



OFFICE OF THE
AUDITOR GENERAL

City of Detroit

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2024 Tow Rate Commission



**Discussion Presentation
To The
Board of Police Commissions**

March 21, 2024

**By Laura Goodspeed, CPA
Auditor General**



OFFICE OF THE AUDITOR GENERAL

2024 Tow Rate Commission Presentation to the Board of Police Commissioners March 21, 2024

A. Introductions

B. Purpose

To discuss the Board of Police Commissioners (BOPC) responsibilities relating to the City's towing activities, and involvement with the 2024 Tow Rate Commission.

C. Authoritative Source

DETROIT CITY CODE (Chapters 44—49), Chapter 46 - TRAFFIC AND VEHICLES, ARTICLE II. – ENFORCEMENT, DIVISION 5. TOWING (*See Attachment A.*)

D. Legislative Policy Division Tow Rate Commission Memorandum

In December 2023, the Legislative Policy Division (LPD) responded to questions submitted by the Honorable Council Member Gabriela Santiago-Romero relative to the Tow Rate Commission (TRC) (*See Attachment B.*)

Notable highlights include:

1. Detroit City Code under Section 46-2-91 sets forth the mechanism for creation of the TRC:
 - (a) Towing Rate Commission shall be created, composed of the Auditor General as Chairperson, the Director of Buildings, Safety, Engineering, and Environmental Department or designated representative, the Chief of Police or designated representative, a representative of the public appointed by the Mayor, and a representative of the towing industry appointed by City Council.
 - (b) Such commission shall be charged with the duty of reviewing the administrative, towing, service, and storage fees for police authorized towing at least once every two years and submitting its recommendation to City Council by October 1st of the year of review. If the towing rate commission fails to forward such recommendation within the time provided, City Council may adopt a resolution to set the administrative, towing, service, and storage fees without such recommendation.
2. Since its establishment, the TRC was last convened in 2012. During this 2012 meeting, the TRC recommended to City Council that a tow rate increase be implemented.
3. In the 10 years since the last tow rate increase, it does not appear that a review of the administrative, towing, service, and storage fees have taken place at least once every two years as the procedure is outlined in the ordinance.



4. If as it appears, no review or recommendation from the TRC has been submitted, City Council may request that the Auditor General (AG), as Chairperson of the TRC, convene the Commission to study and review the current rates and determine the necessity of an increase as prescribed by ordinance, or, City Council may adopt a resolution to set the administrative, towing, service, and storage fees without such recommendation, as set forth in Section 46-2-91(b).
5. If Council chooses to urge a meeting of the TRC to conduct a review of the administrative, towing, service, and storage fees as originally outlined in the ordinance, it is important to note, the BOPC has broad supervisory authority within the Police Department and in the past, reviewed recommendations for fee increases from the TRC.
6. The BOPC's eleven-members are comprised of seven elected members and four appointed by the mayor. However, it does not appear that an affirmative recommendation from the BOPC is required for City Council to adopt a resolution approving the new fee schedule. Nonetheless, traditionally both the BOPC and the TRC have offered input on the fees prior to the adoption of a resolution by City Council.

E. Tow Rate Commission Convened

On Monday, January 22, 2024, the Detroit City Council Public Health, and Safety Standing Committee (PHS), under Committee Chairperson Gabriela Santiago-Romero, voted and approved the convening of a [2024] Tow Rate Commission.

As of today, March 21, 2024, the Detroit Police Department (DPD) and the Buildings, Safety, Engineering, and Environmental Department (BSEED) Commissioners have been appointed. The representative of the public appointed by the Mayor, and a representative of the towing industry appointed by City Council have yet to be appointed.

F. BOPC Responsibilities Under the Towing Ordinance (Excerpts)

1. Sec. 46-2-92. Standards for authorized towers.

- (a) The Board of Police Commissioners shall establish standards, including insurance and bonding requirements, that must be met in order for a tower to qualify for police authorized tows under this chapter, and the Police Department shall maintain a current list of such qualified towers. In accordance with Section 2-111 of the Charter, the Board of Police Commissioners shall promulgate administrative rules for the Body's determination as to which towers shall be called for tows under this chapter.



Such rules shall provide, as nearly as practicable, for equitable distribution of police authorized towing to all towers on the list of qualified towers.

- (d) For the avoidance of doubt, nothing in this section or in this Code shall be deemed to authorize the Board of Police Commissioners to conduct or supervise the procurement of police authorized towers. Consistent with standard City practice, police authorized towers shall be engaged via contracts, not permits. The procurement process shall be conducted and supervised by the Office of Contract Procurement.

2. Sec. 46-2-97. Payment.

- (a) Responsibility for payment of tow fee:
- (2) The Police Department shall make arrangements to pay a police authorized tower for each tow of a vehicle to the City auto pound or precinct station under Section 46-2-96(a)(3) of this Code, for tows of illegally parked vehicles and for services for which payment by the vehicle owner is exempted by this Code. The Board of Police Commissioners may specify, with City Council approval and subject to Subsection (a) of this section, other circumstances under which the Police Department may arrange to pay the tow bill. Payment of a tow bill by the Police Department shall not relieve the vehicle owner of the owner's responsibility for payment and the owner shall reimburse the City for the amount of such bill except as a payment by the owner is exempted under Section 46-2-69 of this Code. In accordance with Section 2-111 of the Charter, the Board of Police Commissioners shall establish a procedure by which this subsection shall be implemented and administered.

G. Excerpts From Current Detroit Police Authorized Towing Contracts

1. Contract Effective Date *(See Attachment C)*

The current Detroit Police Authorized Towing contracts:

- Are five-year contracts.
- Were approved by City Council on December 12, 2022.
- Unless sooner terminated, terminate on July 31, 2027.



1. Scope of Services, Project Requirements (See Attachment C)

(B) Rotational Towing System

The Police Towing and Impound Unit shall serve as the Department's primary towing service. When DPD Towing is not available, private towers shall be utilized in a manner consistent with the following Requirements and in accordance with the provisions of this Contract and local, state, and federal laws.

Police authorized towing companies shall be dispatched to scenes where towing services are required on a rotational basis...

2. Insurance (Article 10) (See Attachment D)

The current Detroit Police Authorized Towing contracts:

TYPE	AMOUNT NOT LESS THAN
a. Workers' Compensation	Michigan Statutory minimum
b. Employers' Liability	\$500,000.00 minimum each disease \$500,000.00 minimum each person \$500,000.00 minimum each accident
c. Commercial General Liability Insurance (Broad Form Comprehensive)	\$1,000,000.00 each occurrence \$2,000,000.00 aggregate
d. Garage Keeper's Legal Liability Insurance	\$50,000.00
e. Automobile Liability Insurance (covering all owned, hired, and non-owned vehicles with personal and property protection insurance, including residual	\$1,000,000.00 combined single limit for bodily injury and property damage



H. Items for Consideration, Discussion, and Follow-up

1. Has BOPC approved any changes through resolution and/or adoption that would tend to usurp, regulate, eliminate, or contradict, etc. any of their mandated charter requirements since 2012?
2. Has, or is BOPC considering any changes to the current standards, including insurance and bonding requirements, that must be met in order for a tower to qualify for police authorized tows?
3. Has, or is BOPC considering changes to the administrative rules for the Body's determination as to which towers shall be called for tows under this chapter?
4. Has, or is BOPC considering any other changes or recommendations that might affect towing rates and/or the activities of Detroit Police Authorized Towers?

*Note: If **YES**, to any of the above questions, please provide documentation to the Office of the Auditor General, including but not limited to:*

- *Board of Police Commissioners Meeting Minutes*
- *Detroit Police Department Directives*
- *City Council Resolutions*
- *Directives from the City of Detroit Office of the Chief Financial Officer*
- *Directives from the City of Detroit Human Resources Department*
- *Email Communications*



OFFICE OF THE
AUDITOR GENERAL

- CITY CODE (Chapters 44—49)
Chapter 46 - TRAFFIC AND VEHICLES
ARTICLE II. - ENFORCEMENT
DIVISION 5. TOWING

DIVISION 5. TOWING¹

Subdivision A. Generally

Sec. 46-2-81. Purpose, scope, and enforcement.

- (a) The City is responsible for maintaining clean, safe and functional streets. Residents and visitors are entitled to a safe and well-managed vehicle towing system for non-consensual vehicle tows that affords them a high level of customer service, convenience, courtesy, and professionalism.
- (b) A tow company is deemed to conduct tow operations in the City if it has a place of business in the City which performs non-consensual tows, or if it hooks up vehicles for non-consensual tows within the City.
- (c) The Police Department shall be responsible for enforcing the provisions of this division.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Sec. 46-2-82. Misdemeanor violation; aiding and abetting violation; continuing violation; penalties for conviction thereof.

- (a) It shall be unlawful for any manager, operator, or owner of a tow company, or his or her employee, to violate any provision of this division, or to aid and abet another to violate such provision.
- (b) Any person who violates this division, or aids and abets another to violate such provision, may be issued a misdemeanor violation for each day that the violation continues.
- (c) Any person who is found guilty of violating any provision of this division, or aids and abets another to violate such provision, shall be convicted of a misdemeanor for each violation that is issued and, in the discretion of the court, may be fined up to \$500.00 and sentenced up to 90 days in jail, or both, for each misdemeanor violation that is issued.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Secs. 46-2-83—46-2-90. Reserved.

Subdivision B. Police Authorized Towing

¹Ord. No. 2021-34 , § 1, effective October 18, 2021, in effect, repealed Div. 5, §§ 46-2-81—46-2-89 and enacted a new Div. 5 as set out herein. Former Div. 5 pertained to Police Authorized Towing and derived from §§ 55-2-81—55-2-89, 55-15-1—55-15-8 of the 1984 Detroit City Code; Ord. No. 14-85, § 1(55-15-1, 55-15-3(c), 55-15-5(a), (b)), effective April 15, 1985; and Ord. No. 09-14, § 1(55-2-81—55-2-89), effective July 1, 2014.

Sec. 46-2-91. Tow rates for police authorized towing.

- (a) A Towing Rate Commission shall be created, composed of the Auditor General as Chairperson, the Director of Buildings, Safety, Engineering, and Environmental Department or designated representative, the Chief of Police or designated representative, a representative of the public appointed by the Mayor, and a representative of the towing industry appointed by City Council.
- (b) Such commission shall be charged with the duty of reviewing the administrative, towing, service, and storage fees for police authorized towing at least once every two years and submitting its recommendation to City Council by October 1st of the year of review. If the towing rate commission fails to forward such recommendation within the time provided, City Council may adopt a resolution to set the administrative, towing, service, and storage fees without such recommendation.
- (c) Any tow contract initiated after calendar year 2021 shall be evaluated to determine whether an income based rate structure or tow hardship policy is feasible. Such findings shall be submitted to the City Council via resolution for consideration.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Sec. 46-2-92. Standards for authorized towers.

- (a) The Board of Police Commissioners shall establish standards, including insurance and bonding requirements, that must be met in order for a tower to qualify for police authorized tows under this chapter, and the Police Department shall maintain a current list of such qualified towers. A separate list may be maintained for towers who tow abandoned vehicles in accordance with Sections 252a through 252m of the Michigan Vehicle Code, being MCL 257.252a through 257.252m, which is incorporated by reference into this chapter through Section 46-3-1 of this Code. The required insurance shall indemnify and hold harmless the City for any injury, damage, or loss that may result from a police authorized tow or storage under this chapter. The City shall not be liable for any such injury, damage, or loss. In accordance with Section 2-111 of the Charter, the Board of Police Commissioners shall promulgate administrative rules for the Body's determination as to which towers shall be called for tows under this chapter. Such rules shall provide, as nearly as practicable, for equitable distribution of police authorized towing to all towers on the list of qualified towers.
- (b) All towers qualifying as police authorized towers shall be Detroit-based towers. For the purposes of this section, the term "Detroit-based" shall indicate the physical and economic relationship to the City of Detroit determined by the payment of: (1) City income taxes on the tower's profits; and (2) City property taxes on the tower's vehicle storage lot, yard, or garage.
- (c) All towing services performed by police authorized towers under this chapter shall be rendered with tow trucks clearly marked with the tow company's name, address, and telephone number. No private tow truck shall bear words which may be reasonably construed as indicating or suggesting that it is a City vehicle, Police Department vehicle, other police agency vehicle, or police authorized tow vehicle.
- (d) For the avoidance of doubt, nothing in this section or in this Code shall be deemed to authorize the Board of Police Commissioners to conduct or supervise the procurement of police authorized towers. Consistent with standard City practice, police authorized towers shall be engaged via contracts, not permits. The procurement process shall be conducted and supervised by the Office of Contract Procurement. Contracts by which police authorized towers are engaged shall be approved by Chief Procurement Officer, the Corporation Counsel, and the City Council.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Sec. 46-2-93. Establishment, approval, and publication of towing, and storage, and administrative fees.

- (a) No person performing police authorized towing or storage service on such wrecked or disabled vehicle shall charge fees in excess of the rates set by resolution of City Council. Such towing fee may consist of a flat rate hook-up fee plus an additional charge for each mile a vehicle is towed beyond one mile. Storage fees may be set on a *per diem* basis. The City Council may establish, by resolution, maximum fees for dolly tows, standard rates for police authorized towing to the City auto pound in lieu of the normal rates, excess time spent at the scene of a tow, separate fees for accident and nonaccident tows to the curb or nearest side street, "dry runs" when the tower appears at the request of the Police Department, but does not perform an otherwise compensable towing task through no fault of the tower, and other necessary services.
- (b) An administrative fee, as determined by City Council, shall be charged to the owner of each vehicle towed by a police authorized tower and shall be paid to the City when the vehicle is either redeemed or sold for a price that exceeds the towing and storage fees owed.
- (c) In accordance with Section 9-507 of the Charter and based on the reasonable cost of towing and storing a vehicle, such towing and storage fees shall be established by the City Council through adoption of a resolution.
- (d) After adoption of a resolution by the City Council and approval of the resolution by the Mayor, the fees that are provided for in Subsection (a) of this section shall be: (1) Published in a daily newspaper of general circulation and in the Journal of the City Council; (2) Made available at the Police Department and at the Office of the City Clerk; and (3) Reviewed by the City Council at least once every two years for adjustment, if any, of the fees established under this section.
- (e) Towing and storage fees that are authorized by City Council resolution shall become effective at the beginning of the next fiscal year or as close to the next fiscal year as the City Council finds practicable.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Sec. 46-2-94. One hook-up fee for successive tows.

The towing rates resolution may provide that, when a vehicle is transported by a tower or towers summoned by the police, only one hook-up fee may be charged, notwithstanding that the vehicle may have been successively transported by the tower from the traveled portion of a street, highway, or freeway to a position at or on the curb or onto the nearest side street, and then to a destination requested by the owner or permitted by the police officer in charge.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Sec. 46-2-95. When authorized.

- (a) No person shall perform any police authorized towing of any wrecked or disabled vehicle or any vehicle ordered impounded by a member of the Police Department without first having obtained written permission on forms approved by the Department, from the driver or owner of the vehicle or until the Detroit police officer investigating the wrecked or disabled vehicle, or vehicle subject to removal, shall have completed such officers investigation, and has given written permission for the towing service. A copy of the completed permission form shall be given to the authorizing person. Any person performing police authorized towing shall maintain a record of completed permission forms of all such towing for a period of six months. Completed forms must show total fees charged for services rendered.

- (b) The tower shall provide the vehicle owner or driver with a copy of the towing rate schedule approved by City Council.
- (c) In accordance with Section 252d(2) of the Michigan Vehicle Code, being MCL 257.252d(2), if the owner or other person who is legally entitled to the possession of a vehicle to be towed or removed arrives at the location where the vehicle is located before the actual towing or removal of the vehicle, the vehicle shall be disconnected from the tow truck, and the owner or other person who is legally entitled to possess the vehicle may take possession of, and remove, the vehicle without interference upon the payment of a service fee for which a receipt shall be provided.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Sec. 46-2-96. Requirements.

- (a) During a police authorized tow, as defined in Section 46-1-5 of this Code, the tower shall remove the vehicle from the traveled portion of the street, highway, or freeway:
 - (1) To a position at or on the curb or onto the nearest side street in order to remove the vehicle for the safety, health, and welfare of the persons using the traveled portion of the City's streets, highways, or freeways; or
 - (2) To a destination requested by the owner or driver; or
 - (3) To the City auto pound or precinct station at the direction of the police officer in charge in accordance with Article II, Division 4, of this chapter, or police impoundment pursuant to Section 252d of the Michigan Vehicle Code, being MCL 257.252d, which is incorporated by reference into this chapter through Section 46-3-1 of this Code; or
 - (4) To the private storage lot, yard or garage of the police authorized tower at the direction of the police officer in charge in the case of a wrecked or disabled vehicle, or any vehicle for the safekeeping pursuant to MCL 257.252d, provided, that the private storage lot, yard, or garage shall be located within the boundaries of the City and, provided further, that the driver or other person in charge of the vehicle is by reason of physical injury incapacitated to such an extent as to be unable to provide for its custody or removal or determine where the vehicle should be taken or is not otherwise immediately available to make such a decision. The towing and storage rates for such tow shall not exceed the rate established by resolution of the City Council after notice and hearing.
- (b) A police authorized tow:
 - (1) Shall include the removal of all debris from the street, highway, or freeway; and
 - (2) Shall be made by the shortest and best legal route.
- (c) In the case of a vehicle to be towed to a tower's private storage lot, yard, or garage under Subsection (a)(4) of this section, the tower shall prepare and sign an inventory of the contents and equipment of the vehicle on a multi-copy form approved by the Police Department. The police officer in charge shall sign the completed form as witness to the inventory and the Police Department shall retain the signed original. The form shall indicate the location where the vehicle owner may reclaim the vehicle. The tower shall retain one copy of the signed form and mail one copy to the vehicle owner or driver within 48 hours of the date the tow is performed.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Sec. 46-2-97. Payment.

- (a) *Responsibility for payment of tow fee:*

- (1) In the case of a vehicle towed to an owner- or a driver-requested destination or to a tower's private storage lot, yard, or garage under Section 46-2-96(a)(2) or (4) of this Code, the tower shall pursue payment for services rendered from the owner or driver of the vehicle and the City shall assume no responsibility for payment or collection of the tow bill.
- (2) The Police Department shall make arrangements to pay a police authorized tower for each tow of a vehicle to the City auto pound or precinct station under Section 46-2-96(a)(3) of this Code, for tows of illegally parked vehicles and for services for which payment by the vehicle owner is exempted by this Code. The Board of Police Commissioners may specify, with City Council approval and subject to Subsection (a) of this section, other circumstances under which the Police Department may arrange to pay the tow bill. Payment of a tow bill by the Police Department shall not relieve the vehicle owner of the owner's responsibility for payment and the owner shall reimburse the City for the amount of such bill except as a payment by the owner is exempted under Section 46-2-69 of this Code. In accordance with Section 2-111 of the Charter, the Board of Police Commissioners shall establish a procedure by which this subsection shall be implemented and administered.

(b) *Methods of payment accepted; receipt required.*

- (1) Tow companies shall accept cash, cashier's checks, debit cards and at least three major credit cards such as Visa, Mastercard, Discover, or American Express.
- (2) Tow companies shall provide an itemized receipt to the customer for each transaction.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Sec. 46-2-98. Release of stored vehicle.

Upon the presentation of proof of ownership and payment of permissible charges for towing, storage, and the administrative fee, no person shall refuse to release promptly and willingly any vehicle which is claimed by any owner or any owner's representative.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Secs. 46-2-99—46-2-110. Reserved.

Subdivision C. Non-Consensual Towing

Sec. 46-2-111. Towing vehicles from private property.

- (a) The following provisions apply to private property impounds accomplished by non-consensual tows:
 - (1) Tow companies shall not tow any vehicle from private property except by request of the property owner or other individual authorized to request such tow;
 - (2) Tow companies must notify and obtain Police Department approval, prior to the hook-up of a vehicle in conjunction with any private property impound;
 - (3) Tow companies shall maintain a written log of approvals required under Subsection (a)(1) of this section, and shall further maintain copies of documents, and photographs as follows:
 - a. The date and time of the approval;
 - b. The make and model and vehicle identification number of the vehicle, if ascertainable;
 - c. The condition of the vehicle and any existing damage;

- d. The location from which the vehicle is being towed;
 - e. The name, address, and telephone number of the owner or authorized agent of the private property who has authorized the tow of the vehicle from the private property;
 - f. The name of the tow company employee reporting the impound;
 - g. The name and badge number of the Police Department employee who approved the tow; and
 - h. Photographs of the entire exterior of the vehicle taken immediately prior to hook-up;
- (4) Both the vehicle, and documentary evidence required under Subsection (a)(3) of this section, must be brought to an authorized Police Department location within two hours of hook-up, and prior to moving the vehicle to a storage facility; and
- (5) Copies of any documentation or photographs required under Subsection (a)(3) of this section shall be made available to the vehicle owner upon request.
- (b) If the owner or other person who is legally entitled to the possession of a vehicle to be towed or removed arrives at the location where the vehicle is located before the actual towing or removal of the vehicle, the vehicle shall be disconnected from the tow truck, and the owner or other person who is legally entitled to possess the vehicle may take possession of, and remove, the vehicle without interference upon the payment of a reasonable service fee for which a receipt shall be provided.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Sec. 46-2-112. Inspection of storage lot by Police Department and other authorized City agents; requirements of tow company and storage lot.

- (a) For the purpose of ensuring compliance with this division, the owner, operator, or person in charge of the tow company's storage lot shall permit any employee, agent, sworn or civilian member of the Police Department as authorized by this Code, to inspect any portion of the premises during regular business hours, subject to constitutional restrictions on unreasonable searches and seizures.
- (b) All hard copy records pertaining to the towing, storage, redemption, scrap, salvage, or sale of a vehicle shall be retained for not less than six months unless a longer retention period is required by law.
- (c) Data on each vehicle shall be stored electronically and is subject to inspection and audit by the Department, subject to constitutional restrictions on unreasonable searches and seizures.
- (d) Each storage facility shall contain a digital camera recording system with DVR backup that shall:
 - (1) Be focused on the customer service areas, and ingress and egress points of the storage lot;
 - (2) Retain footage for no less than 21 days; and
 - (3) Be open to inspection subject to constitutional restrictions on unreasonable searches and seizures.
- (e) The tow company shall be responsible for securing the facility, including all vehicles located therein, for the safety of all towed vehicles.
- (f) Towers shall post signage which must be conspicuously displayed and easily visible at each storage lot, yard or garage, which expressly states the following for non-consensual tows:
 - (1) The schedule of all towing fees, storage fees, and additional charges;
 - (2) The procedure for contesting towing and storage charges at the 36th District Court;
 - (3) The procedures for filing a claim for damages incurred to the vehicle or contents thereof as a result of the tow or while in storage;

- (4) The list of documents required by the tow company in order for an owner to retrieve a towed vehicle; and
 - (5) A statement that the registered owner shall not be charged for the initial viewing of a recovered vehicle to retrieve title, registration, insurance documents, or personal property from the owner's vehicle.
- (g) The Police Department may seek, at the department's discretion, an administrative warrant for entry on the property, and the reviewing Magistrate or Judge shall issue the warrant if the request comports with applicable law and procedure.
- (Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Sec. 46-2-113. Recovery of abandoned, stolen, or suspected stolen vehicles.

Except as provided in Section 46-2-111 of this Code, towers shall not engage in non-consensual tows of abandoned, stolen, or suspected stolen vehicles without having a law enforcement official inspect the vehicle at the scene and having run the vehicle in the LEIN system prior to hook-up.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Sec. 46-2-114. Administrative fees.

- (a) An administrative fee shall be charged to, and paid by, the owner of each vehicle towed by a private tow company in a non-consensual tow, other than a Department authorized tower, from a location inside the City.
- (b) The Police Department shall establish the administrative fee for non-consensual tows in accordance with Section 9-507 of the Charter subject to approval by the City Council through adoption of a resolution.
- (c) After adoption of a resolution by the City Council and approval of the resolution by the Mayor, the fees that are provided for in Subsection (a) of this section shall be:
 - (1) Published in a daily newspaper of general circulation and in the Journal of the City Council;
 - (2) Made available at the Police Department and at the Office of the City Clerk; and
 - (3) Reviewed by the Chief at least once every two years.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Sec. 46-2-115. Methods of payment accepted; receipt required.

- (a) Tow companies shall accept cash, cashier's checks, debit cards and at least three major credit cards such as Visa, Mastercard, Discover, or American Express.
- (b) Tow companies shall provide an itemized receipt to the customer for each transaction.

(Ord. No. 2021-34 , § 1, eff. 10-18-2021)

Secs. 46-2-116—46-2-130. Reserved.


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TO: Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division

RE: Tow Rate Commission

DATE: December 14, 2023

Councilmember Gabriela Santiago-Romero requested LPD provide a report responding to questions regarding the Tow Rate Commission, its establishment, and the process by which it can be impaneled to review fees associated with Police Authorized Towing. The following is our response to this request. Specifically, Council Member Santiago-Romero posed the following questions.

- Has the tow rate commission been created?
- If so, does the commission have plans to submit a recommendation to City Council on its fee structure?
- If not, what steps does City Council need to take to establish the commission?
- When was the last time the fees were reviewed?

With regard to whether the tow rate commission has been created, the Detroit City Code under Section 46-2-91 sets forth the mechanism for its creation and provides the following:

Sec. 46-2-91. Tow rates for police authorized towing.

(a) A Towing Rate Commission shall be created, composed of the Auditor General as Chairperson, the Director of Buildings, Safety, Engineering, and Environmental Department or designated representative, the Chief of Police or designated representative, a representative

of the public appointed by the mayor, and a representative of the towing industry appointed by City Council.

(b) Such commission shall be charged with the duty of reviewing the administrative, towing, service, and storage fees for police authorized towing at least once every two years and submitting its recommendation to City Council by October 1st of the year of review. If the towing rate commission fails to forward such recommendation within the time provided, City Council may adopt a resolution to set the administrative, towing, service, and storage fees without such recommendation.

(c) Any tow contract initiated after calendar year 2021 shall be evaluated to determine whether an income-based rate structure or tow hardship policy is feasible. Such findings shall be submitted to the City Council via resolution for consideration.

The Towing Rate Commission (TRC) was established pursuant to Section 46-2-91. Since its establishment, the TRC was last convened in 2012. During this 2012 meeting, the TRC recommended to City Council that a tow rate increase be implemented. The tow rate fees are provided by City Council pursuant to Section 46-2-93, which provides:

Sec. 46-2-93. - Establishment, approval, and publication of towing, and storage, and administrative fees.

(a) No person performing police authorized towing or storage service on such wrecked or disabled vehicle shall charge fees in excess of the rates set by resolution of City Council. Such towing fee may consist of a flat rate hook-up fee plus an additional charge for each mile a vehicle is towed beyond one mile. Storage fees may be set on a *per diem* basis. The City Council may establish, by resolution, maximum fees for dolly tows, standard rates for police authorized towing to the City auto pound in lieu of the normal rates, excess time spent at the scene of a tow, separate fees for accident and non-accident tows to the curb or nearest side street, "dry runs" when the tower appears at the request of the Police Department, but does not perform an otherwise compensable towing task through no fault of the tower, and other necessary services.

(b) An administrative fee, as determined by City Council, shall be charged to the owner of each vehicle towed by a police authorized tower and shall be paid to the City when the vehicle is either redeemed or sold for a price that exceeds the towing and storage fees owed.

(c) In accordance with Section 9-507 of the Charter and based on the reasonable cost of towing and storing a vehicle, *such towing and storage fees shall be established by the City Council through adoption of a resolution.*

(d) After adoption of a resolution by the City Council and approval of the resolution by the Mayor, the fees that are provided for in Subsection (a) of this section shall be: (1) Published in a daily newspaper of general circulation and in the Journal of the City Council; (2) Made available at the Police Department and at the Office of the City Clerk; and (3) Reviewed by the City Council at least once every two years for adjustment, if any, of the fees established under this section.

(e) Towing and storage fees that are authorized by City Council resolution shall become effective at the beginning of the next fiscal year or as close to the next fiscal year as the City Council finds practicable.

In May of 2013, Council approved a tow rate increase upon the recommendation of the TRC and Board of Police Commissioners (BOPC).¹

The 2013 approved tow rate of \$215.00, breaks down as follows²

\$125.00	TO THE TOW COMPANY
\$75.00	ADMINISTRATION FEE TO THE CITY
\$15.00	PER DAY STORAGE

Prior to 2013, there had not been an increase in the previous seventeen (17) years. The previous fee structure was as follows:³

\$75.00	TO THE TOW COMPANY
\$0	ADMINISTRATION FEE TO THE CITY
\$8.00	PER DAY STORAGE (First 3 days free)

In the 10 years since the last tow rate increase, it does not appear that a review of the administrative, towing, service, and storage fees have taken place at least once every two years as the procedure is outlined in the ordinance. If as it appears, no review or recommendation from the TRC has been submitted, City Council may request that the Auditor General (AG), as Chairperson of the TRC, convene the Commission to study and review the current rates and determine the necessity of an increase as prescribed by ordinance, or, City Council may adopt a resolution to set the administrative, towing, service, and storage fees without such recommendation, as set forth in Section 46-2-91(b).

If Council chooses to urge a meeting of the TRC to conduct a review of the administrative, towing, service, and storage fees as originally outlined in the ordinance, it is important to note, the BOPC has broad supervisory authority within the Police Department and in the past, reviewed recommendations for fee increases from the TRC. The BOPC's eleven-members are comprised of seven elected members and four appointed by the mayor. However, it does not appear that an affirmative recommendation from the BOPC is required for City Council to adopt a resolution approving the new fee schedule. Nonetheless, traditionally both the BOPC and the TRC have offered input on the fees prior to the adoption of a resolution by City Council.

The Legislative Policy Division (LPD) has been in contact with the Office of the Auditor General (AG). We have been informed that if it is the desire of the body, the AG stands ready to proceed with the process of reconvening the TRC for the purpose of reviewing Police Authorized Towing Rates and offering a recommendation to this Honorable Body.

¹ <https://detroitmi.gov/Portals/0/docs/policecommissioners/2016/Police%20Authorized%20Towing%20Presentation.pdf>

² Evidence tows and victims of carjacking, RA, CSC, and homicide are not charged. The fee is paid by the city of Detroit

³ Detroit towing cost could increase 166 percent; city would reap \$4 million, police commissioner says Updated: Apr. 12, 2013, 5:52 p.m. | Published: Apr. 12, 2013, 4:52 p.m.

⁴ Information relative to date of last rate increase and most recent empanelment of commission confirmed by DPD

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regional transit policy, needs and funding going forward under the direction of the RTA; and BE IT FINALLY

RESOLVED, That a copy of this Resolution be sent to Marisol Simon, Regional Administrator of the Federal Transit Administration, Governor Rick Snyder, Mayor Dave Bing, Paul Tait, Executive Director of SEMCOG, and the SEMCOG Executive Committee Board members.

Adopted as follows:

Yeas — Council Members Brown, Cockrel, Jr., Jenkins, Jones, Spivey, Tate, and President Pugh — 7.

Nays — None.

*WAIVER OF RECONSIDERATION (No. 3), per motions before adjournment.

WHEREAS, The Towing Rate Commission recently voted to recommend that the following tow rates take immediate effect as follows:

For private towing services engaged by the Detroit Police Department:

a) To private or city storage pursuant to 55-15-1(3)(4), a flat rate of \$125.00 for the towing of any vehicle less than 10,000 pounds, gross vehicle weight, shall be charged to and paid by the owner of the vehicle towed. This rate shall apply regardless of the time and the equipment used during such tows. An additional truck fee of \$75.00 may be charged when the use of a second truck is deemed necessary by the Police Department. The second truck fee shall be charged to and paid by the owner of the vehicle towed. An additional storage fee of \$15.00 may be charged for each day of storage.

b) To private or city storage pursuant to 55-15-1(3)(4), a flat rate of \$175.00 for the towing of any vehicle 10,000 pounds or more, gross vehicle weight, but less than 60,000 pounds, gross vehicle weight, may be charged to and paid by the owner of the vehicle towed. This rate shall apply regardless of the time and the equipment used during such tows. A storage fee of \$20.00 may be charged for each day of storage.

c) To private or city storage pursuant to 55-15-1(3)(4), for any vehicle 60,000 pounds gross vehicle weight or more, a flat rate of \$300.00 may be charged to and paid by the owner of the vehicle towed. This rate shall apply regardless of the time and the equipment used during such tows. An additional truck fee of \$150.00 per hour or any part thereof, with a maximum of six (6) hours, may be charged when the need for a second truck is deemed necessary by the Detroit Police Department. The second truck fee shall be charged to and paid by the owner of the vehicle towed. A storage fee of \$25.00 may be charged for each day of storage.

d) A fee of \$100.00 for each boat, trailer, recreational vehicle, or any miscellaneous

item shall be charged to and paid by the Detroit Police Department.

e) An administrative fee of \$75.00 shall be charged to and paid by the owner of each vehicle, boat, trailer, recreational vehicle, or any miscellaneous item. An administrative fee of \$75.00 shall be added to the opening bid amount for each unclaimed vehicle, boat, trailer, recreational vehicle or any miscellaneous item offered for sale at public auction. The administrative fee shall be collected by the authorized tower at the time of redemption/auction and remitted to the City of Detroit.

Under circumstances where the Detroit Police Department compensates a police authorized tower for the tow of any vehicle, boat, trailer, recreational vehicle, or any miscellaneous item, such payment shall not relieve the owner of his/her responsibility for payment and the owner shall reimburse the city for the amount of such payment (55-15-8(e)) except as such payment is exempted under section 55-14-9.

f) For each tow to any private or city storage pursuant to the above rates, storage charges shall begin immediately upon the towing of each vehicle. Further, police authorized towers shall not be obligated to pay any administrative fee assessed on any vehicle towed to a city storage yard; rather, the administrative fee shall be charged to and paid by the owner of the vehicle towed.

WHEREAS, The change in the towing rate is necessary due to the increase in operating costs.

WHEREAS, Ordinance 55-15-5 and Ordinance 14-85 gives the City Council the authority to establish maximum and standard rates for police authorized tows.

NOW THEREFORE BE IT

RESOLVED, That the above tow rates shall take immediate effect.

Adopted as follows:

Yeas — Council Members Brown, Cockrel, Jr., Jenkins, Jones, Spivey, Tate, and President Pugh — 7.

Nays — None.

*WAIVER OF RECONSIDERATION (No. 4), per motions before adjournment.

And the Council then adjourned.

CHARLES PUGH
President

JANICE M. WINFREY,
City Clerk

(All resolutions and/or ordinances except Resolutions of Testimonial or In Memoriam, are generally in the name of the Council Member who was chairperson of the day of the City Council Meeting on which the resolution was introduced.)

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CITY COUNCIL

(REGULAR SESSION)

(All action of the City Council appearing herein is subject to reconsideration and/or approval of the Mayor.)

Detroit, Tuesday, April 30, 2013

Pursuant to adjournment, the City Council met at 10:00 A.M., and was called to order by the President Charles Pugh.

Present — Council Members Brown, Cockrel, Jr., Jenkins, Jones, Spivey, Tate, Watson, and President Pugh — 8.

Invocation Given By:

Council Member JoAnn Watson
Coleman A. Young Municipal Center
Two Woodward Avenue
Detroit, MI 48226

There being a quorum present, the City Council was declared to be in session.

The Journal of the Session of April 16, 2013 was approved.

RECONSIDERATIONS

NONE.

UNFINISHED BUSINESS

NONE.

PRESIDENT'S REPORT ON STANDING COMMITTEE REFERRALS AND OTHER MATTERS

NONE.

RESOLUTION

By ALL COUNCIL MEMBERS:
THE FOLLOWING ITEMS ARE BEING REFERRED TO THE BUDGET, FINANCE AND AUDIT STANDING COMMITTEE:
FINANCE DEPARTMENT/PURCHASING DIVISION

Submitting the following Finance Department/Purchasing Division Contracts:

1. Submitting reso. autho. **Contract No. 2876717** — (100% City Funding) — To Provide Public Safety Headquarters Building Management — Hines Detroit Services, LLC, One Campus Martius, Suite 3W, Detroit, MI 48226 — Contract Period: May 1, 2013 through April 30, 2016 — Contract Amount Not to Exceed: 2,760,000.00. **Finance.**

OFFICE OF THE OMBUDSMAN

2. Submitting responses to questions from Council Member Tate regarding Fiscal Year 2013-2014 Budget.

Adopted as follows:

Yeas — Council Members Brown, Cockrel, Jr., Jenkins, Jones, Spivey, Tate, Watson, and President Pugh — 8.

Nays — None.

RESOLUTIONS

By ALL COUNCIL MEMBERS:

THE FOLLOWING ITEMS ARE BEING REFERRED TO THE INTERNAL OPERATIONS STANDING COMMITTEE:
FINANCE DEPARTMENT/PURCHASING DIVISION

Submitting the following Finance Department/Purchasing Division Contracts:

1. Submitting reso. autho. **Contract No. 2796123** — (100% City Funding) — (CCR: March 29, 2009) — To Provide Moving Services — BDM Transport LLC, 1301 W. Lafayette, Suite 419, Detroit, MI 48226 — Contract Period: March 15, 2013 through March 15, 2014 — Estimated Cost: \$437,750.00. **General Services.**

Renewal of existing contract.

LAW DEPARTMENT

2. Submitting reso. autho. **Settlement** in lawsuit of Roddie Battle vs. City of Detroit, et al. Case No.: 11-001240NI. File No.: A20000.003160 (YRB); in the amount of \$5,000.00; by reason of alleged injuries sustained during an auto accident on or about June 3, 2010.

3. Submitting reso. autho. **Settlement** in lawsuit of Eric Kimbrough vs. City of Detroit; Case No.: 12-000721-NF; File No. A20000-003306 (CC); in the amount of \$90,000.00; by reason of alleged injuries sustained on or about February 7, 2011.

4. Submitting reso. autho. **Settlement** in lawsuit of MedCity Rehabilitation Services, LLC vs. City of Detroit. Case No. 12-002422-NF. File No. A20000.003356 (JDN); in the amount of \$50,000.00 by reason of alleged payment due for medical services rendered to Vincent Muse, Monique Wilcox, Evangeline Isom and Hollis Peguese.

5. Submitting reso. autho. **Agreement of Binding Arbitration Award** in lawsuit of Thomas McCracken et. al. vs. City of Detroit, et. al., Wayne County Circuit Court Case No.: 09-010633-CZ; in the amount of not more than \$500,000.00 for any and all claims arising out of the incidents cited within their complaint.

6. Submitting reso. autho. **Order of Dismissal and to Enter into an Agreement to Arbitrate** in lawsuit of Jessie Payne vs. City of Detroit and Derrick Averitt; Case No.: 12-126172-NI and 12-129554-NF; File No.: A20000-003390 and A20000.003505 (CB); in an amount of not more that \$750,000.00 for any and all claims arising out of the incident which occurred on or about February 17, 2012 at or near Northland Mall Parking Lot.

Adopted as follows:

Yeas — Council Members Brown, Cockrel, Jr., Jenkins, Jones, Spivey, Tate, Watson, and President Pugh — 8.

Nays — None.

EXHIBIT A: SCOPE OF SERVICES

I. Notice to Proceed

The term of this Contract shall begin upon City Council approval and, unless sooner terminated, shall terminate on July 31, 2027. The Contractor shall commence performance of this Contract upon receipt of a written "Notice to Proceed" from the City and in the manner specified in the Notice to Proceed.

II. Services to be Performed

~~Project Description:~~ The Contractor (also referred to as "police authorized tower"; "tower"; or "tow company") shall provide police authorized towing and recovery services for the Detroit Police Department ("DPD" or "the Department"). This includes, but is not limited to, the removal of motor vehicles, motorcycles, mopeds, boats, recreational vehicles, safes, ATM machines, and other items as determined by the City, to a place of safekeeping. The Contractor shall tow and, where authorized, store vehicles at its tow lot. To the extent that the Contractor has proposed to only tow vehicles, the storage provisions of this Scope of Services shall not apply. If the Contractor should at a later date seek to only tow, but not store vehicles, the Contractor shall seek and obtain DPD's prior written approval.

A. Project Objective

The City of Detroit is responsible for maintaining clean, safe, and functional streets. Citizens are entitled to a well-managed vehicle towing system that affords them a high level of customer service, convenience, courtesy, and professionalism. Accordingly, this to provide police authorized towing services for the DPD.

B. Project Requirements

1. Rotational Towing System

The Police Towing and Impound Unit shall serve as the Department's primary towing service.¹ When DPD Towing is not available, private towers shall be utilized in a manner consistent with the following Requirements and in accordance with the provisions of this Contract and local, state, and federal laws.

Police authorized towing companies shall be dispatched to scenes where towing services are required² on a rotational basis according to the following Requirements:

¹ Absent change of circumstances, the Department will deploy its tow trucks in such manner and subject to the same conditions, reservations, and discretions as set forth in the former Chief of Police James E. Craig's letter to the Detroit City Council, dated May 4, 2020.

² The Department will only dispatch one towing company to each scene where towing services are required. It shall be the responsibility of the tow company to respond with sufficient equipment to address the towing and recovery needs of the DPD.

a. General Tows

To the extent feasible, each authorized tower will tow on a rotational basis within the precinct in which they are located. Precincts lacking adequate authorized tow companies to cover their respective areas shall have towers assigned on the basis of their geographical distance to the actual precinct station. To the extent Contractor believes there has been a violation of the rotational system, or that the Contractor has not received certain tows to which the Contractor is entitled, the Contractor shall immediately report such violation to the DPD. DPD shall take such action as it deems appropriate in its discretion. Contractor hereby waives and releases any claim against DPD, the City, or any of their agents or employees, seeking money damages for the Contractor's failure to receive tows or for any violation of the rotational system.

b. Evidence Tows

The Department shall maintain a separate rotation for the towing of evidence vehicles. Vehicles towed as evidence must be conveyed to 11631 Mt. Elliott Ct. or to another site as designated by the DPD. The tow company shall be compensated according to the City's authorized towing rates. The rotation for evidence tows shall be constructed according to the same standards set forth in these Requirements. However, tow companies may be temporarily removed from the towing rotation in the event the money on the company's contract is depleted or the contract expires or otherwise is terminated.

c. Forfeiture Tows

The Department shall maintain a separate rotation for the towing of forfeiture vehicles. Vehicles towed for forfeiture must be conveyed to 9425 Grinnell or to another site as designated by the DPD. The tow company shall be compensated according to the City's authorized towing rates. The rotation for forfeiture tows shall be constructed according to the same standards set forth in these Requirements. However, tow companies may be temporarily removed from the towing rotation in the event the money on the company's contract is depleted or the contract expires or otherwise is terminated.

d. Heavy Duty Tows

The Department shall maintain a separate rotation for the towing of vehicles weighing 10,000 lbs. or more and where removal of the vehicle requires a heavy duty tow truck. The heavy duty tow rotation shall be purely rotational and not based on geographic area.

e. Detail Tows

Details include any instance where a tow truck will be required to be on scene or on standby and a minimum of three (3) vehicles will be towed. This includes raids, blitzes, events, or other special deployment activities. The command requesting the Detail Tow will file the appropriate request with the appropriate DPD entity. A rotation specific to the detail will then be constructed. The tow company will be notified and the control number given directly to the tow company. A supervisor assigned to the detail is responsible for ensuring proper administration of the detail.

f. Other Assignments

The Department may require an authorized tower to keep one (1) or more tow trucks on standby in the downtown area or other location for an extended period of time. Tow companies will be assigned to cover such details for a one (1) week period on a rotational basis. In the event the tow truck is needed for a detail under this provision, the company assigned to cover the week will be notified and must supply the requested coverage.

g. Tow Response Time

Tow companies shall respond with the appropriate equipment to the designated point of tow within 20 minutes of dispatch. A tow company providing heavy duty services shall respond within 35 minutes of the request for heavy duty towing services.

Towers shall be responsible for tracking their response times and shall notify the DPD Tow Monitor in writing of every instance in which the tower failed to respond within the required timeframe. The notification shall include the reason for the delay and the corrective action taken.

h. Cancellation Protocols

The DPD shall promptly cancel a tower once information is received that the tow is no longer needed. In such circumstances, the tower shall be placed at the top of the rotation and shall receive the next towing opportunity.

Towers that are cancelled for excessive response time shall be placed back into the rotation in the same manner as if they had handled the tow.

The tow company shall notify the DPD Tow Monitor in writing each time a tow is cancelled so that the DPD Tow Monitor may follow up to ensure the rotation was appropriately updated. The notification must be sent within 24 hours of the event and include the date / time of the tow and the cancellation. Tow companies that fail to make this notification may be subject to discipline, including, but not limited to, forfeiture of any tow opportunity it may have been entitled to had the rotation been appropriately updated.

i. Unfulfilled Towing Assignments

Towing assignments that cannot be fulfilled by the Contractor originally called must be referred back to the DPD Dispatch Center for reassignment and may not be reassigned by the Contractor. In the event such an occurrence takes place, the Contractor shall notify the DPD Tow Monitor in writing within 24 hours of the occurrence. The notification shall include the date / time of the call for service, the reason the assignment could not be fulfilled, and any corrective action by the tow company to ensure such an occurrence does not again take place. In his / her discretion, the DPD Tow Monitor may impose a summary suspension of up to one week for each occurrence. The DPD Tow Monitor shall notify the DPD and the Board of Police Commissioners each time such a suspension is imposed.

assumes all risk of dangerous conditions when not performing Services inside City offices. The Contractor also agrees to waive and release any claim or liability against the City for personal injury or property damage sustained by it or its Associates while performing under this Contract on premises that are not owned by the City.

- 9.03 In the event any action shall be brought against the City by reason of any claim covered under this Article 9, the Contractor, upon notice from the City, shall at its sole cost and expense defend the same.
- 9.04 The Contractor agrees that it is the Contractor's responsibility and not the responsibility of the City to safeguard the property that the Contractor or its Associates use while performing this Contract. Further, the Contractor agrees to hold the City harmless for any loss of such property used by any such person pursuant to the Contractor's performance under this Contract.
- 9.05 The indemnification obligation under this Article 9 shall not be limited by any limitation on the amount or type of damages, compensation, or benefits payable under workers' compensation acts or other employee benefit acts.
- 9.06 The Contractor agrees that this Article 9 shall apply to all claims, whether litigated or not, that may occur or arise between the Contractor or its Associates and the City and agrees to indemnify, defend and hold the City harmless against any such claims.

Article 10: Insurance

10.01 During the term of this Contract, the Contractor shall maintain the following insurance, at a minimum and at its expense:

TYPE	AMOUNT NOT LESS THAN
a. Workers' Compensation	Michigan Statutory minimum
b. Employers' Liability	\$500,000.00 minimum each disease \$500,000.00 minimum each person \$500,000.00 minimum each accident
c. Commercial General Liability Insurance (Broad Form Comprehensive)	\$1,000,000.00 each occurrence \$2,000,000.00 aggregate
d. Garage Keeper's Legal Liability Insurance	\$50,000.00
e. Automobile Liability Insurance (covering all owned, hired and non-owned vehicles with personal and property protection insurance, including residual	\$1,000,000.00 combined single limit for bodily injury and property damage

liability insurance under Michigan
no fault insurance law)

- 10.02 The commercial general liability insurance policy shall include an endorsement naming the "City of Detroit" as an additional insured. The additional insured endorsement shall provide coverage to the additional insured with respect to liability arising out of the named insured's ongoing work or operations performed for the additional insured under the terms of this Contract. The commercial general liability policy shall state that the Contractor's insurance is primary and not excess over any insurance already carried by the City of Detroit and shall provide blanket contractual liability insurance for all written contracts.
- 10.03 Each such policy shall contain the following cross-liability wording: "In the event of a claim being made hereunder by one insured for which another insured is or may be liable, then this policy shall cover such insured against whom a claim is or may be made in the same manner as if separate policies had been issued to each insured hereunder."
- 10.04 All insurance required by this Contract shall be written on an occurrence-based policy form, if the same is commercially available.
- 10.05 The Commercial General Liability policy shall be endorsed to have the general aggregate apply to the Services provided under this Contract only.
- 10.06 If during the term of this Contract changed conditions or other pertinent factors should, in the reasonable judgment of the City, render inadequate the insurance limits, the Contractor shall furnish on demand such additional coverage or types of coverage as may reasonably be required under the circumstances. All such insurance shall be effected at the Contractor's expense, under valid and enforceable policies, issued by insurers licensed to conduct business in Michigan and are otherwise acceptable to the City.
- 10.07 All insurance policies shall name the Contractor as the insured. Certificates of insurance evidencing the coverage required by this Article 10 shall, in a form acceptable to the City, be submitted to the City prior to the commencement of the Services and at least fifteen (15) days prior to the expiration dates of expiring policies. In the event the Contractor receives notice of policy cancellation, the Contractor shall immediately notify the City in writing.
- 10.08 If any work is subcontracted in connection with this Contract, the Contractor shall require each Subcontractor to effect and maintain the types and limits of insurance set forth in this Article 10 and shall require documentation of same, copies of which documentation shall be promptly furnished the City.
- 10.09 The Contractor shall be responsible for payment of all deductibles contained in any insurance required under this Contract. The provisions requiring the Contractor to carry the insurance required under this Article 10 shall not be construed in any manner as waiving or restricting the liability of the Contractor under this Contract.