



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
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Consent
June 26, 2007

**Honorable Mayor and
 Members of the City Council**

**Title: Supplemental Agreement: Evidence Impound Vehicle Storage Services [2/3
 Vote Required]**

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** (1) ratifying past payments to Capitol City Automotive, Inc., for evidence impound services in excess of the original contract amount; (2) suspending competitive bidding (requires 2/3 vote); and (3) authorizing the City Manager to execute a supplemental agreement to City Manager Agreement No. 2005-0882, for evidence impound vehicle storage services with Capitol City Automotive, Inc., for an additional \$270,480, with a total not-to-exceed amount of \$282,000 for the remaining duration of the agreement.

Contact: Mike McCarthy, Captain, 808-0701; Jason Contreras, Tow Administrator, 808-0595

Presenters: Not applicable

Department: Police

Division: Metro

Organization No: 2166

Description/Analysis

Issue: The Police Department entered into a contract with Capitol City Automotive, Inc., on September 8, 2005 (City Manager Agreement No. 2005-0082), to provide evidence impound vehicle storage services. The agreement is a one-year agreement with three (3) one-year options to renew. The City exercised the first option in September 2006. The next extension is set to commence on September 8, 2007. The original not-to-exceed amount was set for \$11,520, which has been exhausted. Further, the use of these services with the current vendor has exceeded City Manager spending authority and Capitol City Automotive, Inc. has an outstanding balance due of over \$36,000 for invoices dating back to September 2006.

Policy Considerations: The recommendations in this report are consistent with Sacramento City Code, Section 3.56.230(c), which allows for the suspension of competitive bidding by two-thirds vote if it is in the best interests of the City.

The proposed supplemental agreement for evidence impound vehicle storage represents an effort by the Police Department to ensure the secure and safe storage of all vehicles that contain evidence as part of a crime. This contract is a necessary means to maintain the chain of custody on all evidence recovered from the vehicles in question. This agreement details the exact indoor environment for maintaining all vehicles and ensures the collection of all evidence as soon as possible, regardless of weather conditions or time of day.

Environmental Considerations: This activity is not subject to the California Environmental Quality Act (CEQA) because it does not constitute a "project" as defined in section 15378 of the CEQA Guidelines, and is otherwise exempt pursuant to Sections 15321(b) (law enforcement activities) and 15061(b)(3) (no significant effect on the environment) of the CEQA Guidelines.

Commission/Committee Action: None.

Rationale for Recommendation: The Police Department must utilize a tow service to conduct evidence impound tows on a 24 hour a day basis. The original bid and contract amount was for \$11,520. In the first fiscal year of this contract, the Department spent \$21,626. In the second fiscal year of this contract, the Department spent \$36,387. In the current fiscal year to date, the Department has spent \$41,373.

There is approximately \$36,000 in unpaid invoices pending approval of this augmentation and supplemental agreement. It is estimated that another \$146,250 will be needed to finish fiscal year 2007 and the next two contract years. The total request for augmentation is \$270,480 bringing the total agreement not-to-exceed amount to \$282,000.

In prior years, the purchase orders that were used for this contract were increased in increments of approximately \$5,000, \$15,000 and \$20,000, without City Council approval. It is the Department's intent to formally recognize the need to disclose all costs associated with this agreement to the City Council as the cost of this contract is going to exceed \$100,000.

The Police Department is requesting the suspension of competitive bidding in order to take advantage of the current locked in rates that were bid during the competitive bid process in September 2005. In general, the current contract evidence impound rates are \$35 per tow and \$12 per day for storage. These rates are fixed for the duration of this mutual agreement with no price increases as long as the contract is renewed on an annual basis by both the City and the vendor. Continuation of service with this vendor is in the best interest of the City and the evidence preservation and collection processes. The Police Department has an excellent working relationship with this vendor and has not received

complaints from the District Attorney's Office or the courts regarding inferior storage conditions or tow methodologies leading to a loss of evidence or inadmissibility of evidence in a criminal matter. Owner, Joe Mahan, has been subpoenaed to testify in court no less than twenty (20) times in the past ten years to attest to the chain of custody of these vehicles and the evidence they contain.

Financial Considerations: The primary financial considerations of the evidence impound storage service agreement stem from the storage of vehicles needed in criminal cases. The demand for these services is difficult to measure, due to the unpredictability of crimes, and an analysis of previous usage is the best estimate that can be provided. This program is funded out of the Department's existing budget (Org. #2166). The Department has the necessary budgetary resources to enter into the supplemental agreement.

Emerging Small Business Development (ESBD): Capitol City Automotive, Inc. is a Small Business Enterprise (SBE) (Certification number: CAC 6075000A).

Respectfully Submitted by: Mike McCarthy
Mike McCarthy, Captain

Approved by: Albert Nájera
Albert Nájera, Chief of Police

Recommendation Approved:

Ray Kerridge
for Ray Kerridge
City Manager

Ref: COP 5-3

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Attachment 1

Background

The Police Department evidence impound storage services agreement is the result of the Department's dedication to the preservation of evidence pertinent to solving crime in the City of Sacramento. This agreement was competitively bid in accordance with City policy and the lowest bidder was selected for this agreement. This agreement allows the Department to secure the lowest possible storage and tow costs for these services from the most qualified bidder.

Capitol City Automotive, Inc. has conducted evidence impound towing for the Sacramento Police Department since September 1997. All contracts were granted after competitive bidding was complete and the lowest bidder was selected. These types of tows and storage costs cannot be forecasted with any definite certainty. A simple increase in the number of tows does not necessarily mean the costs will increase over the previous years; likewise, a decrease in the number of tow does not guarantee lower costs. Some vehicles are held in evidence impound for months while others are processed and released out within days of being impounded.

It is the Police Department's intent to fully disclose past funding sources for this contract and to secure funds both for services rendered and not yet paid to this vendor and future contract years. During the course of this contract additional funds have been authorized using an open purchase order (P.O.) system in increments of \$5,000, \$15,000, and \$20,000. These requests were forwarded through the Police Department to City Procurement for authorization and funding. These requests were not sent to the City Council for approval. A total of \$87,866 in invoice payments has been made using the purchase orders issued under this contract, above and beyond the original not-to-exceed amount.

RESOLUTION No.

Adopted by the Sacramento City Council

**APPROVAL OF THE SUPPLEMENTAL AGREEMENT WITH CAPITOL CITY
AUTOMOTIVE, INC.**

BACKGROUND

- A. Currently, the City has a contract with Capitol City Automotive, Inc. (City Manager Agreement No. 2005-0082) to conduct all evidence impound towing and storage. This contract was awarded after a competitive bidding process.
- B. The Nonprofessional Services Agreement for evidence impound tow services and storage is a one-year agreement with three (3) one-year options to renew, which commenced on September 8, 2005.
- C. In previous years, the Police Department has paid Capitol City Automotive, Inc. the following amounts on evidence impound tow services: \$21,626 (FY2004/05), \$36,387 (FY2005/06), and \$41,373.25 (FY2006/07 YTD). These services ensured an uninterrupted continuation of services in the best interest of public safety and preservation of evidence.
- D. The Police Department is requesting the suspension of competitive bidding in order to take advantage of the current locked in rates that were bid in September 2005. These rates are fixed for the duration of this mutual agreement with no price increases as long as the contract is renewed on an annual basis by both the City and the vendor. Continuation of service with this vendor is in the best interest of the City and the evidence preservation and collection process.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. All past payments made to Capitol City Automotive, Inc., for evidence impound services rendered pursuant to City Manager Agreement No. 2005-0082, but in excess of the original contract amount, are ratified.
- Section 2. In the best interests of the City, formal competitive bidding is hereby suspended.
- Section 3. The City Manager is hereby authorized to execute a supplemental agreement to City Manager Agreement No. 2005-0882 with Capital City

Automotive, Inc., to increase the not-to-exceed amount by \$270,480, for a total not-to-exceed amount of \$282,000 for evidence impound services.