

**IMPLEMENTATION GUIDELINES FOR
AMENDED COUNCIL POLICY 500-02, "TAXICAB PERMITS"**

A. PROCESS FOR ISSUANCE

The following guidelines and procedures should be observed with respect to the issuance of taxicab permits by RFP process, lottery and auction.

1. RFP Process to Taxi Operators.

A point system shall be used in this process, as many may submit proposals, and the City should benefit from the best service provider as determined by the proposers scoring the most points. Minimum point requirements must be attained to qualify.

Process is funded through up-front application fees. A selection committee shall be formed to administer this process. The selection committee will be comprised of administrators from MTDB and City's staffs. Consultants familiar with the regulatory aspects of the taxicab industry and San Diego may be hired to serve on this committee in an advisory role. The selection Committee should include other community and business representatives who are not affiliated with the taxi industry and have business management and accounting background. The selection committee will issue a RFP and hold a pre-bid conference.

Eligibility:

Taxi operators providing centralized fleet ownership through an individual, a partnership, a corporation, a driver association or joint venture offering access through a central dispatch system and demonstrating an operational management system for cabs. New operators as well as existing operators will be eligible.

Applicants can apply for multiple block, but the Selection Committee may not award more than one block to one applicant, provided that such issuance would not result in any permit holder having an interest in more than 40% of the total active permits.

Proposal Requirements:

Proposals requesting blocks of 5 or more permits must include a management business plan that addresses all the following:

Experience of the operator/firm

- Must meet current operator requirements in MTDB Ordinance 11.

Responsible management individual for the operator

- Recent and relevant direct experience managing all aspects of a demand-responsive

operation similar in scope and complexity to service proposed.

Maintenance personnel

- Hours of operation
- Certification of personnel
- Staffing plans

Reservations and dispatch operations

- General policies and procedures, training, method of receiving customer calls, making reservations (advanced and immediate), dispatching, and telephone techniques used to accommodate the trip while ensuring efficient operation of the system in serving passengers.
- Communication department staffed 24 hours a day
- Radio frequencies or any alternative communications' means to be used and authorization by licensee and access usage
- Taxi dispatch equipment such as computerized dispatch systems
- Use of GPS in 50% or more of the fleet - minimum
- Dispatch response time standards

Facilities

- Existing and proposed administrative, maintenance, dispatch, vehicle storage facilities suitable to accommodate a project of this scope and complexity

Implementation plan

- Comprehensive and detailed plan showing all start-up tasks (e.g., hiring and training personnel, facilities preparation and vehicle preparation). Plan should allow for flexibility and include contingency plans

System management plan

- Comprehensive and detailed program showing staffing, equipment commitment, staff responsibilities, management plan and quality control to ensure continued high-quality taxicab services
- Must accept credit cards (safety - cashless system)
- Detailed program for handling complaints
- Record keeping reporting (response times, complaints and other service data)
- Performance standards that proposer will meet and remain in compliance

Organization chart

Vehicle requirements and maintenance plan

Safety inspection compliance

Safety program

- Internal safety training and safe driving program, including hiring criteria, new hire training, ongoing training, accident/incident procedures, and wheelchair loading and securing

- Detailed driver training program

Criteria for hiring/retaining drivers

- Driver qualifications - 21 years of age, qualify for a sheriff's card
- Driver classroom training - 16 hours minimum
- Driver appearance

Performance surety/insurance/financial viability program

- Insurance requirements - minimum \$300,000 cab liability
- Letter from a financial institution stating that proposer has the resources to fund business plan as proposed within 90 days

References

- Three required

RFP Evaluation Criteria

A key issue in the RFP process is the basis for selecting awardees. The Selection Committee is to exercise its discretion to use and/or modify the RFP proposal requirements set forth, and evaluate proposals using criteria that address qualifications as well as on-going monitoring and evaluation of proposers' level or quality of service and accountability.

Permits issued to taxi operators through the RFP process will be reviewed periodically for compliance with the level and quality of service set forth in each taxi operator's proposal. The methodology for this review will be part of each proposal. Permits of taxi operators not meeting the terms set forth in their proposals will revert to the City for reissuance through the RFP process. Such operators may first be issued a warning and given a defined amount of time to correct deficiencies and no additional permits may be requested via RFP until brought into compliance.

2. RFP Process to Individual Drivers.

Eligibility: Applicants should be limited to drivers who are not permit holders and current permit.

Criteria for selection:

- 1) Experience
- 2) Driving record
- 3) Additional factors, such as experience of driving in San Diego and letters of recommendations

The Selection Committee is to exercise its discretion as to reviewing and developing a selection criteria, and assigning points to proposals.

Accountability: Current taxicab regulations.

3. Lottery to Individual Drivers

Eligibility: Drivers are eligible if they are not permit holders and have at least 5 years of experience driving a taxicab in San Diego.

Entrants will only be able to win a single permit award through lottery. Permit holders shall be required to drive the cab a minimum of 175 shifts per year and may lease the cab for the remaining shifts.

4. Auction

Eligibility: Taxi operators providing centralized ownership, dispatch and management of cabs will be eligible to submit bids.

Procedure: Permits will be auctioned individually to the highest bidder.

There should be no limit as to how many permits one person/entity can win, provided that such issuance would not result in any permit holder having an interest in more than 40% of the total active permits. Revenue from the auctions shall be used for administration and enforcement of taxicab regulations' purposes. MTDB working with the City shall identify alternative funding sources should auction revenues cease to meet staffing and regulatory needs.

B. FORMULA

The formula will be computed as follows:

$$\frac{(\% \text{ growth in population}) + (\% \text{ growth in hotel room nights occupied})}{2} \times (\text{Current number of permits})$$

All changes are calculated on two year rolling average.

Issue additional permits when the formula yields an increase of at least 40 additional permits.

C. TRANSITIONAL PERIOD

Round 1 - Summer/Fall 2001

Immediately issue 75 permits as follows:

- 50 permits through RFP process in blocks of 20, 20, 5, 5
- 10 permits through RFP process to individuals
- 15 permits by lottery to individual drivers

Round 2 - Fall 2002

Issue 60 permits as follows:

- 20 permits through RFP process to operators in blocks of 10, 5, 5
- 15 permits through RFP process to individuals
- 15 permits by lottery to individual drivers
- 10 permits by auction

Summer of 2003

Review of the process, the monitoring system and report by MTDB.

Fall of 2003

Permits issued on the basis of the formula.

D. TRANSFERABILITY

Transferability of new permits shall be as follows:

- Permits issued by RFP (blocks and individuals) are transferable after 5 years
- Permits issued by lottery are transferable after 5 years
- Permits issued by auction are transferable after 5 years