

This document is an extract of a larger publication.

civilgrandjury.org is a project of UnGovr.org, a US-based 501(c)(3) nonprofit dedicated to government transparency and public accountability.



TOWS AND IMPOUNDS

PART A: IMPOUND PRACTICES IN TWELVE SELECT CITIES



Dianne Kelley **Chair**
Sharon Muravez **Co-Chair**
Regi Block
Hilda Dallal
Ronnie Dann-Honor

IMPOUND PRACTICES IN TWELVE SELECT CITIES

THE GOOD, THE BAD AND THE UGLY

I SUMMARY

History

From 1995 to 2011 California Law allowed police to confiscate (i.e. impound) the vehicle of unlicensed drivers for a mandated 30 days. This law was vigorously enforced, especially in predominately Hispanic, African-American, and low income communities.^{1,2} Traffic Safety, Driver's License, and Driving under the Influence (DUI) checkpoints resulted in 80 to 130 vehicles impounded per checkpoint, yet very few DUI arrests were made.^{3,4} The statewide average is 6 DUI arrests for every scheduled checkpoint.⁵

Impounding vehicles created profitable opportunities for cities and police departments in cash-strapped cities, especially during the recession from 2007 to 2010.⁶ Many cities became reliant on the revenue that vehicle impounds brought into their city coffers. It also became very profitable for the city-contracted tow companies. Impound fees charged by cities and tow vendors could easily add up to over \$2,000 for unlicensed drivers. "Each of the impounds was worth at least \$2,035 in tow charges and fees, according to city financial records (El Monte)."⁷ Many impounded vehicles were not retrieved, often up to 70% in some low income communities.⁸ The un-retrieved impound vehicles were sold in lien sales, often to the same unlicensed drivers. This practice was commonly known as "catch and release" because these unlicensed drivers were caught more than once at the numerous checkpoints that were instituted during that period.⁹ It took the California Department of Motor Vehicles (DMV) to crack down on tow companies selling lien sale vehicles to unlicensed drivers without fulfilling all the DMV regulations and required paperwork on vehicle registration.¹⁰

¹ Ryan Gabrielson, "Are Checkpoints Police Profit Centers?", Mother Jones, 2/14/10

² Dennis Romero, "When it Comes to DUI Crackdown, Westside Residents Get a Pass," LA Weekly 4/28/16

³ Thomas Hines, "Baldwin Park Nets 1.2 Million on Vehicle Seizures", San Gabriel Valley Tribune, 8/17/10

⁴ Ryan Gabrielson, "Are Checkpoints Police Profit Centers?", Mother Jones, 2/14/10

⁵ Ryan Gabrielson, "Like Bell and Maywood, Montebello reaps funds from car seizures", California Watch, Center for Investigative Reporting, U. C. Berkeley 4/25/11

⁶ Ryan Gabrielson, "Car seizures at DUI checkpoints prove profitable for cities, raise legal questions", California Watch, Center for Investigative Reporting, U. C. Berkeley,) 2/13/10

⁷ Ibid.

⁸ Interview tow company owner, 9/28/16

⁹ Thomas Hines, "Vehicles police seize from unlicensed drivers re-sold to unlicensed buyers", San Gabriel Valley Tribune, 8/25/10

¹⁰ Ibid.

Overzealous Enforcement (2007-2011)

- Baldwin Park went from 6 checkpoints in 2007 to 26 checkpoints in 2009/2010, confiscating up to 150 vehicles in one weekend,¹¹ and amassing over \$1.2 million in impound fees in 2009.¹² Some of their tactics included scheduling checkpoints on Sundays after church services,¹³ and conducting checkpoints during police SWAT¹⁴ operations by using SWAT perimeter roadblocks to conduct safety/driver's license checkpoints.¹⁵
- El Monte impounded 680 vehicles for driver's license violations in 2007 during holiday checkpoints.¹⁶
- California Watch reported that in Montebello "officers failed to conduct a single field sobriety field test during 4 out of 6 roadway operations....in 2010."¹⁷ The article also stated that this city impounded 100 vehicles for every 1 drunk driver arrest. Montebello required their contracted tow vendor to increase what it pays to the city to \$200 per tow when 151 vehicles were impounded in a month.¹⁸

In Baldwin Park and El Monte, change followed through the vigilant efforts of residents who attended city council meetings to protest and voice their complaints on abusive impound practices, in addition to the persistent attention of the news media.

In 2011, the State of California passed Assembly Bill 353 (AB 353) which eliminated the 30-day mandated impound hold on unlicensed drivers' vehicles. This was done in an attempt to remedy the abuses, bad press, and law suits against many municipalities in the State regarding unlicensed driver impounds. AB 353 also changed the law to allow a person whose vehicle is being impounded to call a licensed driver to retrieve the vehicle, thus escaping an impound and costly fees. Persons driving with a revoked or suspended license still get a mandated 30-day impound hold on their vehicle.¹⁹

In January 2015 the State of California passed AB 60, which allowed undocumented immigrants to legally obtain a California Driver's License. The 2 legislative actions in 2011 and 2015 should have significantly reduced the number of impounded vehicles and the length of time many vehicles are held. This investigation seeks to determine what has changed since these legislative actions were implemented.

¹¹ James Figueroa, "Tribune Wins Statewide Public Service Award," San Gabriel Valley Tribune 4/18/11

¹² Thomas Hines, "Baldwin Park Nets 1.2 Million on Vehicle Seizures," San Gabriel Valley Tribune, 8/17/10

¹³ James Figueroa, "Tribune Wins Statewide Public Service Award," San Gabriel Valley Tribune 4/18/11

¹⁴ Police: Special Weapons and Tactics (SWAT) Teams

¹⁵ Interview police officer San Gabriel Valley, 1/27/17

¹⁶ Ryan Gabrielson, "Car seizures at DUI checkpoints prove profitable for cities, raise legal questions", California Watch, Center for Investigative Reporting, U C Berkeley, 2/13/10

¹⁷ Ryan Gabrielson, "Like Bell and Maywood, Montebello reaps funds from car seizures", California Watch for Investigative Reporting, U C Berkeley, 4/25/11

¹⁸ Ibid.

¹⁹ California Vehicle Code §14602.1

Purpose and Scope

The CGJ investigated the current practices and procedures within 12 small and medium-size cities in Los Angeles County. The 12 incorporated cities represent different geographical areas, socio-economic levels, and diverse populations. The investigation examined the number of impounds, fees, and city information that is accessible and useful for the public on city impound procedures, number of Traffic Safety and DUI checkpoints, types of California Vehicle Code (CVC) violations resulting in impounds, tow vendor contracts/Request for Proposal (RFP), conflict of interest, code of ethics policies and in-kind contributions by tow vendors to the 12 selected cities. Research and numerous interviews were conducted by the CGJ. An audit firm, Harvey M Rose and Associates LLC (HMR), was hired to conduct a management audit of impound practices in the select 12 cities: Baldwin Park, Beverly Hills, El Monte, Glendale, Glendora, Huntington Park, Inglewood, Irwindale, Montebello, San Fernando, West Covina, and Whittier. The HMR audit focused on City Impound Survey and a separate Contracted Tow Vendor Survey, review of the 12 cities tow vendor RFP's and contracts; and phone interviews. The audit began in late December 2016. The information requested was for the 2015 calendar year, as it was determined that information should be complete and on file for 2015. There were a few areas in the survey that also went back to 2014 as the California Office of Traffic Safety (OTS) uses 2014 accident data to award 2015 checkpoint grants to cities.

Information obtained by the CGJ and the audit results warranted a separate report titled "Tow Vendor Contracts in 12 Select Cities." (See infra companion report)

The full HMR audit report²⁰ can be found on <http://grandjury.co.la.ca.us/gjreports.html>.

II BACKGROUND

A. What Happens When a Vehicle is Towed?

This investigation studied what happens when a city initiates a vehicle impound. A city can impound/tow a vehicle for an "impoundable" CVC violation.²¹ The driver may be present when a vehicle is towed through a police-initiated traffic stop, or Driver's License/DUI checkpoint for violations such as: DUI, unlicensed driver, driving with a suspended license, etc. A driver may be absent and have their vehicle towed for violations such as: parking on a public street before or after posted parking hours, parking in a restricted area, parking on a city street after 72 hours in the same location, etc.

When a vehicle is impounded, a California Highway Patrol (CHP) Form 180 is filled out by the police officer who initiated the impound. CHP Form 180 is a simple form that takes 5 to 10 minutes to complete. It also documents any visible personal property left in the towed vehicle.

²⁰ HMR audit report is from actual data collection

²¹ California Vehicle Code sections § 22650 through § 22856 grant governmental agencies the power to impound vehicles

An impounded vehicle is towed to the city's contracted vendor's tow lot with a copy of the completed CHP Form 180. Personal property in a towed vehicle is to be secured by the tow vendor. This is a problem area in a few impound lots. Most tow companies follow the CHP tow contract regulations that require personal property to be secured in the locked towed vehicle. A few tow lots remove valuable personal property to a more secure locked area inside the offices of the tow vendor. A vehicle owner has the right to their personal property at any time the vendor is open for business whether they retrieve their vehicle or not, but this must be done before the lien process is completed.²² After the DMV lien process²³ is completed (usually 30-45 days), the tow vendor obtains ownership to the vehicle and all personal possessions still left with the vehicle.

It is not uncommon for drivers to return to where their car was parked and realize their car is missing and presumed stolen, only to eventually realize that the car was towed. How to navigate through the city policies and procedures to locate their towed vehicle and have it released is not easy and, as set forth below, information is not readily accessible.

- Where does a person go to obtain information on a towed vehicle, and the procedures and payment to release the vehicle?
- What are the days and hours the city office is open to receive impound payment and are they open on Fridays or weekends?
- What are the days and hours the tow company is open, and are they open on weekends or after hours?
- Which contracted tow company has the vehicle, as there can be two or three city contracted tow vendors?
- Where is the correct tow vendor located?
- Where does a person go first; the city office or tow lot?
- Does the city have an office or a person to call for information and who to call after hours and on weekends and holidays?
- Does the city have a web site that provides information on the procedures and payment required for a vehicle release?
- How does a driver appeal the vehicle impound, length of impound, or the monetary charges?

Step 1

The first step in retrieving an impounded vehicle is to go to the city office that accepts payment. Which office collects the impound fees and issues a vehicle release document varies from city to city. It may be located in the police department or another city office. Some cities charge a flat city impound fee and some add on extra charges for processing, etc. Fees vary from city to city and the DUI fees are significantly more expensive, i.e. \$500 in El Monte. Some city offices are

²² California Vehicle Code § 22651.07 (d)

²³ The lien process initiates a transfer of vehicle ownership to the tow vendor business for future sale

closed on Fridays, which extends the time to pay the city and obtain the vehicle release document. If a person is unable to pay the city when the city office is open, that vehicle owner accrues extra daily storage fees that the tow vendor charges. To obtain the vehicle release document, the vehicle owner must present to the city the current vehicle registration, proof of insurance, and drivers' license, and must pay all the city fees in cash or credit card.

Step 2

After paying the city fees and obtaining the vehicle release document, the vehicle owner will go to the "correct" tow contractor's lot to pay tow vendor fees and retrieve their vehicle. A city may have one contracted tow vendor, or may rotate among two or three vendors, or assign a vendor by geographical area. CVC Section §22851. (b) states that a tow vendor's office only needs to be open to the public on Monday through Friday from 8AM to 5PM. A contracted tow vendor does not have to be open after hours or on weekends unless the contracting city includes that requirement in the contract. Limited tow vendor office hours makes retrieving a vehicle from a tow lot difficult for many working people. Drivers seeking to access a vehicle after hours or on a weekend pay significantly more in extra fees charged by the tow company that is only open Monday through Friday. The 2016-2017 CGJ Tow Vendor Survey did find a few tow vendors that had extended weekday and weekend hours.

When both Step 1 and Step 2 are completed, the combined city and tow fees for a non-DUI violation for one day's storage can vary from a minimum of \$228 in Glendale to \$494 in Baldwin Park. As daily storage fees accrue, the total fees can escalate to thousands of dollars (See Exhibit 3.6). The highest reported individual payment to a tow vendor in the 12 surveyed cities for 2015 ranged from \$1,675 in Beverly Hills to \$5,160 in Baldwin Park.²⁴

B. Cities Lack Accessible Information on Impound Vehicle Retrieval, Payment and Appeal Through Impound Hearing

Many cities in our survey lack accessible information on how to retrieve and pay for an impounded vehicle, as well as how to appeal the impound and/or fees charged. All of this information should be available to residents 24 hours a day, 7 days a week, not just during weekly business hours, which is often Monday through Thursday in the cities that have closed offices on Friday. City web sites should be a source of complete information for citizens and residents and offer translated versions in cities that have large populations that speak a language other than English.

The majority of the 12 surveyed city web sites are difficult to navigate and do not have complete impound information. If any information is offered in a city web site it is not well identified, and is often located under police and traffic sections. The exception is Glendora, which had complete information on all aspects of impound. Baldwin Park recently revised their web site, which has

²⁴ Information from CGJ City Surveys

information on impounds retrieval, payment, and hours of operation but no information on impound hearings. El Monte's only website information is a rationale and explanation of why the City of El Monte conducts DUI safety checks. Ten city web sites are sorely lacking useful information for individuals who have had a vehicle towed. Obtaining information on what city office takes payment, what days and hours the office is open, the fees to be paid and how to pay (cash or credit card) is not available on most of the surveyed city web sites.

Lack of Posted impound fees in city offices

The City Impound Surveys found that only four cities (Baldwin Park, Beverly Hills, Inglewood, and Montebello) post their impound fees in the office that accepts impound payments -- either a city office or police department. El Monte, Glendale, Glendora, Huntington Park, Irwindale, West Covina, Whittier, and San Fernando do not post this information for the public in their city offices. In El Monte, the public must ask for this information when the city office is open or a person is available by phone, since their web site does not provide this information. On October 12, 2016, members of the CGJ were in the El Monte Police Department after completing a yearly CGJ jail inspection. A CGJ member asked police personnel for information on the city fees to be paid to retrieve an impounded vehicle. An El Monte City employee responded: "Don't give him that information. They are from the Grand Jury."²⁵ The Civil Grand Juror left without the information. No individual should be denied public information on city fines and fees. El Monte demonstrated "bad practice" for not posting impound fee information and verbally withholding public information when requested on October 12, 2016.

Lack of cities holding impound hearings

Citizens and residents have the right to an impound hearing to appeal the reason for a vehicle impound, length of impound, and/or the various city and tow vendor fees.²⁶ Few cities post information on the "Right to an Impound Hearing" for an impounded vehicle. City police departments that initiated the impound have 48 "workweek" hours to send a "Notice of Stored Vehicle" to the registered owner, which includes information on impound hearings. This mailed notice can take up to a week to arrive by mail to the owner's address as listed on DMV records. Posting impound hearing information in city offices and on city websites makes this information immediately accessible to the public. Only 3 cities in the Impound Survey reported that they held impound hearings in 2015: Glendale held 108 hearings out of 544 impounds, Beverly Hills held 104 hearings out of 2,065 impounds, and Glendora held 60 hearings out of 454 impounds. Whittier's web site had information on Impound Hearings being held weekly, but on their city survey they reported no information on the number of impound hearings held in 2015. The CGJ City surveys show that the information on impound hearings is not getting to the vehicle owner in a timely manner, and often not until after payment has been made to both the city and tow lot vendor. The right to an impound hearing should be posted in all city offices where payment of

²⁵ Reported by Civil Grand Jury Member to all jury members on 10/15/16

²⁶ California Vehicle Code §22659.9 and CVC §22852

city impound fees are made, as well as on the city web site. A city should not rely on impound hearing information to only be sent through the mail.

Translating impound information

Cities have residents who speak other languages. Montebello, Baldwin Park, and Inglewood translate their city impound fee information into another language. Irwindale reports it has a Spanish telephone hot line. The CGJ consider this a “best practice”.

C. Multiple Costly Fees to Recover an Impounded Vehicle Vary from City to City

City Fees:

- San Fernando charges a flat vehicle release fee of \$50, the lowest of the 12 cities
- Beverly Hills charges a flat vehicle release fee of \$117
- Baldwin Park has a standard vehicle release fee of \$245
- El Monte has varied vehicle release fees: Storage (abandoned, parking) \$120, Unlicensed/impound \$240, DUI infraction \$500, Prostitution infraction \$720

Tow Company Fees:

The tow vendor has different fees it can charge: Tow fee, hook-up fee, and at least one day of daily storage, etc. All tow vendor fees must be added together to see what is actually charged to retrieve a vehicle. Fees add up quickly. Some examples of one day tow vendor fees are as follows:

- Tow vendor Glendale: Tow \$118; Daily storage \$37 = \$155 for one day retrieval
- Tow vendor El Monte: Tow \$205; Daily storage \$60 = \$265 for one day retrieval
- Tow vendor Baldwin Park: Tow \$195; Daily storage \$54 = \$249 for one day retrieval

HMR Audit Exhibit 3.6: Current Estimated Costs to Release a Regular Vehicle

Cities	City Release Fee ¹	Tow Fee ²	Daily Storage ²	1 Day	2 Days	3 Days	7 Days	15 Days	30 Days
Baldwin Park	\$245.00	\$195	\$54	\$494	\$548	\$602	\$818	\$1,250	\$2,060
Beverly Hills	\$117.00	\$160	\$42	\$319	\$361	\$403	\$571	\$907	\$1,537
El Monte	\$120.00	\$205	\$60	\$385	\$445	\$505	\$745	\$1,225	\$2,125
Glendale	\$72.00	\$118.50	\$37	\$228	\$265	\$302	\$450	\$746	\$1,301
Glendora	\$120.00	\$175.00	\$52.00	\$347	\$399	\$451	\$659	\$1,075	\$1,855
Huntington Park	\$108.23	\$185	\$60	\$353	\$413	\$473	\$713	\$1,193	\$2,093
Inglewood	\$150.00	\$121.90	\$33.00	\$305	\$338	\$371	\$503	\$767	\$1,262
Irwindale	\$50.00	\$185	\$53.00	\$288	\$341	\$394	\$606	\$1,030	\$1,825
Montebello	\$180.00	\$154	\$52	\$386	\$438	\$490	\$698	\$1,114	\$1,894
San Fernando	\$130.00	not provided		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
West Covina	\$178.00	\$195	\$54	\$427	\$481	\$535	\$751	\$1,183	\$1,993
Whittier	\$121.00	\$175	\$45	\$341	\$386	\$431	\$611	\$971	\$1,646
Median	\$121	\$175	\$52	\$347	\$399	\$451	\$659	\$1,075	\$1,855
Minimum	\$50	\$119	\$33	\$228	\$265	\$302	\$450	\$746	\$1,262
Maximum	\$245	\$205	\$60	\$494	\$548	\$602	\$818	\$1,250	\$2,125

Source: Review of Civil Grand Jury city and towing vendor surveys

¹Release fees in this analysis are for basic vehicle storage releases. The City of San Fernando charges a release fee and an administrative fee.

²Vendor tow and daily storage fees are current rates for regular vehicles. Cities with more than one vendor charging different tow and storage rates were averaged out for this cost analysis.

CVC mandates a 30-day impound when the driver was driving on a suspended or revoked license, or driving with “exhibited speed” (racing) or reckless driving.²⁷ Those 30 days of daily storage can add up: El Monte’s and Huntington Park’s daily storage fees are \$60 x 30 days hold = \$1,800. This large fee is in addition to all the other city and tow company fees. After-hours vehicle retrieval fees are over \$100. A lien process²⁸ is initiated by the tow vendor after the first 72 hours the vehicle is on the tow lot, which costs an additional \$70.

The HRM audit of the 12 surveyed cities found that most vehicles are released within 72 hours. Of the 9 tow vendors that provided information, 57% of vehicles were released in the first 3 days, but 32% remained on the lot for 7 days or more.²⁹

HMR Audit Exhibit 3.5: Volume of Vehicles Towed by Days before Release, 2015

²⁷ CVC §14602

²⁸ Lien process is the beginning step initiating the transfer of ownership of a vehicle held for 72-hours or more

²⁹ HMR audit report Exhibit 3.6, pg. 23 gives a detailed 1 day to 30 day fee accrual chart for all 12 cities

City and Towing Vendor	Days before Vehicle Release								Total
	1 day	2 days	3 days	4 days	5 days	6 days	7 days	7+ days	
Baldwin Park: Royal Coaches	931	322	225	109	79	41	27	814	2,548
Beverly Hills: Tip Top	445	35	8	-	-	-	-	2	490
Glendale: Gay's	283	232	115	91	63	37	34	179	1,034
Glendora: Jan's	65	29	46	35	30	21	20	127	373
Irwindale: Jan's	48	28	14	7	5	1	5	68	176
Irwindale: Royal Coaches	64	17	8	8	10	4	5	57	173
Montebello: Helms & Hill	240	264	144	4	48	24	48	600	1,372
West Covina: Royal Coaches	173	65	48	34	36	16	14	217	603
Whittier: Hadley	73	82	54	39	36	29	17	13	343
Totals	2,322	1,074	662	327	307	173	170	2,077	7,112
Percentage	33%	15%	9%	5%	4%	2%	2%	29%	100%
Grouped Percentages	57%			10%			32%		

Source: Review of Civil Grand Jury towing vendor surveys

Note: The following towing vendors have not completed their surveys: Freddie Mac from El Monte; Gay's, Monterey, and Crescenta Valley from Glendale; HP Tow from Huntington Park; Black and White from San Fernando; and Bob & Dave's from Whittier. Bryant's and B&H from Inglewood completed their surveys, but reported that this information is not tracked. The Civil Grand Jury's survey to cities included the same question to delineate the volume of tows by the number of days before release, but only three cities (Beverly Hills, Irwindale, Whittier) provided this data while the other nine reported that this information is not tracked.

Lien Sales

Many times the accrued city and tow company fees are so expensive that vehicles are not retrieved by owners, and the tow companies take ownership of the vehicle through a DMV lien process. The state regulated lien process usually takes 30 to 45 days, as the registered vehicle owner and loan company must be notified before a lien sale can proceed. Tow company fees still accrue for the first 30 days a vehicle is on the impound lot, no matter the cause of the impound. The tow vendor takes ownership of the vehicle after the 30 to 45 days required to complete the DMV lien process.³⁰ Upon assuming ownership of a vehicle, the tow company can sell the un-retrieved vehicles at an advertised lien sale to help recover the tow company's costs. Some cars go to salvage. The percentage of vehicles that go to lien sales and salvage depends on the financial ability of the vehicle owners to pay the fees. Our survey showed unrecovered vehicles ranged from .03% in Beverly Hills to 32% in San Fernando.³¹

Franchise fees: Reimbursement to the contracting city

The 2015 City Tow Vendor contracts in ten of the selected cities required a franchise fee to be paid to the city from the tow vendor. The franchise fee the tow company refunds to the city come out of the fees a vehicle owner pays to the tow vendor to retrieve their vehicle. A franchise fee can be a flat dollar amount per vehicle, a guaranteed annual fee, and/or a percentage of all

³⁰ Lien sales are regulated in CVC §3067 through §3074

³¹ Ref. HMR audit Exhibit 1.3 Outcomes for Impounded Vehicles, 2015

tow company fees taken in by vehicle recovery fees (tow fee, hook-up fee, and daily storage fee), lien sales and salvage. Beverly Hills, Huntington Park, and Whittier were the only cities in our 2014 and 2015 survey that did not receive franchise fees from their tow vendors. However, in 2016-2017 Huntington Park initiated a franchise fee with its new tow vendor.

Sample city franchise fees from the City Impound Survey:

- Flat fee per vehicle: \$45.00 San Fernando, \$75.00 Glendora, \$125.00 El Monte
- Percentage rate of total fees and yearly guarantee: 30% with a guaranteed \$100,000 annually in West Covina
- No franchise fee: Beverly Hills and Huntington Park received no fees in 2014 and 2015
- Whittier reports it does not receive franchise fees but does collect \$250.00 for every 30 day impound

CGJ Exhibit A: Comparison of City Population, Number of Impounds and Impound Fees

City	Population	Sq. Miles	2015 Impound	Impound per 1000 People	2015 Fees CITY	2015 Fees VENDOR	Total City Revenue
Baldwin Park	77,056	6.8	2361	30.6	334,070	318,513	652,583
Beverly Hills	34,869	5.7	2065	59.2	176,202	no franchise	176,202
El Monte	116,732	9.6	No Response	-	176,190	76,145	252,325
Glendale	201,020	30.6	544	2.7	33,530	364,379	397,909
Glendora	52,009	19.6	454		43,275	28,540	71,815
Huntington Park	59,430	3	1358	22.9	102,877	no franchise	102,877
Inglewood	111,656	9.1	No Response	-	No response	44,503	44,503
Irwindale	1,437	9.6	337	234.5	30,250	47,154	77,404
Montebello	63,291	8.4	1011	16	130,462	197,120	327,582
San Fernando	24,931	2.4	435	17.4	16,941	20,753	37,694
West Covina	108,484	16.1	587	5.4	47,882	98,059	145,941
Whittier	87,438	14.7	1156	13.2	92,453	9,000	101,453

Source: CGJ 12 City Surveys and Tow Vendor Surveys; data from OTS & TIMS-SWITRS
 (Whittier reports that it does not collect franchise fees, but does get reimbursed \$250 for every 30 day impound)

1. The broad range of fee revenue collected from tow vendors and vehicle owners whose vehicles are towed and stored by the tow vendors for the surveyed cities indicate that cities take very different approaches to how much of their tow and impound program costs are paid for by vehicle owners, how they identify the allowable costs that cities can recover through these fees and the extent to which these costs are ultimately passed on to the vehicle owners.

2.

Cities have a Statutory Obligation to Periodically Assess the Cost of Administration

Vehicle Code Section 12110(b) allows cities to impose franchise fees on towing vendors that may not exceed the amount necessary to reimburse the public entity for its actual and reasonable costs incurred in connection with the towing program. Vehicle Code Section 22850.5 allows cities to impose fees on vehicle owners to recover administrative costs relating to the removal, impound, storage, or release of vehicles. Cities need to examine their charges and fees on a periodic basis to ensure they are not exceeding the cost of service justifying the fees.

Potential Misuse of Impounds as a Source of Revenue

Impounding vehicles can increase revenue to cities and tow companies. In the past, cities that participated in holding numerous Driver's License (DL)/Traffic Safety and DUI checkpoints (roadblocks) created a climate of "Policing for Profit" under the guise of public safety. The CGJ understands the importance of safety check points and saturation patrols³² that are judiciously conducted. It is the excessive use of these police enforcement tactics that raises questions. Saturation Patrol grants from the California Office of Traffic Safety (OTS) are used to fund additional police to patrol targeted roadways with a high volume of accidents and DUI's during a select time period. Besides check points and saturation patrols, a city may employ "increased enforcement" by stopping more drivers for small non-impoundable infractions, which can lead to discovering an impoundable violation. The more cars impounded, the more money received by both the city and tow vendor. This can create an opportunity for abuse. Police officers welcome the opportunity to receive overtime for working check points and saturation patrols. It also creates an atmosphere of close connections among the city, tow vendors and police. It is the opinion of the CGJ that this atmosphere can lead to "special friend of the city" status for the tow vendor as well as the vendor "greasing the wheels" of contract-awarding by special gifts or in-kind contributions to the city, city management or elected city officials.

D. What criteria is used to determine when, where and how many Traffic Safety-Driver's License and DUI Checkpoints and Saturation Patrols are Conducted? How are they funded?

How Checkpoints and Saturation Points are Determined?

Where the Los Angeles County Sheriff (LASD) has jurisdiction, there are three factors LASD Traffic Services use in determining where checkpoints or saturation patrols are needed to increase safety and DUI awareness: number of accidents, number of DUIs, and a safe location to hold the checkpoint.³³ If the location is not safe to conduct a checkpoint, such as a busy street or intersection, then a saturation patrol can be used instead. Certain holidays also receive extra

³² Saturation patrols involve law enforcement deploying additional patrol vehicles to targeted roadways during select time periods to detect and apprehend impaired drivers.

³³ Interview personnel Los Angeles Sheriff Department, Traffic Services Division, 2/9/17

enforcement. This formula is not always followed and cities can conduct checkpoints and saturation patrols with OTS grants anywhere within city limits, often targeting certain geographical areas.

California Office of Traffic Safety (OTS) Grants

DL/Traffic Safety and DUI Checkpoints, as well as Saturation Patrols, are usually paid for by an application for a State Grant from the OTS. Federal highway safety money from the National Highway Traffic Safety Administration (NHTSA), is given to the State and combined with State money to be administered by OTS in yearly grants to cities or police departments that apply. OTS has eight different types of grants which include:

- Traffic Safety
- Alcohol Impaired Driving, Drug Impaired Driving
- Distracted Driving
- Pedestrian and Bicycle Safety
- Occupant Protection (child passenger safety)

The first 2 grants are usually used for checkpoints and saturation patrols. These OTS grants are based on an OTS matrix from different variables: city size, reported accidents, DUI, etc. From this, OTS gives the cities a rating that helps determine the amount of grant money awarded. Cities in our Tow and Impound 2015 Survey reported a range from \$200,870 in Glendale to conduct 22 checkpoints, to \$22,374 in Montebello to conduct 4 checkpoints. Inglewood, Whittier and Glendale held numerous checkpoints in 2015.

Cities are Not Tracking the Number of their Impounded Vehicles

HMR auditors reported that impounds were not tracked in nine of the surveyed cities. Additionally, none of the cities conducting checkpoints tracked the number of vehicles impounded at their checkpoints. Of the three cities that did track 2015 impounds, two city tow vendors reported different impound counts than their contracted cities. The third city relied on its tow vendors to provide the city impound count.

What Determines When a Vehicle is Impounded: The California Vehicle Code (CVC)

The CVC determines when a violation can result in an impound. Such violations include: DUI, driving on a revoked or suspended license, five or more unpaid traffic tickets, unlicensed driver, unregistered vehicle, parking in a tow zone, arrest, speeding, and evidence hold on the vehicle. The CGJ Survey contained a segment on the type and number of CVC violations which occurred in each city in 2015 that resulted in an impound. Only five cities completed the CVC violation portion of the survey. Six cities did not complete the CVC survey: Inglewood, El Monte,

Baldwin Park, Glendora, San Fernando, and Montebello. Montebello and El Monte reported that this section of the survey “required a hand count” and refused to do the count. Baldwin Park and Glendora stated they do not keep this information.

Knowing the number of specific CVC violations that resulted in an impound gives a clearer picture of what type of violations are occurring in each city. The CGJ commends the cities of Beverly Hills, Glendale, Huntington Park, Whittier and Irwindale for completing their CVC surveys. West Covina turned in numerous pages for the auditors to hand count, a step above Montebello and El Monte and the other non-responding cities.

Partial Breakdown of Most Numerous CVC Violations by Reporting Cities

The following information details the most frequent CVC violations that resulted in impounds by reporting cities.

Irwindale, proportional to its 1,466 population, has the largest number of impounds at 337, and reported 31 DUI’s and 293 accidents. It must be noted that Irwindale includes 700 businesses and 25,000 daily workers. It also has major commuter highways that bisect the city, transporting many thousands of commuters and trucks daily. The largest number of impound causes were: 75 unlicensed drivers, 71 suspended license (30-day impound), 73 arrested driver, 26 expired registration.

Beverly Hills, with a population of 34,677, had no checkpoints, yet reported 2,065 impounds, the second largest proportional to population, in our survey. When looking at this city’s CVC survey it shows that the largest number of impounds causes are: 549 impounds for parking in a tow zone, 403 impounds for expired registration fees, and 253 impounds for not paying five or more tickets. Most of these impounds involved high-value vehicles.

Glendale, with a population of 195,799, had 10 checkpoints in 2014 and 8 checkpoints in 2015. The CVC survey indicated that out of Glendale’s total 544 impounds in 2015, 237 impounds were for expired registration, 156 impounds for evidence (relating to a crime or accident), 62 impounds for unlicensed or suspended license, and 45 impounds for reckless/excessive speed.

Huntington Park, with a population of 59,033, had 7 checkpoints in 2014 and 2 checkpoints in 2015. This city reported 1,358 impounds for 2015: 426 impounds for expired registration, 340 for unlicensed driver, 100 for arrested driver, 95 for DUI, and another 95 for blocked driveway.

Whittier, with a population of 86,538, had 12 checkpoints in 2014 and 10 in 2015. They reported 1,156 impounds for 2015: 475 impounds for expired registration, 206 for unlicensed/suspended 30 day impound,³⁴ 79 for 72-hour parking violation; and 67 for DUI.

³⁴ Whittier receives no franchise fee from its tow vendor, but receives \$250 per 30-day impound from their vendor

Three cities with large number of impounds failed to disclose CVC violations: Baldwin Park with 2,361 impounds in 2015, Montebello with 1,011 impounds. El Monte did not disclose the number of impounds or CVC violations. The failure of these three cities (with historical media coverage on abusive impound practices)^{35,36} to record CVC violations and number of impounds, obscures the violations causing impounds, as well as any abuses that may still be occurring.

The Chart below gives the statistical information on population, impounds, accidents and DUI's for the 12 surveyed cities.

CGJ Exhibit B: Comparison of City Population, Accidents, DUI's, Impounds and Checkpoints

City	Population	Sq. Miles	Collisions OTS*	DUI OTS	Impound		Checkpoints	
					2015	2014	2015	2014
Baldwin Park	77,056	6.8	369	141	2361	2316	0	0
Beverly Hills	34,869	5.7	525	120	2065	1997	0	0
El Monte	116,732	9.6	696	187	N.R.	N.R.	6	N.R.
Glendale	201,020	30.6	983	579	544		22	27
Glendora	52,009	19.6	284	210	454	N.R.	2	2
Huntington Park	59,430	3	252	185	1358		2	7
Inglewood	111,656	9.1	95	212	N.R.	N.R.	8	10
Irwindale	1,437	9.6	293	31	337	342	0	0
Montebello	63,291	8.4	403	118	1011		4	4
San Fernando	24,931	2.4	109	81	435		0	0
West Covina	108,484	16.1	736	113	587	728	0	0
Whittier	87,438	14.7	556	225	1156	N.R.	10	12

*2014 OTS information is used for 2015 OTS Grants to cities for checkpoints and saturation patrols and TIMS-SWITRS³⁷
 N.R. No Response

E. Increased Enforcement

Obviously not all impounds are generated from checkpoints and saturation patrols. So what is happening in some cities with significant numbers of police-initiated impounds that do not

³⁵ Ryan Gabrielson, “Like Bell and Maywood, Montebello reaps funds from car seizures”, California Watch for Investigative Reporting, U. C. Berkeley, 04/25/11

³⁶ Ryan Gabrielson, “Car seizures at DUI checkpoints prove profitable for cities, raise legal questions”, California Watch, Center for Investigative Reporting, U. C. Berkeley, 02/13/10

³⁷ TIMS-SWITRS Transportation Injury Mapping System-Statewide Integrated Records System

involve checkpoints? Increased enforcement equates to more traffic stops, often for minor infractions that can generate citations that often lead to bigger discoveries, such as lack of current registration or driving without a license, which generates an impound. CGJ interviews with a citizen activist and a businessman in Baldwin Park reported that drivers in Baldwin Park are often stopped for minor infractions, such as a cracked windshield, light out, no seat belt, etc., which are not impoundable offenses but often result in an impound.^{38, 39} This reasonable suspicion by community members leads to the question: was the vehicle improperly impounded for a non-impoundable violation, or did the police officer discover an impoundable offense, such as an unlicensed driver or unregistered vehicle? The suspicion can easily be cleared when specific CVC violation(s) are recorded and tracked by a city and available to the public. It is difficult to determine in the cities that did not fill out the CVC violation survey, because they “do not keep the information”. Whatever the case, the public is denied information that is not kept or is not reported or available.

The same businessman and a police officer in a city adjacent to Baldwin Park reported that increased enforcement has occurred in Baldwin Park, with the contracted tow vendor assisting and identifying vehicles with out-of-date registration tags on license plates, as well as other violations that could result in impounds.^{40 41} Looking at this city’s 2,361 impounds in 2015 supports the suspicion that this city has increased enforcement.

F. Holding On To Vehicles

“Holding on to vehicles” was first noted by the CGJ when reading a newspaper article regarding El Monte’s 2014 former tow vendor which had limited office hours and lack of accessibility. Holding on to cars can also occur because of delay in police-initiated paperwork, as witnessed by two Civil Grand Jurors who were in the lobby of the Baldwin Park Police Department before noon on Friday, September 2, 2016. The two CGJ members were in the lobby while waiting to start their CGJ inspection of the jail and observed the following:

A young man came into the police station lobby and said that his car was impounded on Wednesday, August 31, 2016, and he was there to pay his fees in order to obtain the release document needed to retrieve his vehicle. The civilian employee stated, “The officer was too busy to complete the paperwork”⁴² to release the car. The young man asked if he could return in a few hours. The civilian employee said no, the officer would not be available. The employee told the young man to come back on Tuesday, September 6th, as Monday was a holiday.

³⁸ Interview citizen-activist, 10/4/16 AM

³⁹ Interview Baldwin Park businessman, 10/4/16

⁴⁰ Ibid.

⁴¹ Interview police officer San Gabriel Valley, 1/27/17

⁴² Witnessed by two Civil Grand Jury members in the Baldwin Park Police lobby on 9/2/16

This man's car was in the tow lot for at least 7 days, which would accrue 8 days of daily storage fees (8 days x \$54 = \$432). There was no posting of the Right to an Impound Hearing in the police lobby. This situation demonstrates the importance of having cities post the Right to an Impound Hearing, so a driver can challenge the length of impound and the accruing daily storage fees.

The city's performance in the above case is very questionable. Police officers use CHP Form 180 for impounds and citing the vehicle code violation. This form is completed at the time of impound and takes 5 to 10 minutes to complete. It is always done before the end of an officer's shift in the other 11 surveyed cities. It is common practice that police departments require their officers to complete impound documents by the end of their shift. The CGJ finds that the city of Baldwin Park is "Holding on to Vehicles" which increases impound fees. This city exhibits lax police department training in officer-initiated paperwork, recordkeeping, and accountability. Those cities not posting impound information on their web sites and/or in their city offices are delaying public access to information. This results in vehicles being held more days, thus increasing the tow vendor's daily storage fees and franchise fee paid back to the city.

III METHODOLOGY

The CGJ Tow and Impound Committee conducted this investigation using the following methodologies.

Interviewed: Police and Sheriff administrators, officers and civilian personnel, current and retired city employees, tow and impound company owners, private business owners, legal aid lawyer, newspaper and television reporter, city residents and community activists. Also, two members of the CGJ attended a City Council meeting on Tow/Impound contract approval.

Research included: newspaper articles, television reports, archived radio programs on tow and impound practices; internet; numerous legal briefs; viewing city and community activists web sites, and observing an unannounced site inspection of a Sheriff's Department contracted tow vendor location by Sheriff's personnel.

The CGJ conducted the following analysis: After 3 months of studying the numerous issues and possible abuses of impound practices, the CGJ developed criteria to create detailed surveys. A contract was awarded to HMR to conduct a management audit of the Tow and Impound practices of 12 selected cities and their Tow/Impound contractors. HRM auditors implemented the surveys and analyzed the information reported from the 12 cities and their tow vendors. CGJ and HRM analyzed RFPs, contracts, reports and city websites; California State Controller audit reports on select cities; OTS and Transportation Injury Mapping System-Statewide Integrated Traffic Records System (TIMS-SWITRS) regarding traffic statistics on each city, as

well as the awarding of State checkpoint grants to city police departments from the aggregate of the OTS traffic statistics.

IV FINDINGS

1. Cities lack accessible information on impound vehicle retrieval, payment, location of payment office and hours of operation. Most cities in our survey lack accessible information on how to retrieve and pay for an impounded vehicle, as well as how to appeal the impound and/or fees charged. All of this information needs to be available to residents 24 hours a day, 7 days a week, not just during weekly business hours, which are often Monday through Thursday in the city offices that are closed on Friday. The lack of accessible information leads to increased tow vendor impounds fees for the vehicle owner.
2. Impound fees are not posted in all city offices that accept impound fee payment. El Monte, Glendale, Glendora, Irwindale, Huntington Park, San Fernando, West Covina and Whittier indicated on their respective City Impound Surveys that they do not post impound fee information in their city/police offices.
3. City web sites lack information on impounds. The cost of retrieving a vehicle is substantial and cities should improve the transparency of their systems by providing a clear user-friendly webpage detailing the vehicle retrieval process, links to tow company sites detailing all the elements of costs, including both city fees and tow vendor fee schedules. Seven cities indicated on their survey that they posted impound information on their web sites. CGJ members searched the 7 city web sites and determined that only Glendora listed complete impound information. Baldwin Park needs to add the Right to Impound Hearing on their web site. All of the other 10 cities had little or no information on impounds in their web sites.
4. Many of our sample cities have populations that speak other languages. Only Montebello, Baldwin Park and Inglewood stated on their survey that they translate their city impound fee information into another language used by their city residents.
5. This investigation found a lack of information on Impound Hearings. The right to an impound hearing should be posted in the city offices that receive payment of impound fees. Not posting the right to an impound hearing in the city office that accepts payment is withholding public information and indicates a lack of transparency in city governmental procedures.
6. The right to an impound hearing is not included on all city websites providing information on impounds. Not including information on the web regarding the right to an impound hearing denies the public timely information needed to challenge the impound, length of impound and fees charged.

7. There is a need for city management to monitor and track the number of impound hearings and the ratio of hearings to impounds, as well as their results, as a way of determining if there are trends that may warrant corrective action regarding police procedures, as well as tow vendor performance.
8. City impound fees and tow vendor franchise fees paid back to a city can encourage a city to “police for profit” by increasing impounds to keep the revenue flowing into the city. There is even more impound incentive when cities request an increased franchise fee triggered by a certain pre-determined number of impounds being achieved, such as the practice in Montebello.⁴³ HMR auditors state in their findings that higher franchise fees can also create larger relative burdens on tow companies and/or vehicle owners since tow companies will need to build these costs into their tow and storage fees paid by vehicle owners.
9. Cities have an obligation under CVC 12110(b) and 22850.5 to ensure that their tow vendor franchise fees and city administrative release fees are recovering no more than the actual and reasonable cost of administering their towing program. Reviewing and comparing fees with other cities in the county will ensure the fairness of their fees being charged relative to other jurisdictions.
10. City impound release fees are generally lower in economically advantaged cities compared to economically disadvantaged/challenged cities.
11. Tow vendor fees are generally lower in economically advantaged cities compared to economically disadvantaged/challenged cities.
12. All 12 surveyed cities need to record and track detailed records on the number of impounds their city initiates. The CGJ surveys found the following problems:
 - Many cities do not track the number of annual impounds, nor the number of impounds at scheduled checkpoints.
 - A few cities relied on their tow vendor(s) to provide the number of impounded vehicles in a given year.
 - In other instances, the reported survey numbers of city-initiated impounds varied from the tow vendors’ count.
 - The amount of money that is coming into the city through the city-collected impound fees and the tow vendor franchise fees that are paid back to the city is being obscured.
13. Many of the surveyed cities lack transparency, as well as auditing checks and reconciliation on the number of impounded vehicle fees.

⁴³ Ryan Gabrielson, “Like Bell and Maywood, Montebello reaps funds from car seizures”, California Watch, Center for Investigative Reporting, U. C. Berkeley, 4/15/11

14. In the past few years, checkpoints have decreased in some of the select cities who have had negative press on their numerous checkpoints and impound volume. Checkpoints have been replaced in a few cities with increased enforcement. Glendale was highest in the number of scheduled checkpoints: 27 checkpoints in 2014 and 22 checkpoints in 2015, but with a lower rate of 544 impounds for its population of 195,799. Baldwin Park, with no checkpoints in 2014 and 2015, had a high level of 2,361 impounds in 2015.
15. Having data from the 12 City Impound Surveys on the number of specific CVC violations that resulted in impounds, would give a clear picture of the type and frequency of violations that result in impounds. This information needs to be recorded, tracked, and available to the public. The lack of CVC information obstructs the city's ability to identify trends and solutions to CVC violations within their city and obscures impound practices. The cities of Baldwin Park, El Monte, Montebello, Glendora, San Fernando, Inglewood and West Covina need to record and track their city's CVC code violations.
16. Baldwin Park, El Monte, Montebello, Glendora, San Fernando and Inglewood lacked transparency and withheld public information by not fully completing their CGJ Survey. The CGJ considers these cities to be "withholding public information" and also questions their impound practices.
17. Baldwin Park, Montebello, El Monte, Glendora, Inglewood and San Fernando are not using or do not have a workable computerized record management system for their Police Departments and could not track the number of impounds or the specific CVC violations that resulted in impounds. It was also found that many cities' records of impound numbers varied from those recorded by their tow vendors, who reported higher number of impounds.
18. Baldwin Park, as reported earlier, did not complete CHP Form 180 at the time of impound, or by the end of the officer's shift.⁴⁴ This incident resulted in holding on to the impounded vehicle by increasing the days the vehicle was held at the tow vendor's lot, resulting in the vehicle owner accruing extra tow vendor fees (daily storage and lien initiating fees). The CGJ is concerned this may be reoccurring. It is common practice in police departments to have their officers complete impound documentation by the end of their shift.
19. El Monte is identified for refusing to give out public information as stated earlier in this report. A CGJ member asked for information on the impound fees while in the lobby of the police department. A civilian employee called out "Don't give it to him. He is from the Grand Jury."⁴⁵ This is public information that was refused by employees of the city and the police department. This city does not post its impound fees in its city offices nor on its web site. This raises the issue of concealing information which should be public.

⁴⁴ Two CGJ members in the lobby of Baldwin Park P. D. witnessed a city employee telling a citizen the impound paperwork had not been completed by the officer who initiated the impound, 9/2/16

⁴⁵ Witnessed by two CGJ members in the lobby of El Monte Police Department, 10/12/16

20. Overall, the number of vehicle impounds has decreased in cities.⁴⁶ It is noted that a few cities continue to have high impound rates, but they are lower than in 2008-2010.
21. The CGJ impound investigation was limited to 12 select cities. Many of the CGJ findings most likely occur in many other cities in the County of Los Angeles

V RECOMMENDATIONS

1. Baldwin Park

- 16A.1.1 The City Manager of Baldwin Park (CMBP) should improve the website to include a source of complete information on the impound procedures required to retrieve and release a vehicle including information on the right to an impound hearing. (Findings 3 and 6)
- 16A.1.2 The CMBP should post information on the right to an impound hearing in the city office that accepts impound payments. (Finding 5)
- 16A.1.3 The CMBP should record and track an accurate count of the number of impounds it initiates, and reconcile this count with their tow vendor(s) count. (Finding 12)
- 16A.1.4 The CMBP should monitor the number of impound hearings and their results as a way to determine if there are trends in the outcomes of hearings that may warrant corrective action concerning police procedures and measuring tow vendor performance. (Finding 7)
- 16A.1.5 The Baldwin Park Police Department (BPPD) should both record and track the information on the California Vehicle Code violations that result in impounds. This information can assist the police department and the public in assessing the type of violations occurring within the city. (Finding 15)
- 16A.1.6 The BPPD should implement a computerized record management system that has the ability to keep, record, track, organize, coordinate and retrieve the number of impounds, impound locations, and specific CVC violations. This is needed to improve the data base and recordkeeping for the police department, as well as making public information accessible to the public. (Finding 17)
- 16A.1.7 The BPPD should complete the CHP Form 180 at the time of a vehicle impound, or no later than the end of the initiating police officer's shift, on the day the officer impounded the vehicle. (Finding 18)
- 16A.1.8 The City Council of Baldwin Park (CCBP) should adopt policies that require the cost of administering their towing programs to be reassessed on a periodic basis to ensure that franchise fee and administrative fees are not exceeding the cost of service. Since personnel costs typically adjust annually, this cost assessment should be conducted no less than every two years. (Finding 9)

⁴⁶ As a result of AB 353

16A.1.9 The CCBP should annually review their city and tow contractor fees charged to vehicle owners, including comparisons with other cities in Los Angeles County, to evaluate and justify the amounts charged, considering the potential hardship on their citizens relative to the policy objectives of the fees including deterring certain types of behavior, as well as considering the fairness of the fees being charged relative to other jurisdictions. (Finding 9)

2. Beverly Hills

16A.2.1 The City Manager of Beverly Hills (CMBH) should improve the website to be clear, user friendly, and provide a source of complete information on the impound procedures required to retrieve and release a vehicle including: identify the city office that accepts payments, hours and days the city office is open, office phone number, required documents to bring to the city office that accepts payment, total city fees required to obtain vehicle release form, tow vendor total fees required to release vehicle, links to the tow vendors site, identify type of payments that are accepted (cash and credit card), and information on the right to an impound hearing. (Findings 3 and 6)

16A.2.2 The CMBH should post information on the right to an impound hearing in the city office that accepts impound payments. (Finding 5)

16A.2.3 The CMBH should record and track an accurate count of the number of impounds it initiates, and reconcile this count with their tow vendor(s) count. (Finding 12)

16A.2.4 The City Council of Beverly Hills (CCBH) should adopt policies that require the cost of administering their towing programs to be reassessed on a periodic basis to ensure that franchise fee and administrative fees are not exceeding the cost of service. Since personnel costs typically adjust annually, this cost assessment should be conducted no less than every two years. (Finding 9)

16A.2.5 The CCBH should annually review their city and tow contractor fees charged to vehicle owners, including comparisons with other cities in Los Angeles County, to evaluate and justify the amounts charged, considering the potential hardship on their citizens relative to the policy objectives of the fees including deterring certain types of behavior, as well as considering the fairness of the fees being charged relative to other jurisdictions. (Finding 9)

3. El Monte

16A.3.1 The City Manager of El Monte (CMEM) should post all city impound fees in the city office that accepts impound payments. (Finding 2)

16A.3.2 The CMEM should improve the website to be clear, user friendly, and provide a source of complete information on the impound procedures required to retrieve and release a vehicle including: identify the city office that accepts payments, hours and days the city office is open, office phone number, required documents to bring to the city office that accepts payment, total city fees required to obtain vehicle release

- form, tow vendor total fees required to release vehicle, links to the tow vendors site, identify type of payments that are accepted (cash and credit card), and information on the right to an impound hearing. (Findings 3 and 6)
- 16A.3.3 The CMEM should post information on the right to an impound hearing in the city office that accepts impound payments. (Finding 5)
- 16A.3.4 The CMEM should record and track an accurate count of the number of impounds it initiates, and reconcile this count with their tow vendor(s) count. (Finding 12)
- 16A.3.5 The CMEM should monitor the number of impound hearings and their results as a way to determine if there are trends in the outcomes of hearings that may warrant corrective action concerning police procedures and measuring tow vendor performance. (Finding 7)
- 16A.3.6 The El Monte Police Department (EMPD) should both record and track the information on the California Vehicle Code violations that result in impounds. This information can assist the police department and the public in assessing the type of violations occurring within the city. (Finding 15)
- 16A.3.7 The EMPD should implement a computerized record management system that has the ability to keep, record, track, organize, coordinate and retrieve the number of impounds, impound locations, and specific CVC violations. This is needed to improve the data base and recordkeeping for the police department, as well as, making public information accessible to the public. (Finding 17)
- 16A.3.8 The EMPD should provide public information when requested. (Finding 20)
- 16A.3.9 The EMPD should train and instruct their civilian and police staff of the public's right to public information and and provide their employees with customer relations training. (Finding 20)
- 16A.3.10 The City Council of El Monte (CCEM) should adopt policies that require the cost of administering their towing programs to be reassessed on a periodic basis to ensure that franchise fee and administrative fees are not exceeding the cost of service. Since personnel costs typically adjust annually, this cost assessment should be conducted no less than every two years. (Finding 9)
- 16A.3.11 The CCEM should annually review their city and tow contractor fees charged to vehicle owners, including comparisons with other cities in Los Angeles County, to evaluate and justify the amounts charged, considering the potential hardship on their citizens relative to the policy objectives of the fees including deterring certain types of behavior, as well as considering the fairness of the fees being charged relative to other jurisdictions. (Finding 9)

4. Glendale

- 16A.4.1 The City Manager of Glendale (CMG) should post all city impound fees in the city office that accepts impound payments. (Finding 2)
- 16A.4.2 The CMG should improve the website to be clear, user friendly, and provide a source of complete information on the impound procedures required to retrieve and release a vehicle including: identify the city office that accepts payments, hours and days the city office is open, office phone number, required documents to bring to the city office that accepts payment, total city fees required to obtain vehicle release form, tow vendor total fees required to release vehicle, links to the tow vendors site, identify type of payments that are accepted (cash and credit card), and information on the right to an impound hearing. (Finding 3 and 6)
- 16A.4.3 The CMG should post information on the right to an impound hearing in the city office that accepts impound payments. (Finding 5)
- 16A.4.4 The CMG should record and track an accurate count of the number of impounds it initiates, and reconcile this count with their tow vendor(s) count. (Finding 12)

5. Glendora

- 16A.5.1 The City Manager of Glendora (Glendora) should post all city impound fees in the city office that accepts impound payments. (Finding 2)
- 16A.5.2 Glendora should post information on the right to an impound hearing in the city office that accepts impound payments. (Finding 5)
- 16A.5.3 Glendora should record and track an accurate count of the number of impounds it initiates, and reconcile this count with their tow vendor(s) count. (Finding 12)
- 16A.5.4 The Glendora Police Department (Glendora Police) should both record and track the information on the California Vehicle Code violations that result in impounds. This information can assist the police department and the public in assessing the type of violations occurring within the city. (Finding 15)
- 16A.5.5 Glendora Police should implement a computerized record management system that has the ability to keep, record, track, organize, coordinate and retrieve the number of impounds, impound locations, and specific CVC violations. This is needed to improve the data base and recordkeeping for the police department, as well as, making public information accessible to the public. (Finding 17)
- 16A.5.6 The City Council of Glendora (Glendora City Council) should adopt policies that require the cost of administering their towing programs to be reassessed on a periodic basis to ensure that franchise fee and administrative fees are not exceeding the cost of service. Since personnel costs typically adjust annually, this cost assessment should be conducted no less than every two years. (Finding 9)
- 16A.5.7 Glendora City Council should annually review their city and tow contractor fees charged to vehicle owners, including comparisons with other cities in Los Angeles County, to evaluate and justify the amounts charged, considering the potential hardship on their citizens relative to the policy objectives of the fees including

detering certain types of behavior, as well as considering the fairness of the fees being charged relative to other jurisdictions. (Finding 9)

6. Huntington Park

- 16A.6.1 The City Manager of Huntington Park (CMHP) should post all city impound fees in the city office that accepts impound payments. (Finding 2)
- 16A.6.2 The CMHP should improve the website to be clear, user friendly, and provide a source of complete information on the impound procedures required to retrieve and release a vehicle including: identify the city office that accepts payments, hours and days the city office is open, office phone number, required documents to bring to the city office that accepts payment, total city fees required to obtain vehicle release form, tow vendor total fees required to release vehicle, links to the tow vendors site, identify type of payments that are accepted (cash and credit card), and information on the right to an impound hearing. (Findings 3 and 6)
- 16A.6.3 The CMHP should post information on the right to an impound hearing in the city office that accepts impound payments. (Finding 5)
- 16A.6.4 The CMHP should record and track an accurate count of the number of impounds it initiates, and reconcile this count with their tow vendor(s) count. (Finding 12)
- 16A.6.5 The CMHP should monitor the number of impound hearings and their results as a way to determine if there are trends in the outcomes of hearings that may warrant corrective action concerning police procedures and measuring tow vendor performance. (Finding 7)
- 16A.6.6 The City Council of Huntington Park (CCHP) should adopt policies that require the cost of administering their towing programs to be reassessed on a periodic basis to ensure that franchise fee and administrative fees are not exceeding the cost of service. Since personnel costs typically adjust annually, this cost assessment should be conducted no less than every two years. (Finding 9)
- 16A.6.7 The CCHP should annually review their city and tow contractor fees charged to vehicle owners, including comparisons with other cities in Los Angeles County, to evaluate and justify the amounts charged, considering the potential hardship on their citizens relative to the policy objectives of the fees including deterring certain types of behavior, as well as considering the fairness of the fees being charged relative to other jurisdictions. (Finding 9)

7. Inglewood

- 16A.7.1 The City Manager of Inglewood (CMI) should improve the website to be clear, user friendly, and provide a source of complete information on the impound procedures required to retrieve and release a vehicle including: identify the city office that accepts payments, hours and days the city office is open, office phone number, required documents to bring to the city office that accepts payment, total city fees

required to obtain vehicle release form, tow vendor total fees required to release vehicle, links to the tow vendors site, identify type of payments that are accepted (cash and credit card), and information on the right to an impound hearing.

(Findings 3 and 6)

- 16A.7.2 The CMI should post information on the right to an impound hearing in the city office that accepts impound payments. (Finding 5)
- 16A.7.3 The CMI should record and track an accurate count of the number of impounds it initiates, and reconcile this count with their tow vendor(s) count. (Finding 12)
- 16A.7.4 The CMI should monitor the number of impound hearings and their results as a way to determine if there are trends in the outcomes of hearings that may warrant corrective action concerning police procedures and measuring tow vendor performance. (Finding 7)
- 16A.7.5 The Inglewood Police Department (IPD) should both record and track the information on the California Vehicle Code violations that result in impounds. This information can assist the police department and the public in assessing the type of violations occurring within the city. (Finding 15)
- 16A.7.6 The IPD should implement a computerized record management system that has the ability to keep, record, track, organize, coordinate and retrieve the number of impounds, impound locations, and specific CVC violations. This is needed to improve the data base and recordkeeping for the police department, as well as, making public information accessible to the public. (Finding 17)
- 16A.7.7 The City Council of Inglewood (CCI) should adopt policies that require the cost of administering their towing programs to be reassessed on a periodic basis to ensure that franchise fee and administrative fees are not exceeding the cost of service. Since personnel costs typically adjust annually, this cost assessment should be conducted no less than every two years. (Finding 9)
- 16A.7.8 The CCI should annually review their city and tow contractor fees charged to vehicle owners, including comparisons with other cities in Los Angeles County, to evaluate and justify the amounts charged, considering the potential hardship on their citizens relative to the policy objectives of the fees including deterring certain types of behavior, as well as considering the fairness of the fees being charged relative to other jurisdictions. (Finding 9)

8. Irwindale

- 16A.8.1 The City Manager of Irwindale (Irwindale) should post all city impound fees in the city office that accepts impound payments. (Finding 2)
- 16A.8.2 Irwindale should improve the website to be clear, user friendly, and provide a source of complete information on the impound procedures required to retrieve and release a vehicle including: identify the city office that accepts payments, hours and days the city office is open, office phone number, required documents to bring to the city office that accepts payment, total city fees required to obtain vehicle release form,

- tow vendor total fees required to release vehicle, links to the tow vendors site, identify type of payments that are accepted (cash and credit card), and information on the right to an impound hearing. (Findings 3 and 6)
- 16A.8.3 Irwindale should post information on the right to an impound hearing in the city office that accepts impound payments. (Finding 5)
- 16A.8.4 Irwindale should record and track accurate count of the number of impounds it initiates, and reconcile¹ this count with their tow vendor(s) count. (Finding 12)
- 16A.8.5 Irwindale should monitor the number of impound hearings and their results as a way to determine if there are trends in the outcomes of hearings that may warrant corrective action concerning police procedures and measuring tow vendor performance. (Finding 7)
- 16A.8.6 The City Council of Irwindale (Irwindale Council) should adopt policies that require the cost of administering their towing programs to be reassessed on a periodic basis to ensure that franchise fee and administrative fees are not exceeding the cost of service. Since personnel costs typically adjust annually, this cost assessment should be conducted no less than every two years. (Finding 9)
- 16A.8.7 The Irwindale Council should annually review their city and tow contractor fees charged to vehicle owners, including comparisons with other cities in Los Angeles County, to evaluate and justify the amounts charged, considering the potential hardship on their citizens relative to the policy objectives of the fees including deterring certain types of behavior, as well as considering the fairness of the fees being charged relative to other jurisdictions. (Finding 9)
9. Montebello
- 16A.9.1 The City Manager of Montebello (CMM) should improve the website to be clear, user friendly, and provide a source of complete information on the impound procedures required to retrieve and release a vehicle including: identify the city office that accepts payments, hours and days the city office is open, office phone number, required documents to bring to the city office that accepts payment, total city fees required to obtain vehicle release form, tow vendor total fees required to release vehicle, links to the tow vendors site, identify type of payments that are accepted (cash and credit card), and information on the right to an impound hearing. (Findings 3 and 6)
- 16A.9.2 The CMM should post information on the right to an impound hearing in the city office that accepts impound payments. (Finding 5)
- 16A.9.3 The CMM should record and track an accurate count of the number of impounds it initiates, and reconcile this count with their tow vendor(s) count. (Finding 12)
- 16A.9.4 The CMM should monitor the number of impound hearings and their results as a way to determine if there are trends in the outcomes of hearings that may warrant

- corrective action concerning police procedures and measuring tow vendor performance. (Finding 7)
- 16A.9.5 The Montebello Police Department (MPD) should both record and track the information on the California Vehicle Code violations that result in impounds. This information can assist the police department and the public in assessing the type of violations occurring within the city. (Finding 15)
- 16A.9.6 The MPD should implement a computerized record management system that has the ability to keep, record, track, organize, coordinate and retrieve the number of impounds, impound locations, and specific CVC violations. This is needed to improve the data base and recordkeeping for the police department, as well as, making public information accessible to the public. (Finding 17)
- 16A.9.7 The City Council of Montebello (CCM) should adopt policies that require the cost of administering their towing programs to be reassessed on a periodic basis to ensure that franchise fee and administrative fees are not exceeding the cost of service. Since personnel costs typically adjust annually, this cost assessment should be conducted no less than every two years. (Finding 9)
- 16A.9.8 The CCM should annually review their city and tow contractor fees charged to vehicle owners, including comparisons with other cities in Los Angeles County, to evaluate and justify the amounts charged, considering the potential hardship on their citizens relative to the policy objectives of the fees including deterring certain types of behavior, as well as considering the fairness of the fees being charged relative to other jurisdictions. (Finding 9)

10. San Fernando

- 16A.10.1 The City Manager of San Fernando (CMSF) should post all city impound fees in the city office that accepts impound payments. (Finding 2)
- 16A.10.2 The CMSF should improve the website to be clear, user friendly, and provide a source of complete information on the impound procedures required to retrieve and release a vehicle including: identify the city office that accepts payments, hours and days the city office is open, office phone number, required documents to bring to the city office that accepts payment, total city fees required to obtain vehicle release form, tow vendor total fees required to release vehicle, links to the tow vendors site, identify type of payments that are accepted (cash and credit card), and information on the right to an impound hearing. (Findings 3 and 6)
- 16A.10.3 The CMSF should post information on the right to an impound hearing in the city office that accepts impound payments. (Finding 5)
- 16A.10.4 The CMSF should record and track an accurate count of the number of impounds it initiates, and reconcile this count with their tow vendor(s) count. (Finding 12)
- 16A.10.5 The CMSF should monitor the number of impound hearings and their results as a way to determine if there are trends in the outcomes of hearings that may warrant

- corrective action concerning police procedures and measuring tow vendor performance. (Finding 7)
- 16A.10.6 The San Fernando Police Department (SFPD) should both record and track the information on the California Vehicle Code violations that result in impounds. This information can assist the police department and the public in assessing the type of violations occurring within the city. (Finding 15)
- 16A.10.7 The SFPD should implement a computerized record management system that has the ability to keep, record, track, organize, coordinate and retrieve the number of impounds, impound locations, and specific CVC violations. This is needed to improve the data base and recordkeeping for the police department, as well as, making public information accessible to the public. (Finding 17)
- 16A.10.8 The City Council of San Fernando (CCSF) should adopt policies that require the cost of administering their towing programs to be reassessed on a periodic basis to ensure that franchise fee and administrative fees are not exceeding the cost of service. Since personnel costs typically adjust annually, this cost assessment should be conducted no less than every two years. (Finding 9)
- 16A.10.9 The CCSF should annually review their city and tow contractor fees charged to vehicle owners, including comparisons with other cities in Los Angeles County, to evaluate and justify the amounts charged, considering the potential hardship on their citizens relative to the policy objectives of the fees including deterring certain types of behavior, as well as considering the fairness of the fees being charged relative to other jurisdictions. (Finding 9)

11. West Covina

- 16A.11.1 The City Manager of West Covina (CMWC) should post all city impound fees in the city office that accepts impound payments. (Finding 2)
- 16A.11.2 The CMWC should improve the website to be clear, user friendly, and provide a source of complete information on the impound procedures required to retrieve and release a vehicle including: identify the city office that accepts payments, hours and days the city office is open, office phone number, required documents to bring to the city office that accepts payment, total city fees required to obtain vehicle release form, tow vendor total fees required to release vehicle, links to the tow vendors site, identify type of payments that are accepted (cash and credit card), and information on the right to an impound hearing. (Findings 3 & 6)
- 16A.11.3 The CMWC should post information on the right to an impound hearing in the city office that accepts impound payments. (Finding 5)
- 16A.11.4 The CMWC should record and track an accurate count of the number of impounds it initiates, and reconcile this count with their tow vendor(s) count. (Finding 12)
- 16A.11.5 The CMWC should monitor the number of impound hearings and their results as a way to determine if there are trends in the outcomes of hearings that may warrant

- corrective action concerning police procedures and measuring tow vendor performance. (Finding 7)
- 16A.11.6 The West Covina Police Department should both record and track the information on the California Vehicle Code violations that result in impounds. This information can assist the police department and the public in assessing the type of violations occurring within the city. (Finding 15)
- 16A.11.7 The City Council of West Covina (CCWC) should adopt policies that require the cost of administering their towing programs to be reassessed on a periodic basis to ensure that franchise fee and administrative fees are not exceeding the cost of service. Since personnel costs typically adjust annually, this cost assessment should be conducted no less than every two years. (Finding 9)
- 16A.11.8 The CCWC should annually review their city and tow contractor fees charged to vehicle owners, including comparisons with other cities in Los Angeles County, to evaluate and justify the amounts charged, considering the potential hardship on their citizens relative to the policy objectives of the fees including deterring certain types of behavior, as well as considering the fairness of the fees being charged relative to other jurisdictions. (Finding 9)

12. Whittier

- 16A.12.1 The City Manager of Whittier (CMW) should post all city impound fees in the city office that accepts impound payments. (Finding 2)
- 16A.12.2 The CMW should improve the website to be clear, user friendly, and provide a source of complete information on the impound procedures required to retrieve and release a vehicle including: identify the city office that accepts payments, hours and days the city office is open, office phone number, required documents to bring to the city office that accepts payment, total city fees required to obtain vehicle release form, tow vendor total fees required to release vehicle, links to the tow vendors site, identify type of payments that are accepted (cash and credit card), and information on the right to an impound hearing. (Findings 3 and 6)
- 16A.12.3 The CMW should post information on the right to an impound hearing in the city office that accepts impound payments. (Finding 5)
- 16A.12.4 The CMW should record and track an accurate count of the number of impounds it initiates, and reconcile this count with their tow vendor(s) count. (Finding 12)
- 16A.12.5 The CMW should monitor the number of impound hearings and their results as a way to determine if there are trends in the outcomes of hearings that may warrant corrective action concerning police procedures and measuring tow vendor performance. (Finding 7)
- 16A.12.6 The City Council of Whittier (CCW) should adopt policies that require the cost of administering their towing programs to be reassessed on a periodic basis to ensure that franchise fee and administrative fees are not exceeding the cost of service. Since

personnel costs typically adjust annually, this cost assessment should be conducted no less than every two years. (Finding 9)

16A.12.7 The CCW should annually review their city and tow contractor fees charged to vehicle owners, including comparisons with other cities in Los Angeles County, to evaluate and justify the amounts charged, considering the potential hardship on their citizens relative to the policy objectives of the fees including deterring certain types of behavior, as well as considering the fairness of the fees being charged relative to other jurisdictions. (Finding 9)

VI REQUIRED RESPONSES

California Penal Code Sections 933(c) and 933.05 require a written response to all recommendations contained in this report. Responses shall be made no later than ninety (90) days after the Civil Grand Jury publishes its report and files it with the Clerk of the Court. Responses shall be made in accord with Penal Code Sections 933.05 (a) and (b).

All responses to the recommendations of the 2016-2017 Civil Grand Jury must be submitted on or before September 30, 2017, to:

Presiding Judge
 Los Angeles County Superior Court
 Clara Shortridge Foltz Criminal Justice Center
 210 West Temple Street
 Eleventh Floor-Room 11-506
 Los Angeles, CA 90012

Responses are required from:

Responding Agency	Recommendations
Baldwin Park Police Department	16A.1.5, 16A.1.6, 16A.1.7
City Manager of Baldwin Park	16A.1.1, 16A.1.2, 16A.1.3, 16A.1.4
City Council of Baldwin Park	16A.1.8, 16A.1.9
City Manager of Beverly Hills	16A.2.1, 16A.2.2, 16A.2.3
City Council of Beverly Hills	16A.2.4, 16A.2.5
El Monte Police Department	16A.3.6, 16A.3.7, 16A.3.8, 16A.3.9
City Manager of El Monte	16A.3.1, 16A.3.2, 16A.3.3, 16A.3.4, 16A.3.5
City Council of El Monte	16A.3.10, 16A.3.11
City Manager of Glendale	16A.4.1, 16A.4.2, 16A.4.3, 16A.4.4
Glendora Police Department	16A.5.4, 16A.5.5
City Manager of Glendora	16A.5.1, 16A.5.2, 16A.5.3
City Council of Glendora	16A.5.6, 16A.5.7

City Manager of Huntington Park	16A.6.1, 16A.6.2, 16A.6.3, 16A.6.4, 16A.6.5
City Council of Huntington Park	16A.6.6, 16A.6.7
Inglewood Police Department	16A.7.5, 16A.7.6
City Manager of Inglewood	16A.7.1, 16A.7.2, 16A.7.3, 16A.7.4
City Council of Inglewood	16A.7.7, 16A.7.8
City Manager of Irwindale	16A.8.1, 16A.8.2, 16A.8.3, 16A.8.4, 16A.8.5
City Council of Irwindale	16A.8.6, 16A.8.7
Montebello Police Department	16A.9.5, 16A.9.6
City Manager of Montebello	16A.9.1, 16A.9.2, 16A.9.3, 16A.9.4
City Council of Montebello	16A.9.7, 16A.9.8
San Fernando Police Department	16A.10.6, 16A.10.7
City Manager of San Fernando	16A.10.1, 16A.10.2, 16A.10.3, 16A.10.4, 16A.10.5
City Council of San Fernando	16A.10.8, 16A.10.9
West Covina Police Department	16A.11.6
City Manager of West Covina	16A.11.1, 16A.11.2, 16A.11.3, 16A.11.4, 16A.11.5
City Council of West Covina	16A.11.7, 16A.11.8
City Manager of Whittier	16A.12.1, 16A.12.2, 16A.12.3, 16A.12.4, 16A.12.5
City Council of Whittier	16A.12.6, 16A.12.7

VII ACRONYMS

AB60	Assembly Bill 60
AB353	Assembly Bill 353
BPPD	Baldwin Park Police Department
CCBP	City Council Baldwin Park
CCBH	City Council Beverly Hills
CCEM	City Council El Monte
CCHP	City Council Huntington Park
CCI	City Council Inglewood
CCM	City Council Montebello
CCSF	City Council San Fernando
CCWC	City Council West Covina
CCW	City Council Whittier
CGJ	2016-2017 Los Angeles County Civil Grand Jury
CHP	California Highway Patrol
CHP Form 180	California Highway Patrol Form 180
CMBP	City Manager Baldwin Park
CMBH	City Manager Beverly Hills
CMEM	City Manager El Monte
CMG	City Manager Glendale
CMHP	City Manager Huntington Park
CMI	City Manager Inglewood

CMM	City Manager Montebello
CMS	Computerized Management System
CMSF	City Manager San Fernando
CMWC	City Manager West Covina
CMW	City Manager Whittier
CVC	California Vehicle Code
DL	Driver's License
DMV	Department of Motor Vehicles
DUI	Driving Under the Influence
EMPD	El Monte Police Department
HMR	Harvey M Rose Associates, LLC
IPD	Inglewood Police Department
LASD	Los Angeles County Sheriff's Department
LLC	Limited Liability Corporation
MPD	Montebello Police Department
OTS	(California) Office of Traffic Safety
RFP	Request for Proposal
SFPD	San Fernando Police Department
TIMS-SWITRS	Transportation Injury Mapping System-Statewide Integrated Traffic Records System

VIII COMMITTEE MEMBERS

Dianne Kelley	Chair
Sharon Muravez	Co-chair
Regi Block	
Hilda Dallal	
Ronnie Dann-Honor	

TOWS AND IMPOUNDS

PART B: TOW VENDOR CONTRACTS IN TWELVE SELECT CITIES



Dianne Kelley Chair
Sharon Muravez Co-Chair
Regi Block
Hilda Dallal
Ronnie Dann-Honor

TOW VENDOR CONTRACTS IN TWELVE SELECT CITIES

The Gift that Keeps on Giving

I SUMMARY

While conducting a companion investigation entitled “Impound Practices in Twelve Select Cities” (see previous report) problematic issues were revealed relating to tow vendor contracting practices. The current report pursues these issues.

Some of the contract problems the Civil Grand Jury (CGJ) and Harvey M. Rose Associates, LLC (HMR) found are as follows:

1. Lengthy contract durations that limit competition.
2. Undisciplined processes for soliciting, evaluating, and recording scoring for proposals for towing vendor contracts.
3. Limited inclusion of Performance-Based Management (PBM) provisions in Request for Proposals (RFP), awarding contracts, and performance evaluation reporting. These include:
 - a. Definition of performance requirements and objectives.
 - b. Requirements for regular reporting of performance against the requirements.
 - c. Contractual provisions for recognizing performance level.
 - d. Use of past performance data in contract awards and extensions.
4. Disconcerting appearance of mechanisms for inappropriate, non-transparent influences in contract awards.
5. Limited provisions for avoiding actual or apparent conflicts of interest and other ethical issues.
6. Limited consideration of complaints against tow vendors.

As in the companion investigation the cities included in this report are:

1. Baldwin Park
2. Beverly Hills
3. El Monte
4. Glendale
5. Glendora
6. Huntington Park
7. Inglewood
8. Irwindale
9. Montebello
10. San Fernando
11. West Covina
12. Whittier

In the opinion of the CGJ, correcting these issue areas will provide better, more effective and efficient government to the residents of the affected communities. We also believe that while we have considered the specific case of towing vendor contracts for twelve cities, it is likely that

there are numerous other local contract types and communities that have similar issues that should be corrected.

The general corrective for these contract issues is likely to be the adoption by local governments of the best examples of contracting processes as represented in the National Performance Management Advisory Commission's (NPMAC): "A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving"¹

The full HMR audit report² can be found on <http://grandjury.co.la.ca.us/gjreports.html>.

II BACKGROUND

A. TOW VENDOR CONTRACTS

Cities contract with service vendors in different ways. A city may select a vendor without a bidding process. This is often done when there are good working relations with long standing city vendors or vendors that provide gifts to the city, which has the potential for inappropriate influence. Whittier and Inglewood do not use an RFP process. The HMR auditors report that Whittier does not use an open, competitive bidding process. Inglewood issues a towing business permit to their city's pool of tow vendors upon approval by the Police Department. Thereafter, tow vendors are reviewed annually to renew their tow vendor permits.³

Ten of the twelve surveyed cities conduct competitive bidding for their tow vendors through a RFP process. This process is standard.

- The RFP is advertised by the city and different vendors submit their company's proposal for evaluation by the city that will ultimately choose the contracted vendor(s).
- Cities chose committee representatives to rate the RFPs and inspect the bidder's tow lot.
- These rating committees, who make the final recommendations to the city council, may be made up of one or more of the following representatives from: the police department, city manager or his representative, purchasing department and/or a city fiscal official.
- The city council is the ultimate final decision-making body that approves which companies receive the city's contracts, regardless of the recommendations from the contract review committee, city departments, citizens, or police.

Proposal Evaluation Documentation is Scarce

RFP evaluation criteria are minimal in many of the surveyed cities, and documentation of evaluation rating is even scarcer. HMR listed 20 criteria for cities to choose from in identifying the criteria they used to rate RFP's. They also asked the cities to indicate and identify if other

¹<http://www.gfoa.org/sites/default/files/APerformanceManagementFramework.pdf>

² HMR audit report is from actual data collection

³ HMR audit of Investigation of Towing and Impound Management Practices in Select Los Angeles County Cities, 5/02/17, pg. 11

criteria are used. Twelve cities responded they use criteria in their RFP and non-RFP contract evaluation, but only three cities provided documentation of their evaluation rating process and criteria used.⁴ The survey results below shows the criteria used for RFP and vendor selection is minimal in many cities and could be improved.

Beverly Hills: RFP Evaluation Criteria included: Facility assessments which include office, storage, police holds, references, financial stability, and prior violations.

Glendale: Criteria included in the 2016 RFP: Scoring sheets of personal service requirements, facility and equipment requirements, prior experience, references, and financial viability.

Irwindale: Criteria included in the 2011 RFP: Interview assessments provided with ratings on appearance, community involvement, compliance with city requirements, and motivation to serve.⁵

Better managed cities tie their RFP and vendor evaluation and rating to include specific evaluation criteria on current and past performance, previous contract compliance, risk management, safety measures, fiscal viability, history of litigation, and police and public complaints and vendor resolution. The use of scoring templates for towing vendor bidders and maintaining records of these completed forms ensure that proposal evaluations are conducted in a fair and unbiased manner.⁶

The CGJ finds cities limit risk and provide residents with the best service from their contracted vendors where there is a competitive bidding process, good vetting of tow vendor and tow vendor complaints, detailed rating of the proposal, short term contracts of three to five years, and a transparent process void of outside monetary or in-kind/gift influence.

Length of Tow Vendor Contracts

The CGJ survey showed that contracts vary from 1 year (Inglewood)⁷ to 13 years (West Covina). Most cities awarded their tow vendor contracts for 3 to 4 years, with a possible option of an extension. Contract provisions that allow for terms of 7 to 13 years are not in the best interests of cities or their residents because this does not keep vendors competitive on price and performance.

Changes in contracted tow vendors occurred in four of the surveyed cities for the 2016-2017 survey period. Glendale and El Monte reported a contracted tow vendor's business was purchased by another company. Huntington Park, in 2015, and West Covina, in 2016, removed a contracted tow vendor through litigation.

⁴ HMR audit of Investigation of Towing and Impound Management Practices in Select Los Angeles County Cities, 5/02/17, pg. 29

⁵ Ibid., pg. 30 Exhibit 4.3 Responses to Evaluation Criteria

⁶ Ibid., pg. 31

⁷ Inglewood uses a 1-year Business Permit

B. USE OF PERFORMANCE CRITERIA FOR TOW VENDOR REPORTING

Current General Reporting Information

The city surveys showed that tow vendors periodically report the number of impounds and various impound fees the tow vendor collects from tow fees, daily storage fees, lien vehicle sales (from unretrieved vehicles) and salvaged vehicle income. The contracted tow vendor will reimburse a pre-determined portion of the collected fees to their contract city in franchise fees per the tow vendor contract. Tow vendors report their franchise fees and impound volume with their attached franchise checks to the city. This often is the extent of tow vendor reporting to cities. Other informational records may be kept at the tow vendor's office if the city wishes to review.

Five cities (Huntington Park, Inglewood, Montebello, West Covina, and Whittier) did not require any activity reporting of their tow vendors.

The CGJ believes that best interests are served by PBM and that requires reporting, performance evaluation and contractual inducements. In order to achieve PBM, cities need to include the following reporting:

1. **General Activity Information:** Secondary inventory of vehicle personal property, location of tow, information on tow incident, and vehicle descriptors (make, model, Vehicle Identification Number), dates of impound and release (which allows for assessing total impound time) and police case numbers (to easily track cases back to individual officers and incidents).⁸
2. **Performance Information:** Tow response times, phone response times, citizen's complaints and tow vendor's resolution(s) to those complaints, compliance with state and local laws and regulations, compliance with contract requirements, training of staff, and demonstration of safe behaviors.

These more specific reporting requirements should be evaluated by the city as measurable criteria in contract management performance. Of the 12 cities, 5 cities report no activity.⁹

⁸ HMR audit, pg. 13

⁹ Ibid. pg. 14-15

HMR Audit Exhibit 2.5: Tow Contractor Activity Reporting Required by Surveyed Cities

City	No Activity Reporting Requirement	Regular Activity Report Required	Must Report Amount of Time Vehicle Stored	Must Report Tow Location	Must Report When Personal Property Inventoried	Must Report Information on Tow Incident
Baldwin Park		✓				
Beverly Hills		✓	✓			
El Monte		✓	✓			
Glendale		✓	✓	✓	✓	
Glendora		✓				
Huntington Park	✓					
Inglewood	✓					
Irwindale		✓	✓	✓		✓
Montebello	✓					
San Fernando		✓	✓			✓
West Covina	✓					
Whittier	✓					
Total	5	7	5	2	1	2

Specific requirements put the contracting city in a much better position to monitor their contractors' and police department's performance and prevent improper towing and storage activities and provide greater assurance to the public that their city's towing and impound operations are functioning efficiently and properly.¹⁰

HMR Exhibit 2.6 Performance Metrics Reported or Evaluated by City

City	No Performance Reporting Required	Tow Response Time	Customer Complaint	Phone Wait Time	Quality Assurance Plan Compliance
Baldwin Park		✓			
Beverly Hills		✓			
El Monte	✓	*			
Glendale	*	*	*	*	*
Glendora	✓	*			
Huntington Park		*	✓		
Inglewood	✓	*			
Irwindale		*			
Montebello		*	✓		
San Fernando	✓	*			
West Covina		*	✓		
Whittier	*	*			

* This city does not mandate regular reporting but requires that the tow vendor has specific records available for inspection in the performance areas shown.

¹⁰ Ibid, pg. 15

While most cities address contractor performance in one or two areas, it is obvious that 11 of the 12 cities are lacking in quality and number of performance metrics. Only 1 city (Glendale) stood out from its peers with many specific metrics requiring their tow vendors to maintain and provide records on phone wait times. They also included a Quality Assurance Plan detailing how the vendor will meet 93 performance standards outlined in their contract.¹¹ Glendale gets a “Best Practice” from the CGJ for their performance standards.

C. BETTER MANAGEMENT THROUGH PERFORMANCE-BASED CONTRACTING

HMR Auditors report that only Glendale had developed a comprehensive contract management plan and integrated it into their towing franchise agreement while five cities failed to incorporate any specific performance reporting requirements. Six cities mentioned minimal performance metrics in their contracts (such as customer complaints and response times) which do not meet the test of a comprehensive approach to monitor performance in fulfilling the contract, as well as service to the public.¹²

As part of their findings, HMR referenced practices from the National Performance Management Advisory Commission (NPMAC) when entering into contract agreements, as stated below:

- 1) “Identify and prioritize service objectives for contractors: a. Cities can identify specific performance objectives addressing towing response times, wait times for customer service over the phone and at the counter, customer complaints resolutions, and other objectives.
- 2) Develop a system to collect and analyze performance data: a. Cities could require periodic reporting of performance statistics to assess the impact of their towing vendors on the community. Data could include activity measures, such as the volume of vehicles towed, stored, impounded, and lien sold, as well as performance measures to assess compliance with service objectives.
- 3) Establish contract provisions for meeting, exceeding, or not meeting performance objectives: a. In addition to simply stating that the city may terminate its contract at any time due to noncompliance with the terms of a contract, cities could also impose liquidated damages¹³ against contractors based on the volume and severity of contract violations, and specify corrective action steps to remedy contract violations. Alternatively, if a contractor meets or exceeds service objectives, the contract should require that this performance be used when approving rate adjustments or providing bonuses.

¹¹ Ibid, pg. 16

¹² HMR Audit, pg. 16

¹³ Contractual monetary penalties

4) Link contractor performance to future procurement decisions: a. Since most contracts offer term extensions, contracts should require that contractor’s documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension.

5) Reflect the provisions outlined above, as well as the process for regular performance monitoring, in the final agreement.”¹⁴

D. ETHICS AND TRANSPARENCY

In-Kind Gifts Explained

In-kind contributions are free services or contributions to cities, city events and programs, and occasionally city personnel. They may be classified into three types:

1. Free use of a tow vendor’s services and materials. This usually entails free services of a tow vendor’s vehicle and crew to clean up after accidents, towing of city vehicles and use of tow vendor barricades and lights. These are an accepted and appropriate in-kind services for cities and are usually offered by tow vendors.
2. “Opportunity for Sponsorship” of city programs and events such as: Fourth of July Fireworks, Children’s Day Parades, youth programs, and holiday and senior programs. This creates additional financial burdens a tow vendor must pay to the city, in addition to the franchise fees it returns to its contracted city. “Sponsorship” contributions for city events often gives extra weight in the contract decision-making process of City Council members, and can result in higher fees the public pays to the tow vendor.
3. Gifts to city personnel and city council members. Examples include: hospitality suites for the police department to use on the “Baker to Vegas Run”, catering trucks for police officers at traffic safety checkpoints, and free services for city council members, such as free storage for recreational vehicles on the tow vendor’s overflow lot, and auto body and paint services offered by the vendor’s auxiliary business.^{15 16} For public officials at the state and local level, these services are usually considered gifts and should be reported on State Financial Interest Forms. Gift reporting requirements, however, are not required if gifts are provided to city employees who are not designated officials, city departments, labor unions, or employee associations.¹⁷

¹⁴ NPMAC: A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving 2015

¹⁵ Interview, police officer, San Gabriel Valley, 1/27/17

¹⁶ Interview, tow vendor, 9/28/16

¹⁷ HMR audit, pg. 26

Questionable City Council Decision-Making by Six Surveyed Cities

1. Irwindale -- RFP Evaluation Irregularities

- In early 2012, Irwindale advertised an RFP that stipulated it was for one tow vendor. This RFP contained a section titled “An Opportunity for Sponsorship” of city events.¹⁸
- In March of 2012, the City Council “rejected all proposals” after one of the five bidding vendors “indicated it planned substantial sponsorship of city programs.”¹⁹ This led the City Council to re-open the bidding process.
- In July 2012, the City Council directed the city staff to issue a new RFP for tow vendors that changed the wording on the RFP that allowed for the possibility of two rotational vendors.
- One of the bidding tow vendors gave a \$1,000 donation to the Mayor’s son’s college fund. This donation created a conflict of interest and the Fair Political Practices Commission deemed the gift illegal.²⁰
- By September 2012, Irwindale’s Tow RFP Review Committee evaluated and rated the RFP bids of the five bidding tow companies. The committee rated only two vendors above the 80 cut-off score (out of a possible 100), identified here as Vendor 1 and Vendor 2. The City Council directed the Tow Vendor Rating Committee to go back and re-score.²¹ The rating committee adjusted their scoring and came up with three vendors: Vendor 1, Vendor 2, and now Vendor 3 who offered substantial sponsorship of city programs.²² The City Council chose Vendor 1 and Vendor 3 because “they could do so” and Vendor 3 “had paid his dues to the city.”²³
- In the November 2016 California State Auditor Report #2016-111 identified this contract manipulation as “the City Council Made a Financial Decision that could give the Appearance of Favoritism.”²⁴ The practice of this city requesting in-kind contributions continues today, but it occurs in the interview portion of the RFP bidding process.²⁵

¹⁸ Irwindale tow vendor RFP, 9/2011

¹⁹ California State Audit Report 2016-111 (Irwindale), pg.41, 11/2016

²⁰ Ibid, pg. 41

²¹ Interview with a member of the 2012 Irwindale tow RFP rating committee, 1/27/17

²² Ibid.

²³ Ibid.

²⁴ California State Audit Report #2016-111, pg.40, 11/2016

²⁵ Interview tow company owner, 12/6/16

2. West Covina – Lengthy Vendor Contracts of 13 to 20 years

In-kind considerations on awarding contracts was a focal point in the 2015 California State Audit Report of West Covina, where in-kind contributions appeared to be a driving force in the awarding of vendor contracts. The audit findings stated: “The city awarded or extended large contracts without competitive bidding including a waste management contract extended to 2037 in return for a promise that the contract would contribute funds each year for the city’s Fourth of July celebration and summer contract series.”²⁶

The CGJ’s City Impound Survey on Impound Practices in the 12 Select Cities found that West Covina awarded a 13-year term to its current tow vendor. The contract was initiated in 2009 and in 2012 it was extended for 10 years, until 2022. Competition on price and performance is negated by West Covina’s practice of awarding lengthy vendor contracts.

A good example for many cities is LASD which prohibits in-kind gifts or contributions to Sheriff’s Department, Sheriff’s Stations or Sheriff’s personnel.

3. Huntington Park - Campaign Contribution Considerations in Awarding City Contracts

Huntington Park is a good example of the influence of campaign contributions. Huntington Park emerged in a highly publicized 2015 FBI probe into the city’s former tow vendor. The FBI charged the two owners of the tow vendor of attempting to bribe a Huntington Park City Council member to support increasing city-approved tow fees for the vendor.²⁷ The city’s tow contract regulates what a tow vendor may charge in fees to the public on city initiated tows. The FBI allegation was that the former tow vendor owners had offered to help pay off the city council member’s campaign debt and that some of the campaign contributions would come from “friends” and not directly from the tow company.²⁸ The Los Angeles Times reported that the bribery charges against the owners of the city’s former tow vendor were thrown out by the court because the FBI agents “did not clearly advise the men (owners) of their rights during the hours-long interrogation, and improperly pressed ahead after (owner) indicated he wanted an attorney present.”²⁹

Another Los Angeles Times article (February 16, 2017) details how a Huntington Park City Council member, in her side job as a fundraiser/political consultant, solicited various Huntington Park City contract vendors, including the tow, street sweeping, and bus-dial-a-ride vendors to “GIVE” to a candidate for State Assembly. This council member raised \$25,000 from Huntington Park City contracted vendors for the Assembly candidate and took a 27% fee

²⁶ California State Controllors Audit PR 15:32, 7/09/2015

²⁷ Joel Rubin, Los Angeles Times, “How a Corrupt Case Unraveled,” 10/18/16

²⁸ Ibid.

²⁹ Ibid.

(\$6,800) from the collection for her efforts.³⁰ This situation creates an environment that raises ethical and legal questions. Are these contributions for the Assembly seat alone, or to help create a positive connection with a City Council member with the authority to vote yes or no on city contracts?

Contract vendor issues keep unfolding in Huntington Park with their bus and dial-a-ride contact vendor. What happens with one city service vendor is often replicated with other city service vendors: tow, trash services and bus-dial a ride vendors. The Los Angeles Times on April 16, 2017 reported on Huntington Park's 2015 non bid contract with their current bus and dial a ride vendor. The city is paying this new vendor three times the amount of the previous vendor. The article goes on to state that Huntington Park purchased new city public transport vehicles for \$250,000 and rents them to the new bus vendor for \$100 a month per vehicle.³¹ This is in contrast to their neighboring City of South Gate that rents their transport vehicles at \$1,200 a month per vehicle.³² To complicate matters more, the campaign manager for three of the Huntington Park city council members was hired as the General Manager of this new city contracted bus-dial a ride vendor. The vendor also hired a city council member's brother as an employee. The Los Angeles Times reported, "City council members say (*name withheld*) connection to their campaigns played no role in the contract selection process."³³

These situations point to the need for clear, detailed and enforced city ordinances on Conflict of Interest and Code of Ethics policies. When city council members make decisions that appear to be questionable and self-serving, the residents suffer and the opportunity for open and transparent government is lost.

UNRESPONSIVE CITY COUNCILS TO COMPLAINTS

A source of significant information for evaluating tow vendors is from the number and type of complaints made by city residents and police personnel on tow vendor performance. In some of the cities surveyed, this information was not used in the rating RFP's or performance evaluations of tow vendors. Three cities in our study had news media coverage³⁴ of city council members who were unresponsive to the complaints by their residents, city employees, police department, and news media coverage of abuses. This report details the following examples:

³⁰ Adam Elmahrek, Los Angeles Times, "D A Probing Councilwoman's Side Work," 2/16/17

³¹ Adam Elmahrek, Los Angeles Times, "Bus Costs Up in Huntington Park", 4/16/17

³² Ibid

³³ Ibid

³⁴ San Gabriel Valley Tribune, La Opinion, Whittier Daily News, Univision, Los Angeles Times, U. C. Berkeley, Center for Investigative Reporting

4. Whittier -- The City That Impounded Their Own Tow Vendor's Truck for 30 Days

It is not only citizens and residents that raise alarms on Impound and Tow vendors. In 2014 and 2015 the alarm was raised by the Whittier Chief of Police, but was ignored by the City Council. In December 2014 the Whittier City Council voted 3-2 to award the Impound and Tow contract back to a second city-contracted tow vendor (Vendor 2) after a short hiatus. This was over the objection of Whittier's Police Chief, who cited serious allegations and concerns about this second city tow vendor. The Whittier Daily News reported on September 24, 2015 that: the Chief of Police "had recommended against renewing the contract, citing instances when (tow vendor 2) failed to maintain evidence for vehicles involved in serious or fatal collisions, for intimidating customers to use (tow vendor 2's) repair services, for traffic citations and other problems."³⁵ The contract was to be reviewed in six months. On June 23, 2015 this vendor's tow truck was requested by Whittier Police but never showed up. That same month the State Dept. of Justice reported a driver from vendor 2 had been arrested for driving under the influence.³⁶ These continuing problems did not dissuade Whittier's City Council, on Sept. 22, 2015, which voted 4-0 to continue to keep tow vendor 2. After the council's vote, the vendor's performance still did not improve, as documented in the Whittier Police Six-Month Tow Vendor Review³⁷ that cited the following vendor company and vendor driver(s) incidents from November 2015 through April 10, 2016: speeding, running through a red light, reckless driving, road rage, smoking marijuana on duty, and unsafe lane change.

There are two more problematic incidents:

- January 12, 2016: Reported refusal by tow vendor to give personal property from stored vehicle, unless vehicle owner paid \$400 and turned over their vehicle pink slip.
- April 10, 2016: Whittier Police stopped tow vendor 2's tow truck for expired registration tags and discovered the tow driver was driving on a suspended license with no insurance. The Whittier Police impounded this tow vendor's truck on a mandated 30-day impound.³⁸

These documented incidents point to a serious problem concerning a few tow vendors who are not vetting their employees for proper licensing, background checks and drug testing. Cities need to demand full vetting³⁹ of tow vendor owners and tow vendor employees, such as done with the Los Angeles County Sheriff's Department (LASD).⁴⁰

³⁵ Mike Sprague, "Whittier Council Agrees to Keep Hadley Tow as Towing Company Despite Problems", Whittier Daily News, 9/24/16

³⁶ Ibid.

³⁷ Whittier Police Department Memorandum Subject: Tow Agreement Six-Month Review 5/31/16. (Submitted to CGJ as part of vendor evaluation on city survey)

³⁸ Ibid.

³⁹ Conduct a careful and critical examination of owners and employees including background checks and state licensing

⁴⁰ LASD requires yearly background and drug testing of tow vendor owners and employees

5. El Monte Lost \$120,000 in Franchise Fees in 2014

For four decades El Monte had a contract with a city tow vendor. Although this investigation looks at city initiated tows, this city's former tow vendor was repeatedly in the news during the last ten years they were in business, for predatory tow practices in privately owned shopping mall parking lots where vehicle owners were legitimately shopping. Despite continuous negative coverage by newspapers, television, lawsuits, and extensive citizens' complaints, El Monte did not penalize this city tow vendor by cancelling the city contract, nor does it appear the city offered any "assistance and guidance" to this city's contract vendor. La Opinion newspaper reported in the Albert's Towing Case that "there was an agreement between (former tow vendor), the local police and elected officials in El Monte, who apparently defended the entrepreneur's interests in exchange for favors and donations."⁴¹ It was not until El Monte finally felt the financial sting that so many of its own residents had felt that things changed. The change agent was the tow vendor owner disappearing with \$120,000 owed to the City of El Monte in franchise fees due to the city.⁴² After this monetary loss, it appears the El Monte City Council finally listened to the residents (who had been vociferously complaining for years) and selected a reputable tow vendor in 2015.⁴³

6. Baldwin Park – Many Years of Citizens' Complaints

For many years, the residents of Baldwin Park have voiced their complaints to the City Council and the city's contracted tow vendor, but to no avail. Many of the complaints concerned stolen/lost personal property, such as laptops, cell phones, and work tools missing from impounded vehicles.^{44,45,46} Most recently this contracted tow vendor sold a vehicle that was placed on a police evidence hold.⁴⁷ This situation creates an insurance problem for the tow company and the city, increases city risk management, and the loss of evidence jeopardizes litigation. It appears that both this tow vendor and Baldwin Park Police share poor recordkeeping⁴⁸ (see CGJ companion report on Impound Practices in 12 select Cities, (see previous report recommendation 1.6). Other city resident complaints concerned the close connections between the city council, police, and tow vendor which was encouraged by the tow vendor's generous in-kind contributions to city programs and police personnel (hospitality suites and catering trucks).^{49, 50}

⁴¹ Isais Alverado, La Opinion, "Albert's Towing Case", La Opinion, 2/13/2015

⁴² Rebecca Kimitch, "El Monte tries to stop unscrupulous towing companies", The San Gabriel Valley Tribune, 2/5/16

⁴³ El Monte's 2015 tow vendor was purchased by Whittier's troubled tow vendor #2 in February 2017

⁴⁴ Rebecca Kimitch, "El Monte tries to stop unscrupulous towing companies", San Gabriel Valley Tribune, 2/5/16

⁴⁵ Interview police officer San Gabriel Valley, 1/27/17

⁴⁶ Interview businessman, 11/4/16

⁴⁷ Interview police officer San Gabriel, 1/27/17

⁴⁸ 2016-2017 Los Angeles County Civil Grand Jury Report, "Impound Practices in Twelve Select Cities", 1/1/17

⁴⁹ Interview Baldwin Park businessman, 10/4/16

The 2015 Brown Armstrong Accounting audit⁵¹ of Baldwin Park offered these two observations:

- “A review of contracts showed no formal policy to verify that there is no conflict of interest between council or staff and contractors hired by the city...”
- “City officials were not submitting campaign disclosure forms on time:... ”⁵²

Lien Vehicle Sales Abuse

Lien vehicle sales can be a source of abuse. There was a well-publicized report in early 2016 of a Los Angeles County Sheriff’s (LASD) official purchasing a recovered stolen vehicle at a greatly reduced price from a tow vendor.⁵³ This prompted the Sheriff to ban vehicle sales to Sheriff’s personnel from LASD contracted vendors.

The CGJ also was told by an owner of a tow company of a city councilman shopping for a lien sale vehicle from this same tow vendor who was in the bidding process with the councilman’s city.⁵⁴

E. CONFLICT OF INTEREST, CODE OF ETHICS ORDINANCES AND FINANCIAL DISCLOSURE

The CGJ and HMR auditors found that most of the cities surveyed do not maintain specific policies addressing potential conflict of interest with tow vendors. Since State financial disclosure laws apply to specific designated officials, another way for cities to mitigate conflicts of interest is to adopt and enforce local policies that prohibit all city employees from using their position of influence for personal gain. Of the surveyed cities, only 2 cities, Glendale and West Covina, maintain policies regulating or prohibiting towing vendors from selling auctioned lien vehicles to city officials or city agencies. Only 5 of the 12 cities maintain policies regulating or prohibiting the city from contracting with vendors that are owned by city employees: Baldwin Park, Beverly Hills, Glendale, Glendora, and Whittier. Finally, only 1 city, Glendora, has a policy regulating or prohibiting the city from contracting with vendors who employ relatives of city officials.⁵⁵

⁵⁰ Interview police officer San Gabriel Valley, 1/27/17

⁵¹ Melissa Masatani, “Baldwin Park to hear report from auditing firm”, San Gabriel Valley Tribune, 2/1/2015

⁵² Ibid.

⁵³ Cindy Chang, “Top LA County Sheriff’s Official Bought Stolen Audi” LA Times 10/8/15

⁵⁴ Interview Tow Company Owner, 12/6/16

⁵⁵ HMR audit, pg. 27

HMR Exhibit 4.1: Select Conflict of Interest Policies in the Twelve Surveyed Cities

City	Policies in Place for:		
	Prohibiting Auctioning Vehicles to City Officials/ Agencies	City Contracts with Businesses Owned by City Employees	City from Contracting with Businesses Employing City Official Relatives
Baldwin Park		✓	
Beverly Hills		✓	
El Monte			
Glendale	✓	✓	
Glendora		✓	✓
Huntington Park			
Inglewood			
Irwindale			
Montebello			
San Fernando			
West Covina	✓		
Whittier		✓	
TOTAL	2	5	1

Source: City responses to the Civil Grand Jury survey

In their survey responses, the cities of El Monte, Huntington Park, Inglewood, Irwindale, Montebello and San Fernando reported they do not maintain city or departmental policies specifically addressing the three areas above. Each of their towing contracts, however, contains a brief general “Conflict of Interest” clause wherein the vendor must acknowledge that no city officials’ or employees’ financial interests will be served by the contract award. Whittier’s towing contract also contains a similar clause in addition to their policies.⁵⁶

Financial Interest Disclosure Laws

California Government Code Sections 87200 – 87210 require that certain public officials at the state and local level disclose their financial interests and abstain from making decisions that result in personal gain and that may be considered conflicts of interest. Public officials include candidates running for office, elected officials, city managers, city attorneys, and other public administrators who manage and make decisions on the use of public resources. Government Code Sections 87300 – 87314 require local governments to adopt local conflict of interest codes that designate officials and employees who must disclose their financial interests.⁵⁷

⁵⁶ HMR Audit, pgs. 27-28

⁵⁷ Ibid, p. 26

These designated employees must file annual statements of economic interests either with the California Fair Political Practices Commission and/or the local filing officer, usually the City Clerk. Financial interests include income, investments, equity in property and businesses, and gifts. Aggregate gifts from a single source totaling \$50 or more in one year must be disclosed in the statement of economic interests.⁵⁸

Cities are Obligated to Avoid and Reduce the Risk of Abuse in the Contracting Process

In recent years, there have been several instances throughout the County of towing vendors providing gifts, donations, and other financial interest to various government officials and employees, potentially undermining the public's trust. The existing provisions for defending against these have not proven effective.^{59 60 61}

Internal control best practices recommend that governments respond to risk by accepting, avoiding, reducing, or sharing risk.⁶² Since each city manages its own towing vendor, and contracting is the predominant method for providing towing services, governments can avoid and reduce the risk of fraud and abuse by establishing, monitoring, and enforcing policies that dissuade or prohibit city officials and employees from using their contract oversight authority or position in the procurement process for personal gain.

III METHODOLOGY

The CGJ awarded a contract to HMR to conduct an audit and investigation of Towing and Impound Management Practices in 12 Select Los Angeles County cities.

The CGJ conducted its study using the following methodologies:

Analysis on the information reported in the extensive 12 City Impound Surveys and Tow Vendor Surveys and research conducted by the CGJ. This report focused on areas related to contracts:

- Different bidding process in each city
- Evaluation criteria of RFP's in ten of the surveyed cities
- Identifying different city departments that participated in the RFP evaluation process
- Number of towing contracts and vendors used by city location
- Types of citizens' and police complaints on city contracted tow vendors

⁵⁸ Gift limits adjust with inflation every odd year, the most recent adjustment increasing from \$460 to \$470 for 1/2/17 through 12/31/18

⁵⁹ Cindy Chang, "Top LA County Sheriff's Official Bought Stolen Audi" LA Times 10/8/15

⁶⁰ Sarah Fabot, "Former Irwindale Mayor Agrees to \$2,000 Fine for Political Action Violation" Pasadena Star News 8/11/14

⁶¹ Adam Eklmahrek, "Huntington Park Councilwoman's Consulting Business Raises Questions about Conflicts of Interest, LA Times 2/12/17

⁶² Government Accountability Office: Federal Internal Control Standards, Principal 7, Identify, Analyze, and Respond to Risks.

- Vetting and background checks, or lack thereof, of tow vendor and tow company employees
- Analyzing each jurisdiction's laws, policies, business practices and provision of in-kind services and campaign contributions from contractors and how it may affect contract awarding
- Evaluating contract administration practices and tow vendor compliance with their contractual requirements
- Identifying variations in practices and procedures in the twelve surveyed cities and determining best practices

Interviews conducted with police and sheriff administrators, officers and civilian personnel, current and retired city employees, tow and impound company owners, private business owners, legal aid lawyer, newspaper reporter, television reporter, city residents and community activists.

Research included: newspaper articles; television reports; archived radio programs on tow and impound practices; city documents such as RFP's, contracts, tow vendor evaluation reports, police documents; internet; numerous legal briefs; viewing city and community activists' web sites; observing an unannounced site inspection of a Sheriff's Department contracted tow vendor location by Sheriff's personnel; and attending a city council meeting on tow/impound contract approval.

IV FINDINGS

1. Of the twelve surveyed cities, ten cities used an open and competitive bidding process for selecting towing vendors in their most recent solicitations. Two cities, Inglewood and Whittier, do not use RFP's in the contract awarding process. Inglewood has an annual business permit process with yearly evaluations of their tow vendor(s) by the police department.
2. Through the survey we found that criteria used for RFP evaluation varies greatly from city to city and for the most part is minimal. Only three cities provided documentation of RFP scoring.
3. On average, the surveyed cities offer base contract agreements for four years, but extensions vary greatly. The most notable is West Covina where towing vendors went from a three-year contract term to a 10-year extension and could end up with a 13 year or more term if granted the 5-year extensions allowed in their contract.
4. Many cities require that their towing vendor maintain a primary storage facility and office within or proximate to the contract city's limits. In addition, every city measures the response time for tow trucks dispatched to police calls, the average maximum response time being 20 minutes for a tow truck to arrive on the scene.
5. Some cities stipulate in their contracts that their towing vendors must provide periodic reports, usually monthly or quarterly, detailing towing activity, service charges, and franchise

fee payments. More specific information would be desirable, such as impounded vehicle descriptors (make, model, Vehicle Identification Number, owner information), dates of impound and release (which allows for assessing total impound time), and police case numbers (to easily track cases back to individual officers and incidents). These requirements put the contracting city in a much better position to monitor their contractors' and police department's performance and to better ensure that improper towing and storage activities are not taking place.

6. Nine cities have contracts that include clauses that require some performance reporting. However, six of these cities only required evaluating customer complaints or tow response time performance and two cities only vaguely state that the police chief retains the right to review contractor performance. Glendale stood out for requiring their vendors to track and monitor several performance measures including response time for answering city calls, wait times for customer calls, and implementing a Quality Assurance Plan to meet 93 other performance standards outlined in their contract.
7. NPMAC recommends that cities identify and prioritize service objectives for contractors. Cities can identify specific performance objectives addressing towing response times, wait times for customer service over the phone and at the counter, customer complaints resolution, and other objectives.
8. NPMAC recommends that cities develop a system to collect and analyze performance data. Cities could require periodic reporting of performance statistics to assess the impact of their towing vendors on the community. Data could include activity measures, such as the volume of vehicles towed, stored, impounded, and lien vehicles sold, as well as performance measures to assess compliance with service objectives.
9. NPMAC recommends that cities establish contract provisions for meeting, exceeding, or not meeting performance objectives. In addition to simply stating that the city may terminate its contract at any time due to noncompliance with the terms of a contract, cities could also impose liquidated damages against contractors based on the volume and severity of contract violations, and specify corrective action steps to remedy contract violations. Alternatively, if a contractor meets or exceeds service objectives, the contract should require that this performance be used when approving rate adjustments or providing bonuses.
10. NPMAC recommends that cities link contractor performance to future procurement decisions. Since most contracts offer term extensions, contracts should require that contractor's documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension.

11. In-kind gifts and contributions made to city management, personnel, members of city council, city departments and/or city events are not always reported to the city and made available for the public.
12. California Government Section 87200 – 87210 requires that gifts provided by vendors or their employees to designated city officials must be disclosed in those officials’ statements of economic interests. However, gift reporting requirements can be avoided if gifts are provided to city employees who are not designated officials, city departments, or city related organizations, like labor unions, employee associations, or professional associations.
13. Six of the twelve cities surveyed for this investigation (Baldwin Park, Beverly Hills, Huntington Park, Irwindale, San Fernando and West Covina) indicated that their towing vendors provided in-kind services and gifts outside of their contract requirements. The vendors’ donations and services typically included free meals at public safety checkpoints and community meetings and events, sponsorships for luncheons and athletic events, and supporting community events.
14. Of the surveyed cities, only two cities (Glendale and West Covina) maintain policies regulating or prohibiting towing vendors from selling auctioned lien vehicles to city officials or city agencies. Five cities (Baldwin Park, Beverly Hills, Glendale, Glendora and Whittier) maintain policies regulating or prohibiting the city from contracting with vendors that are owned by city employees. One city (Glendora) has a policy regulating or prohibiting the city from contracting with vendors who employ relatives of city officials.
15. Police department personnel are heavily involved in the contracting process in nine of the twelve cities. Single departments were found to be solely responsible in a number of key stages in the tow vendor procurement processes in three surveyed cities.
16. Individual city employees may have too much involvement in the procurement process and may benefit from gifts and services of interested parties and not be subject to financial disclosure.
17. There have been several instances of impropriety involving towing vendors that provided in-kind services and donations to government officials and employees in Los Angeles County in recent years. Cities have an obligation to mitigate fraud and abuse by adopting and enforcing conflict of interest policies, enhancing the competitive bidding process to include more stakeholders documenting proposal evaluations, and increasing reporting requirements for gifts and services provided by towing vendors.

V RECOMMENDATIONS

1. The City Council of Baldwin Park

- 16B.1.1 Should adopt policies outlining specific criteria to be used for evaluating towing vendor proposals, create scoring templates to be completed by each individual participating in the proposal evaluation, and maintain historical records to ensure fair and unbiased scoring in the evaluation process. (Findings 2 and 16)
- 16B.1.2 Should identify and prioritize specific contract performance objectives for their tow vendor(s) including: towing response times, wait times for customer service over the phone and at the counter, customer complaints resolutions, and other city identified objectives. (Finding 7)
- 16B.1.3 Should develop a system to collect and analyze tow vendor performance data which requires periodic reporting of performance statistics to assess the impact of their towing vendors on the community. This data should include activity measures, such as the volume of vehicles towed, stored, impounded, and lien sales, as well as performance measures to assess compliance with service objectives. Glendale and LASD⁶³ have good performance data criteria to emulate. (Finding 8)
- 16B.1.4 Should establish contract provisions for meeting, exceeding, or not meeting performance objectives. This should be specific and include:
- Imposing liquidated damages against contractors based on the volume and severity of contract violations.
 - Specifying corrective action steps to remedy contract violations.
 - Alternatively, if a contractor meets or exceeds service objectives, the contract should require that this performance be used when approving rate adjustments or providing bonuses.
 - Specifying criteria for contract termination. (Finding 9)
- 16B.1.5 Should link contractor performance to future procurement decisions including decisions to offer contract term extensions should require that contractor's documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension. (Finding 10)
- 16B.1.6 Should incorporate a clause in their towing vendor contracts to require that all donations, gifts, and free services provided by the towing vendor outside of their service agreement to any city official or employee, city department, or city affiliated associations or events be documented and reported to the city. (Findings 12, 13 and 17)
- 16B.1.7 Should adopt policies that prohibit the sale of lien vehicles to city entities or employees. (Findings 14 and 17)
- 16B.1.8 Should adopt policies that prohibit city employees from participating in the procurement or management of contracts to a vendor in which the employee may possess equity or which employs a relative of the city employee. (Findings 14 and 17)
- 16B.1.9 Should adopt policies that require more than one department be involved in the tow vendor procurement process: developing Requests for Proposals for towing and vendor services, evaluating proposals received, and recommending a contract award to the final decision maker. (Findings 16 and 17)

⁶³ Major Crimes Bureau/Towing, LASD

16B.1.10 Should require that any in-kind gift or contribution by vendors to city management, personnel, city council members, city departments and/or city events be reported to the city and available to the public on the city's web site. (Findings 16 and 17)

2. The City Council of Beverly Hills

16B.2.1 Should identify and prioritize specific contract performance objectives for their tow vendor(s) addressing towing response times, wait times for customer service over the phone and at the counter, customer complaints resolutions, and other city identified objectives. (Finding 7)

16B.2.2 Should establish contract provisions for meeting, exceeding, or not meeting performance objectives. This should be specific and include:

- a. Imposing liquidated damages against contractors based on the volume and severity of contract violations.
- b. Specifying corrective action steps to remedy contract violations.
- c. Alternatively, if a contractor meets or exceeds service objectives, the contract should require that this performance be used when approving rate adjustments or providing bonuses.
- d. Specifying criteria for contract termination.
(Finding9)

16B.2.3 Should link contractor performance to future procurement decisions including decisions to offer contract term extensions should require that contractor's documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension. (Finding 10)

16B.2.4 Should incorporate a clause in their towing vendor contracts to require that all donations, gifts, and free services provided by the towing vendor outside of their service agreement to any city official or employee, city department, or city affiliated associations or events be documented and reported to the city.
(Findings 12, 13 and 17)

16B.2.5 Should adopt policies that prohibit the sale of lien vehicles to city entities or employees. (Findings 14 and 17)

16B.2.6 Should adopt policies that prohibit city employees from participating in the procurement or management of contracts of which employees may possess equity in a vendor or of which the vendor may be employing a relative of the city employee.
(Findings 14 and 17)

16B.2.7 Should adopt policies that require more than one department be involved in the tow vendor procurement process: developing Requests for Proposals for towing and vendor services, evaluating proposals received, and recommending a contract award to the final decision maker. (Findings 16 and 17)

16B.2.8 Should require that any in-kind gift or contribution by vendors to city management, personnel, city council members, city departments and/or city events be reported to the city and available to the public on the city's web site. (Findings 16 and 17)

3. The City Council of El Monte

- 16B.3.1 Should adopt policies outlining specific criteria to be used for evaluating towing vendor proposals, create templates to be completed by individuals participating in the proposal evaluation, and maintain historical records to ensure fair and unbiased scoring in the evaluation process. (Findings 2 and 16)
- 16B.3.2 Should identify and prioritize specific contract performance objectives for their tow vendor(s) addressing towing response times, wait times for customer service over the phone and at the counter, customer complaints resolutions, and other city identified objectives. (Finding 7)
- 16B.3.3 Should develop a system to collect and analyze tow vendor performance data which requires periodic reporting of performance statistics to assess the impact of their towing vendors on the community. This data should include activity measures, such as the volume of vehicles towed, stored, impounded, and lien sales, as well as performance measures to assess compliance with service objectives. Glendale and LASD have good performance data criteria to emulate. (Finding 8)
- 16B.3.4 Should establish contract provisions for meeting, exceeding, or not meeting performance objectives. This should be specific and include:
- a. Imposing liquidated damages against contractors based on the volume and severity of contract violations.
 - b. Specifying corrective action steps to remedy contract violations.
 - c. Alternatively, if a contractor meets or exceeds service objectives, the contract should require that this performance be used when approving rate adjustments or providing bonuses.
 - d. Specifying criteria for contract termination. (Finding 9)
- 16B.3.5 Should link contractor performance to future procurement decisions including decisions to offer contract term extensions should require that contractor's documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension. (Finding 10)
- 16B.3.6 Should incorporate a clause in their towing vendor contracts to require that all donations, gifts, and free services provided by the towing vendor outside of their service agreement to any city official or employee, city department, or city affiliated associations or events be documented and reported to the city. (Findings 12, 13 and 17)
- 16B.3.7 Should adopt policies that prohibit the sale of lien vehicles to city entities or employees. (Findings 14 and 17)
- 16B.3.8 Should adopt policies that prohibit city employees from participating in the procurement or management of contracts of which employees may possess equity in a vendor or of which the vendor may be employing a relative of the city employee. (Findings 14 and 17)
- 16B.3.9 Should adopt policies that require more than one department be involved in the tow vendor procurement process: developing Requests for Proposals for towing and vendor services, evaluating proposals received, and recommending a contract award to the final decision maker. (Findings 16 and 17)

16B.3.10 Should require that any in-kind gift or contribution by vendors to city management, personnel, city council members, city departments and/or city events be reported to the city and available to the public on the city's web site. (Findings 16 and 17)

4. The City Council of Glendale

16B.4.1 Should link contractor performance to future procurement decisions including decisions to offer contract term extensions should require that contractor's documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension. (Finding 10)

16B.4.2 Should incorporate a clause in their towing vendor contracts to require that all donations, gifts, and free services provided by the towing vendor outside of their service agreement to any city official or employee, city department, or city affiliated associations or events be documented and reported to the city. (Findings 12, 13 and 17)

16B.4.3 Should adopt policies that prohibit city employees from participating in the procurement or management of contracts of which employees may possess equity in a vendor or of which the vendor may be employing a relative of the city employee. (Findings 14 and 17)

16B.4.4 Should require that any in-kind gift or contribution by vendors to city management, personnel, city council members, city departments and/or city events be reported to the city and available to the public on the city's web site. (Findings 16 and 17)

5. The City Council of Glendora

16B.5.1 Should adopt policies outlining specific criteria to be used for evaluating towing vendor proposals, create templates to be completed by individuals participating in the proposal evaluation, and maintain historical records to ensure fair and unbiased scoring in the evaluation process. (Findings 2 and 16)

16B.5.2 Should identify and prioritize specific contract performance objectives for their tow vendor(s) addressing towing response times, wait times for customer service over the phone and at the counter, customer complaints resolutions, and other city identified objectives. (Finding 7)

16B.5.3 Should develop a system to collect and analyze tow vendor performance data which requires periodic reporting of performance statistics to assess the impact of their towing vendors on the community. This data should include activity measures, such as the volume of vehicles towed, stored, impounded, and lien sales, as well as performance measures to assess compliance with service objectives. Glendale and LASD have good performance data criteria to emulate. (Finding 8)

16B.5.4 Should establish contract provisions for meeting, exceeding, or not meeting performance objectives. This should be specific and include:

- a. Imposing liquidated damages against contractors based on the volume and severity of contract violations.
- b. Specifying corrective action steps to remedy contract violations.
- c. Alternatively, if a contractor meets or exceeds service objectives, the contract should require that this performance be used when approving rate adjustments or providing bonuses.

- d. Specifying criteria for contract termination. (Finding 9)
- 16B.5.5 Should link contractor performance to future procurement decisions including decisions to offer contract term extensions should require that contractor's documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension. (Finding 10)
- 16B.5.6 Should incorporate a clause in their towing vendor contracts to require that all donations, gifts, and free services provided by the towing vendor outside of their service agreement to any city official or employee, city department, or city affiliated associations or events be documented and reported to the city. (Findings 12, 13 and 17)
- 16B.5.7 Should adopt policies that prohibit the sale of lien vehicles to city entities or employees. (Findings 14 and 17)
- 16B.5.8 Should require that any in-kind gift or contribution by vendors to city management, personnel, city council members, city departments and/or city events be reported to the city and available to the public on the city's web site. (Findings 16 and 17)

6. The City Council of Huntington Park

- 16B.6.1 Should adopt policies outlining specific criteria to be used for evaluating towing vendor proposals, create templates to be completed by individuals participating in the proposal evaluation, and maintain historical records to ensure fair and unbiased scoring in the evaluation process. (Findings 2 and 6)
- 16B.6.2 Should identify and prioritize specific contract performance objectives for their tow vendor(s) addressing towing response times, wait times for customer service over the phone and at the counter, customer complaints resolutions, and other city identified objectives. (Finding 7)
- 16B.6.3 Should develop a system to collect and analyze tow vendor performance data which requires periodic reporting of performance statistics to assess the impact of their towing vendors on the community. This data should include activity measures, such as the volume of vehicles towed, stored, impounded, and lien sales, as well as performance measures to assess compliance with service objectives. Glendale and LASD have good performance data criteria to emulate. (Finding 8)
- 16B.6.4 Should establish contract provisions for meeting, exceeding, or not meeting performance objectives. This should be specific and include:
 - a. Imposing liquidated damages against contractors based on the volume and severity of contract violations.
 - b. Specifying corrective action steps to remedy contract violations.
 - c. Alternatively, if a contractor meets or exceeds service objectives, the contract should require that this performance be used when approving rate adjustments or providing bonuses.
 - d. Specifying criteria for contract termination. (Finding 9)
- 16B.6.5 Should link contractor performance to future procurement decisions including decisions to offer contract term extensions should require that contractor's documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension. (Finding 10)
- 16B.6.6 Should incorporate a clause in their towing vendor contracts to require that all donations, gifts, and free services provided by the towing vendor outside of their

service agreement to any city official or employee, city department, or city affiliated associations or events be documented and reported to the city.
(Findings 12, 13 and 17)

- 16B.6.7 Should adopt policies that prohibit the sale of lien vehicles to city entities or employees. (Findings 14 and 17)
- 16B.6.8 Should adopt policies that prohibit city employees from participating in the procurement or management of contracts of which employees may possess equity in a vendor or of which the vendor may be employing a relative of the city employee. (Findings 14 and 17)
- 16B.6.9 Should adopt policies that require more than one department be involved in the tow vendor procurement process: developing Requests for Proposals for towing and vendor services, evaluating proposals received, and recommending a contract award to the final decision maker. (Findings 16 and 17)
- 16B.6.10 Should require that any in-kind gift or contribution by vendors to city management, personnel, city council members, city departments and/or city events be reported to the city and available to the public on the city's web site. (Findings 16 and 17)

7. The City Council of Inglewood

- 16B.7.1 Should adopt policies outlining specific criteria to be used for evaluating towing vendor proposals, create templates to be completed by individuals participating in the proposal evaluation, and maintain historical records to ensure fair and unbiased scoring in the evaluation process. (Findings 2 and 16)
- 16B.7.2 Should identify and prioritize specific contract performance objectives for their tow vendor(s) addressing towing response times, wait times for customer service over the phone and at the counter, customer complaints resolutions, and other city identified objectives. (Finding 7)
- 16B.7.3 Should develop a system to collect and analyze tow vendor performance data which requires periodic reporting of performance statistics to assess the impact of their towing vendors on the community. This data should include activity measures, such as the volume of vehicles towed, stored, impounded, and lien sales, as well as performance measures to assess compliance with service objectives. Glendale and LASD have good performance data criteria to emulate. (Finding 8)
- 16B.7.4 Should establish contract provisions for meeting, exceeding, or not meeting performance objectives. This should be specific and include:
 - a. Imposing liquidated damages against contractors based on the volume and severity of contract violations.
 - b. Specifying corrective action steps to remedy contract violations.
 - c. Alternatively, if a contractor meets or exceeds service objectives, the contract should require that this performance be used when approving rate adjustments or providing bonuses.
 - d. Specifying criteria for contract termination. (Finding 9)
- 16B.7.5 Should link contractor performance to future procurement decisions including decisions to offer contract term extensions should require that contractor's documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension. (Finding 10)

- 16B.7.6 Should incorporate a clause in their towing vendor contracts to require that all donations, gifts, and free services provided by the towing vendor outside of their service agreement to any city official or employee, city department, or city affiliated associations or events be documented and reported to the city. (Findings 12, 13 and 17)
- 16B.7.7 Should adopt policies that prohibit the sale of lien vehicles to city entities or employees. (Findings 14 and 17)
- 16B.7.8 Should adopt policies that prohibit city employees from participating in the procurement or management of contracts of which employees may possess equity in a vendor or of which the vendor may be employing a relative of the city employee. (Findings 14 and 17)
- 16B.7.9 Should require that any in-kind gift or contribution by vendors to city management, personnel, city council members, city departments and/or city events be reported to the city and available to the public on the city's web site. (Finding 16 and 17)

8. The City Council of Irwindale

- 16B.8.1 Should identify and prioritize specific contract performance objectives for their tow vendor(s) addressing towing response times, wait times for customer service over the phone and at the counter, customer complaints resolutions, and other city identified objectives. (Finding 7)
- 16B.8.2 Should develop a system to collect and analyze tow vendor performance data which requires periodic reporting of performance statistics to assess the impact of their towing vendors on the community. This data should include activity measures, such as the volume of vehicles towed, stored, impounded, and lien sales, as well as performance measures to assess compliance with service objectives. Glendale and LASD have good performance data criteria to emulate. (Finding 8)
- 16B.8.3 Should establish contract provisions for meeting, exceeding, or not meeting performance objectives. This should be specific and include:
- a. Imposing liquidated damages against contractors based on the volume and severity of contract violations.
 - b. Specifying corrective action steps to remedy contract violations.
 - c. Alternatively, if a contractor meets or exceeds service objectives, the contract should require that this performance be used when approving rate adjustments or providing bonuses.
 - d. Specifying criteria for contract termination. (Finding 9)
- 16B.8.4 Should link contractor performance to future procurement decisions including decisions to offer contract term extensions should require that contractor's documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension. (Finding 10)
- 16B.8.5 Should incorporate a clause in their towing vendor contracts to require that all donations, gifts, and free services provided by the towing vendor outside of their service agreement to any city official or employee, city department, or city

affiliated associations or events be documented and reported to the city. (Findings 12, 13 and 17)

16B.8.6 Should adopt policies that prohibit the sale of lien vehicles to city entities or employees. (Findings 14 and 17)

16B.8.7 Should adopt policies that prohibit city employees from participating in the procurement or management of contracts of which employees may possess equity in a vendor or of which the vendor may be employing a relative of the city employee. (Findings 14 and 17)

16B.8.8 Should require that any in-kind gift or contribution by vendors to city management, personnel, city council members, city departments and/or city events be reported to the city and available to the public on the city's web site. (Findings 16 and 17)

9. The City Council of Montebello

16B.9.1 Should adopt policies outlining specific criteria to be used for evaluating towing vendor proposals, create templates to be completed by individuals participating in the proposal evaluation, and maintain historical records to ensure fair and unbiased scoring in the evaluation process. (Findings 2 and 16)

16B.9.2 Should identify and prioritize specific contract performance objectives for their tow vendor(s) addressing towing response times, wait times for customer service over the phone and at the counter, customer complaints resolutions, and other city identified objectives. (Finding 7)

16B.9.3 Should develop a system to collect and analyze tow vendor performance data which requires periodic reporting of performance statistics to assess the impact of their towing vendors on the community. This data should include activity measures, such as the volume of vehicles towed, stored, impounded, and lien sales, as well as performance measures to assess compliance with service objectives. Glendale and LASD have good performance data criteria to emulate. (Finding 8)

16B.9.4 Should establish contract provisions for meeting, exceeding, or not meeting performance objectives. This should be specific and include:

- a. Imposing liquidated damages against contractors based on the volume and severity of contract violations.
- b. Specifying corrective action steps to remedy contract violations.
- c. Alternatively, if a contractor meets or exceeds service objectives, the contract should require that this performance be used when approving rate adjustments or providing bonuses.
- d. Specifying criteria for contract termination. (Finding 9)

16B.9.5 Should link contractor performance to future procurement decisions including decisions to offer contract term extensions should require that contractor's documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension. (Finding 10)

16B.9.6 Should incorporate a clause in their towing vendor contracts to require that all donations, gifts, and free services provided by the towing vendor outside of their

service agreement to any city official or employee, city department, or city affiliated associations or events be documented and reported to the city.
(Findings 12, 13 and 17)

- 16B.9.7 Should adopt policies that prohibit the sale of lien vehicles to city entities or employees. (Findings 14 and 17)
- 16B.9.8 Should adopt policies that prohibit city employees from participating in the procurement or management of contracts of which employees may possess equity in a vendor or of which the vendor may be employing a relative of the city employee. (Findings 14 and 17)
- 16B.9.9 Should require that any in-kind gift or contribution by vendors to city management, personnel, city council members, city departments and/or city events be reported to the city and available to the public on the city's web site.
(Findings 16 and 17)

10. The City Council of San Fernando

- 16B.10.1 Should adopt policies outlining specific criteria to be used for evaluating towing vendor proposals, create templates to be completed by individuals participating in the proposal evaluation, and maintain historical records to ensure fair and unbiased scoring in the evaluation process. (Findings 2 and 16)
- 16B.10.2 Should identify and prioritize specific contract performance objectives for their tow vendor(s) addressing towing response times, wait times for customer service over the phone and at the counter, customer complaints resolutions, and other city identified objectives. (Finding 7)
- 16B.10.3 Should develop a system to collect and analyze tow vendor performance data which requires periodic reporting of performance statistics to assess the impact of their towing vendors on the community. This data should include activity measures, such as the volume of vehicles towed, stored, impounded, and lien sales, as well as performance measures to assess compliance with service objectives. Glendale and LASD have good performance data criteria to emulate.
(Finding 8)
- 16B.10.4 Should establish contract provisions for meeting, exceeding, or not meeting performance objectives. This should be specific and include:
- a. Imposing liquidated damages against contractors based on the volume and severity of contract violations.
 - b. Specifying corrective action steps to remedy contract violations.
 - c. Alternatively, if a contractor meets or exceeds service objectives, the contract should require that this performance be used when approving rate adjustments or providing bonuses.
 - d. Specifying criteria for contract termination. (Finding 9)
- 16B.10.5 Should link contractor performance to future procurement decisions including decisions to offer contract term extensions should require that contractor's documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension.
(Finding 10)
- 16B.10.6 Should incorporate a clause in their towing vendor contracts to require that all donations, gifts, and free services provided by the towing vendor outside of their

service agreement to any city official or employee, city department, or city affiliated associations or events be documented and reported to the city.
(Findings 12, 13 and 17)

- 16B.10.7 Should adopt policies that prohibit the sale of lien vehicles to city entities or employees. (Findings 14 and 17)
- 16B.10.8 Should adopt policies that prohibit city employees from participating in the procurement or management of contracts of which employees may possess equity in a vendor or of which the vendor may be employing a relative of the city employee. (Findings 14 and 17)
- 16B.10.9 Should require that any in-kind gift or contribution by vendors to city management, personnel, city council members, city departments and/or city events be reported to the city and available to the public on the city's web site.
(Findings 16 and 17)

11. The City Council of West Covina

- 16B.11.1 Should adopt policies outlining specific criteria to be used for evaluating towing vendor proposals, create templates to be completed by individuals participating in the proposal evaluation, and maintain historical records to ensure fair and unbiased scoring in the evaluation process. (Findings 2 and 16)
- 16B.11.2 Should identify and prioritize specific contract performance objectives for their tow vendor(s) addressing towing response times, wait times for customer service over the phone and at the counter, customer complaints resolutions, and other city identified objectives. (Finding 7)
- 16B.11.3 Should develop a system to collect and analyze tow vendor performance data which requires periodic reporting of performance statistics to assess the impact of their towing vendors on the community. This data should include activity measures, such as the volume of vehicles towed, stored, impounded, and lien sales, as well as performance measures to assess compliance with service objectives. Glendale and LASD have good performance data criteria to emulate.
(Finding 8)
- 16B.11.4 Should establish contract provisions for meeting, exceeding, or not meeting performance objectives. This should be specific and include:
- a. Imposing liquidated damages against contractors based on the volume and severity of contract violations.
 - b. Specifying corrective action steps to remedy contract violations.
 - c. Alternatively, if a contractor meets or exceeds service objectives, the contract should require that this performance be used when approving rate adjustments or providing bonuses.
 - d. Specifying criteria for contract termination. (Finding 9)
- 16B.11.5 Should link contractor performance to future procurement decisions including decisions to offer contract term extensions should require that contractor's documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension.
(Finding 10)
- 16B.11.6 Should incorporate a clause in their towing vendor contracts to require that all donations, gifts, and free services provided by the towing vendor outside of their

service agreement to any city official or employee, city department, or city affiliated associations or events be documented and reported to the city.
(Findings 12, 13 and 17)

- 16B.11.7 Should adopt policies that prohibit city employees from participating in the procurement or management of contracts of which employees may possess equity in a vendor or of which the vendor may be employing a relative of the city employee. (Findings 14 and 17)
- 16B.11.8 Should require that any in-kind gift or contribution by vendors to city management, personnel, city council members, city departments and/or city events be reported to the city and available to the public on the city's web site. (Findings 16 and 17)

12. The City Council of Whittier:

- 16B.12.1 Should implement a competitive bidding process for their towing services upon the completion of their current contract term to conform to performance based management. (Finding 1)
- 16B.12.2 Should adopt policies outlining specific criteria to be used for evaluating towing vendor proposals, create templates to be completed by individuals participating in the proposal evaluation, and maintain historical records to ensure fair and unbiased scoring in the evaluation process. (Findings 2 and 16)
- 16B.12.3 Should identify and prioritize specific contract performance objectives for their tow vendor(s) addressing towing response times, wait times for customer service over the phone and at the counter, customer complaints resolutions, and other city identified objectives. (Finding 7)
- 16B.12.4 Should develop a system to collect and analyze tow vendor performance data which requires periodic reporting of performance statistics to assess the impact of their towing vendors on the community. This data should include activity measures, such as the volume of vehicles towed, stored, impounded, and lien sales, as well as performance measures to assess compliance with service objectives. Glendale and LASD have good performance data criteria to emulate. (Finding 8)
- 16B.12.5 Should establish contract provisions for meeting, exceeding, or not meeting performance objectives. This should be specific and include:
- a. Imposing liquidated damages against contractors based on the volume and severity of contract violations.
 - b. Specifying corrective action steps to remedy contract violations.
 - c. Alternatively, if a contractor meets or exceeds service objectives, the contract should require that this performance be used when approving rate adjustments or providing bonuses.
 - d. Specifying criteria for contract termination. (Finding 9)
- 16B.12.6 Should link contractor performance to future procurement decisions including decisions to offer contract term extensions should require that contractor's documented performance against defined service objectives be used in determining whether the contractor deserves a contractor renewal or extension. (Finding 10)

- 16B.12.7 Should incorporate a clause in their towing vendor contracts to require that all donations, gifts, and free services provided by the towing vendor outside of their service agreement to any city official or employee, city department, or city affiliated associations or events be documented and reported to the city.
(Findings 12, 13, and 17)
- 16B.12.8 Should adopt policies that prohibit the sale of lien vehicles to city entities or employees. (Findings 14 and 17)
- 16B.12.9 Should adopt policies that prohibit city employees from participating in the procurement or management of contracts of which employees may possess equity in a vendor or of which the vendor may be employing a relative of the city employee. (Findings 14 and 17)
- 16B.12.10 Should adopt policies that require more than one department be involved in the tow vendor procurement process: developing Requests for Proposals for towing and vendor services, evaluating proposals received, and recommending a contract award to the final decision maker. (Findings 16 and 17)
- 16B.12.11 Should require that any in-kind gift or contribution by vendors to city management, personnel, city council members, city departments and/or city events be reported to the city and available to the public on the city's web site.
(Findings 16 and 17)

VI REQUIRED RESPONSES

California Penal Code Sections 933(c) and 933.05 require a written response to all recommendations contained in this report. Responses shall be made no later than ninety (90) days after the Civil Grand Jury publishes its report and files it with the Clerk of the Court. Responses shall be made in accord with Penal Code Sections 933.05 (a) and (b).

All responses to the recommendations of the 2016-2017 Civil Grand Jury must be submitted on or before September 30, 2017, to:

Presiding Judge
Los Angeles County Superior Court
Clara Shortridge Foltz Criminal Justice Center
210 West Temple Street, Eleventh Floor-Room 11-506
Los Angeles, CA 90012

Responses are required from:

Responding Agency	Recommendations
City Council of Baldwin Park	16B.1.1, 16B.1.2, 16B.1.3, 16B.1.4, 16B.1.5, 16B.1.6 16B.1.7, 16B.1.8, 16B.1.9, 16B.1.10
City Council of Beverly Hills	16B.2.1, 16B.2.2, 16B.2.3, 16B.2.4, 16B.2.5, 16B.2.6, 16B.2.7, 16B.2.8
City Council of El Monte	16B.3.1, 16B.3.2, 16B.3.3, 16B.3.4, 16B.3.5, 16B.3.6, 16B.3.7, 16B.3.8, 16B.3.9, 16B.3.10
City Council of Glendale	16B.4.1, 16B.4.2, 16B.4.3. 16B.4.4
City Council of Glendora	16B.5.1, 16B.5.2, 16B.5.3, 16B.5.4, 16B.5.5, 16B.5.6, 16B.5.7, 16B.5.8
City Council of Huntington Park	16B.6.1, 16B.6.2, 16B.6.3, 16B.6.4, 16B.6.5, 16B.6.6, 16B.6.7, 16B.6.8, 16B.6.9, 16B.6.10
City Council of Inglewood	16B.7.1, 16B.7.2, 16B.7.3, 16B.7.4, 16B.7.5, 16B.7.6, 16B.7.7, 16B.7.8, 16B. 7.9
City Council of Irwindale	16B.8.1, 16B.8.2, 16B.8.3, 16B.8.4, 16B.8.5, 16B.8.6, 16B.8.7, 16B.8.8
City Council of Montebello	16B.9.1, 16B.9.2, 16B.9.3, 16B.9.4, 16B.9.5, 16B.9.6, 16B.9.7, 16B.9.8, 16B.9.9
City Council of San Fernando	16B.10.1, 16B.10.2, 16B.10.3, 16B.10.4, 16B.10.5, 16B.10.6, 16B.10.7, 16B.10.8, 16B.10.9,
City Council of West Covina	16B.11.1, 16B.11.2, 16B.11.3, 16B.11.4, 16B.11.5, 16B.11.6, 16B.11.7, 16B.11.8,
City Council of Whittier	16B.12.1, 16B.12.2, 16B12.3, 16B.12.4, 16B.12.5, 16B.12.6, 16B.12.7, 16B.12.8, 16B.12.9, 16B.12.10, 16B.12.11

VII ACRONYMS

CGJ	2016-2017 Los Angeles County Civil Grand Jury
HMR	Harvey M. Rose Associates, LLC
LASD	Los Angeles County Sheriff's Department
NPMAC	National Performance Management Advisory Commission
PBM	Performance Based Management
RFP	Request for Proposal

VII COMMITTEE MEMBERS

Dianne Kelley Chair
Sharon Muravez Co-Chair
Regi Block
Hilda Dallal
Ronnie Dan-Honor