



**NOTICE OF A SPECIAL MEETING
OF THE CITY COUNCIL OF THE
CITY OF FOUNTAIN VALLEY
June 30, 2026**

In accordance with Section 54956 of the California Government Code, a Special Meeting of the City Council of the City of Fountain for the following:

Topic: City Council Special Meeting

Time: Jun 30, 2026 04:30 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://fountainvalley.zoom.us/j/89123659036?pwd=LOJXbPFngKAavWEvifVPjFYy1qZLnW.1>

Meeting chat link

<https://fountainvalley.zoom.us/jc/89123659036>

Meeting ID: 891 2365 9036

Passcode: 524994

**AGENDA
SPECIAL ORDER OF BUSINESS
Tuesday, June 30, 2026
4:30 p.m.**

STUDY SESSION

1. Discussion Regarding the Procurement Process and Towing Service RFP

**LOCATION: 10200 Slater Avenue
City Council Chambers
Fountain Valley, CA 92708**

Persons wishing to speak on the matter are requested to identify themselves by completing a blue speaker card indicating the item they want to address and to give the card to the city clerk prior to the public comment period.

Posting Affidavit

I, Rick Miller, City Clerk of the City of Fountain Valley, California do hereby certify under penalty of perjury under the laws of the State of California, that the foregoing notice of special meeting was delivered to each member of the Fountain Valley City Council; posted on the Posting Board at Fountain Valley City Hall; and placed the digital agenda on the city's website on June 29, 2026



City of Fountain Valley Memorandum

TO: Honorable Mayor and City Council

FROM: Ryan Smith, Finance Director
Craig Heredia, Chief of Police

DATE: June 30, 2026

SUBJECT: Procurement Process and Towing Service RFP

EXECUTIVE SUMMARY:

In response to the Police Department Towing Service contracts that were before City Council at the June 16th meeting, City staff would like to provide clarification of the City's procurement process in general and as it relates to the Towing Contracts.

The City of Fountain Valley uses two (2) primary competitive procurement methods depending on the nature of the contract: the Request for Proposals (RFP) and the Public Works Competitive Bid. Applying the correct method is essential to sound fiscal governance, legal compliance, and protection of the City's contracting interests.

An RFP is used when the City is selecting a vendor based on qualifications, approach, and value — not price alone. A Public Works Bid is required by California law when the City is purchasing construction or infrastructure work, where the award must go to the lowest responsive, responsible bidder with limited discretion. The Police Towing Services contract (RFP 26-005), approved by Council on June 16, 2026, is a revenue contract: the City grants two (2) tow operators the right to provide rotational police-directed towing services, in exchange for a share of revenue collected under California Vehicle Code § 14602.6(a)(1). The City pays nothing; the contract generates General Fund revenue.

DISCUSSION:

REQUEST FOR PROPOSALS (RFP)

An RFP is used when the City is procuring services or solutions where qualifications, methodology, and approach are material factors in the award decision — not price alone.

Typical uses include:

- Professional and consulting services (legal, financial, engineering, Information Technology)

- Program administration services (e.g., towing administration)
- Enterprise software and system implementations
- Auditing and specialized advisory services

Key characteristics:

- Vendors submit proposals covering qualifications, methodology, staffing, and cost
- Evaluation is multi-criteria; *the City retains discretion to weigh factors and negotiate*
- Award is based on qualifications, not lowest price
- Governed by the City's Purchasing Policy and Municipal Code, not the Public Contract Code
- Not all RFP contracts result in the City paying the vendor — some are revenue contracts in which the vendor pays the City or shares proceeds in exchange for a franchise, license, or exclusive service right

PUBLIC WORKS COMPETITIVE BID

A formal competitive bid (also referred to as an Invitation for Bids) is required by California law for public works projects — construction, alteration, demolition, installation, or repair of public structures or infrastructure.

Typical uses include:

- Road and sidewalk construction or repair
- Public facility construction and improvements
- Utility infrastructure work
- Building retrofits and capital improvement projects

Key characteristics:

- Contractors submit sealed bids; award goes to the lowest responsive, responsible bidder
- City discretion is very limited once bids are publicly opened
- Post-bid negotiation on price or scope is generally prohibited
- Governed by Public Contract Code §§ 20160–20175 (cities)
- Prevailing wage requirements under Labor Code § 1720 et seq. almost always apply
- Bid bonds, performance bonds, and payment bonds are required by statute

POLICE TOWING SERVICES (RFP 26-005)

The City of Fountain Valley issued RFP 26-005 on April 2, 2026, to renew expiring police towing service contracts. The RFP sought to select two (2) tow operators to provide rotational police towing services beginning July 1, 2026, for a five-year term through June 30, 2031, with two (2) optional one-year extensions. Services are governed by Chapter 4.85 of the Fountain Valley Municipal Code and the FVPD Tow Policy Guidelines.

Solicitation & Responses

The RFP was publicly advertised via PlanetBids and the City website. Six (6) firms downloaded the solicitation; four (4) submitted proposals by the April 30, 2026, deadline.

Evaluation Process

A Police Towing Services evaluation panel consisting of (1) Lieutenant, (1) Sergeant, and (2) Corporals conducted a two-round evaluation:

- Round 1 — Proposal Review (800-point scale): Proposals were scored on three (3) weighted criteria: General Approach & Work Plans (weight 35), Qualifications & Experience (weight 30), and Past Performance/References (weight 15). Three (3) firms scoring 450 or above advanced.
- Round 2 — Facility Inspections (1,000-point scale): Evaluators conducted on-site inspections assessing Location & Office, Open Vehicle Storage, Inside Storage, Secured Evidence Hold, and General Operations & Facility Security.
- Final Scores

Firm	Round 1	Round 2	Grand Total	% of Max
G&W Towing	571.25	860	1,431.25	80%
Southside Towing	470	860	1,330	74%
Best Towing & Transportation	491.25	586.67	1,077.92	60%

Based on the panel evaluation, staff recommended — and the City Council approved — awarding contracts to G&W Towing and Southside Towing.

Fiscal Impact — Revenue Contract Structure

Important: RFP 26-005 is a revenue contract, not an expenditure contract. The City does not pay the selected tow operators — instead, the tow operators pay the City a share of their receipts in exchange for the exclusive right to provide police-directed towing services

Towing fees for individual tows are paid directly by the vehicle owner to the tow operator and do not flow through the City. This arrangement generates ongoing General Fund revenue at no direct cost to the City.

Towing Services – RFP Requirements

Questions arose during the City Council meeting regarding the specific requirements not being met by some of the proposing firms. It is important to note that because **this procurement was an RFP, the City has more discretion regarding the requirements.** As the RFP states:

All requirements must be met at the time of proposal. If these requirements are not met, the proposal may not receive further consideration, as determined in the sole discretion of the City.

The City, at its sole discretion, chose not to disqualify any firms based on the location requirements A) to ensure an expanded pool of proposals able to provide adequate competition and increase the quality of results, and B) the firm that is located outside of the 5 mile radius was within tolerable limits (0.3 miles) to provide responsive service to the City. As one (1) firm was located outside of the 5-mile radius, *they did receive lower evaluation scores for the location criteria.*

Key Takeaways

- This procurement correctly applied the RFP method: towing administration is a service, not a public works project.
- The multi-round evaluation (written proposals followed by physical inspections) reflects best-value procurement principles.
- Unlike a typical expenditure contract, RFP 26-005 is a revenue contract: the City collects proceeds from the operators rather than paying them, making it a net revenue generator for the General Fund.
- The two (2) firms that were selected to provide towing services were chosen based on the superior qualifications and ability to provide the highest level of service to the City, as determined by the evaluation team.