
FINANCE AND CIVIC DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: VEHICLE TOWING SERVICES AND STORAGE FACILITIES

RECOMMENDATION:

1. THAT the existing contract with J & M Motors Ltd dba Mundie's Towing for vehicle towing services and storage facilities be increased to \$317,760 including HST of \$34,046, with final payment based on actual services.

REPORT

Council, at its Open meeting held on 2012 March 19, received the *attached* report (*Appendix 1*) seeking approval to increase the estimated value of an existing contract for vehicle towing services and storage facilities. Council referred this matter to the Finance and Civic Development Committee for further review.

The Finance and Civic Development Committee, at its meeting held on 2012 March 29, received the attached memorandum (*Appendix 2*) providing additional information to support the request to increase the award value for the vehicle towing and storage facilities contract. The Committee noted that since the award of the contract in 2008, costs have increased due to higher than anticipated use of towing services by City departments for City vehicles and equipment and a higher than estimated increase in ICBC rates over the past four years.

Staff advised the Committee that the towing agreement includes a provision for a revenue component of \$900,000 (\$180,000 annually) paid to the City by Mundie's towing. This revenue for the provision of exclusive towing rights assigned to Mundie's related to City of Burnaby Parking Bylaw infractions. Mundie's charges the owner of the towed vehicle when the impounded vehicle is recovered. The \$180,000 annual payment represents an agreed portion of the earned revenue related to Burnaby Parking Bylaw infractions that is to be paid to the City. This amount is a set annual fee that remains constant over the term of the agreement. The revenue sharing agreement will remain unchanged for the remainder of the contract period.

Copied to:	City Manager Director Finance Director Engineering
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To: His Worship, the Mayor and Councillors
From: Finance and Civic Development Committee
Re: Vehicle Towing Services and Storage Facilities
2012 April 16..... Page 2

Arising from discussion, the Committee requested that Council authorize an increase in the existing contract with J & M Motors Ltd. dba Mundie's Towing for vehicle towing services and storage facilities to \$317,760 including HST of \$34,046. Final payment will be based on actual services.

Respectfully submitted,

Councillor D. Johnston
Chair

Councillor C. Jordan
Vice Chair

Councillor P. McDonell
Member

FINANCE AND CIVIC DEVELOPMENT COMMITTEE

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AND COUNCILLORS*

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Copied to:	City Manager
	Director Finance
	Director Engineering

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2012 April 16..... Page 2

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Chair

Councillor C. Jordan
Vice Chair

Councillor P. McDonell
Member



Item.....	
Meeting.....	2012 March 05

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2012 February 20

FROM: DIRECTOR FINANCE **FILE:** 130-11/07

SUBJECT: VEHICLE TOWING SERVICES AND STORAGE FACILITIES

PURPOSE: To obtain approval to increase the estimated value of an existing contract for the Vehicle Towing Services and Storage Facilities.

RECOMMENDATION:

1. **THAT** the existing contract with J & M Motors Ltd dba Mundie's Towing for vehicle towing services and storage facilities be increased to \$317,760 including HST of \$34,046. Final payment will be based on actual services.

REPORT

In January 2008, the City went to the marketplace for vehicle towing services and storage facilities for a five year period from 2008 April 01 to 2013 March 31. J & M Motors Ltd dba Mundie's Towing was awarded a contract in the amount of \$196,000 including HST of \$21,000 and will generate annual revenue of \$180,000 over the term.

Based on an increase of services and the ICBC annual rate increase, the value of the existing contract is now estimated to increase to \$317,760 including HST of \$34,046.

J & M Motors Ltd dba Mundie's Towing has provided the City with vehicle towing services and storage facilities for over 30 years. They have a proven track record for performance and reliability and have a thorough understanding of the City's needs and requirements.

Funding for this requirement is provided for in various Operating accounts.

Denise Jorgenson
DIRECTOR FINANCE

cc. Director Engineering



Finance Department

Meeting 2012 Mar 29

INTER-OFFICE MEMORANDUM

TO: CHAIR AND MEMBERS
FINANCE AND CIVIC DEVELOPMENT
COMMITTEE

DATE: 2012 March 26

FROM: DIRECTOR FINANCE

FILE: 5810-20
Reference: Mundie's Towing

SUBJECT: ADDITIONAL INFORMATION TO SUPPORT THE REQUEST TO INCREASE THE AWARD VALUE FOR THE VEHICLE TOWING AND STORAGE FACILITY CONTRACT

In 2008 January, the City went to the marketplace for vehicle towing and storage facility services. Mundie's Towing was awarded an aggregate value, five year service and supply contract in the amount of \$196,000 for the period 2008 April 01 to 2013 March 31. The contracted rates for towing and storage services in the agreement are tied to ICBC rate schedules.

Services provided under the contract are varied and include: emergency road side service calls for all City vehicles, the recovery or extrication of vehicles from ditches or other locations and the provision of an inside, locked and dry storage facilities for impounded vehicles. If a City vehicle is responsible for an accident, Mundie's Towing will bill us directly for the towing fee as the City doesn't carry collision insurance for small vehicles (under \$75K), therefore it cannot be claimed through ICBC.

City fleet coverage:

- \$5,000,000 – Third party liability
- \$5000 – Collision deductible on high valued vehicle over \$75,000
- \$300 – Comprehensive deductible on high valued vehicle over \$75,000
- RCMP Unit 9016 – 2007 ITCB Travel Trailer Command Unit is excluded from ICBC's physical damage coverage.
- Blanket Fleet Policy - \$75.00 annual premium

Since the award of the contract in 2008, costs have increased due to higher than anticipated use of towing services by City departments for City vehicles and equipment and a higher than estimated increase in ICBC rates over the past four years.

FINANCE AND CIVIC DEVELOPMENT COMMITTEE

Subject: Vehicle Towing and Storage Facility Services Request to Increase the Contract Award Value
 2012 March 26 Page 2

Departmental Costs

Mundie's Towing is used by all departments in the City when a City vehicle or equipment requires towing. The costs are distributed to the departments based on their use of towing services. Departments have vehicles and equipment assigned by service areas. To provide context the 2011 departmental towing costs were distributed as follows: Purchasing for the City Fleet – 5%, Fire – 16%, Parks – 23%, and Engineering 56% - the distribution changes annually but approximates these percentages. Expenditures against this five year contract to the end of 2012 February including taxes are \$226,563.98 and are broken down by year as follows:

2008 Apr 1	Dec 31	\$39,883.70
2009 Jan 1	Dec 31	\$55,648.35
2010 Jan 1	Dec 31	\$51,130.72
2011 Jan 1	Dec 31	\$65,350.00
2012 Jan 1	Mar 15	<u>\$14,551.21</u>
		<u>\$ 226,563.98</u>

As noted these costs are incurred primarily in support of internal service delivery.

ICBC Increases

ICBC rates have risen over the past four years as outlined in the table below. These increases have impacted the cost of services; however the volume of service requests is the primary reason for the contract increase. See Attachment 1 for an explanation of the rate categories.

ICBC Towing Rate Payment Schedule 2008 to 2011*

Effective Date	Category I		Category II		Category III	
	Rate	% Change	Rate	% Change	Rate	% Change
2008 Jan	\$ 69.76	n/a	\$ 75.37	n/a	\$ 163.00	n/a
2010 Jul	\$ 70.18	0.6 %	\$ 75.82	0.6 %	\$ 163.00	0.0 %
2011 May	\$ 72.99	4.0 %	\$ 78.85	4.0 %	\$ 166.26	2.0 %

*Rate remained the same from 2008-2009

FINANCE AND CIVIC DEVELOPMENT COMMITTEE

*Subject: Vehicle Towing and Storage Facility Services Request to Increase the Contract Award Value
2012 March 26 Page 3*

The towing agreement also includes a provision for a revenue component of \$900,000 (\$180,000 annually) paid to the City by Mundie's towing. This revenue for the provision of exclusive towing rights assigned to Mundie's related to City of Burnaby Parking Bylaw infractions. Mundie's charges the owner of the towed vehicle when the impounded vehicle is recovered. The \$180,000 annual payment represents an agreed portion of the earned revenue related to Burnaby Parking Bylaw infractions that is to be paid to the City. This amount is a set annual fee that remains constant over the term of the agreement. The revenue sharing agreement will remain unchanged for the remainder of the contract period.

Mundie's Towing has provided the City with vehicle towing and storage facility services for over 30 years. They have a proven track record for performance and reliability and have a thorough understanding of the City's requirements. It is recommended that the existing five year contract awarded to Mundie's Towing be increased from \$196,000 to \$317,760 including HST of \$34,046.

Recommendation

The Committee recommend to Council that the existing five year contract with J&M Motors Ltd. dba Mundie's Towing for vehicle towing and storage facility services be increased to \$317,760 including HST of \$34,046. Final payment will be based on actual usage of the services.



Denise Jorgenson
DIRECTOR OF FINANCE

Attachment: ICBC Rate Schedule

Copied to: City Manager
Purchasing Manager
Committee Administrative Officer



Towing and Storage Rate Payment Schedule

Effective on all claims with towing/storage services on or after May 15, 2011
(For Storage Rates, please refer to section XIV on page 2 of this form.)

ICBC pays all applicable HST

Towing Categories

Applicable Tow, Distance and Category Hourly Rates are based on the GVWR of the towed vehicle. Tow company is responsible for using an appropriate tow vehicle.	Category I (Light Duty)		Category II (Medium Duty)	Category III (Heavy Duty)	
	Towed vehicle up to 2,999 Kgs GVWR Towing & Recovery Plus (T&R+)		Towed vehicle 3,000 Kgs to 9,072 Kgs GVWR	Towed vehicle 9,073 Kgs GVWR and over	
	Base	T&R+		Hydraulic	Mechanical
Priority Base (1st Tow) Rates Up to 6.0 km's	\$67.57	\$72.99	\$78.85	\$166.26	\$126.42
Non-Priority (2nd & Additional) Tow Rates Up to 6.0 km's	\$48.06		\$78.85	\$150.96	\$126.42
a) 6.1 to 16.0 km (Add per km)	\$2.54		\$2.94	\$7.55	\$3.58
b) 16.1 to 32.0 km (Add per km)	\$2.15		\$2.69	\$6.47	\$3.03
c) 32.1 km and over (Add per km)	\$1.86		\$2.20	\$4.64	\$2.44
Category Hourly Rate	\$67.57		\$78.85	\$166.26	\$126.42

For details on procedure, policy and supplier requirements refer to Chapter 10, *Towing*, and Chapter 13, *Supplier Requirements*, of the *ICBC Material Damage Procedures Manual*.

Towing Rate Definitions for Heavy Duty Tow Equipment (Towed vehicle 9,073 Kgs GVWR and over)

The Category III Hydraulic Rates (Priority and Non-Priority) apply to heavy duty tow trucks with tandem drive rear axles, a hydraulic extendable boom and a hydraulic under-lift or wheel-lift.

The Category III Hydraulic Non-Priority tow rate applies to all tows completed by:

- a heavy duty multi rear axle sliding deck trailer
- a heavy duty tandem drive rear axle roll-back carrier tow truck (flat deck)
- a hydraulic heavy duty single rear axle tow truck with a hydraulic extendable boom and a hydraulic under-lift or wheel-lift.

Additional Service Charge Rates

Note: When possible photos to be provided when tow dispatch is aware any accident/recovery situation will include additional services/charges

I Recovery

- Recovery charges are paid at the applicable Category Hourly Rate in ½ hour increments, with a ½ hour minimum

Note: Occasionally there will be circumstances whereby a higher capacity tow truck will be required to complete a recovery then the GVWR category rate of the vehicle. Under such circumstances, with the agreement of the local ICBC MD Manager or designate, use hourly rate of wrecker required.

Note: Category III recoveries require a minimum of four photographs to document the accident/recovery situation.

II Recovery with Service Truck

- The Category I Non-Priority rate applies from when the tow company dispatches the service vehicle(s), including the travel time to the scene, and ends after the additional truck driver completes providing assistance at the scene and returns to their place of departure prior to callout with a ½ hour minimum.

III Additional Tow Truck(s) required

- The appropriate Category Hourly Rate applies in ½ hour increments, with a 1 hour minimum

IV Loading and Securing Vehicles

- Loading and securing charges apply if loading and securing the vehicle for transport takes more than 10 minutes due to the extent of damage; i.e. vehicle broken into pieces, major add on attachments are separated from vehicle or a burnt vehicle that requires tarping to prevent spreading of debris.
- Loading and securing charges are paid at the applicable Category Hourly Rate, in ½ hour increments with a ½ hour minimum.

