

**CITY OF SHAKOPEE
AGREEMENT PROVIDING FOR TOWING, IMPOUNDING,
AND STORAGE OF MOTOR VEHICLES**

THIS AGREEMENT, made and entered into this 20th day of December, 2022 by and between the City of Shakopee ("City") and Towing Services Inc., dba Shakopee Towing, Inc. ("Contractor")

RECITALS

WHEREAS, the City desires to enter into a contract for the towing, impounding, and storage of motor vehicles; and

WHEREAS, the Contractor is the operator of a towing and storing facility located in the City and is desirous and willing to enter into such a contract with the City.

NOW THEREFORE, the parties heretofore, in consideration of the covenants hereinafter set forth, agree as follows:

1. The Contractor hereby agrees to tow, impound, and store all motor vehicles which are ordered removed under the direction of the Police Chief of the City or persons authorized by him/her.
2. The Contractor shall have satisfactory equipment and personnel to provide immediate service on all vehicles ordered impounded by authorized city officials at all times, twenty-four (24) hours a day, seven (7) days a week, holidays included.
3. The contractor shall own or have available to the City the following equipment:
 - A. A minimum of two (2) tow trucks having a gross vehicle weight of eight thousand (8,000) pounds or more, equipped with a crane and winch, and further equipped to control the movement of the towed vehicle; and
 - B. Equipment capable of uprighting and towing a loaded semi tractor-trailer combination; and
 - C. Equipment sufficient to move a completely demolished vehicle on dollies or low-bed trailer.

The Contractor agrees to maintain said equipment in good condition and repair. The City reserves the right to inspect the Contractor's equipment from time to time for the purpose of determining whether the equipment is in good condition and repair and in conformance with the terms and conditions of this Agreement.

4. All storage and parking lot facilities and equipment of the Contractor must be located within the City limits. The storage and parking lot facilities of the Contractor shall meet all applicable state and building code standards and municipal licenses and zoning requirements, including those relating to screening and landscaping.

5. The Contractor shall control and operate facilities capable of storing a minimum of four (4) vehicles inside for one (1) week, and facilities capable of storing a minimum of twenty (20) vehicles outside. The Contractor will provide six (6) secured storage spaces for forfeited motor vehicles at no cost to the City.

It is further agreed that vehicles need be stored inside only when so directed by an authorized City Official.

6. The Contractor assumes full responsibility for the conduct of its employees and guarantees that its employees will respond promptly to calls, use safe and adequate equipment, be clean in appearance, use decent language, and treat the public courteously at all times.
7. The Contractor shall be solely responsible for the loss or damage to any motor vehicle, including its equipment and contents, from the time the vehicle is turned over to the Contractor or its agent by an authorized City Official until such time as the vehicle is released to the registered or actual owner or agent thereof.
8. The Contractor agrees to maintain proper records of all vehicles received. These records shall be approved by the Police Chief of the City and are available at all times for inspection by authorized City Officials. The records shall include a copy of the police impounding report. The Contractor must submit to the Shakopee Police Chief or his/her designee, monthly reports of vehicles stored and released.
9. All vehicles towed or impounded for the Police Department of the City are to be released by the Contractor only upon the showing of a release form issued by the Police Department of the City. Either the Contractor or its employee must be present at the Contractor's parking facility or on call at least between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday, and on Saturday and Sunday from 10:30 a.m. to 11:30 a.m., for the purpose of releasing vehicles to authorized claimants.
10. The Contractor agrees to tow the vehicles without further damaging said vehicles.
11. When the Contractor arrives at an accident scene to tow vehicles involved in an accident, the Contractor assumes responsibility for removing any vehicular parts or other debris resulting from the accident.
12. The Contractor shall be entitled to a charge for its towing, storage, and debris removal services pursuant to those fees specified in the following schedule. The fees shall apply only when the car is towed to the Contractor's storage area at the direction of the City. Towing requested by vehicle owners shall be subject to fees agreed upon between the Contractor and the owner including charges for towing vehicles outside the City.

A. 1. Towing Charges: Towing charges shall be in accordance with Appendix A. The allowable types of charges are allowed:

Type I, all tows which involve a vehicle which is on or immediately adjacent to a public street or alley and which can be secured for towing with the usual type of winching.

Type II, all tows which involved a vehicle which is not on or immediately adjacent to a public street or alley or which requires an unusual amount of winching to secure it for towing by one tow truck or the use of a dolly to tow the vehicle.

Type III, all tows which involve a vehicle that requires, and for which a specific request has been made, two or more tow trucks.

NOTE: The designation as to the type of tow performed will be the duly authorized agent of the City. Any disagreement with this designation shall be made in writing to the Police Chief within 24 hours.

2. Administrative Fees.

An administrative fee will be added to all tows.

A fuel surcharge will be added to all tows.

B. Towing of Large Vehicles.

Towing of vehicles of more than eight (8) ton factory rated capacity.

C. Incomplete Tow.

If an operator of the Contractor is called to tow a vehicle and after arriving at the scene of the tow, the owner appears to claim said vehicle, the vehicle may be turned over to the owner provided the police authorize the release of the vehicle.

D. Storage Charges.

1. Indoor Storage.
2. Outdoor storage.
3. Seized vehicle storage.

E. Clean Up Charges.

1. Removing vehicular parts and routine sweeping and clean-up.
2. Removing debris other than vehicular parts, and more extensive clean-up.

F. Unlocking Vehicles.

G. Vehicle Release.

The release of vehicles will be conducted during posted normal working hours. A release requested after normal working hours will be charged an additional fee.

H. The Contactor will provide the City five (5) service calls per month with no charge to the City.

13. The City shall not be responsible to the Contractor for the payment of any charge for towing, storage, clean-up, and/or unlocking vehicles.

14. Should the Contractor fail to appear at the designated point to tow within twenty (20) minutes after a call, the City reserves the right to call another tow service to perform the work. If the Contractor is called for a tow and is unable to respond, it must immediately inform the City Official or department requesting the tow, and the City hereby reserves the right to another tow service to perform the work. In any case, only the towing service which performs the work will be paid.
15. This Agreement will not be executed nor shall the Contractor commence work under this Agreement until the Contractor has established that it has obtained the insurance coverage set forth and effect with respect to all operations of the Contractor. The Contractor agrees to furnish to the City a certificated of insurance of its policy or policies which shall be in force on the date of the execution of the Agreement and shall continue for a period equal to the duration of the Agreement. The following coverage is required:

A. Garage Liability and Automobile Liability as follows:

1. Bodily Injury and Property Damage Liability in the amount of not less than \$1,000,000 per occurrence.
2. Garage Keepers' Legal Liability policy in the amount of at least \$300,000.

Each of these policies shall carry an endorsement which reads:

It is understood and agreed that the insurance provided under the undermentioned policy and endorsement attached thereto, is hereby extended to apply to the liability imposed by law on the City for bodily injury and for damage to property, which liability is assumed by the Insured under the towing Agreement between the City and the Insured.

B. Worker's Compensation Insurance covering all employees of the Contractor working in the job in accordance with the Minnesota Worker's Compensation Law.

C. Cancellation Notice the policy shall provide 10 days' notice to the City before any changes or cancellation of each policy becomes effective.

16. The Contractor shall defend, indemnify, and hold harmless the City, its employees and agents, from any and all claims, causes of action, lawsuits, damages, losses and expenses on account of bodily injury, sickness, disease, death, or property damage as a result, directly or indirectly, of the operations of the Contractor in connection with the work performed under this Agreement. In the event the Contractor shall fail to assume full responsibility for the defense of any claim after proper notice, the City shall have the right to defend such action and to charge all costs thereof to the Contractor.
17. The Contractor shall operate its parking facility in compliance with the terms of this Agreement and all applicable laws, ordinances, rules, and regulations which are now in effect or which may hereafter be adopted.

18. It is mutually understood and agreed that no alteration of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.
19. In the event of a breach by Contractor of any terms or condition of this Agreement, the City shall have, in addition to any other legal recourse, the right to terminate this Agreement forthwith.
20. This Agreement shall be for a period from January 1, 2023 to December 31, 2027, provided that either party may terminate the same with or without cause by giving ninety (90) days' advanced written notice to the other.
21. A copy of this Agreement and a schedule of the fees authorized shall be posted in a conspicuous place in the Contractor's garage.

IN WITNESS THEREOF, the parties have caused this Agreement to be executed by their appropriate officers and their seals affixed as of the day and year first above written.

CITY OF SHAKOPEE:

Towing Services Inc., dba Shakopee Towing, Inc

Its Mayor

By _____

Its _____

Its City Administrator

APPENDIX A

Company Name: Towing Services, Inc. dba Shakopee Towing

Any and all fees the proposer plans to utilize throughout the course of the contract shall be included below. Fees charged outside of the following schedule will be considered a breach of contract and may result in penalties up to, and including, termination of the contract. If needed, any notes or comments may be attached to the end of this document.

Definitions of the fees and charges can be found in the body of the contract.

Proposed Towing Charges					
	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Type I	\$110	\$115	\$120	\$125	\$130
Type II	\$145	\$150	\$155	\$160	\$165
Type III	\$160	\$170	\$180	\$190	\$200
Large Vehicles	\$200/HR	\$200/HR	\$225/HR	\$225/HR	\$250/HR
Incomplete	\$0	\$0	\$0	\$0	\$0

Proposed Indoor Storage Fees					
	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Partial Day (if applicable)	\$50	\$50	\$55	\$55	\$60
Per 24 Hours	\$50	\$50	\$55	\$55	\$60
Per Week	\$350	\$350	\$385	\$385	\$420
Seized Vehicle Daily	\$3	\$3	\$3	\$3	\$3
Seized Vehicle Maximum	\$900	\$900	\$900	\$900	\$900

Proposed Outdoor Storage Fees					
	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Partial Day (if applicable)	\$30	\$30	\$35	\$35	\$35
Per 24 Hours	\$30	\$30	\$35	\$35	\$35
Per Week	\$210	\$210	\$245	\$245	\$240
Seized Vehicle Daily	\$3	\$3	\$3	\$3	\$3
Seized Vehicle Maximum	\$900	\$900	\$900	\$900	\$900

Proposed Miscellaneous Fees					
	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Scene Cleanup	\$60/half hr	\$65/half hr	\$70/half hr	\$75/half hr	\$80/half hr
Debris Removal	\$60/half hr	\$65/half hr	\$70/half hr	\$75/half hr	\$80/half hr
After-Hours Release	\$100	\$125	\$125	\$150	\$150
Vehicle Unlock	\$100	\$110	\$120	\$130	\$140
Other Fee (please attach description)	Jump \$100	Jump \$110	Jump \$120	Jump \$130	Jump \$140
Other Fee (please attach description)	Tire \$100	Tire \$110	Tire \$120	Tire \$130	Tire \$140
Other Fee (please attach description)	Admin \$40	Admin \$45	Admin \$45	Admin \$50	Admin \$50
Other Fee (please attach description)	Tow/mi. \$4	Tow/mi. \$4	Tow/mi. \$4.50	Tow/mi. \$4.50	Tow/mi. \$5

If a customer uses a credit card for their payment, there will be an additional 5% convenience fee added to the total bill.

Shakopee Police and/or the City of Shakopee will receive five (5) free tows or service calls per month.

Office hours are Monday – Friday from 9:00am to 5:00pm, and Saturday – Sunday from 10:30am to 11:30am.

Fuel surcharge: see Appendix B.

APPENDIX B

As of December 19, 2022 the average diesel fuel price in the Twin Cities Metropolitan area is \$4.539/gallon. As of January 1, 2023 Towing Services Inc. DBA Shakopee Towing will add \$20 fuel surcharge per tow to the charges in Appendix A of this contract.

The average diesel fuel price in the Twin Cities Metropolitan area will be determined on a quarterly basis beginning on April 1, 2023. For every \$.25 that the average price for diesel fuel is more than \$4.50/gallon, an additional \$1.50 will be added per tow to the fuel surcharge for the following quarter. For every \$.25 that the average price for diesel fuel is less than \$4.50/gallon diesel, the fuel surcharge for the following quarter will decrease by \$1.50 per tow. If the average diesel fuel price falls below \$2.50/gallon there will be no fuel surcharge added to any tows.

Example #1. On April 1, 2023, the average price for diesel fuel in the Twin Cities is \$4.99. The fuel surcharge for the next quarter will be \$21.50.

Example #2. On July 1, 2023, the average price for diesel fuel in the Twin Cities is \$4.01. The fuel surcharge for the next quarter will be \$18.50.

Example #3. On October 1, 2023, the average price for diesel fuel in the Twin Cities is \$4.74. The fuel surcharge for the next quarter will be \$20.00.

Example #4. On January 1, 2024, the average price for diesel fuel in the Twin Cities is \$2.74. The fuel surcharge for the next quarter will be \$9.50.

Example #5. On April 1, 2024, the average price for diesel fuel in the Twin Cities is \$2.49. The fuel surcharge for the next quarter will be \$0.00.

Dated: December 20, 2022

Andrew Peterson
Towing Services Inc. DBA Shakopee
Towing
952-445-0030