

Council Meeting of
January 13, 2008

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Finance - Taxicab Franchise Agreement

RECOMMENDATION

Recommendation of the Finance Director that your Honorable Body award franchise agreements, for a term of five years with two additional two-year renewal options at an annual fee of \$35,000 per franchise and \$100 per licensed taxicab with the following taxicab companies:

- Bell Cab
- South Bay Yellow Cab
- United Checker
- All Yellow Taxicab

Funding

No funding required. Estimated annual revenue to the General Fund: \$174,000

BACKGROUND

On January 27, 2004, the City Council approved taxicab franchise agreements with four (4) taxicab companies to operate in the City of Torrance. Additionally, the Council set the number of taxicab companies to be franchised in the City at four (4) with the maximum number of taxicabs licensed between 40 to 120 per company (see Council agenda 10/23/2003 and 01/27/2004 marked as Exhibits 1 & 2). In 2004, the franchise rate was established at \$30,000 annually plus \$100 per licensed taxicab. The franchise agreements that were awarded in 2004 will expire on January 26, 2009.

On September 10, 2008, the Request for Proposals (RFP) for Taxi Cab Franchise (RFP B2008-55 see Exhibit 3) was given to the City Clerk and notifications were sent to the following eleven interested parties.

1. All Yellow Taxi Inc. Lawndale, CA
2. Beach Cities Taxi, Torrance, CA
3. Bell Cab Co. Inc., Hawthorne, CA
4. Manhattan Beach Yellow Cab, Torrance, CA
5. Neil Evans, Sherman Oaks, CA (Legal Counsel to United Taxi of Southwest)
6. Operation Shuttle, Signal Hill, CA

7. Peninsula Yellow Cab, Torrance, CA
8. South Bay Cab, Torrance, CA
9. South Bay Cooperative Inc.
10. United Independent Taxi Drivers, Los Angeles, CA
11. Yellow Cab of South Bay Cooperative, Gardena, CA

Eight of the eleven companies requested RFP's and were invited to the next process. A Mandatory Pre-Proposal Conference was held on October 2, 2008 at 9:30 a.m. Staff attendees of the meeting included Ken Flewellyn Assistant Finance Director, Jim Mills Transit Manager and Felice Fromm, Purchasing\Business License Manager) and the following company representatives were present:

1. Oswaldo Guidos, All Yellow Taxi
2. Ali Podih, All Yellow Taxi
3. Michael Calin, Bell Cab Co.
4. William Rouse, South Bay Yellow Cab and United Checker Cab
5. Shirley Pe, South Bay Yellow Cab and United Checker Cab
6. Duke Perrin, Techtrans Inc.
7. Chad Yussman, Techtrans, Inc.
8. Melese Adamu, United Taxi Southwest
9. Vic Kakosian, United Taxi Southwest

The primary purpose of the meeting was to allow the potential proposers to ask clarifying questions due to the comprehensive nature of the RFP. Additionally, the meeting allowed staff the opportunity to meet the proposers and to discuss any administrative issues. At the meeting, staff informed the group that this was the time for all questions regarding the RFP and that it would be their only opportunity to ask questions.

A question was asked about how many taxicab companies would be franchised. The group was directed to the pages in the document that addressed that question, which were four.

The other issue that was asked was:

Q: Will the City of Torrance accept from the Taxi Cab Franchise, a copy of a background check and fingerprints of a perspective driver?

A: No, only background checks and fingerprints processed by the City of Torrance will be accepted.

Staff notified everyone that any information that was not in the RFP document that needed to be clarified would be done so by issuing an addendum to the RFP. This approach was used to ensure that everyone had the same information in order to respond correctly to the RFP. On October 6, 2008, Addendum #1 (see Exhibit 4) was faxed to all the attendees relating to the question referenced above.

At the end of the meeting, staff reminded everyone that the proposals were due on or before Thursday, October 6, 2008 at 2:00 pm. It was also stated that they should not wait until the last minute to submit their proposal. If they did not meet the 2:00 p.m. deadline their proposal would be rejected.

On October 6, 2008 five (5) companies submitted proposals for the City of Torrance taxicab franchise. The five companies that submitted proposals were:

1. All Yellow
2. Bell Cab
3. United Checker Co-Op
4. South bay Yellow Co-Op
5. United Taxicab- Southwest (UTS)

Four companies complied with the RFP deadline. UTS was the only company who submitted their proposal late on October 6, 2008 at 2:03 pm which was 3 minutes late. As previously mentioned, all companies were specifically informed that the RFP had a specific date and time that had to be adhered to or their proposal would be rejected. UTS was late and as such their proposal was rejected. The remaining four companies' proposals moved on to the evaluation process.

Super Ultra Low Emission Vehicles

The 2008 RFP requested that within 12 months of the franchise agreement, the proposers were required to have a minimum of 5% of their fleet be Ultra Low Emission Vehicles (ULEV). The requested five (5) percent ULEV was the amount that was approved by City Council in the 2004 franchise agreement. In December of 2008, staff learned that the City of Manhattan Beach had passed an ordinance in November of 2008 implementing a phase-in approach over four (4) years (mutually agreed upon by the existing taxicab companies) that starting in July 2009 virtually all taxicabs servicing Manhattan Beach would be required to meet state standards as Super Ultra Low Emission Vehicles through the use of compressed natural gas (CNG) or gas-electric hybrid technology.

After obtaining the ordinance from the City of Manhattan Beach, staff contacted the four (4) remaining taxicab companies to determine if they would also be amenable to adhering to the same Super Ultra Low Emission Vehicle (SULEV) requirements in the City of Torrance. All four (4) companies agreed that they would meet the requirements that were implemented in the City of Manhattan Beach. Staff suggested that because the number of vehicles that had to meet the SULEV requirement was significantly greater than the City of Manhattan Beach (480 compared to 165) the phase-in should be based on the life of the franchise agreement, which is five (5) years.

The following language has been incorporated into the franchise agreement, which upon Council's approval will be effective January 27, 2009. All taxicab franchisees are required to provide clean air vehicles as defined in the phase in schedule listed below. Upon the completion of the 5th year, all taxicabs operating in the City of Torrance must be clean air vehicles as defined below.

The following implementation schedule represents the minimum requirement; however, earlier implementation is encouraged:

<u>No later Than</u>	<u>Minimum %</u>
January 26, 2010	20%
January 26, 2011	40%
January 26, 2012	60%
January 26, 2013	80%
January 26, 2014	100%

The percentages listed above recognize that certain special purpose vehicles (disabled access or larger passenger volume vehicles to accommodate large parties) are not commercially available as clean air models at the time of the awarding of this franchise. These special purpose vehicles, which may not exceed twenty-five percent (25%) of the total licensed fleet size per franchise, will be exempt from the requirement until a commercial clean air model is available. At that time, the City and franchisees will negotiate an implementation schedule.

Gasoline or diesel powered clean air vehicles, for purposes of this requirement, shall meet or exceed and be maintained within the specifications of the following ratings provided by the California Air Resources Board (CARB):

- Super Ultra Low Emissions Vehicle (SULEV)
- Partial Zero Emissions Vehicle (PZEV)
- Advanced Technology Partial Zero Emissions Vehicle (AT PZEV)
- Zero Emissions Vehicle (ZEV)

Additionally, vehicles used in the operation of the franchise, in the percentages listed above, must either be a Low Carbon Fuel Vehicle (i.e., compressed natural gas vehicle) achieving a minimum "well-to-wheels" greenhouse gas reduction of 10% in accordance with the Governor's Executive Order S-01-7 or a hybrid electric vehicle (see Exhibit 5) achieving a minimum of thirty-three (33) miles per gallon in City use according to the US Environmental Protection Agency.

No other vehicle shall be older than eight model years at any time during the franchise period.

The clean air vehicle requirements enhance the City's air quality and assist other South Bay cities in reaching similar objectives.

Pricing

The current franchise agreement annual amount, which has been in effect for 5 years, is \$30,000 per company plus \$100 per licensed taxicab which in the aggregate totals \$154,100. The new franchise agreement would increase the basic franchise agreement from \$30,000 to \$35,000 per year and the per licensed taxicab would remain the same. The following table show comparative franchise revenues collected by neighboring South Bay cities:

City Name	Franchise Fee	Per Cab Fee	# of Licensed Cabs	Annual Revenue
Torrance	\$35,000	\$ 100.00	341-480	\$174,100*
Hermosa Beach	No	1,100.00	140-160	154,000
Manhattan Beach	No	830.00	165	136,950
Redondo Beach	No	437.50	160	70,000

*The increase in the franchise fee will not have an impact on rates charged to the public as the rates are indexed to the City of Los Angeles thus resulting in rate consistency.

ANALYSIS

The Finance Department created an evaluation team to review the proposals submitted by the taxicab companies. The members of the team represented various areas of the City's departments that have direct impact from the use of taxicab companies. The members of the evaluation team were:

- Ken Flewellyn Assistant Finance Director
- Jim Mills Transit Manager
- Felice Fromm Purchasing/Business License Manager

Each member of the evaluation team was carefully chosen based on his or her knowledge of the taxicab industry or their department's impact from the use of taxicab service. Jim Mills was placed on the team as he is the contract liaison for the City of Torrance with respect to the Dial-a-Taxi program. Felice Fromm was placed on the team because she is the business license supervisor and she is the City's Purchasing Manager with years of experience in the formal bid and proposal process. Ken Flewellyn, Assistant Finance Director, was placed on the team as the project leader because of his experience in assisting in developing the original 2003 franchise ordinance and franchise agreement.

An evaluation form similar to the one used in 2003 was used for the rating of the 2008 proposals. A copy of the taxicab qualifying evaluation form is included in this report as Exhibit 6. The evaluation form consisted of approximately 41 questions, which were derived from the RFP. The questions were categorized into seven (7) sections of which five (5) had rating values and two sections were used to assist the individual raters in their assessment of the information that was submitted.

Standards for Evaluation	Evaluating Points	Number of Questions
Qualification of proposer	40 points	7 questions
Financial Stability	30 points	4 questions
Quality of Service Vehicles	15 points	7 questions
Quality of Driver Service	15 points	6 questions
Fleet Information	5 points	2 questions
Insurance	0 points	2 questions
Business Plan	0 points	13 questions
Total	105 points	41 questions

The two sections that were used to assist the raters in scoring were the business plan and the insurance qualification. The business plan represents the company's goals, objectives

and mission statement. The business plan generally represents the company's future direction. The team members were told to use the business plan in rating the company's existing qualifications. The insurance information was either a yes or no question. If the companies were not planning to comply with the City's insurance requirements, then their proposal would be rejected without further evaluation.

As previously mentioned, there are five sections which have rating points assigned to them. The maximum combined score totals 105 points. Under the section "Fleet Information", five extra credit points were to be given to any company who complied with the ULEV requirements and the Accessible Wheelchair Vehicle requirements. Each component question under a section has equal weight. For example, under the section Fleet Information, there are two component questions. Each questions is weighted the same and as such are valued at 2.5 points each with a combined total of 5 points. The team members were instructed to evaluate each of the component questions on a scale of one to ten. A score of ten (10) would indicate that the company has exceedingly met the City's concerns with respect to that particular component question and, therefore, the company would receive the maximum of 2.5 points for each question receiving a score of ten. If a question receives a score of less than ten (10), then the score would be proportionately lower. Keeping with the same example mentioned above, if a team member scored a total of 9 for the ULEV requirement for Company A, then Company A would receive a score of 2.2 (9/10 X 2.5).

Each team member was given evaluation sheets along with copies of the companies' proposals to make their independent evaluation. The team members were given approximately one month to review the proposals (due to the comprehensiveness of the proposals) and score each company using the evaluation sheets. The financial section of the proposal was solely reviewed by Ken Flewellyn of the Finance Department due to his experience in financial statement analysis.

In January, the team members reconvened to compare scores to determine if there were any extreme differences in the evaluation of the companies. The overall scores were very similar and as such the results were summarized and are listed in Exhibit 7 herein.

The following is the final results of the team review of the taxicab proposals before background checks.

Bell Cab	96.8
United Checker	94.3
South Bay Yellow	92.2
All Yellow Taxicab	88.9

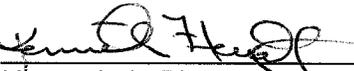
Background checks were performed by the City of Torrance Police Department and all four companies were in good standing and in compliance with the City of Torrance Taxicab Franchise Ordinance (see exhibit 8).

The overall proposals were very comprehensive and informative. The companies complied with all of the requirements of the City, therefore, staff recommends awarding franchise agreements (attachments A - D) to the following companies: South Bay Yellow, Bell Cab, United Checker and All Yellow Taxicab.

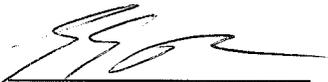
Copies of the City's Request for Proposal, the addendum and each proposal submitted by the taxicab companies will be available for review in the City Clerk's Office during regular business hours. Additionally, the materials will be available for review in the City Council Chambers during the City Council meeting.

Respectfully submitted,

Eric E. Tsao
Finance Director

By 
Kenneth A. Flewellyn
Assistant Finance Director

CONCUR:


Eric E. Tsao
Finance Director


LeRoy J. Jackson
City Manager

*Attachments:

- A – D: Franchise agreements with Bell Cab, South Bay Yellow Cab, United Checker and All Yellow Taxicab
- Exhibit 1: October 23, 2003 Council Agenda 11F and Minutes
- Exhibit 2: January 27, 2004 Council Agenda 11C and Minutes
- Exhibit 3: 2008 Taxicab Franchise RFP
- Exhibit 4: RFP Addendum # 1
- Exhibit 5: Governor's Executive Order S-01-07
- Exhibit 6: Taxicab Qualification\Evaluation Sheet
- Exhibit 7: 2008 Taxicab Franchise Summary Score
- Exhibit 8: Taxicab Franchise Ordinance

*Limited distribution. A copy is available for review in the City Clerk's Office.

TAXICAB FRANCHISE AGREEMENT

THIS AGREEMENT is made this 13th day of January, 2009, by the CITY OF TORRANCE, a municipal corporation, ("CITY"), and BELL CAB CO. INC., A California Corporation (hereinafter referred to as "FRANCHISEE").

RECITALS

The following recitals are a substantive part of this Agreement:

1. CITY is desirous of regulating taxicab services for the benefit of the residents and visitors of Torrance and has determined that the most effective way to do so is by the granting of non-exclusive franchises which regulate the time, place and manner of provision of taxi services by private companies;
2. FRANCHISEE is qualified by virtue of experience, training, education, and expertise to be granted such a franchise.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Grant of Franchise.** CITY hereby grants a non-exclusive franchise to FRANCHISEE for the provision of taxi services within the CITY's boundaries.
2. **Term of Agreement.** This Agreement shall terminate five years from the effective date of this Agreement unless earlier terminated as provided below. Additionally, the City Council has the option to extend the Agreement for no more than two, two-year terms.
 - 2.1 **Termination.** The CITY reserves the right to terminate the individual franchise agreements without cause by providing the Franchisee with 30 days written notice. Upon receipt of a termination notice, FRANCHISEE must: (1) promptly discontinue all services affected unless the notice directs otherwise; (2) promptly remove all vehicle decals authorizing operations within the CITY; and (3) return all driver identification cards issued by CITY. Any prepaid franchise fees will be refunded on a prorated basis for the remaining franchise period. If termination by the CITY is warranted due to default in franchise obligations by the Franchisee, termination will be determined pursuant to the provisions of the Torrance Municipal Code.
3. **Nature of Franchise.** The rights and responsibilities of FRANCHISEE shall include those outlined in the CITY's Request for Proposal, the addendum, the FRANCHISEE's proposal, and the CITY's Taxicab Franchise Ordinance that is found in Article 16 of Chapter 3 of Division 3 of the Torrance Municipal Code. The CITY's Request for Proposal, the addendum, and the FRANCHISEE's proposal are on file in the City Clerk's Office and incorporated into this

agreement by this reference. The CITY's Taxicab Franchise Ordinance that is found in Article 16 of Chapter 3 of Division 3 is incorporated into this agreement by this reference.

4. **Compensation.** FRANCHISEE shall compensate CITY as follows:

- a) Annual Franchise Fee of \$35,000 plus \$100 per cab per year. FRANCHISEE has requested a total of 40 cabs. The total fee for FRANCHISEE is \$39,000 payable in advance of Franchise Period commencement and annually thereafter.

5. **Super Ultra Low Emission Vehicles.** Effective January 27, 2009 All Taxicab Franchisees are required to provide clean air vehicles over a five year period as described in the phased-in schedule listed below. Upon the completion of the 5th year all taxicabs operating in the CITY must be clean air vehicles as defined below. The implementation schedule provided within represents the minimum requirement however earlier implementation is encouraged:

<u>No later Than</u>	<u>Minimum %</u>
January 26, 2010	20%
January 26, 2011	40%
January 26, 2012	60%
January 26, 2013	80%
January 26, 2014	100%

The percentages listed above recognize that certain special purpose vehicles (disabled access, or larger passenger volume vehicles to accommodate large parties) are not commercially available as clean air models at the time of the awarding of this franchise. These special purpose vehicles, which may not exceed twenty-five percent (25%) of the total authorized vehicles under each franchisee's allocation, will be exempt from the requirement until a commercial clean air model is available. At that time, the CITY and franchisees will negotiate an implementation schedule.

Gasoline or diesel powered Clean Air vehicles for purposes of this requirement shall meet or exceed, and be maintained within the specifications of the following ratings provided by the California Air Resources Board (CARB):

- Super Ultra Low Emissions Vehicle (SULEV)
- Partial Zero Emissions Vehicle (PZEV)
- Advanced Technology Partial Zero Emissions Vehicle (AT PZEV)
- Zero Emissions Vehicle (ZEV)

Additionally, vehicles used in the operation of the franchise, in the percentages listed above, must either be a Low Carbon Fuel vehicle (I.e., compressed natural gas vehicle) achieving a minimum "well-to-wheels" greenhouse gas reduction of 10% in accordance with the Governor's Executive Order S-01-7 or a Hybrid electric vehicle achieving a minimum of thirty-three (33) miles per gallon in CITY use according to the US Environmental Protection Agency.

No other vehicle shall be older than eight model years at any time during the franchise period.

6. **Employees and Subcontractors.** FRANCHISEE may, at FRANCHISEE'S sole cost and expense, employ such other person as may, in the opinion of FRANCHISEE, be needed to comply with the terms of this Agreement, if such persons possess the necessary qualifications to perform such services.

7. **Insurance Requirements.** Proof that the FRANCHISEE maintains, at its sole expense, insurance meeting the following requirements, which shall be in full coverage not subject to self-insurance provisions:

A. Separate commercial automobile liability insurance, utilizing coverage from CA001, for each vehicle proposed to be operated within the CITY pursuant to the operator's permit, with at least the following limits of liability:

- a) Primary Bodily Injury with limits of at least two hundred fifty thousand dollars (\$250,000.00) per person and five hundred thousand dollars (\$500,000.00) per occurrence; and Primary Property Damage of at least one hundred thousand dollars (\$100,000.00) per occurrence; or
 - b) Combined single limits of five hundred thousand dollars (\$500,000.00) per occurrence.
- 1) General liability including coverage for premises, independent contractors/vendors, personal injury and contractual obligations with combined single limits of at least five hundred thousand dollars (\$500,000.00) per occurrence.
 - 2) Workers' Compensation with limits as required by the State of California and Employer's Liability with limits of at least five hundred thousand dollars (\$500,000.00).
 - 3) Insurance provided by the franchisee must be primary and non-contributory.
 - 4) Required insurance must be issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are modified or waived in writing by the Risk Manager of the City due to unique circumstances.
 - 5) The CITY, the City Council, and each present and former member of the City Council, CITY boards and commissions, and every officer, agent, official, employee and volunteer of the CITY (collectively, "CITY entities") must be named as additional insured under the automobile and general liability policy.

- 6) Each policy of required insurance must contain a provision that no termination cancellation or change of coverage can be made without thirty (30) days notice to the CITY.
- 7) The applicant must provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance prior to issuance of a permit.
- 8) The insurance carrier for the franchisee must provide a complete copy of the insurance policy, including all forms and endorsements to the Risk Manager of the City of Torrance within 60 days of commencement of work.

8. **Non-Liability of Officials and Employees of the CITY.** No officer or employee of CITY will be personally liable to FRANCHISEE, in the event of any default or breach by the CITY or for any amount that may become due to FRANCHISEE.

9. **Non-Discrimination.** FRANCHISEE covenants there shall be no discrimination based upon race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.

10. **Independent Contractor.** The FRANCHISEE is, and at all times will remain as to CITY, a wholly independent contractor. Neither CITY nor any of its agents will have control over the conduct of the FRANCHISEE or any of the FRANCHISEE's employees, except as otherwise set forth in this Agreement. The FRANCHISEE may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

11. **Compliance with Statutes and Regulations.** FRANCHISEE will be knowledgeable of and will comply with all applicable federal, state, county and CITY statutes, rules, regulations, ordinances and orders.

12. **Conflict of Interest.**

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.
- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way

pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

13. **Notices.**

A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:

1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.

2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.

3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.

4. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.

5. Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

6. Addresses for purpose of giving notice are as follows:

a. Address of FRANCHISEE is as follows:

Bell Cab Inc.
13030 Cerise Ave.,
Hawthorne, Ca 90250
Fax: 310 676-1637

b. Address of CITY is as follows:

City Clerk
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90509-2970
Fax: (310) 618-2931

(with a copy to):

Risk Manager
City of Torrance
3231 Torrance Blvd.
Torrance, CA 90503
Fax: (310)618-2927

B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

14. **FRANCHISEE's Proposal.** This Agreement shall include CITY's RFP (Attachment A) and FRANCHISEE'S proposal (Attachment B) which are incorporated herein. In the event of any inconsistency between the terms of the RFP or proposal and this Agreement, this Agreement shall govern.

15. **Prohibition Against Assignment And Subcontracting.** This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either CITY or FRANCHISEE without the prior written consent of the other.

16. **FRANCHISEE's Authority To Execute.** The persons executing this Agreement on behalf of the FRANCHISEE warrant that (i) the FRANCHISEE is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the FRANCHISEE; (iii) by so executing this Agreement, the FRANCHISEE is formally bound to the provisions of this Agreement; and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the FRANCHISEE is bound..

17. **Indemnification.** FRANCHISEE will indemnify, defend, and hold harmless CITY, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of FRANCHISEE, its officers, employees, agents, subcontractors or vendors. It is further agreed, FRANCHISEE's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of CITY, its officers, employees or agents. Payment by CITY is not a condition precedent to enforcement of this indemnity. This indemnity shall apply

to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by FRANCHISEE. In the event of any dispute between FRANCHISEE and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, FRANCHISEE will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. FRANCHISEE will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

18. **Integration; Amendment.** This Agreement represents the entire understanding of CITY and FRANCHISEE as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

19. **Governing Law; Jurisdiction.** This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

20. **Interpretation.** The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

21. **Severability.** If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

22. **Attorney's Fees.** Except as provided for in Paragraph 16, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

23. **Waiver Of Breach.** No delay or omission in the exercise of any right or remedy by a non defaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

24. **Decals.** A total of 40 decals shall be issued by CITY to the FRANCHISEE after FRANCHISEE successfully meets the contract advance requirements, including but not limited to, insurance, vehicle listing, driver identification cards, etc. If, during the franchise period, the FRANCHISEE needs replacement decals, the FRANCHISEE shall provide the old decal to CITY as proof of non-duplication. A fee of \$10 will be paid to CITY for processing the replacement decal request and for providing the replacement decal.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the day and year first shown above.

CITY OF TORRANCE
a Municipal Corporation

Bell Cab Inc
A California Corporation

Dan Walker, Mayor

By: _____
Michael Calin
Vice President/General Manager

ATTEST:

Sue Herbers
City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

TAXICAB FRANCHISE AGREEMENT

THIS AGREEMENT is made this 13th day of January, 2009, by the CITY OF TORRANCE, a municipal corporation, ("CITY"), and SOUTH BAY YELLOW CAB CO-OP INC., A California Corporation (hereinafter referred to as "FRANCHISEE").

RECITALS

The following recitals are a substantive part of this Agreement:

1. CITY is desirous of regulating taxicab services for the benefit of the residents and visitors of Torrance and has determined that the most effective way to do so is by the granting of non-exclusive franchises which regulate the time, place and manner of provision of taxi services by private companies;
2. FRANCHISEE is qualified by virtue of experience, training, education, and expertise to be granted such a franchise.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Grant of Franchise.** CITY hereby grants a non-exclusive franchise to FRANCHISEE for the provision of taxi services within the CITY's boundaries.
2. **Term of Agreement.** This Agreement shall terminate five years from the effective date of this Agreement unless earlier terminated as provided below. Additionally, the City Council has the option to extend the Agreement for no more than two, two-year terms.
 - 2.1 Termination. The CITY reserves the right to terminate the individual franchise agreements without cause by providing the Franchisee with 30 days written notice. Upon receipt of a termination notice, FRANCHISEE must: (1) promptly discontinue all services affected unless the notice directs otherwise; (2) promptly remove all vehicle decals authorizing operations within the CITY; and (3) return all driver identification cards issued by CITY. Any prepaid franchise fees will be refunded on a prorated basis for the remaining franchise period. If termination by the CITY is warranted due to default in franchise obligations by the Franchisee, termination will be determined pursuant to the provisions of the Torrance Municipal Code.
3. **Nature of Franchise.** The rights and responsibilities of FRANCHISEE shall include those outlined in the CITY's Request for Proposal, the addendum, the FRANCHISEE's proposal, and the CITY's Taxicab Franchise Ordinance that is found in Article 16 of Chapter 3 of Division 3 of the Torrance Municipal Code. The CITY's Request for Proposal, the addendum, and the FRANCHISEE's proposal are on file in the City Clerk's Office and incorporated into this

agreement by this reference. The CITY's Taxicab Franchise Ordinance that is found in Article 16 of Chapter 3 of Division 3 is incorporated into this agreement by this reference.

4. **Compensation.** FRANCHISEE shall compensate CITY as follows:

- a) Annual Franchise Fee of \$35,000 plus \$100 per cab per year. FRANCHISEE has requested a total of 111 cabs. The total fee for FRANCHISEE is \$46,100 payable in advance of Franchise Period commencement and annually thereafter.

5. **Super Ultra Low Emission Vehicles.** Effective January 27, 2009 All Taxicab Franchisees are required to provide clean air vehicles over a five year period as described in the phased-in schedule listed below. Upon the completion of the 5th year all taxicabs operating in the CITY must be clean air vehicles as defined below. The implementation schedule provided within represents the minimum requirement however earlier implementation is encouraged:

<u>No later Than</u>	<u>Minimum %</u>
January 26, 2010	20%
January 26, 2011	40%
January 26, 2012	60%
January 26, 2013	80%
January 26, 2014	100%

The percentages listed above recognize that certain special purpose vehicles (disabled access, or larger passenger volume vehicles to accommodate large parties) are not commercially available as clean air models at the time of the awarding of this franchise. These special purpose vehicles, which may not exceed twenty-five percent (25%) of the total authorized vehicles under each franchisee's allocation, will be exempt from the requirement until a commercial clean air model is available. At that time, the CITY and franchisees will negotiate an implementation schedule.

Gasoline or diesel powered Clean Air vehicles for purposes of this requirement shall meet or exceed, and be maintained within the specifications of the following ratings provided by the California Air Resources Board (CARB):

- Super Ultra Low Emissions Vehicle (SULEV)
- Partial Zero Emissions Vehicle (PZEV)
- Advanced Technology Partial Zero Emissions Vehicle (AT PZEV)
- Zero Emissions Vehicle (ZEV)

Additionally, vehicles used in the operation of the franchise, in the percentages listed above, must either be a Low Carbon Fuel vehicle (I.e., compressed natural gas vehicle) achieving a minimum "well-to-wheels" greenhouse gas reduction of 10% in accordance with the Governor's Executive Order S-01-7 or a Hybrid electric vehicle achieving a minimum of thirty-three (33) miles per gallon in CITY use according to the US Environmental Protection Agency.

No other vehicle shall be older than eight model years at any time during the franchise period.

6. **Employees and Subcontractors.** FRANCHISEE may, at FRANCHISEE'S sole cost and expense, employ such other person as may, in the opinion of FRANCHISEE, be needed to comply with the terms of this Agreement, if such persons possess the necessary qualifications to perform such services.

7. **Insurance Requirements.** Proof that the FRANCHISEE maintains, at its sole expense, insurance meeting the following requirements, which shall be in full coverage not subject to self-insurance provisions:

A. Separate commercial automobile liability insurance, utilizing coverage from CA001, for each vehicle proposed to be operated within the CITY pursuant to the operator's permit, with at least the following limits of liability:

- a) Primary Bodily Injury with limits of at least two hundred fifty thousand dollars (\$250,000.00) per person and five hundred thousand dollars (\$500,000.00) per occurrence; and Primary Property Damage of at least one hundred thousand dollars (\$100,000.00) per occurrence; or
 - b) Combined single limits of five hundred thousand dollars (\$500,000.00) per occurrence.
- 1) General liability including coverage for premises, independent contractors/vendors, personal injury and contractual obligations with combined single limits of at least five hundred thousand dollars (\$500,000.00) per occurrence.
 - 2) Workers' Compensation with limits as required by the State of California and Employer's Liability with limits of at least five hundred thousand dollars (\$500,000.00).
 - 3) Insurance provided by the franchisee must be primary and non-contributory.
 - 4) Required insurance must be issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are modified or waived in writing by the Risk Manager of the CITY due to unique circumstances.
 - 5) The CITY, the City Council, and each present and former member of the City Council, CITY boards and commissions, and every officer, agent, official, employee and volunteer of the CITY (collectively, "CITY entities") must be named as additional insured under the automobile and general liability policy.

- 6) Each policy of required insurance must contain a provision that no termination cancellation or change of coverage can be made without thirty (30) days notice to the CITY.
- 7) The applicant must provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance prior to issuance of a permit.
- 8) The insurance carrier for the franchisee must provide a complete copy of the insurance policy, including all forms and endorsements to the Risk Manager of the City of Torrance within 60 days of commencement of work.

8. **Non-Liability of Officials and Employees of the CITY.** No officer or employee of CITY will be personally liable to FRANCHISEE, in the event of any default or breach by the CITY or for any amount that may become due to FRANCHISEE.

9. **Non-Discrimination.** FRANCHISEE covenants there shall be no discrimination based upon race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.

10. **Independent Contractor.** The FRANCHISEE is, and at all times will remain as to CITY, a wholly independent contractor. Neither CITY nor any of its agents will have control over the conduct of the FRANCHISEE or any of the FRANCHISEE's employees, except as otherwise set forth in this Agreement. The FRANCHISEE may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

11. **Compliance with Statutes and Regulations.** FRANCHISEE will be knowledgeable of and will comply with all applicable federal, state, county and CITY statutes, rules, regulations, ordinances and orders.

12. **Conflict of Interest.**

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.
- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way

pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

13. **Notices.**

A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:

1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.

2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.

3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.

4. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.

5. Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

6. Addresses for purpose of giving notice are as follows:

a. Address of FRANCHISEE is as follows:

Yellow Cab of South Bay Co-Operative Inc.
2129 W. Rosecrans Avenue
Gardena, California 90249
Fax:

b. Address of CITY is as follows:

City Clerk
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90509-2970
Fax: (310) 618-2931

(with a copy to):

Risk Manager
City of Torrance
3231 Torrance Blvd.
Torrance, CA 90503
Fax: (310)618-2927

B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

14. **FRANCHISEE's Proposal.** This Agreement shall include CITY's RFP (Attachment A) and FRANCHISEE'S proposal (Attachment B) which are incorporated herein. In the event of any inconsistency between the terms of the RFP or proposal and this Agreement, this Agreement shall govern.

15. **Prohibition Against Assignment And Subcontracting.** This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either CITY or FRANCHISEE without the prior written consent of the other.

16. **FRANCHISEE's Authority To Execute.** The persons executing this Agreement on behalf of the FRANCHISEE warrant that (i) the FRANCHISEE is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the FRANCHISEE; (iii) by so executing this Agreement, the FRANCHISEE is formally bound to the provisions of this Agreement; and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the FRANCHISEE is bound..

17. **Indemnification.** FRANCHISEE will indemnify, defend, and hold harmless CITY, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of FRANCHISEE, its officers, employees, agents, subcontractors or vendors. It is further agreed, FRANCHISEE's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of CITY, its officers, employees or agents. Payment by CITY is not a condition precedent to enforcement of this indemnity. This indemnity shall apply

to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by FRANCHISEE. In the event of any dispute between FRANCHISEE and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, FRANCHISEE will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. FRANCHISEE will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

18. **Integration; Amendment.** This Agreement represents the entire understanding of CITY and FRANCHISEE as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

19. **Governing Law; Jurisdiction.** This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

20. **Interpretation.** The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

21. **Severability.** If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

22. **Attorney's Fees.** Except as provided for in Paragraph 16, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

23. **Waiver Of Breach.** No delay or omission in the exercise of any right or remedy by a non defaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

24. **Decals.** A total of 111 decals shall be issued by CITY to the FRANCHISEE after FRANCHISEE successfully meets the contract advance requirements, including but not limited to, insurance, vehicle listing, driver identification cards, etc. If, during the franchise period, the FRANCHISEE needs replacement decals, the FRANCHISEE shall provide the old decal to CITY as proof of non-duplication. A fee of \$10 will be paid to CITY for processing the replacement decal request and for providing the replacement decal.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the day and year first shown above.

CITY OF TORRANCE
a Municipal Corporation

Yellow Cab of South Bay Co-Operative Inc
A California Corporation

Dan Walker, Mayor

By: _____
William J. Rouse
General Manager

ATTEST:

Sue Herbers
City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

TAXICAB FRANCHISE AGREEMENT

THIS AGREEMENT is made this 13th day of January, 2009, by the CITY OF TORRANCE, a municipal corporation, ("CITY"), and UNITED CHECKER CAB CO-OP, A California Corporation (hereinafter referred to as "FRANCHISEE").

RECITALS

The following recitals are a substantive part of this Agreement:

1. CITY is desirous of regulating taxicab services for the benefit of the residents and visitors of Torrance and has determined that the most effective way to do so is by the granting of non-exclusive franchises which regulate the time, place and manner of provision of taxi services by private companies;
2. FRANCHISEE is qualified by virtue of experience, training, education, and expertise to be granted such a franchise.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Grant of Franchise**. CITY hereby grants a non-exclusive franchise to FRANCHISEE for the provision of taxi services within the CITY's boundaries.
2. **Term of Agreement**. This Agreement shall terminate five years from the effective date of this Agreement unless earlier terminated as provided below. Additionally, the City Council has the option to extend the Agreement for no more than two, two-year terms.
 - 2.1 **Termination**. The CITY reserves the right to terminate the individual franchise agreements without cause by providing the Franchisee with 30 days written notice. Upon receipt of a termination notice, FRANCHISEE must: (1) promptly discontinue all services affected unless the notice directs otherwise; (2) promptly remove all vehicle decals authorizing operations within the CITY; and (3) return all driver identification cards issued by CITY. Any prepaid franchise fees will be refunded on a prorated basis for the remaining franchise period. If termination by the CITY is warranted due to default in franchise obligations by the Franchisee, termination will be determined pursuant to the provisions of the Torrance Municipal Code.
3. **Nature of Franchise**. The rights and responsibilities of FRANCHISEE shall include those outlined in the CITY's Request for Proposal, the addendum, the FRANCHISEE's proposal, and the CITY's Taxicab Franchise Ordinance that is found in Article 16 of Chapter 3 of Division 3 of the Torrance Municipal Code. The CITY's Request for Proposal, the addendum, and the FRANCHISEE's proposal are on file in the City Clerk's Office and incorporated into this

agreement by this reference. The CITY's Taxicab Franchise Ordinance that is found in Article 16 of Chapter 3 of Division 3 is incorporated into this agreement by this reference.

4. **Compensation.** FRANCHISEE shall compensate CITY as follows:

- a) Annual Franchise Fee of \$35,000 plus \$100 per cab per year. FRANCHISEE has requested a total of 70 cabs. The total fee for FRANCHISEE is \$42,000 payable in advance of Franchise Period commencement and annually thereafter.

5. **Super Ultra Low Emission Vehicles.** Effective January 27, 2009 All Taxicab Franchisees are required to provide clean air vehicles over a five year period as described in the phased-in schedule listed below. Upon the completion of the 5th year all taxicabs operating in the CITY must be clean air vehicles as defined below. The implementation schedule provided within represents the minimum requirement however earlier implementation is encouraged:

<u>No later Than</u>	<u>Minimum %</u>
January 26, 2010	20%
January 26, 2011	40%
January 26, 2012	60%
January 26, 2013	80%
January 26, 2014	100%

The percentages listed above recognize that certain special purpose vehicles (disabled access, or larger passenger volume vehicles to accommodate large parties) are not commercially available as clean air models at the time of the awarding of this franchise. These special purpose vehicles, which may not exceed twenty-five percent (25%) of the total authorized vehicles under each franchisee's allocation, will be exempt from the requirement until a commercial clean air model is available. At that time, the CITY and franchisees will negotiate an implementation schedule.

Gasoline or diesel powered Clean Air vehicles for purposes of this requirement shall meet or exceed, and be maintained within the specifications of the following ratings provided by the California Air Resources Board (CARB):

- Super Ultra Low Emissions Vehicle (SULEV)
- Partial Zero Emissions Vehicle (PZEV)
- Advanced Technology Partial Zero Emissions Vehicle (AT PZEV)
- Zero Emissions Vehicle (ZEV)

Additionally, vehicles used in the operation of the franchise, in the percentages listed above, must either be a Low Carbon Fuel vehicle (I.e., compressed natural gas vehicle) achieving a minimum "well-to-wheels" greenhouse gas reduction of 10% in accordance with the Governor's Executive Order S-01-7 or a Hybrid electric vehicle achieving a minimum of thirty-three (33) miles per gallon in CITY use according to the US Environmental Protection Agency.

No other vehicle shall be older than eight model years at any time during the franchise period.

6. **Employees and Subcontractors.** FRANCHISEE may, at FRANCHISEE'S sole cost and expense, employ such other person as may, in the opinion of FRANCHISEE, be needed to comply with the terms of this Agreement, if such persons possess the necessary qualifications to perform such services.

7. **Insurance Requirements.** Proof that the FRANCHISEE maintains, at its sole expense, insurance meeting the following requirements, which shall be in full coverage not subject to self-insurance provisions:

A. Separate commercial automobile liability insurance, utilizing coverage from CA001, for each vehicle proposed to be operated within the CITY pursuant to the operator's permit, with at least the following limits of liability:

- a) Primary Bodily Injury with limits of at least two hundred fifty thousand dollars (\$250,000.00) per person and five hundred thousand dollars (\$500,000.00) per occurrence; and Primary Property Damage of at least one hundred thousand dollars (\$100,000.00) per occurrence; or
 - b) Combined single limits of five hundred thousand dollars (\$500,000.00) per occurrence.
- 1) General liability including coverage for premises, independent contractors/vendors, personal injury and contractual obligations with combined single limits of at least five hundred thousand dollars (\$500,000.00) per occurrence.
 - 2) Workers' Compensation with limits as required by the State of California and Employer's Liability with limits of at least five hundred thousand dollars (\$500,000.00).
 - 3) Insurance provided by the franchisee must be primary and non-contributory.
 - 4) Required insurance must be issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are modified or waived in writing by the Risk Manager of the CITY due to unique circumstances.
 - 5) The CITY, the City Council, and each present and former member of the City Council, City boards and commissions, and every officer, agent, official, employee and volunteer of the CITY (collectively, "CITY entities") must be named as additional insured under the automobile and general liability policy.

- 6) Each policy of required insurance must contain a provision that no termination cancellation or change of coverage can be made without thirty (30) days notice to the CITY.
- 7) The applicant must provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance prior to issuance of a permit.
- 8) The insurance carrier for the franchisee must provide a complete copy of the insurance policy, including all forms and endorsements to the Risk Manager of the City of Torrance within 60 days of commencement of work.

8. **Non-Liability of Officials and Employees of the CITY.** No officer or employee of CITY will be personally liable to FRANCHISEE, in the event of any default or breach by the CITY or for any amount that may become due to FRANCHISEE.

9. **Non-Discrimination.** FRANCHISEE covenants there shall be no discrimination based upon race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.

10. **Independent Contractor.** The FRANCHISEE is, and at all times will remain as to CITY, a wholly independent contractor. Neither CITY nor any of its agents will have control over the conduct of the FRANCHISEE or any of the FRANCHISEE's employees, except as otherwise set forth in this Agreement. The FRANCHISEE may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

11. **Compliance with Statutes and Regulations.** FRANCHISEE will be knowledgeable of and will comply with all applicable federal, state, county and CITY statutes, rules, regulations, ordinances and orders.

12. **Conflict of Interest.**

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.
- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way

pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

13. **Notices.**

A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:

1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.

2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.

3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.

4. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.

5. Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

6. Addresses for purpose of giving notice are as follows:

a. Address of FRANCHISEE is as follows:

United Checker Cab Co-Op
2129 W. Rosecrans Avenue
Gardena, California 90249
Fax: 310 965-5807

b. Address of CITY is as follows:

City Clerk
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90509-2970
Fax: (310) 618-2931

(with a copy to):

Risk Manager
City of Torrance
3231 Torrance Blvd.
Torrance, CA 90503
Fax: (310)618-2927

B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

14. **FRANCHISEE's Proposal.** This Agreement shall include CITY's RFP (Attachment A) and FRANCHISEE'S proposal (Attachment B) which are incorporated herein. In the event of any inconsistency between the terms of the RFP or proposal and this Agreement, this Agreement shall govern.

15. **Prohibition Against Assignment And Subcontracting.** This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either CITY or FRANCHISEE without the prior written consent of the other.

16. **FRANCHISEE's Authority To Execute.** The persons executing this Agreement on behalf of the FRANCHISEE warrant that (i) the FRANCHISEE is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the FRANCHISEE; (iii) by so executing this Agreement, the FRANCHISEE is formally bound to the provisions of this Agreement; and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the FRANCHISEE is bound..

17. **Indemnification.** FRANCHISEE will indemnify, defend, and hold harmless CITY, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of FRANCHISEE, its officers, employees, agents, subcontractors or vendors. It is further agreed, FRANCHISEE's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of CITY, its officers, employees or agents. Payment by CITY is not a condition precedent to enforcement of this indemnity. This indemnity shall apply

to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by FRANCHISEE. In the event of any dispute between FRANCHISEE and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, FRANCHISEE will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. FRANCHISEE will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

18. **Integration; Amendment.** This Agreement represents the entire understanding of CITY and FRANCHISEE as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

19. **Governing Law; Jurisdiction.** This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

20. **Interpretation.** The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

21. **Severability.** If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

22. **Attorney's Fees.** Except as provided for in Paragraph 16, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

23. **Waiver Of Breach.** No delay or omission in the exercise of any right or remedy by a non defaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

24. **Decals.** A total of 70 decals shall be issued by CITY to the FRANCHISEE after FRANCHISEE successfully meets the contract advance requirements, including but not limited to, insurance, vehicle listing, driver identification cards, etc. If, during the franchise period, the FRANCHISEE needs replacement decals, the FRANCHISEE shall provide the old decal to CITY as proof of non-duplication. A fee of \$10 will be paid to CITY for processing the replacement decal request and for providing the replacement decal.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the day and year first shown above.

CITY OF TORRANCE
a Municipal Corporation

United Checker Cab Co-Op Inc
A California Corporation

Dan Walker, Mayor

By: _____
William J. Rouse
General Manager

ATTEST:

Sue Herbers
City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

TAXICAB FRANCHISE AGREEMENT

THIS AGREEMENT is made this 13th day of January, 2009, by the CITY OF TORRANCE, a municipal corporation, ("CITY"), and ALL YELLOW TAXI, INC., A California Corporation (hereinafter referred to as "FRANCHISEE").

RECITALS

The following recitals are a substantive part of this Agreement:

1. CITY is desirous of regulating taxicab services for the benefit of the residents and visitors of Torrance and has determined that the most effective way to do so is by the granting of non-exclusive franchises which regulate the time, place and manner of provision of taxi services by private companies;
2. FRANCHISEE is qualified by virtue of experience, training, education, and expertise to be granted such a franchise.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Grant of Franchise.** CITY hereby grants a non-exclusive franchise to FRANCHISEE for the provision of taxi services within the CITY's boundaries.
2. **Term of Agreement.** This Agreement shall terminate five years from the effective date of this Agreement unless earlier terminated as provided below. Additionally, the City Council has the option to extend the Agreement for no more than two, two-year terms.

2.1 Termination. The CITY reserves the right to terminate the individual franchise agreements without cause by providing the Franchisee with 30 days written notice. Upon receipt of a termination notice, FRANCHISEE must: (1) promptly discontinue all services affected unless the notice directs otherwise; (2) promptly remove all vehicle decals authorizing operations within the CITY; and (3) return all driver identification cards issued by CITY. Any prepaid franchise fees will be refunded on a prorated basis for the remaining franchise period. If termination by the CITY is warranted due to default in franchise obligations by the Franchisee, termination will be determined pursuant to the provisions of the Torrance Municipal Code.

3. **Nature of Franchise.** The rights and responsibilities of FRANCHISEE shall include those outlined in the CITY's Request for Proposal, the addendum, the FRANCHISEE's proposal, and the CITY's Taxicab Franchise Ordinance that is found in Article 16 of Chapter 3 of Division 3 of the Torrance Municipal Code. The CITY's Request for Proposal, the addendum, and the FRANCHISEE's proposal are on file in the City Clerk's Office and incorporated into this

agreement by this reference. The CITY's Taxicab Franchise Ordinance that is found in Article 16 of Chapter 3 of Division 3 is incorporated into this agreement by this reference.

4. **Compensation.** FRANCHISEE shall compensate CITY as follows:

- a) Annual Franchise Fee of \$35,000 plus \$100 per cab per year. FRANCHISEE has requested a total of 120 cabs. The total fee for FRANCHISEE is \$47,000 payable in advance of Franchise Period commencement and annually thereafter.

5. **Super Ultra Low Emission Vehicles.** Effective January 27, 2009 All Taxicab Franchisees are required to provide clean air vehicles over a five year period as described in the phased-in schedule listed below. Upon the completion of the 5th year all taxicabs operating in the CITY must be clean air vehicles as defined below. The implementation schedule provided within represents the minimum requirement however earlier implementation is encouraged:

<u>No later Than</u>	<u>Minimum %</u>
January 26, 2010	20%
January 26, 2011	40%
January 26, 2012	60%
January 26, 2013	80%
January 26, 2014	100%

The percentages listed above recognize that certain special purpose vehicles (disabled access, or larger passenger volume vehicles to accommodate large parties) are not commercially available as clean air models at the time of the awarding of this franchise. These special purpose vehicles, which may not exceed twenty-five percent (25%) of the total authorized vehicles under each franchisee's allocation, will be exempt from the requirement until a commercial clean air model is available. At that time, the CITY and franchisees will negotiate an implementation schedule.

Gasoline or diesel powered Clean Air vehicles for purposes of this requirement shall meet or exceed, and be maintained within the specifications of the following ratings provided by the California Air Resources Board (CARB):

- Super Ultra Low Emissions Vehicle (SULEV)
- Partial Zero Emissions Vehicle (PZEV)
- Advanced Technology Partial Zero Emissions Vehicle (AT PZEV)
- Zero Emissions Vehicle (ZEV)

Additionally, vehicles used in the operation of the franchise, in the percentages listed above, must either be a Low Carbon Fuel vehicle (I.e., compressed natural gas vehicle) achieving a minimum "well-to-wheels" greenhouse gas reduction of 10% in accordance with the Governor's Executive Order S-01-7 or a Hybrid electric vehicle achieving a minimum of thirty-three (33) miles per gallon in CITY use according to the US Environmental Protection Agency.

No other vehicle shall be older than eight model years at any time during the franchise period.

6. **Employees and Subcontractors.** FRANCHISEE may, at FRANCHISEE'S sole cost and expense, employ such other person as may, in the opinion of FRANCHISEE, be needed to comply with the terms of this Agreement, if such persons possess the necessary qualifications to perform such services.

7. **Insurance Requirements.** Proof that the FRANCHISEE maintains, at its sole expense, insurance meeting the following requirements, which shall be in full coverage not subject to self-insurance provisions:

A. Separate commercial automobile liability insurance, utilizing coverage from CA001, for each vehicle proposed to be operated within the CITY pursuant to the operator's permit, with at least the following limits of liability:

- a) Primary Bodily Injury with limits of at least two hundred fifty thousand dollars (\$250,000.00) per person and five hundred thousand dollars (\$500,000.00) per occurrence; and Primary Property Damage of at least one hundred thousand dollars (\$100,000.00) per occurrence; or
 - b) Combined single limits of five hundred thousand dollars (\$500,000.00) per occurrence.
- 1) General liability including coverage for premises, independent contractors/vendors, personal injury and contractual obligations with combined single limits of at least five hundred thousand dollars (\$500,000.00) per occurrence.
 - 2) Workers' Compensation with limits as required by the State of California and Employer's Liability with limits of at least five hundred thousand dollars (\$500,000.00).
 - 3) Insurance provided by the franchisee must be primary and non-contributory.
 - 4) Required insurance must be issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are modified or waived in writing by the Risk Manager of the CITY due to unique circumstances.
 - 5) The CITY, the City Council, and each present and former member of the City Council, CITY boards and commissions, and every officer, agent, official, employee and volunteer of the CITY (collectively, "CITY entities") must be named as additional insured under the automobile and general liability policy.

- 6) Each policy of required insurance must contain a provision that no termination cancellation or change of coverage can be made without thirty (30) days notice to the CITY.
- 7) The applicant must provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance prior to issuance of a permit.
- 8) The insurance carrier for the franchisee must provide a complete copy of the insurance policy, including all forms and endorsements to the Risk Manager of the City of Torrance within 60 days of commencement of work.

8. **Non-Liability of Officials and Employees of the CITY**. No officer or employee of CITY will be personally liable to FRANCHISEE, in the event of any default or breach by the CITY or for any amount that may become due to FRANCHISEE.

9. **Non-Discrimination**. FRANCHISEE covenants there shall be no discrimination based upon race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.

10. **Independent Contractor**. The FRANCHISEE is, and at all times will remain as to CITY, a wholly independent contractor. Neither CITY nor any of its agents will have control over the conduct of the FRANCHISEE or any of the FRANCHISEE's employees, except as otherwise set forth in this Agreement. The FRANCHISEE may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

11. **Compliance with Statutes and Regulations**. FRANCHISEE will be knowledgeable of and will comply with all applicable federal, state, county and CITY statutes, rules, regulations, ordinances and orders.

12. **Conflict of Interest**.

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.
- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way

pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

13. **Notices.**

A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:

1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.

2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.

3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.

4. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.

5. Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

6. Addresses for purpose of giving notice are as follows:

a. Address of FRANCHISEE is as follows:

All Yellow Inc
16812 S. Hawthorne Blvd.
Lawndale, California 90260
Fax: 310 807-8898

b. Address of CITY is as follows:

City Clerk
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90509-2970
Fax: (310) 618-2931

(with a copy to):

Risk Manager
City of Torrance
3231 Torrance Blvd.
Torrance, CA 90503
Fax: (310)618-2927

B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

14. **FRANCHISEE's Proposal.** This Agreement shall include CITY's RFP (Attachment A) and FRANCHISEE'S proposal (Attachment B) which are incorporated herein. In the event of any inconsistency between the terms of the RFP or proposal and this Agreement, this Agreement shall govern.

15. **Prohibition Against Assignment And Subcontracting.** This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either CITY or FRANCHISEE without the prior written consent of the other.

16. **FRANCHISEE's Authority To Execute.** The persons executing this Agreement on behalf of the FRANCHISEE warrant that (i) the FRANCHISEE is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the FRANCHISEE; (iii) by so executing this Agreement, the FRANCHISEE is formally bound to the provisions of this Agreement; and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the FRANCHISEE is bound..

17. **Indemnification.** FRANCHISEE will indemnify, defend, and hold harmless CITY, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of FRANCHISEE, its officers, employees, agents, subcontractors or vendors. It is further agreed, FRANCHISEE's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of CITY, its officers, employees or agents. Payment by CITY is not a condition precedent to enforcement of this indemnity. This indemnity shall apply

to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by FRANCHISEE. In the event of any dispute between FRANCHISEE and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, FRANCHISEE will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. FRANCHISEE will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

18. **Integration; Amendment.** This Agreement represents the entire understanding of CITY and FRANCHISEE as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

19. **Governing Law; Jurisdiction.** This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

20. **Interpretation.** The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

21. **Severability.** If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

22. **Attorney's Fees.** Except as provided for in Paragraph 16, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

23. **Waiver Of Breach.** No delay or omission in the exercise of any right or remedy by a non defaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

24. **Decals.** A total of 120 decals shall be issued by CITY to the FRANCHISEE after FRANCHISEE successfully meets the contract advance requirements, including but not limited to, insurance, vehicle listing, driver identification cards, etc. If, during the franchise period, the FRANCHISEE needs replacement decals, the FRANCHISEE shall provide the old decal to CITY as proof of non-duplication. A fee of \$10 will be paid to CITY for processing the replacement decal request and for providing the replacement decal.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the day and year first shown above.

CITY OF TORRANCE
a Municipal Corporation

All Yellow Inc
A California Corporation

Dan Walker, Mayor

By: _____
Ali Podeh
President

ATTEST:

Sue Herbers
City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

Council Meeting of
October 28, 2003

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Taxicab Franchise Agreement

RECOMMENDATION

The Finance Director recommends that the City Council include the following in the City's non-exclusive taxicab franchise agreement:

- A term of three (3) years with two (2) additional one-year renewals
- Set four (4) as the maximum number of service providers
- Establish the annual franchise fee at \$30,000 and \$100 per taxicab, with a minimum of 40 taxicabs operating not to exceed 120 taxicabs operating in the City per franchise agreement, indexed to the percentage change in meter rates.

Funding

General Fund Revenues.

BACKGROUND/ANALYSIS

On May 13, 2003 your Honorable Body approved a fee resolution authorizing the implementation of new fees, increased fees and changes in existing fee methodologies effective for the start of fiscal year 2003-04. Included in the resolution was the initial approval in concept of implementing a franchise agreement for taxicab services. The estimated revenues budgeted in fiscal year 2003-04 from a taxicab franchise agreement totaled approximately \$140,000. The estimate was based on similar franchise fee agreements charged by neighboring local agencies such as Manhattan Beach and Redondo Beach.

Initially, the concept of a taxicab franchise agreement arose primarily as a budgetary element; however, after further review of the concept, the Business License Division recognized that there were other benefits to be derived. Benefits such as establishing an appropriate number (upper limit) of taxicab operator(s) to be licensed in the City, addressing the public convenience and necessity concerns, the ability to enhance the monitoring of service levels being provided by the operator(s), and an opportunity to establish a working relationship with the service provider(s) has been identified.

The Finance Department has started developing a Request for Proposal (RFP) for selecting the appropriate operator(s) to enter into a franchise agreement. Before an RFP can be finalized, a decision has to be made as to the type of franchise agreement which best meets the interest of your Honorable Body and the users of the City of Torrance. Exhibit A represents a schedule of events "timeline" for the completion of the RFP process. Staff has surveyed a limited number of local agencies (see Exhibit B) that currently have taxicab franchise agreements operating and have identified three basic types of franchise agreements.

- Exclusive Franchise (Limited to one service provider/operator)
- Non-Exclusive Franchise (Limited to a predetermined number of service providers/operators)
- Non-Exclusive Franchise (Unlimited number of service providers/operators)

Exclusive Franchise Agreement

In using an Exclusive Franchise Agreement, a ranking of the service providers would be submitted to your Honorable Body at a public hearing for the selection of only one service provider for the taxicab franchise agreement. A potential benefit of selecting a single provider is that communications between the provider and the City would improve and the monitoring of service levels would be eased. A downside does exist with the exclusive franchise concept as it puts the City at a level of risk should adverse events occur to the service provider, such as a down economy or the provider is bought out by another owner, etc.

Non-Exclusive Franchise Agreement (Limited Number)

In the case of a non-exclusive franchise agreement with a predetermined number of providers, the same qualifying list as mentioned above would be provided to your Honorable Body for approval, however, more than one (the top ranking service providers) service provider would be selected. This concept would spread the risk but could also impact communications between both parties and would make monitoring service levels a little more difficult. The affordability of this type of franchise agreement is more manageable as the City can establish, as an example, a limit of four (4) service providers with individual franchise agreements of \$30,000 per service provider. The franchise agreement could be indexed to the Consumer Price Index with a contract for three years with options of two additional one-year renewals or could be indexed to the percentage change in meter rates.

Non-Exclusive Franchise Agreement (Unlimited Number)

Lastly, the non-exclusive franchise agreement with unlimited service providers is a concept that is used often. This concept would result in the market establishing the final list of providers and the number of taxicabs in operation. Cities that have used this concept have established a taxicab limit to control the number of taxicabs in their city in the absence of a needs and necessity study. They then use a bidding process or use council action to determine the number of providers and fee charged per number of taxicabs that the providers would contract. Cities such as Manhattan Beach, Hermosa Beach and West Hollywood have used this concept in some limited form. In the case of West Hollywood, they used this concept in grandfathering the qualifying existing operators by establishing a limit for the existing service providers and then they offered the remaining number of taxicabs to other qualifying service providers.

The benefit of using the non-exclusive unlimited service provider agreement would be that it allows for a more diverse group of qualifying service operators to provide service in the City of Torrance and lets the "market" set the number of operators and the number of taxicabs. The downside, as mentioned above, would be that the lines of communication would widen and the ability to monitor service levels would diminish because operators and drivers could possibly be more transient and not necessarily have ties to the south bay.

Many local agencies use a franchise agreement that is based on the number of taxicabs to be placed into service. By establishing a taxicab limit, some assurance exists that the demand for service can be met. Currently, the City has granted four (4) taxicab operators a permit to operate a taxicab business in the City of Torrance. The statistics for the four companies are as follows:

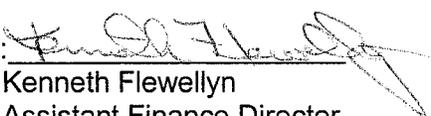
	United Independent	All Yellow	South Bay Yellow	United Checkers	Total
Taxicabs	40	90	91	70	291
Drivers	12	50	98	60	220

At the July 22, 2003 City Council meeting, a moratorium was approved freezing the number of taxicabs to be operated in the City at 300. The moratorium was placed in action until the City concluded its research on franchising taxicab services. Although the City has placed a freeze on the number of taxicabs to operate in the City of Torrance at 300, there has never been a study as to the total number of taxicabs needed to service the City. Therefore, as mentioned above, under the non-exclusive predetermined number of service provider franchise agreement, establishing a fixed franchise fee of \$ 30,000 in conjunction with a per cab fee of \$100 and setting a minimum of 40 taxicabs not to exceed 120 taxicabs to be used in the City per agreement would give the City some assurance that service levels are met and would allow the awarded service providers some flexibility in managing their fleet in Torrance.

Exhibit B is a survey schedule of California agencies that are currently working with existing franchise agreements. As seen in the schedule, the franchise fees vary between agencies. Manhattan Beach franchise agreement assesses a fee of \$730 per taxicab and Hermosa Beach has a franchise agreement that charges of \$1,100 per taxicab. The approach of issuing franchised agreements based on the number of taxicabs operating in the City of Torrance is also a possibility using the moratorium maximum limit of 300 taxicabs. If this approach is used, then an initial franchise amount must be charged (such as \$25,000 per franchise) along with a per taxicab amount ranging from \$100 up to \$1,100. The three franchise types mentioned above would also apply to the per taxicab costing methodology and, as such, a decision as to the appropriate type must be made.

Respectfully submitted,

Eric Tsao
Finance Director

By: 
Kenneth Flewellyn
Assistant Finance Director

CONCUR:


Eric E. Tsao
Finance Director


LeRoy J. Jackson
City Manager

Attachments:

- Exhibit A: Timeline for the completion of the RFP process
- Exhibit B: Local agencies with taxicab franchise agreements

Exhibit A

Taxicab Franchise Agreement Time Line

10/30/03	Deliver Request for Proposal (RFP) to City Clerk's office
11/2/03	Publication of notice
11/7/03	Pre-Bid Conference with taxicab operators
11/20/03	Bid acceptance period closes
11/20/03	Opening of bids received
11/21/03	Agenda item due to City Manager's Office
11/25/03	Agenda Item to City Council

EXHIBIT B

City	Franchise Type	# Of Franchises Issued	Pre-Proposal	Maximum # of Vehicle Permits	Length Of Franchise	Option Years	Franchise Amt.
West Hollywood	Non-Exclusive	Pending	Yes	530	3 years	3 one year options	no reported results
Manhattan Beach	Non-Exclusive	2 companies	Yes	125	3 years	2 one year options	Annually \$730 per cab
Hermosa Beach	Non-Exclusive	4 companies	Yes	140 (200 w/cc approval)	3 years	1 three year opt., then two year by agreement	\$1,100 per vehicle
Anaheim	Non-Exclusive	3 companies	Site Visit opt.	230 (w/var +/- 15%)	5 years	5 one year options	\$10,000 per Co. plus \$100 per cab
Sunnyvale	Non-Exclusive	7 as of 7/1/03	no RFP used	none	2 years	none - must reapply	varies (2k to 35k)
Los Angeles	Non-Exclusive	9 companies	yes	2303	5 years	5 one year by committee, additional 5 yr by council	\$948 per cab

Council Meeting of
October 28, 2003

SUPPLEMENTARY MATERIAL

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

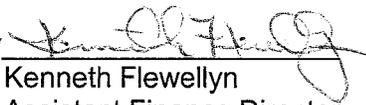
Subject: Supplementary Material to Item 11F – Taxicab Franchise

An error was found under the first paragraph of item 11F under the **Background/Analysis** section. The neighboring cities surveyed on similar franchise fee agreements were Manhattan Beach and **Hermosa Beach** – not Redondo Beach as mentioned in the item.

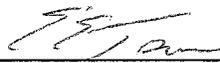
We apologize for any inconvenience.

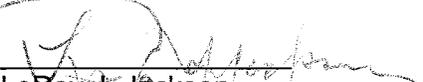
Respectfully submitted,

Eric E. Tsao
Finance Director

By 
Kenneth Flewellyn
Assistant Finance Director

CONCUR:


Eric E. Tsao
Finance Director


LeRoy J. Jackson
City Manager

11f. **CHANGES TO TORRANCE NON-EXCLUSIVE TAXICAB FRANCHISE AGREEMENT**

Recommendation of the Finance Director that City Council include the following in the City's non-exclusive taxicab franchise agreement:

- A term of three (3) years with two (2) additional one-year renewals
- Set four (4) as the maximum number of service providers; and
- Establish the annual franchise fee at \$30,000 and \$100 per taxicab, with a minimum of 40 taxicabs operating not to exceed 120 taxicabs operating in the City per franchise agreement, indexed to the percentage change in meter rates.

Finance Director Tsao provided an overview of the current taxicab situation in the City noting that four companies provide services with 291 cars and 220 drivers and that in prior years there have been 253 cabs and 240 drivers. He stated that exclusive franchises award one franchise to one operator in the City, and non-exclusive franchises can be limited or unlimited with the market dictating the amount of cabs. Finance Director Tsao commented that monitoring is easier with an exclusive arrangement, but the downside is that the cost is high to change out the provider if there is a problem.

Finance Director Tsao indicated that staff preferred a compromise with a limited non-exclusive situation requiring a franchise fee to reduce comings and goings within the City and a limited number of cabs. An unlimited, non-exclusive situation would be more market driven and open to anyone meeting criteria, with the number of cabs set by market value, but compliance would be difficult to monitor and that arrangement generally results in more transient drivers.

Councilmember Scotto expressed support for the staff recommendation.

Councilmember Lieu commended staff on their work and felt that the agreement would foster competition to provide great service.

MaryAnne Cassell 2230 W. Chapman Ave., Orange, an attorney for Bell Cab, expressed concern with regard to the number of companies recommended and felt that if four franchises were given it would be a perpetuation of permits. She reported that South Coast Cab had applied to the License Review Board for permits which were granted, but then overturned on appeals in March 2003 for lack of need or necessity. At that time there were only 250 permits in the City, at present there are 291 permits and according to the proposal, there could be as many as 430 permits. Ms. Cassell expressed concern that the same companies will have the permits and questioned why the market could not dictate what is needed. She also expressed opposition to the structuring of the financing and suggested tying the finances directly to the cabs with an amendment to allow a greater number of cabs.

Finance Director Tsao indicated that staff had examined the unlimited structure, but did not feel it would serve the community best as Torrance is looking for a more stable base with a limited franchise.

In response to an inquiry from Councilmember Nowatka, Finance Director Tsao indicated that there was nothing to preclude Bell Cab from being a bidder.

Mayor Walker announced that supplemental material was available in the back of the room to remedy a scrivener's error.

MOTION: Councilmember Scotto moved to accept the staff recommendation. Councilmember McIntyre seconded the motion and a roll call vote reflected unanimous approval.

12. **HEARINGS**

12a. **ORDINANCE AND RESOLUTIONS RE 1780-1922 OAK STREET AND 2367 JEFFERSON STREET**

Recommendation of the Planning Commission and the Community Development Director that City Council deny the appeal and take the following actions on property located at 1780-1922 Oak Street and 2367 Jefferson Street:

- 1) Adopt a Mitigated Negative Declaration (EAS03-00012);
- 2) Adopt an ordinance approving a Zone Change (ZON03-00008) from M-2 Heavy Manufacturing District to PD Planned Development;
- 3) Adopt Resolutions approving:
 - A) A General Plan Amendment (GPA03-00008) from Business Park to Medium Density Residential,
 - B) A Planned Development Permit (PD03-00002) to establish development standards for the residential project,
 - C) A Conditional Use Permit (CUP03-00034) to allow the construction of a 217-townhome and 59-unit senior condominium development,
 - D) A Tentative Tract Map (TTM54266) for condominium purposes and to allow the consolidation of four parcels into two parcels and a Lot Line Adjustment to allow the common property line between the parcels located at 2341 and 2367 Jefferson Street to be shifted approximately 160 feet to the west, and
 - E) A Waiver (WAV03-00014) to allow the construction of an over height perimeter wall; and
- 4) Approve an Ordinance Summary for publication.

It is requested that City Council give staff direction on whether a Land Use Study should be conducted to examine the feasibility of residential uses for the industrially zoned properties in the vicinity of the subject property.

EAS03-00012, ZON03-00008, PD03-00002, GPA03-00008, PD03-00002, CUP03-00034, TTM54266, WAV03-00014: Standard Pacific Homes

Mayor Walker opened the public hearing at 7:40 p.m.

Planning Manager Isomoto provided a brief overview of the project noting that the City Manager had administratively appealed the matter to allow the Council to consider the project as a whole. She indicated that the applicant was requesting a General Plan Amendment from Business Park (light industrial and business usage) to Residential. She noted that the existing heavy industrial uses on surrounding properties were inconsistent with the Business Park General Use Plan land use designation and rezoning the subject site and surrounding industrial properties to allow residential and mixed-use

Council Meeting of
January 27, 2004

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Taxicab Franchise Agreement

RECOMMENDATION

The Finance Director recommends that your Honorable Body authorize staff to enter into a franchise agreement for a term of three years with two additional one-year renewal options with the following taxicab companies:

- South Bay Yellow Cab
- Bell Cab
- United Checker
- All Yellow Taxicab

Funding

General Fund Revenues.

BACKGROUND

On October 28, 2003, your Honorable Body authorized staff to solicit request for proposals (RFP) from interested taxicab companies to operate a taxicab franchise in the City of Torrance. Additionally, your Honorable Body approved a maximum of four taxicab franchises to operate in the City of Torrance at a price of \$30,000 annually per franchise with an additional \$100 per taxicab. A minimum limit of 40 taxicabs per franchise with a maximum of 120 taxicabs was also approved at the meeting.

On November 23, 2003, the Taxicab RFP was advertised and the existing taxicab operators licensed in the City of Torrance were informed of the RFP. On December 1, 2003 a pre-proposal conference was held with interested parties to clarify any concerns or issues relating to the RFP. At the meeting, various issues were discussed including the City's concern relating to the Ultra Low Emission Vehicle (ULEV) requirements. Upon the completion of the pre-proposal meeting, addendum (1) was released which incorporated the additional information needed to complete the RFP. On December 30, 2003 all proposals were due to the City Clerk's office no later than 2:00 p.m.

There were five companies that submitted a proposal for the rights to operate a franchise in the City of Torrance. The following taxicab companies submitted proposals.

- All Yellow Taxi Inc.,
- South Bay Yellow Cab Co-op
- United Checker Cab Co-op
- Bell Cab
- United Independent Taxi Driver Inc.

Of the five companies that submitted proposals, four complied with all City requirements. United Independent Taxi Driver Inc. (UITD) failed to submit their acknowledgment of addendum (1), which was a requirement, and they also failed to submit their affidavit, which is also a requirement. Originally, staff considered not accepting UITD's proposal due to the aforementioned incidents but decided that from a materiality perspective most of the information provided in UITD's proposal would be sufficient to fairly evaluate them. However, upon further review of the UITD's proposal, it was determined that UITD did not submit a bid as part of their proposal. UITD did not bid the \$30,000 annual franchise fee or the \$100 per cab fee. Since UITD did not submit a bid as part of their proposal, the proposal is non-responsive.

ANALYSIS

The Finance Department created an evaluation team to review the proposals submitted by the taxicab companies. The members of the team represented various areas of the City's departments that have direct impact from the use of taxicab companies. The members of the evaluation team are:

- Ken Flewellyn Assistant Finance Director/ Business License Supervisor
- Jim Mills Transit Manager
- Jim Olds Senior Accountant, Finance Department
- Mike Witzansky Parks and Recreation Administrative Analyst
- Jim Wallace Police Detective

Each member of the evaluation team was carefully chosen based on his or her knowledge of the taxicab industry or their department's impact from the use of taxicab service. Jim Mills was placed on the team as he is the contract liaison for the City of Torrance with respect to the Dial-a-Lift program. Jim Olds was placed on the team to evaluate the company's financial stability. Mike Witzansky was placed on the team due to his department's wide-reaching impact on the City's senior citizens and other users of the Parks and Recreation services. Detective Jim Wallace was placed on the team to review the background information of the proposers and Ken Flewellyn was placed on the team as he is the Business License Supervisor.

The Business License Supervisor created a Taxicab Qualifying Evaluation Form (see Exhibit A). The evaluation form consisted of approximately 30 questions, which were derived from the RFP. The questions were categorized into seven (7) sections of which five (5) had rating values and two sections were used to assist the individual raters in their assessment of the information that was submitted. The two sections that were used to

assist the raters in scoring were the business plan and the insurance qualification. The business plan represents the company's goals, objectives and mission statement. The business plan generally represents the company's future direction. The team members were told to use the business plan in rating the company's existing qualifications. The insurance information was either a yes or no question. If the companies were not planning to comply with the City's insurance requirements, then their proposal would be rejected without further evaluation.

As previously mentioned, there are five sections which have rating points assigned to them. The maximum combined score totals 105 points. Under the section "Fleet Information", five extra credits were to be given to any company who complied with the ULEV requirements and the Accessible Wheelchair Vehicle requirements. Each component question under a section has equal weight. For example, under the section Fleet Information, there are two component questions. Each questions is weighted the same and as such are valued at 2.5 points each with a combined total of 5 points. The team members were instructed to evaluate each of the component questions on a scale of one to ten. A score of ten (10) would indicate that the company has met the City's concerns with respect to that particular component question and, therefore, the company would receive the maximum of 2.5 points for each question receiving a score of ten. If a question receives a score of less than ten (10), then the score would be proportionately lower. Keeping with the same example mentioned above, if a team member scored a total of 9 for the ULEV requirement for Company A, then Company A would receive a score of 2.2 ($9/10 \times 2.5$).

Each team member was given evaluation sheets along with copies of the companies' proposals to make their independent evaluation. The team members were given approximately two weeks to review the proposals and score each company using the evaluation sheets. There were two exceptions. The police detective was given proposals but he was instructed to perform background checks on the individual companies. There were no numeric scores used in the police detective's review but information derived from his background check was used in the determination of the recommendation. The other exception related to the finance information provided by the proposers. Jim Olds evaluated the financial data as he had the financial expertise to fairly analyze the data that was submitted. Jim Olds evaluation of the financial data was reviewed and confirmed by the Business License Supervisor.

On January 20, 2004 the team members reconvened to compare scores to determine if there were any extreme differences in the evaluation of the companies. The January 20, 2004 meeting proved to be meaningful as each team member had a range in which they could score a component question between 1-10 and there could be differences in opinions on the information that was provided in the proposals. To give an example, the component question "Business Experience" could vary in scores by the individual team members. A company may be less descriptive in their explanation of their business experience and as a result may be scored low by one member and perhaps another member may see the answer as sufficient. By meeting and discussing any extreme variances, the team was able to agree within an acceptable range on each component question. Upon the completion of the January 20, 2004 meeting all score sheets were submitted to the Business License Supervisor who calculated the average and totaled the final results.

As seen in Exhibit B, the following is the final results of the team review of the taxicab proposals before background checks.

South Bay Yellow	86.55
Bell Cab	85.70
All Yellow Taxicab	85.24
United Checker	83.70

The above scores do not take in consideration the findings derived from Detective Wallace's background investigation. Detective Wallace's findings showed that All Yellow Taxi had approximately 8 Vehicle Code citations over the last couple of years, which varied in nature. Staff is recommending that their score be reduced (as a result of their citations) by 10% or down to 76.7.

Staff recommends awarding franchise agreements to the following companies: South Bay Yellow, Bell Cab, United Checker and All Yellow Taxicab.

Respectfully submitted,

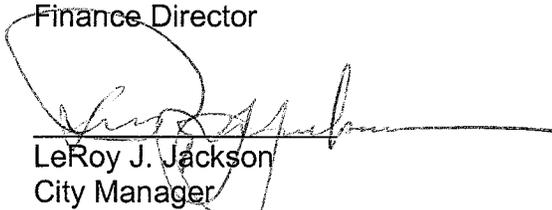
Eric Tsao
Finance Director

By: 
Kenneth Flewellyn
Assistant Finance Director

CONCUR:



Eric Tsao
Finance Director



LeRoy J. Jackson
City Manager

Attachments:

- Exhibit A: Taxicab Qualifying Evaluation Sheet
- Exhibit B: Evaluation Team Summary
- Exhibit C: Franchise Agreement (Material available Monday)

TAXICAB QUALIFYING/ EVALUATION SHEET

BUSINESS LICENSE SECTION

Quality of Service Vehicles - Maximum 15 Points

- Did the Proposer provide a list of vehicles that will be operating in Torrance
- Did the Proposer indicate which vehicles are currently equipped with a GPS System
- Did the proposer provide detailed information on its GPS system including software
- Did the proposer indicate which vehicle are ADA accessible
- Did the proposer describe its vehicle maintenance program
- Describe your company's vehicle maintenance program and provide any information that will enable the City to evaluate the quality of the program, the facilities available, and the capabilities of the staff who maintain their fleet. In addition, if a garage, service center, or subcontractor is used to maintain the vehicles, did the proposer indicate the name location and length of business relationship with each. If the vehicles are maintained for all vehicles. by company employees, indicate the location (street address) where the vehicles are maintained, describe the type of equipment available at this location the individual(s) the vehicles responsible for vehicle maintenance, who supervises vehicle maintenance on a day-to-day basis and the number of years they have been employed by your company. Please describe or provide a copy of the maintenance records maintained for all vehicles.
- Did the proposer provide documentation on its company safety record for the past 5 years.

Quality of Driver Service- Maximum 15 Points

- Did the proposer indicate whether they were going to use employee drivers or license subcontractors or a combination of both to do the driving?
- Did the proposer describe in detail, it's company's driving requirements?
- Did the proposer describe it company's policy on appearance standards for drivers?
- Did the proposer provide photograph copies of the uniforms that will used by their drivers?
- Did the proposer provide a copy of the company's drivers training manual or program.
- Did the proposer describe or explain its program or process in meeting the minimum performance standards of 80% of calls picked up within 20 minutes of receiving the request for service and 95% of all calls to be picked up within 45 minutes of receiving the request for service?

TAXICAB QUALIFYING/ EVALUATION SHEET

BUSINESS LICENSE SECTION

COMPANY NAME: Summary Exhibit B

INTERVIEWER: _____

CATEGORY	All Yellow	South Bay Yellow	United Checker	Bell Cab
----------	------------	------------------	----------------	----------

2.50ea.

Fleet Information (extra credit) Maximum Points 5

- Accessible Wheelchair Vehicles
- ULEV Vehicles

2.50	2.38	2.50	2.50
1.50	2.13	2.19	2.50
4.00	4.51	4.69	5.00

5.71ea.

Qualification of the Proposer Maximum Points 40

- Business Experience
- Qualification of the Proposer and its Senior Officers
- Does the proposer have at least 5 years of experience
- What has been the size of the Proposer fleet in which they have manage
- Did the proposer describe its refund policy
- Did the proposer describe its Customer Service/Complaint Program
- Did the Proposer describe its dispatch/reservation system, equipment used to dispatch, match customers and dispatch vehicles.

4.99	5.42	5.70	5.42
4.85	5.13	5.70	4.85
4.70	5.42	5.70	5.56
4.85	4.85	4.28	5.42
1.57	5.42	3.99	5.27
4.70	5.42	5.13	5.42
5.70	5.42	5.42	5.42
31.36	37.08	35.92	37.36

7.50ea.

Financial Capability and Stability - Maximum 30 Points

- Has the proposer provided the following Financial Statements:
 - Balance Sheets for the last two years
 - Cash Flow Statements for the last two years
 - Income Statements
 - Statement of Equity

6.00	5.25	4.50	4.50
6.00	5.25	4.50	4.50
6.00	5.25	4.50	4.50
6.00	5.25	4.50	4.50
24.00	21.00	18.00	18.00

CATEGORY

All Yellow South Bay Yellow United Checker Bell Cab

Quality of Service Vehicles - Maximum 15 Points

2.14ea.

- Did the Proposer provide a list of vehicles that will be operating in Torrance
- Did the Proposer indicate which vehicles are currently equipped with a GPS System
- Did the proposer provide detailed information on its GPS system including software
- Did the proposer indicate which vehicle are ADA accessible
- Did the proposer describe its vehicle maintenance program
- Describe your company's vehicle maintenance program and provide any information that will enable the City to evaluate the quality of the program, the facilities available, and the capabilities of the staff who maintain their fleet. In addition, if a garage, service center, or subcontractor is used to maintain the vehicles, did the proposer indicate the name location and length of business relationship with each. If the vehicles are maintained for all vehicles. by company employees, indicate the location (street address) where the vehicles are maintained, describe the type of equipment available at this location the individual(s) the vehicles responsible for vehicle maintenance, who supervises vehicle maintenance on a day-to-day basis and the number of years they have been employed by your company. Please describe or provide a copy of the maintenance records maintained for all vehicles.
- Did the proposer provide documentation on its company safety record for the past 5 years.

1.88	2.04	1.61	2.14
2.04	1.82	2.09	2.14
2.09	1.82	2.09	2.14
1.55	1.88	2.09	2.14
1.98	2.04	2.09	2.04
1.82	2.09	2.14	1.88

1.88	0.64	1.23	1.23
13.24	12.33	13.34	13.71

Quality of Driver Service- Maximum 15 Points

2.50ea.

- Did the proposer indicate whether they were going to use employee drivers or license subcontractors or a combination of both to do the driving?
- Did the proposer describe in detail, it's company's driving requirements?
- Did the proposer describe it company's policy on appearance standards for drivers?
- Did the proposer provide photograph copies of the uniforms that will used by their drivers?
- Did the proposer provide a copy of the company's drivers training manual or program.
- Did the proposer describe or explain its program or process in meeting the minimum performance standards of 80% of calls picked up within 20 minutes of receiving the request for service and 95% of all calls to be picked up within 45 minutes of receiving the request for service?

2.38	2.38	2.38	2.38
2.25	2.44	2.44	2.31
2.38	2.31	2.31	2.25
2.31			
2.44	2.31	2.31	2.31
0.88	2.19	2.31	2.38

12.64	11.63	11.75	11.63
-------	-------	-------	-------

Insurance (Yes/No)

Exhibit C

**Sample Franchise Agreement
(Material Available Monday)**

Council Meeting
January 27, 2004

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

Subject: Item 11C's Material Available Monday – Taxicab Franchise
Agreement

The following attachment was listed as Exhibit C: Franchise Agreement
(Material available Monday) in agenda item 11C.

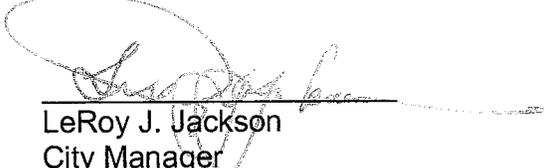
We apologize for any inconvenience.

Respectfully submitted,



Eric E. Tsao
Finance Director

CONCUR:



LeRoy J. Jackson
City Manager

Attachment: Exhibit C – Franchise Agreement

TAXICAB FRANCHISE AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 2004, by the CITY OF TORRANCE, a municipal corporation, ("CITY"), and NAME, TYPE OF ENTITY, (hereinafter referred to as "FRANCHISEE").

RECITALS

The following recitals are a substantive part of this Agreement:

1. City is desirous of regulating taxicab services for the benefit of the residents and visitors of Torrance and has determined that the most effective way to do so is by the granting of non-exclusive franchises which regulate the time, place and manner of provision of taxi services by private companies;

2. FRANCHISEE is qualified by virtue of experience, training, education, and expertise to be granted such a franchise.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Grant of Franchise.** CITY hereby grants a non-exclusive franchise to FRANCHISEE for the provision of taxi services within the City's boundaries.

2. **Term of Agreement.** This Agreement shall terminate three years from the effective date of this Agreement unless earlier terminated as provided below. Additionally, the City Council has the option to extend the Agreement for no more than two one-year terms.

2.1 **Termination.** The City reserves the right to terminate the individual franchise agreements without cause by providing the Franchisee with 30 days written notice. Upon receipt of a termination notice, FRANCHISEE must: (1) promptly discontinue all services affected unless the notice directs otherwise; (2) promptly remove all vehicle decals authorizing operations within the CITY; and (3) return all driver identification cards issued by CITY. Any prepaid franchise fees will be refunded on a prorated basis for the remaining franchise period. If termination by the City is warranted due to default in franchise obligations by the Franchisee, termination will be determined pursuant to the provisions of the Torrance Municipal Code.

3. **Nature of Franchise.** The rights and responsibilities of FRANCHISEE shall include those outlined in the City's Request for Proposal (attachment "A"), the FRANCHISEE's proposal (Attachment "B"), the addendum (Attachment "C"), and the City's Taxicab Franchise Ordinance that is found in Article 16 of Chapter 3 of Division 3 of the Torrance Municipal Code, which are incorporated herein by this reference.

4. **Compensation.** FRANCHISEE shall compensate CITY as follows:

a) Annual Franchise Fee of \$30,000 plus \$100 per cab per year. FRANCHISEE has requested a total of _____ cabs. The total fee for FRANCHISEE is \$ _____ payable in advance of Franchise Period commencement and annually thereafter.

5. **Employees and Subcontractors.** FRANCHISEE may, at FRANCHISEE'S sole cost and expense, employ such other person as may, in the opinion of FRANCHISEE, be needed to comply with the terms of this Agreement, if such persons possess the necessary qualifications to perform such services.

6. **Insurance Requirements.** Proof that the FRANCHISEE maintains, at its sole expense, insurance meeting the following requirements, which shall be in full coverage not subject to self-insurance provisions:

A. Separate commercial automobile liability insurance, utilizing coverage from CA001, for each vehicle proposed to be operated within the City pursuant to the operator's permit, with at least the following limits of liability:

- a) Primary Bodily Injury with limits of at least two hundred fifty thousand dollars (\$250,000.00) per person and five hundred thousand dollars (\$500,000.00) per occurrence; and Primary Property Damage of at least one hundred thousand dollars (\$100,000.00) per occurrence; or
 - b) Combined single limits of five hundred thousand dollars (\$500,000.00) per occurrence.
- 1) General liability including coverage for premises, independent contractors/vendors, personal injury and contractual obligations with combined single limits of at least five hundred thousand dollars (\$500,000.00) per occurrence.
 - 2) Workers' Compensation with limits as required by the State of California and Employer's Liability with limits of at least five hundred thousand dollars (\$500,000.00).
 - 3) Insurance provided by the franchisee must be primary and non-contributory.
 - 4) Required insurance must be issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are modified or waived in writing by the Risk Manager of the City due to unique circumstances.

- 5) The City, the City Council, and each present and former member of the City Council, City boards and commissions, and every officer, agent, official, employee and volunteer of the City (collectively, "City entities") must be named as additional insured under the automobile and general liability policy.
- 6) Each policy of required insurance must contain a provision that no termination cancellation or change of coverage can be made without thirty (30) days notice to the City.
- 7) The applicant must provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance prior to issuance of a permit.
- 8) The insurance carrier for the franchisee must provide a complete copy of the insurance policy, including all forms and endorsements to the Risk Manager of the City of Torrance within 60 days of commencement of work.

7. **Non-Liability of Officials and Employees of the CITY.** No officer or employee of CITY will be personally liable to FRANCHISEE, in the event of any default or breach by the CITY or for any amount that may become due to FRANCHISEE.

8. **Non-Discrimination.** FRANCHISEE covenants there shall be no discrimination based upon race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.

9. **Independent Contractor.** The FRANCHISEE is, and at all times will remain as to CITY, a wholly independent contractor. Neither CITY nor any of its agents will have control over the conduct of the FRANCHISEE or any of the FRANCHISEE's employees, except as otherwise set forth in this Agreement. The FRANCHISEE may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

10. **Compliance with Statutes and Regulations.** FRANCHISEE will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

11. **Conflict of Interest.**

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.
- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in

connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

12. Notices.

A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:

1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.

2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.

3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.

4. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.

5. Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

6. Addresses for purpose of giving notice are as follows:

a. Address of FRANCHISEE is as follows:

NAME
ADDRESS
ADDRESS
Fax:

b. Address of CITY is as follows:

City Clerk
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90509-2970

Fax: (310) 618-2931

(with a copy to):

Risk Manager
City of Torrance
3231 Torrance Blvd.
Torrance, CA 90503
Fax: (310)618-2927

B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

13. **FRANCHISEE'S Proposal.** This Agreement shall include CITY's RFP (Attachment A) and FRANCHISEE'S proposal (Attachment B) which are incorporated herein. In the event of any inconsistency between the terms of the RFP or proposal and this Agreement, this Agreement shall govern.

14. **Prohibition Against Assignment And Subcontracting.** This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either CITY or FRANCHISEE without the prior written consent of the other.

15. **FRANCHISEE's Authority To Execute.** The persons executing this Agreement on behalf of the FRANCHISEE warrant that (i) the FRANCHISEE is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the FRANCHISEE; (iii) by so executing this Agreement, the FRANCHISEE is formally bound to the provisions of this Agreement; and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the FRANCHISEE is bound..

16. **Indemnification.** FRANCHISEE will indemnify, defend, and hold harmless CITY, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of FRANCHISEE, its officers, employees, agents, subcontractors or vendors. It is further agreed, FRANCHISEE's obligations to indemnify, defend and hold harmless will apply even in

the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of CITY, its officers, employees or agents. Payment by CITY is not a condition precedent to enforcement of this indemnity. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by FRANCHISEE. In the event of any dispute between FRANCHISEE and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, FRANCHISEE will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. FRANCHISEE will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

17. **Integration; Amendment.** This Agreement represents the entire understanding of CITY and FRANCHISEE as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

18. **Governing Law; Jurisdiction.** This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

19. **Interpretation.** The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

20. **Severability.** If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

21. **Attorney's Fees.** Except as provided for in Paragraph 16, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

22. **Waiver Of Breach.** No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

23. **Decals.** A total of _____ decals shall be issued by CITY to the FRANCHISEE after FRANCHISEE successfully meets the contract advance requirements, including but not

limited to, insurance, vehicle listing, driver identification cards, etc. If, during the franchise period, the FRANCHISEE needs replacement decals, the FRANCHISEE shall provide the old decal to CITY as proof of non-duplication. A fee of \$10 will be paid to CITY for processing the replacement decal request and for providing the replacement decal.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the day and year first shown above.

CITY OF TORRANCE
a Municipal Corporation

FRANCHISEE
a type of entity

Dan Walker, Mayor

By: _____
Signer
Title

ATTEST:

Sue Herbers
City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

January 27, 2004

2004 JAN 27 PM 4:29

Dan Walker Mayor
City of Torrance Mayor
3031 Torrance Boulevard
Torrance, CA 90503

RE: January 27, 2004, City Council Meeting, Agenda Item 11C

Dear Mayor Walker:

I want to go on record as being opposed to more taxi contracts. The new Dial-A-Taxi Service is a poor excuse to replace our beloved Dial-A-Lift Service. The Dial-a-Taxi has inadequate cabs (only accessible to certain needs) being driven by unskilled drivers. The management of these taxi companies also leaves something to be desired. I feel it a waste of city money to provide more of a bad service. I also feel that the taxi companies could not ever pay us enough money to allow more bad taxi service to operate here.

I was a client of Torrance Dial-A-Lift for 9 years. Torrance Dial-A-Lift was the best transportation. I am very dissatisfied with yours and City Councils' decision to discontinue the Dial-A-Lift Service. I feel that the decision was made without consideration for the disabled residents living in Torrance. Mayor Walker, I also feel that the disabled residents should've had the right to speak on behalf of themselves and Torrance Dial-A-Lift, since this decision directly affected the disabled residents of Torrance and our right to have accessible adequate and safe transportation in the community. I also feel that the City of Torrance knowingly and willingly kept the decision to discontinue Torrance Dial-A-Lift a secret. Therefore, the disabled residents of Torrance weren't given proper notification about the discontinuation of Torrance Dial-A-Lift in a timely or appropriate manner. I would like to know why the disabled residents of Torrance weren't given the courtesy of proper notification; especially when the City of Torrance has our addresses on file as part of the service!

Now you have Senior citizens and Disabled citizens grouped together. Do you think just because seniors are up in age that they are disabled? What was your thinking about the needs of

Received / Made Part of the Record
City Council Meeting 1
Date 1/27/04 Item No. 11c

the disabled being the same as senior citizens? What happened to equally accessible transportation for all citizens of Torrance? What has happened to our fine city?

I have tried the regular Torrance Transit Bus. On January 24, 2003, I was on a group outing with Easter Seals Program. The group I was walking with wanted to I ride the bus to the Galleria Shopping mall. I tried to get on the Torrance Transit Bus and I couldn't get passed the drivers' seat. The space between the drivers' seat and door was too narrow, so the driver had to grab the handles on the back of wheelchair and lift off the floor and straighten my wheelchair out, because I was unable to make my wheelchair turn that narrow. Once the driver got me passed the door and the drivers' seat, I was in the aisle and then he told me to turn and back in the little narrow space where my wheelchair was supposed to go, but there wasn't enough room for me to turn and back into the wheelchair space, so the driver took control of my wheelchair and forced my wheelchair in to this narrow little space between the seats and I still didn't fit in the wheelchair space. Then the driver asked us to get off the bus, because he was taking to much time to get me on the bus and he was running behind on his schedule. The driver suggested that I try Torrance Dial-A-Lift, because they were better equipped to handle my wheelchair. I said I was already a client of Torrance Dial-A-Lift. The whole incident was extremely frustrating and very embarrassing in front of the group I was with. So Easter Seals decided Torrance Transit was out for me.

On December 23, 2003, I scheduled a ride with the All Yellow Taxi Service; the taxi arrived at my house at 10:30AM. While the driver was tying my wheelchair down he mentioned to me the brakes on the taxi were bad and one of the straps he was tying my wheelchair down with was broken; this strap was on my left front wheel, two straps on the front of my wheelchair and one on the back of my wheelchair. When he was finished strapping my wheelchair down he asked if I wanted the seatbelt on and I said yes, because I think he only put three straps on my wheelchair. Then he said, well you're only a short distance and you really don't need it. Then I said, I would really like to have the seatbelt around me please, I would feel a lot safer then he put the seatbelt around me. After my appointment, a different taxi, with a different driver from the same taxi service arrived at my doctors' office at 12:15pm to pick me and take me home. This driver's name was Jose. When Jose put me in the taxi and was tying my wheelchair down, I asked him if he would tie my wheelchair down nice and tight so I couldn't move or come

loose and said he was; and he told me not to worry and that I would be okay. Jose also put three straps on my wheelchair and the seatbelt around me; Jose put two straps on the front of my wheelchair and one strap on the back of my wheelchair. As Jose was pulling out of the parking lot I felt my wheelchair moving, so I told Jose that my wheelchair was moving, and he said I was okay and safe; he didn't stop to check the straps on my wheelchair. When Jose got to the end of driveway; there was a slant and when Jose went down the slant in the driveway, the strap on the back of my wheelchair came off and I slid into the dashboard, I told Jose that I thought the strap on the back came off and if he could please check the straps and he finally stopped at the light; and he asked me to back up into the spot where I was sitting as he drove out of the parking lot. At this point, Jose finally checked and tightened the strap on the left-hand side of my wheelchair and then continued to my house. I reported both these incidents to Angelica Oacha at city hall on December 30, 2003.

I also reported to Angelica Oacha about previous problems I've had with the All Yellow Taxi Service. The All Yellow taxi has been late on a few occasions to pick me up from my doctors' office. On November 18, 2003, the taxi was late and when I called to find out where the taxi was; the lady on the phone asked me where I was at, and I said I was at 24050 Madison and then she told me she couldn't find me in the computer; she asked me once again where I was at and said I was 24050 Madison and then she asked me if I was sure I was there and I said Yes, I sure I'm here, one of your taxies dropped me off here; then she asked the other lady in the office if there was a taxi coming. After that the lady got back on the phone and told me to wait five minutes and then said goodbye and hung up the phone. The Taxi arrived approximately fifteen minutes later.

On November 25, 2003 I scheduled another ride with the All Yellow Taxi Service. I had run out of my Undated Dial-A-Lift Tickets, so I had a check dropped off at city hall to buy new Dial-A-Taxi Tickets. Miss Maggie would not give tickets over the counter and said they had to be mailed. Ten days later, I still did not have any tickets. So I asked the driver if he took cash, I had to get to my doctor's appointment, and he asked me if I had my tickets and I said No, they haven't come yet. So, I asked him if he took cash and he said it was against company policy for him to take cash and he was only supposed to take the tickets. Then he said he'd make a one time only exception and take cash. Then he asked me how much money I had and I said I had

ten dollars; then he said I didn't have a enough money and I asked him again how much it would cost and he said ten dollars cash each way; then I said I only have ten dollars in total, but I didn't have twenty dollars, and then he said he would only charge me five dollars one way. Then I told the driver I didn't want to go anymore, so I told him to let me off the taxi, because I wasn't sure whether or not I'd be to get home from my doctors' office due to the fact that I didn't have my tickets; and I wasn't sure whether or not it would be the same driver picking me from my doctors' office. I also didn't want to get stuck at my doctors' office with no way home, so I cancelled my ride and stayed home. I've had to reschedule my doctor's appointment. Due to all the problems I have had with the All Yellow Taxi Angelica Oacha suggested, I try one of the other Taxi Cab Companies listed on my Dial-A-Taxi Tickets.

I had a ride scheduled for January 13, 2004, but the South Bay Yellow/United Checker Cab didn't show up at my house to take me to my doctors' office. Good thing my condition is not life threatening, I'd be dead, still waiting on a Torrance contracted Taxi, that I can't into with my wheelchair!

On **January 22, 2004**, I called the South Bay/United Checker Cab to schedule a ride for **January 24, 2004** to Harbor Regional Center. A lady answered my call, she asked for my phone number; I told her it was (310) 292-8480; then she asked me for the pick up address, I told her it was 22911 Marjorie. I said I would like to schedule a ride for January 24, 2004, she asked for my phone number again and I told her it was (310) 292-8480. Then I said I'd like to schedule a ride for January 24th and I also informed the lady that I would need a van with a wheelchair lift. She asked me what time I'd like to pick up from my house and I said 9:30AM. Then she said I had a ride for 9:30AM on January 24, 2004. I tried to schedule a return trip home and the lady wouldn't allow me to do so. I told her that I'd need to schedule return trip to get home; and she wouldn't take the information. I said to the lady, I can't schedule a return trip home from the location and she said just call when you're ready to go. Then the lady said bye and hung up the phone. About two minutes later, I realized that the lady didn't ask me for the location where I was going; so I called the cab company back and I said Yes, this is Deborah Howard and I was just wondering if I could give you the address to my destination location that is scheduled for January 24, 2004, then she asked me for my phone number again and I said it was (310) 292-8480. After that she asked me what the address was to my destination location; I said it was

21231 Hawthorne Blvd. Then she asked me whether it was a business or a residence, and I said it was business. Then she asked me for the name of the business and I said it was Harbor Regional Center in Torrance. She asked me for the phone number to Harbor Regional Center, I said it was (310) 540-1711. Then we said, goodbye and hung up.

On January 24, 2004, when the taxi cab arrived at my house; it didn't have a wheelchair lift. At this point, Mike at the South Bay Yellow/United Checker Cab Company called me on my cell phone because the driver couldn't find my house. Mike said he had an address of 22991 Marjorie. I said, No, it is 22911 Marjorie and he said is that street or Avenue, I said, yes, its street. I spoke with Mike and I asked him if the cab outside had a wheelchair lift, Oh, you're in a wheelchair; they didn't tell us that. I said, yes, I need a cab with a wheelchair lift, and I told Mike that I spoke to a lady on Thursday, January 22, 2004 and I told the lady that I would need a van with a wheelchair lift. Then Mike said that he would dispatch a cab with a wheelchair lift but it might take some time. I told him my seminar at Harbor Regional Center started at 10:00AM. Then Mike said that the cab was on the way. I also told Mike that I would need a return trip home from Harbor Regional Center because when I spoke to the lady on Thursday she wouldn't allow me to schedule a return trip home from Harbor Regional Center. Then Mike asked me what time I would like to be picked up from Harbor Regional Center, and I said 2:15 PM. After Mike called me back and said that the taxi cab was on the way. I said Thank you and we hung up.

When the taxi cab with the wheelchair lift arrived at house, it was already 10:00AM. When I tried to get on the taxi cab there wasn't enough room to turn my wheelchair into the spot next to the drivers' seat because there was another passenger seat directly behind the driver's seat in the way. I backed up into the cab and said I don't think I'm going to fit. At this point, the driver Robert said that he could strap my wheel down right here. Then when he was done tying my wheelchair down; Robert went to close the door and couldn't because my feet couldn't clear the door. At this point, Robert said why you don't try going up the ramp facing forward, so Robert untied my wheelchair and I drove down the ramp onto the sidewalk, turned round and drove forward up the ramp. At this point, I still couldn't make a sharp enough turn to get next to the drivers' seat. I was terribly disappointed and I said you know what I'm already late (it was already 20 minutes past ten and I hadn't left

my house yet) so I don't want to go anymore. I couldn't attend the meeting that I was supposed to attend at Harbor Regional Center at 10:00AM due to the lack of wheelchair accessible vans.

I would love to come to present my opinion at city council in person, however, if I use my tickets to ride to city council meeting, I will not have enough tickets to both get to the doctor and the grocery store once a week. What a dilemma, groceries or city council meeting? Which would you choose? Why can't I buy as many tickets as I need, or a monthly pass as on the transit system? Why do you want to discriminate against disabled riders by limiting amount of rides? Oh, what's the use, even if I had a ticket, most times the taxi is inaccessible anyway!

In conclusion, Mayor Walker due to these transportation problems I respectfully request that the decision to discontinue Torrance Dial-A-Lift be reevaluated on behalf of the disabled residents of Torrance, and that no decision be made until the disabled residents of Torrance are notified in writing and have the opportunity to speak on their own behalf and on behalf of Torrance Dial-A-Lift. Thank You for your time and patience in this matter.

Respectfully,

Debbie Howard
Former Torrance Dial-A-Lift Client

11a. CONTINUED STATE OF LOCAL EMERGENCY FOR CAROLWOOD LANE AND SINGINGWOOD DRIVE

Recommendation of the City Manager and the City Attorney that City Council continue the state of local emergency, proclaimed March 2, 2001 for properties located on Carolwood Lane and Singingwood Drive.

MOTION: Councilmember Scotto moved to continue the state of local emergency for Carolwood Lane and Singingwood Drive. Councilmember McIntyre seconded the motion and a roll call vote reflected unanimous approval.

11b. RESOLUTION NO. 2004-14 RE LOS ANGELES AIR FORCE BASE

Recommendation of the City Manager that City Council:

- 1) Provide \$30,000 to the Los Angeles Air Force Base (LAAFB) Regional Alliance public campaign to retain the LAAFB;
- 2) Adopt a Resolution opposing the closure of the LAAFB in El Segundo, and in support of the South Bay's efforts to save the LAAFB from possible Base Realignment and Closure (BRAC); and
- 3) Return the resolution to Los Angeles County so the County's Legislative Advocates can distribute packets to members of Congress, the Administration and officials from the Department of Defense involved in the closure.

Senior Management Associate Wren reported that a regional alliance had been formed to support the retention and modernization of the Los Angeles Air Force Base which is located in El Segundo and is responsible for space and missile defense systems, provides 65,000 jobs, and has an annual payroll of \$3.3 billion. She asserted that its closure would negatively affect Torrance, the greater South Bay area and Los Angeles County.

MOTION: Councilmember McIntyre moved to concur with the staff recommendation. Councilmember Scotto seconded the motion and a roll call vote reflected unanimous approval.

RESOLUTION NO. 2004-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE SUPPORTING THE RETENTION AND MODERNIZATION OF THE LOS ANGELES AIR FORCE BASE

MOTION: Councilmember Lieu moved to adopt Resolution No. 2004-14. Councilmember Witkowski seconded the motion and a roll call vote reflected unanimous approval.

Councilmember Nowatka noted a correction in the wording of the resolution: 65,000 direct or indirect jobs would be affected, not 30,000 as written.

11c. TAXI CAB FRANCHISE AGREEMENTS

Recommendation of the Finance Director that City Council authorize staff to enter into a franchise agreement for a term of three years with two additional one-year renewal options with the following taxicab companies:

- South Bay Yellow Cab
- Bell Cab
- United Checker
- All Yellow Taxicab

Assistant Finance Director Flewellyn stated that the Finance Department had initiated the franchise concept at the budget workshops that were approved at a May 13, 2003 public hearing. On October 28, 2003 City Council directed staff to pursue a non-exclusive franchise agreement with four companies at an annual price of \$30,000 with an additional \$100 per taxicab and a minimum of 40 and a maximum of 120 taxicabs per franchise.

A Request For Proposal (RFP) due on December 30, 2003 was distributed with the City receiving five proposals. One proposal from United Independent Taxi Driver Inc., was considered incomplete and rejected as the company did not want to pay the franchise fee and had not submitted their affidavit or acknowledgement of Addendum #1 as required in the RFP.

An Evaluation Team was created and a score sheet was developed using over 30 questions from the RFP and evaluation process. Team members included Assistant Finance Director/Business License Supervisor Flewellyn, Transit Manager Mills, Senior Accountant Olds, Parks and Recreation Administrative Analyst Witzansky and Police Detective Wallace. The team independently evaluated the applications, score sheets were totaled and an average was calculated with average scores adjusted by factoring in a police background check.

Councilman Mauno received clarification that each team member evaluated independently, then reconvened and compared scores to make sure they had not missed any issues.

At the request of Councilmember McIntyre, Assistant Finance Director Flewellyn read the final results of the team review: South Bay Yellow: 86.55; Bell Cab: 85.70; All Yellow Taxicab: 85.24; and United Checker: 83.20. He noted that the All Yellow scores had been further reduced by 10% to 76.70 due to adverse background information.

At the request of Councilmember Witkowsky, Assistant Finance Director Flewellyn indicated that companies were evaluated on Fleet Information, Qualification of the Proposers, Financial Capability and Stability, Quality of Service Vehicles, and Quality of Driver Service, as well as sections with no points assigned including Insurance and Business Plan that staff felt were critical to aid the evaluations.

Councilmember Lieu noted that all four companies had wheelchair accessible vehicles and three out of four companies were compliant with low emissions. The numbers were reviewed by Assistant Finance Director Flewellyn and he stated that All Yellow indicated that if a fueling station were built in the city of Torrance they would meet the 5% of fleet requirement.

Martin Reed, a lawyer representing United Independent Taxi (UIT), asserted that the RFP process was flawed and pointed out that the cab companies were being required to go from paying nothing per year to service the city of Torrance to paying, \$850 per year, per cab. He indicated that UIT had submitted a complete application, but was upfront about not being able to afford the fee and he asserted that the larger cab companies supported the idea to eliminate competition and phase out smaller companies.

Mr. Reed expressed concerns that due to the high cost to operate in Torrance and decreased competition, the quality of service and the quality of maintenance might be compromised. He asserted that the fee was arbitrary and unreasonable and asked that

the matter be continued so that UIT and the city could work together to come up with a reasonable solution.

Art Taylor, 2270 Sepulveda Boulevard, provided a brief history of the growth of UIT in the South Bay area and expressed concern that Yellow Cab felt threatened by the competition and was using money as a weapon to eliminate it. He reported that Yellow Cab had initiated RFPs in Manhattan Beach and Hermosa Beach resulting in costs to operate in the South Bay increasing from \$550 per year in 1998 to over \$5,000 per car in 2003.

Mr. Taylor indicated that Yellow Cab would pay less per cab to operate as they have more cars and expressed concern that advantages had been gained in other ways. He reported that UIT had presented their RFP with objections to the unreasonable taxation and he requested that the City Council and Mayor rethink the RFP process.

Jamal Bourkich, a driver for UIT, reported that drivers all over the country had been suffering a 25% decrease in income since September 11, 2001. He indicated that even with putting in 50-55 hours per week it was difficult to make ends meet and increased costs would create a dangerous and unhealthy situation as it would be physically impossible for drivers to earn even minimum wage.

City Attorney Fellows responded to comments made earlier stating that in the history of taxicab service in Torrance there was little or no evidence of complaints or poor taxi service in the city so that the issue of competition that should not result in derogation of service.

He stated that the proposed franchise fee was not suggested by Yellow Cab, by the Council or by any outside entity but was developed entirely by staff and that in fact at one point the staff had considered a flat rate franchise fee of \$40,000 per year with no per cab charge.

He disagreed with Mr. Taylor's assertion that UIT would pay disproportionately and indicated that the range had been set between 40-120 cabs so that no one would have to give up cabs presently operating under the previous licensing scheme thus allowing each company to set the number best for the franchisee and pay for licensing accordingly.

City Attorney Fellows explained that the term of the proposed franchise is three years with two one-year options to extend, providing ample opportunity to fine tune the program.

City Attorney Fellows stated that he had suggested the RFP process at a City Council Transportation Committee meeting a number of years previous as a direct response to the published case of South Coast Cab vs. City of Anaheim which basically said that existing public convenience and necessity provisions such as those in existence in most city's ordinances was unenforceable and in an attempt to provide an evenhanded mechanism for the selection and award of taxicab service he had personally suggested the method.

He also noted that the City of Los Angeles operated its taxi franchise by zone.

City Attorney Fellows noted that under the old City of Torrance ordinance a 50 cab fleet size per minimum was required as a rough measure of business responsibility so that the City would not have to spend time on evaluating. He stated that it appeared that

United Independent had fallen below the fleet size and perhaps would not have qualified under the old scheme.

Councilmember Mauno expressed empathy for the drivers' working conditions but indicated that his main concern was quality service for the citizens and he felt the city's process was fair.

MOTION: Councilmember Mauno moved to concur with the staff recommendation with taxi cabs noted. Councilmember Scotti seconded the motion and a roll call vote reflected unanimous approval with the exception of Mayor Walker who abstained.

Mayor Walker commented on the accuracy of a newspaper article from the previous Saturday noting that it omitted that as he had raised a significant amount of money to pay off campaign debts, he had utilized twice as much money as listed in the story at the same time he had made a large contribution to the John Wayne Cancer Institute as well as to an educational foundation providing scholarships to needy students and that \$7,000 of those funds were donated to the Rose Float Association to underwrite six of the South Bay POWs and a New York police officer to ride on the float. He stated, as pointed out that the story, staff had indicated that at no time had he had any conversations with staff or Councilmembers about the subject. Mayor Walker reiterated that staff had analyzed and came up with the recommendation and the City Council had unanimously voted to concur with the recommendation. He stated that he looked forward to a more comprehensive story in the future.

12. HEARINGS

12a. RESOLUTION NO. 2004-15 RE JACK IN THE BOX

Recommendation of the Community Development Director and the Planning Commission that City Council deny the appeal and adopt a resolution to approve as conditioned a Conditional Use Permit (CUP03-00041) allowing the construction and operation of a drive-through restaurant on property located in the C-2 Zone at 3940 Redondo Beach Boulevard.

CUP03-00041, JBA-ASLAN/BARRY HAMMOND (JACK IN THE BOX)

Mayor Walker opened the public hearing at 9:55 p.m.

Planning Manager Isomoto presented a brief presentation on the item from material of record noting that an adjacent property owner had filed the appeal of the project at the southeast corner of Redondo Beach Boulevard and Prairie Avenue based on noise and littering concerns.

She noted that the Planning Commission had considered the item on November 25, 2003 with neighbors raising concerns about light, noise, and hours of operation. The Planning Commission amended conditions to include adding trees around the property line and installing a state of the art volume device to decrease noise at the speaker box, and that the item was unanimously approved 6-0 with Commissioner Botello absent.

Planning Manager Isomoto stated that staff recommends denial of the appeal and approval of the project as conditioned.

RFP NO. RFP B2008-55

Request for Proposal for Taxicab Franchise

PROPOSAL SUBMITTAL INFORMATION

PLACE: CITY OF TORRANCE
Office of the City Clerk
3031 Torrance Blvd.
Torrance, CA 90503

BID DEADLINE
2:00 P.M.

DEADLINE: 2:00 PM

IN CITY CLERK'S OFFICE
ON BID OPENING DAY

DATE: Thursday, October 16, 2008

The **ORIGINAL, PLUS FOUR COPIES** of the PROPOSAL must be submitted in a sealed envelope and marked with the RFP title and number: PROPOSAL FOR TAXICAB FRANCHISE RFP B2008-55

PROPOSALS MAY BE MAILED OR HAND DELIVERED. NO FAXED PROPOSALS WILL BE ACCEPTED. LATE PROPOSALS WILL NOT BE ACCEPTED. Proposals will be opened and publicly read aloud at 2:15 P.M. on the same date in the Council Chambers, Torrance City Hall.

Mandatory Pre-Proposal Conference:

A mandatory pre-proposal conference will be conducted at **9:30 a.m. on Thursday, October 2, 2008** in the Finance Department, South Conference Room on the second floor of Torrance City Hall, located at 3031 Torrance Blvd., Torrance.

Questions brought up at the conference will be answered to the extent possible at that time. Questions of consequence will be recorded at the conference, and questions and answers will be mailed to all parties that have attended the pre-proposal conference. Any changes, interpretations, or clarifications considered necessary by the City in response to proposers' questions will be issued in writing as addenda and mailed or delivered to all parties that have attended the pre-proposal conference. Only answers issued in writing by the City of Torrance will be binding on the City. Oral and other interpretations or clarifications, including those provided at the pre-proposal conference, will be without legal effect.

All responses must include the following components:

- Completed Proposal (Section IV) of this document. You must submit your response formatted with divider tabs labeled in the order presented in this RFP.
- \$1,500 non-refundable filing fee in cash or cashier's check made payable to the City of Torrance
- Proposer's Affidavit (Attachment 1)

Any questions regarding this proposal should be directed to:

Ken Flewellyn
Finance Department
(310) 618-5850

Felice Fromm
Finance Department
(310) 618-5820

**CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503**

RFP NO. RFP B2008-55

Request for Proposal for Taxicab Franchise

SECTION I RFP INSTRUCTIONS AND INFORMATION

Notice is hereby given that sealed proposals will be received in the City Clerk's office, City Hall, 3031 Torrance Boulevard, Torrance, CA, until 2:00 p.m. on Thursday, October 16, 2008 and will be opened and publicly read aloud at 2:15 p.m. on the same date in the Council Chambers, Torrance City Hall. You are invited to be present at the opening of proposals. An original and four copies of each proposal along with a \$1,500 non-refundable filing fee in cash or cashier's check made payable to the City of Torrance must be submitted in a sealed envelope and clearly marked: "PROPOSAL FOR TAXICAB FRANCHISE, RFP B2008-55.

Proposal Form:

The proposal must be made on the forms provided in this request for proposal, enclosed in a sealed envelope, and marked "PROPOSAL FOR TAXICAB FRANCHISE, RFP B2008-55 and addressed to the City Clerk, City of Torrance, 3031 Torrance CA. 90503. If an individual makes the proposal, that individual must sign the proposal, and an address, telephone (and fax number if available) for that individual must be provided. If a business entity makes the proposal, it must be signed by the person(s) authorized to execute agreements and bind the entity to contracts, and a full business address, telephone (and fax number if available) must be provided. No telegraphic, fax or telephonic proposal will be considered.

The purpose of this RFP is to seek qualified applicants interested in obtaining authority to provide taxicab service in the City of Torrance.

This document contains information and instructions relating to the preparation and filing of proposals; conditions and provisions regarding the establishment, operation and performance of taxicab service; and the procedure and criteria to be used in evaluating proposals.

Blank spaces in the proposal form must be filled in; using ink, indelible pencil, or typewriter, and the text of the proposal form must not be changed. Any unauthorized conditions, limitations, or provisos attached to a proposal will render it informal and may cause its rejection. Alterations by erasure or interlineations must be explained or noted in the proposal form over the signature of the Proposer.

All addenda must be attached to the proposal. Failure to attach any addendum may render the proposal non-responsive and cause it to be rejected.

Reservation:

The City reserves the right to revise or amend specifications of the RFP prior to the date set for opening the proposals. Revisions and amendments, if any, will be announced by an addendum to this RFP. If the revisions require additional time to enable Proposers to respond, the City may postpone the opening date accordingly. In such case, the addendum will include an announcement of the new opening date.

The City Council reserves the right to reject any and all proposals received, to take all proposals under advisement for a period not to exceed ninety (90) days after the date of the opening, to waive any informality on any proposal, and to be the sole judge of the relative merits of the material and or service mentioned in the respective proposals received. The City reserves the right to reject any proposal not accompanied with all data or information required.

In making its evaluation, the City will consider which of the four (4) highest ranked proposers who are capable of providing the highest level of service to the public considering their qualifications, financial capability, quality of service vehicles, quality of drivers, business plan etc.

This Request for Proposal (RFP) does not commit the City to award a contract or to pay any cost incurred in the preparation of a proposal. All responses to this RFP document become the property of the City of Torrance.

Affidavit:

An affidavit form is enclosed (Attachment 1). It must be completed signifying that the proposal is genuine and not collusive or made in the interest or on behalf of any person not named in the proposal, that the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a sham proposal or any other person, firm, or corporation to refrain from proposing, and that the Proposer has not in any manner sought by collusion to secure for itself an advantage over any other Proposer. Any proposal submitted without an affidavit or in violation of this requirement will be rejected.

General Information:

This RFP invites interested parties to submit proposals for the operation of taxicab service within the City. It is anticipated that the City Council will grant franchises to the four highest rated responsible proposers.

The Taxicab Franchise Ordinance of the City of Torrance (Attachment 2) applies to all taxi cab service originating within the City of Torrance. The ordinance must be used in the completion of the proposal, as it will contain specific requirements that a proposer must operate under should the proposer be awarded a franchise agreement.

Rates:

Rates charged to the public must be established by the individual franchisee but must not be more than that which is charged by the City of Los Angeles. All rate increases will be indexed to the City of Los Angeles rates.

Contract Term:

Each franchise term will expire no sooner than five years from the effective date of the franchise agreement. Each franchise will be for a five-year term with two, two-year extensions if approved by the City Council.

Monetary Value of Franchise Agreement:

The monetary amount of the franchise agreement must be an annual franchise fee of \$35,000 and \$100 per taxicab with a minimum of 40 taxicabs per franchise agreement not to exceed a maximum of 120 taxicabs per franchise agreement.

Termination:

The City reserves the right to terminate the individual franchise agreements without cause by providing the Franchisee with thirty (30) days written notice. Any prepaid franchise fees will be refunded on a prorated basis for the remaining contract payment period in the event of termination without cause. If termination by the City is warranted due to default in franchise obligations by the Franchisee, termination will be determined pursuant to the provisions of the Torrance Municipal Code.

Fleet Information:

Each Franchisee must operate a minimum number of 40 taxicabs in the City of Torrance. Each Franchisee may not operate more than 120 taxicabs in the City of Torrance.

Proposers should be aware that at least 2% of each authorized fleet must consist of vehicles that are wheelchair accessible in compliance with standards provided by the Americans with Disabilities Act (ADA) and Board policies at the start of franchising and thereafter. The Council may require by resolution that the franchisee increases the minimum percentage of wheelchair accessible fleet vehicles and may specify vehicle service availability for general wheelchair accessible trips notwithstanding any existing contractual arrangements.

Proposers should also be aware that all franchised operators, within the first 12 months of the effective starting date of their respective franchises, must place into service at least 5% of their fleet as vehicles certified as Ultra-Low Emission Vehicles (ULEV) by the California Air Resources Board. An equivalent number (combination) of Low Emission Vehicles (LEV) or cleaner which results in the same emission reductions as that provided by the 5% ULEV requirement will also be allowed.

Standards for Evaluation of Proposals:

Request for Proposals will be evaluated based on an objective performance criterion and a points-based system to determine the most qualified franchise proposer(s). The criteria and points are as follows:

Qualification of the Proposer (Company)	40 points
Financial Capability and Stability	30 points
Quality of Service Vehicles	15 points
Quality of Driver Service-	15 points
<hr/> Total	<hr/> 100 points

Award of Franchise Agreement(s):

One (or more) Franchise Agreements will be awarded by the City Council to the Proposer(s) who best meet the requirements as specified in this request for proposal package. Responsibility and qualification are to be determined from the information furnished by the Proposer in the documents submitted, as well as from other sources determined to be valid by the City. Award will not be made until after such investigations as are deemed necessary are made regarding the experience and financial responsibility of the Proposer. By submitting this proposal, the Proposer authorizes the City to perform all investigations necessary to

determine suitability. Award, if made, will be within ninety (90) days of the due date for proposals. The City reserves the right to reject all proposals.

The Proposer(s) to whom the awards are made will be required to enter into a written franchise agreement with the City of Torrance. A copy of this RFP and each successful Proposer's proposal will be attached to and become a part of the franchise agreement.

Qualification of the Proposer (Company):

Describe all business experience, both positive and negative, and qualifications of the company and the senior officers of the company (if applicable) in operating taxicabs and/or vehicles for hire such as shuttles or limousines for no less than the last five (5) years. Indicate the number of years of experience, the maximum and average number of taxis operated during this period, the name(s) of any prior companies the officers of the company have been affiliated with, owned, or operated, and any prior names under which the company did business in Torrance. Describe your company's established refund policy and how you handle customer complaints. Describe your dispatch/reservation system, including the location, hours of operation, number of staff assigned to dispatching/reservations, any equipment used to dispatch, match customers and dispatch vehicles.

Financial Capability

Proof of Financial Viability

An important feature of the proposal is an adequate demonstration of financial capability to perform in accordance with the franchise ordinance and the applicant's own proposal. Failure to provide detailed information of financial capability may be interpreted as evidence that the proposer is not properly qualified to be granted a taxicab franchise. Failure to demonstrate financial capability to perform may result in disqualification of the proposal.

Documents showing the availability of sufficient equity and/or debt capital to start up and operate the proposed service until it becomes self-supporting must be submitted as part of the application.

Minimum documentation must include balance sheets, cash flow statements, and income statements in the forms as described by generally accepted accounting principals (GAAP) for the three most recent years. Audited financial statements by an independent Certified Public Accountant (CPA) will be given greater weight than non-audited statements. All personal financial statements will be kept confidential.

Quality of Service Vehicles:

List each vehicle you currently operate which meets the City's requirements and which you wish to operate in the City under the Franchise Agreement. Indicate which vehicles, if any, are alternative fuel vehicles and their types. Indicate which vehicles are currently equipped with a GPS system, any software utilized with the GPS system, and if appropriate, provide a copy of your company's plans and timeline for implementation of a GPS system. Also, indicate which vehicles, if any, are ADA accessible. A Company record containing the same information may be submitted.

Describe your company's vehicle maintenance program and provide any information that will enable the City to evaluate the quality of the program, the facilities available, and the capabilities of the staff who maintain your fleet. In addition, if a garage, service center, or subcontractor is used to maintain the vehicles, indicate the name, location and length of business relationship with each. If the vehicles are maintained by company employees, indicate the location (street address) where the vehicles are maintained, describe the type of equipment available at this location, the individual(s) responsible for vehicle maintenance, who supervises vehicle maintenance on a day-to-day basis and the number of years

they have been employed by your company. Please describe or provide a copy of the maintenance records maintained for all vehicles. Provide documentation on your company's safety record for the past five- (5) years. Describe the measures your company plans to implement or has implemented to enhance passenger safety.

Quality of Driver Services:

Indicate whether you intend to use employee drivers, licensed subcarriers, or a combination of both. Describe your company's driver requirements. Describe your company's appearance standards for drivers, and describe or include a photograph of the uniform that you would use in your operation in Torrance. Include any standards your company enforces relative to personal hygiene. Describe the program(s) your company uses to train new drivers and maintain the skills of existing drivers. Describe the programs and processes your company uses, or plans to use, in meeting the minimum performance standards for taxicab customer response. The minimum Performance Standards are: 80% of calls will be picked up within 20 minutes of receiving the telephone request for service and 95% of all calls will be picked up within 45 minutes of receiving the telephone request for service.

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP B2008-55

Request for Proposal for Taxi Cab Franchise

SECTION II TECHNICAL REQUIREMENTS

Proposers are put on notice that the use of City streets for the operation of taxicabs is a privilege. The conduct of such operations is intended for the benefit of the public and is subject to the exercise of the police powers of the City. It is the intent of the City to obtain operators that possess a solid background in fleet management, have substantial experience in taxicab operations, are financially able to establish and maintain a high quality taxicab service and are responsible for and committed to establishing a management business plan necessary to implement and maintain a high level of taxicab service to the public.

Each proposer is required to submit the following:

1. Proposer Identification:

Each proposer must submit documented proof, e.g. birth certificate, Articles of Incorporation, or other organizational identification paperwork, that they are who they represent themselves to be. If a proposer is a membership organization or corporation, the proposal must include a copy of the Articles of Incorporation from the Secretary of State, and the names of the current Managers and Principal Stockholders. If a proposer is an individually owned company, its owner(s) and management personnel must be identified.

If a proposer is a membership organization, the names of the elected officers and Board of Directors must be submitted with your proposal.

2. Character Qualifications:

The proposer must indicate whether or not the proposer or any principal thereof has ever been convicted in a criminal proceeding and, if so, the jurisdiction, date, charge, penalty and particular person(s) so involved.

Each proposer and all principals thereof must be fingerprinted by the Department for a criminal record check within (30) calendar days from the date the City Council approves the Franchise agreement. The taxicab franchisee will pay any fees required for the completion of this process.

The proposer must indicate whether or not the proposer or any principal thereof has ever been a party to a civil proceeding in which it was held that the proposer or any principal thereof engaged in anti-competitive business practices, violated state or federal laws, or engaged in false/misleading advertising and, if so, the jurisdiction, date, relevant circumstances and person(s) so involved.

The proposer must indicate whether or not the proposer or any principal thereof has ever had a business license revoked and, if so, by whom and when that license was so revoked.

The proposer must indicate whether or not the proposer or any principal thereof has ever been found in violation of any franchise agreement. Full details of each violation must be explained in the proposal.

The proposer must indicate whether or not the proposer or any principal thereof has ever initiated litigation against a franchising authority or had a franchising authority initiate litigation against it. Details of the litigation and the final decision, if any, must be explained in the proposal.

The City in its evaluation process will duly consider the overall character of the proposer and its principals.

The City of Torrance requires that every proposal, bid, or offer must include or attached thereto the affidavit of the proposer indicating that such proposal is genuine and truthful, not sham or collusive, nor made in the interest of any person not therein named; that the proposer has not directly or indirectly induced or solicited any other proposer to submit a sham proposal or to refrain from proposing; and that the proposer has not in any manner sought by collusion to secure for himself an advantage over any other proposer. Any proposal made without such affidavit, or found to be in violation thereof, will not be considered.

3. Disqualification of Proposal - Falsification of Information:

Falsification of any information contained in a proposal including a false affidavit will cause the proposal to be disqualified and may subject the proposer to criminal prosecution. In addition, if it is determined at a later date that a successful proposer has falsified any information contained in the proposal, the Council may terminate any franchise authorized, the Council may hold the proposer liable to the City for all loss or damage which the City may suffer, and the proposer may be excluded from any future proposal submission or evaluation.

4. Other documentation as necessary to clarify any required items:

5. Insurance:

Proof that the applicant maintains, at its sole expense, insurance meeting the following requirements, which must be in full coverage not subject to self-insurance provisions:

Separate commercial automobile liability insurance, utilizing coverage from CA001, for each vehicle proposed to be operated within the City pursuant to the operator's permit, with at least the following limits of liability:

- a) Primary Bodily Injury with limits of at least two hundred fifty thousand dollars (\$250,000.00) per person and five hundred thousand dollars (\$500,000.00) per occurrence; and Primary Property Damage of at least one hundred thousand dollars (\$100,000.00) per occurrence; or
 - b) Combined single limits of five hundred thousand dollars (\$500,000.00) per occurrence.
- 1) General liability including coverage for premises, independent contractors/vendors, personal injury and contractual obligations with combined single limits of at least five hundred thousand dollars (\$500,000.00) per occurrence.
 - 2) Workers' Compensation with limits as required by the State of California and Employer's Liability with limits of at least five hundred thousand dollars (\$500,000.00).

- 3) Insurance provided by the franchisee must be primary and non-contributory.
- 4) Required insurance must be issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are modified or waived in writing by the Risk Manager of the City due to unique circumstances.
- 5) The City, the City Council, and each present and former member of the City Council, City boards and commissions, and every officer, agent, official, employee and volunteer of the City (collectively, "City entities") must be named as additional insured under the automobile and general liability policy.
- 6) Each policy of required insurance must contain a provision that no termination cancellation or change of coverage can be made without thirty (30) days notice to the City.
- 7) The applicant must provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance prior to issuance of a permit.
- 8) The insurance carrier for the franchisee must provide a complete copy of the insurance policy, including all forms and endorsements to the Risk Manager of the City of Torrance within 60 days of commencement of work.

6. Management/Business Plan:

Each proposer is required to submit a Management/Business Plan with specific information on how it would provide, improve, and enhance the delivery of taxicab service to the public. Each proposer must describe and supply information regarding each of the following components:

a. Organizational Structure and Procedures

- Ownership and/or corporate structure
- Copy of Corporate Charter, Articles of Incorporation, Bylaws and any other organizational identification paperwork
- Criteria and procedures for election of Officers and Board of Directors or equivalent
- Copies of membership, security and lease agreements
- Process for membership/share approval, sale and transfer
- Process for member dismissal
- Process for maintaining active membership lists reporting to the Department

b. Management/Administrative Structure and Procedures

- Identification and background experience of management and administrative personnel
- Hiring/Contracting and terms

c. Financial Status and Related Information

- Financial plans
- Collection/distribution of organizational funds per member or corporation
- Funding and capital outlay to meet the demand for dispatch and vehicle technology, staffing, property leases or purchase, maintenance, etc.

d. Dispatch and Communication – Description of Facilities, Personnel, and Technology

- Dispatch facility and location
- Plans to ensure access to dispatch technology and facilities as detailed per contracts/agreements and how this effects the best interest of the public for continued service needs
- Staffing structure and plan including scheduling
- Technology capability and future plans
- Dispatch procedures and service documentation capture
- Dispatch computer system, phone system, radio and vehicle technologies, programs, and Frequencies
- Technology or services for the speech and hearing impaired
- Reporting procedures and formats to the Department

e. Operating Location(s), Storage/Parking of Vehicles, Maintenance and Inspection – Description of Facilities and Personnel

- Operating facility and location
- Lease or purchase including terms of same for operating facility and systems
- Operational staffing structure and plan including scheduling
- Vehicle storage space (garaging/off-street parking) requirements and locations
- Facility(s) and personnel used for vehicle maintenance and inspection
- Personnel to be used for vehicle inspections and documentation procedures

f. Programs and Activities for Driver Training, Testing, Supervision and Social Benefits

- Processes for solicitation, screening, training, drug testing, and hiring drivers
- Training programs, re-fresher courses, behind the wheel training, and training program delivery and testing
- Road and office supervisory availability and responsiveness
- Describe programs for driver/employee life, health and disability social benefit plans including any financial contributions (per month) provided by the operator towards such programs

g. Vehicle Maintenance and Inspection

- Preventive and routine vehicle maintenance programs including problem handling
- Vehicle inspection procedures including problem handling

h. Procedures for Maintaining Service Levels; Programs for Addressing Service Deficiencies

- Vehicle service level verification and documentation capture for all vehicles for all service zones or programmable sub zones
- Vehicle service level verification and documentation capture for wheelchair accessible vehicles and other types as may be approved by the Board of Taxicab Commissioners
- Special vehicle usage incentives or programs
- Plans for advertising and soliciting or promoting business.
- Plans for locating and addressing service deficiencies including, but not limited to, a full description of how low income areas, senior citizens, the disabled community and potentially under-served to hard-to-serve locations will be guaranteed good service
- Procedures including internal incentives/disincentives to promote service

i. Service/Operation Procedures for Discipline, Driver Evaluation, Complaint Processing, and Accident/Safety Control

- Discipline or mediation procedures within Grantee for driver, member, employee and operator control
- Programs for driver/member /employee evaluations, awards, etc.
- Process and procedures used for complaint resolution program
- Accident investigation and tracking

j. Special Programs, Agreements and Services

- Special programs or agreements with other agencies or entities that affect taxicab service in Torrance.

k. Record Keeping

- Record keeping program for driver, member, employee, and operator including process, location, and retention duration
- Record keeping program for complaints
- Record keeping program for accidents/claims
- Record keeping program for special programs and agreements
- Record keeping programs for drug testing contracts, agreements

l. Plan Evaluation and Response to Changes or Additions

- Management/Business Plan and determine if changes or additions are necessary
- Response to additional information requests or procedural changes
- Protocol for addressing City issues and violations

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP B2008-55

Request for Proposal for Taxi Cab Franchise

SECTION III Other General Information

Individual Driver's Permit Required:

It will be unlawful for any person to drive a taxicab in the City without having a driver's permit issued by the Business License Division of the City.

Application for Driver's Permit:

Any person who wishes to obtain a driver's permit will be required to file an application with the License Supervisor. Each application must be accompanied by an application fee in an amount to be set by resolution of the City Council. An incomplete application will be returned by mail to the applicant along with a list of deficiencies. An incomplete application will be deemed abandoned if a corrected application is not received by the City within fourteen (14) calendar days following the date the City mailed the applicant notice of the deficiency. Within seven (7) calendar days of receiving a complete application, the City will send a letter acknowledging receipt of the completed application.

The application must be signed under penalty of perjury and must include the following:

- A) The name, residence address, and age of the applicant;
- B) Any convictions in any court of any state of the United States or in any United States court;
- C) The number and expiration date of the applicant's California driver's license, and disclosure of whether any state driver's license or taxi driver's permit held by the applicant has ever been revoked or suspended;
- D) The name and address of the permitted franchisee by which the applicant is to be employed as a driver, and the endorsement of that franchisee;
- E) The names and addresses of every person by whom the applicant has been employed at any time during the five (5) calendar years preceding the year of application;
- F) The names and addresses of three (3) responsible persons, excluding relatives of the applicant, who have known the applicant for at least three (3) years;
- G) Proof of insurance and agreement to maintain at all times in full force and effect, insurance at levels referenced above.
- H) Assent to a background investigation and fingerprinting by the Police Department;

- I) Two (2) copies of a one (1) inch-square photograph of the applicant, taken within ninety (90) days of the date of application. (One (1) photograph will be attached to the driver's permit certificate or identification card; the other will be retained by the License Supervisor); and
- J) The identification number and expiration date of each taxi driver's permit issued by every other jurisdiction in which the applicant is licensed;
- K) Any other information the License Supervisor may require.

Investigation and Approval or Denial of Application for Driver's Permit:

If an applicant holds a valid driver's permit issued by another jurisdiction whose application process included an investigation and background check by a law enforcement agency, the License Supervisor may immediately issue a driver's permit, upon confirmation of the issuance and current validity of that prior permit.

The License Supervisor will otherwise forward the completed application to the Police Department, which will conduct and complete an investigation of the applicant, within sixty (60) days after a completed application has been received by it. The Police Department will approve or deny the application and report its action to the License Supervisor. The Police Department must specify its grounds for any denial. The License Supervisor will notify the applicant by mail of Police Department approval or denial within seven (7) calendar days of the Police Department action.

The Police Department must recommend denial of an application if the applicant has:

- A) Falsified material information on the application;
- B) Registered as a sex offender pursuant to California Penal Code Section 290;
- C) Served or is on formal probation or parole for any offense in this section;
- D) A conviction (or plea of guilty or nolo contendere) in any state for any of the following: murder; robbery; pandering; pimping; crimes related to the sale or transportation of controlled substances; crimes involving the use of a weapon; or any other offense involving moral turpitude or any crime that is substantially related to the qualifications, functions, or responsibilities of a taxi driver;
- E) A conviction (or plea of guilty or nolo contendere) in any state for a felony other than those listed in the previous subsection within eight (8) years of application; or
- F) Any conviction (or plea of guilty or nolo contendere) within five (5) years of application in any state or any final administrative determination of a violation of any statute, ordinance, or regulation reasonably and rationally pertaining to the same or similar business operation which would have resulted in suspension or revocation of a Driver's Permit under these rules and regulations.

Issuance of Taxicab Identification Decal:

The License Supervisor will issue an identification decal for each taxicab permitted to operate in the City.

Operating Requirements:

Every taxicab driver and franchisee will be jointly and severally responsible for all of the following requirements. Each franchisee and driver must:

- A) Maintain, at all times in full force and effect, insurance as required by the franchise agreement
- B) Maintain, at all times, valid business licenses for the City of Torrance.
- C) Display at all times on each taxicab operating within the City of Torrance a valid taxicab identification decal issued by the License Supervisor. The identification decal must be permanently affixed to the lower left corner of the rear windshield of the vehicle so that it is clearly visible from the outside of the vehicle. If, because of the presence of other stickers or decals required by law, the decal cannot be affixed on the lower left corner of the rear windshield, the decal must be attached to the vehicle in a conspicuous location, as close as possible to the lower left corner of the rear windshield.
- D) Keep an accurate, legible record of all passengers carried, the pick up and drop off points, and the date and time carried. This record must be available for up to one (1) year for review by the License Supervisor.
- E) Not, when otherwise available for hire, refuse to transport anyone requesting a ride except under the following circumstances:
 - 1) The transportation requested is such that the driver may not legally accept such passenger;
 - 2) The driver has reasonable cause to believe that the proposed passenger will refuse to pay or cannot pay the fare; or
 - 3) The proposed passenger is disorderly, engaged in the commission of any crime, or is otherwise unfit to be transported as a passenger.
- F) Display a photo I.D. badge identifying the driver's association with permitted taxicab service;
- G) Keep the taxicab in good mechanical condition and in compliance with any and all applicable rules and regulations;
- H) Charge only those rates as submitted on the application or such rates as have been approved by the License Review Board;
- I) Display in full view of passengers in both the front and the rear seat, in letters and figures which are clearly legible and not less than one-quarter (1/4) inch high (1) a schedule of rates to be charged and (2) a notice that a schedule of customary rates from the City's major points of interest is available upon request. The schedules must have printed thereon the name of the franchisee under which the taxicab is permitted to operate and the business address and telephone number where comments or complaints regarding the taxicab service may be directed.
- J) Keep the taxicab in a clean and sanitary condition;
- K) Participate in periodic testing for controlled substances and alcohol, must report the results thereof, as specified in Government Code Section 53075.5 (b) (3), must test negative for drugs and/or alcohol as required in said Code Section, and must carry in his or her vehicle a certificate of compliance with the provisions described in this subsection.

- L) Not permit any person to operate a taxicab unless such person is authorized to operate a taxicab pursuant to this part.
- M) Not stop for or accept any passenger except at such areas as may be authorized by the City; or where the taxicab driver has driven a passenger to a particular location and is waiting for that passenger; or when picking up a passenger who has contacted the driver's franchisee and requested taxicab service;
- N) Drive passengers to their point of destination by the most direct practical route, unless specifically directed otherwise by such passengers;
- O) When engaged, provide current passengers with exclusive right to use of the passenger compartment, without picking up additional passengers, unless otherwise expressly permitted by the City;
- P) Immediately report the fact of any revocation of any permit required to operate a taxicab within the City.
- Q) Surrender the taxicab driver's permit to the City if no longer employed by a City-permitted franchisee.
- R) Ensure that each driver operating within the City maintains a valid California driver's license at all times.
- S) Perform a yearly inspection of each vehicle operating within the City as part of his or her vehicle for hire or taxicab service. The inspection must be made by a certified mechanic or automotive repair dealer. Inspection records, signed by the mechanic or repair dealer, must be maintained in the business office of the franchisee attesting that the vehicle has been inspected and is in good working order. A taxicab, which has been inspected, pursuant to the requirements of the City or County of Los Angeles taxicab regulations, may maintain proof of that inspection in lieu of the inspection required by this section.
- T) Permit any police officer of the City to inspect or thoroughly examine any taxicab at any time.

Equipment Requirements:

Every taxicab driver and franchisee will be jointly and severally responsible for all of the following requirements. Each franchisee and driver must fulfill the following equipment requirements:

- A) Taxicab equipment.
 - 1) A trunk device that will permit the opening of the trunk lid from the inside of the trunk;
 - 2) A permanent fixture to display the taxicab driver's permit in prominent view of the passengers;
 - 3) Prominent signs giving the name and telephone number of the taxicab franchisee and the taxicab number on the sides of the vehicle. The taxicab number must also be conspicuously displayed on the rear portion and inside the vehicle.
 - 4) A prominent sign within the passenger area of each taxicab informing passengers to call the City's Business License Division at (310) 618-5923 with comments or complaints on the service provided.
 - 5) No fewer than four (4) working doors, except that a handicapped accessible mini-van may be used;
 - 6) A fire extinguisher;

- 7) Four (4) flares;
 - 8) At least two (2) emergency reflectors;
 - 9) Spare tire and jack;
 - 10) Windows which patrons can open from inside; and
 - 11) Working headlights, taillights, turn signals, back-up lights, and brake lights, including the "cyclops" or third brake light, if the car was manufactured in 1988 or later.
- B) In addition to the equipment requirements, every taxicab into which passengers are accepted for transportation within the City must have the following equipment:
- 1) A taximeter
 - 2) A two (2) way radio and a mobile display terminal capable of communication with a dispatcher;
- C) No taxicab may be equipped with a scanner or other device that can be used to intercept radio signals and dispatches sent to specific destinations.
- D) Notwithstanding the provisions of these rules and regulations, the License Review Board, following application, notice and public hearing may waive any equipment requirement upon a showing of good cause by any franchisee. Each waiver must be specified on the franchisee's agreement and any applicable vehicle permit.

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP B2008-55

Request for Proposal for Taxicab Franchise

SECTION IV PROPOSAL

FAILURE TO COMPLETE ALL ITEMS IN THIS SECTION MAY INVALIDATE PROPOSAL.

In accordance with your "Request for Proposal", the following proposal is submitted to the City of Torrance.

Proposal Submitted By:

Name of Company

Address

City/State/Zip Code

Printed Name/Title

Telephone Number/Fax Number

Form of Business Organization:

Please indicate the following (check one);

Corporation _____ Partnership _____ Sole Proprietorship _____

Other: _____

Business History:

How long have you been in business under your current name and form of business organization?

_____ Years

If less than three (3) years and your company was in business under a different name, what was that name?

Contact for Additional Information:

Please provide the name of the individual at your company to contact for any additional information

Name

Title

Telephone Number/Fax Number

Addenda Received:

Please indicate addenda information you have received regarding this proposal:

Addendum No. _____	Date Received: _____
Addendum No. _____	Date Received: _____
Addendum No. _____	Date Received: _____
Addendum No. _____	Date Received: _____

_____ No Addenda received regarding this proposal.

References:

Please supply the names of companies/agencies for which you recently supplied comparable goods or services as requested in this RFP.

Name of Company/Agency Address Person to contact/Telephone no.

Name of Company/Agency Address Person to contact/Telephone no.

Name of Company/Agency Address Person to contact/Telephone no.

Proposal:

Please submit your detailed proposal formatted with divider tabs labeled in the order presented in this RFP.

ARTICLE 16 - TAXICAB FRANCHISES (Added by O-3551)

SECTION 33.16.010. SHORT TITLE.

This Article shall be known as the "Taxicab Franchise Ordinance" of the City of Torrance and shall apply to all taxicab service originating within the City of Torrance.

SECTION 33.16.020. PURPOSE.

The City declares and determines that the operation of taxicabs affects the health, safety and general welfare of the residents of the City. The operation of taxicabs requires that a high level of trust and confidence by the traveling public be established and maintained in the equipment, personnel and procedures used for providing taxicab service. Such services are determined to be necessary for the use of residents who do not drive personal vehicles for obtaining the necessities of life and for the efficient movement of guests and visitors about the City. Maintaining the vital role of taxicabs in the overall transportation assets of the City requires that only those taxicab owners and drivers who have demonstrated that they possess the facilities, control systems and knowledgeable personnel to protect the interests of the City and the traveling public be authorized to provide taxicab service within the City. Therefore it is a purpose of this Article to adopt procedures to regulate this service to the community.

The purpose of this Article is to enable the City to grant one (1) or more nonexclusive franchises for the use of its streets and highways for the provision of taxicab services initiated within the City. This Article constitutes an exercise of the City's police powers pursuant to Article XI, Section 7 of the California Constitution and enables a method of regulation intended to protect consumers and minimize hazards in the City's streets and highways by:

- a) Regulating the number of taxicabs and providing a method of registering all taxicabs permitted to operate within the City of Torrance city limits;
- b) Providing adequate information regarding the ownership and operation of taxicab businesses franchised to do business in the City of Torrance;
- c) Regulating the operation of taxicab businesses to ensure that their operation does not adversely affect the general welfare; and
- d) Regulating taxicab drivers to ensure the safe operation of taxicabs in the City of Torrance.

SECTION 33.16.030. DEFINITIONS.

For purposes of this Article, the following words shall have the following meanings:

- a) "City" shall mean the City of Torrance.
- b) "Board" shall mean the License Review Board of the City of Torrance.
- c) "Business License Supervisor" shall mean the Business License Supervisor of the City of Torrance or his/her designee.
- d) DMV means Department of Motor Vehicles.
- e) "Operating area" shall mean and include the City of Torrance.
- f) RFP shall mean Request for Proposal.
- g) "Street" shall mean and include the portion of any public street, road, highway, freeway, lane, alley, sidewalk, parkway or public space which now exists or which may hereafter exist within the City of Torrance.
- h) "Taxicab" shall mean every automobile or motor-propelled vehicle which is designated to carry not more than eight (8) persons, excluding the driver, and is either equipped with a taxicab meter or a top light or has the words "taxi," "cab," or "taxicab" displayed on the exterior of the vehicle and used for the transportation of passengers for hire over the streets of this city, irrespective of whether such operations extend beyond the boundary limits of this city, at rates for distance traveled, or for waiting, standby or traffic delay time, or for any combination of such rates, and not operating over a defined route but routed under the direction of such passengers or persons hiring same.
- i) "Taxicab driver" shall mean the driver of an individual taxicab.
- j) "Taxicab franchisee" shall mean a person, firm, association, solely owned partnership, stock corporation, cooperative organization or other organization, however organized, that is granted a taxicab franchise by the City Council of the City of Torrance.
- k) "Taxicab service" shall mean the transportation service provided by taxicab companies.
- l) "Taximeter" shall mean and include a device that automatically calculates a predetermined rate or rates for taxicab service and indicates the charge for the hire of a taxicab.

- m) "Taxicab vehicle permit" shall mean the seal/sticker approved, issued and affixed to the rear of a taxicab by the City of Torrance upon payment of fees, the city's approval of a taxicab company's franchise and the passing of the taxicab vehicle inspection.
- n) "Taxicab driver's permit" shall mean the personal permit approved and issued by the City of Torrance to a driver that is a member of and/or employed by a taxicab company franchised to operate in the City of Torrance, has paid the required fees, and has met all other requirements of the taxicab regulations.

SECTION 33.16.040. FRANCHISE REQUIRED.

- a) It is unlawful for any person to engage in the business of operating or causing to be operated any automobile for hire or taxicab service within the City without having a franchise to do so awarded pursuant to the provisions of this Article. The City Council may in its discretion issue one (1) or more nonexclusive franchises for the provision of taxicab services within the City upon finding that franchising is necessary to assure reliable, safe and quality taxicab service to City residents and to eliminate undue congestion, disorganization and hazards associated with a deregulated taxicab environment. In such event, upon issuance of one (1) or more franchises, the City shall not accept new or renewal applications for an existing license to operate a taxicab service and it shall be unlawful for any person other than the Franchisee(s) to engage in the business of operating or causing to be operated any taxicab service within the City.
- b) The City shall award one (1) or more nonexclusive franchises for taxicab service through a competitive bidding process. Franchise proposals shall be evaluated based upon demonstrated quality of service, safety, past experience, driver qualifications, financial stability, age and condition of taxicabs, insurability and extra services available to the public. Upon selection, each Franchisee shall enter into a franchise agreement with the City. The agreement may impose obligations on the Franchisee that are additional to but not inconsistent with those imposed by this Article. The City may at any time initiate a competitive bidding process for the issuance of new franchises. Nothing shall prohibit a Franchisee from competing for a new franchise; however, any Franchisee whose franchise has been revoked shall thereafter be prohibited from competing for award of a franchise for a period of three (3) years following the scheduled expiration of its franchise agreement.
- c) Upon receipt of a franchise proposal and payment of the required application fee, staff shall review the information to determine that it is complete. A proposal that is incomplete will not be considered responsive or responsible and will not be evaluated. Staff will evaluate the proposals and make recommendations to the City Council relative to the award of one (1) or more franchises.
- d) Franchisees will be reviewed annually for performance and consistency with their proposal and City operating and service requirements.
- e) Each Franchisee shall be required annually to obtain a taxicab vehicle permit and pay the required vehicle permit fees for every taxicab in its service into which passengers are accepted for transportation in the City of Torrance. Vehicle permits will be issued only to vehicles that pass the required annual inspection. A franchise shall be subject to revocation if the Franchisee operates unpermitted taxicabs or not bearing the decal or tag issued by the City designating it for operation in the City. Vehicle permits shall be valid for a period of one (1) year unless revoked pursuant to the provisions of this Article.
- f) No taxicab company shall permit any taxicab driver in its employ to operate a taxicab in the City of Torrance into which passengers are accepted for transportation without having first obtained a valid Torrance taxicab driver's permit.

SECTION 33.16.050. FRANCHISEE BUSINESS PROFILE.

The following information is required of each Franchisee:

- a) The legal names, mailing and street addresses, and telephone numbers of the applicant, specified owners, directors, officers and employees. If the Franchisee advertised to the public and operates under a name other than the legal name of the applicant, that name must be included as well. The proposal must include all fictitious business names used by the applicant in Los Angeles County in the five (5) years preceding the calendar year in which the proposal is made. A post office box, mailbox, message service, or other similar device may not be used as an actual street address, but is acceptable as a mailing address;
 - 1) Corporate Franchisee. The corporate name must be exactly as set forth in the corporation's articles of incorporation. The names, mailing and street addresses, and telephone numbers of all directors, every shareholder holding ten (10) percent or more the shares of the corporation, corporate officers, and the designated agent for service of legal process must be included. A corporate Franchisee must also provide a Certificate of Domestic Stock Ownership and a current certificate of good standing issued by the California Secretary of State.

- 2) Partnerships. The names, mailing and street addresses, and telephone numbers of each general partner must be stated. If one (1) or more of the general partners is a corporation, the provisions of this section pertaining to corporate Franchisee also apply. The name, mailing and street addresses, and telephone number of a person authorized to accept service of legal process must also be included.
- 3) Other Businesses. If the Franchisee is a cooperative, member stock-type operation, service organization, or association, the application must include the names, mailing and street addresses, and telephone number of each officer, director, and each shareholder owning any share or portion of any share in the organization or association. The name, mailing and street address, and telephone number of a person authorized to accept service of legal process must also be included.
- 4) Sole Proprietorships. The name, mailing and street addresses and telephone number of the owner and any person authorized to accept service of legal process must be included.
- b) The street addresses from which the Franchisee conducts or will conduct the taxicab service business, where dispatch will be conducted, and each location at which the business's vehicles will be garaged;
- c) The number of taxicabs to be operated under the franchise and the number of taxicabs in the Franchisee's fleet (the City of Torrance requires an overall minimum fleet size of fifty (50) vehicles for hire or taxicabs);
- d) The manufacturer, model year, vehicle type, vehicle identification number ("VIN"), license plate number, company identification number, passenger capacity and proof of commercial registration for each vehicle to be operated in the City of Torrance, together with evidence satisfactory to the Business License Supervisor that each taxicab proposed to be operated under the franchise has been safety-inspected within a period of time satisfactory to the Business License Supervisor, and otherwise complies in all respects with all applicable laws, rules, and regulations;
- e) The proposed color scheme, insignia or other distinguishing characteristic of the taxicab, including the style and legend of any illuminated sign to be mounted on the top of the vehicle;
- f) Legal and registered ownership of the vehicles to be used by the Franchisee;
- g) Prior experience of the Franchisee in a taxicab business, including the details of any prior permit denial, revocation or suspension by any public agency of any type of operator's or driver's permit, license, certificate, or franchise;
- h) The name of each driver who will operate a taxicab in the City;
- i) A certification that no driver employed or to be employed by the Franchisee has been convicted of driving under the influence of alcohol or drugs within seven (7) calendar years preceding the date of application;
- j) A certification that each driver has received a minimum of sixteen (16) hours of training;
- k) A certification that drivers and dispatchers are proficient in the English language and able to communicate effectively with the public;
- l) Description of the required uniform its drivers will wear;
- m) A copy of the Franchisee's vehicle maintenance program, including preventative maintenance. The program must be in accordance with the vehicle manufacturer's warranty specifications and any applicable state and federal laws;
- n) Satisfactory evidence establishing that the Franchisee has complied and currently complies with the provisions of California Government Code Section 53075.5(b)(3), or any successor provision, pertaining to pre-employment and periodic testing of drivers for controlled substances and alcohol, and with provisions pertaining to payment for drug and alcohol testing programs and related reporting requirements. The Franchisee must also provide satisfactory evidence that each driver who will operate a taxicab within the City has tested negative for drugs and alcohol within the previous twelve (12) months;
- o) The names, street addresses and telephone numbers of no less than two (2) individuals who may be contacted twenty-four (24) hours a day, seven (7) days a week by the City in case of an emergency;
- p) An explanation of how the taxicab service will provide service to people with disabilities that make it difficult to use conventional taxicab sedans;
- q) Submission of Department of Motor Vehicles (DMV) Pull Notice Program Requestor Code Number, as defined in Vehicle Code Section 1808.1, issued to the Franchisee. As a condition of accepting a franchise, the Franchisee is required to notify the Business License Supervisor immediately if it receives a DMV Pull Notice on one of its drivers that would affect that person's driver's permit. In the event a driver's DMV record indicates that a driver no longer qualifies for a driver's permit, the Franchisee must require the driver to surrender the driver's permit to the Business License Supervisor. DMV Pull Notice records must be made available for review by the Business License Supervisor upon request;
- r) Submission of records of any convictions in any court of any state of the United States or in any United States court with respect to any of the persons identified in subsection a of this section; and
- s) Any additional information pertinent to the operation of the proposed taxicab service, including but not limited to the business backgrounds of the officers and directors, certified business financial statements, and lease arrangements as the City may require.

SECTION 33.16.060. INSURANCE REQUIREMENTS.

Proof that the Franchisee maintains at its sole expense insurance meeting the following requirements, which shall be full coverage not subject to self-insurance provisions:

- a) Separate commercial automobile liability insurance, utilizing coverage form CA0001 for each vehicle proposed to be operated within the City pursuant to the franchise, with at least the following limits of liability:
 - 1) Primary Bodily Injury with limits of at least Two Hundred Fifty Thousand Dollars (\$250,000.00) per person and Five Hundred Thousand Dollars (\$500,000.00) per occurrence; and Primary Property Damage of at least One Hundred Thousand Dollars (\$100,000.00) per occurrence; or
 - 2) Combined single limits of Five Hundred Thousand Dollars (\$500,000.00) per occurrence.
- b) General Liability including coverage for premises, independent contractors/vendors, personal injury and contractual obligations with combined single limits of at least Five Hundred Thousand Dollars (\$500,000.00) per occurrence.
- c) Workers' Compensation with limits as required by the State of California and Employer's Liability with limits of at least Five Hundred Thousand Dollars (\$500,000.00).
- d) Insurance provided by the Franchisee must be primary and non-contributory.
- e) Required insurance must be issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are modified or waived in writing by the Risk Manager of the City due to unique circumstances.
- f) The City, the City Council, and each present and former member of the City Council, City boards and commissions, and every officer, agent, official, employee and volunteer of the City (collectively, "City entities") must be named as additional insureds under the automobile and general liability policy.
- g) Each policy of required insurance must contain a provision that no termination, cancellation or change of coverage can be made without thirty (30) days' notice to the City.
- h) The Franchisee must provide certificates of insurance and endorsements to the City Clerk of the City of Torrance prior to issuance of a permit.
- i) The insurance carrier for the licensee must provide a complete copy of the insurance policy, including all forms and endorsements to the Risk Manager of the City of Torrance within sixty (60) days of commencement of work.

SECTION 33.16.070. INDEMNIFICATION.

Franchisee will indemnify, defend, and hold harmless City, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of Franchisee, its officers, employees, agents, subcontractors or vendors. It is further agreed, Franchisee's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of City, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of City, its officers, employees or agents. Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Franchisee and City, as to whether liability arises from the sole negligence of the City or its officers, employees, agents, subcontractors or vendors, Franchisee will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Franchisee will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

SECTION 33.16.080. TRANSFERS.

- a) No franchise issued under this Article shall be sold, transferred or assigned without the written approval of the City. The following transactions shall be considered transfers:
 - 1) The addition or withdrawal of a new partner or partners;
 - 2) The transfer of a business from one partnership to another;
 - 3) The transfer of a business from a partnership to a corporation;
 - 4) The transfer from one corporation to another;
 - 5) The transfer of a business from a corporation to a partnership;
 - 6) The transfer of a business from a partnership to an individual, or vice versa;
 - 7) The transfer of a majority share of stock in a corporation from one shareholder to another; or

- 8) The transfer of a business from an individual, partnership, corporation, cooperative, member stock-type operation, service organization, or other association to any other such individual, partnership, corporation, cooperative, member stock-type operation, service organization, or other association.
- b) Any attempted sale, lease, transfer, assignment or other attempted disposition of this franchise without the prior written consent of the City shall render the franchise null and void.
- c) An association, solely owned partnership, stock corporation, franchise operation, cooperative stock-type operation, licensed as a taxicab company under this Article shall notify the Business License Supervisor immediately of any changes in membership, stock ownership, corporate officers, operating officers, or modification in operations, agreements, articles, bylaws or other memoranda of the licensee, in the operation of the taxicab service.

SECTION 33.16.090. MINIMUM FRANCHISE REQUIREMENTS.

- a) The following information shall be included in every taxicab franchise issued under this Article:
 - 1) The minimum number of taxicabs the taxicab company is required to operate;
 - 2) Any other conditions imposed by the City Council.
- b) Contracts and Agreements. Any taxicab authorized under a taxicab company's franchise may be operated pursuant to a driver's contract, agreement or understanding between either such taxicab company or a permitted taxicab driver operating under such taxicab company's franchise and any other permitted taxicab driver. Such contract, agreement or understanding shall not relieve any taxicab company or taxicab driver from full and complete compliance with applicable provisions of this Article or franchise agreement.
- c) Company Compliance Responsibility. Every taxicab company franchised under this Article is responsible for complying with the provisions of this Article, the franchise agreement, any rules or regulations adopted by the License Review Board, or promulgated by the Business License Supervisor, and for obtaining the compliance of its officers, employees, taxicab drivers, association members, agents or any other person connected with such taxicab company in providing taxicab service.
- d) Inspection of Property and Records.
 - 1) At all reasonable times, the Franchisee shall permit any duly authorized officer or employee of the City to examine all property of the Franchisee, whether such property be situated within or outside the City, and to examine and transcribe any and all books, accounts, papers, maps, and other records kept or maintained by the Franchisee which treat of the operations, affairs, transactions, property or financial condition of the Franchisee, including those which treat of the operations and property of the Franchisee outside the City.
 - 2) The Franchisee shall prepare and furnish to the Business License Supervisor, at the times and in the form prescribed by the Business License Supervisor, such data with respect to Franchisee's operations, affairs, transactions, property or financial condition as may be reasonably necessary or appropriate to the performance of any of the Business License Supervisor's duties.
 - 3) Requested data may include but shall not be limited to: membership and lease driver records, waybills, maintenance records, financial statements, insurance, fleet schedules, dispatch records, vehicle records, affirmative action records, and employment records. In addition, a copy of every application, petition or schedule concerning rates and service within the City filed by the Franchisee with any local or State of California agency, and all amendments thereof, shall be filed with the Business License Supervisor within one (1) day thereafter.
 - 4) Upon request, every taxicab company franchised under this Article shall inform the Business License Supervisor or Police Chief or any duly authorized peace officer of the names, addresses, and the sources of all taxicab drivers' permits or vehicle licenses, of all taxicab drivers which such taxicab company employs, manages or is otherwise connected.
 - 5) Failure to comply with any request for any information pursuant to this Article shall be grounds for revocation of the franchise.

SECTION 33.16.100. SUSPENSION OR REVOCATION OF FRANCHISE.

- a) Suspension or Revocation. A Franchisee's authority to operate may be suspended or revoked by the City Council pursuant to the provisions of this section.
- b) Suspension. City shall have the right to suspend Franchisee's operations under the franchise in the event of a lapse in required insurance or any other violation of the franchise agreement or of the provisions of this Article that, in the judgment of the Business License Supervisor, create an immediate safety hazard. In the event of a suspension, all Franchisee's taxicab operations in the City shall cease until such time as the suspension is lifted. No suspension made pursuant to this Section may exceed fifteen (15) days pending a hearing before the License Review Board.
- c) Revocation. City shall have the right to revoke the franchise and terminate the franchise agreement in the event that Franchisee fails to cure any default within the required time as provided in the franchise agreement. City shall

further have the right to revoke the franchise and terminate the franchise agreement if Franchisee violates any material provision of any applicable law or ordinance; fails to maintain required insurance or fails to pay to City any monies due City pursuant to this franchise agreement (and fails to remedy such default within five (5) days after written notice thereof from City); fails to maintain in force all required licenses and permits; violates any orders or filings of any regulatory body having jurisdiction over Franchisee relative to its operations under the franchise agreement, if Franchisee fails to make any payment required under the franchise agreement and/or refuses to provide City with required information, reports, and/or records in a timely manner as provided for in the franchise agreement; if Franchisee practices, or attempts to practice, any fraud or deceit upon City.

Franchisee may respond in writing to a notice of intent to terminate from the Business License Supervisor. The matter will then be referred to the City Council for consideration pursuant to this section. The City Council will set the matter for a hearing and the City Clerk shall give Franchisee thirty (30) days written notice of the time and place of the hearing. At the hearing, the City Council shall consider the all relevant evidence and testimony and if the City Council determines that the Franchisee is in breach of the franchise agreement as above described, the Council, in the exercise of its discretion, may order Franchisee to take remedial actions to cure the breach or impose any other remedy in accordance with this franchise agreement, including but not limited to suspension for a designated period of time, or revocation of the franchise and termination of the franchise agreement. The decision or order of the City Council shall be final and binding.

d) Effect of Suspension or Revocation.

- 1) No fee refunds shall be issued to any Franchisee upon revocation of a franchise.
- 2) Upon revocation of any taxicab franchise under this Article, no franchise to operate the same business activity shall be granted to the Franchisee within the remainder of the original term or extension term of the franchise agreement and for a period of three (3) years thereafter.
- 3) Upon revocation or suspension of a franchise, the Franchisee shall cease operation of its taxicab service in the City within the time specified in the order of suspension or revocation. Except as otherwise provided, in the event that the franchise is suspended, the Franchisee may resume operation once the suspension has been lifted.

SECTION 33.16.110. TAXICAB DRIVER'S PERMITS AND REQUIREMENTS.

- a) Taxicab Drivers - License Preconditions. A taxicab company shall not permit any person to operate a taxicab authorized under his or her taxicab company's franchise unless such person has in his or her possession a valid driver's license issued by the State of California of Motor Vehicles, a current taxicab driver's permit from the Franchisee that is franchised to operate in Torrance and a current Torrance personal taxicab driver's identification card obtained in accordance with the provisions of this Article.
- b) Taxicab Driver Obligations and Requirements.
 - 1) No taxicab driver shall operate a taxicab into which passengers are accepted for transportation within the City of Torrance without having first obtained a valid Torrance taxicab driver's permit and paid the required fees therefore.
 - 2) No taxicab driver shall operate a taxicab in the City of Torrance into which passengers are accepted for transportation unless such driver is employed by, or is associated with, a taxicab company approved to do business within the City of Torrance pursuant to a franchise agreement.
 - 3) Every taxicab driver shall ensure that any taxicab he/she is operating in the City of Torrance has a taxicab vehicle permit. The taxicab company shall receive a decal for each approved taxicab. The decal must be prominently displayed on the left side of the rear bumper of the vehicle.
 - 4) No taxicab driver shall operate a taxicab within the City of Torrance into which passengers are accepted for transportation without a valid Torrance vehicle permit affixed on the rear of the taxicab so that it is clearly visible from outside the vehicle. Failure to display the decal shall be a violation of this Article and a citable offense.
 - 5) Taxicab driver's personal permits shall be valid for one (1) year from the date of issuance, unless sooner revoked pursuant to the provisions of this Article.
- c) A Taxicab Driver Permit may be obtained provided the prospective driver has submitted all of the following:
 - 1) A completed taxicab driver permit application signed and dated by the Franchisee and accompanied by the permit application fee determined by resolution of the City Council.
 - 2) Typed documentation that is dated and signed from a franchised taxicab company in the City of Torrance that the Franchisee will be hired or is employed as a taxicab driver upon issuance of a taxicab driver's permit;
 - 3) The name, residence address, and age of the applicant;
 - 4) The number and expiration date of the applicant's California driver's license, and disclosure of whether any state driver's license or taxi driver's permit held by the applicant has ever been revoked or suspended;
 - 5) The name and address of the Franchisee by whom the applicant is to be employed as a driver, and the endorsement of that Franchisee;

- 6) The names and addresses of every person by whom the applicant has been employed at any time during the five (5) calendar years preceding the year of application;
 - 7) The names and addresses of three (3) responsible persons, excluding relatives of the applicant, who have known the applicant for at least three (3) years;
 - 8) Proof of insurance and agreement to maintain at all times in full force and effect, insurance at levels required by 33.16.060 of this Article;
 - 9) Assent to a background investigation and fingerprinting by the Police Department;
 - 10) Two (2) copies of a one (1) inch-square photograph of the applicant, taken within ninety (90) days of the date of application. (One photograph will be attached to the driver's permit certificate or identification card; the other will be retained by the Business License Supervisor);
 - 11) The identification number and expiration date of each taxi driver's permit issued by every other jurisdiction in which the applicant is licensed;
 - 12) Any other information the Business License Supervisor may require;
 - 13) A current valid California Driver License;
 - 14) Proof that the Franchisee is at least eighteen (18) years of age;
 - 15) A negative drug and alcohol screening test taken within the previous thirty (30) days in compliance with California Government code Section 53075.5(b)(3); and
 - 16) Payment of all applicable fees.
- d) Submission of Application. Upon receipt of an application for a taxicab driver's permit and the required fees therefore, staff shall review the application to determine that it is complete. An application that is not complete shall be returned to the applicant along with a list of the deficiencies. Once an application is determined to be complete, it shall be filed and accepted for processing and review.
- e) Review and Investigation.
- 1) Generally. Once an application for a taxicab driver's permit is filed, the Business License Supervisor shall initiate an investigation of facts for each application with the appropriate City or County agencies.
 - 2) An applicant shall not have been convicted, during the preceding seven (7) years of any offense relating to the use, sale, possession or transportation of narcotics or addictive or dangerous drugs, or of any act involving violence against persons, or of any sexual offense constituting a felony, or of any offense punishable as a felony or of theft in either degree. For the purposes of this rule, a subsequent change of plea or vacation of verdict and dismissal of charges pursuant to California Penal Code Section 1203.4 does not release the applicant from the penalties and disabilities resulting from the offense of which he or she has been convicted.
 - 3) Every taxicab driver and/or company shall ensure that the driver has tested negative to controlled substances and alcohol pursuant to SB 46 (Ayala), enacted as Chapter 405 of Statutes of 1995 amending Government Code Section 53075.5. Upon request the driver and/or company shall provide written proof of compliance to the City.
- f) Grounds for Denial. The Business License Supervisor shall not grant a taxicab driver's permit if he or she finds that:
- 1) The applicant has been convicted of a felony or a misdemeanor involving moral turpitude, and has not subsequently demonstrated rehabilitative characteristics;
 - 2) The applicant has made a material misrepresentation of fact in the application for permit;
 - 3) The applicant has been convicted of the following types of California Vehicle Code violations (not limited to the sections enumerated);
 - a) Resulting in hit and run injury or death (violation 20001-20004).
 - b) Reckless driving - causing injury (violation 23104).
 - c) Driving while under the influence of alcohol or drugs - causing injury to others (violation 23153).
 - 4) The applicant's Department of Motor Vehicles printout indicates either the following within the preceding seven (7) years;
 - a) Hit and Run- property damage, including vehicles (20002).
 - b) Reckless driving - no injury (violation 23103).
 - c) Driving while under the influence of alcohol or drugs - no injury (23152).
 - d) Driving drinking while operating motor vehicle on highway (23220).
 - e) Any sexual offense or moral turpitude not constituting a felony (647 of the California Penal Code).
 - 5) A conviction (or plea of guilty or nolo contendere) in any state for any of the following: murder; robbery; pandering; pimping; crimes related to the sale or transportation of controlled substances; crimes involving the use of a weapon; or any other offense involving moral turpitude or any crime that is substantially related to the qualifications, functions, or responsibilities of a taxi driver;
 - 6) Any conviction (or plea of guilty or nolo contendere) within five (5) years of application in any state or any final administrative determination of a violation of any statute, ordinance, or regulation reasonably and rationally pertaining to the same or similar business operation which would have resulted in suspension or revocation of a Driver's Permit under this ordinance;

- 7) The applicant has been convicted or pleaded guilty of no contest to three (3) or more moving violations under the State Vehicle Code within the preceding twelve (12) month period;
- 8) The applicant is physically incapable of operating a taxicab without risking the life or property of passengers.
- g) Effect of Denial.
 - 1) Limitation on New Applications. Upon denial of a taxicab driver's permit, the applicant shall be disqualified from re-application absent a showing of changes circumstances that would result in a different outcome.
 - 2) Appealability.
 - a) The Business License Supervisor's decision denying a taxicab driver's permit may be appealed by any interested person to the License Review Board. Written notice of the appeal must be served with the City Clerk within fifteen (15) days after the decision.
 - b) Any interested person, applicant, or Franchisee may seek review of any action of the License Review Board in accordance with the provisions of Section 11.5.1 of the Torrance Municipal Code.
- h) Prohibition on Transfers. Taxicab driver's permits are personal in nature and shall not be transferred. Any purported transfer shall be null and void.
- i) Revocation. A taxicab driver's permit may be revoked, modified, conditioned or suspended for cause by the Business License Supervisor for any violation of this Article or of the franchise agreement. A revocation preceding will be initiated if the driver accumulates three (3) or more DMV violation points in the calendar year. Prior to such revocation, modification, conditioning or suspension, the applicant shall be notified in writing of the grounds for such action. Within ten (10) days of notification, the applicant may respond in writing or request a hearing before the Business License Supervisor. The hearing shall be conducted within ten (10) days of the request. The Business License Supervisor's decision shall be final.
- j) Conditions of Approval. The Business License Supervisor may condition the taxicab driver's permit to ensure that the permit shall comport with the public health, safety and welfare.
- k) Permit Issuance.
 - 1) Upon approval of an application, the Business License Supervisor shall issue a taxicab driver's permit to the applicant.
 - 2) Every taxicab driver, while in charge of, or driving, a taxicab, shall have in his or her possession a valid and current taxicab driver's permit issued by the Business License Supervisor and a valid driver's license issued by the California Department of Motor Vehicles. The taxicab driver shall post the taxicab driver's permit in a permanent fixture in prominent view of passengers in the taxicab.

SECTION 33.16.120. OPERATING REQUIREMENTS.

Every taxicab driver and Franchisee will be jointly and severally responsible for all of the following requirements. Each Franchisee and driver must:

- a) Maintain, at all times in full force and effect, insurance as required by Section 33.16.060 of this Article;
- b) Maintain, at all times, valid business licenses for the City of Torrance;
- c) Display at all times on each taxicab operating within the City of Torrance a valid taxicab identification decal issued by the Business License Supervisor. The identification decal must be permanently affixed to the lower left corner of the rear windshield of the vehicle so that it is clearly visible from the outside of the vehicle. If, because of the presence of other stickers or decals required by law, the decal cannot be affixed on the lower left corner of the rear windshield, the decal must be attached to the vehicle in a conspicuous location, as close as possible to the lower left corner of the rear windshield;
- d) Keep an accurate, legible record of all passengers carried, the pick up and drop off points, and the date and time carried. This record must be available for up to one (1) year for review by the Business License Supervisor;
- e) Not, when otherwise available for hire, refuse to transport anyone requesting a ride except under the following circumstances:
 - 1) The transportation requested is such that the driver may not legally accept such passenger;
 - 2) The driver has reasonable cause to believe that the proposed passenger will refuse to pay or cannot pay the fare; or
 - 3) The proposed passenger is disorderly, engaged in the commission of any crime, or is otherwise unfit to be transported as a passenger.
- f) Display a photo I.D. badge identifying the driver's association with permitted taxicab service;
- g) Keep the taxicab in good mechanical condition and in compliance with any and all applicable rules and regulations;
- h) Charge only those rates as established by the Franchisee but shall not be more than that which is charged by the City of Los Angeles. All rate increases will be indexed to the City of Los Angeles rates;
- i) Display in full view of passengers in both the front and the rear seat, in letters and figures which are clearly legible and not less than one-quarter (1/4) inch high (1) a schedule of rates to be charged and (2) a notice that a schedule of customary rates from the City's major points of interest is available upon request. The schedules must have

- printed thereon the name of the Franchisee under which the taxicab is permitted to operate and the business address and telephone number where comments or complaints regarding the taxicab service may be directed;
- j) Keep the taxicab in a clean and sanitary condition;
 - k) Participate in periodic testing for controlled substances and alcohol, must report the results thereof, as specified in Government Code Section 53075.5 (b) (3), must test negative for drugs and/or alcohol as required in said Code Section, and must carry in his or her vehicle a certificate of compliance with the provisions described in this subsection;
 - l) Not permit any person to operate a taxicab unless such person is authorized to operate a taxicab pursuant to this part;
 - m) Not stop for or accept any passenger except at such areas as may be authorized by the City; or where the taxicab driver has driven a passenger to a particular location and is waiting for that passenger; or when picking up a passenger who has contacted the driver's Franchisee and requested taxicab service;
 - n) Drive passengers to their point of destination by the most direct practical route, unless specifically directed otherwise by such passengers;
 - o) When engaged, provide current passengers with exclusive right to use of the passenger compartment, without picking up additional passengers, unless otherwise expressly permitted by the City;
 - p) Immediately report the fact of any revocation of any permit required to operate a taxicab within the City;
 - q) Surrender the taxicab driver's permit to the City if no longer employed by a City-permitted Franchisee;
 - r) Ensure that each driver operating within the City maintains a valid California driver's license at all times;
 - s) Perform a yearly inspection of each vehicle operating within the City as part of his or her taxicab service. The inspection must be made by a certified mechanic or automotive repair dealer. Inspection records, signed by the mechanic or repair dealer, must be maintained in the business office of the Franchisee attesting that the vehicle has been inspected and is in good working order. A taxicab which has been inspected pursuant to the requirements of the City or County of Los Angeles taxicab regulations may maintain proof of that inspection in lieu of the inspection required by this section;
 - t) Permit any police officer of the City or any person authorized by the City and having the duty to enforce this Article to inspect or thoroughly examine any taxicab at any time.

SECTION 33.16.130. EQUIPMENT REQUIREMENTS.

Every taxicab driver and Franchisee will be jointly and severally responsible for all of the following requirements. Each Franchisee and driver must fulfill the following equipment requirements:

- a) Taxicab Equipment.
 - 1) A trunk device which will permit the opening of the trunk lid from the inside of the trunk;
 - 2) A permanent fixture to display the taxicab driver's permit in prominent view of the passengers;
 - 3) Prominent signs giving the name and telephone number of the taxicab Franchisee and the taxicab number on the sides of the vehicle. The taxicab number must also be conspicuously displayed on the rear portion and inside the vehicle;
 - 4) A prominent sign within the passenger area of each taxicab informing passengers to call the City's Business License Division at (310) 618-5923 with comments or complaints on the service provided;
 - 5) No fewer than four (4) working doors, except that a handicapped accessible mini-van may be used;
 - 6) A fire extinguisher;
 - 7) Four (4) flares;
 - 8) At least two (2) emergency reflectors;
 - 9) Spare tire and jack;
 - 10) Windows which patrons can open from inside; and
 - 11) Working headlights, taillights, turn-signals, back-up lights, and brake lights, including the "cyclops" or third brake light, if the car has been manufactured in 1988 or later.
- b) Taxicab Equipment. In addition to the equipment requirements of Section 33.16.120(I) of this Article, every taxicab into which passengers are accepted for transportation within the City must have the following equipment:
 - 1) A taximeter, as defined in Section 33.16.150 of this Article;
 - 2) A two way radio and a mobile display terminal capable of communication with a dispatcher.
- c) Prohibited Equipment. No taxicab may be equipped with a scanner or other device that can be used to intercept radio signals and dispatches sent to specific destinations.
- d) Equipment Waiver Conditions. Notwithstanding the provisions of this Article, the License Review Board, following application, notice and public hearing, may waive any equipment requirement upon a showing of good cause by any Franchisee. Each waiver must be specified on the Franchisee franchise and any applicable vehicle permit.

SECTION 33.16.140. VIOLATIONS.

- a) It is unlawful for any person to violate any provision or to fail to comply with any of the requirements of this Article. Any person, firm, partnership, or corporation violating any provision of this Article or failing to comply with any of its requirements will be deemed guilty of a misdemeanor and upon conviction thereof will be punished by fine not exceeding One Thousand Dollars (\$1,000.00) or by imprisonment not exceeding six (6) months, or by both such fine and imprisonment. Each such person, firm partnership, or corporation will be deemed guilty of a separate offense for each and every day or any portion thereof during which any violation of any of the provisions of this Article is committed, continued or permitted by such person, firm, partnership, or corporation, and will be deemed punishable therefore as provided in this Article.
- b) The Police Chief, any duly authorized police officer, and any persons authorized by the City and having the duty to enforce this Article are hereby authorized to impound the taxicab of any person violating the provisions of Sections 33.16.040(A) and (F) and 33.16.110(B). The taxicab may be recovered upon payment of the fees prescribed therefore.
- c) Taxicab drivers accumulating three (3) or more DMV points during a twelve (12) month licensing period shall not be eligible for renewal of the taxicab driver's permit for a period of one (1) year.

SECTION 33.16.150. TAXIMETERS REQUIRED.

- a) Except as otherwise provided by law, each taxicab must be equipped with a taximeter that has been inspected and certified by the Los Angeles County Agricultural Commissioner/Weights and Measures. Each taximeter must have affixed to it written or other evidence that such taximeter has been so inspected and is currently certified.
- b) Except as otherwise provided by law, it is unlawful for any person operating a taxicab to operate such vehicle unless it has approved rates conspicuously posted for passenger observation, and unless it is equipped with a taximeter of a type and design approved by the Los Angeles County Agricultural Commissioner/Weights and Measures. It will be the duty of every Franchisee and driver using any taximeter to, at all times, keep such meter accurate. Taximeters will be subject to inspection from time to time by any police officer of the City or any authorized inspector delegated to this purpose. Upon the discovery of any inaccuracy of a taximeter, the Franchisee must remove or cause to be removed any vehicle equipped with such taximeter from the streets of the City until such taximeter has been correctly adjusted and certified by the Los Angeles County Agricultural Commissioner/Weights and Measures.

SECTION 33.16.160. ANNUAL FRANCHISE FEE.

Each Franchisee shall pay an annual fee to the City for the privilege of operating a taxicab service in the City for each year of any franchise term. The amount of the annual franchise fee will be set by resolution of the City Council. The fee shall be due upon execution of the franchise agreement by the City and the anniversary date thereof in each successive year of the term of the franchise. Failure to pay the franchise fee when due shall be cause for revocation of the franchise.

SECTION 33.16.170. PERFORMANCE STANDARDS.

- a) The minimum Performance Standards are: eighty (80) percent of calls will be picked up within twenty (20) minutes of receiving the telephone request for service and ninety-five (95) percent of all calls will be picked up within forty-five (45) minutes of receiving the telephone request for service; and
- b) Service Time Orders and Notice of Delays. Patrons shall be informed of the availability of taxi service. Orders for immediate service shall be dispatched within a fifteen (15) minute period unless the patron is informed of a probable time delay. "Time orders" shall be dispatched so that the taxicab can arrive at the time promised. An order for service that cannot be met within a reasonable time shall be referred to another taxicab company authorized to serve the city.

ARTICLE 17 - TAXICABS AND VEHICLES FOR HIRE (O-366; Amended by O-390; O-1106; O-1120; O-1725; O-2116; O-2129; O-2288; O-2817; O-3170; O-3174; O-3229; O-3354; O-3364; O-3470)

SECTION 33.17.010. PURPOSE.

The purpose of this Article is to provide rules and regulations governing the operation and permitting of vehicle for hire and taxicab service companies, and vehicle for hire and taxicab drivers. This Article also serves as the taxicab and

vehicle for hire transportation service policy of the City of Torrance, which is required to be adopted by California Government Code Section 53075.5(b).

SECTION 33.17.020. DEFINITIONS.

Driver means any person driving a taxicab or vehicle for hire, either as an independent contractor or under the direction, employment, control, or service of a service operator.

License Supervisor means the Assistant Finance Director of the City of Torrance or his or her designee.

Person means any individual, firm, corporation, association, partnership, or other form of business entity, other than a governmental entity.

Service Operator means every person having control, whether by a ten (10) percent or greater ownership interest of any taxicab service or vehicle for hire service.

Taxicab means any vehicle designed to carry not more than eight (8) passengers, excluding the driver, and that is used to provide taxicab service.

Taxicab service means any public passenger transportation service using a taxicab and available for hire on call or demand over the public streets of the City, where the service is not provided over a defined route, but is between points and over routes directed by the person(s) hiring the taxicab, and irrespective of whether the operations extend beyond the corporate limits of the City. The term "taxicab service" includes the act of picking up any passenger in the City, but does not include the sole act of delivering any passenger to a location within the City.

Vehicle for hire means every motor-propelled vehicle, other than a taxicab, used for the transportation of passengers for hire from one location within the City to another location within the City or beyond, at rates per mile, per trip, per hour, per day, per week, or per month. This term does not include a limousine business that provides service within the City and that holds a certificate or permit issued by the California Public Utilities Commission pursuant to the provisions of Chapter 8, Division 2 of the California Public Utilities Code.

Vehicle for hire service means a business that provides a vehicle for hire for transportation service.

SECTION 33.17.030. SERVICE OPERATOR'S PERMIT REQUIRED.

It is unlawful for any person to operate or cause to be operated any vehicle for hire or taxicab service within the City without having a service operator's permit issued pursuant to this Article.

SECTION 33.17.040. DRIVER'S PERMIT REQUIRED.

It is unlawful for any person to drive a vehicle for hire or taxicab in the City without having a driver's permit issued pursuant to this Article.

SECTION 33.17.050. APPLICATION FOR SERVICE OPERATOR'S PERMIT.

Any person desiring to obtain or to renew a service operator's permit to operate a vehicle for hire or a taxicab service must complete a City application form, sign it under penalty of perjury and submit it to the License Supervisor. Each application must be accompanied by an application fee in an amount to be established by resolution of the City Council. An incomplete application will be returned to the applicant within seven (7) calendar days along with a list of the deficiencies. The application will be deemed abandoned if, within fourteen (14) calendar days following the mailing of a notice of incomplete application, an amended application correcting all identified deficiencies is not received by the City. Within seven (7) calendar days of receiving a complete application, the City will send a letter acknowledging receipt of the completed application.

The following information is required:

- A) The legal names, mailing and street addresses, and telephone numbers of the applicant, specified owners, directors, officers and employees. If the vehicle for hire or taxicab service is advertised to the public and operates under a name other than the legal name of the applicant, that name must be included as well. The application must include all fictitious business names used by the applicant in Los Angeles County in the five (5) years preceding the calendar year in which the application is made. A post office box, mailbox, message service, or other similar device may not be used as an actual street address, but is acceptable as a mailing address.
 - 1) Corporate Applicants. The corporate name must be exactly as set forth in the corporation's articles of incorporation. The names, mailing and street addresses, and telephone numbers of all directors, every shareholder holding ten (10) percent or more the shares of the corporation, corporate officers, and the designated agent for service of legal process must be included. A corporate applicant must also provide a Certificate of Domestic Stock Ownership and a current certificate of good standing issued by the California Secretary of State.

- 2) Partnerships. The names, mailing and street addresses, and telephone numbers of each general partner must be stated. If one (1) or more of the general partners is a corporation, the provisions of this section pertaining to corporate applicants also apply. The name, mailing and street addresses, and telephone number of a person authorized to accept service of legal process must also be included.
- 3) Other Businesses. If the applicant is a cooperative, member stock-type operation, service organization, or association, the application must include the names, mailing and street addresses, and telephone number of each officer, director, and each shareholder owning any share or portion of any share in the organization or association. The name, mailing and street address, and telephone number of a person authorized to accept service of legal process must also be included.
- 4) Sole Proprietorships. The name, mailing and street addresses and telephone number of the owner and any person authorized to accept service of legal process must be included;
- B) The street addresses from which the applicant conducts or will conduct the vehicle for hire or taxicab service business, where dispatch will be conducted, and each location at which the business's vehicles will be garaged;
- C) The number of vehicles for hire or taxicabs to be operated under the permit and the number of vehicles for hire or taxicabs in the applicant's fleet (the City of Torrance requires an overall minimum fleet size of fifty (50) vehicles for hire or taxicabs);
- D) The manufacturer, model year, vehicle type, vehicle identification number ("VIN"), license plate number, company identification number, passenger capacity and proof of commercial registration for each vehicle to be operated in the City of Torrance, together with evidence satisfactory to the License Supervisor that each taxicab or vehicle for hire proposed to be operated under the permit has been safety-inspected within a period of time satisfactory to the License Supervisor, and otherwise complies in all respects with all applicable laws, rules, and regulations;
- E) The proposed color scheme, insignia or other distinguishing characteristic of the taxicab or vehicle for hire, including the style and legend of any illuminated sign to be mounted on the top of the vehicle;
- F) Proof that the applicant maintains at its sole expense insurance meeting the following requirements:
 - 1) Separate commercial automobile liability insurance for each vehicle proposed to be operated within the City pursuant to the operator's permit, with at least the following limits of liability:
 - a) Primary Bodily Injury with limits of at least two hundred fifty thousand dollars (\$250,000.00) per person and five hundred thousand dollars (\$500,000.00) per occurrence; and Primary Property Damage of at least one hundred thousand dollars (\$100,000.00) per occurrence; or
 - b) Combined single limits of five hundred thousand dollars (\$500,000.00) per occurrence.
 - 2) Unless otherwise provided by law, evidence that the applicant has procured workers compensation insurance covering all drivers to be employed by the applicant;
 - 3) Required insurance must be issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and of a financial category Class VII or better.
 - 4) The City, the City Council, and each present and former member of the City Council, City boards and commissions, and every officer, agent, official, employee and volunteer of the City (collectively, "City entities") must be named as additional insureds under the automobile liability policy.
 - 5) Each policy of required insurance must contain a provision that no termination, cancellation or change of coverage can be made without thirty (30) days' notice to the City.
 - 6) The applicant must provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance prior to issuance of a permit.
- G) Acknowledgment and acceptance of indemnification requirement. As a condition of receiving a service operator's permit, the applicant will be required to execute a statement agreeing to indemnify, defend, and hold harmless the City entities from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from bodily injury, death, personal injury, property damage, loss of use, or property loss, however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless will include, but not be limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of the applicant, its officers, employees, agents, joint venturers, subcontractors or vendors. The applicant's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of a City entity, except for liability resulting solely from the negligence or willful misconduct of a City entity. Payment by City will not be a condition precedent to enforcement of this indemnity. In the event of a dispute between the applicant and the City as to whether liability arises from the sole negligence of a City entity, the applicant will be obligated to pay for the City entity's defense until a final judgment has been entered adjudicating the City entity as solely negligent. In the event a final judgment is entered adjudicating a City entity as solely negligent, the applicant will not be entitled to a reimbursement of any defense costs, including but not limited to, attorney's fees, expert fees and costs of litigation. This indemnity will apply regardless of whether the City approved a service operator's or driver's permit or whether the City inspected or approved any vehicle used in conjunction with a permit.
- H) Legal and registered ownership of the vehicles to be used by the applicant;

- I) Prior experience of the applicant in a vehicle for hire or taxicab business, including the details of any prior permit denial, revocation or suspension by any public agency of any type of operator's or driver's permit, license or certificate;
- J) The name of each driver who will operate a taxicab or vehicle for hire in the City;
- K) A certification that no driver employed or to be employed by the operator has been convicted of driving under the influence of alcohol or drugs within five calendar years preceding the date of application;
- L) A certification that each driver has received a minimum of sixteen (16) hours of training;
- M) A certification that drivers and dispatchers are proficient in the English language and able to communicate effectively with the public;
- N) Description of the required uniform its drivers will wear;
- O) A copy of the service operator's vehicle maintenance program, including preventative maintenance. The program must be in accordance with the vehicle manufacturer's warranty specifications and any applicable state and federal laws;
- P) Rates to be charged to the public throughout the term of the service operator's permit;
- Q) Satisfactory evidence establishing that the applicant has complied and currently complies with the provisions of California Government Code Section 53075.5(b)(3), or any successor provision, pertaining to pre-employment and periodic testing of drivers for controlled substances and alcohol, and with provisions pertaining to payment for drug and alcohol testing programs and related reporting requirements. The applicant must also provide satisfactory evidence that each driver who will operate a taxicab or vehicle for hire within the City has tested negative for drugs and alcohol within the previous twelve (12) months;
- R) The names, street addresses and telephone numbers of no less than two (2) individuals who may be contacted twenty-four (24) hours a day, seven (7) days a week by the City in case of an emergency;
- S) An explanation of how the vehicle for hire or taxicab service will provide service to people with disabilities that make it difficult to use conventional taxicab sedans;
- T) A public convenience and necessity proposal containing the following information:
 - 1) A demonstration of the need for additional vehicle for hire or taxicab service in the City; and
 - 2) The history of the organization and the manner in which it is organized, including, without limitation, the date of formation, the business commencement date(s), and all business locations in California during the five (5) calendar years preceding the year of application;
- U) Submission of Department of Motor Vehicles (DMV) Pull Notice Program Requestor Code Number, as defined in Vehicle Code Section 1808.1, issued to the applicant. As a condition of accepting a service operator's permit, the service operator is required to notify the License Supervisor immediately if it receives a DMV Pull Notice on one of its drivers that would affect that person's driver's permit. In the event a driver's DMV record indicates that a driver no longer qualifies for a driver's permit, the service operator must require the driver to surrender the driver's permit to the License Supervisor. DMV Pull Notice records must be made available for review by the License Supervisor upon request;
- V) Submission of records of any convictions in any court of any state of the United States or in any United States court with respect to any of the persons identified in subdivision A of this section; and
- W) Any additional information pertinent to the operation of the proposed taxicab or vehicle for hire service, including but not limited to the business backgrounds of the officers and directors, certified business financial statements, and lease arrangements as the City may require.

SECTION 33.17.060. INVESTIGATION AND HEARING ON SERVICE OPERATOR'S PERMIT.

The License Supervisor will conduct an investigation of the applicant. Upon completion of the investigation, the License Supervisor will set a date for public hearing on the application before the License Review Board. A notice specifying the time and place of the hearing and a copy of the investigatory report will be mailed to the applicant and to all existing service operators and will be made available to the public, at least seven (7) days before the date of the hearing. The License Review Board will make a determination within fourteen (14) calendar days following the close of the hearing.

SECTION 33.17.070. APPROVAL OR DENIAL OF SERVICE OPERATOR'S PERMIT; CRITERIA FOR DENIAL.

The License Review Board may approve, deny or conditionally approve an application for a service operator's permit. The License Review Board may deny an application for a service operator's permit if, based on substantial evidence, the License Review Board finds any of the following:

- A) The public convenience and necessity is not served;
- B) The application contains any material misrepresentation;
- C) The applicant is not morally or financially responsible;

- D) Any vehicle proposed to be operated lacks required equipment, is improperly licensed, or unsafe;
- E) The applicant's proposed color scheme, name, insignia, or monogram will conflict with or imitate any color scheme, name, insignia, or monogram used by any other person operating any vehicle described in this Article, in such a manner as to be misleading to the public;
- F) The applicant's proposed schedule of rates is unjust, unreasonable, discriminatory, or preferential;
- G) Additional vehicle for hire or taxicab service will have a detrimental effect on traffic and parking within the City, or will otherwise be contrary to the public welfare; or
- H) The applicant has not otherwise complied with this Article.

SECTION 33.17.080. APPLICATION FOR DRIVER'S PERMIT.

Any person who wishes to obtain a driver's permit must file an application with the License Supervisor. Each application must be accompanied by an application fee in an amount to be set by resolution of the City Council. An incomplete application will be returned by mail to the applicant along with a list of deficiencies. An incomplete application will be deemed abandoned if a corrected application is not received by the City within fourteen (14) calendar days following the date the City mailed the applicant notice of the deficiency. Within seven (7) calendar days of receiving a complete application, the City will send a letter acknowledging receipt of the completed application.

The application must be signed under penalty of perjury and must include the following:

- A) The name, residence address, and age of the applicant;
- B) Any convictions in any court of any state of the United States or in any United States court;
- C) The number and expiration date of the applicant's California driver's license, and disclosure of whether any state driver's license or taxi driver's permit held by the applicant has ever been revoked or suspended;
- D) The name and address of the permitted service operator by whom the applicant is to be employed as a driver, and the endorsement of that service operator;
- E) The names and addresses of every person by whom the applicant has been employed at any time during the five (5) calendar years preceding the year of application;
- F) The names and addresses of three (3) responsible persons, excluding relatives of the applicant, who have known the applicant for at least three (3) years;
- G) Proof of insurance and agreement to maintain at all times in full force and effect, insurance at levels required by 33.17.050(F) of this Article;
- H) Assent to a background investigation and fingerprinting by the Police Department;
- I) Two (2) copies of a one (1) inch-square photograph of the applicant, taken within ninety (90) days of the date of application. (One (1) photograph will be attached to the driver's permit certificate or identification card; the other will be retained by the License Supervisor); and
- J) The identification number and expiration date of each taxi driver's permit issued by every other jurisdiction in which the applicant is licensed;
- K) Any other information the License Supervisor may require.

SECTION 33.17.090. INVESTIGATION AND APPROVAL OR DENIAL OF APPLICATION FOR DRIVER'S PERMIT.

If an applicant holds a valid driver's permit issued by another jurisdiction whose application process included an investigation and background check by a law enforcement agency, the License Supervisor may immediately issue a driver's permit, upon confirmation of the issuance and current validity of that prior permit.

The License Supervisor will otherwise forward the completed application to the Police Department, which will conduct and complete an investigation of the applicant, within sixty (60) days after a completed application has been received by it. The Police Department will approve or deny the application and report its action to the License Supervisor. The Police Department must specify its grounds for any denial. The License Supervisor will notify the applicant by mail of Police Department approval or denial within seven (7) calendar days of the Police Department action.

The Police Department must recommend denial of an application if the applicant has:

- A) Falsified material information on the application;
- B) Registered as a sex offender pursuant to California Penal Code Section 290;
- C) Served or is on formal probation or parole for any offense in this section;
- D) A conviction (or plea of guilty or nolo contendere) in any state for any of the following: murder; robbery; pandering; pimping; crimes related to the sale or transportation of controlled substances; crimes involving the use of a weapon; or any other offense involving moral turpitude or any crime that is substantially related to the qualifications, functions, or responsibilities of a taxi driver;
- E) A conviction (or plea of guilty or nolo contendere) in any state for a felony other than those listed in the previous subsection within eight (8) years of application; or

- F) Any conviction (or plea of guilty or nolo contendere) within five (5) years of application in any state or any final administrative determination of a violation of any statute, ordinance, or regulation reasonably and rationally pertaining to the same or similar business operation which would have resulted in suspension or revocation of a Driver's Permit under this ordinance.

SECTION 33.17.100. RIGHT TO LICENSE REVIEW BOARD REVIEW OF DENIAL OF APPLICATION FOR DRIVER'S PERMIT.

Any person whose application for a driver's permit is denied is entitled to a de novo hearing before the License Review Board upon the filing of a written request with the license Supervisor. A request for hearing must be filed with the License Supervisor within fourteen (14) calendar days following mailing of a notice of denial.

SECTION 33.17.110. CONDITIONING APPROVALS OF PERMITS.

- A) Right to Condition Service Operator's Permit. The License Review Board may condition any permit in order to ensure that the vehicle for hire or taxicab operation will comport with the public health, safety, and welfare. The permittee must sign an affidavit affirming his or her acceptance of the conditions.
- B) Right to Condition Driver's Permit. The Police Department may condition any driver's permit at any time in order to ensure that a driver's operation of a vehicle for hire or taxicab within the City will comport with the public health, safety and welfare. The permittee must sign an affidavit affirming his or her acceptance of the conditions.
- C) Application to Change Conditions. The License Review Board may change, modify or eliminate any conditions previously placed on a permit, upon its own motion or upon written request of the permittee if it finds that the reasons for the original imposition of such conditions have been cured or no longer exist. Applications to change conditions will be noticed and set for public hearing in a manner consistent with Section 33.17.060.

SECTION 33.17.120. TRANSFER PROHIBITED.

No permit issued under this Article will be sold, transferred, assigned, mortgaged or otherwise conveyed without the prior consent of the License Review Board, and any sale, transfer, assignment, mortgage or otherwise conveying any such permit without the prior consent of the Board will render the permit automatically void.

SECTION 33.17.130. ANNUAL PERMIT FEES.

- A) Every service operator must pay an annual per-vehicle operating permit fee in an amount established by resolution of the City Council. Required fees must be paid at the time an application for a permit or renewal is submitted.
- B) Every operating permit issued under this Article will terminate at the expiration of one (1) year from the date of its issuance unless revoked prior to said termination. Any renewal of an operating permit issued under this Article will be pursuant to the same requirements, procedures, provisions and regulations set forth in this Article for an original permit, except as otherwise provided. A service operator may not drive a taxicab or vehicle for hire without also possessing a current taxicab or vehicle for hire driver's permit and otherwise satisfying all requirements of this Article pertaining to City approval of taxicab and vehicle for hire drivers. Every service operator must provide written notification to the License Supervisor upon the termination or resignation from employment of any person holding a driver's permit.

SECTION 33.17.140. ISSUANCE OF TAXICAB AND VEHICLE FOR HIRE IDENTIFICATION DECAL.

The License Supervisor will issue an identification decal for each taxicab and vehicle for hire permitted to operate in the City.

SECTION 33.17.150. OPERATING REQUIREMENTS.

Every taxicab and vehicle for hire driver and service operator will be jointly and severally responsible for all of the following requirements. Each service operator and driver must:

- A) Maintain, at all times in full force and effect, insurance as required by Section 33.17.050(F) of this Article.
- B) Maintain, at all times, valid business licenses for the City of Torrance.
- C) Display at all times on each taxicab or vehicle for hire operating within the City of Torrance a valid taxicab or vehicle for hire identification decal issued by the License Supervisor. The identification decal must be permanently affixed to the lower left corner of the rear windshield of the vehicle so that it is clearly visible from the outside of the vehicle.

If, because of the presence of other stickers or decals required by law, the decal cannot be affixed on the lower left corner of the rear windshield, the decal must be attached to the vehicle in a conspicuous location, as close as possible to the lower left corner of the rear windshield.

- D) Keep an accurate, legible record of all passengers carried, the pick up and drop off points, and the date and time carried. This record must be available for up to one (1) year for review by the License Supervisor.
- E) Not, when otherwise available for hire, refuse to transport anyone requesting a ride except under the following circumstances:
 - 1) The transportation requested is such that the driver may not legally accept such passenger;
 - 2) The driver has reasonable cause to believe that the proposed passenger will refuse to pay or cannot pay the fare; or
 - 3) The proposed passenger is disorderly, engaged in the commission of any crime, or is otherwise unfit to be transported as a passenger.
- F) Display a photo I.D. badge identifying the driver's association with permitted taxicab or vehicle for hire service;
- G) Keep the taxicab or vehicle for hire in good mechanical condition and in compliance with any and all applicable rules and regulations;
- H) Charge only those rates as submitted on the application or such rates as have been approved by the License Review Board;
- I) Display in full view of passengers in both the front and the rear seat, in letters and figures which are clearly legible and not less than one-quarter (1/4) inch high (1) a schedule of rates to be charged and (2) a notice that a schedule of customary rates from the City's major points of interest is available upon request. The schedules must have printed thereon the name of the service operator under which the taxicab or vehicle for hire is permitted to operate and the business address and telephone number where comments or complaints regarding the taxicab or vehicle for hire service may be directed.
- J) Keep the taxicab or vehicle for hire in a clean and sanitary condition;
- K) Participate in periodic testing for controlled substances and alcohol, must report the results thereof, as specified in Government Code Section 53075.5 (b) (3), must test negative for drugs and/or alcohol as required in said Code Section, and must carry in his or her vehicle a certificate of compliance with the provisions described in this subsection.
- L) Not permit any person to operate a taxicab unless such person is authorized to operate a taxicab pursuant to this part.
- M) Not stop for or accept any passenger except at such areas as may be authorized by the City; or where the taxicab or vehicle for hire driver has driven a passenger to a particular location and is waiting for that passenger; or when picking up a passenger who has contacted the driver's service operator and requested taxicab or vehicle for hire service;
- N) Drive passengers to their point of destination by the most direct practical route, unless specifically directed otherwise by such passengers;
- O) When engaged, provide current passengers with exclusive right to use of the passenger compartment, without picking up additional passengers, unless otherwise expressly permitted by the City;
- P) Immediately report the fact of any revocation of any permit required to operate a taxicab or vehicle for hire within the City.
- Q) Surrender the taxicab or vehicle for hire driver's permit to the City if no longer employed by a City-permitted service operator.
- R) Ensure that each driver operating within the City maintains a valid California driver's license at all times.
- S) Perform a yearly inspection of each vehicle operating within the City as part of his or her vehicle for hire or taxicab service. The inspection must be made by a certified mechanic or automotive repair dealer. Inspection records, signed by the mechanic or repair dealer, must be maintained in the business office of the service operator attesting that the vehicle has been inspected and is in good working order. A vehicle for hire or taxicab which has been inspected pursuant to the requirements of the City or County of Los Angeles taxicab regulations may maintain proof of that inspection in lieu of the inspection required by this section.
- T) Permit any police officer of the City to inspect or thoroughly examine any taxicab or vehicle for hire at any time.

SECTION 33.17.160. EQUIPMENT REQUIREMENTS.

Every taxicab and vehicle for hire driver and service operator will be jointly and severally responsible for all of the following requirements. Each service operator and driver must fulfill the following equipment requirements:

- A) Vehicles for hire and taxicab equipment.
 - 1) A trunk device which will permit the opening of the trunk lid from the inside of the trunk;
 - 2) A permanent fixture to display the taxicab or vehicle for hire driver's permit in prominent view of the passengers;

- 3) Prominent signs giving the name and telephone number of the taxicab or vehicle for hire permittee and the taxicab or vehicle for hire number on the sides of the vehicle. The taxicab or vehicle for hire number must also be conspicuously displayed on the rear portion and inside the vehicle.
 - 4) A prominent sign within the passenger area of each taxicab or vehicle for hire informing passengers to call the City's Business License Division at (310) 618-5923 with comments or complaints on the service provided.
 - 5) No fewer than four (4) working doors, except that a handicapped accessible mini-van may be used;
 - 6) A fire extinguisher;
 - 7) Four (4) flares;
 - 8) At least two (2) emergency reflectors;
 - 9) Spare tire and jack;
 - 10) Windows which patrons can open from inside; and
 - 11) Working headlights, taillights, turn-signals, back-up lights, and brake lights, including the "cyclops" or third brake light, if the car has been manufactured in 1988 or later.
- B) Taxicab equipment. In addition to the equipment requirements of Section 33.17.150(I) of this Article, every taxicab into which passengers are accepted for transportation within the City must have the following equipment:
- 1) A taximeter, as defined in Section 33.17.180 of this Article;
 - 2) A two (2) way radio and a mobile display terminal capable of communication with a dispatcher;
- C) Prohibited Equipment. No vehicle for hire or taxicab may be equipped with a scanner or other device that can be used to intercept radio signals and dispatches sent to specific destinations.
- D) Equipment Waiver Conditions. Notwithstanding the provisions of this Article, the License Review Board, following application, notice and public hearing, may waive any equipment requirement upon a showing of good cause by any applicant or permittee. Each waiver must be specified on the permittee's permit and any applicable vehicle permit.

SECTION 33.17.170. TAXICAB STANDS.

- A) At its discretion, the City Council may permit the License Supervisor to locate, designate, and approve taxicab stands, which will be available for the exclusive use of City-approved taxicabs.
- B) Established taxicab stands will be in operation twenty-four (24) hours of every day, unless otherwise provided by the License Supervisor.
- C) No taxicab will remain standing unless it is attended by a driver, except when necessary to assist passengers in loading or unloading.

SECTION 33.17.180. TAXIMETERS--REQUIRED.

- A) Except as otherwise provided by law, each taxicab must be equipped with a taximeter that has been inspected and certified by the Los Angeles County Agricultural Commissioner/Weights and Measures. Each taximeter must have affixed to it written or other evidence that such taximeter has been so inspected and is currently certified.
- B) Except as otherwise provided by law, it is unlawful for any person operating a taxicab to operate such vehicle unless it has approved rates conspicuously posted for passenger observation, and unless it is equipped with a taximeter of a type and design approved by the Los Angeles County Agricultural Commissioner/Weights and Measures. It will be the duty of every service operator and driver using any taximeter to, at all times, keep such meter accurate. Taximeters will be subject to inspection from time to time by any police officer of the City or any authorized inspector delegated to this purpose. Upon the discovery of any inaccuracy of a taximeter, the permittee must remove or cause to be removed any vehicle equipped with such taximeter from the streets of the City until such taximeter has been correctly adjusted and certified by the Los Angeles County Agricultural Commissioner/Weights and Measures.

SECTION 33.17.190. SUSPENSION OF PERMITS.

Any permit described under this Article may be immediately suspended by the Police Department or License Supervisor if either deems it necessary to remedy an immediate threat to the public health, safety or welfare, or failure to maintain any insurance required by this Article. Repeated failure to maintain required insurance will constitute grounds for revocation.

No suspension made pursuant to this Section may exceed fifteen (15) days pending a hearing before the License Review Board.

SECTION 33.17.200. REVOCATION OF PERMITS.

In the event the License Review Board has reasonable cause to believe that grounds exist to revoke any permit issued pursuant to this Article, a written notice of intent to revoke will be served by mail upon the permit holder. Unless timely appealed, the revocation will be effective as of midnight on the date specified in the notice which will not be less than twenty-one (21) calendar days following the date of mailing of the notice.

Any taxicab or vehicle for hire service operator or driver having a permit revoked will not be eligible to apply for another permit for one (1) year after the effective date of revocation.

The License Review Board may instead of revocation provide a permit holder with an opportunity to cure certain violations, or may place certain conditions on the permit where it finds that grounds for revocation of the permit exist or that the permit holder's activities have been conducted in a manner detrimental to the public health, safety or welfare.

SECTION 33.17.210. GROUNDS FOR REVOCATION OF SERVICE OPERATOR'S PERMIT.

A service operator's permit may be denied or revoked by the License Review Board for any of the following reasons:

- A) Failure to maintain vehicles in good and safe order and in compliance with all laws;
- B) Any false, misleading or fraudulent statement made on the application for a service operator's permit;
- C) Failure to pay any fees required under this Article;
- D) Repeated and persistent violations by the service operator or the service operator's drivers of the traffic and motor vehicle laws of the City, County or State;
- E) Employment of a driver who does not have a valid California driver's license;
- F) Poor safety record or a record of complaints with respect to the operation of the vehicle for hire or taxicab service within the City or other operating areas outside the City;
- G) Charging rates in excess of the amounts stated in the permit application;
- H) Failure to procure, post or maintain in effect approved comprehensive automobile liability insurance as required under Section 33.17.050(F) of this Article; a temporary lapse in insurance coverage will result in immediate suspension pursuant to Section 33.17.190 of this Article.
- I) Commission of a crime involving moral turpitude that is substantially related to operation of a taxicab or vehicle for hire service, by the applicant, his or her agent or employee, or any person connected or associated with the applicant as a partner, director, officer, stockholder, associate or manager;
- J) Failure to comply with all applicable health, zoning, fire, building and safety laws of the State of California and the City for buildings, structures, premises and equipment located within the City and used to conduct the vehicle for hire or taxicab service activity;
- K) Detriment to the public health, safety or welfare due to the operation of the vehicle for hire or taxicab service;
- L) Violation by the service operator, or any of his employees or agents, of any rule or regulation adopted by any governmental entity with respect to the applicant's operation of an vehicle for hire or taxicab service in other operating areas or within the City;
- M) Determination that the permit is not justified by public convenience and necessity. In making this determination, the Board may take into account all facts which it deems pertinent and proper, including but not limited to, whether:
 - 1) The applicant has complied with all of the provisions of the Torrance Municipal Code;
 - 2) The applicant is financially responsible;
 - 3) The applicant has sufficient liability insurance coverage to operate a taxicab or vehicle for hire service.
- N) Failure to comply with the requirements of Sections 33.17.150 and 33.17.160 of this Article;
- O) Failure to satisfy, or violation of, any requirement of this Article.

SECTION 33.17.220. RIGHT OF APPEAL.

Any interested person, applicant or permittee may seek review of any action of the License Review Board in accordance with the provisions of Section 11.5.1 of the Torrance Municipal Code.

SECTION 33.17.230. EXEMPTIONS.

This Article does not apply to any public transportation service being performed pursuant to a contract with the City or with any other public entity in this state.

SECTION 33.17.240. PENALTY FOR VIOLATION.

It is unlawful for any person to violate any provision or to fail to comply with any of the requirements of this Ordinance. Any person, firm, partnership, or corporation violating any provision of this Ordinance or failing to comply with any of its requirements will be deemed guilty of a misdemeanor and upon conviction thereof will be punished by fine not exceeding one thousand dollars (\$1,000.00) or by imprisonment not exceeding six (6) months, or by both such fine and

imprisonment. Each such person, firm partnership, or corporation will be deemed guilty of a separate offense for each and every day or any portion thereof during which any violation of any of the provisions of this Ordinance is committed, continued or permitted by such person, firm, partnership, or corporation, and will be deemed punishable therefor as provided in this Ordinance.

SECTION 33.17.250. REMEDIES AVAILABLE.

A violation of any of the provisions of this Ordinance will constitute a nuisance and may be abated by the City through civil process by means of restraining order, preliminary or permanent injunction, or in any other manner provided by law for abatement of such nuisance.

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP B2008-55

Request for Proposal for Taxicab Franchise

ADDENDUM # 1

THE FOLLOWING SPECIFICATIONS ARE HEREBY INCORPORATED INTO AND MADE A MANDATORY PART OF SUBJECT RFP:

You must acknowledge receipt of this addendum in Section IV of the Bid Proposal on page 18.

The following information is presented as follow up to the question asked at the Pre-Proposal Conference held on October 2, 2008.

Question:

Will the City of Torrance accept from the Taxi Cab Franchise, a copy of a background check and fingerprints of a perspective driver?

Answer:

No, only background check and fingerprints processed by the City of Torrance will be accepted.

If you have any questions pertaining to this addendum, please contact Ken Flewellyn at 310-618-5850 or Felice Fromm at 310-618-5820.

By Order Of,

Felice N. Fromm
Finance Department

Date: October 6, 2008



Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR

EXHIBIT 5

- [Home](#)
- [About Arnold](#)
- [About Maria](#)
- [Newsroom](#)
- [Multimedia](#)
- [Issues](#)
- [Blog](#)
- [Interact](#)
- [Appointments](#)

Executive Order

01/18/2007 [Print Version](#)

EXECUTIVE ORDER S-01-07

by the
Governor of the State of California



WHEREAS greenhouse gas ("GHG") emissions pose a serious threat to the health of California's citizens and the quality of the environment; and

WHEREAS California's transportation sector is the leading source of GHG emissions in the state, contributing over 40 percent of the state's annual GHG emissions; and

WHEREAS Assembly Bill 32 (Chapter 488, Statutes of 2006) requires a cap on GHG emissions by 2020, mandatory emissions reporting, identification of discrete early action measures, achievement of the maximum technologically feasible and cost-effective emission reductions from sources, and authorizes the development of a market-based compliance program; and

WHEREAS California is almost entirely dependent on one energy source for its transportation economy, relying on petroleum-based fuels to meet 96 percent of its transportation needs; and

WHEREAS there were more than 24 million motor vehicles registered in California in 2005 which is more than one per licensed driver; statewide gasoline consumption was almost 16 billion gallons in 2005 which is second only to the United States and slightly more than that of Japan (a country with four times the population); and there are only 80,000 hybrids and 240,000 flex-fuel vehicles on our roads today, together composing only 1.3% of all cars in California; and

WHEREAS California's dependence on a single type of transportation fuel whose price is highly volatile imperils our economic security, endangers our jobs, and jeopardizes our industries; and

WHEREAS diversification of the sources of transportation fuel will help protect our jobs and economy from the consequences of oil price shocks; and

WHEREAS alternative fuels can provide economic development opportunities and reduce

RELATED CONTENT

- [▶ Press Release](#)
- [▶ Governor's Remarks](#)
- [▶ Photo Essay](#)
- [▶ Video](#)
- [▶ Energy Issue Page](#)

PHOTO ESSAY

[CLICK TO ENLARGE](#)



MORE GOVERNOR'S EXECUTIVE ORDER

[09/24/08 - S-10-08](#)

[05/16/08 - S-04-08](#)

[02/19/08 - S-01-08](#)

[09/12/07 - S-12-07](#)

emissions of greenhouse gases, criteria pollutants, and toxic air contaminants.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power invested in me by the Constitution and statutes of the State of California, do hereby order effective immediately:

1. That a statewide goal be established to reduce the carbon intensity of California's transportation fuels by at least 10 percent by 2020 ("2020 Target").
2. That a Low Carbon Fuel Standard ("LCFS") for transportation fuels be established for California.
3. The Air Resources Board ("ARB") shall determine if an LCFS can be adopted as a discrete early action measure pursuant to AB 32, and, if so, shall consider the adoption of a LCFS on the list of early action measures required to be identified by June 30, 2007, pursuant to Health and Safety Code section 38560.5.
4. The LCFS shall apply to all refiners, blenders, producers or importers ("Providers") of transportation fuels in California, shall be measured on a full fuels cycle basis, and may be met through market-based methods by which Providers exceeding the performance required by a LCFS shall receive credits that may be applied to future obligations or traded to Providers not meeting the LCFS.
5. The process for meeting the 2020 Target shall be as follows:
 - A. The Secretary of the California Environmental Protection Agency ("Secretary") shall coordinate activities between the University of California, the California Energy Commission ("CEC"), and other agencies as required to develop and propose by June 30, 2007, a draft compliance schedule to meet the 2020 Target.
 - B. The CEC shall incorporate as appropriate the LCFS draft compliance schedule into the State Alternative Fuels Plan ("SAFP") per AB 1007 (Chapter 371, Statutes of 2005), and upon adoption shall submit the SAFP to the ARB for consideration.
 - C. Upon submission of the SAFP, the ARB shall consider initiating a regulatory proceeding to establish and implement the LCFS.
6. The Public Utilities Commission, in the implementation of the GHG emissions cap adopted by Decision 06-02-032, is requested to examine and address how the investor-owned utilities can contribute to reductions in GHGs in the transportation sector.
7. The Secretary for Environmental Protection shall report to the Governor and the State Legislature by January 2008 and biannually thereafter on progress made toward meeting the 2020 Target.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its departments, agencies, or other entities, its officers or employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice be given to this Order.



IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 18th day of January 2007.

[Email the Governor](#) | [Email Alerts](#) | [Internship Program](#) | [Technical Contact](#) | [RSS Feeds](#) | [Site Map](#) | [Privacy Policy](#) | [Conditions of Use](#)

[CA State Homepage](#)

© 2008 State of California

TAXICAB QUALIFYING/ EVALUATION SHEET

BUSINESS LICENSE SECTION

COMPANY NAME: _____

Date _____

INTERVIEWER: _____

CATEGORY

BASIS POINTS	AVERAGE	COMMENTS

Fleet Information (extra credit) Maximum Points 5

- Accessible Wheelchair Vehicles
- ULEV Vehicles

Qualification of the Proposer Maximum Points 40

- Business Experience
- Qualification of the Proposer and its Senior Officers
- Does the proposer have at least 5 years of experience
- What has been the size of the Proposer fleet in which they have manage?
- Did the proposer describe its refund policy
- Did the proposer describe its Customer Service/Complaint Program
- Did the Proposer describe its dispatch/reservation system, equipment used to dispatch, match customers and dispatch vehicles.

Financial Capability and Stability - Maximum 30 Points

- Has the proposer provided the following Financial Statements:
 - Balance Sheets for the last two years
 - Cash Flow Statements for the last two years
 - Income Statements
 - Statement of Equity

Quality of Service Vehicles - Maximum 15 Points

2008 Taxicab Franchise Summary Score

	All Yellow	SB Yellow	United Checker	Bell Cab				
<u>Fleet Information</u>								
Ken	3.8	4.8	4.8	5.0				
Felice	2.0	5.0	5.0	5.0				
Jim, Mills	3.8	4.5	4.8	4.8				
<u>Qualification of the Proposer</u>								
Ken	35.9	28.5	33.1	38.8				
Felice	32.5	37.6	37.6	37.6				
Jim, Mills	34.2	34.8	33.6	36.5				
<u>Financial Capability and Stability</u>								
Ken	24.8	28.5	28.5	24.8				
Felice	24.8	28.5	28.5	24.8				
Jim, Mills	24.8	28.5	28.5	24.8				
<u>Quality of Service Vehicles</u>								
Ken	14.1	13.9	14.1	15.0				
Felice	15.0	11.6	11.6	15.0				
Jim, Mills	13.9	13.7	13.7	14.1				
<u>Quality of Driver Service</u>								
Ken	12.0	12.0	14.3	15.0				
Felice	12.5	11.5	11.5	15.0				
Jim, Mills	12.8	13.3	13.5	14.5				
<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 5px;">88.9</td> <td style="padding: 5px;">92.2</td> <td style="padding: 5px;">94.3</td> <td style="padding: 5px;">96.8</td> </tr> </table>					88.9	92.2	94.3	96.8
88.9	92.2	94.3	96.8					

ORDINANCE NO. 3551**AN ORDINANCE OF THE CITY OF TORRANCE ADDING ARTICLE 16 OF CHAPTER 3 OF DIVISION 3 OF THE TORRANCE MUNICIPAL CODE RELATING TO TAXICAB FRANCHISES**

The City Council of the City of Torrance does ordain as follows:

SECTION 1.

Article 16 of Chapter 3 of Division 3 and Chapter 6 of Division 3 of the Torrance Municipal Code is added to read in its entirety as follows:

“Article 16 Taxicab Franchises**Sections:**

33.16.010	Short Title
33.16.020	Purpose
33.16.030	Definitions
33.16.040	Franchise Required
33.16.050	Franchisee Business Profile
33.16.060	Insurance Requirements
33.16.070	Indemnification
33.16.080	Transfers
33.16.090	Minimum Franchise Requirements
33.16.100	Suspension or Revocation of Franchise
33.16.110	Taxicab Driver's Permits and Requirements
33.16.120	Operating Requirements
33.16.130	Equipment Requirements
33.16.140	Violations
33.16.150	Taximeters Required
33.16.160	Annual Franchise Fee
33.16.170	Performance Standards

33.16.010 Short Title.

This Article shall be known as the "Taxicab Franchise Ordinance" of the City of Torrance and shall apply to all taxicab service originating within the City of Torrance.

33.16.020 Purpose.

The City declares and determines that the operation of taxicabs affects the health, safety and general welfare of the residents of the City. The operation of taxicabs requires that a high level of trust and confidence by the traveling public be established and maintained in the equipment, personnel and procedures used for providing taxicab service. Such services are determined to be necessary for the use of residents who do not drive personal vehicles for obtaining the necessities of life and for the efficient movement of guests and visitors about the City. Maintaining the vital role of taxicabs in the overall transportation assets of the City requires that only those taxicab owners and drivers who have demonstrated that they possess the facilities, control systems and knowledgeable personnel to protect the interests of the City and the traveling public be authorized to provide taxicab service within the City. Therefore it is a purpose of this Article to adopt procedures to regulate this service to the community.

The purpose of this Article is to enable the City to grant one or more nonexclusive franchises for the use of its streets and highways for the provision of taxicab services initiated within the City. This Article constitutes an exercise of the City's police powers pursuant to Article XI, Section 7 of the California Constitution and enables a method of regulation intended to protect consumers and minimize hazards in the City's streets and highways by:

- A) Regulating the number of taxicabs and providing a method of registering all taxicabs permitted to operate within the City of Torrance city limits;
- B) Providing adequate information regarding the ownership and operation of taxicab businesses franchised to do business in the City of Torrance;
- C) Regulating the operation of taxicab businesses to ensure that their operation does not adversely affect the general welfare; and
- D) Regulating taxicab drivers to ensure the safe operation of taxicabs in the City of Torrance.

33.16.030 Definitions.

For purposes of this Article, the following words shall have the following meanings:

- A) "City" shall mean the City of Torrance.
- B) "Board" shall mean the License Review Board of the City of Torrance.
- C) "Business License Supervisor" shall mean the Business License Supervisor of the City of Torrance or his/her designee.
- D) DMV means Department of Motor Vehicles
- E) "Operating area" shall mean and include the City of Torrance.
- F) RFP shall mean Request for Proposal
- G) "Street" shall mean and include the portion of any public street, road, highway, freeway, lane, alley, sidewalk, parkway or public space which now exists or which may hereafter exist within the City of Torrance.
- H) "Taxicab" shall mean every automobile or motor-propelled vehicle which is designated to carry not more than eight persons, excluding the driver, and is either equipped with a taxicab meter or a top light or has the words "taxi," "cab," or "taxicab" displayed on the exterior of the vehicle and used for the transportation of passengers for hire over the streets of this city, irrespective of whether such operations extend beyond the boundary limits of this city, at rates for distance traveled, or for waiting, standby or traffic delay time, or for any combination of such rates, and not operating over a defined route but routed under the direction of such passengers or persons hiring same.
- I) "Taxicab driver" shall mean the driver of an individual taxicab.
- J) "Taxicab Franchisee" shall mean a person, firm, association, solely owned partnership, stock corporation, cooperative organization or other organization, however organized, that is granted a taxicab franchise by the City Council of the City of Torrance.
- K) "Taxicab service" shall mean the transportation service provided by taxicab companies.
- L) "Taximeter" shall mean and include a device that automatically calculates a predetermined rate or rates for taxicab service and indicates the charge for the hire of a taxicab.

- M) "Taxicab vehicle permit" shall mean the seal/sticker approved, issued and affixed to the rear of a taxicab by the City of Torrance upon payment of fees, the city's approval of a taxicab company's franchise and the passing of the taxicab vehicle inspection.
- N) "Taxicab driver's permit" shall mean the personal permit approved and issued by the City of Torrance to a driver that is a member of and/or employed by a taxicab company franchised to operate in the City of Torrance, has paid the required fees, and has met all other requirements of the taxicab regulations.

33.16.040 Franchise Required.

- A) It is unlawful for any person to engage in the business of operating or causing to be operated any automobile for hire or taxicab service within the City without having a franchise to do so awarded pursuant to the provisions of this Article. The City Council may in its discretion issue one or more nonexclusive franchises for the provision of taxicab services within the City upon finding that franchising is necessary to assure reliable, safe and quality taxicab service to City residents and to eliminate undue congestion, disorganization and hazards associated with a deregulated taxicab environment. In such event, upon issuance of one or more franchises, the City shall not accept new or renewal applications for an existing license to operate a taxicab service and it shall be unlawful for any person other than the Franchisee(s) to engage in the business of operating or causing to be operated any taxicab service within the City.
- B) The City shall award one or more nonexclusive franchises for taxicab service through a competitive bidding process. Franchise proposals shall be evaluated based upon demonstrated quality of service, safety, past experience, driver qualifications, financial stability, age and condition of taxicabs, insurability and extra services available to the public. Upon selection, each Franchisee shall enter into a franchise agreement with the City. The agreement may impose obligations on the Franchisee that are additional to but not inconsistent with those imposed by this Article. The City may at any time initiate a competitive bidding process for the issuance of new franchises. Nothing shall prohibit a Franchisee from competing for a new franchise; however, any Franchisee whose franchise has been revoked shall thereafter be prohibited from competing for award of a franchise for a period of three years following the scheduled expiration of its franchise agreement.
- C) Upon receipt of a franchise proposal and payment of the required application fee, staff shall review the information to determine that it is complete. A proposal that is incomplete will not be considered responsive or responsible and will not be evaluated. Staff will evaluate the proposals and make recommendations to the City Council relative to the award of one or more franchises.
- D) Franchisees will be reviewed annually for performance and consistency with their proposal and City operating and service requirements.
- E) Each Franchisee shall be required annually to obtain a taxicab vehicle permit and pay the required vehicle permit fees for every taxicab in its service into which passengers are accepted for transportation in the City of Torrance. Vehicle permits will be issued only to vehicles that pass the required annual inspection. A franchise shall be subject to revocation if the Franchisee operates unpermitted taxicabs or not bearing the decal or tag issued by the City designating it for operation in the City. Vehicle permits shall be valid for a period of one year unless revoked pursuant to the provisions of this Article.
- F) No taxicab company shall permit any taxicab driver in its employ to operate a taxicab in the City of Torrance into which passengers are accepted for transportation without having first obtained a valid Torrance taxicab driver's permit.

33.16.050 Franchisee Business Profile

The following information is required of each Franchisee:

- A) The legal names, mailing and street addresses, and telephone numbers of the applicant, specified owners, directors, officers and employees. If the Franchisee advertised to the public and operates under a name other than the legal name of the applicant, that name must be included as well. The proposal must include all fictitious business names used by the applicant in Los Angeles County in the five years preceding the calendar year in which the proposal is made. A post office box, mailbox, message service, or other similar device may not be used as an actual street address, but is acceptable as a mailing address.
- 1) Corporate Franchisee. The corporate name must be exactly as set forth in the corporation's articles of incorporation. The names, mailing and street addresses, and telephone numbers of all directors, every shareholder holding ten percent or more the shares of the corporation, corporate officers, and the designated agent for service of legal process must be included. A corporate Franchisee must also provide a Certificate of Domestic Stock Ownership and a current certificate of good standing issued by the California Secretary of State.
 - 2) Partnerships. The names, mailing and street addresses, and telephone numbers of each general partner must be stated. If one or more of the general partners is a corporation, the provisions of this section pertaining to corporate Franchisee also apply. The name, mailing and street addresses, and telephone number of a person authorized to accept service of legal process must also be included.
 - 3) Other businesses. If the Franchisee is a cooperative, member stock-type operation, service organization, or association, the application must include the names, mailing and street addresses, and telephone number of each officer, director, and each shareholder owning any share or portion of any share in the organization or association. The name, mailing and street address, and telephone number of a person authorized to accept service of legal process must also be included.
 - 4) Sole proprietorships. The name, mailing and street addresses and telephone number of the owner and any person authorized to accept service of legal process must be included;
- B) The street addresses from which the Franchisee conducts or will conduct the taxicab service business, where dispatch will be conducted, and each location at which the business's vehicles will be garaged;
- C) The number of taxicabs to be operated under the franchise and the number of taxicabs in the Franchisee's fleet (the City of Torrance requires an overall minimum fleet size of 50 vehicles for hire or taxicabs);
- D) The manufacturer, model year, vehicle type, vehicle identification number ("VIN"), license plate number, company identification number, passenger capacity and proof of commercial registration for each vehicle to be operated in the City of Torrance, together with evidence satisfactory to the Business License Supervisor that each taxicab proposed to be operated under the franchise has been safety-inspected within a period of time satisfactory to the Business License Supervisor, and otherwise complies in all respects with all applicable laws, rules, and regulations;
- E) The proposed color scheme, insignia or other distinguishing characteristic of the taxicab, including the style and legend of any illuminated sign to be mounted on the top of the vehicle;
- F) Legal and registered ownership of the vehicles to be used by the Franchisee;

- G) Prior experience of the Franchisee in a taxicab business, including the details of any prior permit denial, revocation or suspension by any public agency of any type of operator's or driver's permit, license, certificate, or franchise;
- H) The name of each driver who will operate a taxicab in the City;
- I) A certification that no driver employed or to be employed by the Franchisee has been convicted of driving under the influence of alcohol or drugs within seven calendar years preceding the date of application;
- J) A certification that each driver has received a minimum of 16 hours of training.
- K) A certification that drivers and dispatchers are proficient in the English language and able to communicate effectively with the public.
- L) Description of the required uniform its drivers will wear.
- M) A copy of the Franchisee's vehicle maintenance program, including preventative maintenance. The program must be in accordance with the vehicle manufacturer's warranty specifications and any applicable state and federal laws.
- N) Satisfactory evidence establishing that the Franchisee has complied and currently complies with the provisions of California Government Code Section 53075.5(b)(3), or any successor provision, pertaining to pre-employment and periodic testing of drivers for controlled substances and alcohol, and with provisions pertaining to payment for drug and alcohol testing programs and related reporting requirements. The Franchisee must also provide satisfactory evidence that each driver who will operate a taxicab within the City has tested negative for drugs and alcohol within the previous twelve months;
- O) The names, street addresses and telephone numbers of no less than two individuals who may be contacted twenty-four hours a day, seven days a week by the City in case of an emergency;
- P) An explanation of how the taxicab service will provide service to people with disabilities that make it difficult to use conventional taxicab sedans;
- Q) Submission of Department of Motor Vehicles (DMV) Pull Notice Program Requestor Code Number, as defined in Vehicle Code Section 1808.1, issued to the Franchisee. As a condition of accepting a franchise, the Franchisee is required to notify the Business License Supervisor immediately if it receives a DMV Pull Notice on one of its drivers that would affect that person's driver's permit. In the event a driver's DMV record indicates that a driver no longer qualifies for a driver's permit, the Franchisee must require the driver to surrender the driver's permit to the Business License Supervisor. DMV Pull Notice records must be made available for review by the Business License Supervisor upon request;
- R) Submission of records of any convictions in any court of any state of the United States or in any United States court with respect to any of the persons identified in subdivision A of this section; and
- S) Any additional information pertinent to the operation of the proposed taxicab service, including but not limited to the business backgrounds of the officers and directors, certified business financial statements, and lease arrangements as the City may require.

33.16.060 Insurance Requirements.

Proof that the Franchisee maintains at its sole expense insurance meeting the following requirements, which shall be full coverage not subject to self-insurance provisions:

- A) Separate commercial automobile liability insurance, utilizing coverage form CA0001 for each vehicle proposed to be operated within the City pursuant to the franchise, with at least the following limits of liability:

- 1) Primary Bodily Injury with limits of at least \$250,000 per person and \$500,000 per occurrence; and Primary Property Damage of at least 100,000 per occurrence; or
 - 2) Combined single limits of \$500,000 per occurrence.
- B) General Liability including coverage for premises, independent contractors/vendors, personal injury and contractual obligations with combined single limits of at least \$500,000 per occurrence.
 - C) Workers' Compensation with limits as required by the State of California and Employer's Liability with limits of at least \$500,000.
 - D) Insurance provided by the Franchisee must be primary and non-contributory.
 - E) Required insurance must be issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are modified or waived in writing by the Risk Manager of the City due to unique circumstances.
 - F) The City, the City Council, and each present and former member of the City Council, City boards and commissions, and every officer, agent, official, employee and volunteer of the City (collectively, "City entities") must be named as additional insureds under the automobile and general liability policy.
 - G) Each policy of required insurance must contain a provision that no termination, cancellation or change of coverage can be made without thirty days' notice to the City.
 - H) The Franchisee must provide certificates of insurance and endorsements to the City Clerk of the City of Torrance prior to issuance of a permit.
 - I) The insurance carrier for the licensee must provide a complete copy of the insurance policy, including all forms and endorsements to the Risk Manager of the City of Torrance within 60 days of commencement of work.

33.16.070. Indemnification.

Franchisee will indemnify, defend, and hold harmless City, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of Franchisee, its officers, employees, agents, subcontractors or vendors. It is further agreed, Franchisee's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of City, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of City, its officers, employees or agents. Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Franchisee and City, as to whether liability arises from the sole negligence of the City or its officers, employees, agents, subcontractors or vendors, Franchisee will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Franchisee will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

33.16.080. Transfers.

- A) No franchise issued under this Article shall be sold, transferred or assigned without the written approval of the City. The following transactions shall be considered transfers:
- 1) The addition or withdrawal of a new partner or partners;
 - 2) The transfer of a business from one partnership to another;
 - 3) The transfer of a business from a partnership to a corporation;
 - 4) The transfer from one corporation to another;
 - 5) The transfer of a business from a corporation to a partnership;
 - 6) The transfer of a business from a partnership to an individual, or vice versa;
 - 7) The transfer of a majority share of stock in a corporation from one shareholder to another; or
 - 8) The transfer of a business from an individual, partnership, corporation, cooperative, member stock-type operation, service organization, or other association to any other such individual, partnership, corporation, cooperative, member stock-type operation, service organization, or other association.
- B) Any attempted sale, lease, transfer, assignment or other attempted disposition of this franchise without the prior written consent of the City shall render the franchise null and void.
- C) An association, solely owned partnership, stock corporation, franchise operation, cooperative stock-type operation, licensed as a taxicab company under this Article shall notify the Business License Supervisor immediately of any changes in membership, stock ownership, corporate officers, operating officers, or modification in operations, agreements, articles, bylaws or other memoranda of the licensee, in the operation of the taxicab service.

33.16.090. Minimum Franchise Requirements.

- A) The following information shall be included in every taxicab franchise issued under this Article:
- 1) The minimum number of taxicabs the taxicab company is required to operate;
 - 2) Any other conditions imposed by the City Council.

B) Contracts and Agreements.

Any taxicab authorized under a taxicab company's franchise may be operated pursuant to a driver's contract, agreement or understanding between either such taxicab company or a permitted taxicab driver operating under such taxicab company's franchise and any other permitted taxicab driver. Such contract, agreement or understanding shall not relieve any taxicab company or taxicab driver from full and complete compliance with applicable provisions of this Article or franchise agreement.

C) Company Compliance Responsibility.

Every taxicab company franchised under this Article is responsible for complying with the provisions of this Article, the franchise agreement, any rules or regulations adopted by the License Review Board, or promulgated by the Business License Supervisor, and for obtaining the compliance of its officers, employees, taxicab drivers, association members, agents or any other person connected with such taxicab company in providing taxicab service.

D) Inspection of Property and records.

- 1) At all reasonable times, the Franchisee shall permit any duly authorized officer or employee of the City to examine all property of the Franchisee, whether such property be situated within or outside the City, and to examine and transcribe any and all books, accounts,

papers, maps, and other records kept or maintained by the Franchisee which treat of the operations, affairs, transactions, property or financial condition of the Franchisee, including those which treat of the operations and property of the Franchisee outside the City.

- 2) The Franchisee shall prepare and furnish to the Business License Supervisor, at the times and in the form prescribed by the Business License Supervisor, such data with respect to Franchisee's operations, affairs, transactions, property or financial condition as may be reasonably necessary or appropriate to the performance of any of the Business License Supervisor's duties.
- 3) Requested data may include but shall not be limited to: membership and lease driver records, waybills, maintenance records, financial statements, insurance, fleet schedules, dispatch records, vehicle records, affirmative action records, and employment records. In addition, a copy of every application, petition or schedule concerning rates and service within the City filed by the Franchisee with any local or State of California agency, and all amendments thereof, shall be filed with the Business License Supervisor within one day thereafter.
- 4) Upon request, every taxicab company franchised under this Article shall inform the Business License Supervisor or Police Chief or any duly authorized peace officer of the names, addresses, and the sources of all taxicab drivers' permits or vehicle licenses, of all taxicab drivers which such taxicab company employs, manages or is otherwise connected.
- 5) Failure to comply with any request for any information pursuant to this Article shall be grounds for revocation of the franchise.

33.16.100. Suspension or Revocation of Franchise.

- A) Suspension or Revocation. A Franchisee's authority to operate may be suspended or revoked by the City Council pursuant to the provisions of this section.
- B) Suspension. City shall have the right to suspend Franchisee's operations under the franchise in the event of a lapse in required insurance or any other violation of the franchise agreement or of the provisions of this Article that, in the judgment of the Business License Supervisor, create an immediate safety hazard. In the event of a suspension, all Franchisee's taxicab operations in the City shall cease until such time as the suspension is lifted. No suspension made pursuant to this Section may exceed fifteen days pending a hearing before the License Review Board.
- C) Revocation. City shall have the right to revoke the franchise and terminate the franchise agreement in the event that Franchisee fails to cure any default within the required time as provided in the franchise agreement. City shall further have the right to revoke the franchise and terminate the franchise agreement if Franchisee violates any material provision of any applicable law or ordinance; fails to maintain required insurance or fails to pay to City any monies due City pursuant to this franchise agreement (and fails to remedy such default within five days after written notice thereof from City); fails to maintain in force all required licenses and permits; violates any orders or filings of any regulatory body having jurisdiction over Franchisee relative to its operations under the franchise agreement, if Franchisee fails to make any payment required under the franchise agreement and/or refuses to provide City with required information, reports, and/or records in a timely manner as provided for in the franchise agreement; if Franchisee practices, or attempts to practice, any fraud or deceit upon City.

Franchisee may respond in writing to a notice of intent to terminate from the Business License Supervisor. The matter will then be referred to the City Council for consideration pursuant to this section. The City Council will set the matter for a hearing and the City Clerk shall give Franchisee thirty days written notice of the time and place of the hearing. At the hearing, the

City Council shall consider the all relevant evidence and testimony and if the City Council determines that the Franchisee is in breach of the franchise agreement as above described, the Council, in the exercise of its discretion, may order Franchisee to take remedial actions to cure the breach or impose any other remedy in accordance with this franchise agreement, including but not limited to suspension for a designated period of time, or revocation of the franchise and termination of the franchise agreement. The decision or order of the City Council shall be final and binding.

D) Effect of Suspension or Revocation.

- 1) No fee refunds shall be issued to any Franchisee upon revocation of a franchise.
- 2) Upon revocation of any taxicab franchise under this Article, no franchise to operate the same business activity shall be granted to the Franchisee within the remainder of the original term or extension term of the franchise agreement and for a period of three years thereafter.
- 3) Upon revocation or suspension of a franchise, the Franchisee shall cease operation of its taxicab service in the City within the time specified in the order of suspension or revocation. Except as otherwise provided, in the event that the franchise is suspended, the Franchisee may resume operation once the suspension has been lifted.

33.16.110. Taxicab Driver's Permits and Requirements

- A) Taxicab Drivers - License Preconditions.** A taxicab company shall not permit any person to operate a taxicab authorized under his or her taxicab company's franchise unless such person has in his or her possession a valid driver's license issued by the State of California of Motor Vehicles, a current taxicab driver's permit from the Franchisee that is franchised to operate in Torrance and a current Torrance personal taxicab driver's identification card obtained in accordance with the provisions of this Article.
- B) Taxicab Driver Obligations and Requirements.**
- 1) No taxicab driver shall operate a taxicab into which passengers are accepted for transportation within the City of Torrance without having first obtained a valid Torrance taxicab driver's permit and paid the required fees therefore.
 - 2) No taxicab driver shall operate a taxicab in the City of Torrance into which passengers are accepted for transportation unless such driver is employed by, or is associated with, a taxicab company approved to do business within the City of Torrance pursuant to a franchise agreement.
 - 3) Every taxicab driver shall ensure that any taxicab he/she is operating in the City of Torrance has a taxicab vehicle permit. The taxicab company shall receive a decal for each approved taxicab. The decal must be prominently displayed on the left side of the rear bumper of the vehicle.
 - 4) No taxicab driver shall operate a taxicab within the City of Torrance into which passengers are accepted for transportation without a valid Torrance vehicle permit affixed on the rear of the taxicab so that it is clearly visible from outside the vehicle. Failure to display the decal shall be a violation of this Article and a citable offense.
 - 5) Taxicab driver's personal permits shall be valid for one (1) year from the date of issuance, unless sooner revoked pursuant to the provisions of this Article.
- C) A Taxicab Driver Permit may be obtained provided the prospective driver has submitted all of the following:**

- 1) A completed taxicab driver permit application signed and dated by the Franchisee and accompanied by the permit application fee determined by resolution of the City Council.
 - 2) Typed documentation that is dated and signed from a franchised taxicab company in the City of Torrance that the Franchisee will be hired or is employed as a taxicab driver upon issuance of a taxicab driver's permit.
 - 3) The name, residence address, and age of the applicant;
 - 4) The number and expiration date of the applicant's California driver's license, and disclosure of whether any state driver's license or taxi driver's permit held by the applicant has ever been revoked or suspended;
 - 5) The name and address of the Franchisee by whom the applicant is to be employed as a driver, and the endorsement of that Franchisee;
 - 6) The names and addresses of every person by whom the applicant has been employed at any time during the five calendar years preceding the year of application;
 - 7) The names and addresses of three responsible persons, excluding relatives of the applicant, who have known the applicant for at least three years;
 - 8) Proof of insurance and agreement to maintain at all times in full force and effect, insurance at levels required by 33.16.060 of this Article;
 - 9) Assent to a background investigation and fingerprinting by the Police Department;
 - 10) Two copies of a one-inch-square photograph of the applicant, taken within ninety days of the date of application. (One photograph will be attached to the driver's permit certificate or identification card; the other will be retained by the Business License Supervisor); and
 - 11) The identification number and expiration date of each taxi driver's permit issued by every other jurisdiction in which the applicant is licensed.
 - 12) Any other information the Business License Supervisor may require.
 - 13) A current valid California Driver License;
 - 14) Proof that the Franchisee is at least eighteen years of age; and
 - 15) A negative drug and alcohol screening test taken within the previous thirty (30) days in compliance with California Government code Section 53075.5(b)(3); and
 - 16) Payment of all applicable fees
- D) **Submission of Application.** Upon receipt of an application for a taxicab driver's permit and the required fees therefore, staff shall review the application to determine that it is complete. An application that is not complete shall be returned to the applicant along with a list of the deficiencies. Once an application is determined to be complete, it shall be filed and accepted for processing and review.
- E) **Review and Investigation.**
- 1) **Generally.** Once an application for a taxicab driver's permit is filed, the Business License Supervisor shall initiate an investigation of facts for each application with the appropriate City or County agencies.
 - 2) An applicant shall not have been convicted, during the preceding seven years of any offense relating to the use, sale, possession or transportation of narcotics or addictive or dangerous drugs, or of any act involving violence against persons, or of any sexual offense

constituting a felony, or of any offense punishable as a felony or of theft in either degree. For the purposes of this rule, a subsequent change of plea or vacation of verdict and dismissal of charges pursuant to California Penal Code Section 1203.4 does not release the applicant from the penalties and disabilities resulting from the offense of which he or she has been convicted.

- 3) Every taxicab driver and/or company shall ensure that the driver has tested negative to controlled substances and alcohol pursuant to SB 46 (Ayala), enacted as Chapter 405 of Statutes of 1995 amending Government Code Section 53075.5. Upon request the driver and/or company shall provide written proof of compliance to the City.
- F) Grounds for Denial. The Business License Supervisor shall not grant a taxicab driver's permit if he or she finds that:
- 1) The applicant has been convicted of a felony or a misdemeanor involving moral turpitude, and has not subsequently demonstrated rehabilitative characteristics;
 - 2) The applicant has made a material misrepresentation of fact in the application for permit;
 - 3) The applicant has been convicted of the following types of California Vehicle Code violations (not limited to the sections enumerated);
 - a) Resulting in hit and run injury or death (violation 20001-20004)
 - b) Reckless driving - causing injury (violation 23104)
 - c) Driving while under the influence of alcohol or drugs - causing injury to others (violation 23153)
 - 4) The applicant's Department of Motor Vehicles printout indicates either the following within the preceding seven years.
 - a) Hit and Run- property damage, including vehicles (20002)
 - b) Reckless driving - no injury (violation 23103)
 - c) Driving while under the influence of alcohol or drugs - no injury (23152)
 - d) Driving drinking while operating motor vehicle on highway (23220)
 - e) Any sexual offense or moral turpitude not constituting a felony (647 of the California Penal Code)
 - 5) A conviction (or plea of guilty or nolo contendere) in any state for any of the following: murder; robbery; pandering; pimping; crimes related to the sale or transportation of controlled substances; crimes involving the use of a weapon; or any other offense involving moral turpitude or any crime that is substantially related to the qualifications, functions, or responsibilities of a taxi driver;
 - 6) Any conviction (or plea of guilty or nolo contendere) within five years of application in any state or any final administrative determination of a violation of any statute, ordinance, or regulation reasonably and rationally pertaining to the same or similar business operation which would have resulted in suspension or revocation of a Driver's Permit under this ordinance.
 - 7) The applicant has been convicted or pleaded guilty of no contest to three or more moving violations under the State Vehicle Code within the preceding twelve-month period.
 - 8) The applicant is physically incapable of operating a taxicab without risking the life or property of passengers.

G) Effect of Denial.

- 1) Limitation on New Applications. Upon denial of a taxicab driver's permit, the applicant shall be disqualified from re-application absent a showing of changes circumstances that would result in a different outcome.
- 2) Appealability.
 - a) The Business License Supervisor's decision denying a taxicab driver's permit may be appealed by any interested person to the License Review Board. Written notice of the appeal must be served with the City Clerk within 15 days after the decision.
 - b) Any interested person, applicant, or Franchisee may seek review of any action of the License Review Board in accordance with the provisions of Section 11.5.1 of the Torrance Municipal Code.

H) Prohibition on Transfers. Taxicab driver's permits are personal in nature and shall not be transferred. Any purported transfer shall be null and void.

I) Revocation. A taxicab driver's permit may be revoked, modified, conditioned or suspended for cause by the Business License Supervisor for any violation of this Article or of the franchise agreement. A revocation proceeding will be initiated if the driver accumulates 3 or more DMV violation points in the calendar year. Prior to such revocation, modification, conditioning or suspension, the applicant shall be notified in writing of the grounds for such action. Within ten days of notification, the applicant may respond in writing or request a hearing before the Business License Supervisor. The hearing shall be conducted within ten days of the request. The Business License Supervisor's decision shall be final.

J) Conditions of Approval. The Business License Supervisor may condition the taxicab driver's permit to ensure that the permit shall comport with the public health, safety and welfare.

K) Permit Issuance.

- 1) Upon approval of an application, the Business License Supervisor shall issue a taxicab driver's permit to the applicant.
- 2) Every taxicab driver, while in charge of, or driving, a taxicab, shall have in his or her possession a valid and current taxicab driver's permit issued by the Business License Supervisor and a valid driver's license issued by the California Department of Motor Vehicles. The taxicab driver shall post the taxicab driver's permit in a permanent fixture in prominent view of passengers in the taxicab.

SECTION 33.16.120. OPERATING REQUIREMENTS.

Every taxicab driver and Franchisee will be jointly and severally responsible for all of the following requirements. Each Franchisee and driver must:

- A) Maintain, at all times in full force and effect, insurance as required by Section 33.16.060 of this Article.
- B) Maintain, at all times, valid business licenses for the City of Torrance.
- C) Display at all times on each taxicab operating within the City of Torrance a valid taxicab identification decal issued by the Business License Supervisor. The identification decal must be permanently affixed to the lower left corner of the rear windshield of the vehicle so that it is clearly visible from the outside of the vehicle. If, because of the presence of other stickers or decals required by law, the decal cannot be affixed on the lower left corner of the rear windshield, the decal must be attached to the vehicle in a conspicuous location, as close as possible to the lower left corner of the rear windshield.

- D) Keep an accurate, legible record of all passengers carried, the pick up and drop off points, and the date and time carried. This record must be available for up to one year for review by the Business License Supervisor.
- E) Not, when otherwise available for hire, refuse to transport anyone requesting a ride except under the following circumstances:
 - 1) The transportation requested is such that the driver may not legally accept such passenger;
 - 2) The driver has reasonable cause to believe that the proposed passenger will refuse to pay or cannot pay the fare; or
 - 3) The proposed passenger is disorderly, engaged in the commission of any crime, or is otherwise unfit to be transported as a passenger.
- F) Display a photo I.D. badge identifying the driver's association with permitted taxicab service;
- G) Keep the taxicab in good mechanical condition and in compliance with any and all applicable rules and regulations;
- H) Charge only those rates as established by the Franchisee but shall not be more than that which is charged by the City of Los Angeles. All rate increases will be indexed to the City of Los Angeles rates;
- I) Display in full view of passengers in both the front and the rear seat, in letters and figures which are clearly legible and not less than one-quarter (1/4) inch high (1) a schedule of rates to be charged and (2) a notice that a schedule of customary rates from the City's major points of interest is available upon request. The schedules must have printed thereon the name of the Franchisee under which the taxicab is permitted to operate and the business address and telephone number where comments or complaints regarding the taxicab service may be directed.
- J) Keep the taxicab in a clean and sanitary condition;
- K) Participate in periodic testing for controlled substances and alcohol, must report the results thereof, as specified in Government Code Section 53075.5 (b) (3), must test negative for drugs and/or alcohol as required in said Code Section, and must carry in his or her vehicle a certificate of compliance with the provisions described in this subsection.
- L) Not permit any person to operate a taxicab unless such person is authorized to operate a taxicab pursuant to this part.
- M) Not stop for or accept any passenger except at such areas as may be authorized by the City; or where the taxicab driver has driven a passenger to a particular location and is waiting for that passenger; or when picking up a passenger who has contacted the driver's Franchisee and requested taxicab service;
- N) Drive passengers to their point of destination by the most direct practical route, unless specifically directed otherwise by such passengers;
- O) When engaged, provide current passengers with exclusive right to use of the passenger compartment, without picking up additional passengers, unless otherwise expressly permitted by the City;
- P) Immediately report the fact of any revocation of any permit required to operate a taxicab within the City.

- Q) Surrender the taxicab driver's permit to the City if no longer employed by a City-permitted Franchisee.
- R) Ensure that each driver operating within the City maintains a valid California driver's license at all times.
- S) Perform a yearly inspection of each vehicle operating within the City as part of his or her taxicab service. The inspection must be made by a certified mechanic or automotive repair dealer. Inspection records, signed by the mechanic or repair dealer, must be maintained in the business office of the Franchisee attesting that the vehicle has been inspected and is in good working order. A taxicab which has been inspected pursuant to the requirements of the City or County of Los Angeles taxicab regulations may maintain proof of that inspection in lieu of the inspection required by this section.
- T) Permit any police officer of the City or any person authorized by the City and having the duty to enforce this Article to inspect or thoroughly examine any taxicab at any time.

SECTION 33.16.130. EQUIPMENT REQUIREMENTS.

Every taxicab driver and Franchisee will be jointly and severally responsible for all of the following requirements. Each Franchisee and driver must fulfill the following equipment requirements:

- A) Taxicab equipment.
 - 1) A trunk device which will permit the opening of the trunk lid from the inside of the trunk;
 - 2) A permanent fixture to display the taxicab driver's permit in prominent view of the passengers;
 - 3) Prominent signs giving the name and telephone number of the taxicab Franchisee and the taxicab number on the sides of the vehicle. The taxicab number must also be conspicuously displayed on the rear portion and inside the vehicle.
 - 4) A prominent sign within the passenger area of each taxicab informing passengers to call the City's Business License Division at (310) 618-5923 with comments or complaints on the service provided.
 - 5) No fewer than four working doors, except that a handicapped accessible mini-van may be used;
 - 6) A fire extinguisher;
 - 7) Four flares;
 - 8) At least two emergency reflectors;
 - 9) Spare tire and jack;
 - 10) Windows which patrons can open from inside; and
 - 11) Working headlights, taillights, turn-signals, back-up lights, and brake lights, including the "cyclops" or third brake light, if the car has been manufactured in 1988 or later.
- B) Taxicab equipment. In addition to the equipment requirements of Section 33.16.120(I) of this Article, every taxicab into which passengers are accepted for transportation within the City must have the following equipment:
 - 1) A taximeter, as defined in Section 33.16.150 of this Article;
 - 2) A two way radio and a mobile display terminal capable of communication with a dispatcher;
- C) Prohibited Equipment. No taxicab may be equipped with a scanner or other device that can be used to intercept radio signals and dispatches sent to specific destinations.

- D) **Equipment Waiver Conditions.** Notwithstanding the provisions of this Article, the License Review Board, following application, notice and public hearing, may waive any equipment requirement upon a showing of good cause by any Franchisee. Each waiver must be specified on the Franchisee franchise and any applicable vehicle permit.

33.16.140. Violations.

- A) It is unlawful for any person to violate any provision or to fail to comply with any of the requirements of this Article. Any person, firm, partnership, or corporation violating any provision of this Article or failing to comply with any of its requirements will be deemed guilty of a misdemeanor and upon conviction thereof will be punished by fine not exceeding one thousand dollars or by imprisonment not exceeding six months, or by both such fine and imprisonment. Each such person, firm partnership, or corporation will be deemed guilty of a separate offense for each and every day or any portion thereof during which any violation of any of the provisions of this Article is committed, continued or permitted by such person, firm, partnership, or corporation, and will be deemed punishable therefore as provided in this Article.
- B) The Police Chief, any duly authorized police officer, and any persons authorized by the City and having the duty to enforce this Article are hereby authorized to impound the taxicab of any person violating the provisions of Sections 33.16.040(A) and (F) and 33.16.110(B). The taxicab may be recovered upon payment of the fees prescribed therefore.
- C) Taxicab drivers accumulating 3 or more DMV points during a 12-month licensing period shall not be eligible for renewal of the taxicab driver's permit for a period of 1 year.

33.16.150 Taximeters Required.

- A) Except as otherwise provided by law, each taxicab must be equipped with a taximeter that has been inspected and certified by the Los Angeles County Agricultural Commissioner/Weights and Measures. Each taximeter must have affixed to it written or other evidence that such taximeter has been so inspected and is currently certified.
- B) Except as otherwise provided by law, it is unlawful for any person operating a taxicab to operate such vehicle unless it has approved rates conspicuously posted for passenger observation, and unless it is equipped with a taximeter of a type and design approved by the Los Angeles County Agricultural Commissioner/Weights and Measures. It will be the duty of every Franchisee and driver using any taximeter to, at all times, keep such meter accurate. Taximeters will be subject to inspection from time to time by any police officer of the City or any authorized inspector delegated to this purpose. Upon the discovery of any inaccuracy of a taximeter, the Franchisee must remove or cause to be removed any vehicle equipped with such taximeter from the streets of the City until such taximeter has been correctly adjusted and certified by the Los Angeles County Agricultural Commissioner/Weights and Measures.

33.16.160 Annual Franchise Fee

Each Franchisee shall pay an annual fee to the City for the privilege of operating a taxicab service in the City for each year of any franchise term. The amount of the annual franchise fee will be set by resolution of the City Council. The fee shall be due upon execution of the franchise agreement by the City and the anniversary date thereof in each successive year of the term of the franchise. Failure to pay the franchise fee when due shall be cause for revocation of the franchise.

