

INTRADEPARTMENTAL CORRESPONDENCE

February 4, 2021

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TO: The Honorable Board of Police Commissioners

FROM: Executive Director, Board of Police Commissioners

SUBJECT: TRANSFER OF OWNERSHIP OF HOWARD SOMMERS, INC. TO MR. HOVIG GABOUDIAN, OWNER OF JON'S TOWING, INC.

RECOMMENDED ACTION

1. That the Board recommend to the City Council to APPROVE the purchase of Howard Sommers Towing, Inc., the Official Police Garage (OPG) for Service Area 10 and 21 by Mr. Hovig Gaboudian, owner of Jon's Towing, Inc., Contract No. C-129766, in accordance with Los Angeles Municipal Code Section 80.77.4.

DISCUSSION

Howard Sommers has requested approval to sell its OPG operation to Mr. Hovig Gaboudian, owner of Jon's Towing, Inc. Jon's Towing does not currently operate an OPG for the City of Los Angeles.

Los Angeles Municipal Code Section 80.77.4 (e)(2) states that any sale or transfer of a majority of either the ownership interest or stock, except public share stocks, of any OPG shall be subject to the approval of the City Council which shall consider any recommendation of the Board.

Jon's Towing, Inc. is a California registered Corporation, Entity Number C4654778. Mr. Hovig Gaboudian is the sole owner of the corporation. Jon's Towing was established in 1998 in the San Fernando Valley Area and currently operates out of four locations throughout the City of Los Angeles. Jon's Towing currently provides contracted towing service for the California Highway Patrol (CHP) Rotation Tow Program throughout the San Fernando Valley. They also provide service for the LACMTA Metro Freeway Service Patrol (Metro FSP) and conduct private property towing at numerous business and residential entities.

Jon's Towing is a tow company permitted to operate a towing business in the City of Los Angeles under Permit Number 94187100016P287. Mr. Hovig Gaboudian, owner of Jon's Towing, possesses a current Tow Operator Permit, Permit Number 94187200029P685, which required an extensive background check to obtain. A review of the company's complaint history did not reveal a pattern of bad conduct. Commission Investigation Division, CID, interviewed

Jon's Towing's governmental references and the interviews were favorable. Jon's Towing has participated in a previous RFP for a tow service contract with the City and placed second only to the incumbent.

As part of the sales agreement, the parties will abide by the City's Service Contractor Worker Retention Ordinance. The ordinance requires that when a City contract has been terminated and will be replaced by a new contractor for the same services, the outgoing contractor must provide the successor contractor with a list of employees who meet certain requirements. Jon's Towing plans to retain all of Howard Sommers' employees to minimize service interruptions and maintain the current level of service. Jon's towing will also retain Howard Sommers' tow trucks and equipment as part of the sale. Jon's Towing has acquired a comparable location across the street from Howard Sommers' current location to move their towing operation. CID has conducted an initial inspection to determine the suitability of the premises. Jon's Towing is in the process of modifying the location to meet the requirements of the contract for towing and impound services for the City. Should they be approved, a final inspection will be conducted at their location to ensure the facility meets the requirements of the contract prior to operation.

Additionally, as part of the sale, Howard Sommers will be responsible for all liabilities for towing activities upon assumption of the operation.

A redacted copy of the sales agreement has been reviewed by the City Attorney's Office and no issues were discovered, copy attached.

Based on the above report, Staff recommends that the Board approve the transfer of ownership of Howard Sommers Towing, Inc. to Mr. Hovig Gaboudian, owner of Jon's Towing, Inc.



RICHARD M. TEFANK, Executive Director
Board of Police Commissioners

BOARD OF
POLICE COMMISSIONERS
Approved *February 9, 2021*
Secretary *Marisa Selva*