



CITY OF BEVERLY HILLS
TRAFFIC & PARKING COMMISSION

December 4, 2014

TO: Traffic & Parking Commission
FROM: Transportation Staff
SUBJECT: Staff Status Report

The purpose of the staff report is to provide the Commission with updates on pending items; therefore, the Commission cannot make formal recommendations on these items.

a. Tour Bus Activity

Staff plans on relocating all Dayton Way tour bus activity to the existing Third Street tour bus staging zone. In March 2013, *Louis Vuitton* management informed the Traffic & Parking Commission of planned renovations to the Rodeo Drive luxury store and requested an alternate tour bus zone be identified prior to completion of construction in March/April 2015. Staff was recently notified that the store reopening is scheduled for January 22, 2015, approximately two months ahead of the original projected date. The remodel includes a full length glass façade and new entrance on Dayton Way; with the reconfiguration of the storefront, staff anticipates the high-volume of tour bus activity will affect store visibility, air quality and noise levels.

Tour bus activity will be directed to the Third Street staging site after local Rose Bowl events are completed. The study session staff report will be available online for review by Monday, December 1, 2014, on the City website (www.beverlyhills.org > City Government > Mayor and Councilmembers > City Council Meetings).

b. Trousdale Estates Update

The City Council reviewed a status report of the Trousdale Traffic Management at the November 4, 2014 Study Session. The City Council directed staff to move forward with implementing pilot traffic management measures (e.g., traffic circles and chicanes) after holding a community meeting with the City Council/Traffic & Parking Commission Liaison Committee.

c. North Santa Monica Boulevard Reconstruction Project

The City Council will review an analysis of construction alternatives for the Santa Monica Boulevard Reconstruction project at the December 2, 2014 Study Session. The City Council will also review the Santa Monica Boulevard Ad-Hoc Committee recommendations to:

- Proceed to project design
- Maintain current roadway width
- Select construction alternative to minimize project impacts

d. Commercial Vehicle Idling

On October 7, 2014, Transportation Planning staff presented a brief overview of existing state and local codes that address vehicle idling. City Council directed staff to seek feasible alternatives that can be enforced prior to amending the City's municipal code. Transportation Planning met with Police, Parking Enforcement and Code Enforcement staff to discuss feasible alternatives and available enforcement measures. A status update will be provided to City Council in January 2015.

e. Taxi Franchise Update

The first reading of the *Taxi Ordinance Changes to the Beverly Hills Municipal Code* scheduled for the November 18, 2014 City Council study session and formal session reports were rescheduled to December 2, 2014. The November 18, 2014 staff report is attached for review (Attachment-1). [Note: the 144-page report with attachments may be accessed online at www.beverlyhills.org > City Government > Mayor and Councilmembers > City Council Meetings > Study Session > November 18, 2014.]

f. Traffic and Parking Commission Project Matrix

Attachment-2 provides an update to the Traffic & Parking Commission Project Matrix.

g. Correspondence

No correspondence received.

ATTACHMENT 1



STAFF REPORT

Meeting Date: November 18, 2014

To: Honorable Mayor & City Council

From: Chad Lynn, Assistant Director of Public Works Services
Genevieve Row, Audit and Permit Administrator
Daniel E. Cartagena, Senior Management Analyst

Subject: Review of the Beverly Hills Taxicab Franchise Request for Proposal (RFP) Review Panel Recommendations, Evaluation Process and Proposed Changes with Respect to Matters Governing Taxicab Service

Attachments:

1. Request for Proposal #14-36, Appendices, Addendums and Proposer Questions/Answers
2. Staff Report - March 4, 2014 Study Session (No Attachments)

INTRODUCTION

The City of Beverly Hills currently regulates taxi companies, vehicles and drivers delivering services to residents and visitors for trips originating within the City limits through the issuance of Certificates of Public Convenience and Necessity (CPCN).

In response to concerns about taxi services in our community, staff was directed to examine the comprehensive taxicab market and service levels provided to residents and visitors in the City. Nelson/Nygaard Consulting Associates was selected to conduct a comprehensive study of the City's taxi market and provide organizational and operational recommendations. The baseline goals and objectives of the City's regulatory system were established as follows:

- Protect the Health, Welfare and Safety of taxicab users
- Maintain the current taxicab rates marginally below the region and surrounding jurisdictions
- Hold taxicab companies accountable for vehicles owner/operator actions
- Improve technology, including dispatch, ordering and payment options
- Improve customer service levels
 - Equipment functionality
 - Proper rate and route applications
 - Customer assistance - people and cargo
- Maintain availability and response time of taxicab service
- Maintain customer alternatives - more than one choice of service provider

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- Minimize disruption to residents, businesses, visitors and taxicab customers

In its study, Nelson/Nygaard recommended modifications to the City's method of regulating taxicabs to be consistent with the service goals and objectives established by the City. The study concluded and recommended conversion from a CPCN to a Franchise system. This provides the City greater ability to require reporting, enforce tax rules and regulations, create accountability for companies of owner/operator performance, and incentivizes improvements to technology, accessibility and sustainability practices (green practices). The Franchise system creates a competitive process to gain access to the Beverly Hills taxi market, creating economic and management incentives for companies to maintain higher service levels and provides a method for the City to fund these activities.

The specific findings and recommendations were presented to the City Council and staff was directed to proceed with the development of a taxi franchise program. Below is a chronology of those efforts to date:

- October 2012 – City's Consultant Completes the Taxicab Service Study
- February 5, 2013 – Study Session - Staff Transmits Study Recommendations
 - Receives direction to proceed with a Taxi Franchise RFP
 - Estimated time to conversion was 12-18 months
- May 7, 2013 – Formal Meeting – Approve an Agreement with the Nelson/Nygaard Consultant Associates for development of the taxi Request for Proposal (RFP)
- February 18, 2014 – Study Session – Review of Draft RFP
 - Requested Return at the Study Session of March 4, 2014
- March 4, 2014 - Study Session - Review Proposed RFP and preliminary draft changes to the Beverly Hills Municipal Code
- May 28, 2014 - Release of the RFP
- June 2, 2014 - Pre-proposal Conference Call with prospective proposers
- June 16, 2014 - Close of Proposer Requests for Information and Questions
- July 1, 2014 - Sealed Proposals due to City Clerk's Office
- August 6 & 14, 2014 - Public Forums to discuss taxicab service needs
- July 17 & 31, August 25, September 10, 2014 – Taxi Review Panel meetings
- November 18, 2014 - Study Session - Presentation Taxicab Franchise Program recommendations
- November 18, 2014 – Formal Meeting – Ordinance to Amend the Beverly Hills Municipal Code to include Taxicab Franchises; Resolution to Amend Comprehensive Schedule of Fees and Charges related to Taxicab Franchise Fees; and Approval of Franchise Agreements

At the Study Session of March 4, 2014, staff was directed to release the Taxicab Franchise Request for Proposal (RFP) and return with proposed changes to the Beverly Hills Municipal Code (BHMC), updates to the Rules and Regulations, updates to the Schedule of Fees and Charges related to the taxicab franchise program and recommendations for the award of franchises to four (4) qualified taxicab companies, and up to 200 taxicab vehicles to be distributed between the awardees.

DISCUSSION

To change the regulatory system for taxicab service from a CPCN to a Franchise system, a number of steps are required. These steps include changes to the BHMC,

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updates to the Schedule of Fees and Charges to reflect the costs associated with the franchise program, updates to the rules and regulations for the taxicab program and execution of agreements with companies awarded a franchise.

Proposed changes to the Beverly Hills Municipal Code (BHMC)

The proposed changes to the Municipal Code are primarily found in Chapter 4 - Public Transportation Vehicles. Though there are areas in the articles below that mirror the current regulation through the CPCN, changes are proposed to allow for the Franchise system, details of which are shown in Legislative Digest , attached to Agenda Item D-5 of the Formal Agenda of November 18, 2014. An outline of the significant changes are as follows:

- Addition of Article 1 - Taxicab Franchises
 - Removes language related to the CPCN for the regulation of taxicab services
 - Establishes language related to the award of Franchises through the use of competitive 'Request for Proposals' and a committee to make recommendations regarding awards to the City Council
 - A company that has had its franchise revoked shall be prohibited from competing for a franchise for a period of three (3) years
 - Establishes an initial five (5) year term for the Franchise Agreement, with five (5) optional one-year extensions for a total term of up to ten (10) years
 - Traffic & Parking Commission recommends term extensions to the City Council for approval
 - Updates the definition of a 'Taxicab'
 - Requirement for franchisees to maintain a physical location for business operations within 20 miles of the City, defined by the most direct street route
 - Requirement for credit card acceptance and supporting infrastructure
 - ADA compliance requirements
 - Method for the addition of additional taxicab companies or taxicab vehicles
 - Competitive selection process; and/or
 - Preference provided to companies with the highest service scores
 - Requires notification and approval for change of ownership interests to current franchise holders
 - Requires the maintenance and access to written and electronic records of operations provided to the City
 - Evaluations, Grounds for Suspension, Revocation or Sanctions
 - Failure to meet reporting or service quality standards
 - Staff recommends to the Traffic & Parking Commission
 - Traffic & Parking Commission takes action
 - Actions are appealable to the City Council
 - Establishes environmental goals (Green Vehicles)
- Article 2 - Taxis and Other Public Transportation Vehicles to include the following amendments:
 - Largely 'clean-up' language replacing CPNC language with Franchise language

- Clarifies language related to how vehicle age is defined. Reflects 8 years for regular vehicles and 10 years for ADA accessible vehicles, based on the vehicle's model year
 - Requires an approved mechanics inspection after 5 years of age
- Establishes standards for decals, vehicle color schemes, in-vehicle taxi terminals, non-smoking requirements, and limitations on the ability of a company or driver to refuse transportation
- Updates vehicle insurance provisions to match current City standards
- Article 3 - Operator's Permit. Amendments are proposed to:
 - Largely 'clean-up' language replacing CPNC language with Franchise language
 - Establishes baseline communication standards
 - Requires 'sponsorship' of a driver by a Franchisee
 - Expires the existing permit if the driver leaves or is removed from service by the current employer and requires reapplication/transfer by the driver

Schedule of Taxes, Fees & Charges

The City currently has fees established for the taxicab companies, which include annual vehicle permits and three-year operator permits (drivers). As part of the establishment of the Franchise program, it was recognized that additional oversight and administration would be required to ensure compliance with both the terms of the Franchise agreement and the City's rules and regulations related to taxicab services. To ensure this program would recover 100% of the related costs and services, the following changes are recommended:

Proposed Rates

Taxicab:		Current FY 2014/15	Proposed FY 2014/15
14-R-XXXX	Certificate of Public Necessity and Convenience	No Charge	N/A
	Franchise Fee per Year	N/A	\$ 5,000.00
7-4-301	Taxicab Operator's Permit		
	New (3-year)	\$ 165.00	\$ 165.00
	Renewal	\$ 165.00	\$ 165.00
	Transfer Fee	\$ 82.00	\$ 82.00
	Vehicle Permit		
7-4-201	Per Vehicle per Year	\$ 922.00	\$ 1,142.00
7-4-210	Replacement of Permit	\$ 82.00	\$ 82.00
7-4-216	Reinspection Fee for all Failed Inspections	\$ 82.00	\$ 82.00

The City does not currently have a fee, annual or otherwise, associated with the holding of the CPCN. As part of the franchise program, an annual franchise fee is recommended for each service provider. The fees related to Taxicab Operators are recommended to remain the same and the fees associated with Vehicle permits are recommended for update to reflect the costs associated with the franchise system. The fees groups are as follows:

- Franchise Fees – these fees are charged to the taxicab company to cover the overall administration of the taxicab franchise program, including reporting and enforcement of system wide practices and performance

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- Taxicab Operators Permit – these fees are based on each driver. A driver may be an owner/operator or may lease a vehicle from an owner/operator. This fee covers the cost of background checks, ongoing monitoring and various enforcement activities
- Vehicle Permits – these fees are based on each vehicle permitted to operate in Beverly Hills and covers the costs associated with annually inspecting each vehicle, permit decals, and various enforcement activities

These fees have been recommended to recover the costs associated with the following:

- Enforcement
 - Existing Parking Control Officers
 - Establishment of the Audit and Permit Administrator position to oversee Taxi services and compliance
 - This position will also oversee valet permitting and potential misuse of residential Preferential Parking Permits
- Oversight of the franchise program
 - Franchise Agreement Management and Compliance
 - Annual Evaluations
 - Permit Actions (extension, suspension, revocation, etc.)
- Auditing and evaluation of taxi company data
- Drive testing, vehicle permits, and operator permits
- Community Outreach
- Customer Service (Respond to Customer Complaints/Concerns)
- Future Taxicab Franchise RFP and selection processes

The City currently permits three (3) taxicab companies which have a total of 131 taxicab vehicles in service. The table below shows the revenues based on the Taxi Review Panel's recommendation of four (4) taxicab companies and a total of 171 taxicab vehicles in service:

Current Certificate Program Revenue			Per Permit	
131	Operators Permits		\$ 165.00	\$ 21,615.00
131	Vehicle Permit		\$ 922.00	\$ 120,782.00
Total				\$ 142,397.00
Franchise Program Review Panel Recommended Program				
4	Taxicab Franchise		\$5,000.00	\$ 20,000.00
171	Operators Permits		\$ 165.00	\$ 28,215.00
171	Vehicle Permit		\$1,142.00	\$ 195,282.00
Total				\$ 243,497.00
Difference from Certificate to Franchise			\$ 101,100.00	

In addition to the fees and charges associated with general operations, it is recommended that specific penalties, as listed in the table below, be adopted for violations of the taxicab Rules and Regulations. These penalties are recommended to both incentivize compliance and to recover costs associated with enforcement.

Penalty Schedules	Penalties First Violation		Penalties Second Violation		Penalties Third Violation Or More		Penalties Conduct / Public Safety Violation	
	Driver or Vehicle Permittee	Franchisee	Driver or Vehicle Permittee	Franchisee	Driver or Vehicle Permittee	Franchisee	Driver or Vehicle Permittee	Franchisee
Schedule A	\$50	\$50	\$100	\$100	\$150	\$150	\$500 or Suspension IOS	\$300
Schedule B	N/A	\$100	N/A	\$200	N/A	\$300	N/A	\$500 IOS
Schedule C	\$250 Suspension IOS	\$500	\$500 or Suspension IOS	\$750	See Penalties Conduct/Public Safety			\$1,000 and/or Revocation IOS
Schedule D	N/A	\$750 or IOS	N/A	\$1,000 or Suspension IOS	See Penalties Conduct / Public Safety		N/A	1,000 or Revocation IOS

The penalties as listed in the table above and in Attachment 1 to Agenda Item E-2 of the Formal Agenda of November 18, 2014 reflect an escalating cost for violations in two manners. The first is the severity of the violation. Violations that have greater impacts to the health, welfare and safety of the rider and community have greater penalties associated with them. The table below shows the escalation as you move down the table from 'Schedule A' violations to 'Schedule D' violations. The schedule of the penalty (A, B, C, or D) corresponds to each rule/regulation as listed in the Rules and Regulations (Attachment 1 to Agenda Item E-2 of the Formal Agenda of November 18, 2014). The second method of escalation in the table reflects an escalation based on multiple violations of the same rule/regulation. This is shown moving horizontally across the table. If a violation is repeated (first, second, third and public safety), the penalty increases for each successive violation

For each violation associated in the table, a fine has been established for both driver/vehicle and for the Franchises. Although the goal of this penalty schedule is to create accountability for the franchisee in addition to the driver/vehicle, based on the type and nature of the violation, penalties may only be associated with only one of these groups.

Implementation of this penalty schedule seeks to address taxi service which includes customer service, response times, activity requirements, taxi swipe cards (senior cards), credit card acceptance, and customer assistance; people, cargo, and driver appearance and conduct. The penalty schedule is proposed based on a methodology used for the City of Los Angeles and the City of Santa Monica.

RPF and Recommendations for Franchise Awards

At the Study Session of March 4, 2014, staff was directed to release the Taxicab Franchise Request for Proposal (RFP) (Attachment 1). This included establishing a review panel to include residents and members of the community to select and recommend four (4) qualified taxicab companies and consider up to 200 taxicab vehicles to serve the taxicab market in the City of Beverly Hills.

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At the direction of the City Council, staff solicited the Traffic and Parking, Human Relations, and Health and Safety Commissions, requesting the Chair appoint a member of the Commission to serve on the Taxi Review Panel. City Council member referrals and a member of the City's Technology Committee were also contacted. This provided diverse views from stakeholders and community members for the selection process.

The following Commission, Committee and community members agreed to serve as part of the Taxi Review Panel:

- Health & Safety Commissioner Lisa Kay Schwartz
- Health & Safety Commissioner Myra Demeter
- Traffic and Parking Vice Chair Lester J. Friedman
- Former Human Relations Commissioner Barbara Linder
- Technology Committee Member AJ Willmer

The Taxi Review Panel was supported by the following ex-officio, non-voting panel members in addition to City staff (not all ex-officio members were present at all panel meetings):

- Staff of Nelson/Nygaard Consulting Associates, Inc.,
- David Koffman, Nelson Nygaard
- Jeanine Brands, City of Los Angeles, Department of Transportation (DOT) Taxi Regulation Division

On May 28, 2104 the City released an RFP to select and recommend taxicab service providers for award of franchise agreements. In its outreach efforts Staff sent emails to nine (9) interested taxicab operators inviting them to submit proposals. Companies were directed to the City's website for additional details of the RFP. Companies were advised of the deadline to submit sealed proposals by July 1, 2014 at 2:00 p.m. A total of five (5) proposals were received from:

- Bell Cab Company
- Beverly Hills Transit Coop. Inc. (BH Cab)
- Independent Taxi Owners Assoc. (ITOA)
- LA Checker Cab Co-Op, Inc.
- United Independent Taxi

Upon receipt of proposals staff sent confirming emails to taxi companies indicating receipt of the proposals. Emails were also sent to taxi operators informing them that the City did not receive a proposal from the company.

To be considered for award of a Franchise, the following minimum requirements were considered:

- Completion of all required forms, including:
 - Proof of Financial Liability (Equity Funding, Debt Funding)
 - Proof of Identity (Articles of Incorporation, Board of Directors, Officers, Principal Stockholders)
- Ability to provide and maintain the minimum number of vehicles (25 recommended)
- Ability to meet all technical requirements, including:
 - 24-hour dispatch
 - digital service and request tracking

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- digital taxicab activity and location tracking
- credit/debit card equipment and procedures
- taxicard payment plan (senior citizen program)
- Ability to meet minimum accessibility requirements
- Ability to provide Green Vehicles as regionally defined (State of California and City of Los Angeles)
- Must maintain an existing servicing and storage facility within 20 miles of Beverly Hills City Hall

Nelson/Nygaard reviewed submitted materials to ensure each proposer met the minimum qualifications for providing taxi service as outlined in the RFP. It was determined all five (5) submitted proposals met the minimum qualifications and would be evaluated, interviewed and considered for award of a franchise opportunity.

The evaluation criteria by which the written proposals and interviews were assessed were established in the RFP as follows:

15%	Experience, including in and/or around Beverly Hills, and quality of service
15%	Key Management Staff - Experience, Qualifications, Character
30%	Management Plan, Organizational Structure, Quality Assurance Plan, Customer Service Training Programs
15%	Infrastructure, Facilities and Equipment
10%	Financial Stability and Capacity to Meet Commitments
15%	Enhancements: Ex. 'Green' Vehicles, Payment/Order Options, Others
100%	TOTAL

Enhancements to be considered were those services which may not be required or may exceed the minimum required service level. For instance, providing smartphone applications for ordering and/or payment of services is not a required service, but is desirable and a benefit to the community.

Throughout the taxicab study and selection program, public outreach was conducted to assist the Taxi Review Panel with understanding the features and services that were important to the community. Two Public Forums were conducted by the Taxi Review Panel to allow for open discussion regarding taxicab services. Forum attendees were encouraged to participate and provide their input regarding their current taxi service experience and what they would like to see in the future. These forums allowed the review panel, which was not impaneled when the residential taxi service surveys were conducted, to hear and discuss in-person the concerns and perspectives of community members. The forums were held as follows:

- August 6, 2014 - at Roxbury Community Center. Dial-A-Ride Shuttle service was offered. Sixteen (16) community members attended meeting.
- August 14, 2014 - in City Hall. Facilitated by the Review Panel. Adina Ringler, from Nelson/Nygaard and City staff were also present

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Notification of the Public Forms was provided as follows:

- Taxi Forum Postcards "Speak Up and Be Counted"
- Mailing to 965 Senior Taxi Swipe Card members
- Mailed to Senior Housing in Beverly Hills
- Delivered to Sunrise of Beverly Hills, BH Market, Whole Foods Market
- Notice published in Beverly Hills Courier – August 1, 2014
- Notice published in Beverly Hills Weekly – August 6, 2014
- Announcement at the City Council Adjourned Regular Meeting of Tuesday, August 5, 2014

The Taxi Review Panel conducted interviews with the proposers on August 20, 2014. Each company was required to bring the General Manager, Operation/Fleet Manager, Information Technology Manager, Taxi Operator (non-member), Board Member, and Customer Service/Dispatch Manager. The interview sought additional information related to customer service, accepted payment methods (credit cards or smartphone apps), reporting ability, technology and proposed enhancements.

As outlined in the RFP, the panel was not limited to the information in the proposals, but could use objective data provided by other jurisdictions, random use of proposers' services by the panel members or "secret shoppers" or other information provided by taxi riders.

The City conducted a Taxi Customer Service Audit using a secret shopper service. The objective of this evaluation was to provide a current assessment of services of each of the taxicab companies that submitted proposals. The shopper assessed and observed all points of a taxicab service model. The shopper affirmed a common complaint that all 5 taxi companies overcharged for the flat rates to LAX whether the trip originated in Beverly Hills or Los Angeles and generally concluded that no company stood-out in in the exercise positive or negatively.

Additionally, the Panel was provided a report compiled by the City of Los Angeles establishing ratings and service levels for taxi service for the Westside market.

Based upon the submittals, interviews, public outreach, information gathered, and deliberations, the Taxi Review Panel established the following ratings:

	Bell Cab Company Inc	Beverly Hills Transit Coop. Inc	Independent Taxi Owners Assoc	LA Checker Cab Co-op. Inc	United Independent Taxi
Company Experience	70	56	54	50	49
Key Mgmt & Admin Staff Experience & Qualifications	71	64	64	47	58
Management Plan	118	93	88	68	83
Taxi Facilities & Equipment	71	59	56	50	67
Beverly Hills START-UP Plan	20	19	20	17	16
Financial Stability	30	30	20	20	30
Enhancements & Innovations	63	58	58	51	53
Grand Total	443	379	360	303	356

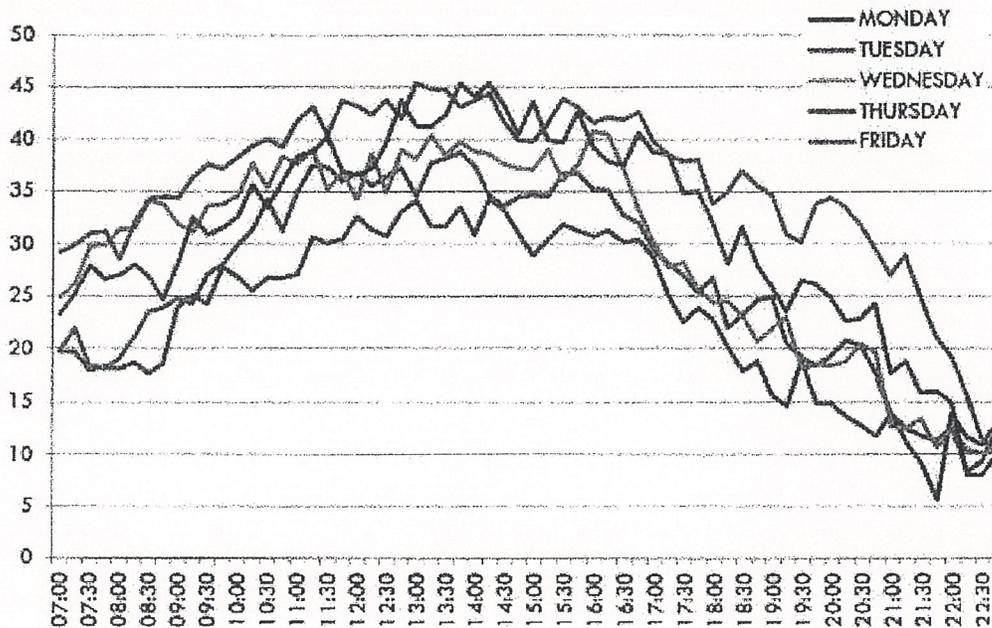
The Taxi Review Panel reviewed the taxi service study while deliberating about recommendations for the award of franchises. The Panel specifically considered the historic performance of the taxi market related to the number of taxicabs in service and the general response times for service calls.

As stated in the Taxicab Service Study, response times and the availability of taxicabs in Beverly Hills were generally good, and in some cases superior to surrounding areas.

- Response Time
 - 93% of taxicabs arrived within 20 minutes of a call for services
- Availability
 - At all times of day, there was an adequate supply of unengaged taxicabs available to service demand

As presented in March, the graph below illustrates taxicabs that are in-service and available for engagement by day of the week and time of day. The graph indicates currently there are generally plenty of available taxicabs to serve the City's market during peak hours. The graph shows declining availability during early and late evening hours when there is a lack of demand in the City's market and an increase in demand in the neighboring jurisdiction of West Hollywood, where the City allows dual permitting. These outcomes suggested the current policy of three (3) taxicab companies and approximately 150 permitted vehicles was producing positive results related to the availability of service.

Figure-1 Number of In-Service taxi Not Engaged by Time of Day



Since this study was concluded, the taxi industry has reported a reduction in the demand for taxicab services by as much as 25%, largely attributed to Transportation Network Providers (TNPs) such as Uber, Lyft and Sidecar. Additionally, the number of taxis

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permitted for the 2014/15 operating year has dropped from approximately 150 to 131 taxicabs serving Beverly Hills.

Based on the changing nature of the taxi market, the Panel expressed concern that City Council's request for 200 vehicles may not necessarily provide greater levels of service to the community. While the Panel generally supported the concept of providing a fourth taxicab service provider, allowing the community an additional choice of companies, the Panel was also cautious that introducing more vehicles could create a saturation of available taxicabs. As cited in the original taxicab service study, in neighboring jurisdictions the saturation of taxicabs within a defined services area has actually demonstrated a reduction in service and in an increase in customer dissatisfaction. Furthermore the policy of increasing the number of vehicles in service without a demonstrated need for additional vehicles, would serve to exacerbate current complaints about vehicles illegally parking and impacting neighborhoods while waiting for fares.

The Review Panels recommendations attempts to balance the benefits and impacts of the franchise award to provide the best anticipated results related to both availability of service and an improved community experience. At the completion of its deliberations the Panel recommended the following service providers for award of a Franchise Agreement, along with the number of taxicab vehicles associated with each franchisee:

Taxi Review Panel Recommendation

Taxicab Company	Taxi Company's Vehicle Permits Requested in Proposal	Current Vehicle Permits	Review Panel Proposed Vehicle Permits
Bell Cab Company, Inc	40	N/A	40
Beverly Hills Taxi Coop, Inc	60	60	60
Independent Taxi Owners Asso	60	43	43
United Independent Taxi	50	28	28
Total	210	131	171

This recommendation reflects the award of franchises to the three (3) three current service providers based on the number of taxicabs each had in service at the time of the recommendation, and the addition of one new service provider with an additional 40 taxicabs to service the Beverly Hills Market.

Franchise Agreements

At the Study Session of March 4, 2014 the City Council reviewed and approved the general form, terms and conditions of the proposed Franchise Agreement. A draft of the proposed agreement was included in the RFP (Attachment 1) for review and comment by the interested parties. Submission of a proposal in response to the RFP indicates proposers intended to fulfill the minimum requirements of the franchise program, the additional features and/or enhancements offered in their proposals, and acceptance of the terms and conditions as outlined in the draft franchise agreements.

The general terms and conditions of the agreements are as follows:

- Establishes an initial term of five (5) year, with five (5) optional one-year extensions for a total term not-to-exceed 10 years
- Includes language allowing the City to cancel the agreement upon five (5) days' notice

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- Establishes the right to suspend Franchisee's operations for lapses in required insurance, violations of the provisions of the agreement or violations of the Beverly Hills Municipal Code (BHMC) that create an immediate safety hazard
 - The suspension may remain in effect for as long as the violation remains uncured
- Defines a material breach of this agreement for failure of payment of the annual franchise fees, establishes penalties up to 20% and establishes grounds for immediate termination for non-payment
- Defines the number of taxicabs granted to Franchisee to operate taxicab service originating within the City boundaries (Taxi Review Panel Recommendation Table)
- Requires Franchisee to maintain, carry, and keep in full force and effect at all times during the course of the agreement the following insurance (based on the City's standard insurance requirements for service providers):
 - Comprehensive General Liability Insurance, with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence
 - Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence
 - Workers compensation insurance as required by the State of California

General Scope of Services

- Establishes Taxicab services shall be provided in full compliance with the requirements of this Agreement, the Beverly Hills Municipal Code (including but not limited to Title 7, Chapter 4) and the rules and regulations applying to taxicabs
- Requires the Franchisee and its drivers, coordinators, and other personnel shall conduct themselves with the highest degree of courtesy and service
- Holds the Franchisee directly and solely responsible for the conduct of its drivers, coordinators, or other personnel utilized under this Agreement
- Requires the Franchisee to operate its vehicles in the City only when a current and valid decal or sticker has been permanently affixed to the vehicle in the appropriate location
 - Establishes that operating a vehicle without a decal or sticker affixed shall constitute a material breach of this agreement.
- Establishes that taxicabs shall only charge rates for taxicab service as approved by the City Council
- Requires at least 50% of the taxi fleet serving the City be Green Vehicles (Level 4 as defined by the Los Angeles Taxi Commission) within one year of the commencement of the agreement
- Requires Franchisee to obtain and maintain all necessary licenses, permits and certificates required by law for the provisions of services under this agreement, including a City business license
- Requires Franchisee to maintain full and accurate records with respect to all matters in this Agreement for three years and allowing City access including the right to examine, audit, copy, transcribe, and inspect all program data, documents, proceedings and activities

As part of the selection process, each of the recommended service providers included 'enhancements' as part of their submittals which exceeded the minimum standards required to qualify for award. A list of the significant 'enhancements,' the details of which will be part of the company's specific franchise agreement, are listed below:

- Bell Cab
 - Beverly Hills taxi fleet consists of 75% hybrid vehicles (Level 4 Green Vehicles as defined by the Los Angeles Taxi Commission) within one year of the start of the franchise
 - Hybrid vehicles achieve actual mileage of at least 33 miles per gallon
 - Quarterly reports to be submitted showing actual measured mileage of its green vehicle fleet
 - Wheelchair accessible vehicles will be placed in operation as Beverly Hills taxis utilizing a phased approach, including:
 - Drivers of wheelchair accessible vehicles will be trained to proficiency in the use of the vehicle's accessibility equipment and how to provide proper assistance to a passenger boarding in a wheelchair
 - Technology enhancements:
 - Will implement the Digital Dispatch System (DDS) 'WebBooker' integrated with the dispatch system, allowing internet/web booking
 - Will implement the DDS 'MobileBooker' smartphone app allowing pay-by-phone, fare estimates, and SMS messaging to drivers.
 - Will provide access to third-party booking apps such as Flywheel, including payment using a pre-registered credit card
 - Provide monthly reports of the number of taxicabs and/or customers using the various services
 - Security cameras will be installed in any unit that does not have a safety shield. All wheelchair accessible mini-vans will be equipped with security cameras instead of safety shields.

- Beverly Hills Cab
 - Taxi fleet consists of 71.7% hybrid vehicles (Level 4 Green Vehicles as defined by the Los Angeles Taxi Commission) within one year of the start of the franchise
 - Taxi fleet to include at least 10 wheelchair accessible vehicles.
 - Entire fleet will have Janus V security cameras (or equivalent) installed and operational at all times the vehicles are in use providing taxi service
 - At least once a year, will sponsor (or co-sponsor with other taxi companies) a lunch for the Beverly Hills Active Adult Club at a City community center featuring
 - demonstration of credit card usage in taxicabs
 - senior discount card features
 - enhanced technology characteristics available on the rear mounted monitors
 - discussion of expectations of service levels, driver behavior, and methods to file a complaint.
 - Will ensure that all Beverly Hills drivers are certified in CPR no later than one year after the start of franchise services and continuing thereafter
 - During peak holidays such as Rosh Hashanah, Yom Kippur, Christmas and Easter, discounted ride coupons will be provided to local synagogues and churches
 - No later than three months after the start of the franchise, the Franchisee will provide a plan detailing the specific holidays, amount of discounts, number of rides offered, and method of distribution
 - Following each holiday period, a report of the number and value of rides will be provided
 - Technology enhancements

- Android and Apple smartphone applications for ordering taxicab service
 - Verifone 'Way2Ride' app for pay-by-phone feature
 - DDS mobile app providing pay-by-phone feature
 - A GPS based monitoring system to prevent, mitigate and remedy overcharging of fares to customers
 - A 'rating' application/site to provide customers the ability to provide immediate electronic feedback on the quality of the driver and the vehicle during or at conclusion of service
 - Provide monthly reports of the number of taxicabs and/or customers using the various services
- Independent Taxicab Owners Association (ITOA)
 - Franchisee will fully implement a new 'Pathfinder' (or similar) dispatch system
 - Taxi fleet consists of 71.7% hybrid vehicles (Level 4 Green Vehicles as defined by the Los Angeles Taxi Commission) within one year of the start of the franchise
 - Ensure its Beverly Hills taxi fleet includes at least 5 wheelchair accessible vehicles.
 - Drivers of a wheelchair accessible vehicle will be trained to proficiency in the use of the vehicle's accessibility equipment and how to provide proper assistance to a passenger boarding in a wheelchair.
 - Entire fleet will have Janus V security cameras (or equivalent) installed and operational at all times the vehicles are in use providing taxi service
 - Technology enhancements
 - Android and Apple smartphone applications for ordering taxicab service
 - Verifone 'Way2Ride' app for pay-by-phone feature
 - DDS mobile app providing pay-by-phone feature
 - A GPS based monitoring system to prevent, mitigate and remedy overcharging of fares to customers
 - A 'rating' application/site to provide customers the ability to provide immediate electronic feedback on the quality of the driver and the vehicle during or at conclusion of service
 - Provide monthly reports of the number of taxicabs and/or customers using the various services
- United Independent Taxi
 - At least 38% of its Beverly Hills taxi fleet consists of Level 4 Green Vehicles as defined by the Los Angeles Taxi Commission vehicles at the start of the franchise, and will ensure that 100% of its Beverly Hills taxi fleet, other than wheelchair-accessible vehicles, will be Level 4 Green Vehicles within one year after the start of the franchise service and continuing thereafter
 - Ensure that its Beverly Hills taxi fleet includes at least 6 wheelchair accessible vehicles
 - At least once a year, will sponsor (or co-sponsor with other taxi companies) a lunch for the Beverly Hills Active Adult Club at a City community center featuring
 - demonstration of credit card usage in taxicabs
 - senior discount card features
 - enhanced technology characteristics available on the rear mounted monitors

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- discussion of expectations of service levels, driver behavior, and methods to file a complaint.
- Will ensure that all Beverly Hills drivers are certified in CPR no later than one year after the start of franchise services and continuing thereafter
- During peak holidays such as Rosh Hashanah, Yom Kippur, Christmas and Easter, discounted ride coupons will be provided to local synagogues and churches
 - No later than three months after the start of the franchise, the Franchisee will provide a plan detailing the specific holidays, amount of discounts, number of rides offered, and method of distribution
 - Following each holiday period, a report of the number and value of rides will be provided
- Mothers Against Drunk Driving voucher program
 - No later than three months after the start of the franchise will provide a plan detailing the specific times when this program will operate, amount of discount to be offered, who or what rides are eligible, number of rides offered, and method of distribution, and a report of the number and value of rides provided at a discounted rate.
- VIP coupon program providing 10% discount for seniors and persons with disabilities
 - No later than three months after the start of the franchise will provide a plan detailing how this program operates, including when it is valid, who is eligible, amount of discount to be offered, number of rides offered, method of distribution, and a report of the number and value of rides provided at a discounted rate.
- Technology enhancements
 - Android and Apple smartphone applications for ordering taxicab service
 - Verifone 'Way2Ride' app for pay-by-phone feature
 - DDS mobile app providing pay-by-phone feature
 - A GPS based monitoring system to prevent, mitigate and remedy overcharging of fares to customers
 - A 'rating' application/site to provide customers the ability to provide immediate electronic feedback on the quality of the driver and the vehicle during or at conclusion of service
 - Provide monthly reports of the number of taxicabs and/or customers using the various services

FISCAL IMPACT

The estimated revenue for the franchise system is \$243,497, which will provide an additional \$101,100 over current revenues. These fees, in conjunction with the associated penalties, are estimated to result in full cost recovery of the ongoing taxicab franchise program.

One-time implementation costs associated with establishing the reporting requirements, formats, frequencies and metrics for performance rating are estimated to be \$75,000, along with ongoing costs of approximately \$15,000 per year for 'secret shopper' services, which can be funded in the currently operating budget.

RECOMMENDATION

Staff will be returning the City Council at the Formal meeting of November 18, 2014 for approval of the following agenda items related to the implementation of the Franchise program:

- AN ORDINANCE OF THE CITY OF BEVERLY HILLS AMENDING THE BEVERLY HILLS MUNICIPAL CODE TO PROVIDE FOR A TAXICAB FRANCHISE SYSTEM IN THE CITY. First Reading – for introduction
- AWARD OF FRANCHISE TO FOUR (4) TAXI COMPANIES AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE FOUR FRANCHISE AGREEMENTS IN SUBSTANTIALLY THE FORM TO BE APPROVED BY THE CITY COUNCIL
- RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AMENDING THE COMPREHENSIVE SCHEDULE OF TAXES, FEES AND CHARGES AND SCHEDULE OF PENALITIES RELATED TO TAXICAB FRANCHISE FEES FOR THE FISCAL YEAR 2014/2015.

The challenge of taxicab regulations is to enact a group of regulations and policies that promote the goals of the system and mitigate the potential conflicts inherent in each regulatory choice. Staff recommends approval of these items as recommended and supported by the Taxi Review Panel for the implementation of the Franchise program.

The recommendations as proposed represent the culmination of the consultant's taxicab study, the Council's direction, and the recommendations provided by the Taxi Review Panel.

As established, the City Council maintains flexibility and authority throughout the term of the Franchise agreements related to the overall taxicab market, including rates, number of service providers, total number of taxicabs in service and fees, penalties, policies, practices, and regulations.

The City Council may choose to provide alternative direction to staff related to any of the following:

- Specific changes to the ordinance establishing the taxicab franchise system
- Terms and conditions related to the operation of taxicab services
- Term of the franchise award and renewal conditions or procedures
- Specific fees and charges for taxicab companies, vehicles and drivers
- Additions, deletions or changes to the proposed Rules and Regulations for taxicab service
- Changes to the schedule of penalties associated with the Rules and Regulations
- Maintaining the number of companies award franchises and directing the award to companies other than those recommended by the Taxi Review Panel
- Allow for the award of franchises to more/less companies
- Increase/Decrease the number of taxicabs allotted to each taxicab company
- Redistribute the number of taxicabs allotted to each company, while maintaining the total number of taxicabs recommended to be in service

George Chavez
Approved By



ATTACHMENT 2

Traffic Parking Commission
Pending Items

	Date	Project	Requested Action	Status	
97	Aug-11	Valet Ordinance	Develop/update policies & procedures for Valet services.	On hold pending award of taxi franchise agreement.	TBD
119	Mar-13	Sunset Boulevard Improvements	A) Commission review of accident and traffic data for comparison to data collected prior to installation of test improvements; B) Review of potential mitigation measures for adjacent intersections.	As delineators have addressed the immediate need, the City's Capital Improvement program budget was modified to evaluate installation of permanent modifications until 2015.	Apr-15
114	Jan-14	Tour Bus Activity	Tour buses stopping and impeding traffic.	3 Council ad hoc meetings to date; study session report re. relocating Dayton Way tour bus activity in early January before Louis Vuitton reopening. Weight limit on Rodeo Drive and/or entire business triangle will be presented to CC in January.	Jan-15

BICYCLE	A. Grushcow, J. Manaster	Rollout Phase 2 bicycle racks by December 20,2014.
DISABLED PARKING	A. Licht, A. Grushcow	
TOUR BUS	L. Friedman, J. Steinberg	Meetings with City Council Ad Hoc Committee (Brien, Krasne) and key stakeholders (CVB, Rodeo Drive Committee, Louis Vuitton, The Grill) and City executive management

CITY COUNCIL LIAISON REPRESENTATIVES:
JULIAN GOLD and WILLIAM BRIEN