

ORDINANCE No. 181422

THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:

An Ordinance replacing Ordinance No. 173654, granting to Independent Taxi Owners' Association d.b.a. Independent Taxi, a taxicab franchise to provide taxicab transportation service in the City of Los Angeles as a primary service provider for Service Zone B (Western portion), Service Zone C (Central and Eastern portions), and Service Zone D (Southern Central portion) of the City.

**TABLE OF CONTENTS**

Sec. 1.0	<b>DEFINITIONS</b>
Sec. 2.0	<b>FRANCHISE GRANT</b>
Sec. 2.1	Nature and Extent of Grant
Sec. 2.2	Duration of Franchise
Sec. 2.3	Description of Service Area and Service Zones
Sec. 3.0	<b>CONSTRUCTION OF FRANCHISE</b>
Sec. 3.1	Interpretation
Sec. 3.2	Limitation Upon Grantee
Sec. 3.3	Rights Reserved To City
Sec. 4.0	<b>OPERATIONS AND SERVICE</b>
Sec. 4.1	Establishment and Abandonment of Service
Sec. 4.2	Operations and Service - General
Sec. 4.3	Operations and Service - Taxicabs
Sec. 4.4	Operations and Service - Drivers
Sec. 4.5	Operations and Service - Dispatch, Communication and Service Reporting
Sec. 4.6	Shared-Ride Taxi Service
Sec. 4.7	Public Liability Insurance
Sec. 4.8	Affirmative Action Policy
Sec. 5.0	<b>INDEMNIFICATION, COMPENSATION AND GUARANTEE TO CITY</b>
Sec. 5.1	Indemnification
Sec. 5.2	Payments To City
Sec. 5.3	Faithful Performance Bond
Sec. 5.4	Inspection of Property and Records
Sec. 5.5	Monetary Penalties for Violations of Franchise Ordinance Terms and Conditions - Violations and Schedule
Sec. 6.0	<b>REQUIREMENTS OF A MEMBERSHIP ORGANIZATION</b>
Sec. 6.1	Organizational Structure
Sec. 6.2	Membership Restrictions
Sec. 6.3	General Membership Provisions

## Section 1.0 DEFINITIONS

Unless it is apparent from the context that it has a different meaning, each of the following words and phrases has the meaning herein stated wherever it is used in this Franchise, that is:

**BOARD:** The Board of Taxicab Commissioners of the City of Los Angeles.

**CITY:** City of Los Angeles, State of California, in its governmental capacity.

**CO-OPERATIVE, ASSOCIATION or MEMBERSHIP:** An independent taxicab enterprise or organization owned and operated by its Members for the financial benefit of its Members. Each authorized taxicab fleet slot correlates to a share and/or ownership in the Membership.

**COUNCIL:** The Council of the City of Los Angeles.

**DEPARTMENT or LADOT:** The Department of Transportation of the City of Los Angeles.

**DRIVER/MANAGER:** A Member of Grantee who drives, controls and manages taxicabs in Grantee.

**FRANCHISE PROPERTY:** All property installed, operated or maintained in or upon the public streets pursuant to any right or privilege granted by this Franchise.

**GRANTEE or FRANCHISEE:** The person or Subchapter S corporation, co-operative, association or membership organization, or company or corporation to which this Franchise has been granted, and any person or Subchapter S corporation, co-operative, association or membership organization, or company or corporation to which it may be lawfully transferred as herein provided.

**INVESTOR/SHAREHOLDER:** A Member of Grantee who does not manage or control taxicabs in Grantee.

**LEASE DRIVER:** A person who is an independent contractor possessing a valid City Driver Permit and who drives a taxicab in Grantee pursuant to an approved Lease Agreement with the Taxicab Operator or Vehicle Permittee.

**LOS ANGELES INTERNATIONAL AIRPORT (LAX):** For the purpose of taxicab regulation, LAX shall include all of the upper and lower roadways of World Way and all areas and facilities adjacent thereto, and the taxicab holding lot and West Imperial Terminal.

**MANAGE TAXICABS:** To have full control of a Taxicab Vehicle Permit including responsibility for contracting with lease drivers, driver and vehicle assignments, lease driver discipline, lease fee collection and distribution, vehicle procurement and maintenance and all other functions normally associated with the operation of a taxicab by a company or corporation. Grantee shall be responsible for obtaining automobile and general liability insurance as described in Sec. 4.7 (a) and (b) herein.

**MEMBER:** An individual person or Subchapter S corporation, as defined in the United States Internal Revenue Code Section 1361, who owns one or more taxicabs and/or shares, but not more than the maximum number allowed by this ordinance, in Grantee. Only those individuals applying for Investor/Shareholder membership status may apply as a Subchapter S corporation.

**OPERATE OR DRIVE A TAXICAB:** To be in control of a taxicab which is transporting a passenger or is available for receiving passengers.

**STANDBY:** The time period during which a taxicab driver waits for a passenger, at the passenger's request and with the taximeter activated, until the passenger returns or until the taxicab is dismissed.

**STREET:** The portion of any public street, road, highway, freeway, lane, alley, sidewalk, parkway, or public place which now exists or which may hereafter exist within the City.

**TAXICAB:** Any motor vehicle used as a taxicab as defined in Sec. 71.00 of the Los Angeles Municipal Code.

**TAXICAB DRIVER:** Any person possessing a valid City Driver Permit driving and in immediate possession of a taxicab for the purpose of providing a taxicab transportation service. The individual may be an employee of a Taxicab Operator, a lease driver, or a Member of Grantee.

**TAXICAB OPERATOR:** The Grantee or Franchisee including directors, officers, members, management and administrative personnel. A taxicab operator may be the bearer or grantee of more than one franchise.

**TAXICAB POOL or POOL:** The fleet of taxicabs that is managed and controlled completely by Grantee and not by a member of Grantee.

**TAXICAB RULES:** The rules and regulations established for taxicab operations in the City by the Board in Board Order Nos. 471, 482, 524, 546 and 052 as may be amended in the future by subsequent Board Orders.

**TAXICAB VEHICLE PERMIT:** A non-transferable authorization to drive or operate a vehicle in a City authorized taxicab transportation service in order to pick up or attempt to pick up passengers within the City limits of the City of Los Angeles, whether as owner, lesser, or lessee, or otherwise.

**TAXICAB VEHICLE PERMITTEE OR VEHICLE PERMITTEE:** Grantee or Member of Grantee who has been granted a Taxicab Vehicle Permit in accordance with Sec. 4.3 (a) as described herein.

**TAXICAB STAND:** The portion area on private property (such as hotels, LAX, Union Station, etc.) designated by the owner for parking taxicabs while waiting for passengers.

**TAXICAB ZONE:** The portion of a street area as posted and designated by the Department for the standing or parking of taxicabs while awaiting employment.

TAXIMETER: An instrument for indicating and recording charges for taxicab services in proportion to distance traveled, time in use, or both.

## **Section 2.0 FRANCHISE GRANT**

### **Sec. 2.1 NATURE AND EXTENT OF GRANT**

The Franchise hereby granted by the City authorizes the Grantee, subject to the provisions herein contained, to conduct a public transportation business by taxicab in the City, that is, to pick up persons and property by taxicab within the Service Area herein described, to transport such persons and property for hire over any street within the City, and to stand taxicabs at designated taxicab zones within said Service Area.

### **Sec. 2.2 DURATION OF FRANCHISE**

- (a) This Franchise shall become effective on the same day the enacting ordinance is effective, but not before January 1, 2011, provided the Grantee has filed with the Board, within twenty (20) days of such publication, a written instrument, addressed to the Council, accepting the terms of this Franchise and agreeing to comply with all the provisions hereof. The Board may, in its discretion but only after receiving a written request from Grantee, waive the 20 day period and allow a longer period. Failure to accept the Franchise within the 20 days or the time set by the Board shall make this Franchise null and void.
- (b) This Franchise shall expire no sooner than 11:59 P.M., December 31, 2015, and no later than 11:59 P.M., December 31, 2017, unless revoked or terminated by Council action. Grantee shall have no more than a five year effective Franchise term at any point in time during the Franchise. The Board and/or City Council may approve and order an extension of the Franchise based on review and evaluation of Grantee performance with the total effective Franchise term granted not to exceed five years or final Franchise expiration date, whichever is sooner. If Board and/or City Council approval is not provided for an extension of the Franchise term, the Franchise may expire prior to 11:59 P.M., December 31, 2017. Public hearings regarding any potential extension of the franchise period may begin as early as July 2013, and must include all performance review information and any documented plans for future permit authorization changes. Should an extension of the franchise grant be provided by either the Board or the City Council, such grant may be issued in single one-year increments, or in a maximum two-year increment.
- (c) This Franchise may be terminated by the Council, by ordinance, after due notice and a public hearing, if the Council finds that:
  - (i) The Grantee has failed to comply with or violated any term or condition hereof, or of Board rules or orders, or of Board or Department directives;

- (ii) The Grantee has illegally conducted any type of public transportation operation within the City;
  - (iii) Any provision hereof becomes invalid or unenforceable and the Council expressly finds that such provision constituted a consideration material to the grant of the Franchise; or
  - (iv) The public interest would be served by such termination.
- (d) The Board may, after due notice and a public hearing, place Grantee in probationary status or suspend any and all operating rights of Grantee under this Franchise for one or more days pursuant to Los Angeles Municipal Code Section 71.02.1 under any of the following grounds:
- (i) Material noncompliance with terms and conditions of this Franchise, Board rules and orders or Board or Department directives when such noncompliance has not been cured after reasonable notice thereof and opportunity to cure.
  - (ii) The Grantee illegally conducts any type of public transportation operation within the City.
  - (iii) The Grantee accumulates total operator penalty points in a Board defined period for violation of Board Rules, in an amount greater than the allowed threshold level as provided for in the Board's Taxicab Rules.
  - (iv) The level of service as measured in accordance with the Board's Taxicab Rules or similar Board Order falls below the minimum acceptable level as established by the Board.
  - (v) The overall performance evaluation as measured in accordance with the Board's Taxicab Rules or similar Board Order falls below the minimum acceptable level as established by the Board.
  - (vi) The Grantee fails to pay any monetary penalty in accordance with the procedures established by the Board in its Taxicab Rules, Board Orders and Sec. 5.5 of this Ordinance.

Any probationary status may affect extension of the Franchise term and may lead to or be inclusive of further Board actions such as suspension, assessment of monetary penalty and/or recommendation for revocation.

Any suspension may be of one or more Grantee vehicles throughout the City or any portion or area of the City and/or suspension of the right to pick up at certain taxicab stands and at Los Angeles International Airport.

Any suspension of 30 days or more or any suspension after an aggregate of 30 days suspension in any 12 month period, is subject to appeal to the City Council.

- (e) The Board may levy a monetary penalty pursuant to Los Angeles Municipal Code Section 71.02.2 as an alternative to, or in addition to, suspending all or part of the Franchise privilege or placing Grantee on probationary status. Penalties shall be in accordance with schedules specified in the Board's Taxicab Rules, Board Orders and Sec. 5.5 of this Ordinance. The Board may also levy interest upon the monetary penalty, which shall be calculated as of the date on which the monetary penalty is unpaid and delinquent. The Grantee shall pay any monetary penalty and interest in accordance with procedures adopted by the Board. The Department shall deposit at least monthly all monetary penalties and interest collected with the City Treasurer in a special fund to be drawn upon by the Department for use of vehicle-related regulation and enforcement duties, these funds to be in addition to any funds regularly budgeted for the functions of the Department.
- (f) The right of the City to place Grantee on probationary status, to levy monetary penalties and to suspend, revoke or terminate this Franchise pursuant to the terms of this Section shall be in addition to all other rights and remedies which may otherwise accrue to the City by reason of any failure or refusal of the Grantee to perform any obligation imposed by the terms of the Franchise.

#### Sec. 2.3 DESCRIPTION OF SERVICE AREA AND SERVICE ZONES

The Service Area referred to in Sec. 2.1 hereof includes areas of the City described as follows:

- (a) The Primary Service Area consisting of Service Zone B, C and D, as described in Sec. 2.3 (e) hereof.
- (b) The Los Angeles International Airport subject to the provisions of this Franchise and to any additional conditions that may be prescribed by the Board of Airport Commissioners and/or the Board of Taxicab Commissioners.
- (c) The City to its boundaries or any portion thereof except areas defined in (a) and (b) herein, for pick up on a telephone or equivalent communication order subject to the provisions of this Franchise and to any additional conditions that may be prescribed by the Board.
- (d) Additional areas of the City, by Service Zone, except areas defined in (a) and (b), as authorized by the Board for the standing or parking of taxicabs and flag down of passengers without a telephone or equivalent communication order. The start of such service may occur on the first day after the Franchise is approved by the Mayor and the City Council, pending verification by the Department that said Grantee has complied with all the requirements for computerized dispatch, digital communication system for each vehicle, and a company-wide computerized collection and recording

system for all service calls. Grantees must maintain good service in their primary service area, and meet all other Board conditions, in order to maintain access in other zones for vehicle staging and flag down of passengers.

The staging/standing of vehicles outside of a Grantee's primary service area shall be limited to City-designated sites, except for the staging of up to 10 additional vehicles (total within a zone) in private facilities. The City stand at the Flyaway Terminal in Van Nuys shall be restricted to primary service area Grantees. No exclusive arrangements, solicitation or advertising shall be allowed outside of a Grantee's primary service area.

Any such service authority may be conditioned, modified or rescinded by the Board in writing, after a public hearing, with a (30) day notice provided to Grantee for the discontinuation or modification of said Service Zone operation.

- (e) Service Zones within the City are currently separated into areas defined as A (San Fernando Valley), B (Western Portion), C (Central and Eastern Portions), D (Southern Central Portion) and E (Southern Portion) and described as follows:

ZONE A - San Fernando Valley

The area of the City lying north of Owen Brown Road, Mulholland Drive, the Hollywood Freeway and a line extending due south from the southern most tip of Universal City.

ZONE B - Western Portion

Beginning at a point on the westerly boundary of the City at its intersection with the common boundary of the San Fernando and Westgate Annexations, thence easterly along said common boundary to Mulholland Drive, easterly along Mulholland Drive to Bowmont Drive, southerly along Bowmont Drive to the City boundary, southerly and westerly along the City Boundary to La Cienega Boulevard near Olympic Boulevard, southerly along La Cienega Boulevard to the Santa Monica Freeway, easterly along the Santa Monica Freeway to Washington Boulevard, southwesterly along Washington Boulevard to the City boundary, southwesterly along the City boundary to Overhill Drive near 63rd Street, southerly along Overhill Drive to the City boundary, westerly and southerly along the City boundary to the Pacific Ocean, northwesterly along the shoreline to the City boundary west of Castellamare, and northerly along the City boundary to the point of beginning.

ZONE C - Central and Eastern Portions

Beginning at the intersection of Mulholland Drive and Bowmont Dr., easterly along Mulholland Drive to the Hollywood Freeway, northerly along the Hollywood Freeway to a point due south of the southernmost tip of Universal City, due north to the City boundary at Universal City, northeasterly along and around the City boundary to the Los Angeles River near 25th Street, northerly along the Los Angeles River to the Santa Monica Freeway, westerly along the Santa Monica Freeway to La Cienega Boulevard, northerly along La Cienega Boulevard to the City boundary near

Olympic Boulevard, northeasterly along the City boundary to Bowmont Drive, and northerly along Bowmont Drive to the point of beginning.

ZONE D – Southern Central Portion

Beginning at a point on the common boundary of the cities of Los Angeles and Culver City at its intersection with Washington Boulevard; thence northeasterly along Washington Boulevard to the Santa Monica Freeway, easterly along the Santa Monica Freeway to the Los Angeles River, southerly along the Los Angeles River to the City boundary near 25th Street, westerly and southerly along the City boundary to Alondra Boulevard, westerly along Alondra Boulevard to the City boundary, northerly and westerly along the City boundary to the westerly line of Overhill Drive near 63rd Street, northerly along Overhill Drive to the City boundary, and easterly and northerly along the City boundary to the point of beginning.

ZONE E - Southern Portion

The area of the City lying south of Alondra Boulevard.

The City boundaries and streets referred to are existing at the date of the award of this Franchise, according to the official records of the City Engineer together with any annexations that may be approved from time to time.

- (f) The Board shall be allowed to modify Service Zone definitions and distribution of vehicles per Primary Service Area, or portion thereof, as approved by City Council by ordinance. Any such modification shall be considered as an additional condition of the Franchise ordinance. Any action to modify Service Zone definition or vehicle distribution shall have been justified pursuant to Public Convenience and Necessity standards and Los Angeles Municipal Code provisions, Board Orders and Franchise terms and conditions.

**Section 3.0 CONSTRUCTION OF FRANCHISE**

Sec. 3.1 INTERPRETATION

Unless otherwise specifically prescribed herein, the following provisions shall govern the interpretation and construction of this Franchise:

- (a) The singular number includes the plural, and the plural number includes the singular.
- (b) Time is the essence of this Franchise. The Grantee shall not be relieved of its obligation to promptly comply with any provision hereof by any failure of the City to enforce prompt compliance with the same or any other provisions.
- (c) Any right or power conferred, or duly imposed upon, any officer, employee, department, or board of the City is subject to transfer by operation of law to any other officer, employee, department or board of the City.



- (d) The Grantee shall have no recourse whatsoever against the City for any loss, cost, expense or damage arising out of any provision or requirement of this Franchise or the enforcement thereof.
- (e) This Franchise does not relieve the Grantee of any requirement of the City Charter or of any ordinance, rule, regulation or specifications of the City, other than exceptions provided for in Sec. 5.2 (c) of this Franchise.
- (f) This Franchise shall not constitute an exclusive grant of any right to carry persons or property for hire within the City or any portion thereof.

### Sec. 3.2 LIMITATION UPON GRANTEE

- (a) No privilege or exemption is granted or conferred by this Franchise except as specifically prescribed herein.
- (b) This franchise is a privilege to be held in personal trust by the original Grantee. It cannot in any event be transferred in part, except as provided for herein; and it is not to be sold, transferred, leased, assigned, or disposed of as a whole, either by forced sale, merger, consolidation, or otherwise without prior consent of the City expressed by ordinance, and then only under such conditions as may be therein prescribed; provided, however, that no such consent shall be required for any transfer in trust, mortgage, or other hypothecation, as a whole to secure an indebtedness or for the purpose of renewing, extending, refunding, retiring, paying or canceling, in whole or in part, any such indebtedness at any time or from time to time. Any consent of the City hereunder shall be subject to such terms and conditions as may be recommended by the Board unless otherwise determined by the City Council. Any such sale, lease, assignment, or other disposition of this Franchise for which consent of the City is required hereunder shall be evidenced by a duly and jointly executed instrument in writing addressed to the City Council and filed with the Board.
- (c) A Grantee which is considered a membership organization shall not sell, transfer, exchange or release, or permit the sale, transfer, exchange or release of any part of the membership of the Grantee without prior consent of the Board, and then only under such conditions as may be therein prescribed.
- (d) A Grantee which is considered a non-membership organization shall not sell, transfer, exchange or release, or permit the sale, transfer, exchange or release of any part of the ownership of the Grantee without prior consent of the City Council, and then only under such conditions as may be therein prescribed.
- (e) Grantee shall not install, construct, or maintain any property in the public streets or public place within the Service Area unless in each instance the Board shall first determine that such property is reasonably necessary to the conduct of the taxicab business authorized by this Franchise.

- (f) The Grantee's right to operate does not constitute a class of property which may be capitalized or used as an element of value for rate setting purposes in an amount in excess of that actually invested by the Grantee.

### Sec. 3.3 RIGHTS RESERVED TO CITY

- (a) There is hereby reserved to the City every right and power which is required to be herein reserved or provided by any provision of the City Charter, Ordinance No. 58,200 or any other City Ordinance, the Los Angeles Administrative Code and the Los Angeles Municipal Code, as amended, and the Grantee by its acceptance of this Franchise agrees to be bound thereby and to comply with any action or requirement of the City in its exercise of any such right or power.
- (b) Neither the granting of this Franchise nor any provision hereof shall constitute a waiver or bar to the exercise of any governmental right or power of the City.

## **Section 4.0 OPERATIONS AND SERVICE**

### Sec. 4.1 ESTABLISHMENT AND ABANDONMENT OF SERVICE

- (a) When the Grantee shall have been authorized by this Franchise to furnish transportation service, such transportation service shall be provided by the operation of a fleet of taxicabs in the Service Area as described in Sec. 2.3 of this ordinance with a maximum total fleet of 246 vehicles to be established in accordance with the management business plan. The number of vehicles includes those needed for maintenance purposes.

At least 2% of the authorized fleet vehicles shall be wheelchair accessible in compliance with standards provided by the Americans with Disabilities Act (ADA) and Board policies as of the effective starting date of the Franchise and thereafter. The Board may require by resolution that the Grantee increase the minimum percentage of wheelchair accessible fleet vehicles and may specify vehicle service availability for general wheelchair accessible trips notwithstanding any existing contractual arrangements. In addition to the 2% minimum requirement, a total of twenty-one (21) vehicles of the authorized fleet shall be wheelchair accessible taxicabs as previously mandated, unless modified by the Board.

The Board may require by resolution that the Grantee increase the minimum percentage of clean fuel vehicles.

29% (72 taxicabs) of the authorized fleet vehicles shall be dedicated, as necessary, to taxicab service in Service Zone B of the Primary Service Area, 45% (110 taxicabs) of the authorized fleet vehicles shall be dedicated, as necessary, to taxicab service in Service Zone C of the Primary Service Area, and 26% (64 taxicabs) of the authorized fleet vehicles shall be dedicated, as necessary, to taxicab service in Service Zone D of the Primary Service Area. The number of vehicles designated for each Service Zone

of the Primary Service Area shall not preclude the Grantee from distributing its fleet throughout these Service Zones as it deems necessary to meet demand and service response levels. However, if a service deficiency occurs in a Service Zone within the Grantee's Primary Service Area, Grantee shall be obligated to provide taxicab service in the deficient Service Zone, on its own initiative or as directed by the City, up to the number of vehicles as dedicated herein for the specific Service Zone.

The minimum and maximum number of fleet vehicles, the percentage of wheelchair accessible vehicles and/or clean fuel/emission vehicles, and the distribution of vehicles per Service Zone, shall be set until modified by the Board and only after such action has been justified pursuant to Los Angeles Municipal Code provisions, Board Orders or Franchise terms and conditions.

- (b) After the Grantee shall have established any transportation service pursuant to this Franchise, such service shall not be suspended or abandoned unless such suspension or abandonment is authorized or ordered, in writing, by the Board.
- (c) The Grantee shall not refuse to accept any passenger in the Service Area for transportation, for hire, by taxicab to any destination to and at which the Grantee may legally transport and discharge such passenger, unless the attitude or condition of the passenger is such that it would not be in the public interest for the Grantee to accept such passenger or unless the passenger is unable to show the ability to pay the fare.
- (d) Whenever the Grantee shall file with the Board a written application alleging that public convenience and necessity no longer require that the Grantee furnish transportation service as authorized, or required by, or pursuant to, this Franchise in any part or all of the Service Area, the Board shall take evidence at a public hearing upon that question and shall make a finding with respect thereto. Notice of such hearing shall be given for a period of 15 days prior thereto by posting such notice in each of the Grantee's taxicabs in service in the area affected or in a manner acceptable to the Board; such notices, in a form satisfactory to the Department, are to be posted by the Grantee. If the Board shall find that public convenience and necessity no longer require that the Grantee furnish such transportation service, then the Board may, after hearing as provided herein, authorize in writing the suspension or abandonment of such service upon such reasonable terms and conditions as may be prescribed by the Board. The shared-ride taxi service described in Sec. 4.6 of this ordinance is not subject to the above procedures for the suspension or abandonment of service.

#### Sec. 4.2 OPERATIONS AND SERVICE - GENERAL

- (a) All vehicles, equipment and appurtenances used under this Franchise shall be operated and maintained in accordance with all applicable Federal and State laws, ordinances of this City and orders of the Board. Grantee shall be responsible for the compliance of its Members and drivers with all such laws, ordinances, rules and orders.

- (b) The number of taxicabs operated pursuant to this Franchise, the manner and time of all operations, the transportation service provided, and the rates or fares charged, shall at all times conform to such regulations as shall from time to time be fixed or prescribed by the City and/or Board.
- (c) The Grantee shall participate in any transportation coupon (user-ride subsidy) program sponsored by the City of Los Angeles. The grantee shall accept the transportation coupons, vouchers, stamps, etc. issued by the City or its agents in lieu of cash as payment for taxicab service. The coupons, vouchers, stamps etc. will be redeemed by the City or its agents upon receipt of billing documentation from the Grantee in a manner acceptable to the Department. Grantee shall comply with any agreements required and established by the Board and Department for the administration and billing of said program.
- (d) Grantee shall provide 24-hour road and office supervision. Grantee shall implement and maintain a computer dispatch record keeping system capable of determining who is driving a particular taxicab at any time.
- (e) Grantee shall establish a procedure, subject to approval by the Board, for the review and resolution of complaints from the public and violations of company rules and City Regulations by Grantee's officers, Members, employees, and drivers. Grantee shall provide to the Department a monthly summary of the number of public complaints received, in categories as determined by the Department. The Board by resolution may require a separate complaint input and/or tracking or verification system or any other variance in Grantee's complaint resolution program.
- (f) The Grantee shall provide to the Department as specified by the Board, and keep current a list of the following:
  - 1) The Board of Directors and officers.
  - 2) All Members, by class of membership and the number of shares held by each Member, including taxicab fleet number as provided by the Department, and address of Member.
  - 3) All management and administrative personnel and their job titles.
  - 4) All lease or employee drivers.
- (g) Grantee shall have full-time management, subject to approval of Grantee and the Board, to direct activities of the organization on behalf of its Members or owners. Responsibilities include, but are not limited to, establishing, maintaining and reporting the taxicab operations and records, collecting and paying franchise and other fees, conducting day to day activities including managing and operating the taxicab pool, representing Grantee in disputes and discussions between regulatory agencies and the Grantee, its drivers and Members, and adhering to all areas of the Grantee's management/business plan. Management is not precluded from membership or ownership in Grantee. The Department shall review management credentials and background experience including a criminal history and fingerprint

check.

- (h) Grantee shall submit annually to the Department for Board approval a Management/Business Plan (Plan) as described herein. Grantee shall update the Plan at least annually or as directed by the Board. Updates and revisions to the Plan may be requested by the Board or the Grantee, at any time, subject to final Board approval. Updated information related to specifics of the Plan that do not alter the content of the Plan may be received and placed on file by the Department without a requirement for Board approval. (i.e. Grantee officers, contacts, addresses, etc.) Grantee shall comply with the provisions of its Management/Business Plan. The Department and Board shall review Grantee's adherence to the Plan at least annually as part of performance review and evaluation of Grantee.

The Management/Business Plan (Plan) shall establish the Grantee's approach and methods to be used in meeting the requirements of this Franchise, the Board's Taxicab Rules, Board Orders, City, State and Federal mandates, and Board and Department directives. The Plan will be used as the basis for evaluating the capability of the Grantee to provide taxicab operations and service in accordance with the service demands of the public and standards of the City. The specific sub-items and components under each Plan category will be supplied by the Department, as approved by the Board, and will thereafter be amended or added to as necessary by the Board. Minimum Plan categories shall include the following:

- 1) Grantee Organizational Structure and Procedures;
  - 2) Management/Administrative Structure and Procedures;
  - 3) Financial Status and Related Information;
  - 4) Dispatch and Communications - Description of Facilities, Personnel and Technology;
  - 5) Operating Location(s), Storage/Parking of Vehicles, Maintenance and Inspection - Description of Facilities and Personnel;
  - 6) Programs and Activities for Driver Training, Testing, Supervision and Social Benefits;
  - 7) Vehicle Maintenance and Inspection;
  - 8) Procedures for Maintaining Service Levels, Programs for Addressing Service Deficiencies;
  - 9) Service/Operation Procedures for Discipline, Driver Evaluation, Complaint Processing and Accident/Safety Control;
  - 10) Special Programs, Agreements and Services;
  - 11) Record Keeping;
  - 12) Grantee's Plan Evaluation & Response to Changes or Additions.
- (i) Performance review and evaluation of Grantee shall be conducted by the Department and the Board at least annually and may be reviewed more often if Grantee is in a probationary status or if the Board determines it is in the best interest of the public. Results of the review and evaluation shall be used by the Board in determining authorization for Franchise extension, continuation, probation, suspension, penalty assessment, recommendation for revocation, or any combination thereof.

Review and evaluation criteria shall be specified in the Board's Taxicab Rule or similar Board Order. Components of the evaluation shall include, but not be limited to:

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

#### Sec. 4.3 OPERATIONS AND SERVICE - TAXICABS

- (a) The Board may grant a non-transferable Taxicab Vehicle Permit to Grantee or a Member of Grantee for each vehicle operated under this Franchise. No vehicle shall be operated under this Franchise unless the Board has issued such a permit for each specific vehicle. A taxicab operated under this Franchise may not continue in service if the Taxicab Vehicle Permit for the vehicle is expired, suspended, canceled or revoked.

Grantee shall be invoiced annually for all Taxicab Vehicle Permits. Any authorized fleet position which contains a City decaled taxicab as determined by the Department on January 1 of each year shall be included in the annual invoice per the fee specified in the Los Angeles Municipal Code, Sec. 71.06.1. Any taxicab which is authorized and added to the fleet in a previously empty fleet slot, will require payment of the fee associated with the Taxicab Vehicle Permit at the time of vehicle decaling. Once the Taxicab Vehicle Permit fee has been paid for a fleet position for the year, no other Vehicle Permit fee will be required during the same calendar year, regardless of membership and permit name changes associated with the vehicle and fleet position.

- (b) All taxicabs used by the Grantee within the City shall be operated under and pursuant to the provisions of this Franchise and Board requirements and not otherwise. Each such taxicab shall be equipped with City decals and/or equivalent City identification as ordered by the Board by resolution. Grantee shall not allow any taxicab to be driven which is in violation of the terms of this Franchise or any Board requirement.
- (c) All taxicabs operated under this Franchise must be registered to either the Grantee or to a Member of Grantee. They shall either be owned by the Member, the Grantee or a commercial lending agency, or leased from a licensed leasing agency whose primary business is the sale or leasing of vehicles. Any taxicab, utilized by the Grantee which is owned by it or one of its Members, shall have been acquired by way of bona fide purchase, lease, or other transaction approved by the Department. The Grantee and/or Member shall submit to the Department, upon request, the method utilized for vehicle acquisition. Members shall have the right to sale or transfer a share and/or taxicab under these same provisions.
- (d) All taxicabs used by Grantee within the City shall be equipped with a taximeter and mobile data terminal or equivalent device capable of receiving and sending digital data related to dispatch and service response. This equipment shall also be capable of two way voice communication between taxicab and Grantee dispatch operation.
- (e) The Board may require by resolution that the Grantee equip each taxicab used within the City with a taximeter or device connected to the taximeter capable of issuing a printed receipt for each trip. An accurate and legible receipt shall be made available to any requesting passenger and shall include, at minimum, information pertaining to the fare paid, the driver's full and correct name, the taxicab number, and the taxicab operator's name and telephone number.
- (f) All taxicabs used by Grantee within the City shall be capable of accepting credit/debit card payment and shall relay charge and authorization data regarding such payment through a digital information system used in connection with the taximeter or mobile data device operating in concert with the taximeter. Grantee is not required to accept a credit/debit card payment less than \$10.00, unless required by the Board by resolution. The Board may require by resolution that the Grantee equip each taxicab used within the City with an automatic card reading device to be used for payment and authorization purposes.
- (g) The Board may require by resolution that the Grantee equip each taxicab used within the City with a smart card or equivalent payment technology device to be used in conjunction with the taximeter and/or mobile data device.
- (h) The Board may require by resolution that the Grantee equip each taxicab used within the City with an automatic vehicle location device to be used in conjunction with the dispatch system and the vehicle taximeter and/or mobile data device.

- (i) All taxicabs used by Grantee within the City shall have an air conditioning system installed and in good working order at all times.
- (j) All taxicabs used by Grantee within the City shall have an approved safety shield installed and in good working order. This requirement shall not apply to wheelchair accessible vans nor to specific taxicabs granted exemptions by the Board.
- (k) Grantee and driver/manager Members shall provide, or contract with, Department approved maintenance and repair facilities. Grantee or driver/manager Members of Grantee shall monitor and be responsible for all maintenance, repair, and replacement of Grantee's or driver/manager Member's managed taxicabs.

Preventive maintenance shall be performed at least once every 5,000 miles or sooner per manufacture recommendations for each taxicab.

As established in the Board's Taxicab Rules, certain taxicabs shall be periodically inspected for maintenance purposes as prescribed by the Department. The Board may require a certified automobile mechanic as approved by the Department to conduct the maintenance inspection or may require Grantee to submit taxicabs for periodic maintenance inspection by a City-employed or contracted mechanic with a surcharge on the total monthly fee to be paid by Grantee to cover the City's costs. A copy of the maintenance inspection report shall be filed with the Department including any necessary repair documentation.

Records pertaining to required preventive maintenance, maintenance inspections, repair work mandated by the Department, major repair work to vehicle or engine, and vehicle replacement shall be maintained by Grantee, on behalf of its Members and the taxicab pool, in a central location, filed by vehicle to verify compliance with these requirements.

- (l) Grantee, through its management or other Board authorized agency, shall, at intervals as directed by the Board but not less than weekly, check each vehicle for cleanliness (inside and out) and safety (brakes, tires, lights, steering, etc.) and shall check drivers for valid Driver Permit, California Driver License, Identification Card, waybill and appearance.

All taxicabs shall be periodically inspected by the Department or other Board authorized agency to verify vehicle condition and safety as prescribed by the Department.

Records pertaining to Grantee vehicle inspection results shall be maintained by Grantee, on behalf of its Members and the taxicab pool, in a central location, filed by vehicle, to verify compliance with these requirements.

- (m) No taxicab fleet vehicle authorized by this Franchise shall be in excess of nine years of age unless authorized by the Board by resolution. The Board shall also mandate



minimum age requirements for taxicab start of service. Grantee shall maintain such requirement unless otherwise authorized by the Board.

- (n) Grantee shall provide garaging or off-street parking facilities within one-half mile of its main operating location(s) or as specified by the Board where its taxicabs shall be parked when not in passenger service or when not being repaired or when not in the possession of a driver/manager Member or lease driver. Grantee shall have sufficient vehicle parking capacity within the main operating location(s) or the garaging or off-street parking facilities to meet the requirements for Grantee's operations including vehicle inspection and maintenance, administrative functions, training, etc.

#### Sec. 4.4 OPERATIONS AND SERVICE - DRIVERS

- (a) The Grantee shall not issue or dispatch any taxicab operated on behalf of this Franchise to any driver who is in violation of any terms of this Franchise or any Board Order.
- (b) Drivers shall be required to check in with the Grantee, in a manner approved by the Department, at the beginning and end of each shift, and such activity shall be recorded by the Grantee. Daily logs shall be maintained by the Grantee to indicate the vehicle and driver assignments for each shift at all times. Grantee or a driver/manager Member shall make all such assignments. Grantee shall issue and collect waybills in the manner and within the time limits established by the Board. Grantee shall review waybills upon collection to ascertain that the required information is fully and accurately provided.
- (c) Grantee and its driver/manager Members are authorized to provide taxicab service through a contracting or leasing type of operation with an independent contractor driver. No independent contractor driver shall be permitted to subcontract or sublease the vehicle, or the right to operate the vehicle, to another person. All contracting and/or leasing arrangements shall be evidenced in writing and subject to Department approval. Such lease contract shall provide for the collection and documentation of lease fees by the Grantee management and driver/manager Members. The lease contract shall not be instituted or changed without approval of the Department and the Board. The independent contractor driver shall not use a taxicab as his/her personal vehicle within the City except driving to or from the beginning or ending of his shift. Grantee shall maintain current files of all lease agreements, on behalf of its Members and the taxicab pool, in a central location, filed by driver, to verify compliance with these requirements.
- (d) Grantee shall provide a comprehensive screening, testing and training program for all its drivers, including the lease drivers contracted for by Grantee or by driver/manager Members. The training program including curriculum and delivery shall be approved by the Board and shall include City and State rules and regulations; geography including map reading, major points of interest in Los Angeles, and familiarity with the City of Los Angeles and surrounding area; driver safety and

defensive driving; vehicle safety and maintenance/inspection checks; customer service and relations; sensitivity guidelines for disabled, frail and elderly passengers; behind the wheel driver training; and accessible vehicle operation training and CPR certification or equivalent for accessible vehicle drivers. The Board may authorize or require additional training program components, a change in delivery of program components, or a training facilitator or program outside of the Grantee's program at the Grantee's or driver's cost if it deems such change will best serve the public interest.

- (e) Grantee shall enroll all permitted drivers in the "Pull Notice System" of the Department of Motor Vehicles as defined in California Vehicle Code, Sec. 1808.1, as amended, and shall receive an annual driving record from the Department of Motor Vehicles. Grantee shall review such records for compliance with company and City requirements and shall notify the Department, by the end of the next Department business day, if any permitted driver's record or their ability to operate a taxicab fails to comply with the requirements of the Board. Grantee shall maintain "Pull Notice" and annual driver record information on behalf of its Members and the taxicab pool, in a central location, filed by driver, to verify compliance with these requirements. Driving record requirements may be revised by the Board by resolution.
- (f) Grantee shall be responsible for scheduling pre-employment/pre-permitting driver drug and alcohol testing and for enrolling all current drivers in a mandatory controlled substance and alcohol testing certification program as mandated by California Government Code, Sec. 53075.5 and which follows program components and testing requirements of the Federal Code of Regulations, Title 49, Part 40 and Part 382, as amended. Testing shall be conducted as a condition for initial driver permit authorization. Annual testing shall be conducted as a condition for permit renewal. Random testing shall be conducted and additional tests may also be required including post accident testing, rehabilitation and return-to-service testing, and reasonable suspicion testing. Drivers must show a valid California driver's license at the time and place of testing.

Grantee shall contract with a consultant (program administrator) and authorized lab approved under the Federal Register to facilitate the program and shall provide a copy of the contract(s) to the Department for approval. Test results shall be provided to the Grantee as the employing entity. Information shall be supplied to the Department pertaining to any positive test result and shall include driver name, identifying information, and driver permit status including any entry into a rehabilitation program. Specific driver test results shall remain confidential, on file by driver with Grantee, but testing information including date of annual test and random test, and positive or negative results shall be available for Department review. The cost of testing shall be the responsibility of the driver, if they are an independent contractor of the Grantee, or the responsibility of the Grantee, if the driver is an employee receiving social benefits.

Per the Federal Code of Regulations, the Grantee's certification program must include information regarding the controlled substance and alcohol use policy and

procedures as well as educational materials made available to all drivers and other pertinent staff. Grantee or its authorized agency, must advise drivers of the resources available to them to resolve problems associated with misuse of alcohol and controlled substances. Materials for education and company policies must be made available to all current and potential drivers and a signed statement of their receipt shall be in every permitted driver's file as retained by the Grantee.

Grantee shall train supervisory personnel per federal guidelines in order to determine whether reasonable suspicion exists to require a driver to undergo additional testing. Grantee shall use custody and control forms similar to that used under the federal testing guidelines. Any changes in the federal program guidelines or other state mandates will be considered by the Board for modification to the Grantee's program.

- (g) Grantee shall comply with all applicable state and federal rules, regulations and statutes concerning mandated social benefits programs for employees. It shall be the sole responsibility of the Grantee to determine whether legislation concerning these social benefits is applicable to Grantee's operations. In the event Grantee determines that it is not required to comply with City, state and federal rules, regulations and statutes concerning mandated social benefits programs for drivers, it shall submit for Board approval a proposed life, health and disability benefits program for its drivers which complies with the current guidelines established by the Board. Grantee shall implement such benefits program within 90 days of Board approval. The benefits program shall be made available to the Grantee's drivers at the driver's option and cost.

#### Sec. 4.5 OPERATIONS AND SERVICE - DISPATCH, COMMUNICATION AND SERVICE REPORTING

- (a) The Board may require the Grantee to establish an appropriate order-referral-interconnect-telephone loop with all other grantees servicing the same Service Area or Zone.
- (b) The Grantee shall have authorized usage of an FCC-assigned radio frequency(s) and shall maintain the capability of two way voice radio communication in working order in each taxicab operating within the City under the authorized frequency(s). Grantees operating within the same areas of the City must use separate frequencies within the same areas. Grantee shall notify the Department in writing of such frequency or frequencies to be used in all areas of the City including the Service Area or Zone covered by each.
- (c) Grantee shall provide and use a computer dispatch system capable of digital data communication. The dispatch system shall be capable of geographically identifying each service call by programmable sub-zone and by Service Zone as defined in Sec. 2.3 (e) of this ordinance. Grantee shall record and store service data using computer dispatch time stamping for each telephonic or equivalent call received and include time call was received, time of order reservation, time of order acceptance by driver, time of arrival at service location, time of meter activation, time of meter

deactivation, and length of trip in miles.

Grantee shall provide total (100%) telephonic or equivalent service order data to the Department monthly, within the first week of the following month in which data was collected, in a transfer and data format as prescribed by the Department. This requirement shall not preclude Department personnel from reviewing Grantee dispatch records via a modem or equivalent connection and browsing or retrieving information.

Grantee shall also supply summary monthly data reports from (100%) telephonic or equivalent service calls as prescribed by the Board, and as may be changed from time to time by the Board, with minimum reporting requirements required at the beginning of the Franchise to include:

- (i) Service response data summaries by area, aggregated for all vehicles in City service, reported by:
  - (1) Total City;
  - (2) Individual Service Zones;
  - (3) Department specified sub-zone(s);

Each of the above three categories will include the total number of trips separated into response categories including response time up to 15 minutes, between 16 minutes and 30 minutes; between 31 minutes and 60 minutes, greater than 60 minutes, and no show or no load.

- (ii) Service response data by vehicle, aggregated for all vehicles in City service, reported by:
  - (1) Total City;
  - (2) Individual Service Zones;
  - (3) Department specified sub-zone(s);

Each of the above three categories will include the total number of trips completed.

- (iii) Service response by wheelchair accessible vehicle, aggregated for all wheelchair accessible vehicles in City service, reported by:
  - (1) Total City;
  - (2) Individual Service Zones;
  - (3) Department specified sub-zone(s);

Each of the above three categories will include the total number of trips separated into response categories including response time up to 15 minutes, between 16 minutes and 30 minutes; between 31 minutes and 60 minutes, greater than 60 minutes, and no show or no load.

- (iv) Service response by wheelchair accessible vehicles, for wheelchair accessible requested trips, aggregated for all wheelchair accessible vehicles in City

service, report by:

- (1) Total City;
- (2) Individual Service Zones;
- (3) Department specified sub-zone(s);

Each of the above three categories will include the total number of wheelchair accessible trips separated into response categories including response time up to 15 minutes, between 16 minutes and 30 minutes; between 31 minutes and 60 minutes, greater than 60 minutes, and no show or no load.

The Board may require that trips completed per requests from outside contracts or agreements be reported separately.

Response time shall be defined as the period of time from dispatch of the fare (when the trip is first offered or designated by dispatcher) to activation of the taximeter as denoted in the dispatch record. Arrival time may be used in lieu of taximeter activation if the taxicab is equipped with an automatic vehicle location system that can identify and verify in the dispatch record that the vehicle was within one-quarter (1/4) mile of the arrival target, or as otherwise defined, established and authorized by the Board.

Grantee shall have six months from the effective date of the Franchise to establish computer dispatch including communication with each vehicle's digital mobile data system and reporting to the Department, unless an extension of time is authorized by the Board.

- (d) Grantee shall provide a computerized method or phone company switching program to obtain information pertaining to telephonic order response. The system shall be capable of identifying and storing information pertaining to each call received including the length of time required to answer call and the length of time each call was placed on hold, if at all.

Grantee shall provide total (100%) telephonic service order response data to the Department monthly, within the first week of the following month in which data was collected, in a transfer and data format as prescribed by the Department.

Grantee shall also supply summary monthly data reports aggregated from total (100%) telephonic service phone response, as prescribed by the Board, with minimum reporting requirements required at the beginning of the Franchise to include:

- 1) Total (100%) number of telephonic or equivalent service calls received;
- 2) Total number of telephonic or equivalent service calls answered in more than 45 seconds;
- 3) Total number of telephonic or equivalent service calls placed on hold longer than two minutes during any period of the reservation process.

- (e) Grantee shall provide summary statistical operating data to the Department monthly in written form, included with the franchise fee payment, pertaining to all taxicabs and types of service requests provided within the City. Summary data shall include at minimum the total number of all trips provided, total miles driven, total paid miles driven, total gross revenue received, total shifts assigned, and total number of telephonic or equivalent service orders received. The Board may direct the Grantee to supply additional information.

#### Sec 4.6 SHARED-RIDE TAXI SERVICE

The City Council may authorize a shared-ride taxi service as an additional type of taxicab service under this Franchise including the initial number of vehicle authorities to be allowed. Operating provisions for vehicle definition and rates to be charged shall be specified by ordinance as approved by the City Council.

The Board by resolution shall specify the operation and service standards for the shared-ride taxi service including rules and regulations for Grantee, drivers, members and vehicles, driver permitting, training and testing requirements, vehicle permitting, maintenance, inspection and insurance requirements, and dispatch and vehicle technology standards. The Board shall also prescribe conditions for the inclusion, abandonment and reporting conditions of such service, under the authority of this Franchise, by either resolution or separate contract agreement with Grantee. Abandonment may be requested by the Board or the Grantee as specified by the Board in such resolution or contract agreement. A discontinuation of shared-ride taxi service by Grantee shall not affect its overall performance review and evaluation for normal taxicab activities and service as dictated and described elsewhere in this ordinance.

Vehicles used in the shared ride taxi service shall be authorized exclusively for the Grantee. The total number of vehicles may be increased or decreased by the Board only after such action has been justified pursuant to Public Convenience and Necessity standards and provisions of the Los Angeles Municipal Code, Board Orders and Franchise terms and conditions.

Grantee may request participation in the service as prescribed by the Board and City Council. The Board is not obligated to extend this program to Grantee as part of this Franchise and may request a new Franchise or permitting procedure for this service, or any combination thereof.

#### Sec. 4.7 PUBLIC LIABILITY INSURANCE

- (a) In accordance with the requirements of Los Angeles Municipal Code (LAMC) Section 71.14, Grantee shall procure and at all times maintain a policy of insurance or program of self-insurance covering all vehicles operating under authority of this Franchise. Any vehicle operating without such coverage shall be considered under suspension, regardless of whether the City is aware of the lack of coverage.

- (b) Grantee shall also obtain comprehensive general liability insurance, to include contractual liability, in such amounts as the Board, with the concurrence of the City Risk Manager, may from time to time require, to insure against any claims arising out of the activities of the Grantee, its employees, its Members, and its drivers.
- (c) Grantee shall file evidence of insurance or program of self-insurance with the Department, in such form as the Department requires, for approval by the City Attorney and concurrence by the City Risk Manager prior to the commencement of operation under this Franchise. Grantee shall maintain such evidence on file with the Department throughout the life of this Franchise.
- (d) Grantee's failure to procure and maintain required insurance or to establish and adhere to a program of self-insurance shall constitute a material breach of contract under which the City may immediately terminate this Franchise. Suspension and other monetary penalties may also be assessed.
- (e) Grantee shall submit to the Department, in a form approved by the Board, a quarterly summary of all taxicab accidents including date of accident, driver name and identifying information, and vehicle number.

#### Sec. 4.8 AFFIRMATIVE ACTION POLICY

Grantee shall not discriminate in its membership or employment practices against any Member or employee or applicant for employment or membership because of race, creed, color, ancestry, national origin, religion, sex, age, sexual preference, marital status, medical condition (cancer), Acquired Immune Deficiency Syndrome (AIDS) - acquired or perceived, or disability, while engaged in any activity covered by this Franchise. Grantee agrees to adhere to the provisions of Ordinance No. 147,030 and any additional conditions that may be prescribed by the Board.

### **Section 5.0 INDEMNIFICATION, COMPENSATION AND GUARANTEE TO CITY**

#### Sec. 5.1 INDEMNIFICATION

Except for the active negligence or willful misconduct of the City, Grantee undertakes and agrees to defend, indemnify and hold harmless the City and any and all of the City's Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to the following: attorneys' fees and cost of litigation; damage or liability of any nature whatsoever; death or injury to any person, including Grantee's Members, employees and agents; or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of, or incident to, the performance of this Franchise on the part of Grantee or sub-contractor of any tier.

## Sec. 5.2 PAYMENTS TO CITY

- (a) By its acceptance of this Franchise the Grantee agrees to pay to the City the total monthly fee and any interest or late penalties specified in LAMC 71.05(b) for each authorized taxicab listed for the Grantee on City records for any portion of the previous month.
- (b) On or about the first of each month the Department shall bill the Grantee for the total monthly fee due for the previous month, based on Department records and in accordance with the provisions of Section 71.05(b) of the LAMC.
- (c) The payment made to the City pursuant to this Section for any period shall be in lieu of any license fee or business tax now or hereafter prescribed by the City Municipal Code for taxicabs operated pursuant to this Franchise during said period and for any lease fees the Grantee receives from its drivers.
- (d) The use of the service tests specified in LAMC 71.05 and their results to determine Franchise payment shall not in any way preclude the Board's use of those results, or the results of any other test, investigation or study, to determine Board actions regarding its power to regulate rates and services.

## Sec. 5.3 FAITHFUL PERFORMANCE BOND

- (a) Within 30 days after the approval of this Franchise by the City Council and the Mayor, the Grantee shall file with the Department an acceptable corporate surety bond in duplicate, effective for the entire term of the Franchise, running to the City in the penal sum of \$ 78,720, conditioned that the Grantee shall well and truly observe, fulfill, and perform each and every term and condition of this Franchise and that:
  - (i) If the Grantee shall fail to observe, fulfill and perform any term or condition fixed or prescribed by or pursuant to Section 5.1 or 5.2 of this Franchise, then any damage to the City caused by such failure shall be recoverable jointly and severally from the principal and surety named in such bond; and
  - (ii) If the Grantee shall fail to observe, fulfill and perform any term or condition fixed or prescribed by, or pursuant to, any section of this Franchise, then the whole amount of the penal sum named in such bond shall be taken and deemed to be receivable jointly and severally from the principal and surety named in such bond.
- (b) If at any time during the term of this Franchise the condition of the corporate surety shall change in such manner as to render the bond unsatisfactory to the City, the Grantee shall forthwith replace such bond with a bond of like amount and similarly conditioned, issued by a corporate surety satisfactory to the City.



- (c) In the event the Grantee's obligations under this Franchise shall so warrant, the Board may from time to time authorize or require appropriate adjustments in the amount of the bond. The Department may accept cash in lieu of a bond or a Certificate of Deposit provided that it is submitted in accordance with an agreement containing all the requirements of the aforementioned bond in a format acceptable to the City.

#### Sec. 5.4 INSPECTION OF PROPERTY AND RECORDS

- (a) At all reasonable times, the Grantee and its driver/manager Members shall permit any duly authorized officer or employee in the classified service of the City to examine all property of the Grantee and driver/manager Member, 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 Grantee or driver/manager Members under their control which treat of the operations, affairs, transactions, property or financial condition of the Grantee, including those which treat of the operations and property of the Grantee outside the City. If any of the books, accounts, papers, maps, or other records referred to in this Section are kept outside the City and if the Department shall determine that an examination thereof is necessary or appropriate to the performance of any of its duties, then all travel and maintenance expense necessarily incurred in making such examination shall be paid by the Grantee.
- (b) The Grantee shall prepare and furnish to the Department, at the times and in the form prescribed by the Department, such data with respect to Grantee's operations, affairs, transactions, property or financial condition as may be reasonably necessary or appropriate to the performance of any of the Department's duties.

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 Grantee with any local or State of California agency, and all amendments thereof, shall be filed with the Department within one day thereafter.

- (c) Failure to comply with a Board or Department request for any information shall result in temporary suspension of all permit processing activities by the Department for the offending Grantee.

#### Sec. 5.5 MONETARY PENALTIES FOR VIOLATIONS OF FRANCHISE ORDINANCE TERMS AND CONDITIONS - VIOLATIONS AND SCHEDULE

As described in Sec. 2.2 (e) of this ordinance, the Board may levy a monetary penalty on Grantee for failure to abide by the terms and conditions of this Franchise ordinance, as an alternative to, or in addition to, suspending all or part of the Franchise privilege or placing

Grantee on probationary status. Any of the following activities shall constitute a Grantee violation of the terms and conditions of the Franchise Ordinance and may subject Grantee to a monetary penalty. The Board's monetary assessment for a second, third and subsequent offense, as noted in the schedule herein, shall only be applied to the same offense.

1. Failure to submit to the Department or Board any requested or required information as specified in this ordinance, Board Order or Board or Department directive.
2. Fraudulent reporting to the Department or Board of any requested or required information, including any tampering of files, data, or reports necessary to provide the required information.
3. Operation of unlicensed or unauthorized vehicles as taxicabs in the City. This includes, but is not limited to, the operation of previously approved taxicabs with suspended, canceled or revoked vehicle permits and the use of vehicles licensed as taxicabs in other jurisdictions.
4. Conducting any illegal or unauthorized type of public transportation operation.
5. Unauthorized sale, lease, assignment, or other disposition of the Franchise for which consent of the City is required.
6. Falsification of or failure to inform or request membership/share ownership changes.
7. Operation of a taxicab without approved insurance on file with the Department and the City.
8. Failure to submit required taxicab insurance documentation to the Department in a timely manner as specified by the Department or Board.
9. Failure to conduct minimum weekly taxicab vehicle inspections.
10. Failure to provide taxicab preventive maintenance service.
11. Failure to provide drivers, members or personnel with training as specified in this ordinance or as detailed in the Grantee's management/business plan.
12. Failure to enroll drivers in a controlled substance and alcohol testing certification program.
13. Failure to adhere to the policies and procedures specified in the Grantee's management/business plan as approved by the Board.
14. Failure to provide access to property and records.

The Board may levy the following schedule of monetary penalties for these violations against the Grantee:

1. Up to \$10,000 for the first offense.
2. Up to \$25,000 for the second offense within a 12-month period.
3. Up to a maximum of \$50,000 for third and subsequent offenses within subsequent 12-month periods.

Only single penalty assessments that exceed \$30,000 are subject to appeal to the City Council and shall be stated in writing to the City Council within 30 days of Board assessment. Payment of a monetary penalty or the serving of a suspension shall constitute a waiver of the right to further appeal of any monetary penalty or suspension to the Superior Court.

Judicial review process, payment due date, late payment penalty and interest charges shall be as stated in the Los Angeles Municipal Code, Sec. 71.02.2, as amended.

## **Section 6.0 REQUIREMENTS OF A MEMBERSHIP ORGANIZATION**

### **Sec. 6.1 ORGANIZATIONAL STRUCTURE**

The Grantee shall be composed of the following:

- (a) A maximum of 246 Members who shall be either Driver/Managers or Investor/Shareholders in Grantee. Such maximum shall be set until modified by the Board concurrently with an action pursuant to Section 4.1(a) herein. In addition, the Board may establish a minimum number of Investor/Shareholders in order to assure a reasonable size taxicab pool and/or a minimum number of Driver/Managers in order to maintain a "hands-on" working environment within the Grantee.
- (b) A Board of Directors and officers whose identity, election and term shall be specified in the management/business plan. The election of officers and a Board of Directors shall be completed and supplied to the Department within 90 days of the effective date of the Franchise.
- (c) The Grantee shall establish bylaws which shall include provisions for a taxicab pool and two classes of membership, Driver/Manager Members and Investor/Shareholder Members, and the bylaws shall be subject to Department and Board review and approval.

### **Sec. 6.2 MEMBERSHIP RESTRICTIONS**

The following restrictions shall be placed on membership in Grantee:

- (a) The number of Members and shares shall each be limited to the number of taxicabs authorized for Grantee. Joint Memberships are prohibited.
- (b) Members shall be limited to owning a maximum of five percent of the total taxicabs and shares authorized for Grantee with the maximum figure determined by rounding the number of vehicles and shares equivalent to 5% of the fleet to the nearest whole number.
- (c) An Investor/Shareholder Member shall not manage or control any taxicab in Grantee. All taxicabs owned by an Investor/Shareholder shall be controlled and managed completely by Grantee as part of the taxicab pool, on the Member's behalf, pursuant to a contract approved by the Department, between the Member and Grantee. The Investor/Shareholder Member shall have no control over or perform any function for a taxicab under the control of Grantee other than being the registered owner of the taxicab.

- (d) A Driver/Manager Member may not control or manage more than three taxicabs in Grantee. All taxicabs owned by a Member in excess of three and any others that the Member does not control or manage shall be classified as Investor/Shareholder memberships and shall be controlled and managed completely by the Grantee as part of the taxicab pool, on the Member's behalf, pursuant to a contract approved by the Department, between the Member and Grantee. Grantee shall assure that all Driver/Manager Members comply with all Board rules and orders and this ordinance relating to the number of vehicles managed.
- (e) Members must qualify for a Taxicab Vehicle Permit under the current standards established by the Board.
- (f) If any Taxicab Vehicle Permit is revoked or canceled pursuant to the procedures of Sections 71.07 through 71.09 of the Los Angeles Municipal Code, a Member, if any, who was the cause of such revocation or cancellation will be subject to revocation or cancellation of his/her Driver Permit and will be precluded from operating a taxicab or exercising any other rights granted by such Driver Permit. Any Member whose Driver Permit is revoked or canceled must convert all Driver/Manager memberships into Investor/Shareholder memberships or transfer membership and any other taxicabs owned by the Member shall be operated, controlled and managed by Grantee on the Member's behalf, pursuant to a contract approved by the Department, between the Member and Grantee as part of the taxicab pool.

### Sec 6.3 GENERAL MEMBERSHIP PROVISIONS

- (a) All vehicles in service at the beginning of this assignment will be permitted to operate under a general authorization, but individual Members must submit an application and fee for membership with the Department within the first three months of the Franchise. No vehicle associated with any new or replacement Member shall be operated under this Franchise unless the Board has received and approved an application for membership, including a non-refundable processing fee, and has granted a Taxicab Vehicle Permit for each specific vehicle under the Member's name.
- (b) Grantee shall assure that each Driver/Manager Member is aware of and complies with any requirement of the Board regarding the filing of an annual profit and loss statement. Grantee shall submit the required statistical information quarterly or as directed by the Board.
- (c) The Grantee shall require all Members to enter into a security agreement, subject to Department approval, as a condition of membership in Grantee. By such agreement, the Member grants to the Grantee a security interest in the Member's taxicab(s) which will ensure the Member's compliance with his/her obligations as a Member.
- (d) The Grantee shall establish a procedure for the approval, transfer, and sale of memberships and a procedure for the dismissal of Members. Grantee shall provide


information to each Member pertaining to their role in the organization, the City and the taxicab industry, basic record keeping and reporting requirements, the City's rules and regulations and any other Board mandated information.

- (e) All agreements, including any Security and/or Membership Agreements, and all contracts, including those under which the Co-operative operates vehicles on behalf of its Members, that affect the method by which taxicabs are operated or service is provided shall be subject to review and approval by the Department and the Board.
- (f) The Grantee shall obtain vehicle liability insurance for all vehicles in the fleet; contract with lease drivers for all vehicles in the taxicab pool; provide maintenance for all vehicles in the taxicab pool; provide a computer dispatch service; collect and maintain all records, including waybills, pertinent to its taxicab operations; collect vehicle lease fees for vehicles in the taxicab pool; notify driver/manager Members and drivers of violations and/or hearings; and make all vehicle and driver assignments for vehicles it controls on behalf of Members in the taxicab pool.

Sec. 7. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles NOV 17 2010, and was passed at its meeting of NOV 24 2010.

JUNE LAGMAY, City Clerk

By  Deputy

Approved NOV 29 2010

 Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By   
MICHAEL D. NAGLE  
Assistant City Attorney

Date November 15, 2010

File No. 10-0996