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# On-Call Citywide Towing Services: Ferkam, Inc. GENRL-202263097

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# Contract Details (GENRL-202263097-00) – Ferkam, Inc.

## Summary:

- Citywide On-Call Towing Services for standard and heavy tows includes, but is not limited to:
  - Towing of damaged or disable City vehicles, i.e., garbage trucks, street sweepers, and snowplows
  - Right of Way Enforcement towing needs; including towing booted vehicles, clearing traffic lanes and towing for special events such as Denver Bronco games, concerts and public venues to include towing from no parking zones.
  - Transport all tows ordered to Vehicle Impound Facility, including City-owned vehicles
  - Towing vehicles and/or equipment from 22 various Mountain Parks locations
    - \*On-call towing of abandoned RVs, truck-trailers and campers are not included under this contract due the response time identified in the scope of work as well as the process related to the removal of said vehicles.

## Contract Term:

9/1/2022 – 8/31/2025 – Initial three-year term with option of two (2) one (1) year renewals

**Contract Maximum:** \$11,500,000

**MWBE Commitment:** 0%

\*Division of Small Business Opportunity established a goal would not apply due to the lack of existing availability of certified firms for the scope of work identified for this contract.

# Overview and Impacts of On-Call Citywide Towing contract

1. Department of Safety
2. Collaboration of tow companies
3. Cost Savings
4. Response time
5. Invitation for Bid Process
6. Action Requested

# 1. Department of Safety

## Background:

- Denver 911 currently responsible for all incoming tow dispatch requests and emergency 911 calls

## Problems/Issues:

- Increased wait times on Denver 911 emergency system
- Increased wait time by requestor (typically officer) awaiting a tow or ETA on a tow
- Number of impound tow requests (not including short-tow requests):

Tow Type	Jan-Dec 2021	Jan-Jun 2 or 6, 2022
Abandoned Vehicle Unit	1,166	402
Impounds	15,946	7,583
	<b>17,112</b>	<b>7,985</b>

Represents 46% of 2021 totals through May 2022

## Contract Solution:

- Removes majority of responsibility of tow dispatch calls to Denver 911
- Provides some relief related to labor shortages for both the city and tow companies
- Provides quicker response time from initial request to removal of vehicle (less wait time for officer)

## 2. Collaboration of towing companies

### Background:

- Previous citywide on-call towing contract awarded to one contractor
- Additional contracts were awarded for district tow services

### Problems/Issues:

- Labor shortage in towing industry
- Increased wait times by officers for the removal of disabled vehicles
- Increased traffic within the City slows tow company response time

### Contract Solution:

- One contract covers all citywide and district towing needs and streamlines the tow dispatch process
- Ferkam, Inc. proposed a collaboration with four additional tow companies as subcontractors to address current labor shortages and provide all the required equipment to service the city's needs
- Proposed regional model using subcontractors is expected to further reduce response time for tows

# 3. Cost Savings

## Background:

- Previous towing contract executed August 2016
- Pricing was firm and fixed during contract term
- Final contract value of contract was \$8,600,000

## Problem/Issue:

- Tow rates paid by the City have not increased since August 2016
- The Colorado Public Utilities Commission rates have increased since 2016

## Contract solution :

- Using the contractor's towing software application, Towbook, eliminates the cost of tow ticket purchases
- Towbook provides a no-cost solution to the City to immediately alleviate the burden on Denver 911 for dispatching tow requests

### Note:

- The City currently pays a \$7 per tow subscription cost to TEGSCO, LLC
- If the city chooses to implement a full tow management system under the TEGSCO, LLC contract, this could result in an additional \$7-\$15 per tow fee above the current \$7 per tow subscription cost. Based on 2021 impound and abandoned vehicle counts, the City could incur an expense of approximately \$195,000 - \$418,000.

# 4. Response time

## Background:

- Previous contract set contractor response time at 20 minutes
- Request was routed to Denver 911 dispatch to initiate the tow request, dispatcher called tow contractor with location information, contractor then dispatched driver to scene for vehicle removal

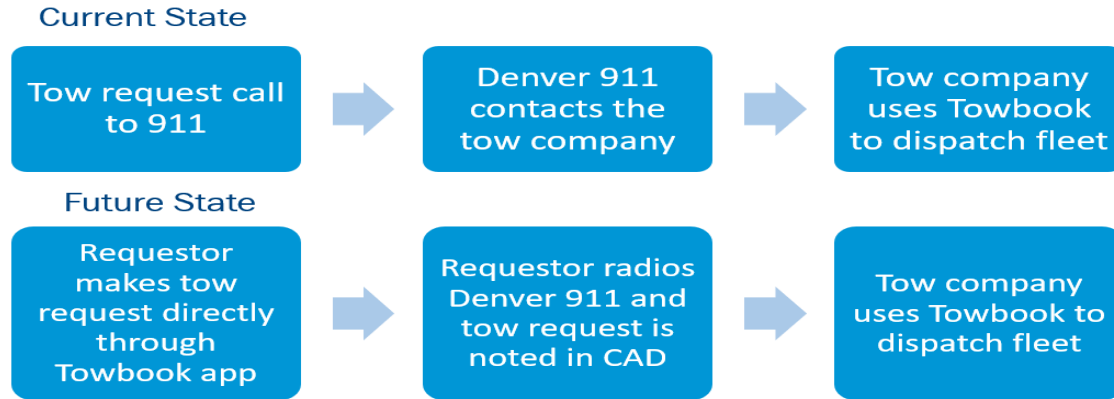
## Problem/Issue:

- Both the City and tow companies are being adversely impacted by labor shortages
- Denver has experienced 8.75% in population growth since 2016 which impacts vehicle movement in the City
- A 20-minute response time is not reasonable

## Contract solution :

- Implement a widely-used dispatching towing software application to address the tow request process vs. vehicle movement for immediate benefits (reduced wait times, relief to Denver 911 for dispatching tow request calls)
- Ferkam has used Towbook to dispatch tow requests received from Denver 911 beginning April 1, 2022

## 4. Response time, continued



Future state removes phone call traffic which is ideal for Denver 911 and the use of Towbook allows Denver 911 to easily access vehicle location data instead of running plate information.

Date range	Number of calls	Average calls per day	Average estimated response time
Jan 1-28, 2022	1700	60.7	36.3
Jun 1-28, 2022	1722	61.5	25.6



# 5. Invitation for Bid Process

## Scope of Work and Technical Requirements:

1. Ability to respond to:
  - Impound tows
  - City-owned vehicle tows
  - Right of Way Enforcement tows
  - DPD Auto Theft tows
  - Special Events tows
  - Mountain Parks Tows
2. Response time of 45 minutes, 24/7/365
3. Required fleet of wreckers
4. Implementation of dispatching towing software application

**Number of proposals received: 1**

**Number of non-City pre-bid attendees: 7**

## Agency Partners:

- Department of Safety
  - Denver Police Department
  - Denver Sheriff Department
- Department of Transportation and Infrastructure
  - Right of Way Enforcement
- Department of Parks and Recreation
  - Mountain Parks
- Technology Services
- General Services

## 6. Action Requested:

RR22-0810: Approves a contract with Ferkam, Inc. with an initial contract term beginning September 1, 2022 to August 31, 2025, with the option to extend with two (2) one (1) year renewals with an initial contract value of \$11,500,000 for citywide towing services for Denver Police Department, Denver Sheriff Department, Right-of-Way Enforcement, or any additional City agencies as requested (GENRL-202263097).

# Questions

