



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 2

Agenda Date: December 14, 2023

In Control: Audit Committee

DEPARTMENT: Office of the City Auditor

DEPARTMENT HEAD: Kevin Barthold

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Acceptance of the Office of the City Auditor Report AU23-030 Audit of SAPD Growden and Towing Contracts.

SUMMARY:

Determine if contracts for towing and vehicle storage are managed appropriately.

BACKGROUND INFORMATION:

Background

Tow Manager Contract

The City of San Antonio contracts with United Road Vehicle Management Solutions (URVMS) to provide police-directed towing management services for the San Antonio Police Department (SAPD). The contract began on December 1, 2015, with a duration of four years. The contract has

been extended to end on September 30, 2024. The SAPD manages the contract through the Contract Towing Office (CTO).

Towing Services are charged at the following rates:

- Light tows - \$175 per tow
- Medium tows – \$293 per tow
- Heavy tows - \$345 per hour with a minimum 2-hour charge

The City receives a commission fee of \$7 per tow plus any violations incurred by tow companies. For fiscal year (FY) 2022, 55,464 tows were performed and the City earned \$367K in commission fees and \$1,075 in violation fees.

Growdon Vehicle Storage Facility Contract

The Growdon Road Vehicle Storage Facility (Growdon VSF) is a City-owned property and is used to store and manage impounded vehicles. The City has contracted with Alanis Wrecker Service, LLC (AWS) to manage the impounded vehicle process at Growdon VSF. The contract with AWS commenced on October 1, 2017, and has been extended to end on September 30, 2024. The SAPD also manages the contract through the CTO.

AWS is responsible for the intake, storage, and release of impounded vehicles. Additionally, they are responsible for managing the weekly auction process for abandoned vehicles, maintaining the property, environmental compliance, and providing security.

Charges for impounded vehicles include: (1) towing fees (see listing above), (2) impound fees (\$20), (3) daily storage fees (\$20 + tax each day), and (4) notification fees (\$50; added only after the 2nd day of storage). For FY 2022, the City impounded 36,856 vehicles.

Per the contractual requirements, AWS pays the City a minimum annual guarantee (MAG) each month or 2% of adjusted gross sales, whichever is greater. Additionally, the City receives 85% of all auction sales. For FY 2022, the City received \$175,000 for the MAG and \$9.1 million in auction sales.

Scope & Methodology

The audit scope consisted of evaluating the contract monitoring process for the Tow Manager and Growdon VSF contracts for the first two quarters of FY 2023.

Conclusions

Overall, the SAPD is managing the contracts for towing and vehicle storage appropriately. We make no recommendations to the SAPD.

ISSUE:

This item is presented for acceptance by the Audit Committee.

FISCAL IMPACT:

NA

ALTERNATIVES:

NA

RECOMMENDATION:

Staff recommends acceptance of this report.