

CITY OF MADISON HEIGHTS TOWING CONTRACT INDEX

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THIS CONTRACT is made and entered into this ____ day of _____, 2026 by and between the CITY OF MADISON HEIGHTS, a Michigan Municipal Corporation, whose address is 300 W. Thirteen Mile Road, Madison Heights, Michigan 48071, herein-after referred to as the "City", and SERVICE TOWING, INC., a Michigan Corporation, whose address is 6006 Rinke, Warren, Michigan 48091, hereinafter referred to as the "Contractor";

The following are the facts underlined by this contract:

WHEREAS, the City desires to enter into a contract with the Contractor for the towing, removal and storage of abandoned vehicles, illegally parked vehicles, junk vehicles, non-drivable vehicles and vehicles of prisoners, that are impounded by the MADISON HEIGHTS DEPARTMENT, hereinafter referred to as the "Police Department"; and,

WHEREAS, the Contractor has submitted a proposal determined to be most favorable to the City and said proposal having been accepted by the City, subject to the terms and conditions herein set forth and in accordance with all terms and conditions in Appendix "B", which are hereby incorporated by reference as if fully set forth herein;

NOW, THEREFORE, for good and valuable consideration, it is agreed between the parties as follows:

1. Towing of Vehicles.

At the request of the City or the Police Department, the Contractor shall tow, remove and store, any and all abandoned vehicles, illegally parked vehicles, junk vehicles, non-drivable vehicles and vehicles of prisoners that are impounded by the City or the Police Department, or for any other reason that the City or the Police Department might have, from the streets or other areas within the City, or from other locations as directed by the City or the Police Department, and shall take the same to the Madison Heights Auto Pound or other location within or outside of the City of Madison Heights as designated by the City or the Police Department. The Contractor shall be responsible for the clearing of cars and vehicles from the streets as ordered by the City or the Police Department; and shall be responsible to remove all glass, parts of vehicles, fluids and debris deposited upon the roadway by the disabled vehicle.

2. Labor and Equipment.

The Contractor shall furnish all facilities, labor, equipment and materials in performing all operations to accomplish the towing, removal and storage of vehicles impounded by the City. The Contractor has warranted to the City that it has the equipment and materials, to be used in performing services under this contract and will continue to maintain and make such equipment and materials available throughout the contract. However, at a minimum, the Contractor shall own and/or lease, provide, maintain, and have available within the City of Madison Heights or within a twenty (20) minute response time to any point within the City, at all times, at

least two (2) wreckers and provide drivers for this equipment at all times. The Contractor shall also own and/or lease and maintain a minimum of two (2) vehicles with a forty (40) ton lifting capacity, which may be needed for special situations. All tow trucks shall be equipped according to the standards specified in Appendix "A" attached hereto and made a part hereof. The Contractor must keep the City informed of the number of tow trucks it has available for use in the performance of the contract, including the year, make, model and capacity. This information must be supplied to the Chief of Police prior to the commencement of this agreement and on January 15th of each year. The Contract must display their company name and phone number prominently and permanently on all tow vehicles used for this contract. All tow vehicles will have a broom, shovel, absorbent materials and a fully charged fire extinguisher available at all times.

3. Service.

The Contractor shall provide the City and the Police Department twenty four (24) hour road service, each day of the year. These services shall include, but not be limited to, the towing, removal and storage of vehicles, as hereinbefore stated; changing flat tires; quick start jumper service of dead batteries; providing gasoline; and, removing vehicles from below road grade or deep snow. Requests for services from the City shall have priority over other calls for service. The Contractor shall supply the City and the Police Department with first priority for its services. The Contractor will be given first priority for all wrecker services requested by the City or the Police Department unless a motorist makes a specific request for another wrecker. The City or the Police Department reserves the right to request another wrecker service in an emergency situation or when otherwise necessary for the health, welfare and safety of the inhabitants of and motorists in the City of Madison Heights.

4. Storage and Lease.

The Contractor is hereby granted a lease for the use of the present Madison Heights Police Auto Pound, hereinafter referred to as the "Auto Pound", located at 789 Ajax Drive, Madison Heights, Michigan 48071. This lease shall be effective for the period during which this agreement is in effect.

Commencing on April 1, 2026 and continuing through March 31, 2031, Contractor shall pay to the City for lease of the Auto Pound the annual sum of Twenty-Four Thousand and 00/100 (\$24,000.00) Dollars, payable in monthly installments, on the first day of each and every month, in the amount of Two Thousand and 00/100 (\$2,000.00) Dollars. Commencing on April 1, 2031 and continuing through March 31, 2036, Contractor shall pay to the City for lease of the Auto Pound the annual sum of Twenty-Seven Thousand and 00/100 (\$27,000.00) Dollars, payable in monthly installments, on the first day of each and every month, in the amount of Two Thousand Two Hundred Fifty and 00/100 (\$2,250.00) Dollars.

The Contractor shall at its own expense maintain the permanent administrative structure at the Auto Pound and comply with any and all ordinances of the City and any and all statutes or regulations of the State or

Federal government in connection therewith. The Contractor shall not use the Auto Pound for the sale or scavenging or storage of any junk automobiles, personal vehicles, (except on a daily basis for staff parking) or auto parts. All junk automobiles or auto parts must be removed from the premises within Sixty (60) days from the time that the same was deposited on said lot facilities, or within Thirty (30) days beyond the minimum period allowed by law, whichever is first, unless such vehicles have been placed on "hold" by the Police Department or a Court of competent jurisdiction. Car release service shall be provided each week as follows: Monday through Friday, 8:00 A.M. to 5:00 P.M.; Saturday, 9:00 A.M. to 12:00 P.M.; Sundays and holidays, closed. The Auto Pound may be closed, each day of the week, from 12:00 Noon to 1:00. P.M., except Saturday, for lunch. Proper shelter facilities shall be provided by the Contractor and shall meet any and all City building codes. All utilities electricity and phone service, heat, and water shall be provided or paid by the Contractor at this facility. The City shall provide snow and ice control to maintain access to and parking at the facility.

5. Administrative Structure.

The parties hereby acknowledge that the City is the sole owner of the building and all fixtures therein.

6. Towing Fee.

The Contractor shall charge to the responsible party a towing fee not to exceed that which is specified in Appendix "B", attached hereto and made a part hereof.

7. Storage Fee.

The Contractor shall charge a storage fee not to exceed that which is specified in Appendix "B", attached hereto and made a part hereof.

8. Release of Vehicle.

The Contractor agrees to release no vehicle whatsoever impounded by the City, or the Police Department, until the proper release form is secured from the City or the Police Department and properly executed and delivered to the Contractor. The collection and accounting of towing, removal and storage fees accrued are the responsibility of the Contractor.

9. Public Auction.

In the event that any impounded vehicle shall be sold, at public auction or otherwise, for towing, removal, state fees or storage charges, said towing, removal and storage charges shall be limited to the amount realized from the sale of the impounded vehicle and, in the event that the amount realized from the sale of the impounded vehicle exceeds the towing, removal, state fees and storage charges due to the Contractor, such excess shall be paid over by the Contractor to the City. Towing, removal, state fees and storage fees shall be limited to actual fees, as described in paragraph Six (6) entitled "Towing Fee", and paragraph Seven (7) entitled "Storage Fee". The cost of moving impounded vehicles within the Auto Pound for inventory or Auction control shall be the

responsibility of the Contractor and shall not be charged against the City or the Police Department. Impounded vehicles shall be prepared and moved within the Auto Pound for public auction, approximately once per month or as directed by the City or the Police Department, by and through its Auto Pound coordinating officer.

10. Personnel.

The Contractor has warranted to the City that it has a minimum of ten (10) years experience in towing, removing and storage of both automobiles and light trucks; and, that its operators are licensed, qualified, and trained employees of either its company or its subcontractor. The Contractor shall have no less than two (2) operators on duty at all times to avoid delays; provided, however, that between the hours of 2:00 A.M. and 7:00 A.M., there shall be at least one (1) operator on duty, with a second operator being able to respond to a scene within thirty (30) minutes.

11. Reports.

The Contractor shall, immediately upon towing, removal and/or storage of any vehicle, prepare a pre-numbered written report or invoice which shall include the following information: Make and model of car; license number; vehicle identification number; itemized towing charge due. A copy of this report shall be provided to the Police Department's personnel at the scene of the tow. The Contractor shall accompany and assist officers of the Police Department in a physical inspection of the vehicle at the time of the tow and shall sign a form prepared by the officer which properly describes the vehicle's condition. The Contractor shall also provide or complete all other forms, reports and/or documents that may be otherwise required by law or ordinance for its operation.

12. Spare Tires/Wheels.

The Contractor shall provide and keep available, at all times, four (4) spare tires and/or wheels, to be used when necessary for Police vehicles. The spare tires and/or wheels shall be provided by the Police Department. Defective, flat or damaged tires shall be taken to the Madison Heights Department of Public Works for repair or replacement by the Contractor. The Contractor further agrees to tow or remove any City sedan-sized vehicle from any part of the City, as becomes necessary, at no cost to the City. When, in the opinion of the City or the Police Department, it becomes necessary for a motor vehicle to be towed to the Police security garage area in order that the Police Department investigate it to determine whether or not it was used in the commission of any crime, the Contractor shall, upon the request of the City or the Police officer in charge, tow and remove said vehicle, without charge, to any location in the City or to the Police station security garage.

13. Shopping Carts

Pursuant to Section 17-199 of the City Code, the contractor shall be responsible for the collection and impoundment of any abandoned cart not located on the premises of a store. The Contractor shall notify each store whenever a minimum of ten carts from the store have been impounded, shall allow each store at least 21

days to retrieve same, and shall collect and process a per cart fee established by the City for the return of redeemed carts to the store. Carts not redeemed within the specified period, may be auctioned, recycled or disposed of, by the Contractor. All redemption fees collected by the Contractor in excess of \$25 per cart shall be paid to the City. Any auction, recycling or sale proceeds collected above \$25 per cart shall be paid to the City.

14. Insurance Requirements – Towing Service.

The contractor, or any of their subcontractors, shall not commence work under this contract until they have obtained the insurance required under this paragraph, and shall keep such insurance in force during the entire life of this contract. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan and acceptable to the City of Madison Heights. The requirements below should not be interpreted to limit the liability of the Contractor. All deductibles and Self-insured Retentions are the responsibility of the Contractor.

- i. Worker's Compensation Insurance including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Michigan.
- ii. Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than \$3,000,000 per occurrence and aggregate. Coverage shall include the following extensions:
 - (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Extensions or equivalent, if not already included. A per project/contract aggregate shall be endorsed onto this policy.
- iii. Automobile Liability including Michigan No-Fault Coverages, with limits of liability not less than \$3,000,000 per occurrence, combined single limit for Bodily Injury, and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.
- iv. Professional Liability: The contractor shall procure and maintain during the life of this contract, Professional Liability insurance in an amount not less than \$1,000,000 per occurrence and aggregate. If this policy is claims made form, then the contractor shall be required to keep the policy in force, or purchase "tail" coverage, for a minimum of 3 years after the termination of this contract.
- v. Additional Insured: Commercial General Liability and Motor Vehicle Liability, as described above, shall include an endorsement stating the following shall be Additional Insureds: The City of Madison Heights, all elected and appointed officials, all employees and volunteers, all boards, commissions, and/or authorities and board members, including employees and volunteers thereof.

It is understood and agreed by naming the City of Madison Heights as additional insured, coverage afforded is considered to be primary and any other insurance the City of Madison Heights may have in effect shall be considered secondary and/or excess.

vi. Cancellation Notice: All policies, as described above, shall include an endorsement stating that it is understood and agreed Thirty (30) days, advance Written Notice of Cancellation, Non-Renewal, Reduction, and/or Material Change or Ten (10) days for non-payment of premium, shall be sent to: City of Madison Heights, c/o Purchasing Department, 300 West 13 Mile, Madison Heights, MI 48071.

vii. Proof of Insurance Coverage: The Contractor shall provide the City of Madison Heights, at the time that the contracts are returned by him/her for execution, a Certificate of Insurance as well as the required endorsements. In lieu of required endorsements, if applicable, a copy of the policy sections where coverage is provided for additional insured and cancellation notice would be acceptable. Copies or certified copies of all policies mentioned above shall be furnished, if so requested.

If any of the above coverages expire during the term of this contract, the Contractor shall deliver renewal certificates and endorsements to the City of Madison Heights at least ten (10) days prior to the expiration date.

15. Contract Term.

The life of this Contract between the City and the Contractor shall not extend beyond a period of ten (10) years commencing on April 1, 2026 and ending on March 31, 2036; provided, however, that each party, with the other's concurrence, reserves the right to extend the Contract for an additional period with duration and terms to be determined. The party initially requesting an extension must notify the other party, in writing, within sixty (60) days from the termination date of the contract of its desire to extend the contract. The other party must respond as to its concurrence or refusal to the extension request, in writing, within thirty (30) days from the receipt of said request. Refusal, failure and/or neglect to respond shall be deemed concurrence. The towing and storage fees shall be determined prior to the commencement of the extension period.

16. Cancellation of Agreement.

A. Cancellation by City of Madison Heights

i. The Contractor shall be given 14 days to remediate problems after notification by the City of Madison Heights. If the problems are not addressed to the satisfaction of the City, the City may give written notice of cancellation. This contract may be canceled by the City by giving seven (7) days written notice addressed to the Contractor and sent by certified mail or hand-delivered to the Contractor's address as shown in the Bid. The contract may be

canceled if deemed necessary by the City. The Police Department may call another towing company if the contractor does not respond in a timely manner or does not provide adequate equipment necessary to provide the services contemplated by the contract.

B. Cancellation by Contractor

- i. The contract may be canceled by the Contractor upon ninety (90) days written notice, delivered by certified mail return receipt requested addressed to the City of Madison Heights.
 - ii. The parties hereby acknowledge that the City is the sole owner of the building and all fixtures therein.

17. Posting of Bond.

Upon entering into this Contract, the Contractor shall post a Five Thousand (\$5,000) Dollar cash bond, receipt of which is hereby acknowledged by the City, to insure adequate performance of all the terms and conditions hereunder.

18. Incorporation of Bid Requirements and Contractor's Bid.

It is hereby agreed by and between the City and the Contractor that the terms and conditions of the fees (APPENDIX "B") are hereby incorporated and made a part of this Contract. IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

WITNESS:

"CITY"
CITY OF MADISON HEIGHTS,
a municipal corporation

Melissa Marsh, City Manager

By Corey Haines, Mayor

Cheryl Rottmann, City Clerk

**“CONTRACTOR”
SERVICE TOWING, INC.
A Michigan corporation**

By _____
Dennis Hertz Sr.,

APPENDIX "A"

TOW TRUCKS DEFINED - A tow truck is a motor vehicle which has been altered or designed and equipped for and exclusively used in the business of towing vehicles by means of a crane, hoist, flatbed hoist, tow sling, or dolly or is otherwise exclusively used to render assistance to other vehicles.

STOPPING OR PARKING - The owner or operator of a tow truck who complies with the requirements of the Vehicle Code of the State of Michigan relating to tow trucks may stop or park such tow truck upon a highway for the purpose of rendering assistance to a disabled vehicle, when it can be done safely and when in compliance with applicable laws and ordinances.

EQUIPMENT STANDARDS

A. Minimum required EQUIPMENT on one (1) ton capacity (10,000 Gross Vehicle Weight) Tow Trucks:

1. Dual rear wheels.
2. Quick start jumper cable EQUIPMENT.
3. Eight (8) ton (16,000 lb. working capacity) winch.
4. 200 feet of 3/8 inch cable with a working capacity of 15,000 lbs., and attached to a winch.
5. Boom capable of extending five (5) feet (not required on flatbed truck).
6. 5/16 inch link safety chains with a working capacity of 3,500 lbs. (not required on flatbed truck).
7. One (1) 6 ton snatch block.
8. Two trucks shall be equipped with dollies, flatbed hoist, or wheel lift devices.
9. Radio equipment which permits communication between the trucks and Contractor's place of business.

B. Minimum required equipment on large tow trucks:

1. Dual rear wheels, single axle tandem.
2. Forth (40) ton (80,000 Ib.) working capacity winch.
3. 200 feet of 5/8 inch cable with a working capacity of 40,000 lbs.
4. Boom capable of extending six (6) feet and capable of lifting 7,000 lbs. in the extended position.
5. 3/8 inch safety chains with a working capacity of 7,000 lbs.
6. One (1) ten (10) ton snatch block.
7. Necessary hose and couplings required to operate the air brake system on towed vehicles.
8. Trucks shall be capable of towing 140,000 gross pounds, and capable of lifting 18,000 lbs. on the front axle of the tow truck.
9. A device which permits the safe towing of a semi trailer equipped with a fifth wheel hitch.

REAR LIGHT

Tow trucks used to tow a vehicle shall be equipped with and carry a portable electrical extension cord for use in displaying a light on the rear of the disabled vehicle. The length of the extension cord shall not be less than the length of the combined vehicles. When the disabled vehicle blocks the view of the tow truck lights, then such extension cord shall be used to provide tail lights, stop lights and turn signals on the rear of the towed vehicle. Such extension cord shall be used in all cases during darkness, when the tail lights of the towed vehicle cannot be lighted.

OSCILLATING AMBER LIGHT

Tow trucks used to tow a vehicle shall be equipped as required by law and ordinance and shall be equipped with an oscillating amber light mounted above the cab of the tow truck or above the crane or hoist. With a load in place, the light shall be visible from any point on a horizontal circle with a radius of 1,000 feet and the tow truck as its center. Such light(s) shall not be operated during normal towing on the roadway, unless the size or condition of the load is a hazard to other traffic on the roadway or such operating is otherwise required by law or ordinance.

WARNING DEVICES

Every tow truck used to tow a vehicle shall be equipped with not less than three (3) red burning fuses, capable of burning at least 15 minutes, three (3) red electric lanterns, or three (3) portable reflectors, or three (3) bi-directional reflective triangles, as provided in Act 200, Public Acts of 1949, as amended, of the State of Michigan. When a motor vehicle is disabled on the highway during darkness, the tow truck operator shall immediately upon arrival activate his oscillating amber light and position such additional warning devices as may be required by law, ordinance, or reasonable caution.

BROOM. SHOVEL. AND EXTINGUISHER

Tow trucks shall:

- A. Be equipped with one or more brooms and a garbage receptacle. The driver of the tow truck engaged to remove a vehicle from the scene of the accident shall remove all glass, vehicle parts, and debris deposited upon the roadway as required by law, this proposal, or on scene police supervisory officer.
- B. Be equipped with a carry shovel, and the tow truck driver engaged to remove any vehicle shall spread absorbent material upon that portion of the roadway where oil, antifreeze, or other fluid has been deposited by such vehicle.
- C. Be equipped with a fire extinguisher of at least 10 lb. capacity of a type capable of extinguishing an electrical or flammable liquid fire. (Class B and C fires.)

NORMAL ROAD SERVICE

Normal road service shall include, but not be limited to, changing flat tires, quick start jumper service on dead batteries, gasoline, removing vehicles from below road grade (in a ditch) or deep snow.

APPENDIX "B"–PRICING SHEET

The undersigned hereby declares that they have carefully examined the instructions and specifications and will supply towing service and storage of abandoned, accident, City-owned, and other motor vehicles and equipment for the prices set forth in this document. It is understood that all prices bid shall remain firm throughout the term of the contract. The City and Service Towing agree that either party can approach the City at any time during the term of the contract to request increases of any/all fees charged and that both parties must agree before any increases are put into effect.

	April 1, 2026 - March 30, 2031	April 1, 2031 - March 30, 2036
Vehicles (within one mile of City of Madison Heights)		
1. Towing of vehicles 5,000 GVW and less	\$130	\$135
2. Towing of vehicles 5,000 GVW to 10,000 GVW	\$170	\$175
3. Towing of vehicles 10,000 GVW and up	\$210*	\$215*
	* per hour - 2 hour minimum	
4. Storage per day to commence after 24 hrs of impound		
Vehicle 5,000 GVWR and under	\$ 30/day	\$ 30/day
Vehicle 5,001 to 10,000 GVWR	\$ 30/day	\$ 30/day
Vehicle 10,001 GVWR and over	\$ 30/day	\$ 30/day
Tractor Trailer	\$75/day	\$75/day
5. Long term storage rates (Long term rates commencing on the 2nd day of impoundment)		
Vehicle 5,000 GVWR and under	\$ 30/day	\$ 30/day
Vehicle 5,001 to 10,000 GVWR	\$ 30/day	\$ 30/day
Vehicle 10,001 GVWR and over	\$ 55/day	\$ 55/day
Tractor Trailer	\$ 75 /day	\$ 75 /day
6. Extra charge for dollies	\$65	\$65
7. Extra charge for additional personnel at scenes	\$100 per hour/per person	\$100 per hour/per person
8. Extra charge for winching (off roadway)	\$120	\$120
9. Extra charge for flatbeds	\$85	\$85
10. Abandoned vehicle off private property	\$130	\$130
11. Motorcycles	\$170	\$170
12. Non-Motorized, wheeled vehicle	\$130	\$130
13. Hourly rate for additional service	\$ 100 per hour/per person	\$ 100 per hour per person
14. Added rate per mile if more than one mile from City	\$ 5 per mile	\$ 5 per mile
15. Contractor paperwork fee on impounds	\$ 30/day	\$ 30/day
16. Disconnect service fee	\$ 100/day	\$ 100/day
17. Lock out – open vehicle	\$ 85/day	\$ 85/day
18. Administrative Fee	\$50	\$50