

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Joseph Horwedel

**SUBJECT:** CITY GENERATED ZONE  
TOWING RATES

**DATE:** March 12, 2008

Approved

Date

3/14/08

**COUNCIL DISTRICT:** Citywide  
**SNI AREA:** SNI-wide

## RECOMMENDATION

It is recommended that City Council:

- 1) Adopt a resolution superseding Resolution No. 71324 setting the new Fee Schedule for Tow Services agreements to be effective April 1, 2008, providing as follows:
  - a. The City of San Jose Tow Service charges will not exceed the maximum rates allowed under the 2007-2008 State of California Department of Highway Patrol Tow Services Agreement for the Golden Gate Region - San Jose Office of \$140 for Basic Tow Services and \$40 for Vehicle Storage.
  - b. The contractual rates of compensation to the City will be:
    - \$ 60.00 per tow
    - \$ 6.00 per dispatch
- 2) Adopt a resolution amending City Council Policy No. 9-08 setting forth revised criteria for the setting of future tow rates to provide that the City of San Jose Tow Service charges will not exceed the maximum annual rates set by the State of California Department of Highway Patrol Tow Services Agreement for the Golden Gate Region - San Jose Office.

## OUTCOME

This action will supersede Council Resolution 71324, establishing a new fee schedule for Tow Services Agreements not to exceed the maximum rate allowed under the 2007-2008 Department of Highway Patrol for Tow Services Agreement for the Golden Gate Region - San Jose Office.

It will also update City Council Policy No. 9-08 for consistency and customer rate predictability by ensuring adopted tow services rates are reviewed annually and set at amounts not to exceed

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the maximum rates allowed by the Department of Highway Patrol for Tow Services Agreement for the Golden Gate Region - San Jose Office.

This action will further establish contractual compensation rates to be paid to the City of San Jose for the final year of the existing Tow Services Contract(s) and generate approximately \$264,000 in additional General Fund revenue.

## **BACKGROUND**

The City has had agreements for City-Generated Zone Towing since April 1, 2003 with six (6) contractors, one for each of the six (6) zones. These agreements expire on March 30, 2008. The current six contractors were approved by the Council as a result of a competitive RFP process and have performed well to date.

Each Tow Zone serves a separate portion of the City and provides the contractor the exclusive privilege to provide services for City generated tows. This includes towing services for the Police Department for accident and vehicle violations; the Department of Transportation for abandoned, inoperable and illegally stored vehicles on the public right-of-way and Code Enforcement Division for the Neighborhood Clean-up Program. Towing of City fleet vehicles is not included in these agreements. A copy of the Tow Zones is included with this memorandum as ATTACHMENT A.

On December 3, 2002, the City Council approved Resolution No. 71324 establishing the current fee schedule for tow service agreements. The resolution established a basic tow charge of \$110 and storage fees of \$36 per day. In addition, numerous other rates were set for service calls and extraordinary services tows that might depend on the class size of truck required to perform the tow, each charged at a different hourly rate. Rates were also established for premiums for immobilized vehicles, special handling, hazardous materials clean up and additional charge for pick up between 9:00 p.m. and 6:00 a.m.

The current contract provides a minor periodic rate increase during the first five years of the six-year period of the agreements that was intended to maintain revenue neutrality and enable tow contractors to maintain adequate levels of cost recovery thereby pushing back the periodic need for rate reviews and extending the period of the tow agreements. Since the agreements were approved in 2003, the City tow contractors have not exercised this increase provision because in some cases it would have resulted in a net loss in revenue. As a result, the current City tow operators have not had their compensation increased for higher fuel, insurance and labor expenses during the past five years.

City staff met with the existing tow operators on February 11, 2008 to notify them of the proposal to exercise the one-year contract option. At the meeting, the following issues were raised: A lack of any increase in the current agreement over the past five years; dramatic increases in fuel and labor costs since 2003; desire to have a level playing field regarding rates between CHP and private property tow contractors; desire to standardize rates for customers so that tows generated by the San Jose Police Department and Santa Clara County Sheriffs Office are the same; desire to have a methodology for future annual rate review and adjustments.

Resolution No. 71324 sets the rates for the tow contractors to pay the City of San Jose at \$50 for each vehicle towed and a \$5 dispatch fee for each dispatch as contract compensation for the exclusive right to perform City generated tows within their assigned tow zones. By entering into exclusive tow services agreements, it allowed the City to charge a contractual fee and to ensure high quality tow services for the residents of San Jose.

The tow agreement fees result in approximately \$1,335,000 annual revenue to the General Fund. If the Council approves staff recommendations to establish the new contractual compensation rates, it is estimated that the approval would generate an additional \$264,000 in annual revenue for the General Fund. Additional detail is provided in the Cost Implications Section of this memorandum.

**ANALYSIS**

The current agreement for tow services will expire March 31, 2008. Staff will exercise a one-year extension of the term of the agreement from April 1, 2008 to March 31, 2009. This one-year extension will ensure that uninterrupted City-generated tow services continue while City staff conducts a Request for Proposals. Because the City Council previously authorized the Administration to exercise the one-year option, no further Council action is necessary at this time with respect to these agreements.

**Proposed Changes to Tow Charges Paid by Members of the Public**

City staff is proposing that the City of San Jose Tow Service charges not exceed the maximum rates allowed by the State of California Department of Highway Patrol San Jose Office as follows:

AGENCY	BASIC TOW	OUTSIDE STORAGE (Vehicle / Motor Cycle)		LABOR 1/4 HR.	SERVICE (Hourly)	AFTER HOURS GATE FEE
CHP	140.00	40.00	40.00	17.50	70.00	70.00
SAN JOSE	110.00	36.00	15.00	27.50	110.00	30.00
DIFFERENCE	+\$30	+\$4	+\$35	-\$10	-\$40	+\$40

By setting the new rates to amounts not to exceed the maximum CHP rates for the San Jose area, the City of San Jose rate for a basic tow will increase from \$110 per tow to \$140 per tow.

As rates have not been adjusted in five years, this increase will bring the basic tow rate in line with those charged by the CHP, private property tow services and other local jurisdictions.

By adopting these rates, the City will also be eliminating all special fees that are currently included in the City's resolution but not contained within the State of California Tow Services Agreement. These special fees include:

- \$30 Hazardous Material Fee (For clean-up at accidents and disposal of oil and fluids)
- \$23 Immobilized Vehicle Premium (For vehicles and trailers with one or more flat or missing wheels or vehicle with an unsecured engine)

- \$10 Special Handling Premium (For requested use of a flat bed tow vehicle)

These services will now be included in the \$140 basic tow rate and will no longer be an additional fee, reducing the net cost for customers needing all of these services from \$173 to \$140.

In addition, the current hourly Service Call and Extraordinary Service Tow Fees will be reduced from \$110 to \$70 per hour to align with the CHP 2007-2008 San Jose Area Tow Rates.

### **CHP Annual Rate Methodology**

The CHP reviews its rates annually to ensure they consider both regional cost equity and are adjusted for inflation to create customer predictability and fairness for rates charged. The rates are set in conformance of the State of California Tow Services Agreement (TSA) Section 12 as follows:

“A. Fees charged for calls originating from the CHP shall be reasonable and not in excess of those rates charged for similar services provided in response to requests initiated by any other public agency or private person. The reasonableness of the fees charged will be determined in the following manner:

1) The operator may submit two retail hourly rates to the Area: One rate for calls originating during normal business hours and one rate for calls originating after business hours. The Area commander shall determine the validity and reasonableness of all submitted rates (e.g. storage, non-skilled labor, special equipment.)

a) Validity will be based upon factors such as: telephone quotes, invoices, postal rates, charges to retail customers etc. Any submitted rate in excess of an operator’s usual customary retail rate quoted over the phone, posted in the company office will be considered invalid and will not be accepted.

b) Reasonableness shall be determined as compared to other rates. An operator who submits a rate that is determined excessive shall be allowed to re-submit rates only once. If the re-submitted rate is excessive, the operator shall be disqualified until the next open enrollment period.”

The State of California is divided into eight geographical regions. The City of San Jose is within the Golden Gate Division that has its office located within the City of San Jose. The Golden Gate division includes the counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma.

To ensure conformance in rate setting with TSA Section 12, the local CHP Area Commander conducts a market rate survey of their area (Santa Clara County) based on the data of operational costs received by all tow companies who submit an application to provide CHP Tow services. This data is reviewed and the Area Commander sets the maximum local rate allowed for CHP generated tow services.

Because of the change in state law, discussed below, other local jurisdictions began adopting the CHP rates countywide as their existing agreements expire so that customers that are towed on the Highway, Expressway and local roadways are treated equally. A comparison of fees charged by other cities within Santa Clara County is included with this memorandum as ATTACHMENT B.

### **Proposed Changes to Contract Fees Paid to the City**

To simplify administration of the tow contracts, it is recommended that the City continue to collect a flat rate for each tow and dispatch for the remainder of this contract. The flat rate per tow would increase from \$50 to \$60 per tow. The flat rate per dispatch would increase from \$5 to \$6 per dispatch.

Currently, the tow operators receive \$110 for basic tow services of which 50% (\$55) is provided to the City of San Jose for each vehicle towed as contract compensation in exchange for exclusive towing rights within a geographic zone. With the proposed increase for the basic tow services fee to \$140, the City's compensation will be 47% (\$66) per tow. This slight percentage reduction is in recognition that previous services that would be subject to a separate additional fee will now be included within the basic tow services fee.

### **Impact on Private Property Tow Charges**

San Jose has always had the legal right to regulate the fees that tow companies can charge vehicle owners whose cars are towed under the City's contract for tow services. Effective January 1, 2007, Vehicle Code Section 22658 restored to the City of San Jose the right to regulate tow charges for private property tows as well. Typically, private property tows are for "involuntary" tows from commercial or multi-family residential parking facilities. Historically, San Jose's Tow Rate Resolution would set the standard rates for both the City's contracted tow services as well as private property tows. Federal and State statutory changes resulted in a temporary preemption of the City's ability to regulate private property tow charges. Section 22658 (i)(1)(A) limits the private property tow fees to the greater for the following:

- (i) the amount that the City where the tow occurs allows to be charged under its contract with the tow companies that perform services for the City, or
- (ii) the maximum rate amount that the California Department of Highway Patrol allows to be charged under its agreement for the area.

The City's adoption of the proposed resolution will result in equal regulation of tow charges in San Jose whether they are private property tows or tows under the City's zone tow contracts.

### **Amendments to Council Policy 9-08**

Council Policy 9-08 was adopted on November 23, 1982 and became effective on October 11, 1983. The purpose of the policy was to evaluate the maximum tow services rate in December of each year to determine the need for any tow rate increase. To make this determination, the policy required the City to conduct a rate review annually based on various criteria including the Consumer Price Index, survey of comparable cities and evaluation of increases in fuel and operational costs.

On December 3, 2002, the City Council approved Resolution No. 71324 setting forth use of the Consumer Price Index as the methodology for annual fee increases for the Request for Proposal Process that was included in the current tow services contracts that will expire if not extended by mutual agreement on March 31, 2008.

The amendment to Council Policy 9-08 will provide as follows:

1. Ensure that the tow rates are reviewed and adjusted annually to an amount not to exceed the annually approved tow rates allowed by the State of California Highway Patrol Tow Services Agreement for the Golden Gate Region – San Jose Office.
2. Ensure that any rate increase includes a review of and recommendation for changes to contractual compensation payments as required under the City of San Jose's adopted Tow Services Agreement.

The Policy further provides that the City Manager will implement the policy by:

1. Ensuring that the City's maximum tow services rates are reviewed annually following staff's review of the approved tow rates allowed by the State of California Highway Patrol Tow Services Agreement for the Golden Gate Region – San Jose Office, and that a recommendation for rate changes is presented to the City Council for approval.
2. Every five years, or as required, reviewing this policy and recommend changes, if warranted, to Council.

A copy of the red lined version of the Policy is included with this memorandum as ATTACHMENT C.

### **EVALUATION AND FOLLOW-UP**

Not applicable.

### **POLICY ALTERNATIVES**

**Alternative:** To extend the existing tow contract for the period of April 1, 2008 through March 31, 2009, without adopting a new tow rate consistent with CHP.

**Pros:** The City of San Jose may exercise the contractual option utilizing the existing fee schedule adopted in 2003.

**Cons:** If not adopted, the rate schedule would need to be reviewed and amended prior to the issuance of an RFP in 2008. It would also result in an approximate loss of \$264,000 in additional revenue to the General Fund.

**Reason for not recommending:** The current tow contract will be extended for the period of April 1, 2008 through March 31, 2009, with no additional revenue to the General Fund. In addition, the tow rate schedule would have to be reviewed and adopted by Council as part of the RFP process in 2008.

**PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Not applicable.

**COORDINATION**

This memorandum has been coordinated with the City Attorneys Office, Department of Transportation, Finance and Police Department.

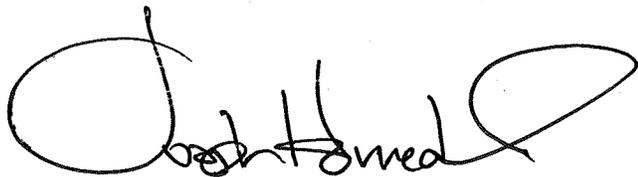
**COST IMPLICATIONS**

The City is currently paid a flat rate of \$50 per tow as consideration for providing over 24,000 City-generated tows and a flat rate of \$5 per dispatch to reimburse the City for the cost of providing tow dispatch services. Annual revenue figures indicate that the City is paid approximately \$1,210,000 in revenue for tows and \$125,000 in revenue for dispatch.

By increasing the City's flat rate per tow from \$50 to \$60 it is anticipated that additional General Fund revenues of \$240,000 will be generated in FY 2008-2009. By increasing the City's flat rate per dispatch from \$5 to \$6 it is anticipated that additional General Fund revenues of \$24,000 will be generated in FY 2008-2009.

**CEQA**

Not a Project.



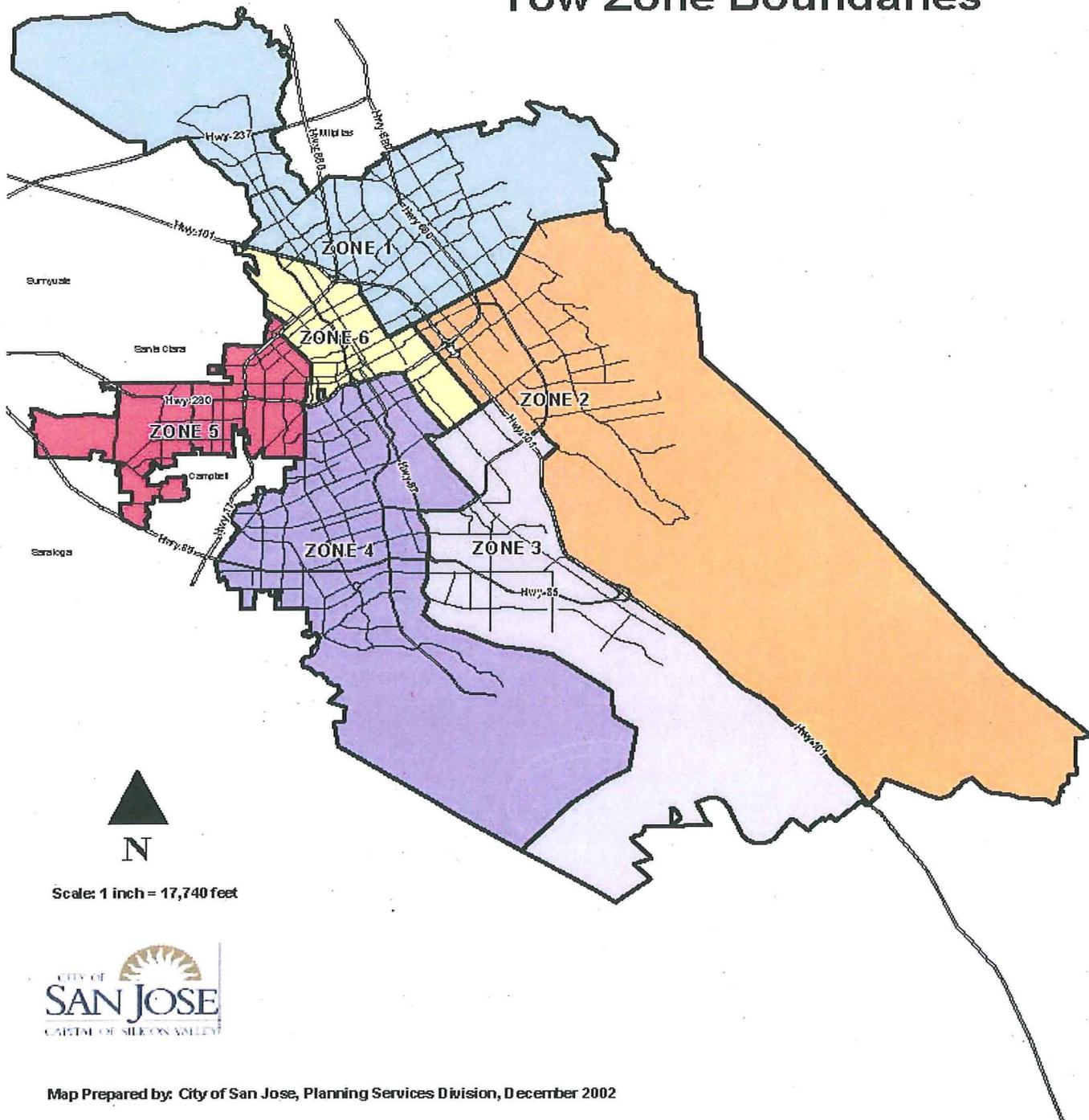
JOSEPH HORWEDEL, DIRECTOR  
Planning, Building and Code Enforcement

Attachments

For questions, please contact Michael Hannon, Code Enforcement Official, at 408-277-4703.

ATTACHMENT A  
Tow Zone Map

# 2002 City of San Jose Tow Zone Boundaries



ATTACHMENT B  
SANTA CLARA COUNTY TOWING FEES  
January 2008

AGENCY	TOW	OUTSIDE STORAGE VEH / MC		LABOR 1/4 HR.	SERVICE (Hourly)	GATE <sup>1</sup>
CHP	140.00	45.00	40.00	17.50	70.00	70.00
SAN JOSE - Current	110.00	35.00	15.00	27.50	110.00	30.00
SAN JOSE - Proposed 3-25-08	140.00	45.00	40.00	17.50	70.00	70.00
GILROY	165.00	50.00	50.00	41.25	80.00	80.00
LOS ALTOS	160.00	50.00	50.00	80.00	160.00	80.00
LOS GATOS	140.00	40.00	40.00	35.00	70.00	70.00
MILPITAS	140.00	40.00	40.00	17.50	70.00	70.00
MORGAN HILL	150.00	40.00	40.00	37.50	75.00	75.00
MT. VIEW	165.00	50.00	25.00	41.25	165.00	80.00
PALO ALTO	140.00	40.00	40.00	30.00	NONE	70.00
CAMPBELL	140.00	40.00	40.00	35.00	70.00	70.00
SANTA CLARA	140.00	40.00	40.00	35.00	70.00	70.00
SUNNYVALE	145.00	45.00	45.00	72.50	145.00	60.00
<b>AVERAGE</b>	<b>145.00</b>	<b>43.18</b>	<b>38.63</b>	<b>43.50</b>	<b>101.50</b>	<b>68.63</b>

<sup>1</sup> Vehicle Release between the hours of 9:00 p.m. and 6:00 a.m.

# City of San José, California

## DRAFT COUNCIL POLICY

TITLE	PAGE	POLICY NUMBER
RATE REVIEW PROCESS FOR TOW CAR SERVICES	1 of 1.2	9-08
EFFECTIVE DATE <del>October 11, 1983</del> April 1, 2008	REVISED DATE <del>February 23, 1988</del> March 25, 2008	
APPROVED BY COUNCIL ACTION 10/11/83; Item 10A; 2/23/88, Item 10a, Resolution No. 60382 <u>Item 2.2;3/25/08</u>		

### BACKGROUND

~~On November 23, 1982, the City Council authorized a rate increase for the maximum tow rates for various towing services as set forth in Resolution 56081. At this same time, the Council referred to City Administration four areas of concern for review, and requested a Council Policy be drafted for their consideration.~~

On March 25, 2008, the City Council adopted a schedule of rates recommended on the basis of the maximum rates allowed under the State of California Highway Patrol Tow Services Agreement. It further authorized the revision of Council Policy 9-8 that was adopted on November 23, 1982 and effective on October 11, 1983. This policy required the City of San Jose to conduct a rate review annually based on various criteria including the Consumer Price Index, survey of comparable cities and evaluation of fuel and operational costs.

The State of California Highway Patrol reviews its rates annually to ensure they consider both regional cost equity and are adjusted for inflation to create customer predictability and fairness for rates charged.

By the Council setting rates in accord with the maximum tow rates allowed under State of California Highway Patrol agreements, there will be a greater consistency of tow rates charged within the jurisdiction for tow services on the state highways, expressways or local roadways within the City of San Jose.

### PURPOSE

~~The purpose of this policy is to establish the criteria for evaluating whether an annual tow rate fee adjustment is needed.~~

The purpose of this policy is to establish the methodology for the maximum rates for City generated tow services and to ensure a consistency of rates charged to residents within the City of San Jose. This policy will ensure that the rates charged to the residents of San Jose do not exceed the annually adopted rates of the State of California Highway Patrol Tow Services Agreement for the Golden Gate Region - San Jose Office.

### POLICY

~~It is the policy of the City of San Jose that the rate ceiling for tow car services be reviewed annually in December of each year. The following criteria will be used when evaluating the need for a rate ceiling adjustment:~~

### CRITERIA

- ~~1. Utilize Consumer Price Index data for the San Francisco Bay Area urban wage earner and comparable City costs for fuel, vehicle purchase, and vehicle maintenance for the nearest one-year time period.~~
- ~~2. Survey comparable cities for maximum tow rates for the nearest one-year time period. The tow service rates to be compared should carry an agreed upon definition. Comparable cities such as Long Beach, Los Angeles, Oakland, Palo Alto, Sacramento, Santa Clara and San Diego shall be utilized for the tow car rate survey.~~

TITLE RATE REVIEW PROCESS FOR TOW CAR SERVICES	PAGE 1 of 2	POLICY NUMBER 9-08
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3. ~~Survey the City's non-franchised tow companies for simple owner-requested tow rates. The non-franchised tow companies (approximately seven) are to be randomly selected from the Pacific Telephone Yellow Pages. Each company selected should be asked for a quotation of a rate for a simple tow in San Jose to a body shop within five miles of the point of the tow. Results of this survey are then to be compared annually.~~
4. ~~Beginning in 1989 and in odd-numbered years thereafter: Survey insurance premium cost changes over the prior two years for contract tow operators.~~
5. ~~Beginning in 1989 and in odd-numbered years thereafter: Survey pickup/storage costs of abandoned autos over the prior two years and related cost changes associated with lack of adequate storage space and handling costs for contract tow operators.~~

It is the Policy of the City of San José to:

1. Ensure that the tow rates are reviewed and adjusted annually to an amount not to exceed the annually approved tow rates allowed by the State of California Highway Patrol Tow Services Agreement for the Golden Gate Region – San Jose Office.
2. Ensure that any rate increase includes a review of and recommendation for changes to contractual compensation payments as required under the City of San Jose's adopted Tow Services Agreement.

#### **DEFINITIONS**

The following terms shall have the assigned definitions for all purposes under this policy:

City of San José means the City of San José elected and appointed officials and staff.

City of San Jose Generated Tows refers to all towing services requested by the City of San Jose to remove vehicles from the public right of way for any lawful purpose.

State of California Highway Patrol Tow Services Agreement refers to the maximum tow services rate allowed by the San Jose Regional Office for California Highway Patrol tow services agreements.

Contractual Compensation means any required compensation to be paid to the City of San Jose as stipulated in the City of San Jose's tow services agreements.

#### **IMPLEMENTATION**

The City Manager shall carry out this policy in an efficient and accountable manner. Specifically, the City Manager shall:

1. Ensure that the City's maximum tow services rates are reviewed annually following staff's review of the approved tow rates allowed by the State of California Highway Patrol Tow Services Agreement for the Golden Gate Region – San Jose Office, and that a recommendation for rate changes is presented to the City Council for approval.
2. Every five years, or as required, review this policy and recommend changes, if warranted, to Council.

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE  
ADOPTING A FEE SCHEDULE  
FOR TOW SERVICES AGREEMENTS**

WHEREAS, on December 3, 2002, the City Council adopted Resolution No. 71324 establishing a Fee Schedule for Tow Services Agreements; and

WHEREAS, on March 25, 2008 a hearing was held to consider a report from City staff recommending changes to the Fee Schedule;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE:

SECTION 1. Effective as of 12:01 am on April 1, 2008, the following maximum charges are hereby established for services or materials furnished by the Contractor engaged in the tow-car business in connection with any vehicle tow pursuant to an Agreement for Tow Services entered into by the City of San Jose. (All charges shall include any charge for unlocking a vehicle when necessary):

1. Basic Tow - For any tow of a disabled vehicle from the scene of an accident; or of an unattended or abandoned vehicle from a public street when authorized by a police officer or other authorized employee of City; or of a driverless vehicle from a public street or private property, when authorized by a police officer, or other authorized employee of City, and when required on account of the disability of the driver. For any tow of a vehicle from a public street or private property when authorized by the person lawfully entitled to the possession of the vehicle; or of a vehicle parked without authorization on private property by the person lawfully entitled to the possession of the real property. For any tow of a vehicle authorized by a San José police or other authorized City employee from a location on a freeway within the city limits of the City of San José \$140.00
  
2. Service call - response by a tow truck to a request by or on behalf of the person in lawful possession of a vehicle, or by a police officer, but towing is found not to be necessary, for each period of fifteen (15) minutes, or portion thereof, required to be spent from the time of departure to return to the customary tow-car location or to release to another assignment: \$70.00  
per hr

Class "A" regular duty tow-trucks \$19.25 per quarter hour  
Class "B" medium duty tow-trucks \$50.00 per quarter hour  
Class "C" heavy duty tow-trucks \$75.00 per quarter hour  
Class "D" heavy duty tow-trucks \$75.00 per quarter hour

3. Extraordinary Services Tows

Where one or more of the following conditions is met:

- a. tow services authorized in writing by the City as requiring more than the use of one Class A tow truck for more than one hour from the time of dispatch to the time of departing the scene
- b. vehicles that have been driven off of embankments;
- c. accidents where a vehicle is overturned, burned, or imbedded in a structure or another vehicle;
- d. vehicles which must be recovered over six feet from the roadway.
- e. Heavy Vehicle Tows (Special Tows):  
Class B – for towing vehicles which are under 6000 lbs. (empty) which require Class B truck recovery, e.g. fifth wheel trailers, small motor homes, horse trailers and heavily loaded one-ton trucks; and for towing vehicles which exceed 6000 lbs. (empty), e.g. medium to large motor homes, commercial trucks and trailers and trailers less than 26,000 lbs. (empty);  
Class C & D - for towing vehicles where weight or complex recovery requires the use of a Class C or D Tow Trucks (e.g. vehicles with a weight exceeding 26,000 lbs. (empty) such as a very large motor home bus or semi-truck and trailer rig;
- f. Vehicles which are in more than one piece as a result of a collision;

and it has been documented by requiring the written authorization of the impounding officer on the CHP 180 form (impounds only) or Tow Authorization Form when the CHP 180 form is not required, then the following rates are applicable as authorized:

Class "A" regular duty tow-trucks	\$70 per hour
Class "B" medium duty tow-trucks	\$200 per hour
Class "C" heavy duty tow-trucks	\$300 per hour
Class "D" heavy duty tow-trucks	\$300 per hour

The foregoing rates shall be charged as a one hour minimum charge plus a prorata charge for each quarter hour as authorized.

- 4. Storage fee:  
Passenger vehicles, motorcycles, vans and light trucks (per day) \$40.00  
Per Space
- 5. After Hours Gate Fee - for the release of a vehicle between 9pm and 6 am \$70.00

SECTION 2. During the term of the Agreement April 1, 2008 – March 31, 2009, each Contractor shall pay City, as consideration for the right to perform City-generated tows pursuant to the Agreement the following fees:

RD:BD  
3/25/08

<b>Contract Compensation Rate</b> - per tow (all tows including motorcycles)	\$60.00
<b>Dispatch Rate</b> - per dispatch	\$6.00

SECTION 4. Resolution No. 71324 is superseded as of date and time set forth in Section 1 above.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

\_\_\_\_\_  
CHUCK REED  
Mayor

ATTEST:

\_\_\_\_\_  
LEE PRICE  
City Clerk