

May 14, 2014 Hearing Statement

Testified by: Shane Staley

February 2011, I found a Request for Information (RFI) posted on the Commonwealth's Procurement website. The RFI was titled Emergency Towing Referrals by the Pennsylvania State Police PSP-TOW 11. The point of contact listed was Director DeShawn Lewis. On February 19 2011, I emailed Director Lewis with questions from our members. (Exhibit A) I did not receive a response. On February 25, 2011, I emailed Director Lewis again with questions from our members. (Exhibit B) Later that day, Director Lewis responded with an email referring me back to the DGS website where the RFI was posted. (Exhibit C) I was told answers to our questions would be posted there, and that it may take at least 2 weeks.

With the inability to get any information for our members the Pennsylvania Towing Association (PTA) began its own investigation into the RFI. Our investigation found that Auto Return was one of the main driving forces. We located an internal company memo from Auto Return that opened our eyes to what was really going on. (Exhibit D) Among other things, the memo discusses political relationships and making authorities aware of how much revenue and profits tow companies were generating for themselves.

On March 24, 2011, PTA president Ron Bressler sent a letter to Director Lewis (Exhibit E) asking for PSP to let our association help them solve their emergency towing dispatch problems. He also asked if they would keep us informed of any changes regarding this RFI. With the RFI deadline approaching and very little information being made available to the towing industry, my own company River Drive Service Center responded to the solicitation in hopes that our response would at least include us in future discussions regarding the program. It did not.

August 9, 2011 the PTA finally had its first meeting with PSP regarding this program in Harrisburg. Trooper David Palone informed the Board that he was charged with instituting the 3<sup>rd</sup> party dispatch program and that towing related lawsuits were the driving force behind it. We informed him that a 3<sup>rd</sup> party dispatch program would be extremely difficult to operate successfully across Pennsylvania for various reasons. We also expressed our interest in the PTA operating the program in order to maintain public safety and professional standards in the towing industry. Later that month, Trooper Palone met with Ron Bressler and myself in Morgantown, PA to further discuss the program. In that meeting we were told that 3<sup>rd</sup> party dispatching for emergency towing was 100% going to be reality. Trooper Palone also informed us that he was advocating the PTA's ability to perform the service. Trooper Palone left PSP later that fall. We unsuccessfully attempted numerous times to find out Trooper Palone's replacement and further information on the program.

Over the next two years we constantly monitored the DGS procurement website without ever finding anymore RFI's or RFP's relating to the PSP 3<sup>rd</sup> party towing initiative.

On September 11, 2013 the PTA became aware that PSP had posted a solicitation on their own PSP website regarding 3<sup>rd</sup> party towing dispatch. I immediately emailed the listed contact: Procurement Manager Maggie Boyer. (Exhibit F) The next morning Ms. Boyer responded that the solicitation deadline has passed and it was now in the review process. (Exhibit G). I returned to the PSP website and the solicitation had been removed.

On September 30, 2013 we found out the Auto Return Pilot Program was going to begin in Western PA. On November 26, 2013 the PTA Board finally had a meeting with Ray Krouse of Auto Return and Lt. Wendt from PSP. They explained the pilot program and how it would be rolled out. Lt. Wendt informed us that the 3<sup>rd</sup> party towing dispatch was initiated to alleviate PSP staffing issues and eliminate their handling of towing related questions and complaints. When asked how the Pennsylvania Towing Association could be excluded from this initiative we were told it was an unfortunate oversight and that we would be included in the pilot program review. Since then we have been briefed by Lt. Wendt in monthly meetings at PSP headquarters regarding the pilot program's status.

As a member of the Pennsylvania Towing community I have a few concerns. It certainly appears that the PTA was specifically left out of the solicitation from PSP. Why was the Solicitation posted on PSP's website when it was originally posted by DGS and we were directed to check back on the DGS website for further information? Why would PSP choose to look for an out of state vendor without even speaking to known interested parties in PA. How will this program affect the safety of the motoring public?

Exhibit A

# **Shane Staley**

From:

Shane Staley [shane@riverdriveservice.com]

Sent:

Saturday, February 19, 2011 12:42 PM

To:

'delewis@state.pa.us'

Cc: Subject: 'Ctennisblue@aol.com'; 'BigTowM@aol.com'; 'Mike King'; 'gwen@nullstowing.com'

solicitation # PSP-TOW-11

### **Director Lewis:**

The Pennsylvania Towing Association has received numerous inquiries from our members regarding solicitation # PSP-TOW-11. Could you please provide additional information that we could pass along to our members? What type of information do our members need to submit to you if they are interested in providing this service? What is the projected timeline for implementation? What is the anticipated statewide call volume? What is the expected tow response time? Any information you can provide for our members would be greatly appreciated.

Sincerely,

Shane Staley, Vice President
Pennsylvania Towing Association
shane@riverdriveservice.com
717-233-8006

Exh.bit B

# **Shane Staley**

From:

Shane Staley [shane@riverdriveservice.com]

Sent:

Friday, February 25, 2011 10:35 AM

To: Subject: 'delewis@state.pa.us' solicitation # PSP-TOW-11

### Director Lewis:

The Pennsylvania Towing Association has received numerous inquiries from our members regarding solicitation # PSP-TOW-11. Could you please provide additional information that we could pass along to our members? What type of information do our members need to submit to you if they are interested in providing this service? What is the projected timeline for implementation? What is the anticipated statewide call volume? Any information you can provide for our members would be greatly appreciated.

Sincerely,

Shane Staley, Vice President

Pennsylvania Towing Association

shane@riverdriveservice.com

717-233-8006

Exhib.TC

# **Shane Staley**

From:

Lewis, Deshawn A [delewis@state.pa.us]

Sent:

Friday, February 25, 2011 11:31 AM

To:

'Shane Staley'

Subject:

RE: solicitation # PSP-TOW-11

# Good Morning Staley,

Your questions have been referred...upon receipt of answers both question and answers will be posted on the DGS web page that the original Request For Information (RFI) is posted.

We will post all received questions and answers. It is also anticipated due to the time needed to accumulate information for some of the questions received that the RFI response deadline date would be extended. Please keep in mind that this is not a bid/solicitation.

Answers and questions may not be posted for at least two weeks.

Thanks for your questions!

DeShawn Lewis, Director Procurement & Supply Division

----Original Message----

From: Shane Staley [mailto:shane@riverdriveservice.com]

Sent: Friday, February 25, 2011 10:35 AM

To: Lewis, Deshawn A

Subject: solicitation # PSP-TOW-11

### **Director Lewis:**

The Pennsylvania Towing Association has received numerous inquiries from our members regarding solicitation # PSP-TOW-11. Could you please provide additional information that we could pass along to our members? What type of information do our members need to submit to you if they are interested in providing this service? What is the projected timeline for implementation? What is the anticipated statewide call volume? Any information you can provide for our members would be greatly appreciated.

Sincerely,

Shane Staley, Vice President
Pennsylvania Towing Association
shane@riverdriveservice.com
717-233-8006

Exhibit D

# **Municipal Towing and Logistics - Common Pain Points**

There are typically four key stakeholders or constituents in a municipality towing management and logistics model: 1) Municipality 2) Police Department 3) Private Two Companies 4) Citizens

Municipalities have no ideas AutoReturn exists and there is a better way to perform this function

We must find Pain. No Pain - No Change.

We need to find out: Who Cares? Why do they care? Any Compelling Date(s)?

Is this important to fix? Is it Urgent?

### **Municipality - Pain Points**

High costs of operations reduces profits to perform the towing and logistics management function.

Current model is actually a cost to the city (high cost of staff to perform function, overstaffed, costs to handle citizen phone calls to find cars and make claims, costs of auditing, oversight, etc.). Most municipalities have no way to track the true costs of the operation.

Administrative burden to audit – no audits being conducted. Old world business that is drowning in a paper based process and lacks a real time accounting system makes it very difficult to perform audits.

In some "outsourced impound lot" models, private tow companies conduct the auctions and keep all of the proceeds? In other words, there is no revenue share plan in place?

Customer service is lacking or nonexistent – negative reflection on Municipality

Corruption in model. Cash business. Overstated fees to citizens. Rigged auctions. Low oversight, little transparency into model.

Disjointed operations with little or no use of technology to support processes. Lack of single technology platform for all stakeholders: City, Police, Tow Companies, Citizens.

Lack of best practices model for each functional area (Dispatching, Impound & Storage, Customer Service, Disposal and Auctions, etc.)

Managing private towing companies is a burden. Multiple tow companies to coordinate and manage. Each with a disparate dispatch system, operational process, accounting system, etc.

### **Police Department - Pain Points**

Officers are waiting excessive amounts of time for tow trucks to arrive to scene after they make the initial requests. What is the response time? Typically a multi-step series of phone calls that wastes valuable time (officer to central dispatcher to private tow company to tow truck operator).

Police departments need more feet on the street - is this important for the municipality?

Waiting for tow trucks creates an officer safety issue while they wait on the side of the road

Can't track response times due to paper based system - difficult to enforce performance standards.

After waiting, wrong requested tow equipment arrives.

Have to fill out manual paperwork and file / retrieve manual reports.

Sometimes an issue to marry the incident number with the downstream paperwork from the tow companies – administrative burden.

Police get bombarded with phone calls for information from tow companies, citizens, other departments (where is car? What was incident number? Is this vehicle a police hold? What is VIN number? Who was officer that requested tow? Where is the pickup location again? etc.) To answer these questions, officers have to research and get back to the requester after they conduct research which usually consists of pulling files and making more calls.

# **Private Tow Companies - Pain Points**

All towing companies have disparate systems - lack single technology platform and software solution.

Burden to fill out all paper based reports to meet municipality requirements. Error prone.

Highest costs: fuel, truck maintenance could be reduced through optimized Dispatching.

No standardized invoicing system with city regulated fees creates errors in process.

Do not have a best practices model for impounding, inventory solution for vehicles, customer service, etc.

### Citizen - Pain Points

Can't find car. No website or 311 access..

Tow facility is not open 24 x 7. Have to wait in long line. Tow yard is a mudpit. Not in a safe area.

No regulation by municipality to provide check and balance on fees.

No claims process - items are missing from car.

Attendants at facility don't speak citizen's language.

# **Account Overview**

Summary - Current Model

Summary - PAIN

Summary - AutoReturn Proposed Solution

Summary - Who Cares, Why do they care, Compelling Dates

Summary Strategy, Timeline

**Political Summary** 

Legislative Summary

# **KEY DATA BY FUNCTIONAL AREAS**

**Current Volume / Model** 

**Contract Expiration Data** 

Oversight

**Background and General Information** 

**Dispatch Operations** 

**Managing the Towing Subcontractors** 

Storage and Impound Management

**Customer Service Management** 

# Financial Technology Political Legislative PHASE ONE QUESTIONS TO ASK TO GET KEY DATA Current Model 1) Tow Volume? 2) What is the current towing and logistics model? (tow company model? city run impound lot?) a. If impound lot is outsourced, who has contract now?

b. How many impound lots for municipal tows?

c. When does contract expire? Determine next RFP timing

d. Get a) last RFP b) winning proposal c) awarded contract

Vehicle Disposal Management

**Facility Management** 

**Organization and Staffing** 

Reporting and Auditing

- 3) Who has oversight over towing (help develop municipal functional and organization chart)
- 4) Does the city make money on current towing arrangement?
  - a) Get tow fee structure: a) Tow Fee b) Admin Fee c) Storage Fee d) Tow fee paid to subcontractors.
  - b) What is the financial model revenue sharing model?
  - c) Can we get revenue, cost and profitability information?
  - d) Can city adjust admin fee or tow/storage fee to optimize revenue? (any legal constraints? i.e. Hancock rule in Missouri prevents adjustment)
- 5) How many towing subcontractors are towing for the municipality?
  - a) When are their contracts up?
- 6) How many municipal tows annually?
- 7) Any pain / challenges with the current model? (No pain, No change)

Identify the visionary/champion who can drive the change locally (including substance and politics) who understands the towing issue and challenges of existing system/situation and who can illustrate the potential of the Auto Return model

### **Political**

- 1) Who will make the decision, Who is the "bully with the juice"?
- Identify key players and influencers in decision making process and their interests (will they be friend or foe)
- 3) When is the next mayoral & council elections? Other elections that can impact us?
- 4) What do we know about the political scene for this municipality?

### Legislative Process

- 1) What is legislative process to get admin fee approved (AutoReturn Light Solution)
- 2) What ordinances have to be passed / modified for AutoReturn Solution?

# Perspectives of Municipality - Challenges with existing towing management operation

- 1) Does the City make any money with the current model?
- 2) Does the City assess an admin fee in order to fund this contract?
- 3) Does the City know what the true costs are to provide this service?
- 4) If not making money now, would the City be interested in lowering the cost per tow with the AutoReturn solution and creating a non traditional revenue source?
- 5) If towing company model where towing companies take cars to their own lots and handle returns to citizens and auction unclaimed vehicles Has anyone in the City determined how much revenue and profits the tow companies are generating for themselves?
- 6) If tow company model has the City ever considered establishing a centralized impound facility to optimize revenue and improve customer service?
- 7) Is City happy with the visibility, audit capabilities and transparency into the current towing operation?
- 8) Any challenges, areas for improvement with the current towing model from the City perspective?

### Perspectives of Police Department with existing towing management operation:

- 1) What is the role of the PD in managing the current towing operation?
- 2) How do police officers request tow trucks? (walk through current process).
- 3) Do the officers have mobile data terminals in the police cars?
- 4) Do you track response times for every tow? What is the average response time from the time an officer dispatches a tow operator until the time the tow truck arrives to the scene?

Exhibit D

- 5) What would the impact be if response times could be reduced from x minutes to 10 15 minutes? (i.e. police feet on the street, traffic reduction, secondary accidents, emissions)
- 6) Any Challenges, issues, areas for improvement with the current towing model from the Police Department perspective?

# Perspectives of local towing community with existing model

- 1) Any challenges, issues, pain points from the local towing community?
- 2) What do they get paid per tow?
- 3) Is the current model fair for all towers?
- 4) Is there an influential tower that is not under contract with the municipality that we can meet with to get their inside perspective?

### **Perspectives of Citizens**

- 1) What is the process for citizens to locate and retrieve their vehicle after being towed?
- 2) Any negative press, public awareness, issues?

# Competition (if applicable - primarily if outsourced impound facility)

- 1) What is the process for awarding the contract, or what would we like to see as the process?
- 2) Who decides who wins the contract, or who would we like to see making that decision?
- 3) Is there any history or background relevant to the contract or the providers that should be known?
- 4) What decision makers are championing the competition?
- 5) Has the competitor given campaign contributions to the Mayor or the City Council? If so, how much and to whom?

Exhibit E



P.O. Box 69 Turtle Creek, PA 15145

1-877-PENNTOW

March 24, 2011

Commonwealth of Pennsylvania
Pennsylvania State Police
Ms. DeShawn Lewis
Director of Procurement & Supply Division

Re: RFI for Emergency Towing Referrals by the Pennsylvania State Police PSP-TOW 11

Dear Ms. Lewis,

Thank you for your recent communication with Shane Staley, 2<sup>nd</sup> Vice President of the Pennsylvania Towing Association to discuss the RFI for emergency towing. As President of the Pennsylvania Towing Association, I have received many calls and emails from concerned association members across the state. As a towing professional, I am very aware of many similar programs that have been attempted around the country. I would like the opportunity for our professional association to work with you and the PSP on your concerns about emergency dispatching as well as open a dialogue that will allow our association to contribute to the process.

Although it is my understanding that this RFI has been temporarily deferred for further review, I would like to respectfully request a meeting between the directors of the Pennsylvania Towing Association, you, and any other officials assigned to this RFI. Furthermore, in order to have a better understanding of the volume of emergency calls, I would also like to request any call data that is available for our board to analyze for this purpose.

I would greatly appreciate it if you would notify our association upon any changes regarding this RFI as they become available. I cannot stress how important this matter is to everyone in our industry as well as the consumers that will be affected by a program such as this.

Please feel free to contact me regarding this request at any time.

Respectfully Submitted,

Ronald M. Bressler

PRESIDENT,
PENNSYLVANIA TOWING ASSOCIATION

Exhibit F

# **Shane Staley**

From:

Shane Staley [Shane@RiverDriveService.com] Wednesday, September 11, 2013 2:24 PM

Sent: To:

'maboyer@pa.gov'

Subject:

3rd Party Towing Management

Could you please forward the documentation regarding the solicitation for proposals for Pennsylvania State Police 3<sup>rd</sup> party emergency towing management?

Thank you,

Shane Staley
River Drive Service Center, Inc
4613 North Front Street
Harrisburg, PA 17110
717-233-8891

Exhibit G

# **Shane Staley**

From: Sent: Boyer, Maggie A [maboyer@pa.gov] Thursday, September 12, 2013 8:02 AM

To:

'Shane Staley'

Subject:

**RE: 3rd Party Towing Management** 

Mr. Staley,

This solicitation deadline has since passed and is in the review process.

Please let me know if there is anything else I can provide to you. Sorry for any inconvenience this has caused.

Maggie A. Boyer | Procurement Manager Pennsylvania State Police Procurement and Supply Division 1800 Elmerton Avenue | Harrisburg, PA 17110 Phone: (717) 772-4077 | Fax: (717) 214-3383

E-mail: maboyer@pa.gov www.psp.state.pa.us

From: Shane Staley [mailto:Shane@RiverDriveService.com]

Sent: Wednesday, September 11, 2013 2:24 PM

To: Boyer, Maggie A

Subject: 3rd Party Towing Management

Could you please forward the documentation regarding the solicitation for proposals for Pennsylvania State Police 3<sup>rd</sup> party emergency towing management?

Thank you,

Shane Staley
River Drive Service Center, Inc
4613 North Front Street
Harrisburg, PA 17110
717-233-8891



P.O. Box 61488 Harrisburg, PA 17106

1-877-PENNTOW

May 14, 2014 Hearing Statement

Testified by: Ron Bressler, President

Every day of a tower's life is interrupted several times by an unplanned, unavoidable, unscheduled, inconvenient hazard that affects the general public. We are immediately yoked with the full responsibility of how to solve what has resulted from the decisions of others – good, bad or indifferent; none of which we take part in.

The Pennsylvania State Police (PSP) are arguably the most demanding customer many towers deal with, yet they hold the least amount of responsibility as to the liability of the task to be carried out or the method or means by which to pay for services requested.

PSP has the unique ability to demand services from the private sector's towing industry without thought of compensation. They are in effect a very large company demanding the services of many very small family-owned and operated businesses that must yield to their demands or face expensive traffic scrutiny or retaliation. State employees are strictly forbidden to accept free meals in restaurants, or demand free service at the garage or lawn mower shop. But when it comes to the towing community, there seems to be a different standard of tolerance.

We professional towers take our careers very seriously. A career in this industry is an enormous commitment; a commitment of a lifetime, and often a multi-generational passion that is motivated by having a servant's heart. Quite frankly, we try to help people - ALL PEOPLE! We have no way of predicting traffic incidents but are expected to have millions of dollars invested and be poised to clear any incident in a timely manner. We have very few legislative exemptions in which to "quick clear" the unimaginable and are given full responsibility, even to the extent of what may be leaking on *our* property as a result of an accident. We are additionally held liable for the accident cleanup and site restoration long after traffic flow has been restored. We faithfully give up family events and once-in-a-lifetime celebrations to serve the motoring public, criminals, and poor decision makers of our society. Should we not be entitled compensation and respect for this?

Our job is also dangerous. As if working along the side of the road in all kinds of weather and rushing traffic weren't enough, we are also exposed to whatever the cargo may be, ranging from explosive to radioactive.

But there are many other dangers as well.

Last year in September I traveled to Chattanooga, Tn. to join many towing family members who had lost loved ones and whose names were being added to the Wall of the Fallen. There were 55 names added last year - all who had lost their lives in the line of duty. Some of which had been hit by passing vehicles, some who had been killed while performing a difficult recovery, and even a few who were shot in their own offices by the disgruntled customer. Regardless of the circumstance, you could feel the hurt of each family member as they walked to the podium when their loved one's name was called. This was personal for me as I too had lost an employee and friend.

I'm certain that just like the PSP, there are a few in our industry who are less than reputable, but to paint all towers with a broad brush of unscrupulous tactics is unfair. I would assert that all PA towers live with a fear of the retaliation that could result from expressing their opinion. The Pennsylvania Towing Association (PTA) has always offered our support to the PSP and we acknowledge many positive working relationships throughout the commonwealth. We invite their input and presence to our statewide tradeshow and value the tireless efforts of many troopers working together with our industry to clear the various highway incidents.

The PTA respectably requests that we, as an industry, would be viewed not as the opposition, but rather as a stakeholder in the pursuit of restoration of commerce in the commonwealth.

Using the Auto Return pilot program as an example, much suspicion and unrest could have been mere problem solving at a stakeholders' roundtable meeting. However, the approach taken, specifically not including the Towing Industry has proven unsettling for all involved parties.

With the introduction of "new policies" or mandates such as the new salvor procedures, it would be highly beneficial for PSP to consider the input of the PTA as we work to help them achieve their goal. Without the input of the towing industry, we can only speculate as to the PSP's motives.

The PTA has been instrumental in working with legislators to draft amendments and we volunteer countless hours working together with local fire and police agencies across the state as we train and practice working together to promote safety for all agencies. We value their expertise in matters that concern their equipment and procedures. They too, value us.

In closing, I can't speak to what has caused the PSP to view the towing industry in Pennsylvania as the opposition. Possibly it was the actions of a few unprofessional operators in our industry, but it is just as possible to have been PSP showing us who is in charge. I can only hope we can move past this line of thinking, and come to the realization that we each gain strength when we can rely on each other. We need to identify that it's the traffic incident, snow storm, ice or irresponsible party that abandoned the vehicle that is the opposition, and that we need to work together for resolution.

I hope we can move in a positive direction.