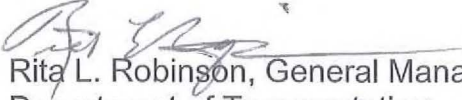


**CITY OF LOS ANGELES**  
INTRA-DEPARTMENTAL CORRESPONDENCE

DATE: September 14, 2010

TO: The Honorable City Council  
c/o City Clerk, Room 395, City Hall  
Attention: Honorable Bill Rosendahl, Transportation Committee

FROM:   
Rita L. Robinson, General Manager  
Department of Transportation

SUBJECT: **RECOMMENDED OPTIONS FOR TAXICAB FRANCHISE RENEWAL PLANS - Council File 10-0996**

### SUMMARY

This report is provided to the Transportation Committee to recommend your adoption of one of three possible options for the renewal of the nine existing taxicab franchises for the City of Los Angeles. The report discusses three potential renewal plans for the taxicab franchises, one of which references the June 2010 motion by Council Member Cardenas recommending a five year renewal plan that includes a "green taxi" initiative for current taxicab franchise holders (CF 10-0996).

**The current taxicab franchise grants will expire at midnight, December 31, 2010. Some type of renewal must be enacted in the very near future, by ordinance, in order to ensure that legal and authorized taxicab transportation service is in place effective January 1, 2011.** As authorized by City Charter, Section 390, the City may, by ordinance, grant to the existing franchisee a new franchise to replace the expiring franchise.

This report presents a review of the three potential options of renewal of the existing taxicab franchises, including: 1) a minimum three year franchise renewal period in order to hire a new consultant to review all types of permitting systems, contingent upon the identification and acquisition of a funding source for said study; 2) a minimum five year renewal of existing franchised operations, with the inclusion of a "green taxi" program, wheelchair accessible vehicle grant, and a consultant contract for review of driver working conditions and driver and company transparency issues (using the remaining consultant funding of \$126,000); and 3) a two year renewal of existing operations with a time-line to review and possibly adjust portions of the current franchise system and competitively bid (Request For Proposal) new taxicab franchises.

In 2009, the City was approved for a Federal Grant for the purchase of 50 additional wheelchair accessible taxicabs. The grant was approved conditional on the promises of the existing franchise taxicab operators to increase marketing, usage and service response times of these vehicles on behalf of the disabled community. If there is no long-term usage plan for these vehicles (generally a five-year requirement), the Department will not be able

to move forward with these new wheelchair accessible vehicle purchases and their implementation.

The City, the Department and the Taxi Commission are also very interested in greening the taxicab fleets with the addition of hybrid and alternative fueled "clean vehicles". In order to mandate such a requirement (as is allowed in the current franchise ordinances), there must be ample time provided for operators to recoup their expenses related to the purchase and operation of such vehicles. Staff feels that a minimum five-year operational guarantee would be required to provide for such a "green taxi" policy.

## RECOMMENDATIONS

The Department recommends that the Transportation Committee:

1. **FIND** that it is necessary to enact a renewal of the current nine taxicab franchises in order to ensure that legal and authorized taxicab transportation service is in place effective January 1, 2011; and select one of the following three options listed below:

Option 1 - Three Year Renewal Period. Includes full study of alternative regulatory programs, with tasks as requested by the Board of Taxicab Commissioners. Requires a minimum three year franchise renewal extension period and cannot begin until additional funds are provided to the Department (estimated at \$274,000). This option will not allow for the "green taxi" initiative at this time, nor will it provide the required time-line for purchase, insertion and operating guarantees related to the wheelchair accessible vehicle grant.

Option 2 – Five Year Renewal Period. Includes a minimum five-year renewal period that would begin immediately and extend the current franchise agreements to at least December 31, 2015. Such a renewal period could include a "green taxi" program, continuation with the wheelchair accessible grant process, and have the potential for a separate contract to review driver working conditions and transparency issues (using the \$126,000 remaining appropriated funds for a consultant contract). Should additional funds be appropriated during the franchise renewal period, an additional contract to more fully explore all regulatory approaches for the future could be initiated during this time period. This option would include two possible one-year extensions for each franchisee, to be granted by the Board of Taxicab Commissioners based upon evaluations of progress made in implementing a green taxi program, as well as all other service standards as designated by the Board.

Option 3 – Two Year Renewal Period. Includes the review and modification of some aspects of the existing franchise system. Such a renewal period would eventually lead to a Request For Proposals bidding process for new taxicab franchises, but would not allow the time period necessary for a "green taxi" initiative, new wheelchair vehicle usage grant, or the possible review of other permitting systems (which would require additional staffing and consulting services).

2. **DIRECT** the Department to provide a follow-up report and draft franchise renewal ordinances related to the option chosen as part of Recommendation No. 1 above.

## **DISCUSSION**

### Background

In July 2009, a contract was issued to Nelson Nygaard Consulting Associates to fully explore the City's taxicab regulatory program. Contract tasks included a review and comparison of various regulatory schemes (franchises, individual medallions, hybrid systems) along with an examination of the topics addressed in the UCLA taxicab study for driver benefits, working conditions and transparency issues.

Midway in the first phase of the contract process, a 30-day notice to terminate the Contract was issued by the City (at no fault of the contractor and as requested by the Transportation Committee). As negotiated by the City, Nelson Nygaard provided several work products over the next few months. A total cost of \$124,000 was paid to the consultant, leaving only \$126,000 funding available for any new contract process.

Although the Board has provided its recommendations for a new work scope for a new consulting contract to review regulatory approaches, the City no longer has the adequate funds or staffing to fully deploy such a project. **With the rapidly approaching expiration date of the taxicab franchises of December 31, 2010, some type of franchise renewal must be authorized in order to continue legal and permitted taxicab service in the City of Los Angeles.**

### Option 1 – Contract for Review of All Types of Regulatory Schemes

The first option includes an "as is" extension or renewal of the existing franchises while the City, with the aide of a consultant, reviews the potential for different types of regulatory approaches. This option would require a timeline of approximately two to three years to complete the contracting, review and bidding process for a new franchise or other type of taxicab permitting system. This scenario is contingent upon an appropriation of approximately \$274,000 in additional funds being provided to the Department for consulting purposes. (Please see the August 2010 report included as Attachment A which describes all of the potential contract work scope changes or additions as requested by the Board of Taxicab Commissioners.)

Within the last two years, the Department's Bureau of Franchise & Taxicab Regulation has experienced a reduction in personnel of 29%. This significant reduction in the Department's taxicab regulatory staff, combined with the lack of additional funds for any new consulting services, makes this option highly problematical. Should the City determine that it does have a funding source for this project, staff estimates it would take two to three years for its completion and the subsequent implementation of its recommendations, including any new or similar regulatory scheme.

This type of a renewal program (three years estimated), does not provide adequate time for

vehicle owners to recoup the expenses entailed in a "green taxi" program. Such a program requires the additional cost for purchase of hybrid and alternative fueled vehicles in addition to more costly maintenance expenses.

This option also would not provide adequate time for service usage of any federally funded wheelchair accessible vehicles. Generally, a five year period must be provided for vehicle service life, along with the verification of all marketing, usage and service improvements dedicated to the disabled community, as specified in the terms of the grant assurances.

### Option 2 – Minimum Five Year Renewal of Current Franchises

In June, 2010, Council Member Cardenas issued a motion requesting a review of the potential for a five year franchise renewal period which would incorporate an updated "green taxi" policy for taxicab operators (See Attachment B). Based on the very good performance of our current taxicab operators (as determined by staff and the Board of Taxicab Commissioners), the limited time-frame of the franchise terms, limited city resources, and the potential language in each franchise agreement for the increase in "green taxi" operations, the Cardenas motion recommended that the City review this possibility.

Renewal of taxicab franchises for five years at a time has been a normal process in the past. Five year renewals were authorized for taxicab franchisees in 1989 and again in 1994. Finally, in 1998, the Council approved funding and the selection of a consultant to aid the City in bringing in computerized dispatch and technological requirements for all taxicab providers.

Based upon a comprehensive two and a half year long review process (which started in July 1998 and included numerous public sub-committee meetings of the Transportation and Taxicab Commissions), a competitive Request For Proposals process was issued in April 2000. The RFP included requirements for computerized dispatch, service response reports, and many other technological advances. The current franchise ordinances also called for future improvements for smart taxicab meters, global positioning systems (GPS) and vehicle trip "tagging", service reporting and enhancements, and printing meters – all of which were implemented to the benefit of consumers of taxicab services.

In the past few years, operators were required to change to "smart" taximeters using GPS systems to detect and prevent driver fraud, provide a paperless Cityride voucher program using debit cards, report all trip statistics, and have the ability to track and replay each taxicab trip. The requirement for GPS tracking has also improved driver safety. The ability to use a Cityride debit card that verifies the trip actually took place has reduced the very extensive paperwork documentation and payment delays previously encountered by the taxicab drivers.

The Department and the Board have employed an advanced performance evaluation system for all taxicab operators. This evaluation includes the extensive monitoring of service performance in all areas of the City, as well as more than ten other areas of performance evaluation. Attachment C provides for the most current performance

evaluation guideline established by the Board of Taxicab Commissioners in Board Order No. 060.

As changes in customer service needs arise, the Board has made revisions and additions to its policies and conditions for successful taxicab performance review. All nine current taxicab operators have successfully passed their annual evaluations in the past several years. Average service response in the City has consistently exceeded 80% on time responses (within 15 minutes) to telephone orders. In addition, the number of complaints received by the City has been reduced in the past few years to less than 350 per year, primarily based upon the improvements in meter fraud detection (300 to 400 per year prior to 2006, reduced to 225 in 2007, 169 in 2008, and less than 200 in 2009).

Should a minimum five year renewal of the existing franchises be authorized by the City, the Department and the Board would continue to monitor and evaluate all aspects of service performance. The development of a "green taxi" policy similar to that described in the Cardenas motion and the process to complete the wheelchair accessible vehicle grant will also be continued and provide a basis of franchisee evaluations, along with all the performance standards set by the Board as authorized through the current franchise ordinances.

This option would authorize the Board and the Council to grant a one year extension beyond the five year renewal period, with another one year extension possible 12 months thereafter (total of two one-year extensions). These possible extensions would be considered as is the case under the current franchise ordinances - based upon each operator's performance evaluation. However, even if an operator has met all conditions and performance evaluation factors necessary to be issued such an extension, the Board and City Council would be allowed to deny approval to extend the franchises if the City has developed a documented plan for regulatory change that cannot be incorporated into the existing franchise regulation system.

Under this scenario, it would be possible to use the remaining contract funds of \$126,000 to complete a Request For Proposals process to review driver working conditions, the potential for future social benefit improvements and the development of improved industry transparency. The Department would seek the assistance of the CAO's Labor Relations Division and the office of the Controller with these tasks.

### Option 3 – Two Year Renewal to Allow Competitive Franchise Bidding

The third option would be a two year renewal period to review the franchise system in order to tweak any future conditions for a new franchise bidding process. No consultant would be hired, and therefore, with a limited time-frame and depleted staffing levels, no other types of regulatory systems could be comprehensively reviewed. The current franchise conditions would be reviewed by the Department and the Board of Taxicab Commissioners to develop an updated Request For Proposals process for new franchises. Most, if not all, of the technological advances provided by the current taxicab operators would remain in place as these address important customer service conditions and performance monitoring.

Such a short term renewal period would not allow for the development of any "green taxi" initiatives, nor for the acceptance of wheelchair accessible grant funds.

It should also be noted that the previous bidding process vetted 13 proposals, with nine of the 13 accepted for new franchises. A new RFP process would require 90 days from issuance for bidders to respond (not including possible delays for addenda), 60 days for evaluation by a dedicated committee and preparation of the Department's recommendations for franchise awards. At least an additional 60 days would be needed for processing and approval of the new franchise ordinances by the Taxicab Commission, Transportation Committee and City Council. An additional 30 to 60 days would be needed for the Mayor's approval and ordinance implementation. The entire process would require approximately nine months or more to complete.

## **CONCLUSION**

The Department believes that the taxicab franchise renewal options described in this report are the most feasible at this juncture. Over time, there is much potential for additional variations for renewal options. However, in order to implement a meaningful "green taxi" initiative and the new wheelchair accessible vehicle grant, the Department believes that a minimum five year renewal period would be required. Due to lack of funds and staffing levels, we are unable to guarantee a specific timeframe for the completion of a renewal option that explores other regulatory approaches.

Should a five year renewal option plan be selected, there could be a consultant study (assuming funds become available) that occurs during this time period. If there are not enough funds for this full study, then the Department would recommend that the currently available funds be used to hire a consultant to look at current driver working conditions and the improvement of company and driver transparency - in cooperation with the Controller and the City Attorney's Office.

Should a two year renewal option plan be selected to simply review the franchise system in order to make minor changes prior to franchise re-bidding without the aid of a consultant, there would eventually be another long term franchise period provided prior to any other future review of other possible regulatory approaches.

The Board and the Department require a decision on the part of the City as to which avenue of renewal period and plan to report on. An ordinance that extends the existing franchises past December 31, 2010, must be approved by the City Council and published no later than November 30, 2010 in order to continue legal taxicab operations in the City of Los Angeles on January 1, 2011.

Attachments

TMD/JCB  
IDC10-016

BOARD REPORT  
CITY OF LOS ANGELES  
DEPARTMENT OF TRANSPORTATION

Date: August 19, 2010 E14

To: Board of Taxicab Commissioners

Subject: **INFORMATIONAL ITEM – REVISED WORK SCOPE DISCUSSION  
FOR A TAXICAB RE-FRANCHISING CONSULTANT**

**EXECUTIVE SUMMARY**

In July 2009, a contract was issued to Nelson/Nygaard Consulting Associates (Nelson Nygaard) to provide an independent study of the City's taxicab regulatory program. Various tasks were included in this very detailed contract including the review and comparison of regulatory schemes for franchising, individual medallions and the potential for a long-term hybrid system that could incorporate facets and potential benefits of both types of permitting systems (franchise vs. medallion).

A review of topics addressed in the UCLA taxicab study, driver and company transparency issues, and the potential for driver social benefits were also among the correlating tasks included for this contract. A total cost of \$250,000 was budgeted and approved for the Nelson Nygaard contract.

Nelson Nygaard was instructed to perform the initial phase of the contract (12 main tasks) within the first six months of the contract's execution. Further discussion of initial findings and recommendations was to follow, including assistance with the recommendation process and review of any future taxicab service Request For Proposal (RFP) and/or agreements. Phase one included the majority of costs associated with the contract. Many of the contract tasks and sub-tasks were inter-related into the final project review.

In October 2009, after more than three months of working on the project, a 30-day notice to terminate the contract was issued to Nelson Nygaard due to no fault of their own. The City negotiated the final work products and reports to be delivered within the next few months in order to consolidate and document any findings or work completed by Nelson Nygaard as part of the contract process.

In March 2010, staff provided a Board Report to the Taxi Commission detailing all work products and reports issued by Nelson Nygaard for the project. All reports were made available to the Board and were also included as viewable documents on the City's website. A total cost of approximately \$124,000 of the \$250,000 budget was depleted in this partial contract term.

Staff requested further comments from all interested parties. In June 2010, final comments were received from the Los Angeles Taxi Workers Alliance (LATWA). These comments, in addition to initial LATWA/Board comments received in October 2009 (*see Attachments A & B*), will be addressed in the potential revised work scope for any future RFP process for consulting services.

On June 8, 2010, a City Council Motion (*see Attachment D*) was introduced by Councilmember Tony Cardenas to renew the franchises for a 5 year period. The matter has been referred to both the Transportation Committee and the Information, Technology & Government Affairs Committee of the Council.

### **Fiscal Impact, Resources and Timeline**

The issues of funding, staffing and the franchise term expiration date must be considered very seriously as we move forward in the next few months. The City and the Department are in a budget crisis which has led to a shortage of available funds and staffing for this project, as follows:

- Available project funds are now at \$126,000, with no other currently known or approved source of funding. The minimum funding required to properly complete a new consultant contract is estimated at \$300,000 to \$400,000. The Department would therefore require an additional \$174,000 to \$274,000 in funding.
- Staffing for the Department and the Taxicab Regulation Division has decreased, with only two main people available for this project (both of whom are performing their regular work assignments in addition to covering the duties of other positions eliminated from the budget). The overall vehicle-for-hire staffing level has decreased by 29% compared to levels of only a few years ago. Some of the sub-tasks from the previous contract included assistance from Department staff who are no longer working for the Department.
- It is estimated that any new consultant proposal and review process (once funded), would take approximately 18 to 24 months for completion. This timeline entails the development of a final work scope and draft contract; the consultant bidding and selection approval process; consultant work phase; final plan review and modification by the Board of Taxicab Commissioners; and final City Council approval of any modified taxicab regulatory scheme. At least another six months would then be required for final implementation of a revised or new regulatory system, whether it be a franchise system, medallion system or some sort of hybrid operating scheme. This process would therefore most likely lead us into the year 2013.

This report summarizes some of the potential work scope items that still need to be addressed or modified from the initial contract content and also provides new or separate topics based on comments received thus far.

## **DISCUSSION**

### **Previous Work Scope Items and Updates**

The previously approved consultant contract and task outline is provided in Section 4 of the Nelson Nygaard contract (*see Attachment C*). Any reports or documents that were issued as part of this contract have already been included as part of the March 2010 report to the Board and may be viewed on-line at the City's website at <http://www.ladot.lacity.org/pdf/PDF185.pdf>. Information received or tasks to be revised are addressed below, as follows:



**Task 1 – Review and Discuss Issues and Findings of the Blasi and Levitt UCLA Report & Similar Studies**

The consultant provided a literature review and partial review of the UCLA study with a preliminary wage study. The consultant did not complete the processes of review with stakeholders, peer review and final wage analysis using full data.

The Board and the City will need to decide if a further overall review of all the topics in the ULCA study is again to be undertaken, or if the topics of social benefits, transparency and revenue changes to the City, operators and drivers (as separately addressed in the work scope) are sufficient. In either case, the separate reports and documents initially provided by the consultant will be made available to any new consultant.

**Task 2 – Final Work Plan Approval and Kick-Off Meeting**

The new consultant would be required to provide the final work plan, job scope and financial estimates with a project discussion.

**Task 3 – Conduct Peer Review**

The consultant provided a very descriptive peer review of seven cities – Chicago, Houston, Austin, San Diego, Seattle, Anaheim and Denver. Any new consultant would use this product as they move forward, but some monies and time would have to be allotted to address any subsequent issues or questions which would demand a further update to the peer review, or the review of information from any other jurisdiction(s).

**Task 4 – Review Current Franchise System and Provide Pros and Cons with a Revised Franchise System, Medallion System or some sort of Hybrid Operating Permit System**

This task will be combined with several other tasks as the main focus for any new contract. Any potential system changes must be fully explored with regard to the changes in benefits to the riding public, the City and taxicab operators/drivers.

**Task 5 – Detailed Analysis and Review of Medallion Type Systems**

This task must still be developed in the new contract and is part of the final review for Task 4.

**Task 6 – Conduct Analysis of Bandit Operations and Review Current Public Convenience & Necessity (PC&N) Processes. Develop Potential Methodologies for PC&N Review.**

Staff believes that this sub-task can be re-defined in any new work scope to simply report if any of the current data collected for actual trips records and public demand levels would still be available for PC&N review under alternative regulatory schemes. In addition, staff believes that further review of PC&N changes with bandit enforcement levels would not be of significance in this

contract setting as the data to be mined is less than sufficient for a full analysis of PC&N findings at this time.

As described by the previous consultant, there is no one formula or answer as to obtaining the correct number and type of cabs to be provided. All forms of information already collected for service demand and service performance levels, along with cost and rates to provide service, must be reviewed when adjusting the number or type of cabs to be provided.

**Task 7 – Assess LADOT’s Staffing Requirements and Compare to Other Jurisdictions**

The consultant provided a complete analysis of current job descriptions and responsibilities under the current regulatory system. They did not, however, compare our staffing levels and actual personnel usage to other jurisdictions.

Staff does not recommend proceeding further with this job task, but the previous consultant work product would be used with any new consultant as a starting point for the next task of reporting on any staffing changes required (added, deleted or revised) with any changes in regulatory format. The Department is very well aware that it is currently under-staffed in several areas and that job functions must be shared among all personnel, regardless of education and background experience.

**Task 8 – Analyze Potential Revenue Changes Resulting From Different Regulatory Approaches for City, Vehicle Owners/Operators/Companies and Drivers**

Staffing and revenue changes to the City and to taxicab operators must be addressed as part of each of the regulatory schemes to be compared as part of Task 4. Fees and potential income from all types of permitting systems would have been included as related to the City and taxicab service providers. No work was completed in this area, and it still must remain as a focal point for any new contract.

**Task 9 – Assess Current and Potential Operating Permit Processes as they Relate to the City’s Internal Capability to Conduct Regulatory Functions, Monitor Service and Provide Oversight**

This task included:

- A multi-functional review of each type of regulatory scheme to be analyzed pertaining to the internal capability of the City for reporting
- Collection and review of operating data and statistics
- Handling of data related to all trip types
- The collection, monitoring and assessment of both dispatch and overall performance measures and standards
- Processes for suspension, revocation and ultimate oversight of driver, vehicle, owner and company permits
- The application of technology available for such items as meter tampering and fraud detection
- GPS reporting capability
- Cityride program approval processes
- Possible alternative navigational monitoring techniques

- E-commerce 3<sup>rd</sup> party payment systems for credit cards
- Dispatch performance enhancements

No work was completed in these areas. It is important to compare the potential for continued monitoring and staffing requirements that may be required or available in the various permitting schemes to be reviewed. The current franchise regulatory control and data collection systems would be used as the baseline for comparison.

#### Task 10 – Assess Specific Operating Issues

This task also included a multi-functional review of topics to be addressed and compared in each regulatory/permitting process reviewed. Sub-tasks included:

- The review of market entry, exit, control and PC&N standards
- Permit processing requirements and the potential suspension or revocation for driver, vehicle and/or company permits
- Performance standards and the ability to provide methods of service improvement or enhancement for service response
- Wheelchair service standards and monitoring
- Driver safety and training possibilities
- Driver health, disability and other social benefit possibilities
- Vehicle air quality standards and policies
- Insurance review for vehicles, drivers and passengers
- Driver, company and member transparency issues
- Technology requirements
- Qualifications of taxicab companies, managers, drivers, and dispatch providers
- Methodology for establishing market entrance including sales, financing, brokering and ownership distinctions

Nearly all of the above components must still be fully explored as they relate to potential regulatory control changes and staffing/cost requirements. A concept paper for driver benefits was provided with some programs to investigate. A preliminary report on green taxis was also issued.

Among other items, the consultant would still need to fully address the potential for affordable social benefits to drivers. Staff believes that any new scope of work should eliminate the need for the consultant to provide recommendations for green taxi alternatives. However, the consultant should provide a legal analysis as to which types of systems may afford the City the right to mandate vs. incentivize green taxi entrance and changes over time. In addition, the consultant would report on potential methods to reduce dead-head vehicle miles (thus reducing pollution and green house gas emissions), and report on any potential financing mechanisms to promote the affordability of “green” vehicle purchase and maintenance.

Staff and the Commission know that vehicles are becoming cleaner in emissions for both smog pollution and green house gases. It will be important to note which type of emission mandates or incentives can be authorized under each regulatory scheme. Such emission improvements must be

established immediately for any continued or new permitting process, and the City should retain the authority to provide for further improvements over time as such changes become economically feasible to vehicle owners and drivers. The cost and potential financing of all such "green taxi" initiatives must be fully explored as part of the contract.

The Commission could decide to remove the requirement for the consultant to provide recommendations on qualifications for taxicab companies, managers, drivers and dispatch providers, providing these requirements itself in any alternative permitting system that may be developed.

**Task 11 – Meet With and Obtain Various Stakeholder Perspectives**

This task included the initial review of taxicab topics and concerns of all stakeholders such as the taxicab drivers, members, company management, driver groups, user groups (disabled, seniors, hospitality industry and other interested parties), Commission and City staff, and the general public. This task must still be completed. Issues related to the UCLA driver study must be addressed as part of the stakeholder meetings.

**Task 12 – Obtain, Measure and Evaluate Customer Perception of the Taxi Industry and Service**

Staff feels that this is still a valid task in order to provide a more fully developed picture of current taxicab service satisfaction. Such information will be included with the overall topics of concerns of drivers, taxicab industry professionals, user groups and the riding public.

**Task 13 – Provide a Final Report Comparing all of These Aspects of Regulatory Functions Including Recommendations in Some Areas**

This task must still be completed.

**Task 14 – Assist the Department and the Commission in the Taxicab Service Plan Review and Approval Process through Commission and Council Hearings; and Assist the Department in the Preparation of any RFP for New Taxi Services or Other Agreements.**

This task must still be completed.

**Possible Work Scope Changes or Additions**

Staff believes that the majority of previous consultant tasks must still be fully explored in any future contract that might be established. Many of the work plan components may be re-combined in any future work plan, particularly if they were to be addressed in more than one previous task. All items must be addressed for each type of regulatory program that is to be reviewed. Some of the changes or additions are as follows:

- The Commission and the City will have to decide if it still wishes for a consultant to provide a new review of the previous UCLA report, or to simply address the potential for the various

permitting processes including a review of social benefits for drivers, driver and operator transparency and potential revenue changes for the City, companies, members and drivers (Task 1).

- As discussed in the previous section, some work regarding peer review information will still need to be addressed, but the new consultant would use the previous peer review results as its starting point (Task 3). The model used in places such as Alexandria, VA., may be further explored.
- The ability to gather and monitor various pieces of information in the different regulatory schemes in order to obtain a database for Public Convenience and Necessity review will be explored rather than attempting to provide one specific formula for PC&N evaluation (Task 6).
- Any necessary changes in baseline staffing levels that would be required for any new or revised permitting or regulatory processes will be addressed in the contract without the additional requirement to compare current Department staffing to other jurisdictions (Task 7);
- Rather than requiring the consultant to come up with a green taxi emission program for each type of regulatory scheme, the consultant would be required to address the green taxi legal issues pertaining to the City's authority to mandate vehicle emission, miles per gallon and/or fuel type alternatives as compared to the potential to provide incentives and disincentives for insertion of green taxicabs over the length of any type of regulatory scheme (Task 10). Additional review of potential costs and financing alternatives, as well as mechanisms to reduce dead-head vehicle miles should also be explored as part of the various regulatory schemes analyzed.
- As was part of previous Task 10, the new work plan would more specifically address the requirement for the consultant to report on the mechanisms and review of data for the City to monitor service response and provide methods to improve service response times in currently and historically under-served or inadequately served zones of the City. This would also apply to specialty service requirements for the disabled or other hard-to-serve programs.
- Although touched upon as part of Task 10, the new work plan would more specifically address the requirement of the consultant to review driver, member and company transparency issues, including an analysis of the financial structures and economics of the taxicab industry - as well as a legal finding of what information is to be considered as public information and what documentation is to be maintained privately between the company, its members and the City.
- A new contract task could include the review and assessment of integration of taxicabs into a multimodal public transportation system with scope of work including the analysis of how to maximize the point-to-point capabilities of taxicabs in an accessible, affordable, and sustainable multimodal public transportation system.

**New Work Plan/Job Scope – Potential Items**

- *Analyze and Compare Various Types of Regulatory Schemes* - Any potential new work plan would look for a consultant who could explore and compare alternative regulatory schemes for taxicab transportation service including a tweaking of the current franchise system, a new medallion system, and one or more combined or hybrid type of permitting systems. The pros and cons of each system as compared to the current franchising system must be provided in all areas of review. The consultant will also use the previous peer review provided by Nelson Nygaard as a baseline for gathering information in assessing the various potential regulatory schemes to be developed. Further information and potential additional jurisdictions and models will be reviewed, such as the model presented in Alexandria, VA.
- *Report on Required Staffing Levels and Changes in Costs and Revenues for Each Regulatory Scheme Reviewed for City, Drivers, Owners/Members, Companies* - The changes required for staffing in order to complete all regulatory and permitting processes and functions must be specified. Any changes in the potential cost and revenue to the City, the taxicab drivers, owners, and companies must also be fully explored and documented as part of the regulatory review.
- *Driver Issues and Transparency Review*- Each regulatory system must address the issues of sustainable driver returns, long term professional growth, safety, training, social benefits, and healthy and fair working conditions while ensuring safe, efficient, affordable and superior quality service to the public. The consultant must provide a review and possible options for obtaining driver health and disability insurance including the regulation of such programs and their costs.

The consultant would also be responsible for addressing the issue of driver, member and company transparency issues. Issues of information related to propriety or confidentiality must be discussed along with recommendations for potential audit procedures. A review of financial structures and economics of the taxicab industry with relation to member and driver income and growth would also be added.

- *Define and Report on Issues of Concern from Reports, Stakeholders Interviews and Customer Satisfaction Evaluation Program* - The consultant would review the topics addressed in the UCLA report along with the studies documented by the previous consultant in order to become aware of potential issues within the industry. The consultant would meet and/or confer with various stakeholders and user groups to assess critical areas of concern for service, driver working conditions, economics of providing service, and customer needs. The consultant would also be required to obtain, measure and evaluate customer perception and satisfaction of the taxi industry.
- *Market Entrance and Control; Driver and Vehicle Permitting Procedures; PC&N Data Determination* - The consultant would detail all components and data necessary to evaluate and control market entry, exit, and the suspension or revocation of driver, vehicle and company permits. The consultant must evaluate if all sources of data currently used in the evaluation of service demand or Public Convenience and Necessity would still be obtainable in any of the regulatory schemes. For the medallion or hybrid permitting systems, the consultant must specify all necessary functions and processing for authorizing permits including requirements related to

methodology for establishing market entrance including sales, financing, brokering and ownership distinctions.

Each regulatory scheme must address all driver and vehicle permitting functions (with required staffing changes) including issuance and renewal of driver and vehicle permits, company or driver/owner contact requirements, handling of insurance documentation, handling of vehicle inspections and airport and/or company suspensions, etc. The consultant would evaluate current liability insurance levels and the potential for additional insurance requirements (and costs) such as medical coverage or uninsured motorist in order to afford more protection and coverage for drivers injured in an automobile accident.

- *Ability to Monitor and Control Service Performance and Statistics* – The consultant would report on the City's ability to collect and monitor all types of service statistics, service data and dispatch data. The overall assessment of taxicab operations and the particular ability of the City to continue to monitor service response must be addressed. Methodology and/or tools to be used to measure and improve service responsiveness to specialized trip requests (i.e., wheelchair service) and service requests in typically or historically under-served or inadequately served areas must remain a main focus for any new or revised regulatory scheme. Performance standards along with potential processes, incentives or disincentives to control areas of performance and/or service response must be detailed.
- *Use of Technology and Service Improvements to Enhance Alternative Payment Systems, Collect Operating/Performance Data and Statistics, Increase Taxicab Service Demand, and Monitor and Control Driver/Operator Fraud and/or Misconduct* – The consultant would investigate all technology components for each regulatory scheme related to the City's ability to regulate and monitor programs to control meter tampering, fraud detection and operator misconduct; GPS data collection; Cityride program to the disabled, frail and senior communities; other navigational monitoring techniques; E-commerce 3<sup>rd</sup> party payment systems; dispatch performance enhancements; total meter activations for trip and paid mile reporting; future technology or reporting enhancements; and potential methods to increase or expand taxicab service to the public; etc. Staffing requirements for the collection, monitoring and reporting of such data must be addressed in each of these topics.
- *Green Taxi Review for Legal Authority, Long Term Options, and Cost/Financing Alternatives* – The consultant would provide an opinion of the legal authority of the Commission and the City to mandate green taxi requirements versus the ability to provide incentives or disincentives to promote such air quality enhancements with each type of regulatory scheme reviewed. The consultant would also report on the authority or ability to further reduce vehicle emissions in the future under each type of regulatory approach. The consultant would be requested to provide the potential processes available to offset costs, fund, and/or purchase green taxis in each regulatory scheme. A review of possible improvements in service to decrease dead-head miles (driving time periods without a paying passenger) would also be reviewed in order to reduce pollution and green house gas emissions.
- *Maximizing Multimodal Public Transportation Systems* – The contract would include a new task to review and assess the integration of taxicabs into a multimodal public transportation system

with scope of work including the analysis of how to maximize the point-to-point capabilities of taxicabs in an accessible, affordable, and sustainable multi-modal public transportation system with any of the regulatory schemes to be reviewed and compared.

## CONCLUSION

The Department believes that the majority of topics in the original contract will need to be re-explored by any new consultant. While a few items may now have a better starting point based on the work products provided by the original consultant (Nelson Nygaard), the majority of work must be re-initiated by any new consultant. Providing some type of a multi-modal transportation study may represent its own topics of consideration that may be too broad for this contract as it currently stands.

Staff estimates that the new contract would require a starting point of approximately \$300,000 to fully explore and report on all topics, including assistance in the review and approval process for any regulatory changes. The additional item to address a multi-modal transportation system review could substantially increase such a contract to \$400,000 or greater. This part of the work scope must be more fully defined in order to obtain a cost efficient task compatible with the overall contract.

The City currently has \$126,000 available for this contract. The current expiration date of existing franchises is December 31, 2010. As a result of the City's financial crisis, staffing for this project has been reduced compared to previous years and is subject to additional changes. With these obstacles in mind, the Commission and the City will be hard-pressed to complete this process prior to 2013. Meanwhile, it is clear that at a minimum, some form of extension or renewal of the existing franchises must be enacted prior the current expiration date of December 31, 2010 in order ensure reliable, legally permitted taxicab operators in the City.

As presented to you at the Board meeting of June 24, 2010, there is a Council Motion pending committee hearings regarding a potential renewal of the franchises (*Attachment D*). The Department will keep your Board informed of developments and Council Committee hearings relating to the Motion.

Approved By:

  
RITA L. ROBINSON  
General Manager

Date Signed: 8/4/10

Attachments

B10-058.tmd/jb



10-0996

TRANSPORTATION

MOTION

The City of Los Angeles currently has nine taxi cab franchises that serve the residents of Los Angeles. A careful and thoughtful examination of the current taxi franchise operators demonstrates that each of the franchises is performing beyond the rigorous standards set by this Council and the Department of Transportation. These franchises are delivering services to the public that rank among the best in the nation, even traditionally hard to serve areas like South and East Los Angeles are receiving outstanding service.

Nationwide, municipalities are beginning to move towards greening their taxi fleets. From San Francisco to Long Beach and taxi companies have worked together to provide green taxi cabs to the community while working to lower emissions in their cities. Major metropolitan cities such as New York and Seattle have had successful green taxi cab programs in their cities for over two years. The City of Los Angeles currently does not require that a certain percentage the taxi cab fleet be "green".

Currently, the taxi franchise contracts for the City of Los Angeles are scheduled to expire at the end of December 2010. Due to the current economic climate and limited city resources, it may not be fiscally prudent for the City to solicit Request for Proposals. As such, the City should take this opportunity to green the taxi fleets that serve the residents of the Los Angeles. Doing so would make our communities healthier and place Los Angeles amongst the other leading cities that have already done so.

I THEREFORE MOVE, that the City Council instruct the Chief Legislative Analyst Office with the assistance of any other pertinent city department to report back on the feasibility of extending the contracts for five years with the current taxi franchise operators with the requirement that 80% of their fleet be comprised of fuel efficient vehicles phased in over the five year period.

I FURTHER MOVE, that the CLA report back to the Transportation Committee and Energy and Environment Committee within 30 days.

PRESENTED BY Tony Cardenas  
TONY CARDENAS  
Councilmember, 6<sup>th</sup> District

SECONDED BY Paul Ruben

ORIGINAL

**BOARD ORDER NO. 060  
FINAL RESOLUTION OF THE  
BOARD OF TAXICAB COMMISSIONERS  
CITY OF LOS ANGELES  
AMENDING BOARD ORDER NO. 013 and 059**

**WHEREAS**, the Board of Taxicab Commissioners provides for the rules and regulations regarding taxicab service and is responsible to ensure that every franchised taxicab organization undergoes a performance review and evaluation based on various service and operational criteria; and

**WHEREAS**, each franchise ordinance, Section 4.2 (i), specifies that the Department and the Board shall review and evaluate performance standards for each taxicab organization at least annually and more often if Grantee is in a probationary status or if the Board determines it is in the best interest of the public. Results of the review and evaluation shall be used by the Board in determining authorization for franchise extension, continuation, probation, suspension, penalty assessment, recommendation for revocation, or any combination thereof; and

**WHEREAS**, each franchise ordinance, Section 4.2 (i) includes various criteria to be utilized in reviewing taxicab Grantee performance and states that the performance review and evaluation criteria shall be specified in the Board's Taxicab Rule or similar Board Order; and

**WHEREAS**, the Board adopted Board Order No. 013 on August 2, 2001, establishing the Taxicab Operator Performance Review and Evaluation Criteria, including a Taxicab Service Index (TSI) scoring guideline in items number one through six of Board Order No. 013; and

**WHEREAS**, the Board adopted Board Order No. 021 on August 29, 2001, revising the Taxicab Operator Performance Review and Evaluation Criteria included as part of Board Order No. 013, with a revision in the scoring guidelines established for the Taxicab Service Index (TSI) criteria for complaint and violation assessment in order to more fairly and accurately evaluate operator complaint and violation performance; and

**WHEREAS**, the Board approved scoring criteria used as part of Taxicab Service Index Items 10, 11 and 12 and overall Conditions 1, 2 and 3 in 2002 as part of the overall performance evaluation criteria for Taxicab Operator Performance Review and Evaluation Criteria for calendar years 2001 through 2006; and

**WHEREAS**, the Board adopted Board Order No. 059 on November 19, 2009, which consolidated all performance evaluation conditions and scoring criteria previously developed, along with a modification of Taxicab Service Index Item 12 as used for the review of 2<sup>nd</sup> unit bandit activity pertaining to current activity levels; and

**WHEREAS**, the Board has found that a change in the scoring criteria used for Taxicab Service Index Item 1.a. and Condition No. 1-3 - as used for the review and scoring of Dispatch Service Performance is appropriate as such performance is now measured to "on-site" arrival to the requested destination instead of the meter activation time-stamping, and that three new Service Level Ratings should be established for review and evaluation of individual Service Zone and overall Service Area dispatch performance levels along with an additional Condition for setting minimum standards for overall Taxicab Service Index scoring requirements; and

**WHEREAS**, the Board of Taxicab Commissioners approved Tentative Resolution, Board Order No. 060 on February 18, 2010, and such Tentative Resolution was published on February 26, 2010, for a five-day public review period;

**THEREFORE, LET IT BE RESOLVED**, that the scoring guidelines established for Taxicab Operator Performance Review and Evaluation Criteria as provided for by Board Order No. 013, as last revised by Board Order No. 059, are hereby amended to include the specific Service Zone and Service Area dispatch performance scoring criteria used as part of Taxicab Service Index Item 1, and that overall performance standards as set forth in Conditions 1 through 3 are hereby revised to include such performance service level standards and overall Taxicab Service Index scoring requirements, and that such items and conditions shall now be included in the text and language of revised Board Order No. 013, as follows:

**TAXICAB OPERATOR PERFORMANCE REVIEW AND EVALUATION CRITERIA  
BOARD ORDER 013 and 059 NOW REVISED AS PART BOARD ORDER 060**

As included in each franchise ordinance Section 4.2(i), taxicab operator performance evaluations shall include, but not be limited to, the following component review:

1. Service response levels (TSI component);
2. Telephone or equivalent communication response levels (TSI component);
3. Number of complaints received by Department (TSI component);
4. Number of Board Rule violations and penalty points assessed for operator and drivers (TSI component);
5. Percentage of taxicabs passing annual Department inspections on the first attempt (TSI component);
6. Timeliness of payment for all fees and monetary payment assessments (TSI component);
7. Service level statistics and reports regarding special programs for hard-to-serve areas as determined by the Board;
8. Adherence to the Management Business Plan;
9. Compliance with vehicle, driver and member standards and record keeping policies;
10. Timely submission of all requested and required information, data, reports and statistics (TSI component);
11. Responsiveness to Board, Department or City requests and directives (TSI component);
12. Compliance with all requirements set by Ordinance, Board Order, Rule Book and City, State and Federal mandate (TSI component).

**Taxicab Service Index (TSI) – Total of 115 Points Possible**

- 1.a. Taxicab Service On-Time Response in Primary Service Area Within 15 Minutes - (Total of 65 Points Possible)

*Total percentage of primary Service Zone and Service Area trips responded to within 15 minutes of dispatch offer to GPS Verified Arrival (On-Site) Time Stamping*

Percentage of Calls Responded to Within 15 minutes (Dispatch Offer to GPS Verified Arrival)	Level 1 Service Rating Score	Level 2 Service Rating Score	Level 3 Service Rating Score	
Greater than 94.49% (>94%)	65.0	65.0	65.0	
93.50% up to 94.49% (94%)	65.0	<b>Excellent</b>	65.0	
92.50% up to 93.49% (93%)	65.0		65.0	
91.50% up to 92.49% (92%)	63.5		65.0	
90.50% up to 91.49% (91%)	62.0		65.0	
89.50% up to 90.49% (90%)	60.5		65.0	
88.50% up to 89.49% (89%)	59.0	<b>Good</b>	65.0	
87.50% up to 88.49% (88%)	57.5		65.0	
86.50% up to 87.49% (87%)	56.0		<b>Excellent</b>	65.0
85.50% up to 86.49% (86%)	54.5			63.5
84.50% up to 85.49% (85%)	53.0			62.0
83.50% up to 84.49% (84%)	51.5	<b>Satisf</b>	65.0	
82.50% up to 83.49% (83%)	50.0		<b>Good</b>	59.0
81.50% up to 82.49% (82%)	48.5			57.5
80.50% up to 81.49% (81%)	47.0			56.0
79.50% up to 80.49% (80%)	45.5		54.5	65.0
78.50% up to 79.49% (79%)	44.0	<b>Unsatf</b>	53.0	
77.50% up to 78.49% (78%)	42.5		<b>Satisf</b>	51.5
76.50% up to 77.49% (77%)	41.0			50.0
75.50% up to 76.49% (76%)	39.5			48.5
			47.0	63.5
			62.0	
			<b>Excellent</b>	

74.50% up to 75.49% (75%)	38.0	poor	45.5	Unsatisf	60.5	Good
73.50% up to 74.49% (74%)	36.5		44.0		59.0	
72.50% up to 73.49% (73%)	35.0		42.5		57.5	
71.50% up to 72.49% (72%)	33.5		41.0		56.0	
70.50% up to 71.49% (71%)	32.0	Deficient	39.5	Unsatisf	54.5	Satisf
69.50% up to 70.49% (70%)	30.5		38.0		53.0	
68.50% up to 69.49% (69%)	29.0		36.5		51.5	
67.50% up to 68.49% (68%)	27.5		35.0		50.0	
66.50% up to 67.49% (67%)	26.0	Deficient	33.5	Unsatisf	48.5	Satisf
65.50% up to 66.49% (66%)	24.5		32.0		47.0	
64.50% up to 65.49% (65%)	23.0		30.5		45.5	
63.50% up to 64.49% (64%)	21.5		29.0		44.0	
62.50% up to 63.49% (63%)	20.0	Deficient	27.5	Unsatisf	42.5	Satisf
61.50% up to 62.49% (62%)	18.5		26.0		41.0	
60.50% up to 61.49% (61%)	17.0		24.5		39.5	
59.50% up to 60.49% (60%)	15.5		23.0		38.0	
58.50% up to 59.49% (59%)	14.0	poor	21.5	Unsatisf	36.5	Satisf
57.50% up to 58.49% (58%)	12.5		20.0		35.0	
56.50% up to 57.49% (57%)	11.0		18.5		33.5	
55.50% up to 56.49% (56%)	9.5		17.0		32.0	
54.50% up to 55.49% (55%)	8.0	Deficient	15.5	Unsatisf	30.5	Satisf
53.50% up to 54.49% (54%)	6.5		14.0		29.0	
52.50% up to 53.49% (53%)	5.0		12.5		27.5	
51.50% up to 52.49% (52%)	3.5		11.0		26.0	
50.50% up to 51.49% (51%)	2.0	poor	9.5	Unsatisf	24.5	Satisf
49.50% up to 50.49% (50%)	0.5		8.0		23.0	
48.50% up to 49.49% (49%)	0		6.5		21.5	
47.50% up to 48.49% (48%)	0		5.0		20.0	
46.50% up to 47.49% (47%)	0	Deficient	3.5	Unsatisf	18.5	Satisf
45.50% up to 46.49% (46%)	0		2.0		17.0	
44.50% up to 45.49% (45%)	0		0.5		15.5	
43.50% up to 44.49% (44%)	0		0		14.0	
42.40% up to 43.49% (43%)	0	poor	0	Unsatisf	12.5	Satisf
41.50% up to 42.49% (42%)	0		0		11.0	
40.50% up to 41.49% (41%)	0		0		9.5	
39.50% up to 40.49% (40%)	0		0		8.0	
38.50% up to 39.49% (39%)	0	Deficient	0	Unsatisf	6.5	Satisf
37.50% up to 38.49% (38%)	0		0		5.0	
36.50% up to 37.49% (37%)	0		0		3.5	
35.50% up to 36.49% (36%)	0		0		2.0	
34.50% up to 35.49% (35%)	0	poor	0	Unsatisf	0.5	Satisf
33.50% up to 34.49% (34%)	0		0		0	

1.b. Taxicab Service On-Time Response in Primary Service Area Within 30 to 60 Minutes - (Deduction of Points)

*Reduction in the number of points assessed in Item 1.a. is possible based on total percentage of trips responded to between 30 to 60 minutes of dispatch offer*

Percentage of Calls Responded to from 30 to 60 minutes (Dispatch Offer to GPS Verified Arrival)	Total Point Reduction
Less than 10% in 30 to 60 minutes (<10%)	No deduction
10.00% up to 15.49% (10-15%)	5 points deducted
15.50% up to 20.49% (16-20%)	10 points deducted
20.50% up to 25.49% (21-25%)	15 points deducted
25.50% up to 30.49% (26-30%)	20 points deducted
30.50% up to 35.49% (31-35%)	25 points deducted
Greater than 35.49% (>35%)	30 points deducted

1.c. Taxicab Service On-Time Response in Primary Service Area Greater Than 60 Minutes - (Deduction of Points)

*Reduction in the number of points assessed in Item 1.a. is possible based on total percentage of trips responded to in more than one hour, including no shows (non-response)*

Percentage of Calls with Response > 60 minutes or No Show (Dispatch Offer to GPS Verified Arrival)	Total Point Reduction
Less than 5% of calls with response >60 minutes or no show (<5%)	No deduction
5.00% up to 10.49% (5-10%)	10 points deducted
10.50% up to 15.49% (11-15%)	20 points deducted
15.50% up to 20.49% (16-20%)	30 points deducted
20.50% up to 25.49% (21-25%)	40 points deducted
25.50% up to 30.49% (26-30%)	50 points deducted
Greater than 30.49% (>30%)	60 points deducted

2.a. Telephonic Phone Service Response Within 45 Seconds - (Total of 5 Points Possible)

*Total percentage of telephonic calls answered within 45 seconds*

Percentage of Telephonic Calls Answered within 45 Seconds	Total Points Possible
Greater than 90.00% within 45 seconds (>90%)	+5 points
87.50% up to 90.00% (87.5-90%)	+4 points
85.00 up to 87.49% (85-87.5%)	+3 points
82.50% up to 84.99% (82.5-85%)	+2 points
80.00% up to 82.49% (80-82.5%)	+1 points
Less than 80.00% (<80%)	0 (no) points

2.b. Telephonic Phone Service – Hold Time Greater Than Two Minutes - (Total of 5 Points Possible)

Total percentage of telephonic calls placed on hold for more than two (2) minutes during the reservation process

Percentage of Telephonic Calls Placed on Hold for More Than Two Minutes Total During the Reservation Process	Total Points Possible
Less than 5% of calls placed on hold for two minutes (<5%)	+5 points
5.00% up to 10.49% (5-10%)	+3 points
10.50% up to 15.49% (11-15%)	+1 point
Greater than 15.49% (>15%)	0 (no) points

3. Number of Complaints Received Through the City - (Total of 5 Points Possible)

A "percentage evaluation" is determined based on the total number of complaints received by City staff and divided by the average number of vehicles in service during the evaluation period multiplied by the number of months in the evaluation period.

\* A relative factor for each organization as compared to the industry average is used to provide a complaint ratio.

Complaint Ratio Based on Operator Complaint % divided by the Industry Average Complaint %	Total Points Possible
0.50 or less relative complaint ratio ( $\leq 0.50$ )	+5 points
0.51 up to 0.75	+4 points
0.76 up to 1.25	+3 points
1.26 up to 1.50	+2 points
1.51 up to 1.75	+1 point
Greater than 1.75 ( $> 1.75$ )	0 (no) points

\* Note: A complaint ratio score of 1.0 indicates that the organization's individual complaint percentage was equal to the average industry complaint percentage.

4.a. Number of Driver and Operator Violations Assessed - (Total of 5 Points Possible)

A "percentage evaluation" is determined based on the total number of violations (rules and board orders) where an assessment was made divided by the figure of average number of vehicles in service during the evaluation period multiplied by the number of months in the evaluation period (dismissal, cancellation and signature withdrawal violations are removed from the total violations.)

\* A relative factor for each organization as compared to the industry average is used to provide a violation ratio.

Violation Ratio Based on Operator Violation % divided by the Industry Average Violation %	Total Points Possible
0.50 or less relative violation number ratio ( $\leq 0.50$ )	+5 points
0.51 to 0.75	+4 points
0.76 to 1.25	+3 points
1.26 to 1.50	+2 points
1.51 to 1.75	+1 point
Greater than 1.75 ( $> 1.75$ )	0 (no) points

\* Note: A violation ratio score of 1.0 indicates that the organization's individual violation percentage of violations assessed was equal to the average industry violation percentage.

4.b. Magnitude of Driver and Operator Violations Assessed - (Total of 5 Points Possible)

A "percentage evaluation" is determined based on the total number of points assessed (days off and penalty points) listed in the Taxicab Rule Book for each violation where an assessment was made divided by the figure of average number of vehicles in service during the evaluation period multiplied by the number of months in the evaluation period (dismissal, cancellation and signature withdrawal violations are removed from the total violations.) Driver violation points shall be used although this figure equates to an actual fee amount or time off value.

\* A relative factor for each organization as compared to the industry average is used to provide a violation point ratio.

Violation Point Ratio Based on Operator Violation % divided by the Industry Average Violation %	Total Points Possible
0.50 or less relative violation point ratio ( $\leq 0.50$ )	+5 points
0.51 to 0.75	+4 points
0.76 to 1.25	+3 points
1.26 to 1.50	+2 points
1.51 to 1.75	+1 point
Greater than 1.75 ( $>1.75$ )	0 (no) points

\* Note: A violation ratio score of 1.0 indicates that the organization's individual violation percentage of violation points assessed was equal to the average industry violation percentage.

5. Vehicle Inspection – Inspections Failed on First Attempt - (Total of 5 Points Possible)

Total points possible based on percentage of vehicles failing Department annual inspection on the first attempt (summation of taxicab rule violations 444 and 457) as compared to the average number of vehicles in service if evaluated annually or as compared to the total number of vehicle inspections conducted if evaluated less than annually.

Percentage of Cabs Failing Annual Vehicle Inspection Requirements on First Attempt (Taxicab Rule Violations 444 and 457)	Total Points Possible
Less than 7.0% vehicles failing inspection on first attempt ( $<7\%$ )	+5 points
7.00% up to 10.49% (7-10%)	+3 points
10.50% up to 15.49% (11-15%)	+1 point
Greater than 15.49% ( $>15.49$ )	0 (no) points

6. Payment Timeliness – Number of Late Payment Incidents - (Total of 5 Points Possible)

Total points possible based on number of late payments made for franchise fees, penalty assessments and other invoiced payments due by operator. If a payment is overdue for a second or consecutive month, it is again considered as a late payment incident. If the evaluation period is completed less than annually, the number of incidents per time period would be compared to a full one year time period.

Number of Late Payment Incidents Per Year (or equated to an annual basis)	Total Points Possible
Two or less per Year (0-2)	+5 points
Three to Four per Year (3-4)	+2.5 points
Five or More per Year (5+)	0 (no) points



10. Timely Submission of all Regularly Requested Reports, Data and Statistics – Number of Late or Non-Responsive Reporting Incidents of Regular Information - (Total of 5 Points Possible)

*Total points possible based on number of late or missing submittals of regularly required reports, data and statistics. If the evaluation period is completed less than annually, the number of incidents per time period would be compared to a full one year time period.*

Number of Late or Missing Reporting Incidents Per Year (or equated to an annual basis)	Total Points Possible
Two or less per Year (0-2)	+5 points
Three to Four per Year (3-4)	+4 points
Five to Six per Year (5-6)	+3 points
Seven to Eight per Year (7-8)	+2 points
Nine to Ten per Year (9-10)	+1 points
Greater than Ten per Year (>10)	0 (no) points

11. Responsiveness to Board, City or Department Requests for Information – Number of Late or Non-Responsive Reporting Incidents of Special Information Requests - (Total of 5 Points Possible)

*Total points possible based on number of late or missing submittals of special information requests. If the evaluation period is completed less than annually, the number of incidents per time period would be compared to a full one year time period.*

Number of Late or Missing Reporting Incidents Per Year (or equated to an annual basis)	Total Points Possible
One or less per Year (0-1)	+5 points
Two per Year (2)	+4 points
Three per Year (3)	+3 points
Four per Year (4)	+2 points
Five per Year (5)	+1 points
Greater than Five per Year (>5)	0 (no) points

12. Compliance with Rules, Mandates and Laws – Number of 2<sup>nd</sup> Unit Bandit Taxi Arrests - (Total of 5 Points Possible)

*Total points possible based on number of 2<sup>nd</sup> unit bandit arrests in a one year period associated with a taxicab operator. If the evaluation period is completed less than annually, the number of incidents per time period would be compared to a full one year time period. 2<sup>nd</sup> unit bandit arrests include bandit violations of vehicles/drivers that are authorized to work for or associated directly with the taxicab franchisee – although such vehicle is not a Los Angeles permitted taxicab.*

Number of 2 <sup>nd</sup> Unit Bandit Arrests Per Year (or equated to an annual basis)	Total Points Possible
One or less per Year (0-1)	+5 points
Two to Three per Year (2-3)	+4 points
Four to Five per Year (4-5)	+3 points
Six to Seven per Year (6-7)	+2 points
Eight to Nine per Year (8-9)	+1 points
Greater than Nine per Year (>9)	0 (no) points

**Performance Condition No. 1 – Individual Primary Service Zone Dispatch Performance Evaluation Criteria:** Operator will be measured for both immediate service dispatch trip request response and overall total dispatch trip response in each Individual Primary Service Zone as part of any semi-annual or annual performance review period. Minimum standards for probation, continuation without extension, and franchise extension eligibility shall be as follows:

- If an Operator obtains a Deficient service level rating in any Individual Primary Service Zone, they will be placed on probationary status pending Board review and potential further disciplinary actions, and will not be eligible for franchise extension. Deficient service levels are less than 55.5% dispatch response performance for Zone D, 65.5% for Zones A and E, and 70.5% for Zones B and C.
- In order to be eligible for franchise extension, an Operator must obtain a minimum Unsatisfactory service level rating or greater in all Individual Primary Service Zones. Unsatisfactory service levels are at least 60.5% dispatch response performance for Zone D, 70.5% for Zones A and E, and 75.5% for Zones B and C.

**Individual Service Zone Level Ratings**

Service Zone	Deficient	Poor	Unsatisfactory	Satisfactory	Good	Excellent
Zone A – Level 2	<65.5%	65.5-70.4%	70.5-75.4%	75.5-80.4%	80.5-85.4%	>85.4%
Zone B – Level 1	<70.5%	70.5-75.4%	75.5-80.4%	80.5-85.4%	85.5-90.4%	>90.4%
Zone C – Level 1	<70.5%	70.5-75.4%	75.5-80.4%	80.5-85.4%	85.5-90.4%	>90.4%
Zone D – Level 3	<55.5%	55.5-60.4%	60.5-65.4%	65.5-70.4%	70.5-75.4%	>75.4%
Zone E – Level 2	<65.5%	65.5-70.4%	70.5-75.4%	75.5-80.4%	80.5-85.4%	>85.4%
Probation	Probation					
Continuation	Continuation					
Extension	Possibility of Extension					

Recommendation for franchise probation, continuation or extension also depends on other TSI evaluation criteria.

**Performance Condition No. 2 – Combined Primary Service Area Dispatch Performance Evaluation Criteria:** In addition to meeting criteria for each Individual Service Zone dispatch performance levels included as Performance Condition No. 1 above, each Operator will be measured for overall total trip dispatch response in the Combined Primary Service Area as part of any semi-annual or annual performance review period. Evaluation of total trip response as weighted by the number of vehicles authorized for each zone, by ordinance, and the total number of trips completed in each Service Zone will be included. Minimum standards for probation, continuation without extension, and franchise extension eligibility shall be as follows:

- If an Operator obtains a Poor to Deficient service level rating in any Combined Primary Service Area, they will be placed on probationary status pending Board review and potential further disciplinary actions, and will not be eligible for franchise extension. Poor service levels are less than 70.5% combined dispatch response performance for Level 2 providers (all taxicab operators except for Beverly Hills Cab Co.), and 75.5% for Level 1 service providers (Beverly Hills Cab Co.).
- In order to be eligible for franchise extension, an Operator must obtain a minimum Satisfactory service level rating or greater in its Combined Primary Service Area (minimum score of 47.0 Taxicab Service Index points). Satisfactory service levels are at least 75.5% dispatch response performance for Level 2 providers (all taxicab operators except for Beverly Hills Cab Co.) and 80.5% for Level 1 service providers (Beverly Hills Cab Co.).

**Total Service Area Level Ratings**

Taxicab Operator	Deficient	Poor	Unsatisfactory	Satisfactory	Good	Excellent
Level 2 Service Rating	<65.5%	65.5-70.4%	70.5-75.4%	75.5-80.4%	80.5-85.4%	>85.4%
Level 1 Service Rating	<70.5%	70.5-75.4%	75.5-80.4%	80.5-85.4%	85.5-90.4%	>90.4%
Probation	Probation					
Continuation			Continuation			
Extension			Possibility of Extension			

Recommendation for franchise probation, continuation or extension also depends on other TSI evaluation criteria.

**Performance Condition No. 3 – Evaluation Criteria (TSI Item 2-6 and 10-12):** In addition to meeting the Service Zone response time criteria discussed in Condition No. 1 and 2 (Satisfactory or better combined Service Area evaluation and no single primary Service Zone with less than an Unsatisfactory rating), an operator must have a total TSI score of 30 points or higher for combined TSI items 2-6 and 10-12 in order to be eligible for franchise extension. A total of 30 points represents a 3.0 average score (in the 10 categories covered), and an overall satisfactory rating. Any operator with 15 points total or less will be placed on probationary status, representing a poor to unsatisfactory rating.

**Performance Condition No. 4 – Total Taxicab Service Index Evaluation Criteria (TSI Items 1-12):** In addition to passing minimal dispatch service response performance criteria in Condition No. 1 and 2, and minimal overall TSI scoring for all other items as detailed in Condition No. 3, Operator must also maintain a minimum total TSI score of 80 points (70% of potential 115 points possible) in order to be eligible for franchise extension.

**Performance Condition No. 5 – Evaluation Criteria (TSI Item 8) – Adherence to Management Business Plan:** In addition to meeting scoring requirements for TSI item 1-12 as detailed in Condition No. 1 through 4, an Operator cannot have any major occurrence of a failure to abide by the management business plan (including, but not limited to, wheelchair and clean fuel vehicle implementation) in order to be considered for a passing evaluation and potential franchise extension authorization.

13. In addition to the twelve categories listed for review of Taxicab Operator Performance Review and Evaluation Criteria to be addressed in the assessment reports, the Department shall allow documentation to be presented by each franchised Grantee to aid in explanation or further study of the performance review and evaluation assessment, and that such information shall be considered as item no. 13 of the Taxicab Operator Performance Review and Evaluation Criteria. Such documentation and information may be used to explain service irregularities in data reported or gathered to be considered by the Department and the Board, as appropriate.

I HERBY CERTIFY THAT the foregoing Final Resolution, designated as Board Order No. 060, amending Board Order No. 013 (as last revised) and Board Order No. 059, was adopted by the Board of Taxicab Commissioners at its meeting held on March 18, 2010.

Dated at Los Angeles, California, this 18<sup>th</sup> day of March 2010.

By Order of the Board

ATTEST

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 Dorothy E. Tate, Commission Executive Assistant  
 Board of Taxicab Commissioners  
 City of Los Angeles

B10-022a