City and County of San Francisco
Municipal Transportation Agency
One South Van Ness Ave., 7th Floor
San Francisco, California 94103

Second Amendment

Contract No. 2016-48

THIS AMENDMENT (Amendment) is made as of **July 1, 2019**, in San Francisco, California, by and between **TEGSCO, LLC., dba San Francisco AutoReturn** (Contractor), and the City and County of San Francisco, a municipal corporation (City), acting by and through its Municipal Transportation Agency (SFMTA).

Recitals

A. City and Contractor have entered into the Agreement (as defined below).

B. City and Contractor desire to modify the Agreement to change certain service requirements as set forth in this Amendment.

C. This Amendment makes no adjustment to the amount in the Agreement.

D. The Agreement was competitively procured as required by San Francisco Administrative Code Chapter 21.1 through a request for proposal process, RFP# 2014-48, issued July 26, 2015, and this modification is consistent with that process.

NOW, THEREFORE, Contractor and the City agree as follows:

Article 1 Definitions

The following definitions shall apply to this Amendment:

1.1 Agreement. The term "Agreement" shall mean the Agreement dated April 1, 2016 between Contractor and City, as amended by the:

First Amendment dated **October 1, 2016 and**
Second Amendment dated July 1, 2019

1.2 Other Terms. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

Article 2 Modifications to the Agreement

The Agreement is modified as follows:

2.1 Appendix A (Statement of Services), Section II.F.5 (Window Staff) is replaced in its entirety to read as follows:

5. Window Staff

a. During Peak Service Hours, Contractor shall have enough trained staff working at the Customer Service Center (CSC) to open, in the CSC lobby, up to six service windows, based on Customer demand.

b. For any calendar month, the mean wait time for Customers who wait for window service in the CSC lobby shall not exceed seven minutes. For any calendar month, the mean wait time shall equal the sum of all Customer wait times during the calendar month, divided by the number of Customer wait times.

c. Contractor shall ensure all window staff are available to answer telephone calls from the public when not attending to Customers in person.

d. For every calendar month, Contractor shall submit to City a monthly report that shows window staffing numbers and patterns at the CSC, as well as mean wait times for Customers during the immediately preceding month.

e. Contractor shall ensure all Customer transactions that involve waivers, vouchers, or adjustments are reviewed and validated by the customer service manager and documented in the Towed Vehicle Management System (TVMS).

2.2 Appendix A (Statement of Services), Section II.H.1 (Routine Towing Requests) is replaced in its entirety to read as follows:

1. Routine Towing Requests

a. Contractor shall provide dispatch staff to receive tow requests 24 hours per day, 365 days per year, including holidays. Contractor shall dispatch Tow Truck Operators (TTOs) from Central Dispatch upon request.

b. During Peak Tow Hours, Contractor shall ensure a dispatch supervisor is on duty at Central Dispatch to manage Contractor's staff and address issues raised by the SFMTA.

c. In response to requests for Light Duty Tows, Contractor shall arrive at the designated points of tow, with the appropriate equipment, within the following response times: (i) for requests made during Peak Tow Hours, within 35 minutes; (ii) for requests made during Non-Peak Hours, within 25 minutes; and (iii) for pre-scheduled requests, no later than 10 minutes before the designated time. For any calendar month, Contractor shall achieve these response times at least 90% of the time. Contactor shall track and log in the TVMS response times for all Light Duty Tows.

d. In response to requests for Medium and Heavy-Duty Tows, Contractor shall arrive at the designated points of tow, with the appropriate equipment, within the following response times: (i) for requests made during Peak Tow Hours, within 120 minutes; (ii) for requests made during Non-Peak Tow Hours, within 90 minutes; and (iii) for pre-scheduled requests, no later than 10 minutes before the designated time. Contractor shall achieve these response times for at least 90% of tow requests during the fiscal year. Contactor shall track and log in the TVMS response times for all Medium and Heavy-Duty Tows.

e. For all tows, Contractor shall provide the estimated arrival time continuously. Contractor shall also provide appropriate equipment to the designated points of tow.

f. At all times, Contractor shall ensure that:

   i. For any calendar month, Contractor shall answer telephone calls from SFMTA's Tow Desk within 90 seconds, for 95% of calls.

   ii. Contractor's TVMS shall assign tow requests to either Tow Firms or Tow Truck Operators within two minutes after receiving tow requests from the SFMTA. For any calendar month, Contractor shall achieve this requirement for 90% of tow requests within the month. This requirement excludes requests modified by the SFMTA.

g. Contractor shall submit to the SFMTA a monthly report that shows response times for Tow Desk requests.

2.3 Appendix A (Scope of Services), Section II.H.4 (City-Owned Vehicles) is replaced in its entirety to read as follows:

4. City-Owned Vehicles

a. At the request of, and at no cost to, the SFMTA or the SFPD, Contractor shall remove or render roadside assistance to disabled City-owned vehicles. Roadside assistance shall be limited to starting stalled vehicles, picking up flat tires and returning flat tires from designated locations, and changing flat tires.

b. Contractor's mean time to respond to requests from the SFMTA or the SFPD to remove or render roadside assistance to City-owned vehicles shall be no longer than 25 minutes per calendar month. For any calendar month, Contractor's mean response time shall equal the sum of all response times during the calendar month, divided by the number of response times.

c. Contractor shall absorb the costs of this service and is prohibited from passing the cost onto Tow firms or Tow Truck Operators.

2.4 Appendix B Calculation of Charges is revised in its entirety to read as follows:

Appendix B
Calculation of Charges

At the beginning of each calendar month of service, Contractor shall provide an invoice to the SFMTA for the fixed monthly management fee for the same service month in the amount of $665,356. Payment of the invoice shall not be made until after the service month is complete. Should tow volume increase or decrease significantly, requiring a change in staffing levels, the SFMTA and the Contractor will in good faith renegotiate the fixed monthly management fee to ensure that the cost per tow to the public is not impacted.

Within 10 days after the end of each calendar month of service, Contractor shall provide an invoice to the SFMTA for Services completed in the immediately preceding month for the following per-unit fees:

Fee Type	**Fee Amount**
Tow fee (per vehicle towed)	$66.55
Dolly/flatbed fee (per vehicle)	$40.63
Transfer fee (per vehicle transferred to LSF)	$31.05
Lien processing fee (per vehicle)	$15.72
Auction fee (per vehicle sold)	$73.59
Dropped Tow fee (per vehicle	$14.51

Each year, **on the first calendar day of the month <u>following</u> the anniversary** of the Effective Date of the Agreement, fees listed in this Appendix B shall be adjusted: 1) in direct proportion to the percentage increase in the current Consumer Price Index for Urban Wage Earners for the San Francisco Bay Area ("CPI") for the month immediately preceding the applicable anniversary date ("Current Index") over the CPI for the month of February 2016 ("Base Index"), or 2) by 3%, whichever is lower. If the Current Index has increased over the Base Index, the adjusted fee amount shall be calculated by multiplying the current fee amount by a fraction, the numerator of which is the Current Index and the denominator of which is the Base Index, as follows:

$$\frac{\text{Current index}}{\text{Base index}} \times \text{Current Fee Amount} = \text{Adjusted Fee Amount}$$

2.5 Appendix C (Liquidated Damages), Item 10 is revised in its entirety to read as follows:

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
10	II.F.5.b	For any calendar month, mean wait time for Customers waiting for window service in CSC lobby exceeds threshold for LD assessment.	Mean wait time of seven minutes for any calendar month.	The SFMTA will issue a written warning for the first occurrence of failure. Contractor shall have one month to cure by meeting the requirement in the next monthly report. If Contractor does not cure, the assessment will be $225. Every additional failure shall be assessed at $225, and no written warning will be issued.	Customer Queue Report/ Spot Checking

2.6 Appendix C (Liquidated Damages), Item 17 is revised in its entirety to read as follows:

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
17	II.H.1.c	For any calendar month, and in response to requests for Light-Duty Tows, the number of times Contractor arrives at designated points of tow with the appropriate equipment and by the response times required, falls below the threshold for LD assessment.	90% of requests for Light-Duty Tows within a calendar month.	The SFMTA will issue a written warning for the first occurrence or failure. Contractor shall have one month to cure by meeting the requirement in the next monthly report. If Contractor does not cure, the assessment will be $600. Every additional failure will be assessed at $600, and no written warning will be issued.	Tow Response Report/Enforcement Notification

2.7 Appendix C (Liquidated Damages), Item 18 is revised in its entirety to read as follows:

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
18	II.H.1.d	For any calendar month, and in response to requests for Medium and Heavy-Duty Tows, the number of times Contractor arrives at designated points of tow with the appropriate equipment and by the response times required, falls below the threshold for LD assessment.	90% of requests for Medium and Heavy-Duty Tows within a fiscal year.	No warning letter will be issued. Assessment will be $1,200 per failure.	Tow Response Report/Enforcement Notification

2.8 Appendix C (Liquidated Damages), Item 24 is revised in its entirety to read as follows:

Item #	Section	Description of Failure	Threshold for LD Assessment	Potential Assessment	Mechanism for Review
24	II.H.4.b	For any calendar month, the mean time for Contractor to respond to requests from the SFMTA or the SFPD to remove or render roadside assistance to City-owned vehicles exceeds the threshold for LD assessment.	Mean response time of 25 minutes for any calendar month.	The SFMTA will issue a written warning for the first occurrence. The Contractor shall have one month to cure by meeting the requirement in the next monthly report. If no cure, the assessment will be $600. Further Failures will be assessed at $600for each month, with no written warning.	Tow Response Report/Enforcement Notification

2.8

Article 3 Effective Date

Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

Article 4 Legal Effect

Except as expressly modified by this Amendment, all the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

CITY	CONTRACTOR
San Francisco **Municipal Transportation Agency** Edward D. Reiskin Director of Transportation Approved as to Form: Dennis J. Herrera City Attorney By: Isidro Jimenez Isidro Alarcón Jiménez Deputy City Attorney	**TEGSCO, dba San Francisco AutoReturn** **John Wicker** **CEO** City vendor number: 11631

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