

Taxicab Franchise Request for Proposal (RFP) – Proposer Questions

6/09/14

Franchise:

1. Q: Is that number firm that the council will pick 4 taxi companies and will allow 200 vehicles and they will divide the number 50 taxis/Company. Or will the council have full discretion as the number of Companies selected, number of taxi's permitted and distribution per Company.

A: The Beverly Hills City Council has full discretion of all matters of this award.

As stipulated in the RFP (pg. 1):

The City intends to award four (4) non-exclusive franchises of equal or approximately equal size to operate a combined total of no more than 200 taxicabs. However, the City reserves the right to award fewer or more than four franchises, or to award unequal franchises, if that is determined to be in the best interests of the City. No proposal will be accepted to operate fewer than 25 taxicabs.

RFP:

2. Q: Are the bidders required to provide any information regarding its shareholders/members as part of the response to the RFP, including the proposer information sheet?

A: An Addendum No. 1 to the RFP has been issued which outlines the information that is required. Please refer to the "Taxicab Franchise Request for Proposal: Addendum No. 1": Number #4: Section J, "Proposal Content, "Disclosures," and Number #5: Appendix D, "Proposer Information Sheet".

Each proposer shall provide information including the Proposer Information Sheet, "principals" to include all key management, officers and any member, shareholder, or partner who has at least a 5% ownership interest or who controls at least 5% of the voting shares or membership votes.

Insurance:

3. Q: The limits of automobile liability insurance have been \$350,000.00 combined single limit for many years. These limits have worked well and no problems have arisen. The cost of increasing such insurance to \$1 Million will cost approximately \$2,000 per cab per year, a major expense and potentially cost prohibitive, particularly when the meter rates have not been increased for about 10 years. Please explain the basis for such a high limit and whether the City will reconsider the limits to the existing level of \$350,000 CSL prior to the submission of the responses to the RFP?

A: Your comment has been taken under consideration. The City's Risk Manager has determined these are appropriate levels of insurance and insurance levels required will remain as stipulated in the RFP pg. 10 and in the Franchise Agreement.

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4. Q: Will the city reconsider its limit of \$1 Million for automobile liability policies, in light of the existing limit of \$350,000 DSL and the likely substantial increase in cost for such higher insurance, prior to the submission of the responses to the RFP?

A: No. Please refer to responses to question #3.

5. Q: What is the basis for the \$1 million limit required, which is almost three times the existing amount?

A: Please refer to responses to question #3.

Fingerprinting:

6. Q: Proposed bidders will include Non-Profit, Mutual Benefit Companies consisting of members/shareholders. Is it required, for any purpose, that all members/shareholders, which may be in the hundreds for such companies, be subjected to finger printing and background checks?

A: Please refer to response to question #2.

7. Q: Is the requiring for finger printing and background checks only for officers or managerial employees of the bidder?

A: No.

An Addendum No. 1 to the RFP has been issued which outlines the finger printing and background requirements. Please refer to “Taxicab Franchise Request for Proposal: Addendum No. 1”: Number #4: Section J, “Proposal Content, “Disclosures,” and Number #5: Appendix D, “Proposer Information Sheet”.

Each proposer and all principals thereof shall be fingerprinted via the California Department of Justice Live Scan system for a criminal record check and provide the City with documentation that this process has been completed within seven (7) calendar days of the due date of the proposal.

8. Q: Does the RFP require that all Board Members of a bidder be subjected to finger printing and/or background checks?

A: Yes.

An Addendum No. 1 to the RFP has been issued which outlines the finger printing and background requirements. Please refer to “Taxicab Franchise Request for Proposal: Addendum No. 1”: Number #4: Section J, “Proposal Content, “Disclosures,” and Number #5: Appendix D, “Proposer Information Sheet”.

Each proposer and all principals thereof shall be fingerprinted via the California Department of Justice Live Scan system for a criminal record check and provide the City with documentation that this process has been completed within seven (7) calendar days of the due date of the proposal.

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Enhancement:

9. Q: Who is to determine what added benefits or value added services or products offered are to be considered for bonus points?

A: The review/selection panel will award points at their discretion.

As stipulated in RFP (pg. 11 & 12): *Those proposals that meet the minimum qualifications will be evaluated by a selection panel convened for this purpose by the City. The panel will be advised by the City's consultant.* The evaluation will use the scoring criteria listed on page 11.

Promises of enhancements made in proposals will be evaluated in light of their realism and proposers' capacity to implement them. Any enhancements that are accepted by the City and used as a basis for assigning points in the evaluation process will be included in the company's Franchise Agreement and will be subject to annual evaluation and possible suspension, termination, or penalties/liquidated damages. See the Proposal Content section for additional detail.

Proposed Review/Selection Panel: (subject to change)

Health & Safety Commission: Commissioner Lisa Kay

Health & Safety Commission: Commissioner Myra Demeter, Ph.D.

Traffic and Parking Commission: Vice Chairperson Lester J. Friedman

Human Relations Commission: Former Commissioner Barbara Linder

Technology Committee: AJ Wilmer

The panel will be advised by City staff and subject matter experts.

As stipulated in RFP (pg. 3): *Any request for a definitive explanation desired by a proposer regarding the meaning or interpretation of any part of the RFP must be submitted via email sent to Genevieve Row at grow@beverlyhills.org. **Proposers shall not contact any other City staff or consultants concerning this RFP, and any attempt to do so may be cause for disqualification.** Responses to questions or comments provided by any other department, employee, representative, or City office concerning the RFP will not be valid and will not bind the City. Inquiries received via telephone, fax, or in-person will not receive a response.*

10. Q: Who is to determine what added benefits or value added services or products offered are to be considered for bonus points?

A: Please refer to response to question #9.

Vehicle Age:

11. Q: We need clarification of the age requirements and the method of age calculation. As a reference to the City of Los Angeles, both rule 447 and 448 codify vehicle age requirements. Rule 449 is the method of calculating a vehicle's age.

Please note proposed changes to the current Beverly Hills Municipal Code (BHMC) noted below include method of age calculation from the vehicles manufacture year to the

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vehicles model year as well as allowing vehicles that are wheelchair accessible under ADA standards to remain in operation until the tenth model year.

A: Currently stipulated in Beverly Hills Municipal Code 7-4-214:

*J: No vehicle shall be issued a public transportation vehicle permit for taxicab use where such vehicle is in excess of five (5) years of age from the **year of its manufacture** unless such vehicle undergoes a special inspection by a mechanic selected by the city and not affiliated with the taxicab operator before the end of the vehicle's fifth and sixth years, and obtains a certificate certifying that the mechanical condition of the vehicle is satisfactory. This special vehicle inspection shall be in addition to the inspections required by subsection 7-4-202D and section 7-4-216 of this chapter and shall be based upon standards established by the city. In no event shall the vehicle remain in operation for more than seven **(7) years from the date of its manufacture.***

As stipulated in the RFP Appendix A, Proposed Amendment to the Beverly Hills Municipal Code (BHMC) pg. 11 for City Council consideration

*J: No vehicle shall be issued a public transportation vehicle permit for taxicab use where such vehicle is in excess of five (5) **model years** of age unless such vehicle undergoes a special inspection by a mechanic selected by the city and not affiliated with the taxicab operator before the end of the vehicle's fifth, sixth, seventh, eighth and ninth years, as applicable, and obtains a certificate certifying that the vehicle meets the city's standards for mechanical condition, appearance, and passenger comfort. This special vehicle inspection shall be in addition to the inspections required by subsection 7-4-202D and section 7-4-216 of this chapter and shall be based upon standards established by the city. Taxicab vehicles shall be removed from service by midnight on December 31 at the conclusion of the **vehicle's eighth model year; provided, however, vehicles that are wheelchair accessible under ADA standards may remain in operation until midnight on December 31 at the conclusion of the vehicle's tenth model year.***

Credit Card / Merchant Account:

12. C: There is a requirement that credit cards are accepted by drivers and as part of incentive's the drivers to accept non cash payment, the city has promulgated requirements that drivers are not charged a discount amount based on the amount of credit cards submitted. Merchant accounts charge fees as a percentage of the amount charged. This means that a \$ 100 dollar charge is not actually paid \$ 100 but instead is discounted by a certain percentage. Our company never sees the entire charge and, naturally, this discount

A: Your comment has been taken under consideration.

Please refer to "Taxicab Franchise Request for Proposal: Addendum No. 1": Number #1 and # 2: Section J, "Payment Methods" and "Proposal Content", Part 5, "Management Plan," "Payment Methods".

13. C: As for estimating how much this discount amount would be on any given month and coming up with a uniform fee is, essentially, impossible because credit card usage and demand for service varies from month to month. Therefore, we are unable to come up with a

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uniform fee to cover the merchant fees. In addition, such merchant fees are totally out of our control and are imposed by a third party.

A: Your comment has been taken under consideration.
Please refer to response to question #12.

14. C: We are asking for a reformulation of the requirements to allow for companies to pass along the merchant fee charged by our credit card processing company

A: Your comment has been taken under consideration
Please refer to response to question #12

Vehicle Greening Fee Requirements:

15. C: The initial RFP requests that at least 50 % of vehicles meet “Green” standards by the end of year one. We need clarification as to your requirements to subsequent years. Mainly, we need to know what the total requirement of green vehicles will be and how the transition between non green vehicles to green vehicles will occur post year one of the franchise.

A: A minimum of 50% of a franchisee’s fleet is required within the first year and must remain at 50% of their fleet for the term of the franchise.

If you wish to propose additional “green” vehicles in your fleet the number and timeframe may be considered as proposed by each proposer.

As stipulated in the RFP Appendix B, Taxicab Franchise Rules and Regulations pg. 3 #206: *Within one year of the effective date of its franchise, a minimum of 50% of each franchisee’s fleet shall be Green Vehicles as defined by the Los Angeles Board of Taxicab Commissioners in “Board Order 062 - Los Angeles Green Vehicle List for Smog & Green House Gas Reductions - Updated Dec 2013 (for 2014 vehicle additions)” or the version of this list that was in effect at the time the vehicle was placed in service, including future updates to the list. Any goal exceeding this requirement contained in a franchise agreement will take precedence. (BHMC) (Schedule C)*

- a) *After one year, if a company fails to maintain at least the required percentage of its permitted vehicles as Green Vehicles, the company’s authorized number of taxicabs will be reduced to the actual number of permitted Green Vehicles divided by the required percentage. Once the authorized number of taxicabs has been reduced, it can only be increased or restored following formal action by the Traffic and Parking Commission. (BHMC) (Schedule D)*

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16. Q: How many vehicles will need to be replaced each year, until fleet reaches its Green requirements under the Franchise?

A: The number of vehicles to be replaced is the number of vehicles necessary to reach and maintain the required 50% as outlined in the RFP Appendix B, Taxicab Franchise Rules and Regulations pg. 3 #206 and or the number to meet the proposed percentage if greater than 50% as proposed.