Resolution retroactively approving the third amendment with TEGSCO, LLC, dba San Francisco AutoReturn, for services related to the towing, storage, and disposal of abandoned and illegally-parked vehicles, to authorize an increase to the contract amount by $11,200,000 for the first year of the five-year extension, with the option to increase the contract amount by an additional $11,600,000 in the second year of the extension, for a total amount not to exceed $88,200,000 to commence on April 1, 2021.

WHEREAS, San Francisco Municipal Transportation Agency’s (SFMTA) towing program supports transit by maximizing traffic flow - especially during commutes hours - by removing abandoned vehicles that pose potential safety hazards, and collecting vehicles that are involved in accidents or used in the commission of crimes; the towing program supports City parking regulations that are essential for keeping the streets safe and clean, and that help to maintain parking availability for merchants and residents; and

WHEREAS, In 2016, the SFMTA executed Contract No. 2014-48 with San Francisco AutoReturn for towing and storage of abandoned and illegally parked vehicles in the City; and

WHEREAS, Since contract award, AutoReturn continues to meet or exceed contract requirements, and has maintained 24/7 assistance to the public in retrieving vehicles, assistance to SFMTA Enforcement and the Police Department in clearing illegally parked vehicles and vehicle safety hazards to facilitate traffic management and assist with transit reliability; and

WHEREAS, AutoReturn, provides job stability to 58 employees, 20 of whom work under a collective bargaining agreement with Teamsters Local 665, and manages a network
of 11 towing firms with a pool of 65 drivers, a customer service center and two storage
facilities; and

WHEREAS, In 2016 the Board of Supervisors approved the five-year base term of the
agreement in an amount not to exceed $65,400,000, and also authorized the Director of
Transportation to extend the agreement for five additional years under his own authority; and

WHEREAS, Funding for the extension years was not requested at the time of contract
award, and is now needed to exercise and pay for the extension option; and

WHEREAS, The SFMTA Board has extended the agreement for the five-year term
ending March 31, 2026 to lock in cost reductions negotiated with AutoReturn in anticipation of
the full extension term previously approved by the Board of Supervisors; and

WHEREAS, The COVID-19 pandemic has resulted in uncertainty in predicting long-
term budget needs; and

WHEREAS, To give the SFMTA time to assess how the ongoing COVID-19 pandemic
will impact the towing program costs, and re-evaluate program policies and funding as the
City emerges from pandemic conditions, staff recommends that only the first two years of the
extension be funded, for a total of $22,800,000; and

WHEREAS, The Agency will return to the Board of Supervisors to request funding for
the final three years of the extension that would begin April 1, 2023; and

WHEREAS, The combined $22,800,000 increase would raise the not to exceed
amount of the agreement to $88,200,000; and

WHEREAS, The license agreements associated with the tow agreement have clauses
that automatically extend to match the agreement term; now, therefore, be it

RESOLVED, That the Board of Supervisors retroactively authorizes the Director of
Transportation of the SFMTA, on behalf of the City, to execute the third amendment with
TEGSCO, LLC, dba San Francisco AutoReturn, for services related to the towing, storage,
and disposal of abandoned and illegally-parked vehicles, to increase the contract amount by $11,200,000 for the first year of the five-year extension to commence on April 1, 2021 and, with the approval of the Director of Transportation, to increase the contract amount by an additional $11,600,000 in the second year of the extension, for a total amount not to exceed $88,200,000; and, be it

   FURTHER RESOLVED, That SFMTA will provide a comprehensive report on the tow program and cost containment strategies to the Board of Supervisors by March 31, 2022; and, be it

   FURTHER RESOLVED, That the amendment shall be subject to certification as to funds by the City’s Controller, pursuant to Charter, Section 3.105, and, be it

   FURTHER RESOLVED, That within 30 days of full execution of the amendment by all parties, the final documents shall be provided to the Clerk of the Board for inclusion in the official file.
Resolution retroactively approving the third amendment with TEGSCO, LLC, dba San Francisco AutoReturn, for services related to the towing, storage, and disposal of abandoned and illegally-parked vehicles, to authorize an increase to the contract amount by $11,200,000 for the first year of the five-year extension, with the option to increase the contract amount by an additional $11,600,000 in the second year of the extension, for a total amount not to exceed $88,200,000 to commence on April 1, 2021.