

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Financial Services Department

AGENDA DATE: February 9, 2010

CONTACT PERSON NAME AND PHONE NUMBER: Carmen Arrieta-Candelaria [(915) 541-4011 and Chief Gregory Allen, Police Department]

DISTRICT(S) AFFECTED: All Districts

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Request approval to proceed with the development, construction and operation of a Municipal Vehicle Storage Facility that will streamline the vehicle recovery process and provide a "One-Stop Shop" for the public.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

In December 2009, City staff presented a proposal to the Fiscal Affairs LRC that would replace the current system of towing and storage of abandoned and impounded vehicles. Instead of having a third party towing and storing vehicles, the City is proposing to own and operate its own site. The city proposes to utilize a 7.65 acre site as its own storage lot; this site would be utilized as a one-stop shop where members of the public could pay and pick up their vehicles at the same site, 24 hours, 7 days a week. A contractor would be hired to run the operation instead of having City staff. This would result in a revenue-sharing opportunity between the City and the contractor.

Attached is a powerpoint presentation that outlines the specifics of the proposal.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

No.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

The construction of this project will be funded from the general fund with offsetting revenues derived from storage fees paid by members of the public. It is anticipated that the payback period will be approximately three years from the date of implementation. Approximate cost of construction: \$2.419 million

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

Carmen Arrieta Candelaria

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

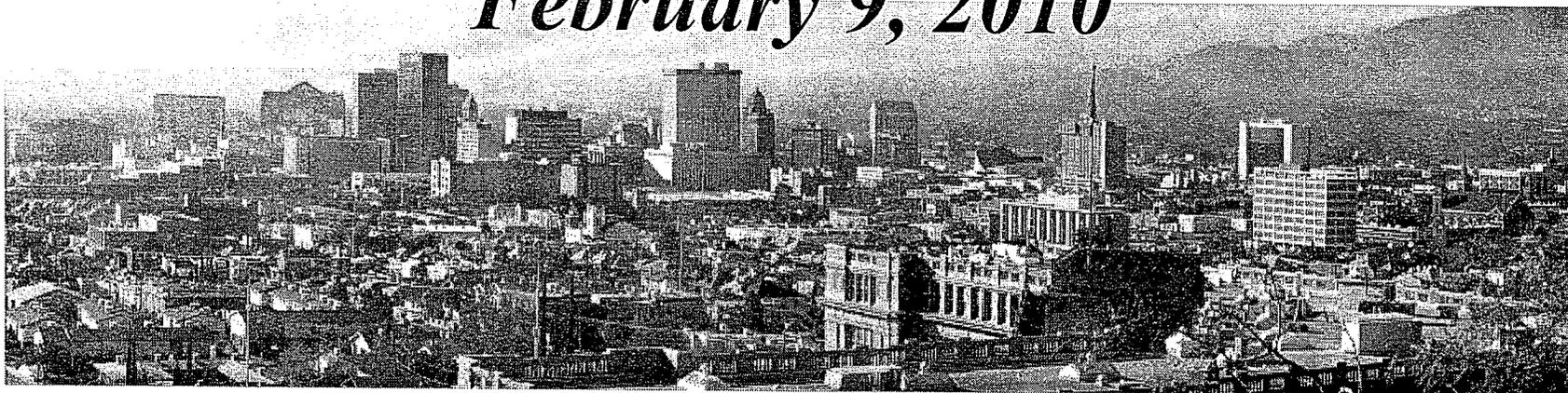
SERVICE SOLUTIONS SUCCESS



City of El Paso

Municipal Vehicle Storage Facility Proposal

February 9, 2010





Recommendation to Council

- *Request approval of a City-owned Municipal Vehicle Storage Facility*
 - *Recommended by LRC on December 3*
 - *Proposal presented by Police and Financial Services*



Key Points

- *City-owned facility*
- *Operated by outside contractor*
- *One-stop shop for the public*
- *Revenue-sharing contract*



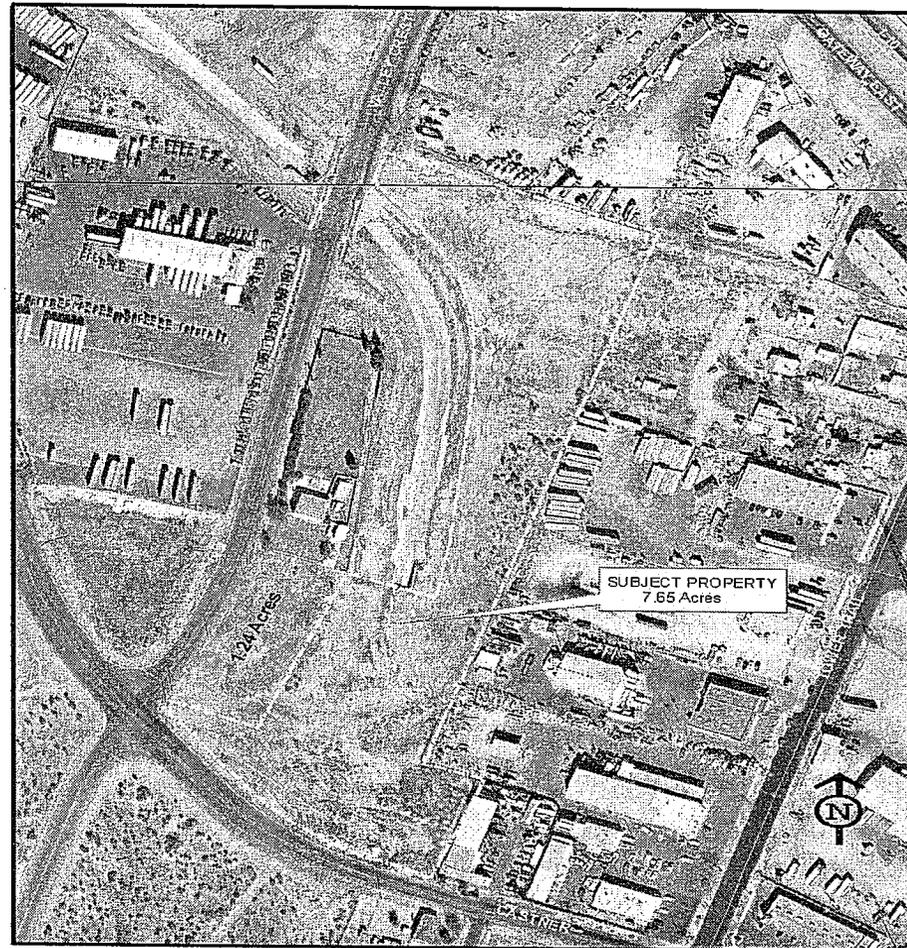
Why a City-owned Facility?

- Having a one-stop location to claim vehicle
- Reduce expenses incurred by the City and the vehicle owner
- Improved response to abandoned and junked vehicle complaints
- Enhanced pool of qualified towing services
- Streamline notice processes
- Revenue sharing will provide opportunity for additional funding for law enforcement



Location of Proposed Site

- One-Stop Shop at Valley Crest Drive and Castner
 - Facility to be approximately 7.65 acres (currently requirements 2.0 acres)



0 125 250 500 Feet



Benefits of Proposed Project

- Manage all aspects of the Municipal Vehicle Storage Facility at one location
- Streamline procedures of effort and costs such as personnel, storage, notification and publication fees
- 24-7 operational functions to receive and claim vehicles



Benefits of Proposed Project (cont.)

- ❑ Eliminate cost of a private company serving as a storage facility while vehicles are on investigative hold or being prepared for auction
- ❑ The Valley Crest Drive and Castner location provides a larger site than has been available in the past
- ❑ Expand the number of contractors available for tows
- ❑ Expect to generate surplus revenues that can be used for law enforcement purposes (TRC 683.015)



Services Provided by Contractor(s)

- Current:
 - Provides storage due to limited storage area at Lafayette
 - 600 storage spaces; 300 auction spaces
- Proposed:
 - Expand number of contractors available for use through a legal rotation system based on established criteria
 - Provide only towing services on a rotation system for all police dispatched calls:
 - Arrestee's vehicles
 - Vehicles involved in collision
 - Hazard tows (Interstate Highway)
 - Impound (Bond Office)
 - Seizures (narcotics cases)
 - Quality of life issues (Abandoned Autos)
 - Performance issues handled by contractor



Improved Response To Complaints of Improperly Stored Vehicles in the Street*

Notices Issued		Vehicles Stored		Potential Impounds	
2006	4,068	2006	341	2006	3,727
2007	4,441	2007	385	2007	4,056
2008	4,702	2008	354	2008	4,348
2009	4,763	2009	467	2009	4,296

*Section 12.80.150 states that a vehicle is presumed stored if it has remained parked upon any street, alley or other right-of-way at or near the same location for a continuous period of time in excess of five days.



Description of 24/7 Operation

- ❑ Three Shifts - Day/Evening/Night Shifts to process administrative work
 - ❑ Receive Vehicles
 - ❑ Release Vehicles
 - ❑ Lien Process
 - ❑ Notification Letters
 - ❑ Publication in newspaper
 - ❑ Auction Day
 - ❑ Safeguard property
- ❑ Proposed Municipal Vehicle Storage Facility
 - ❑ Storage Lot (800 spaces)
 - ❑ Action Lot (350 spaces)



Revenue - Sharing

- Outsource the operations of the facility to a contractor
- Revenue sharing arrangement with a minimum amount due to the City
- Reduced cost for the City
- Eliminate general fund positions
 - General Fund cost savings - \$234,342



Current System-Contractor as Garage Keeper

2008 11,635 Tows	Basic Costs	Revenue for Contractor
4,189 (36%) Immediate Claims 24 hours or less	@\$49.50 + \$15.50 storage fee Total \$65.00	\$272,285
5,258 (45%) Notice sent w/5 days of storage	@\$159	\$836,022
1,598 (14%) Sold at Auction	Average Sale @627.48	\$1,002,713
590 (5%) @ \$125.00 Vehicle Transfers		\$73,750
Total Revenue		\$2,184,770



Proposed System – Revenue Sharing

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4,189 (36%) Immediate Claims 24 hours or less	@\$49.50 + \$15.50 storage fee Total \$65.00	\$272,285
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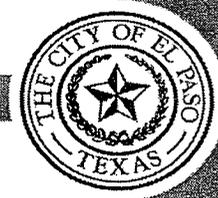
Auction Income 2006 – 2008

	Auction Proceeds	Contractor's Lien	Net Auction Proceeds
Jan - Dec 2006	\$1,256,795	\$706,165	\$550,630
Jan - Dec 2007	\$929,195	\$649,000	\$280,195
Jan - Dec 2008	\$1,002,720	\$726,995	\$275,725
Average	\$1,062,903	\$694,053	\$368,850



Cost Savings General Fund

Job Title	Current	Salary
Property & Evidence Supervisor	1	\$46,770
Property & Evidence Specialist	3	\$110,380
Tow Truck Operator	2	\$77,193
Total	6	\$234,342



Estimated Project Cost Summary

Contractual Design	\$108,527
Design Management	\$42,000
Contact Compliance	\$10,000
Materials Testing	\$17,000
Construction Inspection	\$42,000
Construction Cost	\$1,874,994
Contingency	\$187,499
EPWU Sewer Line (50% participation cost)	\$7,500
EPWU Water Line (50% participation cost)	\$7,500
Texas Gas Company (50% participation cost)	\$7,500
El Paso Electric Company (100% participation)	\$2,000
Furniture	\$38,176
Communication Equipment	\$75,000
Total Estimated Project Budget	\$2,419,696

Source - City Engineering Department



Financing of Project

- Propose to utilize general fund reserves to finance construction
- Project projected to breakeven in Year 3 of project



Timeline

- December 2009 Presentation at LRC
- February 2010 City Council Approval
- March 1, 2010 RFQ Published
- April 2010 Contract Awarded
- November 1, 2010 Fully Operational



Summary

- Realize cost savings to taxpayer
 - Eliminate lien process for contractor
 - Redirect auction proceeds
 - Cost savings to the General Fund
 - Receive and release vehicles 24/7
 - Reduce Process period before auction (streamline of processes)
 - Frees up Lafayette lot for other City uses
- Improved services to public
 - One stop location
 - Extending business hours (24 hours, seven days a week)
 - Abandoned vehicles impounded 24/7



Questions Comments

