



Information Item

Date: February 22, 2010

To: Mayor and City Council
From: Carol Swindell, Director of Finance
Subject: Taxicab Franchise Request for Proposals Update

Introduction

On [July 28, 2009](#), the City Council adopted an ordinance establishing franchising to regulate taxicab operations. On January 14, 2010, staff released a Request for Proposals (RFP) for taxicab franchises and held a pre-proposal conference on January 21, 2010. Representatives from several taxicab companies attended the January 26, 2010 Council meeting and expressed concern about the RFP process and requirements.

Discussion

The RFP included details of the selection process, a copy of the enabling ordinance and draft Rules and Regulations. The City received a large number of questions about various aspects of the RFP. At the pre-proposal conference, several taxi operators expressed concerns that were similar in nature to what was expressed to Council during public comment on January 26, 2010, including concern about the amount of time to complete the RFP; the desire to have local preferences and certainty of local companies being competitive; and the level of financial documentation necessary to submit a proposal. As stated in the RFP, proposals will be evaluated based on, but not limited to, the following criteria, which is contained in [SMMC 6.49.040\(b\)](#):

- Proof of financial viability, demonstrating ability to provide taxi services in compliance with City ordinances and regulations and the bidder's proposal.
- Experience in providing taxicab services during the last ten years.

- Character of operator's owners/members/principals/partners, verifying criminal/civil record, taxicab regulatory, franchising, licensing, and litigation history.
- Proposed business and management plan.
- Proposed discount fares for senior and mobility impaired customers.
- Dispatch and communication system.
- Fleet composition, including annual minimum number of vehicles meeting ULEV/SULEV and other low-emission standards.
- Driver training, testing, supervision and life/health/disability benefit plans.
- Operator/driver financial relationships including leasing, fees, memberships and all other relationships.
- Operator's business location.

The "Evaluation and Selection" section on page 15 of the RFP states that "additional consideration will also be given to proposers whose business operations are based in Santa Monica."

On January 28, 2010, staff disseminated responses in writing and via e-mail that should help to clarify some of the questions related to the RFP requirements. Specifically:

- The RFP does not require audited financial statements, however, audited financial statements are given greater weight in the evaluation.
- The RFP provides for additional points for local companies.
- Selected firms have up to six months from the July 1, 2010 franchise effective date to have the proposed fleet composition of ULEV or cleaner vehicles in service.
- As in West Hollywood and other local cities, the Rules and Regulations are based on the Los Angeles Taxicab Rules. However, they have been significantly modified to reflect Santa Monica's ordinance and needs.
- The deadline for submittal has been extended to March 19, 2010.

In order to ensure that all questions by potential responders are addressed, staff has modified the time line as follows:

- February 17, 2010 – Notification of a second opportunity to submit questions was e-mailed and mailed to companies and individuals that attended the January 21, 2010 mandatory pre-proposal conference.

- February 24, 2010 – Questions due from potential responders.
- March 4, 2010 – Responses from City will be sent to all attendees of the pre-proposal conference.
- March 19, 2010 – RFP responses due.
- June 2010 – Council consideration of recommended franchises.
- August 1, 2010 – Target start date for taxi franchises.

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