



CITY COUNCIL AGENDA ITEM

Date: August 4, 2015

To: Brian Kischnick, City Manager

From: MaryBeth Murz, Purchasing Manager
Gary G. Mayer, Chief of Police
Frank Nastasi, Lieutenant

Subject: Bid Waiver – Three Year Agreement – Towing Services

History

- In 2009, towing services for the Police Department and the Fleet Division were competitively bid as required by City Charter and Code.
- On September 14, 2009, Troy City Council awarded a three (3) year contract with an option to renew for three (3) additional years to provide towing and storage services to A & M Service Center, Inc. of Troy, MI. (Resolution #2009-09-272).
- September 10, 2012 Troy City Council approved the three (3) year renewal option upon mutual consent of both parties and successful performance of the contract with A & M Service Center, Inc. under the same contract terms and conditions. (Resolution #2012-09-180-J-4e)
- The current towing contract will expire September 30, 2015. The owners of A & M Service Center, Inc. expressed an interest in remaining the City of Troy's towing contractor. They have agreed to enter into another contract under the same prices, terms, and conditions as the renewed contract expiring in September of 2015.
- On January 27, 2014 City Council received a report detailing and highlighting the 2013 Annual Towing Contract Review for A & M Service Center, Inc.
- Annually, A & M Service Center, Inc. has dealt with over 2,250 impounded/abandoned vehicles for the City of Troy.
- These numbers do not reflect or include the assistance received from A & M Service Center Inc.'s personnel for Police Department vehicles, or for other City department vehicles.
- In every instance, the staff of A & M Service Center, Inc. has displayed an eagerness to cooperate and work with the Police Department.
- There have been very few complaints from officers regarding the service provided by A & M Service Center, Inc. Any minor concerns raised by officers were amicably resolved between the Police Department and the A & M Service Center Inc.'s staff.
- There have been no complaints or evidence of non-compliance with contract prices/fees.
- Additionally, there have been no complaints associated with the police and private party auctions conducted for the City by A & M Service Center, Inc. personnel. Those auctions are conducted under the administrative oversight of Police Department personnel.
- A & M Service Center, Inc. has successfully been providing towing services for the City for the past six (6) years as per all terms and conditions of the contract.



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Purchasing (continued)

- A & M Service Center, Inc. has agreed to hold the current contracted pricing.
- Additionally, a market survey was conducted to ensure that the current contracted prices from A & M Service Center, Inc. are at or below prices charged by other towing service providers.
- Five (5) towing companies were contacted for the market survey. Two (2) companies responded.
- The market survey compared pricing from the companies as listed below:

A & M Service Center, Inc.
 Bob Adams Towing
 General Towing, Inc.

- In almost every category, A & M Service Center, Inc. charged the lowest price among those companies who responded to the survey.
- Based on the successful performance and pricing being received from A & M Service Center Inc. it is in the City's best interest to waive the bid process and renew the contract for an additional three (3) years. A proposed contract for the new term is attached for City Council consideration.

Financial

Funds are available in the operating budgets of both the Police Department and Public Works division to tow City owned vehicles as well as for vehicles seized for forfeiture.

	<u>2014/2015 Actual Cost</u>	<u>Estimated Annual Cost</u>	<u>2015/2016 Budget</u>
Fleet Division	\$5,830.00	\$6,000.00 - \$8,000.00	\$8,000.00
Police Dept.	\$47,670.00	\$50,000.00 - \$52,000.00	\$52,020.00

Recommendation

City administration recommends a waiver of the bid process and renewal of the attached contract with *A & M Service Center, Inc. of Troy, MI* for three (3) years, with the contract expiring September 30, 2018.

City Attorney's Review as to Form and Legality

 Lori Grigg Bluhm, City Attorney

 Date