



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: January 24, 2022

RE: **Budget Transfer - Award of Contract No. 21-22 – City of Ketchikan Vehicle Towing, Storage and Disposal, Purdy's Towing**

As indicated in the attached memorandum from Contracts/Grants Administrator Bob Diaz, the City has advertised for sealed bids for Contract No. 21-22, City of Ketchikan Vehicle Towing, Storage and Disposal. This contract is for a period of two years.

One bid was received and publicly opened on Thursday, January 6, 2022 at 2:00 p.m. in the City Clerk's Office. The Contracts/Grants Administrator's report contains a summary of the bid received.

Mr. Diaz is recommending acceptance of the bid received from Purdy's Towing. As noted in Mr. Diaz's attached memorandum, a \$13,500 shortfall in the Public Works-Solid Waste – Disposal Division's 2022 Salvage & Disposal of Impounded Property account (Account No. 620.02) is projected under this contract award and a budget transfer from appropriated reserves of the Solid Waste Services Fund is necessary.

The Contracts/Grants Administrator and Acting Public Works Director will be attending the City Council meeting of February 3, 2022, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended that the City Council adopt the motion accepting the bid of Purdy's Towing for Contract No. 21-22, City of Ketchikan Vehicle Towing, Storage and Disposal; authorizing a budget transfer in the amount of \$13,500 from appropriated reserves of the Solid Waste Services Fund to the Public Works-Solid Waste – Disposal Division's 2022 Salvage & Disposal of Impounded Property account (Account No. 620.02); authorizing funding from the Public Works-Solid Waste – Disposal Division's 2022 Salvage & Disposal of Impounded Property account (Account No. 620.02); and directing the Acting City Manager to execute the contract documents on behalf of the City Council.

Recommended Motion: I move the City Council accept the bid of Purdy's Towing for Contract No. 21-22, City of Ketchikan Vehicle Towing, Storage and Disposal; authorize a budget transfer in the amount of \$13,500 from appropriated reserves of the Solid Waste Services Fund to the Public Works-Solid Waste – Disposal Division's 2022 Salvage & Disposal of Impounded Property account (Account No. 620.02); authorize funding from the Public Works-Solid Waste – Disposal Division's 2022 Salvage & Disposal of Impounded Property account (Account No. 620.02); and direct the Acting City Manager to execute the contract documents on behalf of the City Council.

MEMORANDUM

TO: Lacey Simpson, Acting City Manager

CC: Michelle Johansen, Finance Director
Eric Mattson, Acting Police Chief

VIA: Kara Jurczak, P.E., Acting Public Works Director

FROM: Bob Diaz, Contract/Grants Administrator

DATE: January 21, 2022

SUBJECT: Contract No. 21-22 – Vehicle Towing, Storage, and Disposal

On Thursday, January 6, 2022, at 2:00 pm, the City Clerk opened sealed bids for Contract No. 21-22, Vehicle Towing, Storage, and Disposal. The bid packet for this contract had been compiled by this office and made available online. In addition, an invitation to bid was placed in the Ketchikan Daily News on December 22, 23, and 30.

One (1) bid was received, opened, and read aloud; a summary of which is attached (See Attachment A – Bid Summary)

Purdy's Towing submitted the apparent low bid and a Notice of Intent to Award for Contract No. 21-22 was issued on January 13, 2022. If approved, this contract will be valid for a two year period beginning on February 29, 2022.

With regard to the proposed 29% increase in the charge for 'Disposal Costs', Purdy reviewed his situation with staff and provided additional explanation (See Attachment B - Letter from Purdy's Towing). As a result, in the future, staff will consider rewriting this contract so that Actual Costs for certain work items or situations are covered explicitly.

Of more immediate concern is the imminent impact this year now that staff estimates a \$13,500 shortfall in the Towing and Salvage Impound and Disposal of Property Account (220-1560-270-620.02). To compensate, staff recommends a budget transfer of \$13,500 to this account from the appropriated reserves of the Solid Waste Services Fund.

A motion has been prepared for City Council consideration.

RECOMMENDATION

The Public Works Department recommends awarding Contract No. 21-22 for Vehicle Towing, Storage, and Disposal services to Purdy's Towing; authorizing a budget transfer in the amount of \$13,500 from the appropriated reserves of the Solid Waste Services Fund to Solid Waste's 2022 Towing and Salvage Impound and Disposal of Property Account 620.02; and directing the City Manager to execute the contract documents on behalf of the City Council.

Recommended Motion: I move the City Council award Contract No. 21-22 for Vehicle Towing, Storage, and Disposal services to Purdy's Towing; authorize a budget transfer in the amount of \$13,500 from the appropriated reserves of the Solid Waste Services Fund to Solid Waste's 2022 Towing and Salvage Impound and Disposal of Property Account 620.02; and direct the City Manager to execute the contract documents on behalf of the City Council.

Attachments:

A – Bid Summary

B – Letter from Purdy's Towing

BID SUMMARY

Description per Contract 21-22	Requirement	Bid 1 of 1	17-38 Info (old)	Comment
Bidder		Purdy's Towing	Purdy	
General Storage Facility, Location	Section 1.05(a)	904 D1 Loop Rd	892 D1 Loop Road	
Disposal Cost per Unsold Vehicle	Section 1.08(e)	\$ 900.00	\$ 700.00	29% ↑
Basic Wrecker Service, max	Section 2.01(b)			
day, < 6k lbs		\$ 100.00	\$ 100.00	NC
night, < 6k lbs		\$ 150.00	\$ 150.00	NC
day, > 6k lbs		\$ 160.00	\$ 160.00	NC
night, > 6k lbs		\$ 250.00	\$ 250.00	NC
Mileage Charge per Mile, max	Section 2.01(b)			
day, < 6k lbs		\$ 10.00	\$ 10.00	NC
night, < 6k lbs		\$ 10.00	\$ 10.00	NC
day, > 6k lbs		\$ 20.00	\$ 20.00	NC
night, > 6k lbs		\$ 20.00	\$ 20.00	NC
Winch Rate per Hour, max	Section 2.01(b)			
day, < 6k lbs		\$ 100.00	\$ 100.00	NC
night, < 6k lbs		\$ 150.00	\$ 150.00	NC
day, > 6k lbs		\$ 200.00	\$ 200.00	NC
night, > 6k lbs		\$ 200.00	\$ 200.00	NC
Wheel Lift, max	Section 2.01(b)			
day, < 6k lbs		\$ 75.00	\$ 75.00	NC
night, < 6k lbs		\$ 100.00	\$ 100.00	NC
day, > 6k lbs		\$ 75.00	\$ 75.00	NC
night, > 6k lbs		\$ 100.00	\$ 100.00	NC
Dolly Charge, max	Section 2.01(b)			
day, < 6k lbs		\$ 75.00	\$ 75.00	NC
night, < 6k lbs		\$ 100.00	\$ 100.00	NC
day, > 6k lbs		\$ 75.00	\$ 75.00	NC
night, > 6k lbs		\$ 100.00	\$ 100.00	NC
Service Call, max	Section 2.01(b)			
day, < 6k lbs		\$ 100.00	\$ 100.00	NC
night, < 6k lbs		\$ 150.00	\$ 150.00	NC
day, > 6k lbs		\$ 100.00	\$ 100.00	NC
night, > 6k lbs		\$ 150.00	\$ 150.00	NC
Extra man per hour, max	Section 2.01(b)			
day, < 6k lbs		\$ 50.00	\$ 50.00	NC
night, < 6k lbs		\$ 100.00	\$ 100.00	NC
day, > 6k lbs		\$ 50.00	\$ 50.00	NC
night, > 6k lbs		\$ 100.00	\$ 100.00	NC
Show up fee plus mileage within city limit	Section 2.01(b)			
day, < 6k lbs		\$ 100.00	\$ 100.00	NC
night, < 6k lbs		\$ 100.00	\$ 100.00	NC
day, > 6k lbs		\$ 100.00	\$ 100.00	NC
night, > 6k lbs		\$ 100.00	\$ 100.00	NC
Plus Wrecker Service	Section 2.01(b)			
day Winch Charge, min		\$ 100.00	\$ 100.00	NC
night Winch Charge, min		\$ 150.00	\$ 150.00	NC
extra man Charge, min		\$ 50.00	\$ 50.00	NC
Canceled Call, max	Section 2.01(c)			
day, after arrival (inside city limits)		\$ 75.00	\$ 75.00	NC
night, after arrival (inside city limits)		\$ 100.00	\$ 100.00	NC
Daily Storage Fee, max	Section 2.02	\$ 30.00	\$ 30.00	NC
After Hours Release Fee, max	Section 2.04	\$ 50.00	\$ 50.00	NC

NC = No Change

Purdy's Towing

904 D1 Loop Rd
PO Box 5852
Ketchikan, AK 99901
(907) 247-6481 Phone (907) 225-8397 Fax
purdytowing@gmail.com

January 19, 2022

We have been working with the City of Ketchikan for 10 years now and it was a learning curve to say the least. With all of the data that we have collected over those 10 years we realize that our community has shifted. Instead of the college student coming here to earn their money during summer, and leaving their A to B car on the side of the road while going back to college. We now have a large community of homeless living in cars, motorhomes and such.

Our increase in the price of disposal of a vehicle may alarm the council, here is our explanation of this increase.

1. Disposal of motorhomes/ tour busses/ campers and boats cost a lot more than vehicle.
 - a. Sewage tanks have to be dumped by us
 - b. Interior has to be cleaned of needles, moldy clothes and trash
2. Most vehicles that our now being towed are full of trash and needles due to our increased homeless population. All vehicles need to be cleaned of trash before disposal.
 - a. Additional Fees to the landfill
 - b. Additional labor to clean out
3. Current Contract Reads: Vehicles towed to KPD for investigation (Search Warrant) is free of charge 24/7. We should be paid for towing vehicles regardless of the situation.
4. Current Contract Reads: Cancellation after call, no charge if we don't arrive on scene before the cancellation. Often times leaving a paying job (supplement City income) to get to a call that gets cancelled before arrival.
5. Current Contract Reads: Registered Owner can have vehicle back at no cost when held for investigation.
 - a. Drunk driver runs, no proof that it was the owner so they get the vehicle back for free. Many of these happen in the wee hours and we get called out to assist.
 - b. Car gets "stolen" and left in the middle of the road with no keys. Because there is no proof, we get to bear the burden. Again, in the middle of the night while sleeping. No Charge.

Thank you for your consideration.

Purdy's Towing

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Just some of the photos of cleaning out trash from vehicles.

