

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

DEPARTMENT: Financial Services Department/Police Department

AGENDA DATE: April 19, 2011

CONTACT PERSON NAME AND PHONE NUMBER: Carmen Arrieta-Candelaria [(915) 541-4011]
Chief Gregory Allen [(915) 564-7302]

DISTRICT(S) AFFECTED: All

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.

Discussion and action to authorize the City Manager to take any and all necessary action to effectuate the City of El Paso Municipal Vehicle Storage Facility proposal as recommended by City staff to streamline the vehicle recovery process and provide a "One-Stop Shop" for the public. Additionally, the City Manager is authorized to execute any and all documents related to this transaction to include budget transfers and a repayment provision in the City's General Fund to reflect the financial aspect of this proposal.

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?

On February 9, 2010, City Council approved a proposal to develop, construct and operate a Municipal Vehicle Storage Facility (MVSF) to streamline the vehicle recovery process and provide a "One-Stop" Shop for the public. The City Manager was authorized to execute any and all documents to effectuate the proposal with certain conditions. These conditions were as follows:

- 1) Modify the specifications of the current bid proposal to explore revenue sharing and stricter guidelines for towing and storage proposals
- 2) Develop the Valley Crest and Castner site for a City-owned MSVF
- 3) Develop and issue proposals for a joint venture to include this site as well as other sites throughout the City

In addition, City was to work with adjacent neighborhoods to build a design that is appropriate to traffic issues.

Since that time, staff has worked on a proposal that would be the most favorable to City and accomplish the objective of a "One-Stop Shop" concept. The attached presentation outlines many of the key points that support the recommendation made by City staff.

PRIOR COUNCIL ACTION:

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

Council approved a closely related item on February 9, 2010.

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?

Department:	Financial Services/Police
Estimated Amount:	\$3,500,000
Funding Source:	General Fund Reserves
Districts:	All

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

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

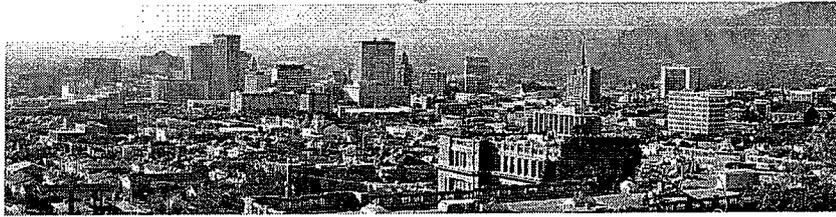
DEPARTMENT HEAD: _____

Carmen Arrieta-Candelaria



Municipal Vehicle Storage Facility Proposal

April 19, 2011



Prior Council Action

On February 9, 2010, City Council approved a proposal to develop, construct and operate a Municipal Vehicle Storage Facility (MVSF) to streamline the vehicle recovery process and provide a "One-Stop" Shop for the public. The City Manager was authorized to execute any and all documents to effectuate the proposal with certain conditions.



Prior Council Action (Continued)

- **Conditions:**
 - 1) Modify the specifications of the current bid proposal to explore revenue sharing and stricter guidelines for towing and storage proposals
 - 2) Develop the Valley Crest and Castner site for a City-owned MSVF
 - 3) Develop and issue proposals for a joint venture to include this site as well as other sites throughout the City
- In addition, City was to work with adjacent neighborhoods to build a design that is appropriate to traffic issues



Key Points for Proposed Solution

- City-owned facility
 - Manage all aspects of the Municipal Vehicle Storage Facility at one location
- Outside contractor to operate the Facility for the City
- Streamline vehicle recovery process for the citizen



Key Points - Continued

- 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



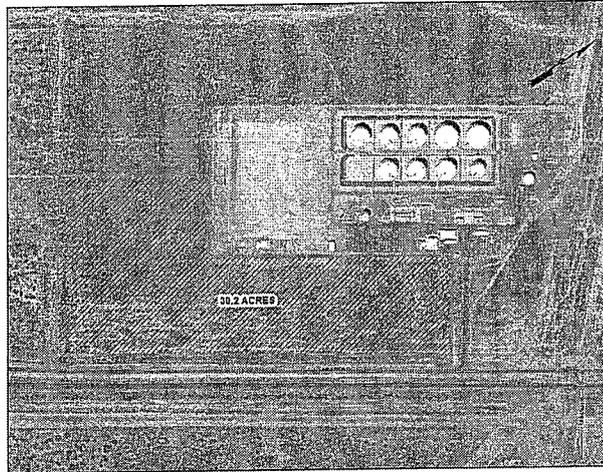
Key Points - Continued

- Issues with Current Operation with Private Contractor
 - Unable to store police on-hold vehicles because of legal issue with “free” storage this cost cannot be passed on to the contractor because of the occupation code
 - Cannot do a one-stop shop because of the cost to store police on-hold vehicles
 - Additional cost because of two tows – one to the Lafayette site and the other after release



Location Change

- Located on Railroad Drive
- Designed to facilitate public interaction at lot
- Designed for future expansion of other City facilities



Location Change – Key Points

- Location to be approximately 10.00 acres
- No net cost to the City as property was acquired through a land transfer from the PSB
- No neighborhood or traffic issues due to industrial area location on Railroad Drive
- Zoned M-1
- Will allow for expansion and maximum operational efficiencies



Location Change – Key Points

- Transfer of activities from 9600 Dyer site
 - Instead of paying for vehicle at Dyer and then traveling to contractor's site, payment and pickup of vehicle will be conducted at Railroad location
 - No bond office at Railroad location (separate issue)



Location Change – Key Points

- Transfer of activities from Hondo Pass - MSC location
 - Processing of vehicles for NERC at current facility are not adequate
 - Current bays are not secure and vehicles remain in bays for lack of storage space
 - New site will alleviate concern for the integrity of evidence
 - Bays will be built in secure area allowing removal of vehicle from processing bays w/o comprising the evidence
 - Building new bays will allow for a design that is up to specifications and amenities pertinent to a crime scene processing facility
 - This function would also move with the future closing of the MSC at Hondo Pass



Location Change – Key Points

- Transfer of activities from Lafayette site
 - Will relieve approximately 300 spaces for General Services or other use
 - Able to store police on-hold vehicles at no additional cost to the City and eliminate cost of private company serving as storage facility
 - Reduce the additional cost of two tows – one to the Lafayette site and the other after release
 - Avoid any storage fees for City Surplus vehicles awaiting auction



Location Change – Key Points

- Transfer of activities from Virginia Lot
 - Current lot being used for GovDeals on-line auctions
 - Eliminate need for downtown lot
 - GovDeals will be utilized for on-line auction of all vehicles including City Surplus
 - Eliminate the auctioneer fees (\$27,300 annually)



Proposed Operations

- Streamline procedures of effort and costs such as personnel, storage, notification and publication fees
- 24-7 operational functions to receive and claim vehicles
- Operation would be contracted out to third party provider (towing to lot would be separate from operations)
- Security of lot would be provided by contractor
- Expect to generate surplus revenues that can be used for law enforcement purposes (TRC 683.015)



Proposed Towing Operation

- Expand the number of contractors available for tows through a rotation system based on established criteria
 - Towing companies would be selected through a formal procurement process
 - Provide 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



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



Cost of Proposal

- Projected Average Net Revenues of approximately \$950,000 annually
- Estimated total cost of construction project is approximately \$3.4 million
- Payback period of construction project is approximately 3.6 years
- Additional revenue source for general fund once project recovers costs
- City would outsource non-mandated management and operations to outside contractor



Proposed Finance Solution

- Fund Balance Reserves
- Adopt a repayment payback schedule through the annual budgeted process



Timeline

- Project to be completed by December 1, 2011
- Operations to begin on December 27 when current contract (with extension) expires



Next Steps

- Police needs to be develop RFP for towing contractor(s) to provide towing services and an RFP for outsourcing of activities at the tow lot
- Confirm plan of construction to council when construction contract is awarded
- Extend current towing/storage contract to December 26 (6 month extension)



Council Action Requested

- Discussion and action to authorize the City Manager to take any and all necessary action to effectuate the City of El Paso Municipal Vehicle Storage Facility proposal as recommended by City staff to streamline the vehicle recovery process and provide a "One-Stop Shop" for the public. Additionally, the City Manager is authorized to execute any and all documents related to this transaction to include budget transfers and a repayment provision in the City's General Fund to reflect the financial aspect of this proposal.



Questions Comments

