



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 54

Agenda Date: December 15, 2022

In Control: City Council A Session

DEPARTMENT: Police Department

DEPARTMENT HEAD: William McManus, Chief of Police

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Amending the Professional Service Agreement for Total Management of the Growdon Vehicle Storage Facility.

SUMMARY:

This ordinance authorizes an amendment to the Total Management of the Growdon Vehicle Storage Facility (VSF) Agreement with Alanis Wrecker Service (Alanis). The proposed amendment will allow Alanis to collect an online auction fee not to exceed ten percent of the total bid with a maximum of \$500 in order to continue providing online auctioning of vehicles for the City of San Antonio Police Department (SAPD).

BACKGROUND INFORMATION:

City Council passed Ordinance 2017-09-21-0709 on September 21, 2017, approving the negotiation and execution of the Growdon VSF Agreement between the City and Alanis. The Vehicle Storage Facility Agreement commenced on October 1, 2017 and expires September 30, 2023. The contractor, Alanis, is responsible for the daily operations to include, intake, storage, and release of impounded vehicles. Additionally, the contractor is responsible for managing the weekly auction process for abandoned vehicles, maintaining the property, complying with environmental regulations, and providing security at the impound lot. The contractor provides

these services twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year for SAPD.

Specifically, the contractor accepts vehicles for storage, processes all state required record checks and notifications, collects all appropriate fees (i.e. all towing, impound, notification, and per day storage fees and taxes), processes the release of vehicles, and establishes the chain of custody for vehicles used in evidence. The Vehicle Storage Facility receives vehicles to be impounded in connection with police investigations (i.e. vehicles being held as evidence or as seized assets), vehicles involved in accidents and/or abandoned, and miscellaneous property otherwise towed pursuant to City authorization.

Vehicles impounded at the City's Vehicle Storage Facility that are not released to the owner or lienholder upon payment of fees, are deemed abandoned. These abandoned vehicles are sold at a weekly public auction. The auction is critical to ensuring space for future vehicle impounds and generates revenue for the City. Alanis manages the auction process, subject to the terms of the Vehicle Storage Facility Agreement. Under this agreement, the City receives 85% of the overall auction proceeds. These funds are deposited into the City of San Antonio's General Fund and on average the City has received about \$5 million annually over the life of this agreement.

As a result of COVID-19 pandemic, Alanis began offering online auctions of impounded vehicles in lieu of in-person auctions in April of 2020. This online auction service was added with no additional cost to the City, vehicle buyers, or Alanis. The online auction has provided additional exposure of the impound vehicles to buyers, resulting in an increase in sales.

Alanis proposes to continue to provide online auction services, through a subcontracting agreement with the online auction software provider, by charging buyers a fee of not more than 10% per total bid for each vehicle, with a maximum fee of \$500.

This council action will authorize Alanis to charge the proposed 10% per total bid for each vehicle, with a maximum fee of \$500. The City revenues collected through this agreement will not be impacted by this action.

ISSUE:

Amendment to the Growdon Vehicle Storage Facility Agreement to permit the collection of online auction fees not to exceed 10% of the total bid for each vehicle, with a maximum of \$500.

ALTERNATIVES:

The alternative to the proposed amendment is to return to in-person weekly auctions on the Vehicle Storage Facility property.

FISCAL IMPACT:

There is no fiscal impact to the City with the approval of this action. The City will continue to receive 85% of the overall auction proceeds. These funds are deposited into the City of San Antonio's General Fund. This amendment will not amend the Vehicle Storage Facility Agreement pertaining to City revenue from auction proceeds.

RECOMMENDATION:

Staff recommends amending the Growdon Vehicle Storage Facility Agreement to allow the Vehicle Storage Facility contractor to collect an online auction fee not to exceed 10% of the total bid for each vehicle with a maximum fee of \$500 to continue providing online auctioning of vehicles for the City and SAPD.