



AGENDA ITEM NO.12

CITY OF HAWTHORNE CITY COUNCIL AGENDA BILL

For the meeting of *January 11, 2022*
Originating Department: City Manager

City Manager: Vontray Norris
Vontray Norris

City Attorney: 
Robert M. Kim

SUBJECT:

Resolution No. 8326, A Resolution of the City Council of the City of Hawthorne, California, Authorizing and Approving a Fourth Amendment to the Tow & Storage Fee Schedule of the Non-Exclusive Towing & Storage Contract with U.S. Tow.

RECOMMENDED MOTION:

Staff recommends that the City Council approve Resolution No. 8326.

DISCUSSION:

On July 25, 2006, the City awarded a primary Non-Exclusive Agreement for Police Referred Towing & Storage Services to U.S. Tow. In accordance therewith, the City Council approved a "Non-Exclusive Towing & Storage Contract" (hereinafter "Contract") with U.S. Tow and authorized the City Manager to execute the Contract. On September 28, 2006 all parties executed the Contract with its respective signatures. Clause No. 10 of the Contract states: "Towing and Storage Fee Schedule" and provides, in pertinent part, the following: "The City Council may from time to time amend by resolution the following Towing and Storage Fee Schedule, which amendment shall then become the Towing and Storage Fee Schedule under this Contract."

On August 12, 2014, the City Council approved the Second Amendment to the Contract with U.S. Tow by increasing the fees for both towing and storage. The 2nd Amendment resulted in an increase of 9.7 percent of average for 8 categories of towing and 19.96 percent average for eight categories of storage.

On June 12, 2018, the City Council approved the Third Amendment to the Contract with U.S. Tow by increasing the fees for both towing and storage. The 3rd Amendment also allowed for the City Manager to execute the optional extension of the Contract in 2021 for another three year term.

On December 1, 2021, Rajpal Dhillon, the Owner and President for U.S. Tow-Hawthorne, submitted a formal petition for a rate increase for towing and storage of vehicles as well as a

request that the Contract be extended for another 3 year term. Mr. Dhillon represents that the increase in towing and storage fees are necessary due to the rise in their operating costs along with the fact that the rates for the same services in the neighboring cities are higher. The request is for an 11 percent increase which is in line with the Consumer Price Index for All Urban Consumers.

Per Section 1 of the Contract, amended June 12, 2018, the City Manager is authorized to approve an additional extension of the Contract for three years to 2024.

FISCAL IMPACT:

None.

NOTICING PROCEDURES:

Public hearing notice published in Hawthorne Tribune on December 30, 2021 and January 6, 2022

ATTACHMENT(S):

Resolution No. 8326 with Exhibits A, B, & C.

RESOLUTION NO. 8326

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HAWTHORNE, CALIFORNIA, AUTHORIZING AND APPROVING A FOURTH AMENDMENT TO THE TOW AND STORAGE FEE SCHEDULE OF THE NONEXCLUSIVE TOWING & STORAGE CONTRACT WITH U.S. TOW & EXTENDING THE CONTRACT TERM TO 2024.

WHEREAS, on August 8, 2006, the City Council approved a "Non-Exclusive Towing & Storage Contract" (hereinafter "CONTRACT") with U.S. Tow and authorized the City Manager to execute the contract; and

WHEREAS, on July 28, 2009, the City Council approved the First Amendment to the CONTRACT with U.S. Tow that increased the fees for both towing and storage; and

WHEREAS, on August 12, 2014, the City Council approved the Second Amendment to the CONTRACT with U.S. Tow by increasing the fees for both towing and storage; and

WHEREAS, on May 23, 2018, U.S. Tow requested the City Manager to consider a Third Amendment to the CONTRACT with U.S. Tow by extending the CONTRACT and also increasing the fees for both towing and storage; and

WHEREAS, on June 12, 2018, the City Council approved the Third Amendment to the CONTRACT with U.S. Tow by increasing the fees for both towing and storage and extending the CONTRACT to 2021; and

WHEREAS, attached hereto, as Exhibit "A" and incorporated herein by this reference, is the CONTRACT with the 1st, 2nd, and 3rd Amendments to CONTRACT with U.S. Tow; and

WHEREAS, on December 1, 2021, U.S. Tow requested the City Manager to consider a Fourth Amendment to the CONTRACT with U.S. Tow by extending the CONTRACT and increasing the fees for both towing and storage; and

WHEREAS, Section No. 1 of the CONTRACT provides for the term of the CONTRACT. Section No. 10 of the CONTRACT provides that the City Council may amend the towing and storage fee schedule by Resolution of the City Council; and

WHEREAS, attached hereto, as Exhibit "B" and incorporated herein by this reference, is a comparison of the Towing and Storage Fee Schedules before and after the requested increase prepared by U.S. Tow; and

WHEREAS, pursuant to Government Code § 66018 (a), the City provided published notice of the City Council's January 11, 2022 public hearing on the proposed fee increase under

the U.S. Tow Contract in the December 30, 2021 and January 6, 2022 in Hawthorne Herald Tribune;

WHEREAS, on January 11, 2022 at 6:00 p.m., the City Council held a public hearing to consider the request of U.S. Tow to adopt Resolution 8326 by extending the term of the Contract and also to increase the tow and storage rates.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HAWTHORNE, CALIFORNIA, hereby resolves as follows:

Section 1. The City Council of the City of Hawthorne hereby incorporates by reference all the recitals herein.

Section 2. The City Council approves the 4th Amendment to the CONTRACT with U.S. Tow attached as Exhibit "C" to Resolution No. 8326 and authorizes the City Manager to execute the 4th Amendment. The City Manager is also authorized to execute the optional extension of the CONTRACT in 2024 for another three year term.

Section 3. The City Clerk shall certify to the adoption of this Resolution and shall cause this Resolution and his certification to be entered in the Book of Resolutions of the Council of the City.

Section 4. This resolution shall be in full force and effect immediately upon its passage and adoption thereof.

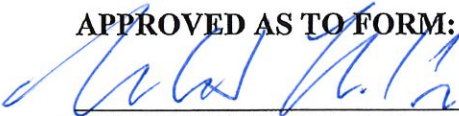
PASSED, APPROVED AND ADOPTED THIS ____ DAY OF _____, 2022.

ALEX VARGAS, Mayor
City of Hawthorne, California

ATTEST:

PAUL JIMENEZ, City Clerk
City of Hawthorne, California

APPROVED AS TO FORM:



ROBERT KIM, City Attorney
City of Hawthorne, California

Exhibit “A”

CONTRACT, First Amendment, Second Amendment, and Third Amendment to CONTRACT
with U.S.Tow

August, 2006
City of Hawthorne
Non-Exclusive Towing & Storage Contract
By and Between the City of Hawthorne
And U.S. Tow

This Contract ("Contract" or "Agreement") is entered into by and between the CITY OF HAWTHORNE, a municipal corporation, hereinafter referred to as CITY, and U.S. Tow, hereinafter referred to as CONTRACTOR.

RECITALS

- The CITY desires to enter into a non-exclusive towing services contract for a period of three years, with a possibility of one three year extension if the CONTRACTOR has not breached any of the conditions of this Contract. The CITY desires to enter into a Contract for non-exclusive towing services with a primary CONTRACTOR and a secondary CONTRACTOR;
- CONTRACTOR desires to provide such non-exclusive services for towing, storage and other related services to the City;
- By entering into this Contract, the CITY and CONTRACTOR hereby establish performance, (both legal and ethical) standards consistent with federal, state and local law (i.e., including, but not limited to, requirement to hold publicly noticed auctions of towed and stored vehicles and prohibiting the use of sealed bids), customers' rights and program enforcement flexibility. This Contract helps the City achieve the following goals:

- (1) establishing performance standards for police towed vehicles;
- (2) enumerating and assuring the rights of those whose vehicles are towed;

(3) providing the CITY greater flexibility, less costs and shorter time to enforce provisions, such as those relating to public health and safety, through contractual remedies (including compensatory damages and specific performance of provisions of applicable federal and state law, including the Hawthorne Municipal Code).

NOW, THEREFORE, in consideration of the mutual promises, covenants, guaranties and conditions contained in this Agreement and for other good and valuable consideration, the CITY and CONTRACTOR agree as follows:

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1. CONTRACT TERM

The Contract ("contract" or "agreement") shall commence on or about August 11, 2006 and continue to August 12, 2009, inclusive of both dates. Towing and Storage services by CONTRACTOR shall commence December 1, 2006 or 30 days after City of Hawthorne Planning Commission approval of a Conditional Use Permit to operate at the location near Cerise and El Segundo Boulevard, whichever occurs first. The contract may be extended by mutual written agreement of both parties for up to one (1) additional three-year term.

2. NON-EXCLUSIVE CONTRACT

The CONTRACTOR selected will be considered the primary tow contractor for the City of Hawthorne, but will not be considered as the exclusive tow contractor. Other tow contractors may be used in the City's sole discretion, provided such tow contractors have obtained a contract with the City approved by the City Council.

3. NO MINIMUM NUMBER OF TOWS; LIMITATION OF REMEDIES

The CITY makes no representation or guaranty of any number of tows, if any, that CONTRACTOR may make or any amount of revenue, if any, that CONTRACTOR may receive in connection with CONTRACTOR's providing services under this Contract. CONTRACTOR shall have no claim for damages (including but not limited to claims of damages for lost profits or lost business) in connection with the number of tows that CONTRACTOR makes or the amount of revenue that CONTRACTOR may receive in connection with CONTRACTOR's providing services under this Contract. CONTRACTOR shall have no claim for contractual indemnity against the City. CONTRACTOR's claims for damages or claims for equitable indemnity, implied contractual indemnity, or any type of indemnity other than contractual indemnity against the CITY in connection with CONTRACTOR's providing services under this Contract shall be limited to claims for gross negligence or intentional acts resulting in damage to real or personal property, or the injury to or death of a person.

4. CITY MANAGER AUTHORIZED TO TERMINATE THIS CONTRACT

The City Manager is authorized to terminate this CONTRACT without cause with thirty (30) days written notice to the Contractor. The City Manager's formal written notice of termination to CONTRACTOR shall be in writing and delivered in person, faxed to CONTRACTOR's principal place of business, or sent by certified mail, postage prepaid, to the principal offices of CONTRACTOR as set forth in the "Notice" provision of this Agreement.

5. CONTRACTOR ENTITLED TO TERMINATE THIS CONTRACT

The CONTRACTOR is entitled to terminate this Contract without cause upon sixty (60) days written notice to CITY.

 CONTRACTOR's Initials

6. AMENDMENT OF CONTRACT

This Contract may be amended or modified only by written agreement signed by both parties. The failure on the part of either party to enforce any provision of this Contract shall not be construed as a waiver of the right to compel enforcement of any such provisions.

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7. ASSIGNMENT OF THE CONTRACT

CONTRACTOR shall not assign this Contract, in whole or in part, without the prior written approval of the City Council.

8. SUBCONTRACTORS

CONTRACTOR may use subcontractors only after receiving prior written approval from the CITY. All subcontractors must meet the same contract requirements as CONTRACTOR.

9. DEFINITIONS

Impound: Vehicle or equipment taken into custody by order of Police Department. Prior to release by contractor, certain requirements must be satisfied between the owner of the vehicle and the Police Department. Contractor is to release vehicle only upon written order from Police Department, (i.e., Chief of Police, Captain, Lieutenant, Sergeant or Police Officer designated to provide such written orders).

Storage: Vehicle can be released directly to the owner without an official written release from Police Department. The matter is considered a civil arrangement between contractor and vehicle owner.

Owner's Authorized Agent: A person having legal authorization by the owner of a vehicle to act on behalf of the owner in his/her absence. Person must have original or certified documentation from the owner indicating such authorization.

10. TOWING AND STORAGE FEE SCHEDULE

Pursuant to fees charged under the City's prior police towing and storage agreement, the following Towing and Storage Fee Schedule shall be in effect. The City Council may from time to time amend by resolution the following Towing and Storage Fee Schedule, which amendment shall then become the Towing and Storage Fee Schedule under this Contract. The fees listed below do not include the separate City administrative fee and City permit charge, as set forth below.

 CONTRACTOR's Initials

A) Towing and Storage Fee Schedule

- | | | |
|----|---|--|
| 1) | Car, Pick-up (including ¾ ton) | \$97 towing and \$25/day storage |
| 2) | Medium Trucks (up to 3 tons)
(this category includes R.V.'s) | \$155 towing and \$25/day storage |
| 3) | Heavy Trucks (over 3 tons) | \$225 towing and \$35/day storage |
| 4) | Motorcycles | \$97 towing and \$4/day storage |
| 5) | Parts | \$97 towing and \$4/day storage |
| 6) | "Low Boys" (includes trash bins, buses) | \$225 towing & \$35/day storage |
| 7) | Inside Storage | \$25 / day storage |
| 8) | Hourly charge for additional labor to facilitate movement of vehicle(s):
½ of tow rate for situation | |

Non-business hours: Monday through Friday, 2000 hours to 0700 hours the following day; Saturday, 1900 hours to 0700 hours the following day; Sunday, 1800 hours to 0700 hours the following day.

- 9) Lien Sale Processing Charges to be determined by City Attorney and Tow Contractor.

B) Permit Charge and Administrative Fee

The CONTRACTOR shall collect for each vehicle towed an additional \$102 City Administrative Charge, plus an additional \$5 per day per vehicle City Storage Charge, which shall be remitted to the City within 15 days after the end of each calendar month. CONTRACTOR shall pay to the CITY a late charge equal to 15% of the CONTRACTOR's gross revenues for all services performed under this Contract for payments that are not paid within 30 days of the due date. CONTRACTOR shall pay to the CITY an additional late charge equal to another 25% of the CONTRACTOR's gross revenues for all services performed under this Contract for payments that are not paid within 60 days of the due date, including claims connected with the alleged miscalculation of the Permit Charge or the Administrative Fee.

C) No "Drop Off Fees" Permitted

CONTRACTOR shall not charge any fee to any person (including but not limited to towing firms, insurance companies, and repossession agents) for the service of transporting a vehicle from the storage facility to the street.

MM CONTRACTOR's Initials

D) No Charges for Errors.

In the event any vehicle is towed or impounded, or both, through any error of the CITY or CONTRACTOR, neither the vehicle owner nor the CITY shall have the duty to pay any towing, storage, or other fees or charges.

11. RECORD KEEPING, REPORTING AND INSPECTION OF PREMISES

CONTRACTOR shall keep records on all vehicles for which CONTRACTOR performs any services under the terms and conditions of this Contract. CONTRACTOR shall submit written reports concerning all such vehicles to the CITY no later than fifteen (15) days after the last day of the previous month. The CITY shall have the right to scheduled periodic audits of the CONTRACTOR's records related to this Contract. Such audits shall be conducted no more than once every one hundred twenty (120) days. More frequent audits will only be conducted if discrepancies/inconsistencies are found between the number of police ordered towed vehicles and the number of cars reported towed by CONTRACTOR. Upon reasonable notice, CONTRACTOR shall make available to the CITY all records of payments received in connection with this Contract.

- A) Invoices or records shall at a minimum include a description of vehicle(s), nature of service, start time, end time, location of call, vehicle plate number, vehicle identification number, release date, tow date, DR number, the personnel who inventoried the vehicle, and itemized costs of towing and storage.
- B) The Hawthorne Police Department may inspect all CONTRACTOR's towing and storage records without notice during normal business hours.
- C) CONTRACTOR shall permit the Hawthorne Police Department to make copies of business records connected with this Contract at CONTRACTOR's place of business.
- D) Records shall be maintained and available for inspection for a period of five years plus the current term of this Contract.
- E) CONTRACTOR shall be responsible for monthly reconciliation of invoices, accounting for all new items, all released items, and a balance inventory which should match the City's monthly report.
- F) The CITY shall have the right to inspect tow facilities (real property and improvements thereon, and all vehicle facilities, equipment, and materials used by the CONTRACTOR) at any time without notice to the CONTRACTOR.

12. COMPLIANCE WITH LAWS

CONTRACTOR shall comply with all state and federal laws, statutes, ordinances, rules, and regulations of the CITY in any manner affecting CONTRACTOR or those engaged or employed by CONTRACTOR in doing the services to be rendered pursuant to this Contract, including without limitation, those regulating the handling of vehicles, lien sales, and owner notification, as set forth in the California Vehicle Code, the California

Civil Code, and the Hawthorne Municipal Code. CONTRACTOR shall also comply with the latest edition of the California Highway Patrol procedures concerning towed vehicles. CONTRACTOR shall maintain all permits and licenses, pay all charges and fees, and give notices required by the City ordinances or other laws relating to the performance of the service used for this Contract. All lien sales connected with this Contract shall be conducted by public auction. All public auctions shall be preceded by published and posted notice and no sealed bids shall be allowed.

13. INDEMNIFICATION AND INSURANCE REQUIREMENTS

A) Indemnity

~~CONTRACTOR shall indemnify, defend, and hold harmless CITY, its elected~~
and appointed officers, employees, and agents from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, but not limited to, defense costs and legal, accounting and other expert, consulting or professional fees, in any way arising from or related to claims and lawsuits for damages of any nature whatsoever, including, but not limited, to bodily injury, death, personal injury, or property damage arising from or related to CONTRACTOR, CONTRACTOR's agents', employees' or subcontractors' acts or omissions in the performance of services or provision of products hereunder, including, without limitation, any workers' compensation suits, liability, or expense, arising from or connected with services performed by any person or behalf of CONTRACTOR, CONTRACTOR's agents, employees or subcontractors pursuant to this Contract. Any legal defense pursuant to CONTRACTOR's indemnification obligation under this section shall be conducted by CONTRACTOR and performed by counsel selected by CONTRACTOR and approved by CITY (which approval will not be unreasonably withheld) in writing.

B) Insurance Required Before Commencement of Work

CONTRACTOR shall neither commence work under this Contract until it has obtained all insurance required hereunder by a company or companies acceptable to CITY nor shall CONTRACTOR allow any subcontractor to commence work on a subcontract until all insurance required of the subcontractor has been obtained.

C) General Liability Insurance

CONTRACTOR shall maintain in-force commercial general liability insurance, all operations, including completed operations, contractual and broad form comprehensive endorsement with combined single limit of \$1,000,000 for each occurrence for bodily and/or personal injury, including death and property damage. This policy shall also include an Excess Liability Endorsement with

combined single limit of \$1,000,000 for each occurrence for bodily and/or personal injury including death and property damage.

D) Workers' Compensation and Employer's Liability Insurance.

CONTRACTOR shall maintain in-force Workers' Compensation and Employer's Liability Insurance as required by the California Labor Code. Acceptable minimum limits for this coverage are: Workers' Compensation; Statutory in California; Employer's Liability: \$1,000,000. For this subsection D) only, as an alternative to providing a certificate of insurance under subsection G), CONTRACTOR may furnish the CITY a California Certificate to Self-Insure.

E) Garage Keeper's Liability Insurance

CONTRACTOR shall maintain in-force: Garage Keeper's Liability Insurance with minimum limits of \$1,000,000 combined single limit coverage.

F) On-Hook Insurance

CONTRACTOR shall maintain in-force on-hook insurance with minimum limits of: \$25,000/\$50,000/\$100,000.

G) Certificates of Insurance

CONTRACTOR shall furnish to the CITY as evidence of any insurance required by this Agreement a Certificate of Insurance from an insurer admitted to do business in the State of California, indicating that the respective policy(s) meets the following requirements: (1) The CITY, its officers, employees, and agents shall be named as additional insured on the General Liability Insurance; (2) Insurance shall not be canceled or terminated without 30 days written notice to CITY; (3) General Liability shall be primary and any insurance held by CITY for its own protection, or the CITY's self-insurance, shall be excess and shall be effective only upon exhaustion of CONTRACTOR's insurance; (4) Insurance shall be maintained for the duration of this Contract, including any period extended beyond the expiration date of this Contract required to complete performance as stipulated in this Contract and all amendments thereto.

H) Business License

CONTRACTOR shall maintain a current city of Hawthorne Business License.

I) Performance Bond

On or before the date of commencement of services, CONTRACTOR shall file or cause to be filed with the Chief of Police a performance bond executed by the CONTRACTOR and by a surety who is authorized to do business in the State of California and who is a surety guaranteeing the performance of the work. Said bond shall be in the amount of Twenty-five Thousand Dollars (\$25,000) and name the City of Hawthorne as obligee. The term of the bond shall commence on or before commencement of any work. The performance bond shall remain in effect for the full duration of the Contract. Upon written request, the City Manager may permit the performance bond to be in the form of: (1) Cash, or (2) Assignment of a Certificate of Deposit; or (3) Corporate Surety Bond (Surety authorized to do business in the State of California).

 CONTRACTOR's Initials

14. RESPONSE TIME REQUIREMENTS

CONTRACTOR shall respond to the location requested by the CITY within ¹⁵~~15~~ ³⁰~~30~~ minutes of receipt of call.

If response time is not attainable for a particular call, CONTRACTOR shall notify the CITY immediately, advising the CITY of the expected time of arrival (ETA). If the ETA is not acceptable to the CITY, the CITY reserves the right to contact an alternate backup towing contractor to respond.

15. STORAGE FACILITY REQUIREMENTS

Storage facilities used in the performance of this Contract shall comply with all of the following conditions:

- A) All vehicles shall be stored in a building or in an area that is, in the opinion of the CITY, secure and enclosed by a substantial wall or walls or other enclosures approved by the CITY.
- B) The entire storage facility must be illuminated to such a degree that clear visual observation of the area may be made during the hours of darkness.
- C) Storage facilities must be capable of holding a minimum of 400 cars, parked to provide accessibility and prevent damage.
- D) CONTRACTOR shall, at the CONTRACTOR's own expense, maintain a separate and enclosed garage facilities for a minimum of three (3) vehicles ordered impounded by the Police Department for involvement in commission of crimes or as evidence. The enclosed garage shall be lockable with possession of the key to the garage given to the Police Department.
- E) CONTRACTOR shall maintain a secure facility or a facility that has a 24-hour surveillance utilizing closed circuit television, personnel or another means of security approved by the CITY. CONTRACTOR shall maintain video surveillance of evidence vehicles with a strict policy re: limiting access to evidence.
- F) CONTRACTOR shall provide sufficient lighting in public access areas for hours of darkness.
- G) CONTRACTOR's place of business shall have a sign that clearly identifies it to the public as a towing service. The sign shall have letters that are clearly visible to, and readable by, the public from the street. The sign shall be visible at night. CONTRACTOR shall post its current telephone number on the outside of its impound facility so that it is clearly visible to, and readable by, the public from the street so that CONTRACTOR can be called if a release is requested after normal working hours. CONTRACTOR's posted telephone number shall be visible at night.

MA CONTRACTOR's Initials

- H) Two of CONTRACTOR's personnel shall inventory each vehicle. No one employee of CONTRACTOR may individually inventory the towed vehicle. The identity of each employee shall be noted on each towed vehicle invoice.

16. OFF-SITE COMPUTER ACCESS

CONTRACTOR shall provide off-site computer access to the City in a "read only" format to the contractor's towing and storage program.

17. CONTRACTOR'S PERSONNEL

CONTRACTOR shall ensure that tow truck drivers responding to calls initiated by the Hawthorne Police Department are qualified and competent employees of CONTRACTOR.

CONTRACTOR shall also be required to comply with the following:

- A) All of CONTRACTOR's representatives performing services under this Contract shall operate under the direction of the CITY representative at the scene, such as a CITY Police Officer or a CITY Parking Enforcement Officer. CONTRACTOR's personnel shall comply with all directions of the Chief of Police, Captains, Lieutenants, and Sergeants.
- B) All of CONTRACTOR's representatives performing services under this Contract shall possess the proper State of California Driver License required to operate all vehicles and equipment to be used in the performance of this Contract.
- C) All of CONTRACTOR's representatives shall be thoroughly trained in the proper and safe use of all equipment used in the performance of this Contract.
- D) All of CONTRACTOR's representatives performing services under this Contract shall be uniformed with the CONTRACTOR's name and individual's name clearly visible.
- E) All of CONTRACTOR's representatives performing services under this Contract shall be fingerprinted and photographed by the Hawthorne Police Department. CONTRACTOR shall perform a criminal, DMV and financial background check of all of CONTRACTOR's representatives performing services under this Contract before they begin performing services under this Contract. All of CONTRACTOR's representatives shall also state in writing whether they have been court ordered to attend any alcohol or drug program. Drivers should be subject to periodic criminal, DMV or financial checks by the P.D. All of CONTRACTOR's representatives performing services under this Contract shall be fluent in the English language.

- F) CONTRACTOR shall, as a minimum, maintain the following information for each employee performing services under this Contract: (1) full name; (2) date of birth; (3) California Driver's License Number; (4) copy of valid medical certificates (if required); (5) job title and description; (6) current home address; (7) current home telephone number; (8) type(s) of truck(s) driver has been trained and instructed to operate.

18. HOURS OF OPERATION

- A) CONTRACTOR shall have towing service available 24 hours per day, 7 days per week, 365 days per year.
- B) CONTRACTOR shall make vehicles available for release from impound and storage 24 hours a day, 7 days a week, 365 days a year.
- C) CONTRACTOR may be requested periodically to provide deployment of trucks for special events such as DUI and Driver's License check points, street fairs or parades. The CITY shall coordinate such special events with CONTRACTOR at least 24 hours in advance of the special event. Such special events necessitating deployment of trucks and towing services will be determined by the CITY in its sole and absolute discretion, and both the CITY and CONTRACTOR agree that the CITY makes no representation whatsoever regarding the number of cars, if any, to be towed from such special events, nor the number of special events to be requested by the CITY.

19. EQUIPMENT REQUIREMENTS

- A) CONTRACTOR shall have a minimum of three (3) standard tow vehicles (1-ton) rating or greater, dual rear wheels and one flatbed tow vehicle always available.
- B) CONTRACTOR shall have access to (either through a sub-contractor or as owner of the equipment) a tow vehicle capable of towing large trucks (semi-type). (and "lowboys" or filled trash bins - sometimes full of concrete or other construction debris that may need to be towed off a city street from time to time) Whether the CONTRACTOR uses a sub contractor, CONTRACTOR is still required to respond within 15 minutes.
- C) None of CONTRACTOR's towing vehicles shall be converted pickup trucks or vehicles not specifically built by the manufacturer for towing other vehicles.
- D) All of CONTRACTOR's towing vehicles shall have necessary communications equipment for radio transmission and reception and shall comply with FCC regulations and requirements. City frequencies shall not be used. Equipment shall be purchased and maintained solely at CONTRACTOR's expense.

 CONTRACTOR's Initials

- E) All of CONTRACTOR's towing vehicles shall be well maintained and neat in appearance.
- F) All of CONTRACTOR's towing vehicles shall have a cable winch of sufficient size and capacity to retrieve vehicles that may have gone over embankments or off traveled portions of roadways into inaccessible locations.
- G) All of CONTRACTOR's towing vehicles shall have the means by which to tow a (full) trash bin, bus, trailered boat or other trailered item.
- H) CONTRACTOR shall possess all necessary tools of the trade including dollies, slim jims, etc.

20. ADVERTISING

CONTRACTOR shall not display or use signs, advertising materials, logos, etc. which show that the towing services is an official towing service for the CITY without the prior written permission of the CITY.

21. REMOVAL OF VEHICLES

Except for private impounds, CONTRACTOR shall not remove any vehicle without first being instructed to do so by an authorized Officer of the CITY.

- A) CONTRACTOR shall not release any vehicle impounded by order of the Hawthorne Police Department without the registered owner's presenting CONTRACTOR a written release from the Department at the time of release.
- B) CONTRACTOR shall not perform any repair work on any impounded vehicle unless authorized by the registered owner.
- C) CONTRACTOR shall, at the request of the CITY, release any vehicle from storage and impound at no cost to the registered owner or the CITY. The CITY shall have full, final, and absolute discretion to make such a request for any reason.

22. INSOLVENCY

The CONTRACTOR shall not suffer either the appointment of a receiver to take possession of all or substantially all of the assets of CONTRACTOR or make a general assignment of such assets for the benefits of creditors. Any such action taken or suffered by CONTRACTOR under any insolvency of bankruptcy proceedings constitutes a breach of this CONTRACT by CONTRACTOR, and all property assigned by the CITY for safe care shall be "released" to a new assigned CONTRACTOR as specified by the City Manager, with a reimbursement for towing and storage borne by the towing company assuming the new responsibility. Should the CONTRACTOR become insolvent, the City Manager may, by giving five (5) days notice to the CONTRACTOR or the person appointed to manage the CONTRACTOR's affairs at the address for such person

appearing in the official records of the Court that appointed him, terminate this Contract. For the purposes of this section, the CONTRACTOR shall be conclusively presumed to have become insolvent if CONTRACTOR should: (1) Have a Receiver appointed to take possession of all or substantially all of the CONTRACTOR's property because of insolvency; (2) Make general assignment for the benefit of creditors; or (3) Allow any judgment against CONTRACTOR to remain unsatisfied and unbonded for a period of thirty (30) days or longer.

23. CONTRACT RESULT OF ARMS-LENGTH NEGOTIATION

The terms of this Contract are the result of arms-length negotiation between the parties hereto. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party shall not be employed in the interpretation of this Contract.

24. COMPLIANCE WITH PROVISIONS

CONTRACTOR agrees that failure on its part to comply with the terms and conditions of this contract as well as the provisions of Chapter 5.94 of the Hawthorne Municipal Code relating to "Towing Business - City Referrals" shall be cause for the CITY to suspend or terminate this Contract and CONTRACTOR's rights and privilege to provide vehicle towing, storage, and related services to the CITY. Should the CONTRACTOR fail to comply with the terms and conditions of this Contract or the provisions of Chapter 5.94 of the Hawthorne Municipal Code, the City Manager may, by giving five (5) days notice to the CONTRACTOR, terminate this Contract. CONTRACTOR further agrees that the mere filing of felony charges by the District Attorney of any County against CONTRACTOR or any of CONTRACTOR's officers or directors relating to a criminal violation of any applicable law covered by this Contract shall be cause for the immediate and automatic termination of this Contract. No City Council approval or other hearing will be required for the City Manager to suspend or terminate this Contract for violation of this contract or Chapter 5.94.

25. SEVERABILITY AND ATTORNEY FEES

In the event that any provision contained in this Contract is held to be invalid, void or illegal by any court of competent jurisdiction, the provision shall be deemed severable from the remainder of this Contract and shall in no way affect, impair or invalidate any other provision contained in this Contract. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

In the event litigation is commenced to enforce any of the provisions of this Contract, the prevailing party shall be entitled to reasonable attorney fees and the costs of such litigation.

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MM CONTRACTOR's Initials

26. NOTICE

All notices under this Contract shall be in writing, and delivered or sent by certified or registered mail, postage prepaid. Notice required to be given to the CITY shall be addressed as follows:

City Manager, City of Hawthorne, 4455 West 126th Street
Hawthorne, CA 90250

Copy to:

Traffic Bureau Commander, Hawthorne Police Department
12501 S. Hawthorne Boulevard, Hawthorne, CA 90250

Copy to:

City Attorney, City of Hawthorne
4455 West 126th Street, Hawthorne, CA 90250

Notice to be given to CONTRACTOR shall be addressed as follows:

Mike Meade, General Manager, Gary Baines, President
U.S. Tow
1940 Lovelace Avenue
Los Angeles, CA 90015-4104
(213) 749-7100; Fax (213) 749-0272

Either party may change the address above by notice in writing to the other party and thereafter notice shall be addressed and transmitted to the new address.

27. CONTRACTOR SHALL OBTAIN SITUS IN SOUTH BAY TO PERFORM NON-EXCLUSIVE TOW & STORAGE SERVICES FOR CITY

CONTRACTOR shall exercise due diligence in obtaining a situs (location) in the South Bay area in order to perform services for the CITY under this non-exclusive police-referred towing and storage Contract. Due diligence includes, but is not limited to submitting a completed application (which includes paying all required processing fees) to the Planning Department for a Conditional Use Permit within 30 days after this Contract is approved by the City Council

[This Section Intentionally Left Blank]

28. ENTIRE AGREEMENT

This entire CONTRACT supersedes any and all other contracts and agreements, whether oral or in writing between the parties hereto with respect to the retention of CONTRACTOR as the towing service by the CITY and contains all the covenants and agreements between the parties with respect to such retention.

29. EXECUTION

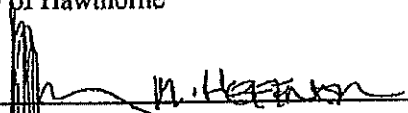
This Contract is deemed to be executed by the parties hereto in Hawthorne, California on the below listed date(s).



Jag Pathirana, City Manager
City of Hawthorne

Sept. 28, 2006

Date



Michael Heffner, Interim Chief of Police
City of Hawthorne

Sept. 28, 2006

Date

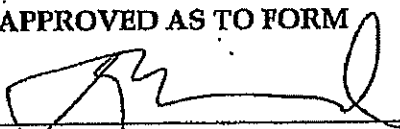


Mike Meade, General Manager
U.S. Tow

Oct. 5, 2006

Date

APPROVED AS TO FORM



Glen Shishido, City Attorney
City of Hawthorne

Sept. 28, 2006

Date

CONTRACTOR's Initials

RESOLUTION NO. 7279

A RESOLUTION OF THE CITY COUNCIL, OF THE CITY OF HAWTHORNE, CALIFORNIA, AUTHORIZING AND APPROVING AN AMENDMENT TO THE TOW AND STORAGE FEE SCHEDULE OF THE NON-EXCLUSIVE TOWING & STORAGE CONTRACT WITH U.S. TOW.

WHEREAS, on August 8, 2006, the City Council approved a "Non-Exclusive Towing & Storage Contract" (hereinafter "CONTRACT") with U.S. Tow and authorized the City Manager to execute the contract; and

WHEREAS, on September 28, 2006, the City Manager, the Chief of Police and the General Manager of U.S. Tow executed the CONTRACT; and

WHEREAS, Clause No. 10 of the CONTRACT is entitled "TOWING AND STORAGE FEE SCHEDULE" and provides: "[T]he City Council may from time to time amend by resolution the following Towing and Storage Fee Schedule, which amendment shall then become the Towing and Storage Fee Schedule under this Contract..."; and

WHEREAS, U.S. Tow now seeks to amend the Towing and Storage Fee Schedule and increase its fees by 8.5 percent for towing and 12 percent for storage. U.S. Tow represents that the requested increase reflects the rise in cost of operation and would make the fees more in line with the fees charged in neighboring cities; and

WHEREAS, attached hereto, as Exhibit "A" and incorporated herein by this reference, is the requested amended Towing and Storage Fee Schedule; and

WHEREAS, attached hereto, as Exhibit "B" and incorporated herein by this reference, is a comparison of the Towing and Storage Fee Schedules before and after the requested increase; and

WHEREAS, attached hereto, as Exhibit "C" and incorporated herein by this reference, is a comparison of the Towing and Storage Fees of the neighboring cities; and

WHEREAS, pursuant to Government Code § 66018 (a), the City provided published notice of the City Council's July 28, 2009 public hearing on the proposed fee increase under the U.S. Tow Contract in the July 16, 2009 Hawthorne Herald Tribune.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Hawthorne, California:

Section 1. The City Council finds that all of the facts set forth in the recitals of this Resolution are true and correct.

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §
CITY OF HAWTHORNE)

I, **Monica Dicrisci**, the duly appointed Deputy City Clerk of the City of Hawthorne, California, **DO HEREBY CERTIFY** that the foregoing Resolution, being Resolution No. 7279 was duly adopted by the City Council of the City of Hawthorne, at the regular meeting of the City Council held **July 28, 2009** and that it was adopted by the following vote, to wit:

AYES: Councilmembers Catano, Juarez, Lambert, Parsons, Mayor Guidi.

NOES: None.

ABSTAIN: None.

ABSENT: None


Deputy City Clerk

City of Hawthorne, California

Exhibit A

AMENDED TOWING AND STORAGE FEE SCHEDULE

- | | | |
|----|---|-------------------------------------|
| 1) | Car, Pick-up (including ¾ ton) | \$105 towing and \$28/day storage |
| 2) | Medium Trucks (up to 3 tons)
(this category includes R.V.'s) | \$168 towing and \$28/day storage |
| 3) | Heavy Trucks (over 3 tons) | \$244 towing and \$39/day storage |
| 4) | Motorcycles | \$105 towing and \$4.50/day storage |
| 5) | Parts | \$105 towing and \$4.50/day storage |
| 6) | "Low Boys"- (includes trash bins, buses) | \$244 towing and \$39/day storage |
| 7) | Inside Storage | \$28/day storage |
| 8) | Hourly charge for additional labor to facilitate movement of vehicle(s):
½ of tow rate for situation | |

Non-business hours: Monday through Friday, 2000 hours to 0700 hours the following day; Saturday, 1900 hours to 0700 hours the following day; Sunday, 1800 hours to 0700 hours the following day.

- 9) Lien Sale Processing Charges to be determined by City Attorney and Tow Contractor.

Exhibit B

TOWING AND STORAGE FEE SCHEDULE COMPARISON

	New Rate (tow / storage per day)	Current Rate
1) Car, Pick-up (including ¾ ton)	\$105 / \$28	\$97 / \$25
2) Medium Trucks (up to 3 tons) (this category includes R.V.'s)	\$168 / \$28	\$155 / \$25
3) Heavy Trucks (over 3 tons)	\$244 / \$39	\$225 / \$35
4) Motorcycles	\$105 / \$4.50	\$97 / \$4
5) Parts	\$105 / \$4.50	\$97 / \$4
6) "Low Boys" (includes trash bins, buses)	\$244 / \$39	\$225 / \$35
7) Inside Storage	\$28/day	\$25/day

Exhibit C

Tow and Storage Fees In Neighboring Cities

Los Angeles County Sheriffs	\$122 towing and \$30/day storage
El Segundo	\$110 towing and \$29/day storage
Inglewood	\$119.50 towing and \$34/day storage
Gardena	\$93 towing and \$25/day storage
Torrance	\$93 towing and \$29/day storage
Los Angeles	\$107.50 towing and \$33/day storage
CHP (West LA)	\$108 towing and \$34/day storage

**AMENDMENT NO. 2 TO
AGREEMENT BETWEEN THE CITY OF HAWTHORNE AND
U.S. TOW FOR NON-EXCLUSIVE TOWING AND STORAGE SERVICES.**

THIS SECOND AMENDMENT TO THE AGREEMENT, for non-exclusive towing and storage services, is made and entered into this _____ day of August, 2014, by and between the City of Hawthorne ("CITY") and U.S. Tow ("CONTRACTOR").

RECITALS

- A. Reference is hereby made to the Agreement dated September 28, 2006 whereby CONTRACTOR agreed to provide non-exclusive towing and storage services to the CITY.
- B. This Second Amendment to the Agreement amends Section 1, "CONTRACT TERM" and Section 10, "TOWING AND STORAGE FEE SCHEDULE."
- C. Except as otherwise specifically amended herein, all other terms and conditions contained in the original September 28, 2006 Agreement shall remain in full force and effect.
- D. A copy of the original Agreement is attached hereto, incorporated herein as Exhibit "A-1".

NOW, THEREFORE, in consideration of the foregoing Recitals, the Agreement of the parties as set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Section 1. All recitals stated in the Second Amendment are true and correct.

Section 2. "CONTRACT TERM" is hereby deleted and replaced by new Section 1 which shall read as follows:

- 1. The Contract ("contract" or "agreement") shall commence on or about August 11, 2006 and continue to August 11, 2017, inclusive of both dates. The contract may be extended by mutual written agreement of both parties for up to one (1) additional three-year term.

Section 3. Section 10 A) "TOWING AND STORAGE FEE SCHEDULE" is hereby deleted and replaced by new Section 10 which shall read as follows:

- 10. Pursuant to fees charged under the City's prior police towing and storage agreement, the following Towing and Storage Fee Schedule shall be in effect. The City Council may from time to time amend by resolution the following Towing and Storage Fee Schedule, which amendment shall then become the Towing and Storage Fee Schedule under this Contract. The fees listed below do not include the separate City administrative fee and City permit charge, as set forth below.

A) Towing and Storage Fee Schedule

- | | |
|--|----------|
| 1) Tow Light Duty (Standard Vehicles) | \$115.00 |
| 2) Storage for Standard Vehicles | \$35.00 |
| 3) Tow Motorcycles | \$115.00 |
| 4) Storage Motorcycles | \$5.00 |
| 5) Tow/HD/Trailers
Under 20 feet | \$185.00 |
| 6) Storage HD/Trailers
Under 20 feet | \$35.00 |
| 7) Tow HD Trucks/Trailers
Over 20 feet | \$185.00 |
| 8) Storage HD/Trucks/Trailers
Over 20 feet | \$35.00 |
| 9) Tow HD/Trucks/Trailers
Over 40 feet | \$268.00 |
| 10) Storage HD/Trucks/Trailers
Over 40 feet | \$44.00 |
| 11) Tow Heavy Duty Which Requires
Special Equipment | \$334.00 |
| 12) Storage Heavy Duty Which Requires
Special Equipment | \$44.00 |
| 13) Tow Heavy Duty Hazardous | \$495.00 |
| 14) Storage Heavy Duty Hazardous | \$44.00 |
| 15) Service Calls | \$58.00 |

- 16) Mileage (Per Each Mile) \$8.00
17) Tow Major Parts/Components \$115.00
18) Storage Major Parts/Components \$5.00
19) Hourly charge for additional labor to facilitate movement of vehicle(s):
1/2 of tow rate for situation

Non-business hours: Monday through Friday, 2000 hours to 0700 hours the following day; Saturday, 1900 hours to 0700 hours the following day; Sunday, 1800 hours to 0700 hours the following day.

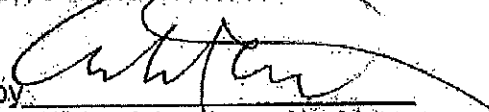
- 20) Lien Sale Processing Charges to be determined by City Attorney and Tow Contractor.

Section 4. Except as otherwise specifically amended by the First Amendment and the Second Amendment herein, all other terms and condition contained in the Contract dated September 28, 2006 shall remain in full force and effect.

IN WITNESS WHEREOF, this Second Amendment to the Agreement has been executed by their duly authorized representatives.

CITY OF HAWTHORNE

U.S. Tow

by 
Michael Goodson, City Manager
City of Hawthorne


by 
Rajpal Dhillon, President
U.S. Tow

Date 8/12/2014

Date 8/18/14

ATTEST:

APPROVED AS TO FORM:

By  for
Norb Huber, City Clerk
City of Hawthorne

By 
Russell Miyahira, City Attorney
City of Hawthorne

Date 8/12/2014

Date 8-12-2014

**AMENDMENT NO. 3 TO
AGREEMENT BETWEEN THE CITY OF HAWTHORNE AND
U.S. TOW FOR NON-EXCLUSIVE TOWING AND STORAGE
SERVICES.**

THIS THIRD AMENDMENT TO THE AGREEMENT, for non-exclusive towing and storage services, is made and entered into this _____ day of June, 2018, by and between the City of Hawthorne ("CITY") and U.S. Tow ("CONTRACTOR").

RECITALS

- A. Reference is hereby made to the Agreement dated September 28, 2006 whereby CONTRACTOR agreed to provide non-exclusive towing and storage services to the CITY.
- B. Reference is hereby made to the Agreement to the First Amendment to the Agreement which was approved by the City Council on July 28, 2009.
- C. Reference is hereby made to the Agreement to the Second Amendment to the Agreement which was approved by the City Council on August 12, 2014.
- D. This Third Amendment to the Agreement amends Section 1, CONTRACT TERM" and Section 10, "TOWING AND STORAGE FEE SCHEDULE."
- E. Except as otherwise specifically amended herein, all other terms and conditions contained in the original September 28, 2006 Agreement shall remain in full force and effect.

NOW, THEREFORE, in consideration of the foregoing Recitals, the Agreement of the parties as set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Section 1. All recitals stated in the Third Amendment are true and correct.

Section 2. "CONTRACT TERM" is hereby deleted and replaced by new Section 1 which shall read as follows:

1. The Contract ("contract" or "agreement") shall commence on or about August 11, 2006 and continue to August 11, 2021, inclusive of both dates. The contract may be extended by mutual written agreement of both parties for up to one (1) additional three-year term.

Section 3. Section 10 A) "TOWING AND STORAGE FEE SCHEDULE" is hereby deleted and replaced by new Section 10 which shall read as follows:

10. Pursuant to fees charged under the City's prior police towing and storage agreement, the following Towing and Storage Fee Schedule shall be in effect. The City Council may from time to time amend by resolution the following Towing and Storage Fee Schedule, which amendment shall then become the Towing and Storage Fee Schedule under this Contract. The fees listed below do not include the separate City administrative fee and City permit charge, as set forth below.

A) Towing and Storage Fee Schedule

1) Tow Light Duty (Standard Vehicles)	\$131.00
2) Storage for Standard Vehicles	\$42.00
3) Tow Motorcycles	\$131.00
4) Storage Motorcycles	\$6.00
5) Tow HD Trucks/Trailers Under 20 feet	\$211.00
6) Storage HD Trucks/Trailers Under 20 feet	\$42.00
7) Tow HD Trucks/Trailers Over 20 feet	\$211.00
8) Storage HD Trucks/Trailers Over 20 feet	\$42.00
9) Tow HD Trucks/Trailers Over 40 feet	\$305.00
10) Storage HD Trucks/Trailers Over 40 feet	\$53.00
11) Tow Heavy Duty Which Requires Special Equipment	\$380.00
12) Storage Heavy Duty Which Requires Special Equipment	\$53.00

- | | |
|---|----------|
| 13) Tow Heavy Duty Hazardous | \$564.00 |
| 14) Storage Heavy Duty Hazardous | \$53.00 |
| 15) Service Calls | \$66.00 |
| 16) Mileage (Per Each Mile) | \$9.00 |
| 17) Tow Major Parts/Components | \$131.00 |
| 18) Storage Major Parts/Components | \$6.00 |
| 19) Hourly charge for additional labor to facilitate movement of vehicle(s):
1/2 of tow rate for situation | |

Non-business hours: Monday through Friday, 2000 hours to 0700 hours the following day; Saturday, 1900 hours to 0700 hours the following day; Sunday, 1800 hours to 0700 hours the following day.

- 20) Lien Sale Processing Charges to be determined by City Attorney and Tow Contractor.

Section 4. Except as otherwise specifically amended by the First Amendment and the Second Amendment herein, all other terms and condition contained in the Contract dated September 28, 2006 shall remain in full force and effect.

IN WITNESS WHEREOF, this Third Amendment to the Agreement has been executed by their duly authorized representatives.

CITY OF HAWTHORNE

U.S. Tow

by _____
Arnold Shadbehr, City Manager
City of Hawthorne

by _____
Rajpal Dhillon, President
U.S. Tow

Date _____

Date _____

ATTEST:

APPROVED AS TO FORM:

By _____
Norb Huber, City Clerk
City of Hawthorne

By _____
Russell Miyahira, City Attorney
City of Hawthorne

Date _____

Date _____

Exhibit “B”

Comparison of the Towing and Storage fee Schedules before and after requested increase.

Data supporting the requested increase

Respectfully, we propose the following Towing and Storage Fee schedule:

	Current Rate	Proposed Rate
Tow Light Duty (Standard Vehicles) (Per Hour)	\$131.00	\$145.00
Storage for Standard Vehicles (Per day)	\$42.00	\$46.50
Tow Motorcycles (Per Hour)	\$131.00	\$145.00
Storage Motorcycles (Per Day)	\$6.00	\$7.00
Tow HD Trucks/Trailers Under 20 feet (Per Hour)	\$211.00	\$234.00
Storage HD Trucks/Trailers Under 20 feet (Per Day)	\$42.00	\$46.50
Tow HD Trucks/Trailers Over 20 feet (Per Hour)	\$211.00	\$234.00
Storage HD Trucks/Trailers Over 20 feet (Per Day)	\$42.00	\$46.50
Tow HD Trucks/Trailers Over 40 feet (Per Hour)	\$305.00	\$338.00
Storage HD Trucks/Trailers Over 40 feet (Per Day)	\$53.00	\$59.00
Tow Heavy Duty Which Requires Special Equipment (Per Hour)	\$380.00	\$422.00
Storage Heavy Duty Which Requires Special Equipment (Per Day)	\$53.00	\$59.00
Tow Heavy Duty Hazardous (Per Hour)	\$564.00	\$626.00
Storage Heavy Duty Hazardous (Per Day)	\$53.00	\$59.00
Service Calls	\$66.00	\$73.00
Mileage (Per Each Mile)	\$9.00	\$10.00

Tow Major Parts/Components (Per Hour)	\$131.00	\$145.00
Storage Major Parts /Components (Per Day)	\$6.00	\$7.00

Please contact me if you have any questions.

Very truly yours,



Rajpal Dhillon
Chief Executive Officer

cc: Michael Ishii, Chief of Police
Robert Kim, City Attorney

EXHIBIT 1



Databases, Tables & Calculators by Subject

Change Output Options: From: 2018 To: 2021 GO

☒ Include graphs ☐ Include annual averages[More Formatting Options](#)

Data extracted on: November 24, 2021 (4:14:56 PM)

CPI for All Urban Consumers (CPI-U)

Series Id: CUURS49ASA0

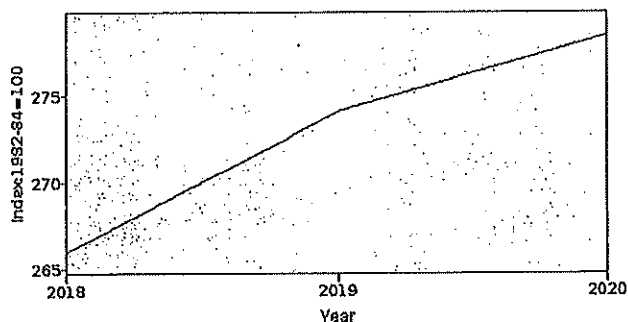
Not Seasonally Adjusted

Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted

Area: Los Angeles-Long Beach-Anaheim, CA

Item: All items

Base Period: 1982-84=100

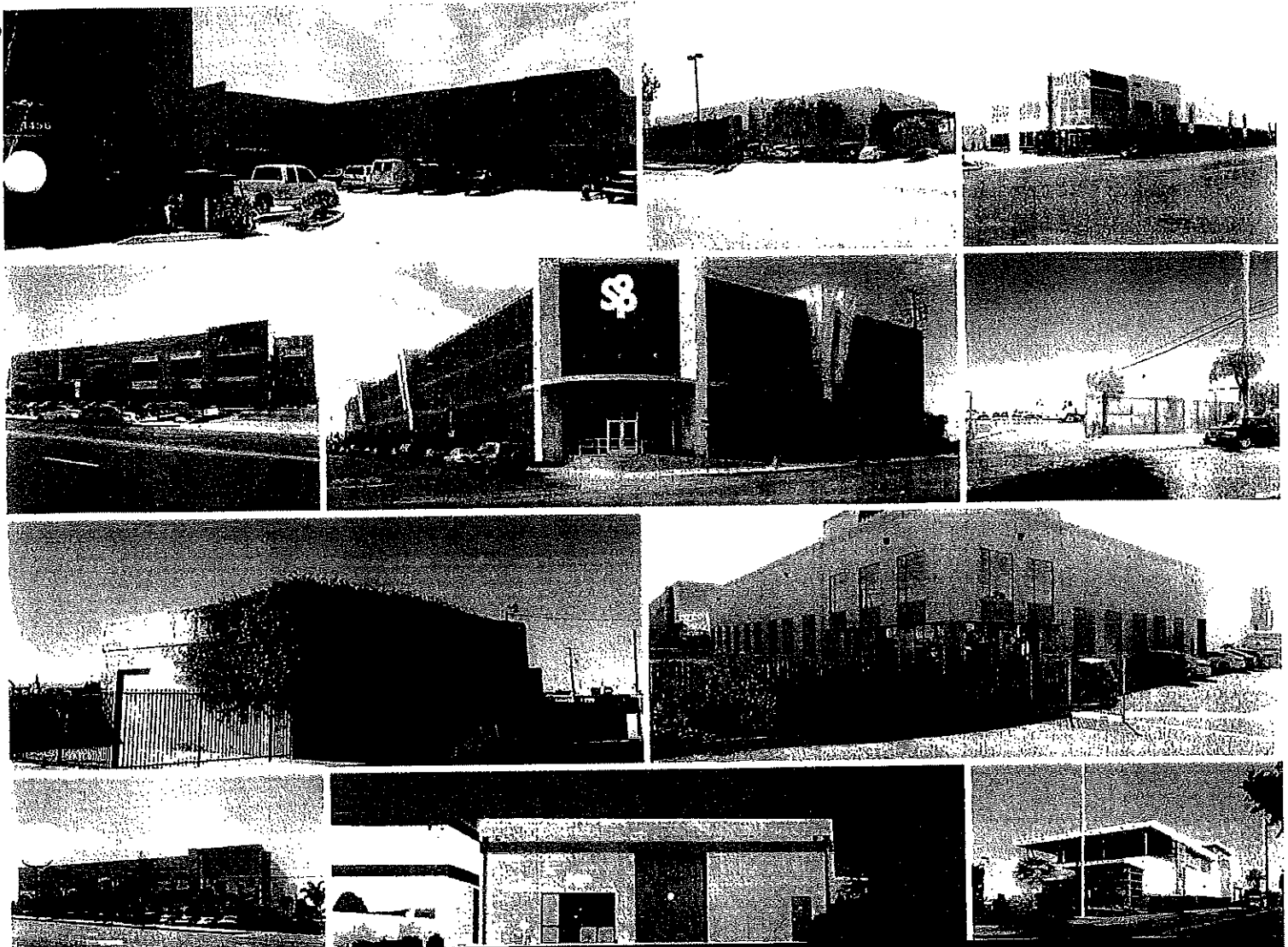
Download: [XLSX](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553	274.114	272.199	276.030
2020	277.755	278.657	276.589	275.853	276.842	278.121	279.899	280.116	279.366	279.947	280.102	279.560	278.567	277.303	279.832
2021	280.178	281.347	282.648	285.808	287.620	289.218	290.890	291.333	292.209	294.961				284.470	

U.S. BUREAU OF LABOR STATISTICS Postal Square Building 2 Massachusetts Avenue NE Washington, DC 20212-0001

Telephone: 1-202-691-5200 Federal Relay Service: 1-800-877-8339 www.bls.gov [Contact Us](#)

EXHIBIT 2



Industrial Submarket Report

Gardena/Hawthorne

Los Angeles - CA

PREPARED BY



Robert Colacion
Managing Partner



Overview

Gardena/Hawthorne Industrial

12 Mo Deliveries in SF

62.7K

12 Mo Net Absorption in SF

13.3K

Vacancy Rate

2.7%

12 Mo Rent Growth

6.2%

Gardena/Hawthorne is a very large submarket, containing roughly 20.6 million square feet of industrial space. Like the metro, logistics facilities account for the largest proportion of local supply, and these properties contain around 11.8 million SF. The local inventory pool is rounded out by 7.7 million SF of specialized space and 1.2 million SF of flex space.

Vacancies (currently 2.7%) have edged up slightly over the past year, but this is not overly concerning, given that the overwhelming majority of stock remains full. Net absorption was flat over the past year, and is effectively unchanged over the past five years.

Rents increased by 6.2% over the past 12 months, a

solid result and somewhat in excess of the 5.8% average annual gain over the past decade. Industrial rents in Gardena/Hawthorne run for about \$14.40/SF, which is more-or-less in line with the metro average. A similar pattern holds for logistics rents, which at \$14.60/SF are right in line with the metro average for that subtype.

There are no supply-side pressures on vacancy or rent in the near-term, as nothing is underway. Moreover, the inventory has actually contracted over the past 10 years, as demolition activity has outpaced new construction.

Industrial properties traded with regularity last year, consistent with the generally high level of activity over the past three years.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	11,761,244	2.6%	\$1.22	1.6%	(148,156)	0	0
Specialized Industrial	7,704,212	2.3%	\$1.11	2.3%	5,931	0	0
Flex	1,166,360	6.1%	\$1.54	3.7%	(10,139)	0	0
Submarket	20,631,816	2.7%	\$1.20	1.8%	(152,364)	0	0
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.2%	3.8%	1.8%	6.8%	2006 Q2	0.5%	2016 Q4
Net Absorption SF	13.3K	15,412	(40,695)	711,632	2004 Q1	(741,306)	2003 Q1
Deliveries SF	62.7K	86,815	4,707	903,683	2004 Q1	0	2020 Q3
Rent Growth	6.2%	3.4%	5.5%	8.7%	2017 Q2	-4.9%	2009 Q4
Sales Volume	\$308M	\$86.6M	N/A	\$262.4M	2018 Q3	\$16M	2001 Q3

Rent & Vacancy

Gardena/Hawthorne Industrial

OVERALL RENT & VACANCY

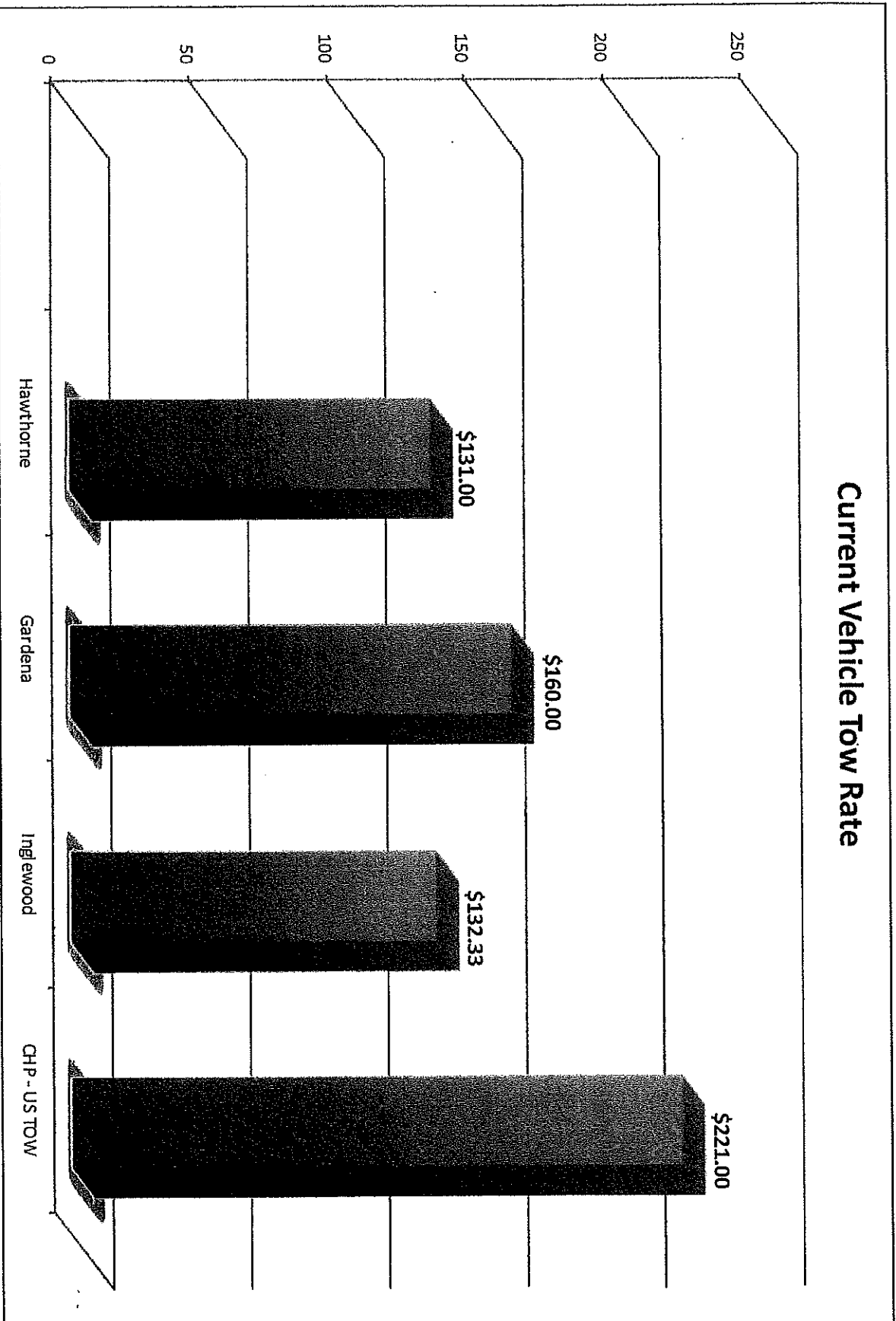
Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$1.50	210	3.2%	31.0%	372,473	1.8%	0.1%
2024	\$1.46	204	4.3%	27.0%	356,932	1.8%	0.1%
2023	\$1.40	196	6.0%	21.9%	342,253	1.7%	0.1%
2022	\$1.32	185	7.3%	14.9%	331,290	1.6%	-0.7%
2021	\$1.23	172	7.1%	7.1%	484,772	2.4%	0.1%
YTD	\$1.20	167	6.2%	4.3%	559,212	2.7%	0.5%
2020	\$1.15	161	4.2%	0%	462,019	2.2%	0%
2019	\$1.10	154	5.3%	-4.0%	461,537	2.2%	0.8%
2018	\$1.05	146	7.2%	-8.9%	306,291	1.5%	0.2%
2017	\$0.98	137	8.5%	-15.0%	256,061	1.2%	0.7%
2016	\$0.90	126	8.2%	-21.6%	103,394	0.5%	-1.5%
2015	\$0.83	116	8.2%	-27.6%	421,905	2.0%	0.1%
2014	\$0.77	107	6.7%	-33.1%	395,451	1.9%	-2.5%
2013	\$0.72	101	4.8%	-37.3%	909,856	4.4%	-0.8%
2012	\$0.69	96	3.1%	-40.1%	1,074,146	5.2%	1.9%
2011	\$0.67	93	0.7%	-41.9%	685,518	3.3%	-0.5%
2010	\$0.66	93	-2.6%	-42.3%	810,941	3.8%	-0.4%
2009	\$0.68	95	-4.9%	-40.8%	893,153	4.2%	0%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$1.40	208	3.2%	30.4%	160,641	2.1%	0%
2024	\$1.35	201	4.3%	26.4%	158,845	2.1%	0%
2023	\$1.30	193	6.1%	21.2%	157,316	2.1%	0%
2022	\$1.22	182	7.3%	14.2%	156,539	2.0%	-0.3%
2021	\$1.14	170	6.5%	6.5%	177,446	2.3%	-0.6%
YTD	\$1.11	165	5.4%	3.6%	179,525	2.3%	-0.6%
2020	\$1.07	159	4.0%	0%	224,871	2.9%	0.4%
2019	\$1.03	153	5.1%	-3.9%	195,182	2.5%	1.8%
2018	\$0.98	146	6.9%	-8.6%	56,248	0.7%	0.5%
2017	\$0.92	136	8.4%	-14.5%	21,150	0.3%	0%
2016	\$0.85	126	8.0%	-21.1%	23,759	0.3%	-0.5%
2015	\$0.78	116	7.8%	-27.0%	61,029	0.8%	0.3%
2014	\$0.73	108	6.6%	-32.2%	38,660	0.5%	-2.2%
2013	\$0.68	101	5.0%	-36.4%	208,303	2.7%	-1.6%
2012	\$0.65	97	2.9%	-39.4%	330,533	4.3%	2.3%
2011	\$0.63	94	0.9%	-41.1%	155,259	2.0%	0.2%
2010	\$0.63	93	-2.5%	-41.6%	139,020	1.7%	-0.4%
2009	\$0.64	95	-4.6%	-40.1%	170,281	2.1%	-0.8%

EXHIBIT 3

Current Vehicle Tow Rate



Current Vehicle Storage Rate

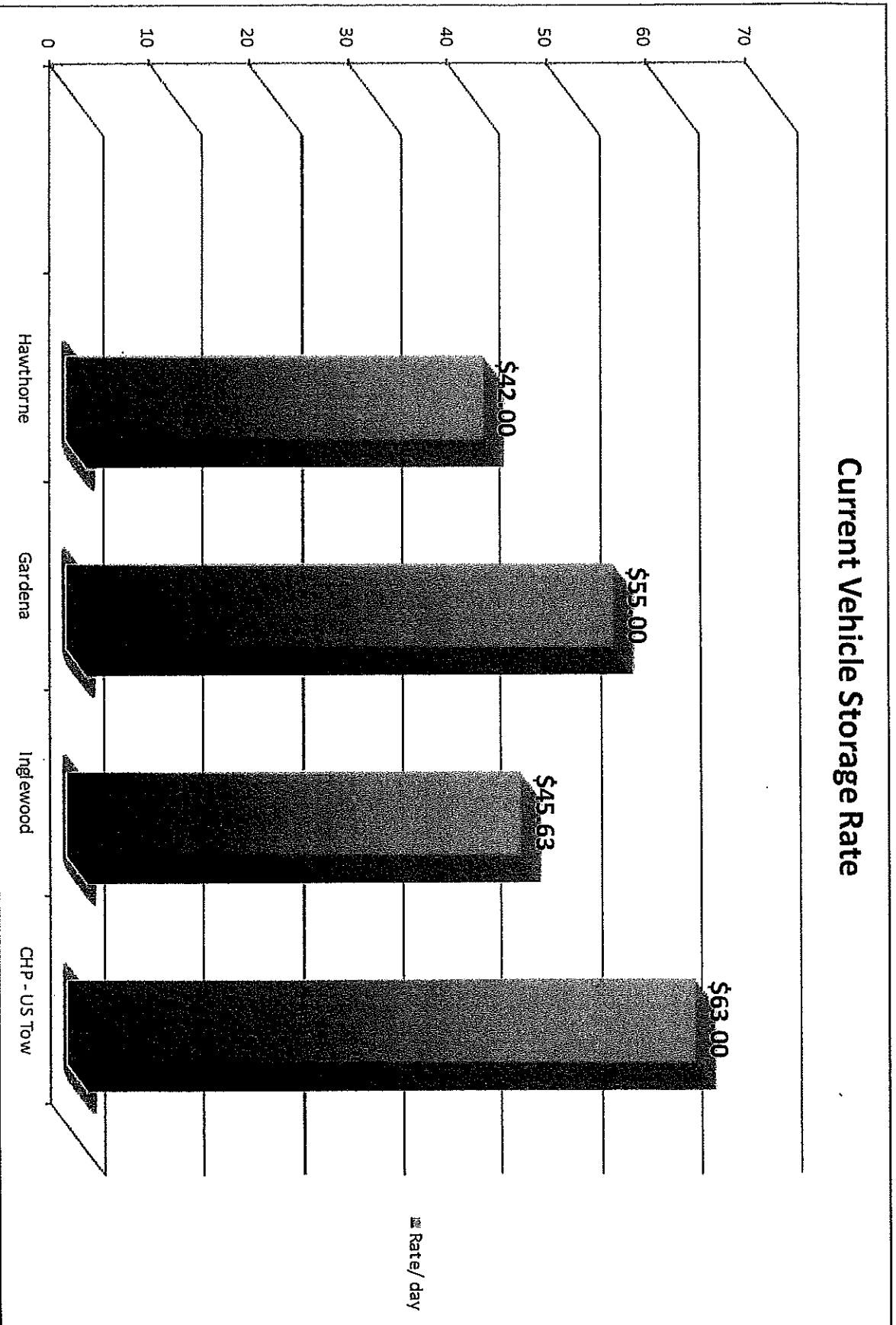


Exhibit “C”

Fourth Amendment to CONTRACT Between City of Hawthorne & U.S. Tow

**AMENDMENT NO. 4 TO
AGREEMENT BETWEEN THE CITY OF HAWTHORNE AND
U.S. TOW FOR NON-EXCLUSIVE TOWING AND STORAGE
SERVICES.**

THIS FOURTH AMENDMENT TO THE AGREEMENT, for non-exclusive towing and storage services, is made and entered into this day of January, 2022, by and between the City of Hawthorne ("CITY") and U.S. Tow ("CONTRACTOR").

RECITALS

- A. Reference is hereby made to the Agreement dated September 28, 2006 whereby CONTRACTOR agreed to provide non-exclusive towing and storage services to the CITY.
- B. Reference is hereby made to the Agreement to the First Amendment to the Agreement which was approved by the City Council on July 28, 2009.
- C. Reference is hereby made to the Agreement to the Second Amendment to the Agreement which was approved by the City Council on August 12, 2014.
- D. Reference is hereby made to the Agreement to the Third Amendment to the Agreement which was approved by the City Council on June 12, 2018
- E. This Fourth Amendment to the Agreement amends Section 1, CONTRACT TERM" and Section 10, "TOWING AND STORAGE FEE SCHEDULE."
- F. Except as otherwise specifically amended herein, all other terms and conditions contained in the original September 28, 2006 Agreement shall remain in full force and effect.

NOW, THEREFORE, in consideration of the foregoing Recitals, the Agreement of the parties as set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Section 1. All recitals stated in the Fourth Amendment are true and correct.

Section 2. "CONTRACT TERM" is hereby deleted and replaced by new Section 1 which shall read as follows:

- 1. The Contract ("contract" or "agreement") shall commence on or about August 11, 2006 and continue to August 11, 2024, inclusive of both dates. The contract may be extended by mutual written agreement of both parties for up to one (1) additional three-year term.

Section 3. Section 10 A) "TOWING AND STORAGE FEE SCHEDULE" is hereby deleted and replaced by new Section 10 which shall read as follows:

10. Pursuant to fees charged under the City's prior police towing and storage agreement, the following Towing and Storage Fee Schedule shall be in effect. The City Council may from time to time amend by resolution the following Towing and Storage Fee Schedule, which amendment shall then become the Towing and Storage Fee Schedule under this Contract. The fees listed below do not include the separate City administrative fee and City permit charge, as set forth below.

A) Towing and Storage Fee Schedule

1	Tow Light Duty (Standard Vehicles) (Per Hour)	\$145.00
2	Storage for Standard Vehicles (Per Day)	\$46.50
3	Tow Motorcycles (Per Hour)	\$145.00
4	Storage Motorcycles (Per Day)	\$7.00
5	Tow HD Trucks/Trailers Under 20 feet (Per Hour)	\$234.00
6	Storage HD Trucks/Trailers Under 20 feet (Per Day)	\$46.50
7	Tow HD Trucks/Trailers Over 20 feet (Per Hour)	\$234.00
8	Storage HD Trucks/Trailers Over 20 feet (Per Day)	\$46.50
9	Tow HD Trucks/Trailers Over 40 feet (Per Hour)	\$338.00
10	Storage HD Trucks/Trailers Over 40 feet (Per Day)	\$59.00
11	Tow Heavy Duty Which Requires Special Equipment (Per Hour)	\$422.00
12	Storage Heavy Duty Which Requires Special Equipment (Per Day)	\$59.00
13	Tow Heavy Duty Hazardous (Per Hour)	\$626.00
14	Storage Heavy Duty Hazardous (Per Day)	\$59.00
15	Service Calls	\$73.00
16	Mileage (Per Each Mile)	\$10.00

17 Tow Major Parts/Components (Per Hour) \$145.00

18 Storage Major Parts/Components (Per Day) \$7.00

Hourly charge for additional labor to facilitate movement of vehicle(s): 1h of tow rate for situation

Non-business hours: Monday through Friday, 2000 hours to 0700 hours the following day; Saturday, 1900 hours to 0700 hours the following day; Sunday, 1800 hours to 0700 hours the following day.

Lien Sale Processing Charges to be determined by City Attorney and Tow Contractor.

Section 4. Except as otherwise specifically amended by the First Amendment, Second Amendment and Third Amendment herein, all other terms and condition contained in the Contract dated September 28, 2006 shall remain in full force and effect.

INWITNESS WHEREOF, this Fourth Amendment to the Agreement has been executed by their duly authorized representatives.

CITY OF HAWTHORNE

By

Vontray Norris, City Manager
City of Hawthorne

Date _____

ATTEST

By

Paul Jimenez, City Clerk
City of Hawthorne

Date _____

U.S. TOW

By

Rajpal Dhillon, President
U.S. Tow

Date _____

APPROVED AS TO FORM

By

Robert Kim, City Attorney
City of Hawthorne

Date _____