



Information Item

Date: June 6, 2013

To: Mayor and City Council
From: Gigi Decavalles-Hughes, Director of Finance
Subject: Taxicab Franchise Program Update

Introduction

The report provides an update to the Taxicab Franchise program and a preliminary discussion concerning the number of taxicabs needed in Santa Monica. Included in the program update is the first annual Taxicab Company Performance Index (TCPI) report, which measures performance based on data required by the terms and conditions of each taxicab company.

Background

On [July 28, 2009](#), City Council (Council) adopted an ordinance establishing the franchise-based system for regulating taxicabs, which added Chapter 6.49 to the Santa Monica Municipal Code (SMMC). On [November 23, 2010](#), Council awarded the franchises by ordinance to Bell Cab, Independent Taxicab Owners Association (ITOA), Metro Cab, Taxi! Taxi!, and Yellow Cab. On [December 14, 2010](#), Council adopted an ordinance increasing the maximum number of taxicabs permitted to operate from 250 to 300.

Beginning with the 2012 calendar year, the taxicab companies provide performance data as required by the taxicab rules and each company's terms and conditions. This data was used to create the first Taxicab Company Performance Index (TCPI). The performance index is designed as a measurement to be used when considering the extension of franchises at the end of the five-year term of the franchise agreement,

which is scheduled for December 31, 2015. The last update on the taxicab franchise program was issued on [January 12, 2012](#).

Discussion

Implementation issues that were experienced when the program launched were addressed in the first year of the new system, including vehicle composition requirements, ADA compliance, and increasing the number of drivers permitted to operate. The largest question that has emerged is whether or not the current number of 300 taxicabs authorized to operate is sufficient to meet demand. This issue requires the consideration of multiple factors and may be addressed by revising the existing ordinance upon completion of the current term of the franchise agreement. This discussion is broken out into three topics, 1) 2012 Program Updates, 2) 2012 Program Changes, and 3) Determining the Right Number of Taxicabs Needed.

2012 Program Updates

Performance Index

The first annual Taxicab Company Performance Index (TCPI) is issued with this report. It provides a report card for the taxicab companies operating in the City of Santa Monica. A copy of the TCPI is provided as an attachment and includes the responses submitted by ITOA, Metro Cab, Taxi! Taxi!, and Yellow Cab. Bell Cab did not submit a response. Following is a summary of the 2012 results that represents response time measures and compliance with the terms and conditions of the franchise.

Rank	Franchisee	Total Points 120 Points Possible	Score % of Total Possible	Rating*
1	Bell Cab	105.00	87.50%	Excellent
2	Taxi! Taxi!	79.50	66.25%	Unsatisfactory
3	Yellow Cab	45.50	37.90%	Deficient
4	ITOA	38.50	32.00%	Deficient
5	Metro Cab**	31.00	25.83%	Deficient

*Criteria for ratings are provided in the full TCPI report attached.

**Metro Cab had a change in ownership effective July 2012.

The TCPI indicates that, with the exception of Yellow Cab, taxicab companies respond to requests for service within 15 minutes 89% to 90% of the time. Yellow Cab is seriously deficient in this area by only responding to 55% of requests for service within 15 minutes. Reporting also shows that Yellow Cab has a high rate of no loads/no shows, which means that it is also not fulfilling many of the requests from customers for taxicab service. Yellow Cab acknowledges that its service is deficient and has indicated that the only solution is to increase the number of taxicabs in its fleet that are dedicated to Santa Monica. The effect of such an increase in the number of dedicated taxicabs has the potential to have a negative impact and is discussed further in *Distribution of Demand between Taxicab Companies*, later in this report.

The ratings in the TCPI do not measure overall volume of service to the City. For example, Bell Cab was rated “excellent,” and has demonstrated excellence in complying with the established rules and regulations. However, the company records the least number of requests for service and does not have a strong presence in the City at hotels or being available at taxicab stands.

Because specific performance standards are not established in the code and the terms and conditions of the franchise agreement, staff will continue to review other factors and standards outside the TCPI report that can be used to measure how well a taxicab company is serving the Santa Monica market. Modifications to include performance standards will be considered as part of the next franchise agreement term.

Taxicab Stands

The total number of taxicab stands was increased citywide from 23 to 33, with some stands relocated. Taxicab companies were invited to provide their recommendations on where drivers wanted to have stands.

Arrest Notification

Staff completed a program to add all drivers to the Department of Justice's subsequent arrest notification program, which notifies the Police Department when a participant in the program is arrested. This provides staff with information to monitor and take any necessary action on a driver's permit, depending on the public safety impact.

New Applications and Permitted Drivers

New taxicab driver applications continue to be steady with 206 new applications in 2012, compared with 646 in 2011. All applicants are required to pass a test in compliance with the requirements of the program; in 2012, the pass rate was 58%. As of December 2012, there were a total of 417 permitted drivers, which equates to an average of 1.4 drivers for each of the 300 licensed vehicles authorized by the City.

Programs for Seniors

Taxicab Franchise Program staff assisted the Community & Cultural Services Department with specific aspects of its Study of Services and Transportation Options for Seniors that was presented to City Council on [April 24, 2012](#). Taxicab program staff researched a voucher program for seniors to use for taxicab trips, similar to programs offered in neighboring cities. One of the recommendations adopted by Council included an expansion of the Dial-A-Ride (DAR) program to provide taxi rides pre-arranged by WISE staff to any destination within Santa Monica during hours when DAR van service is closed. The program previously only provided trips to City sponsored events. Sixty-four one-way trips were completed by taxicabs as part of the DAR program in calendar year 2012.

2012 Program Changes

Franchise Reassignment

On April 2, 2012, Metro Cab, through its legal counsel, submitted a request to the City to approve a transfer of its Santa Monica taxicab franchise rights. At

its [June 12, 2012](#) meeting, Council adopted an ordinance approving the assignment of Metro Cab's taxicab franchise to All Yellow Taxi, Inc., dba Metro Cab, to provide taxicab services in the City of Santa Monica. The transfer of Metro Cab's franchise rights to All Yellow Taxi, Inc. became effective on July 12, 2012.

Enforcement of Taxicab Rules and Regulations

In January 2012, the enforcement of the taxicab rules and regulations was transferred from the Police Department to the Code Compliance Division (CCD). One of the CCD's first responsibilities was to conduct the annual vehicle inspection to ensure safe and proper operation.

Administrative Hearings

To facilitate the transfer of enforcement responsibilities to Code Compliance, at its [July 24, 2012](#) meeting, Council adopted an ordinance amending Section 6.16.030 and 6.49.150 of the SMMC to deem taxicab rule violations as administrative violations. The purpose of the ordinance was to streamline the hearing procedures when a recipient of a violation wanted to appeal the citation. The change eliminated confusion for both staff and the public.

Spot Checks / Bandit Cab Enforcement

Code Compliance staff implemented vehicle spot checks in 2012 to identify customer service related requirements such as vehicle cleanliness and proper posting of rates and taxicab driver permits. Code Compliance staff also conducts regular bandit taxicab investigations where over 50 taxicabs were intercepted while picking up passengers in the City without required permits. Code Compliance staff have issued 10 criminal citations and 40 administrative citations totaling \$49,500.

Determining the Number of Taxicabs Needed

During its May 22, 2012 meeting, responding to community concerns, Council questioned whether the current number of taxicabs, set to a maximum of 300, is sufficient. Council may increase or decrease the number of taxicabs by ordinance at

any time when specific conditions required by both the SMMC and the terms and conditions entered into with each company, are met. Additionally, the Police Department has recommended that staff consider options to increase the availability of taxicabs on Main Street to assist with transporting late night patrons away from the area¹.

In addition to the Land Use and Circulation Element (LUCE), existing requirements of the SMMC, and terms and conditions entered into with the franchisees, the following factors should be considered when assessing the optimal number of taxicabs authorized to operate:

Percentage of full time vs. part time taxicab leases

A factor that contributes to service levels is whether a driver has contracted with the taxicab company for a 24 hour lease or a 12 hour lease. The length of leases offered has an impact on availability because the vehicle with a 24 hour lease is not in service full time. The 24 hour lease gives one driver full control of the vehicle 24 hours per day. The driver does not turn the vehicle over to another driver at the end of a 12 hour period, as drivers with 12 hour leases must. A single driver is not able to keep a vehicle in service 24 hours a day due to legal and practical reasons. When a taxicab has a Los Angeles permit and a 24 hour lease, the impact on availability is compounded. The following breakdown of leases offered to drivers by company in 2012 provides a breakdown of 24 hour leases vs. 12 hour leases. On any given day, the 300 taxicabs permitted in Santa Monica are available approximately 1,340 hours less than if all vehicles were on 12 hour leases.

¹ While the City does not have the authority to direct taxicab drivers where and when to operate, staff is working with the Police Department, the City Traffic Engineer, and the taxicab companies to establish a pilot program that would create one large taxicab stand on Main Street. The stand is staffed by the taxicab companies with an employee that is called a “starter” during peak evening hours and busy holidays. The starter would assist with keeping the flow of customers and taxicabs circulating. The cost of the starter is paid for by the taxicab companies. Hermosa Beach has had success with a similar system. The new stand was launched the weekend of May 3, 2013.

Franchisee	Total Taxicabs Awarded	24 Hour Lease	Daily Hours Available ²	12 Hour Lease	Daily Hours Available	Total Daily Hours Available
Bell	58	55	550	3	60	610
ITOA	58	12	120	46	920	1,040
Metro	63	37	370	26	520	890
Taxi! Taxi!	63	10	100	53	1060	1,160
Yellow	58	20	200	38	760	960
Actual Totals	300	134	1,340	166	3,320	4,660

Potential Daily Hours That Would be Available if All Vehicles had 12 hour leases: 6,000
Difference between Actual and Potential Daily Hours Available Due to 24 Hour Leases: 1,340

The Effect of Los Angeles Licensed Taxicabs

The 2008 Nelson/Nygaard study recommended between 210 and 310 taxis for Santa Monica. The lower fleet size assumed all taxis operated exclusively in Santa Monica, while the higher fleet size assumed that the number of jointly-permitted cabs (with Los Angeles) would spend one third of their time in Santa Monica. However, when the terms and conditions were written, no specific requirements were included to address how much time a specific taxicab that was also licensed in Los Angeles would have to devote to the Santa Monica market, nor how many taxicabs must be jointly-permitted vs. Santa Monica-permitted only.

Los Angeles' 469 square mile area, as opposed to Santa Monica's 8.3 square mile area, provides more opportunities for drivers to find fares, including popular areas such as Hollywood, City Walk, the Grove, downtown Los Angeles, and Los Angeles International Airport (LAX), where drivers are able to charge a \$4.00 surcharge. The following table provides the current breakdown of Santa Monica taxicabs that are also licensed in Los Angeles.

² By both rules taxicab drivers may not drive more than 10 hours in any given 24 hour period.

Franchisee	SM Taxicabs Awarded	Number That Also Hold LA Permits	Percent That Also Hold LA Permits
Bell	58	40	69%
ITOA	58	0	0%
Metro	63	0	0%
Taxi! Taxi!	63	0	0%
Yellow	58	58	100%
Total	300	98	33%

Reporting from 2012 shows that Yellow Cab, which has 100% of its vehicles licensed in Los Angeles, responds to orders for taxicab service within 15 minutes 54.6% of the time and has a high no-load³ rate of 34%. By comparison, this same company responds to calls within 15 minutes for its three Los Angeles service areas between 81.35% to 94.83% of the time⁴.

The 2008 Nelson/Nygaard study noted that drivers who held Santa Monica permits but did not hold Los Angeles permits believed it was unfair that Los Angeles companies and drivers were able to both pick up and drop off passengers in Santa Monica while they were within the City limits, allowing them to earn additional revenue; while drivers that were licensed in Santa Monica, but not in Los Angeles could not do the same after dropping a passenger off at a Los Angeles location, since the driver is required to drive back to Santa Monica to continue working. In addition to the feedback that staff has received from drivers who only operate in Santa Monica, a recent petition that was sent to the City by 19 drivers that do not have Los Angeles permits, made essentially the same complaint.

Distribution of Demand between Taxicab Companies

Demand for service that each company experiences can directly impact customer service levels. The table below shows that Taxi! Taxi! experiences the greatest

³ No load/No show is reported as trips that are requested and dispatched but not completed. Some taxicab companies include cancellations as no load/no show. There are instances that may cause a trip to be designated as no load/no show; for example, cancellation by passenger, taxicab driver unable to arrive to pick up passenger at designated time, taxicab driver declined to pick up passenger, or taxicab driver arrived at designated location and passenger could not be located.

⁴ Source: Los Angeles Department of Transportation (LADOT) 2010 Taxicab Performance Report

demand for service from customers who are calling to request taxicab services. When a taxicab company's demand exceeds its supply of vehicles, the company's service levels can be negatively impacted. This scenario can cause a company to decline orders simply because the company does not have enough vehicles to meet the demand, and by virtue of the limits set by the franchise, is not able to increase the number of vehicles in its fleet unless approved by the City. In its response to the TCPI, Taxi! Taxi! requested an additional 37 taxicabs to meet demand. The chart below shows that there is a significant range between the total orders each company receives, suggesting that the current number of taxicabs could accommodate more orders. It is important to note that ITOA, Metro Cab, and Taxi! Taxi! supplement a significant number of trips through flag downs⁵. For example, ITOA and Taxi! Taxi! completed 128,554 and 80,298 "flag down" trips respectively in 2012. When combined with telephone orders, total trips are 148,958 for ITOA and 273,940 respectively for Taxi! Taxi!. Metro Cab was not able to provide data on its "flag down" trips.

Franchisee	Total Orders*	Total Orders Completed	% of Orders Completed	Average Dispatched Trips Per Vehicle Per Day	% of All Dispatched SM Trips Completed by Company
Bell	15,356	13,747	90%	1	4%
ITOA	20,404	16,723	82%	1	5%
Metro	58,195	56,308	97%	2	17%
Taxi! Taxi!	212,845	193,642	91%	8	60%
Yellow	65,087	42,999	66%	2	13%
Total / % Average	371,887	323,419	87%		

**Dispatched Trips in 2012, Not Including Flag Downs*

Staff believes that any scenario that increases the number of taxicabs operating in Santa Monica could result in an increase in competition for taxicab service,

⁵ A "flag down" is when a customer secures a taxicab by waiving it down or hailing it as it is driving past on the street; or when a customer boards a taxicab at a hotel or from a taxicab stand/zone where taxicabs generally wait for a passenger.

potentially reducing the ability of existing drivers to earn a living, without specifically addressing the fundamental issues customers experience because of Yellow Cab's poor response to requests for service and the high demand experienced by Taxi! Taxi!.

Changing Vehicle-for-Hire Landscape

Companies such as Uber and Lyft are changing the vehicle-for-hire landscape and increasing competition felt by taxicab companies. These new companies, among others, utilize smartphone apps that allow customers to order a vehicle, be informed of the price including tip, and pay using a credit card. These services will continue to grow in the future, displacing the traditional taxicab model. The strong support of venture capitalists and recent comments by the Federal Trade Commission that "these are innovative forms of competition that may enable consumers to more easily arrange and pay for... transportation," suggest that the vehicle-for-hire market is undergoing a fundamental transition that will likely accelerate.

New short distance trip vehicle for hire options will also begin to operate in Santa Monica by July 1, 2013. These include pedicabs and low speed electric vehicles, similar to a golf cart that can carry up to six passengers. These alternative passenger vehicle transportation services could meet the need for short distance trips in the central business district of the City more effectively than taxicabs, as well as address other environmental concerns, since many offer zero-emissions options. The success of these services in meeting specific types of transportation needs, and the impact they have on circulation, should be considered as part of a comprehensive transportation plan that could be used to consider the relationship between these services and the total number of taxicabs needed.

Next Steps

1. Continue to work closely with the Police Department, Code Compliance, Human Services, Big Blue Bus, Traffic Engineering, Business Improvement Districts, and

the Santa Monica Convention and Visitors Bureau to address issues and improve taxicab service.

2. Continue working with the City Traffic Engineer to add new taxicab way finding signage with taxicab company information and Passenger Bill of Rights to help customers find a taxicab when they need one.
3. Continue to review and analyze service levels throughout the City for times of day and determine appropriate actions for service level deficiencies.
4. Continue efforts to establish a flat rate fee from LAX to Santa Monica, which was included in the 2012 update as a goal. The flat fee would need to be approved by the Los Angeles Department of Transportation Taxicab Commission and the Los Angeles City Council.
5. Draft an amended ordinance for Council consideration to modify the existing Taxicab Franchise program no later than Summer 2014, and establish more effective performance standards. A priority for any changes to the program would be to develop an effective model for determining the number of full time equivalent vehicles needed to operate that takes into account the specific needs and demands of the local community, the rapidly changing vehicle-for-hire market due to new technologies, the introduction of new modes of short distance zero-emission transportation options, and the goals of the LUCE.

Prepared By: Salvador M. Valles, Business & Revenue Operations Manager

Attachment: 2012 Taxicab Company Performance Index



CITY OF SANTA MONICA
2012 TAXICAB COMPANY PERFORMANCE INDEX

Finance Department
Business & Revenue Operations Division
Taxicab Franchise Program

Introduction

On July 28, 2009, Council adopted an ordinance establishing the franchise-based system for regulating taxicabs, which added Chapter 6.49 to the Santa Monica Municipal Code (SMMC). On November 23, 2010, Council awarded the franchises by ordinance to Bell Cab, Independent Taxicab Owners Association (ITOA), Metro Cab, Taxi! Taxi!, and Yellow Cab.

Beginning with the 2012 calendar year, the taxicab companies were required to provide monthly performance reports on data that is required by the taxicab rules and each company's terms & conditions. This data was used to create the first Taxicab Company Performance Index (TCPI). The performance index is designed as a measurement to be used when considering the extension of franchises at the end of the five-year term of the franchise agreement, which is scheduled for December 31, 2015.

The TCPI provides a report card for the taxicab companies operating in the City of Santa Monica. The report provides data for performance categories related to service, compliance, and safety, and is obtained from data reporting requirements that were established as part of the company's terms & conditions. Taxicab companies were given an opportunity to provide a written response to the report. A copy of each response received is provided as an attachment to this report, including responses submitted by ITOA, Metro Cab, Taxi! Taxi!, and Yellow Cab. Bell Cab did not submit a response.

The TCPI has a total of 120 possible points and taxicab companies are rated "excellent," "good," "unsatisfactory," or "deficient" subject to the total points awarded. However, the ratings do not measure overall volume of service to the City. For example, Bell Cab was rated "excellent," and has demonstrated excellence in complying with the established rules and regulations. However, the company records the least number of requests for service and does not have a strong presence in the City by serving hotels or being available at taxicab stands. This is a structural issue with the program that should be addressed in any new franchises granted.

Compliance with high impact requirements, such as maintaining mandatory vehicle and commercial liability insurance, are serious public safety offenses, for which a taxicab company would be immediately suspended. This type of offense would be included in both the compliance score and the compliance narrative and used when considering any extension to a company's franchise; however, because of the nature of the offense, the City could take more immediate action against the company.

Santa Monica Taxicab Franchise Performance Categories
Taxicab Company Performance Index (TCPI) – Total of 120 Points Possible

Performance Category	Criteria	Percent	Points Possible
1 Service	a. Order Response Composite Score	50%	70
	b. Percentage of Wheelchair Requested Trips Completed	7%	
	c. Telephone Hold Times	7%	
	d. Telephone Answer Speeds	7%	
	e. Dial-A-Ride Participation Composite Score	29%	
2 Compliance & Safety	a. Franchisee Compliance Score – Violations & Warnings	25%	50
	b. Payment and Information Submission Timeliness – Number of Late Incidents	15%	
	c. Driver Documentation	Deduction	
	d. Vehicle Inspections – Inspections Failed on First Attempt	10%	
3 Adherence to Management Business Plan and Terms	No material non-compliance occurrences of the management business plan or the Terms and Conditions, including fleet composition	n/a	Narrative
4 Franchisee Response	Franchisee written response	n/a	Narrative

Rating	Percent of Total Possible	Definition
Excellent	>84%	No violations, non-compliance or advisories; 2 or fewer incidents of late report submissions and zero late driver documentation submission.
Good	75% to 84%	Received \$200 or less in penalties for violations, or equivalent non-compliance notice; and/or less than 5 late report submissions and no late driver documentation submission.
Unsatisfactory	65% to 74%	Received between \$250 and \$500 penalties for violations, or equivalent non-compliance notice; and/or 10 or fewer late driver documentation submissions.
Deficient	<65%	Received more than \$500 in penalties for violations, or equivalent non-compliance notice; and/or more than 10 late driver documentation submissions.

Santa Monica Taxicab Franchisee Annual Performance Report Card

Annual Report

January 2012 to December 2012

Franchisee	Category 1 Service	Category 2 Compliance	Category 3 Adherence to Business Plan and Terms & Conditions (Narrative)	Categories 1 and 2 Total Points 120 Possible	Categories 1 and 2 Percent of Total Possible Points	Rating
Bell Cab	60.00	45.00	During the reporting period, Bell Cab Company, Inc. did not have any material non-compliance occurrences of the management business plan or the terms and conditions, including fleet composition.	105.00	87.50%	Excellent
Taxi! Taxi!	59.50	20.00	During the reporting period, Taxi Taxi, Inc. did not have any material non-compliance occurrences of the management business plan or the terms and conditions, including fleet composition.	79.50	66.25%	Unsatisfactory
Yellow Cab	18.00	27.50	During the reporting period, Yellow Cab Co. did not have any material non-compliance occurrences of the management business plan or the terms and conditions, including fleet composition.	45.50	37.91%	Deficient
ITOA	56.00	-17.50	During the reporting period, ITOA did not have any material non-compliance occurrences of the management business plan or the terms and conditions, including fleet composition.	38.50	32.00%	Deficient
Metro Cab	43.50	-12.50	During the reporting period, Metro Cab had several non-compliance issues related to their ability to comply with vehicle ownership requirements and the overall financial viability of the company. Due to their inability to adhere to their management business plan and the terms and conditions, Metro Cab Co. requested authorization to sell their franchise to All Yellow Taxi. City Council authorized an ordinance approving the assignment of Metro Cab's franchise to All Yellow Taxi effective July 12, 2012. Since July 12, 2012, the company has had no material non-compliance issues.	31.00	25.83%	Deficient

Annual Report Card and Service Category Breakdown for Categories 1 and 2											
Franchisee	No. of Vehicles	Total Trips	1a Order Response	1b Wheelchair Trips	1c Phone Hold Times	1d Phone Answer Speeds	1e Dial – A – Ride	2a Compliance	2b Late Response	2c Driver Document.	2d Annual Inspection Failure
Total / Possible	300	371,887	35	5	5	5	20	25	15	deduct	10
Bell Cab	58	15,356	35	5	5	5	10	25	10	0	10
ITOA	58	20,404	35	4	5	5	7	5	0	-22.5	0
Metro Cab	63	58,195	30	5	5	4	-5	0	10	-22.5	0
Taxi! Taxi!	63	212,845	35	5	5	5	9.5	25	5	-15	5
Yellow Cab	58	65,087	0	3	5	3	7	25	5	-7.5	5

1. Customer Service

The score for *Category 1 – Response* are made up of the following five criteria with 70 points possible with each criteria weighted.

Performance Category	Criteria	Percent	Points Possible
1 Service	a. Order Response Composite Score	50%	70
	b. Percentage of Wheelchair Requested Trips Completed	7%	
	c. Telephone Hold Times	7%	
	d. Telephone Answer Speeds	7%	
	e. Dial-A-Ride Participation Composite Score	29%	

a. Order Response (Reported as Composite Score 35 Points Possible)

Provides the percentage of orders responded to by a taxicab company within 15 minutes, between 30 – 60 minutes and more than 60 minutes. Three of the taxicab companies, Bell Cab, ITOA, and Taxi Taxi, respond to at least 90% of their calls within 15 minutes. Metro Cab responded to 89.4% and Yellow Cab responded to 55% of requests for service within 15 minutes.

- *Order Response Time <15 Minutes*

Percentage of Orders Responded to Within 15 Minutes <i>Measured as Orders Dispatched and Completed</i>	Points
>90%	35
86% up to 90%	30
81% up to 85%	25
76% up to 80%	20
71% up to 75%	10
66% up to 70%	5
<61%	0

Franchise	Percentage of Orders Responded to Within 15 Minutes	Points Awarded
Bell Cab	90.00%	35
ITOA	96.80%	35
Metro	89.40%	30
Taxi Taxi	93.40%	35
Yellow Cab	54.60%	0

- *Order Response Time 30 to 60 Minutes*

Percentage of Orders Responded to Within 30 to 60 Minutes <i>Measured as Orders Dispatched and Completed</i>	Points
<10%	0
10% up to 15%	-1
16% up to 20%	-2.5
21% up to 25%	-5
26% up to 30%	-7.5
>30%	-10

Franchise	Percentage of Orders Responded to Within 30 to 60 Minutes	Points Deducted
Bell Cab	1.00%	0
ITOA	0.60%	0
Metro	3.10%	0
Taxi Taxi	0.36%	0
Yellow Cab	7.90%	0

- *Order Response Time >60 Minutes*

Percentage of Orders Responded to >60 Minutes* <i>Measured as Orders Dispatched and Completed</i>	Points
<6%	0
6% up to 10%	-1
11% up to 15%	-2.5
16% up to 20%	-5
21% up to 25%	-7.5
>25%	-10

Franchise	Percentage of Orders Responded to >60 Minutes	Points Deducted
Bell Cab	0.00%	0
ITOA	0.10%	0
Metro	0.37%	0
Taxi Taxi	0.00%	0
Yellow Cab	0.70%	0

- b. Wheelchair Requested Trips Completed (5 points possible)

Information on wheelchair requested trips are those trips when a wheelchair accessible vehicle is requested by the customer. Taxi! Taxi! and Metro Cab completed the most request for wheelchair trips with 99.1% and 98.4% being completed respectively. Yellow Cab completed the least with 53.3% of requests completed, which is consistent with its performance results in the order response category above.

- *Percentage of Wheelchair Requested Trips Completed*

Percentage of Wheelchair Requested Trips Completed	Points
84 - 100%	5
67 – 83%	4
50 – 66%	3
33 – 49%	2
17 - 32%	1
0 - 16%	0

Franchise	Percentage of Wheelchair Requested Trips Completed	Points Awarded
Bell Cab	87.5%	4
ITOA	69.0%	4
Metro	98.4%	5
Taxi Taxi	99.1%	5
Yellow Cab	53.3%	3

- c. Telephone Hold Times and Answer Speeds (10 Points Possible)

Hold times and answer speeds provide a measurement of the length of time a caller is on hold before reaching an agent when calling for service. The three companies that provide service to Los Angeles (Bell Cab, ITOA, and Yellow Cab) have a centralized call center that all customers use regardless of where they require service in the Los Angeles metropolitan area.

Metro Cab shares a call center in Gardena with its parent company, All Yellow Taxi, which also services several beach communities and Culver City. In 2012, Taxi! Taxi! was also providing services in Culver City, with all calls for service centralized in its Santa Monica office. Taxi! Taxi!'s fleet now only serves the Santa Monica market.

- *Telephone Hold Times*

Percentage of Telephonic Calls Placed on Hold for More than Two Minutes Total During the Reservation Process	Points
<6%	5
6% up to 10%	4
11% up to 15%	3
16% up to 20%	2
>20%	0

Franchise	Percentage of Telephonic Calls Placed on Hold for More than Two Minutes	Points Awarded
Bell Cab	0.0%	5
ITOA	3.3%	5
Metro	1.1%	5
Taxi Taxi	0.0%	5
Yellow Cab	3.6%	5

- *Telephone Answer Speeds*

Percentage of Telephonic Calls Answered within 45 Seconds	Points
>95%	5
90% up to 94%	4
84% up to 89%	3
76% up to 80%	2
<80%	0

Franchise	Percentage of Telephonic Calls Answered within 45 Seconds	Points Awarded
Bell Cab	99.9%	5
ITOA	99.2%	5
Metro	93.3%	4
Taxi Taxi	98.7%	5
Yellow Cab	87.7%	3

d. Dial-A-Ride Participation (Reported as a Composite Score with 20 Points Possible)¹

Each taxicab company is rated on their services provided through the City’s Dial–A–Ride (DAR) program, which utilizes taxicab rides for participants in the evening hours when the DAR van service does not operate. Although the taxicab companies are not mandated to provide services through DAR, this category is tracked by WISE and Healthy Aging and submitted to the Taxicab Franchise Program staff to compile as part of each company’s scorecard.

Points are awarded when the taxicab company provides written confirmation for a DAR order within four hours, for the number of complaints reported by DAR customers, and for the percentage of orders accepted and fulfilled. Points are deducted for the percentage of no shows by a taxicab company for a confirmed DAR order. For the reporting period, there were 57 requests for taxicab trips placed through DAR with a total of 52 (91%) of those requests being fulfilled.

¹ The Dial-A-Ride category is tracked by WISE & Healthy Aging and submitted to the Taxicab Franchise program staff to compile as part of each franchisees scorecard.

One of the key indicators for Dial-A-Ride participation is the percentage of orders accepted that a company fulfilled. Bell Cab scored the highest percentage with 100% of all reservations accepted and fulfilled. Bell Cab also had zero instances where the company did not show up for a confirmed reservation.

- *Written Confirmation*

Percentage of Order Where Company Provided Written Confirmation within four Hours of Receipt for a Dial-A-Ride Order	Points
95% to 100%	10
75% up to 94%	7.5
50% up to 74%	5
<50%	0

Franchise	Percentage of Order Where Company Provided Written Confirmation within Four Hours of Receipt for a Dial-A-Ride Order	Points Awarded
Bell Cab	46.1%	0
ITOA	29.4%	0
Metro	33.4%	0
Taxi Taxi	50%	5
Yellow Cab	36.4%	0

- *Percent No Shows*

Percentage of No Shows by Taxicab Company for a Confirmed Dial-A-Ride Order	Points
0%	0
1% up to 10%	-2.5
11% up to 20%	-5
21% up to 30%	-7.5
31% up to 40%	-10
>40%	-20

Franchise	Percentage of No Shows by Taxicab Company for a Confirmed Dial-A-Ride Order	Points (Deducted)
Bell Cab	0.0%	0
ITOA	0.0%	0
Metro	22.0%	-7.5
Taxi Taxi	8.3%	-2.5
Yellow Cab	0.0%	0

- Dial-A-Ride Complaints*

Number of Complaints (Other than No Shows) Reported by Dial-A-Ride Customers	Points
0	2.5
1 to 2	2
3 to 4	1
>4	0

Franchise	Number of Complaints (Other than No Shows) Reported by Dial-A-Ride Customers	Points Awarded
Bell Cab	0	2.5
ITOA	1	2
Metro	1	2
Taxi Taxi	1	2
Yellow Cab	1	2

- Orders Fulfilled*

Percentage of Total Orders Accepted and Fulfilled	Points
95% to 100%	7.5
75% up to 94%	5
50% up to 74%	2.5
<50%	0

Franchise	Percentage of Total Orders Accepted and Fulfilled	Points Awarded
Bell Cab	100.0%	7.5
ITOA	93.3%	5
Metro	90.9%	5
Taxi Taxi	81.8%	5
Yellow Cab	90.0%	5

2. Compliance

The TCPI also considers a taxicab company's ability to adhere to their management business plan and terms & conditions. The numerical rating for Category 2–Compliance has 50 points possible with each criterion weighted.

Performance Category	Criteria	Percent	Points Possible
2 Compliance & Safety	a. Franchisee Compliance Score – Violations & Warnings	25%	50
	b. Payment and Information Submission Timeliness – Number of Late Incidents	15%	
	c. Driver Documentation	Deduction	
	d. Vehicle Inspections – Inspections Failed on First Attempt	10%	

a. Franchisee Compliance Score – Violations & Warnings (25 Points Possible)

A Taxicab Rules Compliance Score is based on the total number of penalty points assessed for Administrative Citations, Notices of Non-Compliance, and Advisories. Penalty points for violations are assessed based on the Taxicab Rules Penalty Schedule, which assigns 1 penalty point for each \$100 of fine. For Notices of Non-Compliance and Advisories, the penalty points assessed are the same as if a violation had been issued with fines. Dismissals and cancellations are removed from the total violations.

On February 9, 2012, Metro Cab was assessed 30 penalty points and fined \$3,000 for rule violations by two drivers who had a physical altercation during working hours. One driver's license was suspended and the other's was revoked. On February 23, 2012, Metro Cab was issued a Notice of Violation for operating vehicles within its fleet that were not owned and/or registered in accordance with its terms & conditions, which resulted in a \$1,500 fine. Effective July 1, 2012, Metro Cab began operating under new ownership and management. Since the ownership change, the company has not been issued any citations or notices of non-compliance.

On June 18, 2012, ITOA was assessed ½ penalty points and fined \$50 for a rule violation by one of its drivers who improperly posted or failed to post his Taxicab Driver's Permit; and 2.5 penalty points for a violation issued to a driver who did not take a direct route, resulting in an overcharge. The customer was also refunded his fare in full. No citations, notices or advisories were issued to Bell Cab, Taxi! Taxi!, or Yellow Cab.

In some cases, incidents may not result in a violation; for example, in response to a complaint from a restaurant owner concerning a taxicab driver who threw trash from his vehicle onto the public street, the taxicab company was notified to assist with addressing the issue. The driver was identified and due to the circumstances and the response of the driver, the company chose to terminate the driver. In this example, no violation was issued, in part due to the quick response of the company.

- *Administrative Citations and Notices of Non-Compliance*

Franchisee Compliance Score	Points
0	25
.5 to 2	10
2.5 to 10	5
10.5 to 15	2.5
>15	0

Franchise	Franchisee Compliance Score	Points Awarded
Bell Cab	0	25
ITOA	3	5
Metro	45	0
Taxi Taxi	0	25
Yellow Cab	0	25

b. Payment and Information Submission Timeliness – Number of Late Incidents (15 Points Possible)

A score is based on any submission of a payment, report, or other information request with a specific deadline that is in writing. No grace period is allowed. A deadline may be extended by the City in writing with reasonable cause and when requested in advance of the deadline.

A company’s score has points deducted when driver documentation is not updated prior to the expiration date, such as a driver’s license or annual driving record from the California Department of Motor Vehicles (DMV). The DMV report provides the City with the driver’s driving record, including convictions for driving under the influence of alcohol or drugs. Although this report does not technically expire, drivers are required to provide an updated report annually. A driver that fails to maintain a good driving record as defined by the rules promulgated by the Chief of Police would have his or her permit suspended or revoked. Because of the importance of maintaining this documentation, City staff provides monthly reports reminding taxicab companies what documentation is going to expire and become due, generally in the preceding month.

Taxicab companies were also provided with a summary of the data that is required by the Taxicab Rules and Terms & Conditions with due dates and report format on October 11, 2011 in preparation for the implementation of reporting requirements beginning in January 2012. The companies have also been provided with a calendar of due dates.

- On Time Payments and Information Submission

Number of Late Payment or Information Submission Incidents Per Calendar Year	Points
0	15
1 to 2	10
3 to 4	5
>4	0

Franchise	Number of Late Payment or Information Submission Incidents Per Calendar Year	Points Awarded
Bell Cab	2	10
ITOA	6	0
Metro	2	10
Taxi Taxi	3	5
Yellow Cab	4	5

- Driver Documentation – Number of Documents Not Updated Prior to Expiration Date (Points Deducted)

Driver documentation will be considered late if documentation is reported on the Expiration Report in the month immediately following the due date (ex. CDL expires June 8th; due to City no later than June 30th; CDL considered late if reported on mid-July Expiration Report). Points will be deducted if late documentation reported on Expiration Report for two consecutive months after due date (ex. CDL expires June 8th, due to City no later than June 30th; Documents considered expired and points deducted if reported on mid-August Expiration Report).

A company's score has points deducted when driver documentation is not updated prior to the expiration, such as a driver's license or annual driving record from the California Department of Motor Vehicles (DMV). The DMV report provides the City with the driver's driving record, including convictions for driving under the influence of alcohol or drugs. A driver that fails to maintain a good driving record as defined by the rules promulgated by the Chief of Police would have his or her permit suspended or revoked. Because of the importance of maintaining this information, City staff provides monthly reports reminding taxicab companies what documentation is going to expire and become due, generally in the preceding month.

- Expired Driver Documentation

Number of Documents Expired	Points
0	0
1 to 5	-7.5
6 to 10	-15
11 to 20	-22.5
21 to 30	-30
>30	-37.5
0	0

Franchise	Number of Documents Expired	Points Awarded
Bell Cab	0	0
ITOA	20	-22.5
Metro	14	-22.5
Taxi Taxi	8	-15.0
Yellow Cab	2	-7.5

d. Vehicle Inspections – Inspections Failed on First Attempt (10 Points Possible)

A company is rated on the total number of failed inspections when first inspected as part of the annual renewal cycle. A standard checklist is used and provided to the companies in advance.

Percentage of Cabs Failing Annual Vehicle Inspection on First Attempt or Failing to Appear (Rule 601)	Points
<6%	10
6% to 10%	5
>10%	0

Franchise	Percentage of Cabs Failing Annual Vehicle Inspection on First Attempt or Failing to Appear (Rule 601)	Points Awarded
Bell Cab	0/58	10
ITOA	7/58	0
Metro	7/63	0
Taxi Taxi	5/63	5
Yellow Cab	4/58	5

3. Adherence to Business Plan and Terms & Conditions

An operator cannot have any major occurrence of a failure to abide by the management business plan or terms and conditions, including fleet composition.

4. Franchisee Response

In addition to the Taxicab Company Performance Index evaluation categories, each franchisee is provided with an opportunity to submit a written response to the scores. The response may be used to explain service irregularities to be considered by the City as appropriate. The response must be presented submitted on the form approved by the City. Following are the responses received from three of the taxicab companies, ITOA, Taxi! Taxi!, and Yellow Cab.



February 8, 2013

Cheryl Shavers
Senior Administrative Analyst
Business and Revenue Operations Division
Department of Finance
1717 4th Street, Ste. 150
Santa Monica, California 90401

Re: Independent Taxi Owners Association
Response to 2012 Draft Annual Performance Report

Dear Ms. Shavers:

We have completed a preliminary review of the Draft Annual Performance Report. We have some preliminary concerns and comments.

First, we note that our scores on Points Awarded and Points Deducted, for customer service standards, are superior and consistent with our providing high quality service to the public. We think our success in this area is under-valued compared to other issues in the Performance Report.

Second, as to the Dial-A-Ride Participation Score of 0 points awarded, we challenge that determination/score. We need additional data in order to evaluate same. It would appear that the sampling of 17 trips is too low or not indicative of our true performance. It is not clear to us what went wrong in these 5 of 17 trips. Please allow us to obtain the raw data upon which you relied in making this draft determination.

Third, as to the Franchise Taxicab Rule Compliance Score, a few comments. The loss of 15 of 25 points based upon a ".5" appears to be unfair, arbitrary, and disproportionate. We are also uncertain as to what violations were at issue, and whether the violations are really the result of an act or omission of a driver/owner, as opposed to the Company itself. We need additional information to evaluate this score.

Fourth, as to submission of late incidents, we need additional information to determine what these late submissions are. We have some bona fide disputes over some of the allegations of late submissions and would like to challenge this score based upon the specific instances in question. Please provide us with the back-up as to these alleged late submissions. It also appears that the loss of 15 points based upon a threshold of up to only 4 late submissions is unfair and disproportionate.

700 NORTH VIRGIL AVENUE, LOS ANGELES, CA 90029, TEL: 323/666-0040 • FAX: 323/666-0048 • EMAIL: TAXI4U@DELTANET.COM

"RED, WHITE & BLUE, WE ARE THERE FOR YOU"

Independent Taxi Owners Association



**INDEPENDENT
TAXI COMPANY**
SINCE 1977
DRIVER OWNED AND OPERATED

Ms. Shavers
February 8, 2013
Page Two

Fifth, the loss of 22.5 points as to driver documentation is unfair and disproportionate. We also require more information to determine what the alleged failure to update involves. As you may be aware, the update of driver information is a very voluminous and time consuming burden to impose upon us, a burden that no other jurisdiction (L.A., Beverly Hills and West Hollywood) imposes upon us. In other words, all other jurisdictions have their own system to monitor the driver's information and do not impose that burden upon ITOA. We have a very modest staff, and, as a result, we have to rely upon the driver's themselves to produce this information to us. They are not always timely in doing so, and the loss of 22.5 points on this issue is unfair and disproportionate to our overall performance.

Sixth, as to alleged failed Vehicle Inspections, we have a substantial dispute over the alleged failure of inspections involving the 7 Wheel-Chair Vans. The City of Santa Monica sealed these Vans and approved them, only to raise an unexpected issue regarding technical compliance with the ADA and access ramps on these vans. There were delays in re-inspections of these Vans after the retro-fitting was completed, which was the fault or responsibility of the City of Santa Monica, not ITOA. There was extensive correspondence on this issue. It is unfair to impose the loss of 10 points when the sole and only reason was a retro-fitting issue raised after the vehicles had passed inspection, and the delays in obtaining reinspection which were not the fault of ITOA. We respectfully request that under the circumstances, the Wheel-Chair Van situation should not be scored against us. We acted promptly and in good faith, and solved the issues in a reasonably timely manner.

Thank you for consideration of the above. We would be pleased to participate in a meeting to go over these issues and attempt to resolve them in an efficient and reasonable manner.

Respectfully,

NETTABAI AHMED, PRESIDENT

700 NORTH VIRGIL AVENUE, LOS ANGELES, CA 90029, TEL: 323/666-0040 • FAX: 323/666-0048 • EMAIL: TAXI4U@DELTANET.COM

"RED, WHITE & BLUE, WE ARE THERE FOR YOU"

Independent Taxi Owners Association

Metro Cab

January 31, 2013

Ms. Cheryl Shavers
Senior Administrative Analyst
Business and Revenue Operations Division
Department of Finance
1717 4th Street, Suite 150
Santa Monica, CA 90401

Dear Ms. Shavers:

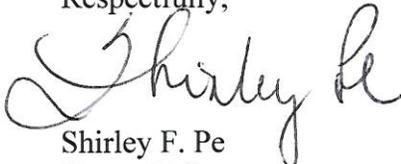
On behalf of All Yellow Taxi dba Metro Cab, I am writing a formal response to our performance index. In light of our taking over the franchise in July, the combined score with Metro Cab, LLC gives us a very poor score/rating which we feel is not representative of our actual performance.

We do understand that we should be considered as one franchise; however, we are a different company and assigned a different franchise number. I hope you understand our concern. We have worked very hard to prove that our performance meets the City's standards, however, the combination of scores placed us in an extremely below par rating.

We are reaching out to you for your consideration. You, The City of Santa Monica take these measurements very seriously and if we are rated based on our performance by looking at this report, it really does not do us justice. We take our commitment and the opportunity to serve the City of Santa Monica with pride and with all seriousness. We would not want to fail the City's belief in us, a reason we are granted this franchise.

We ask you to please reconsider measuring our companies separately. Thank you so very much in advance for your consideration.

Respectfully,



Shirley F. Pe
General Manager
All Yellow Taxi dba
Metro Cab
310-999-4576
Shirley@metrocabsm.com

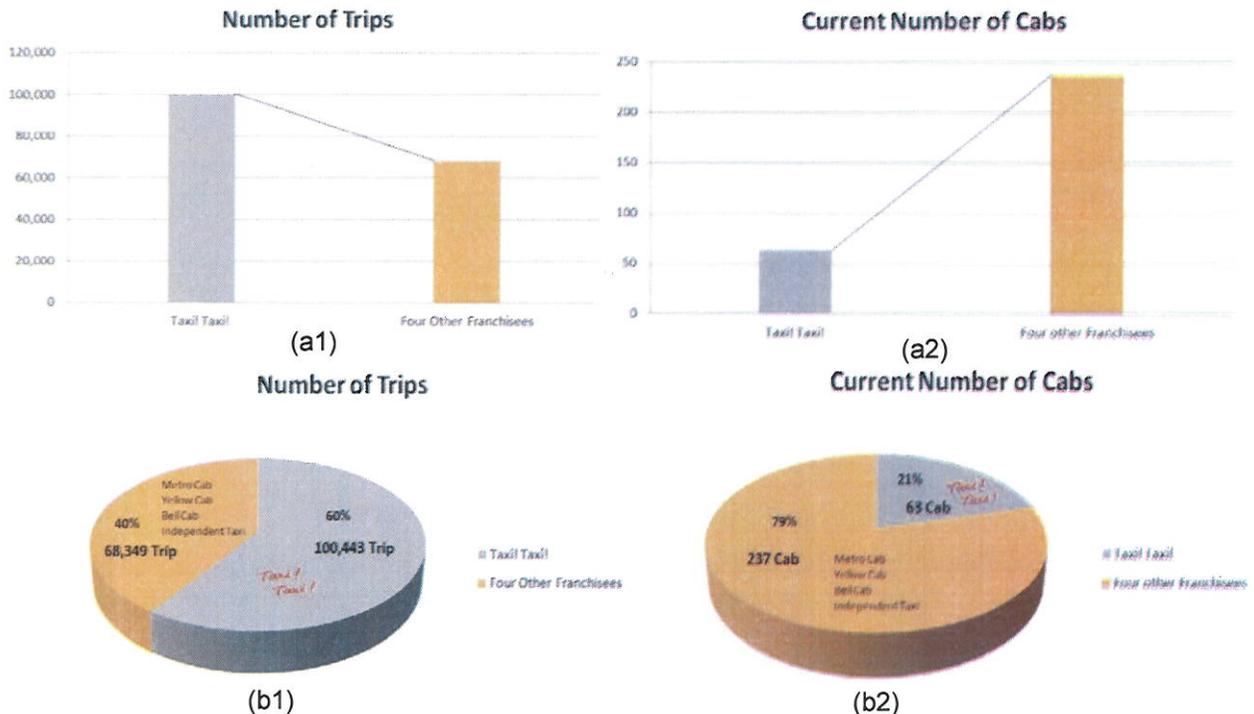
Taxi! Taxi!

January 15, 2013

Ms. Cheryl Shavers
cc: Mr. Salvador Valles
City of Santa Monica
1685 Main St.,
Santa Monica, CA 90401

Dear Ms. Shavers,
Taxi! Taxi! of Santa Monica is experiencing an overflow in demand for its services and desires to increase the size of its fleet. In this letter and the accompanying Trip Statistics charts, we demonstrate that, due to steadily increasing demand for our services, *Taxi! Taxi!* now requires more cabs to serve the Santa Monica community. Due to the proportion of business we are attracting, we propose a revised allotment to our allowed number of vehicles.

Taxi! Taxi! receives the most calls of any taxicab franchise in Santa Monica. In the most recent City Bi-Annual Performance Report, *Taxi! Taxi!* serviced 100,443 out of 168,792-- a whopping 60%--of total trips taken in the City of Santa Monica. *Taxi! Taxi!* used all of its 63 cabs to keep up with demand. **Even with all our cabs operating at maximum availability, we cannot service all the calls we receive.**



The bar charts (a) above display *Taxi! Taxi!*'s number of trips compared to the number of trips operated by the other SM taxi companies (a1) and the number of *Taxi! Taxi!*'s cabs compared to the number of cabs operated by the other SM taxi companies (a2)

The pie charts (b) above display the percentage of trips served by *Taxi! Taxi!* Cabs (b1) and *Taxi! Taxi!*'s percentage of cabs (b2)

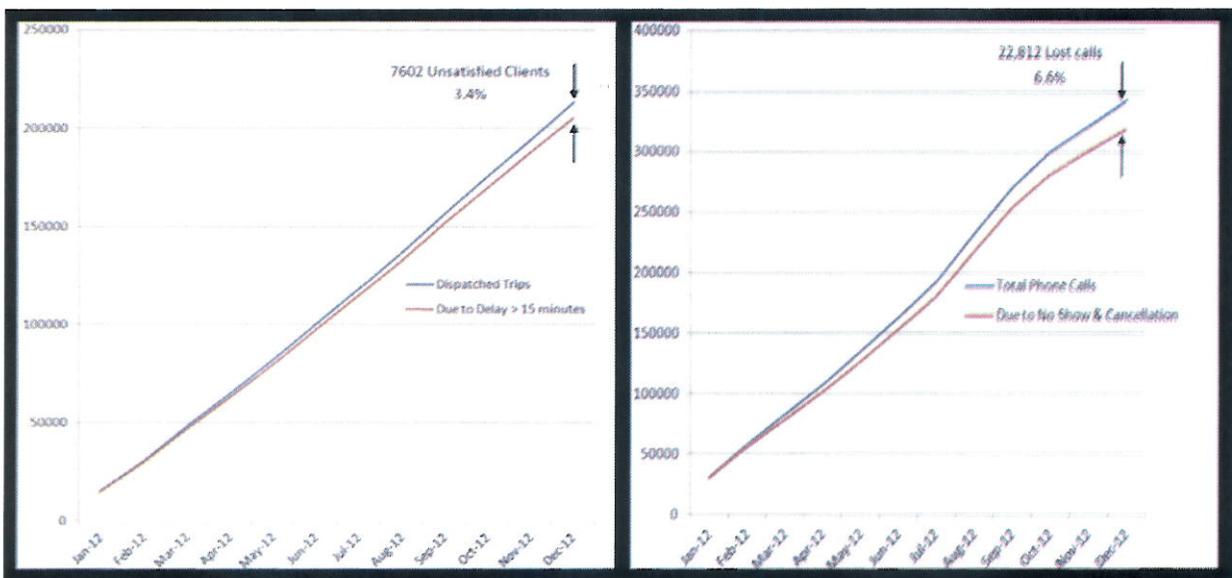
2230 Michigan Ave 2nd Floor, Santa Monica, CA 90404
SantaMonicaTaxi.com
310-444-4444



Taxi! Taxi!

The total number of cabs in Santa Monica is 300, distributed almost equally among the five taxicab franchises. *Taxi! Taxi!* holds a 21% share of total cabs, but as noted above, we serve 60% of the total taxi trips taken. These numbers deserve attention. If *Taxi! Taxi!*'s number of cabs correlated with its market share of customer trips, we would operate 60% of the cabs in the city--approximately 180 cabs.

Taxi! Taxi! averaged 24,283 trips a month and totaled 291,389 trips in 2012. These numbers are current and representative of our continued high rate of calls. Our busy lines logged 342,569 calls in 2012. Our drivers and staff work continuously, often non-stop to ensure prompt, efficient, timely and totally satisfying pickup service within 15 minutes of each call. Yet, due to call overflow, 3.6% (7602) of our dispatched calls are impossible to accommodate within 15 minutes.



The graphic above displays *Taxi! Taxi!*'s 3.4% unsatisfied clients due to long waits (l) no-shows & cancellations (r).

Another 6.7% of calls are no-shows, or cancelled, most due to delayed arrival of the taxicab. That amounts to an unacceptable 10.3% loss in business. Worse, callers who wait longer than 15 minutes and then give up become unsatisfied customers. Any unsatisfied customer is a loss for *Taxi! Taxi!* Even worse than that, no-shows amount to 22,812 trips a year. No-shows or cancelled calls are a total loss, because we did not get the opportunity to drive those callers. If we did, we're certain we would earn their business and that they would call us again and again.

2230 Michigan Ave 2nd Floor, Santa Monica, CA 90404
SantaMonicaTaxi.com
310-444-4444



Taxi! Taxi!

Taxi! Taxi! remains dedicated to increasing its quality of service. New business initiatives and service enhancements we have applied promise to even further increase demand for our taxis, as noted below:

- We have acquired two brand new easily remembered and high-profile phone numbers [424-777-7777](tel:424-777-7777), and [424-444-4444](tel:424-444-4444).
- We are currently working with Verifone and other vendors to introduce advanced smart phone apps.

Taxi! Taxi! has also gone the extra mile to keep our community happy, to provide prompt service and to cover the high volume of calls. We did this by sacrificing 75 active taxicab permits which we had operating in Culver City, in order to remain exclusive and loyal to our home city, Santa Monica. Keeping Santa Monica our #1 City means no client of ours has to wait for a cab coming from LAX or downtown, or from another city. We are stationed in and operate within the heart of Santa Monica.

Taxi! Taxi! wishes to bring to the the attention of the City the recent "Santa Monica Taxi Study" by Nelson/Nygaard. Prepared for the City before the release of the 2010 Taxicab Franchise RFP, the Nelson/Nygaard Study states the following:

"Since reliable data about actual taxi demand is not available, it is not possible to arrive at an optimal size for the Santa Monica taxi fleet with any confidence. For this reason, a system is needed that strikes a balance between: providing guidance to prospective operators and some assurance that they will not face destructive levels of competition; and 2) allowing companies flexibility to determine the best number of taxicabs to operate based on company resources and market conditions." (pg. 5.1)

The Nelson/Nygaard Study suggests the total number of the fleet vehicles needs to be flexible. To keep our drivers and clients happy, and based upon our financial capability, *Taxi! Taxi!* has determined that it needs 100 cabs to service current demand. This means, ***Taxi! Taxi!* needs a total of 37 extra taxicab vehicles.** Seventeen (17) extra cabs are needed within the current year 2013. Another 20 will be needed in phases in 2014. That would bring *Taxi! Taxi!*'s total number of cabs to 100--the amount of cabs *Taxi! Taxi!* proposed in its response to the 2010 Taxicab Franchises in the City of Santa Monica RFP. The number of cabs we proposed then--100---was based upon considerable market analysis and strategic plans, and to meet the overwhelming local demand.

Currently every *Taxi! Taxi!* cab averages 14 to 15 trips a day. *Taxi! Taxi!* has devised a workable strategy to pick up customers in 15 minutes or less, relieve the workload stress on staff and drivers, and keep everyone content. We need to reduce the number of trips per cab to 9 to 11 a day maximum. If we are granted the additional 17 cabs, operating 80 cabs will help us gain at least 50% of no-shows and cancelled calls, while still averaging 12 to 13 trips a day per cab.

2230 Michigan Ave 2nd Floor, Santa Monica, CA 90404
SantaMonicaTaxi.com
310-444-4444



Taxi! Taxi!

When our fleet is increased by 20 more, totaling 100 cabs with 10% estimated increase in total trips calls--and after adding the smart phone app we are working with Veriphone to implement--*Taxi! Taxi!* will be able to guarantee customer satisfaction and average 9 to 11 trips a day.

Total trips 2012 (63 cabs)	Average trips a week (63 cabs)	Average trips a day per cab (6 days a week/63 cabs)
291,389	$291,389 \div 52 \text{ weeks} = 5603.63$	14 to 15
Total trips (80 cabs) If only 50% of no-shows were served	Average trips a week (80 cabs)	Average trips a day per cab (6 days a week/80 cabs)
$291,389 + (22812 \times 0.5) = 302,795$	$302,795 \div 52 \text{ weeks} = 5822.98$	12 to 13
Total trips estimated with 10% increase after adding smart phone app & serving 50% of no-shows (100 cabs)	Average trips a week (100 cabs)	Average trips a day per cab (6 days a week/100 cabs)
$291,389 + [(291,389 \times 0.1) + (22812 \times 0.5)] = 331,933$	$331,933 \div 52 \text{ weeks} = 6383.32$	10 to 11 (with 10% increase) 9 to 10 (without 10% increase)

The graphic above displays Taxi! Taxi!'s current trip totals/averages (top), expected trip totals/averages with an additional 17 cabs (middle), and anticipated trip totals/averages operating with 100 total cabs (bottom).

Maintaining this level of service has placed pressure on our operations. We have the highest number of permit-holding drivers in the city. According to our insurance broker, our cabs moving nonstop 24/7/365 and our huge number of active drivers has made our commercial insurance premiums almost double. While it is our desire to continue to serve the community and our loyal and valued customers, we seek support from the City in order to meet that goal.

Please let me know if you require further data to determine your course of action or have any questions or concerns. We remain hopeful and willing to work with the City to move forward on this issue.

Warm regards,
Taxi! Taxi!

Ayman Radawan, CEO

2230 Michigan Ave 2nd Floor, Santa Monica, CA 90404
SantaMonicaTaxi.com
310-444-4444



February 7, 2013



The Tradition Continues...
The Original Yellow Cab
Since 1920

Ms. Cheryl Shavers
Senior Administrative Analyst
Business and Revenue Operations Division
Department of Finance
1717 4th Street, Suite 150
Santa Monica, CA 90401

Re: 2012 Taxicab Company Performance Report

Dear Ms. Shavers:

The following letter is intended to address the service issues outlined in the Taxicab Company Index Report for the period of January 2012 thru December 2012.

We agree with the city's assessment that our service needs to be improved significantly. Yellow Cab is in a unique position to address the service issues because we have the experience of managing the largest taxicab fleet west of Houston and have the best service statistics in the traditionally underserved areas of the City of Los Angeles. Yellow Cab had a similar service issue in the City of Inglewood and improved the service by dedicating taxicabs to the area and providing financial incentives for the drivers.

During the past two years, Yellow Cab's business growth has been both unexpected and overwhelming. Where as not long ago we averaged 3,000 orders a day, we are now averaging 20,000 orders over the weekend. We know one thing for sure, Los Angeles Department of Transportation (LADOT) figures show that our call growth rate has exceeded our closest competitor by 200 percent and exceeds the industry average by many times. We know it's the customer service policies that we're setting that are driving the demand to Yellow Cab instead of our competitors.

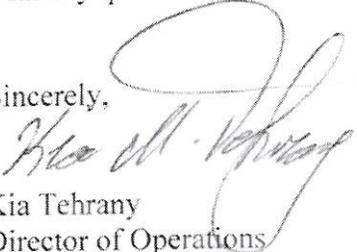
Yellow Cab has made changes to the way a customer can book a taxicab by introducing a taxicab booking application for smart phones, we have installed Passenger Information Monitors (PIMs) into all our taxicabs which facilitates the use of credit cards in taxis, we have expanded our wheelchair accessible service by adding 20 new wheelchair accessible vans to our fleet. All of these changes, amongst others, have increased the demand for Yellow Cab's service in the areas we operate. We have noticed a significant decrease in our service statistics, not only in Santa Monica but in the City of Los Angeles as well. Our fleet size is controlled by the City of Los Angeles because our franchise agreement indicates that our fleet can only include 759 taxicabs.

The only way we can expand our fleet in Santa Monica is by adding Yellow Cab vehicles dedicated to the city. We were originally opposed to this idea because of the efficiencies gained by operating cabs on both sides of the city's borders. We are at the point where there isn't another solution to the service issues and we need to meet with our board and shareholders for their approval for a dedicated Yellow Cab taxicab fleet for the city of Santa Monica.

If the city is willing to accept our plan, to introduce a dedicated taxicab fleet, we will proceed to meet with our board of directors and shareholders to request this change. Our goal is to provide the residents and visitors to the city of Santa Monica with a first-class taxicab service and we strongly believe that this change would allow us to do so. We will be able to transport passengers into the city with our fleet licensed in the city of Los Angeles and our other sister fleets, and we can continue to serve the outgoing trips from the City of Santa Monica with our dedicated fleet.

Please contact me with your response and feel free to call me at 310-965-5899 with any questions.

Sincerely,



Kia Tehrany
Director of Operations