
From: Board of Police Commissioners

Subject: **PROPOSED TOWING REGULATIONS AND CRITERIA**

APPLICATION PROCESS – PROSPECTIVE TOW COMPANY

Goals in the Selection Process

The City of Detroit is responsible for maintaining clean, safe and functional streets for its citizen's use. Citizens are entitled to a well-managed system vehicle towing system that affords them a high level of customer service, convenience, courtesy, and professionalism. These are common goals shared by the Detroit Police Department ("the Department") and the Board of Police Commissioners ("the Board"). To that end, the selection process formulated by the City will result in awarding tow contracts (including contracts for the storage and disposal of abandoned and illegally parked vehicles) only to those tow companies who share in these goals.

Application Packet

Each prospective tower applicant must furnish the Department with completed information contained in the tower application packet which must include:

- Completed Application
- Background clearances on all employees (at the tower's cost)
- A list of any and all civil cases (pending and closed) where the prospective tower is named as a defendant
- Insurance Information (attach Certificate of Liability Insurance)
- List of licenses held
- List of trucks owned or leased (attach registrations)
- List of special on-site equipment
- Property tax clearances to the primary and secondary location
- Vendor's income tax clearance
- Zoning clearances for all storage location
- A detailed listing of all tow companies where the owner / proprietor or family member of the owner / proprietor, has at least a 10% stake in the tow company(s).
- Proof that private storage lot, yard or garage is located within the boundaries of the City of Detroit¹

¹ Detroit Ordinance, § 55-15-1(4)

Additional Applicant Requirements

Applicants for contracts must provide the following information with regard to **all** parents, subsidiaries, divisions, affiliates, partners and major stockholders or members (over 10%):

Name _____
Address _____
President/CEO _____
Relationship to Applicant _____
Percentage of Stock Ownership in Applicant _____

Background Check Certification

At the time of application, and continuing thereafter on a yearly basis, the applicant must provide certification from an independent background check organization approved by the Department that the applicant and its employees are free of the following felony convictions for the past seven (7) years, including but not limited to:

- Any offense that pertains to alteration or removal of a vehicle’s identification numbers, theft and/or injury to vehicles, unlawful possession of burglary tools, petty theft, grand theft, or robbery, arson, extortion, forgery, false imprisonment and burglary;
- Any offense, the elements of which include inflicting bodily injury or death to a person or persons;
- Reckless driving or driving under the influence of any drug or intoxicating liquor, regardless of whether the incident resulted in bodily injury or death, hit and run, any conviction for drug use (possession or sale) and evading a police officer;
- Any offense for which an individual must register as a sex offender.

Selected tow companies will provide the City with annual background checks, proof of valid driver licenses and driving records on its employees.

SELECTION CRITERIA

Applicants must agree to be bound by all the terms and conditions of the Police Authorized Tower Contract with the City of Detroit.

The Department, at its discretion, shall identify a reasonable number of tow companies per district or precinct. Each year, the Department will review the performance of each authorized tow company.

Selected tow companies must attend a mandatory Tower Orientation session, which will include an overview of the requirements mandated by the Department, as well as the customer service/citizen complaint process.

The large number of vehicles within the City generates an intense demand for regulation of traffic flow that can only be met by a tow program that is efficient and capable of handling tow operations through the use of highly trained and properly equipped personnel and offices. At a minimum, the tow company must have sufficient equipment to perform required tow services. (e.g. tow trucks, properly zoned property for storage and insurance for each)

To ensure an equal balance of contracted tow companies, an individual, corporation, or family member of an individual or corporation, who maintains a minimum of 10% share of the tow company(s), shall be forbidden from having more than two contracted tow companies working in the city, at any one time.

Insurance Requirements

During the entire term of any contractual relationship with the City, the Tow Company must maintain, at minimum and at its expense, the following insurance:

<u>TYPE</u>	<u>AMOUNT NOT LESS THAN</u>
(a) Workers' Compensation	Michigan Statutory minimum
(b) Employer's Liability	\$500,000.00 minimum each disease \$500,000.00 minimum each person \$500,000.00 minimum each accident
(c) Commercial General Liability Insurance	\$1,000,000.00 each occurrence \$2,000,000.00 aggregate Coverage is to include blanket contractual liability.
(d) Garage Keeper's Legal Liability Insurance	\$50,000.00
(E) Automobile Liability	\$1,000,000.00 combined single Insurance (covering limit for bodily injury all owned, hired and and property damage to non-owned vehicles with personal and property protection insurance including residual

liability insurance under Michigan No Fault Insurance Law)

To the extent that state and/or federal law imposes requirements in excess of those provided, the tow company must comply with the requirements of the law. The City will reserve the right to change the insurance requirements 30 days after written notice to the tow company. Each year, the tow company must provide current certificates of insurance to the City, naming the City as an additional insured. The City must be provided 30 days' notice of any cancellations or nonrenewal of insurance coverage.

Indemnification

The tow company must agree to be solely responsible for and indemnify, defend and hold harmless the City of Detroit from and against all losses, liability, claims, causes of action, damages or costs, including any related expenses and attorney fees, for or on account of injuries to or death of any person and/or any property damage alleged to have been sustained in connection with the tow company's performance or failure to perform.

Operation and Use of Facilities

Towing Equipment

Selected tow companies may either own or lease their towing equipment, so long as the equipment is adequate and is properly insured.

Storage Facility

Selected tow companies must provide convenient, well-managed, and courteously operated storage facilities for vehicles towed pursuant to Detroit Traffic Codes, and other vehicles ordered towed by the Department.

The City shall have the right to enter the tow company's facilities at any time. The tow company shall maintain an office at each facility with sufficient space for all necessary business capabilities, i.e. computers with software capabilities to collect vehicle information and other data, telephones, facsimile machines for servicing the customer and the department. Data on each vehicle should be stored electronically and subject to inspection and audit. Each yard/storage facility should contain a digital camera recording system (with DVR backup). The tow company shall supply the necessary toilet facilities at each location. The tow company shall be responsible for securing the facilities, all vehicles located therein and for the safety and security of all towed vehicles, including without limitation limiting access to authorized persons. The tow company shall operate

and maintain the facilities in accordance with all applicable zoning requirements, local, state, and federal laws.

Methods of Payment

All selected tow companies shall accept cash (and issue sequential cash receipts), and may accept any other tender at their own risk. Tow companies may provide on-site cash machines for the citizens' convenience. Any fees incurred by or loss from such transactions shall be processed in accordance with normal business practices.

Posting of Required Information

The Department will provide signage to each tow company (at the tow company's expense) which must be conspicuously displayed and easily visible at each storage lot, yard or garage which expressly states the following:

- The name and address of the tower's insurance broker handling the insurance coverage required by the Agreement.
- Schedule of all approved towing, storage and additional charges as specified by the City. Tow companies shall be expressly prohibited from charging any fee or cost in excess of that specifically authorized by the City.
- A notice explaining the conditions under which and the procedure by which a tow hearing may be requested from the City and the Detroit Police Department.
- Procedures for filing a claim for damages incurred to the vehicle or contents thereof as a result of the tow or while in storage.
- Copies of the entire schedule of charges on customer's copy of receipt ticket.
- A list of the documents required by the tow company in order for a citizen to retrieve a towed vehicle.
- The registered owner shall not be charged for the initial viewing of a recovered vehicle.
- The Department shall make arrangements to pay a police authorized tower for each tow of a vehicle to a city auto pound(s), precinct or district for the processing of evidence for the victims of

the following crimes: Homicide, Carjacking, Criminal Sexual Conduct and Robbery.

- A Department contact name and phone number.

Tow Release Procedures

The Department shall provide the public with a Department telephone number to facilitate the retrieval of information on towed vehicles.

The City shall be held harmless from all claims arising out of the improper release of a vehicle. Responsibility for the release of a vehicle to a person without such evidence devolves fully on the tower.

In the event that the towed vehicle has been identified as having a Police Hold (meaning that the Police have communicated in writing that the vehicle is to be placed on hold until released in writing), the tower shall not release the vehicle without written authorization from the Department.

If the tower releases, sells auctions, or crushes a vehicle with a police hold, notwithstanding any criminal or civil penalties levied by a court of law, there shall be \$1000 credit to the City per occurrence. In addition, the tower shall pay the blue book value of the vehicle to the owner. This does not preclude the registered owner from taking legal action.

Any tow company with an unclaimed vehicle on their premises for 7 days must notify the Department, TCRU and the Towing Monitor in writing. It shall be the tow company's responsibility to provide the Department (Grants & Contracts), with written notice every 7 days the vehicle remains unclaimed.

Customer Service

Towing Response Time

The City greatly values prompt courteous service to the public. The Department shall create a Citizen Complaint Form to facilitate feedback on the tow company's performance. The Department and the Towing Monitor (should one be selected) will serve as the repository for the Citizen Complaint Forms. The Department shall implement a process whereby citizens can register written complaints.

The tow company must act in accordance with the highest industry standards and practices as approved by the City of Detroit. Therefore, the tow company must not cause the public unreasonable delay either on the phone or in person.

Tow companies shall respond with the appropriate equipment to the designated point of tow within twenty minutes (20) minutes of the dispatch.

All selected tow companies shall accommodate special tow programs such as abandoned vehicle sweeps and City-sponsored events. The City will notify the tow company in advance to insure that a sufficient number of tow trucks are available. The City shall state the number of tow operators required, the location and the time that they are to start.

In all contacts with the public, selected tow companies must promptly return vehicles when presented with sufficient proof of payment and ownership pursuant to applicable law and any guidelines provided by the City and designated department personnel.

Hours of Service

All tow companies must respond to all tow service calls with sufficient operational equipment to meet all towing services required at all times, 24-hours per day, seven days per week, including holidays. In the event a tow company does not respond to a tow service call, that Tow Company will be skipped, and the next tow company in the rotation will be called for the service call. The hours of service must allow citizens to retrieve their vehicles from 7 a.m. – 7 p.m., seven (7) days a week.

INTERNAL CONTROLS

Tower Rotation

Unless the workload or new technology warrants change, the criteria for tower rotation are as follows:

- A maximum of six (6) authorized tow companies will be assigned to each District and a maximum of three to each Precinct.
- Each Authorized Tower will tow on a rotational basis within the respective District or Precinct in which they are geographically located.
- Districts or Precincts lacking adequate authorized tow companies to cover their respective areas shall have towers assigned by Fiscal Management Bureau on the basis of their geographical distance to the **actual** District or Precinct.

- Authorized tow companies assigned to tow in the area of 36th District Court or for events are required to have a tow truck on stand-by in the downtown area for immediate towing. These tow companies shall tow on a weekly rotational basis.
- **Abandoned vehicle tow** requests shall be rotated among the tow companies capable of towing and storing abandoned vehicles within the respective District or Precinct. This rotation shall be separate from all other authorized tows. The rotation shall be on a vehicle by vehicle basis among those tow companies who are capable, which will ensure that all abandoned tows are rotated fairly and equitably.
- **Heavy duty towing** shall be rotated among the tow companies having that capability. "Capability" shall mean those authorized tow companies who: possess heavy duty trucks and equipment on site; employ drivers in possession of the required CDL license endorsement; and possess the space to store semi-trucks. The heavy duty towers shall be separated from the regular authorized tower rotation.

Detroit Police officers (or any other public official who exercises any functions or responsibilities in the review and/or approval of police authorized tow companies under any towing contract with the City) shall be strictly prohibited from directly calling in tow companies for tow(s). Detroit Police officers assigned to abandoned vehicles ("ABAN" officers) are also strictly prohibited from calling any tower directly for a tow. If a tower fails to respond within 20 minutes after receiving a call, the next tower in line for rotation will be contacted. No vehicle shall be towed without authorization from the Detroit Police Department Dispatch Center. To ensure safety for the residents and the towers, no vehicles shall be towed that are in the presence of the owner, driver, or current occupier, without a Detroit Police Officer present.

Record Keeping

All selected tow companies shall maintain, in accordance with generally accepted accounting principles, complete and accurate books of account and records relating to all items of income received and expenses incurred in the performance of this Agreement. Such books of account shall be maintained at the site approved by the city. Selected tow companies will be required to provide the City with a copy of their annual financial statement.

Annual Audit

All tow companies shall be required to provide the Department and the Towing Monitor with an annual financial and operational audit. The City and/or the Department reserve the right to audit the books and records of each tow company in order to ensure compliance with the Police Authorized Towing Contract and these Rules. This review may include, but may not be limited to, all monies collected by the tow company under the Police Authorized Towing Contract, auction procedures, and compliance with the L.E.I.N. sale process.

Monitoring Process

The Department, with input from the Board will monitor this process and may appoint a Towing Monitor. If a Towing Monitor is appointed, such individual will select a team of civilian and sworn personnel who will serve as an investigation unit and liaison between all tow companies and the City of Detroit. This team will also be responsible for monitoring tow company performance by conducting site visits and will report any variances to the Board.

Abandoned Vehicle Auctions

Tow companies will be required to cooperate with the Department, and comply with the Department's Manual with regard to public abandoned vehicle auto auctions

LEGAL CONSIDERATIONS

Conflicts of Interest

Selected tow companies must certify that no officer, agent, or employee of the City (including police officers) or any other public official who exercises any functions or responsibilities in the review, approval, or selection of police authorized tow companies under any towing contract with the City has any personal or financial interest, directly or indirectly in the selected tow company. Selected tow companies must also agree not to retain the services of any member of the Department, agent, or Board member, and will not hire any person with an interest that could possibly conflict in any manner with the performance of any towing contract with the City.

Nontransferability and Termination

Any contract to provide towing services to the City cannot be transferred, sold or assigned to any other person or entity. Selected tow companies must notify the Department and/or City if it sells, or in any manner transfers, the company, a substantial portion of its assets, or 10% or more of the outstanding stock in the

tow company during any 12 month period, or if there is a change in any of the partners, owners, or officers of the tow company.

The City reserves the right to terminate any towing contract with a tow company in the event of a breach of the towing contract or any provision of the towing contract.

The City may immediately terminate any towing contract with a tow company for fraud or criminal conduct by the tow company or its employees.