies have rejected certain tows in bad weather to protect equipment. Instead of having to rely upon the State Regulatory Board for action, which can take several months, the new contract will spell out the procedure to be followed, and will permit action, including possible suspensions, to take place immediately.

The idea is to have a contract in place on January 1, 2017, that can be entered by any qualified company. The only delay with the rotation will be coordination with 911 Communications to get the new company placed in the rotation.

Any company on the current contract that wishes to remain in the rotation pursuant to the terms of that contract will be permitted to do so. After October 1, 2016, when the current contract expires, any qualified company that wishes to join the rotation pursuant to the terms of the existing contract will be permitted to do so upon proof of qualifications.

When the new contractual terms are finalized, any qualified company that agrees to the terms and establishes that it meets the qualifications, will be allowed on to the rotation.