

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 14-050

WHEREAS, The San Francisco Municipal Transportation Agency Board of Directors approved Resolution No. 14-016 and authorized the Director of Transportation to execute the First Amendment to the Restated and Amended Towing Agreement and an Amended and Restated Revocable License to Enter and Use Property (License Agreement) between the SFMTA and TEGSCO, LLC, d.b.a. San Francisco AutoReturn; and,

WHEREAS, Resolution No. 14-016 and the earlier version of the License Agreement both inaccurately reflected the negotiated and intended rent credit to AutoReturn for moving and increased operating expenses associated with relocating its long-term abandoned vehicle storage from Pier 70 to 2650 Bayshore Blvd.; and,

WHEREAS, San Francisco AutoReturn has acted as contractor for towing services for the SFMTA since 2004 and is currently under an agreement for services through July 2015, including management of a long-term vehicle storage facility and vehicle auction area; and,

WHEREAS, At the time of contract award, a portion of the Port of San Francisco's Pier 70 served as the location of this facility; and,

WHEREAS, In 2011 the Port announced that a developer had been chosen to redevelop Pier 70, which necessitated relocating AutoReturn's long-term storage tow facility; and,

WHEREAS, In 2012 the SFMTA entered into a lease for the property located at 2650 Bayshore Boulevard, and in May 2013 exercised its right to have AutoReturn move its long-term vehicle storage facilities to the Bayshore location; and,

WHEREAS, To document the relocation of AutoReturn's long-term towing storage facility from Pier 70 to the Bayshore location, two appendices to the towing agreement – the previous MOU with the Port of San Francisco (Appendix C) and the existing license agreement (Appendix D) – will be deleted and Appendix H will be added to the towing agreement to reflect the new license area at 2650 Bayshore; and,

WHEREAS, The proposed amendment to the towing agreement modifies the current contract's financial assurances of a \$1 million letter of credit and \$1 million performance bond to a \$2 million performance bond; and,

WHEREAS, SFMTA's lease with the Bayshore property owner does not require that AutoReturn provide a letter of credit as a security deposit under the License Agreement, and the performance bond, along with substantial insurance more accurately reflects that the towing agreement is primarily a service contract; and,

WHEREAS, AutoReturn paid \$110,191 in one-time move costs related to transferring over 1,200 vehicles from Pier 70 to 2650 Bayshore, providing security services at two locations, and reinstalling SFMTA surveillance and access control systems; and,

WHEREAS, AutoReturn began and is incurring additional monthly operating expenses, less operational savings, at 2650 Bayshore not contractually anticipated and mutually established at a net average increase of \$2,145 per month; and,

WHEREAS, A License Agreement rent credit is proposed to compensation AutoReturn for its unanticipated relocation cost and increased operating expenses equal to a \$6,226 per month, applied to the current rent over a period of twenty-seven months totaling \$168,115; and,

WHEREAS, The San Francisco Municipal Transportation Agency Board of Directors approved Resolution No. 14-016 and an earlier version of the License Agreement, which both inadvertently provided for an incorrect rent credit amount that did not correctly reflect the intended overall proposed rent credit to AutoReturn; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors rescinds Resolution No. 14-016 approved on January 21, 2014; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to execute the First Amendment to the Restated and Amended Towing Agreement for Towing, Storage and disposal of Abandoned and Illegally Parked Vehicles and an Amended and Restated Revocable License to Enter and Use Property between the San Francisco Municipal Transportation Agency and TEGSCO, LLC d.b.a. San Francisco AutoReturn until July 31, 2015; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors urges the Board of Supervisors to approve the amendment to the towing agreement and the associated revised license agreement; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to enter into any amendments or modifications to the contract amendment, prior to its final execution by all parties, that the Director of Transportation determines, in consultation with the City Attorney, are in the best interest of the City, do not otherwise materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the contract amendment and are in compliance with all applicable laws, including City's Charter.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of April 1, 2014.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency