



**City of Hermosa Beach  
Request for Proposal  
Taxi Cab Franchise**

**September 2002**

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## INTRODUCTION

The City of Hermosa Beach is soliciting proposals from taxicab companies in consideration of issuing one or more franchises for operation of taxicabs within the City. The purpose of franchising taxicab operations is to improve the City's ability to regulate the quality and safety of taxicab operations in light of the increased utilization of taxicabs in the City over the past two years. Franchising of taxicabs will advance the City's legitimate governmental interest in assuring that taxicab operations comply with City requirements, do not cause undue congestion or traffic safety and parking problems in the downtown and are conducted in a manner that protects the public health, safety and welfare.

## HERMOSA BEACH DEMOGRAPHICS

Location:	17 miles southwest of Los Angeles on the southerly end of Santa Monica Bay; Three miles south of Los Angeles International Airport
Area:	1.3 square miles
Population:	19,175
Households:	9912
Taxicab Revenue for Fiscal Year 2001-2002 Received by the City:	\$91,000

## PROPOSAL SUBMISSION

Proposers must submit one (1) original and five (5) copies of proposal. Proposals must be received by 2:00 PM on November 7, 2002. Late proposals will not be accepted. The envelope shall also be marked "Proposal for TaxiCab Franchise." Faxed proposals will not be accepted. All sealed proposals must be mailed or delivered to the City Clerk at the following address.

Elaine Doerfling, City Clerk  
City of Hermosa Beach  
1315 Valley Drive  
Hermosa Beach, CA 90254

Proposers may be asked to clarify proposal information in writing or in oral interviews. The clarification period will begin when proposals are submitted. The Proposer will be expected to prepare and make oral presentations or participate in interviews, if requested. If an interview is requested, the Proposer will be advised of the specific time and place.

## PRE-PROPOSAL CONFERENCE

**A mandatory pre-proposal meeting will be held on October 17, 2002 at 10:00 a.m.** in the Council Chambers, 1315 Valley Drive, Hermosa Beach, California. Questions received in writing as well as any other questions brought up at the conference will be answered to the extent possible at this time. Questions of consequence will be recorded at the conference, and questions and answers will be mailed to all parties that have attended the pre-proposal conference. Any changes, interpretations, or clarifications considered necessary by the City in response to Proposers' questions will be issued in writing as addenda and mailed or delivered to all parties that have attended the pre-proposal conference. Only answers issued in writing by City will be binding on the City. Oral and other interpretations or clarifications including those provided at the pre-proposal conference will be without legal effect.

## TENTATIVE SCHEDULE OF EVENTS

It is the City's intent to have the entire RFP process completed and one or more franchises awarded by January 31, 2003. The tentative schedule of events and dates is as follows:

<b>October 1, 2002</b>	<b>RELEASE RFP TO POTENTIAL FRANCHISEES</b>
<b>October 14, 2002</b>	<b>ALL QUESTIONS REGARDING THIS RFP SHOULD BE SUBMITTED</b>
<b>October 17, 2002</b>	<b>MANDATORY PRE-PROPOSAL CONFERENCE (10:00 AM)</b>
<b>November 7, 2002</b>	<b>PROPOSALS DUE 2:00 PM</b>
<b>January 14, 2003</b>	<b>COUNCIL AWARD OF FRANCHISE(S)</b>
<b>(On or about) February 1, 2003</b>	<b>THREE YEAR FRANCHISE PERIOD BEGINS</b>

These dates are tentative and subject to change without notice at the discretion of the City.

## CONTRACT TERM

Any resulting franchise Agreements from this RFP will be for a term of three (3) years. One additional option to extend, the contract for a second three (3) year period, will be by mutual Agreement of the City Council of the City of Hermosa Beach and the Franchisee(s). Additional mutual extensions will be granted each on a two (2) year basis each based on mutual Agreement by the Franchisee(s) and the City Council.

## TERMINATION

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

## AWARD OF FRANCHISE AGREEMENT(S)

One or more Franchise Agreements, if awarded, shall be awarded by the City Council to the Proposer(s) who best meet the requirements as specified in this proposal package. Responsibility and qualification are to be determined from the information furnished by the Proposer in the documents, as well as from other sources determined to be valid by the City. Award will not be made until after such investigations as are deemed necessary are made regarding the experience and financial responsibility of the Proposer. By submitting this proposal, the Proposer authorizes the City to perform all investigations necessary to determine suitability. Award, if made, shall be within ninety (90) days of the due date for proposals. The City reserves the right to reject all proposals.

This Request for Proposal as well as the Franchisee's proposal shall form the basis of the resulting contract(s).

Please note that the services requested within this RFP do not affect the current Agreement between South Bay Yellow Cab and the City of Hermosa Beach to provide supplemental service to "The Wave" program.

## DEFINITION OF PROPOSER

"Proposer" means the person, company, corporation, partnership, or entity submitting a proposal to operate a "vehicle for hire" as defined in the Hermosa Beach Municipal Code. The Proposer will assume the responsibility for making sure all required documents are completed and submitted with the proposal.

## PROPOSAL REQUIREMENTS

No proposal by telephone or telegraph or modifications to a proposal by said means will be considered. **No proposal will be considered which is received after the time fixed in the Notice Inviting Proposals.** Any such late proposal will be returned to the Proposer unopened. A Proposer may withdraw its proposal, provided its request is in writing and is received by the City Manager prior to the time set for receipt of proposals. After proposals have been opened, no Proposer may withdraw its proposal, except with the consent of the City Council of the City of Hermosa Beach. Proposals determined to be incomplete will be returned and not considered further.

## PROPOSAL PROCESS

After issuance of the RFP, prospective Proposers are not permitted to contact any employee or elected official with the City in regard to this procurement except as specified below. Any Proposer who fails to adhere to the process of communication outlined herein will be notified of its violation of the process and will be disqualified from the RFP process. Written questions and requests for clarification or additional information regarding the meaning or intent of the RFP content, its process and enclosures shall be submitted by 4:00 p.m. on October 14, 2002 addressed to:

City of Hermosa Beach  
1315 Valley Drive  
Hermosa Beach, CA 90254  
Attention: Glenn Maples  
(310) 318-0249 Office  
(310) 318-0227 Fax

**THE CITY WILL NOT RESPOND TO QUESTIONS RECEIVED AFTER 4:00 P.M. ON OCTOBER 14, 2002**

## MINIMUM QUALIFICATIONS OF PROPOSERS

All Proposers must present evidence that they are fully competent to perform the conditions of the Franchise Agreement and that they presently have the necessary facilities, vehicles, experience, organization, and financial capabilities to fulfill the conditions of the Franchise Agreement.

## CONTENTS OF COMPLETE WRITTEN PROPOSAL

The following information must be included in your written proposal:

- (a) A completed Questionnaire.
- (b) A completed Proposal Bond or Deposit.
- (c) A completed Affidavit of Non-Collusion.
- (d) A written discussion of each of the criteria listed in this document in the section entitled "Evaluation Measure" (see below). The written response addressing each of the criteria must include the title of the criteria, and must be responded to in the order listed in this Request for Proposal.
- (e) Proof of insurance
- (f) A proposal on how your company would implement a "Starter Program." Please include what days and hours you would implement this program, how you would implement this program and where you would propose staging your vehicles prior to calling them up to the intersection of Pier Avenue and Hermosa Avenue. The City reserves the right to implement its own program based on all available information.

## EVALUATION MEASURES

The City will evaluate proposals according to the following measures (not necessarily listed in order of importance):

1. Minimum Annual Guarantee. The monetary amount shall be based upon the number of decals issued, and thus the number of cabs authorized for Hermosa Beach. The amount shall be stated on a per licensed taxicab basis. Include the guaranteed minimum amount per franchise license issued, as well as any additional compensation offered to the City (such as percentage of revenue) in exchange for the franchise. All proposals must state a minimum guaranteed annual amount. (Information to be provided on questionnaire as well).
2. Experience. Describe the experience and qualifications of the company and the senior officers of the company (if applicable) in operating taxicabs and/or vehicles for hire such as shuttles or limousines. Indicate the number of years of experience, the maximum and average number of taxis operated during this period, the name(s) of any prior companies the officers of the company have been affiliated with, owned, or operated, and any prior names under which the company did business in Hermosa Beach.
3. Equipment. List each vehicle you currently operate which meets the City's requirements and which you wish to operate in the City under this proposal. Indicate which vehicles, if any, are alternative fuel vehicles and their types. Also, indicate which vehicles, if any, are ADA accessible. A company record containing the same information may be submitted. **NOTE: Applicants must have a minimum of sixty (60) vehicles available to be put in service at the commencement of the Franchise Agreement.**
4. Vehicle Maintenance Program. Describe your company's vehicle maintenance program and provide any information which will enable the City to evaluate the quality of the program, the facilities available, and the capabilities of the staff who maintain your fleet. In addition, if a garage, service center, or subcontractor is used to maintain the vehicles, indicate the name of this business (es), its location, and how long your company has used this business. If the vehicles are maintained by company employees, indicate the location (street address)



where the vehicles are maintained, describe the type of equipment available at this location, the individuals(s) responsible for vehicle maintenance, who supervises vehicle maintenance on a day-to-day basis and the number of years they have been employed by your company. Please describe or provide a copy of the maintenance records maintained for vehicles.

5. Vehicle Safety Record. Provide documentation on your company's safety record for the past three (3) years. Describe the measures your company plans to implement or has implemented to enhance passenger safety.
6. Driver Qualifications. Indicate whether you intend to use employee drivers, licensed subcarriers, or a combination of both. Describe your company's driver requirements. **Must be able to provide documentation that all drivers are enrolled in the Department of Motor Vehicle's (DMV) Pull Notice Program.**
7. Appearance and Hygiene of Drivers. Describe your company's appearance standards for drivers, and describe or include a photograph of the uniform that you would use in your operation in Hermosa Beach. Include any standards your company enforces relative to personal hygiene.
8. Driver Training Program. Describe the program(s) your company uses to train new drivers and maintain the skills of existing drivers.
9. Customer Service. Provide information to help the City evaluate the measures your company intends to implement (or continue) to maintain a high level of customer satisfaction, and how your company responds to customer complaints.
10. Refund Policy. Describe your company's established refund policy for dissatisfied customers. Provide the City with a copy of your refund policy.
11. Dispatch/Reservation System. Describe your dispatch/reservation system in sufficient detail to allow the City to evaluate the adequacy of this system and compare it with other Proposers. Include its location, hours of operation, number of staff assigned to dispatching/reservations, and the equipment used to answer reservations, match customers, and dispatch vehicles.
12. Operational Plan. Describe how you will control the flow of calls in the City and Downtown area, which are typically the busiest and present the greatest problems in terms of traffic flow and public safety. Please note that the City reserves the right to implement its own plan for controlling the number of cabs in the Downtown and if sufficient results are not obtained through the self-policing methods proposed by the Franchisee(s). Such City plan may include issuing a limited number of permits for those areas. If one or more Franchisees exist, the plan may be based upon a prorated share of the cabs licensed for the City. Any limits placed by the City on the Downtown areas shall have no effect on the franchise fees offered and paid by the Franchisees.
13. Passenger Tariffs/Fares. Describe how your company sets the fares that are charged. Include a list of established fares and a discussion on how meters are monitored for accuracy, how the monitoring is documented, and how your company detects driver dishonesty relative to fare collection/meter usage.
14. Drug/Alcohol Testing. Please describe your company's drug testing policy and process in detail.
15. Response Times. Provide detailed information on your historical response times. Include a commitment on response times for calls emanating from Hermosa Beach. This commitment will become a Franchisee requirement and contractual obligation.
16. Forms of Payment. Please describe all forms of payment your firm accepts, and any change-making limitations that may apply.
17. Financial Capabilities. (Information provided in Questionnaire.)

# FRANCHISE REQUIREMENTS

## INSURANCE

Franchisee must have and maintain in place, all of the insurance coverage as specified below. The Franchisee shall comply with all items specified by the Agreement. All insurance policies used to satisfy the requirements imposed hereunder shall be issued by insurers authorized to do business in the State of California. Insurers shall have a current A.M. Best's Rating of not less than A-VII unless otherwise approved by City. Please refer to the Insurance Endorsement Forms attached to this RFP.

Franchisee shall maintain the types of insurance and limits as follows:

(1) **COMMERCIAL GENERAL LIABILITY INSURANCE** - a policy for occurrence coverage, including all coverage provided by and to the extent afforded by Insurance Services Office Form CG0001 ed. 11/88 or 11/85, with no special limitations affecting City. The limit for all coverage under this policy shall be no less than \$100,000 dollars per occurrence. City, its employees, officials, volunteers and agents, shall be added as additional insured by endorsement to the policy. The insurer shall agree to provide the City with (30) days prior written notice of any cancellation, non-renewal or material change in coverage. The policy shall contain no provision that would make this policy excess over, contributory with, or invalidated by the existence of any insurance, self-insurance or other risk-financing program maintained by City. In the event the policy contains such an "other insurance" clause, the policy shall be modified by endorsement to show that it is primary for any claim arising out of the work performed under the Agreement. The City of Hermosa Beach Insurance Endorsement Form No.1 (General Liability) must be executed by the applicable underwriters.

(2) **COMMERCIAL AUTO LIABILITY INSURANCE** - a policy including all coverage provided by and to the extent afforded by Insurance Services office form CA 0001, ed. 12/93, including Symbol 1 (any auto) with no special limitations affecting the City. The limit for bodily injury shall be no less than \$300,000 dollars and property damage liability shall be no less than \$50,000 dollars per accident. City, its employees, officials, volunteers and agents, shall be added as additional insured by endorsements to the policy. The insurer shall agree to provide the City with thirty (30) days prior written notice of any cancellation, non-renewal or material change in coverage. The policy shall contain no provision that would make this policy excess over, contributory with, or invalidated by the existence of any insurance, self-insurance or other risk-financing program maintained by City. In the event the policy contains such an "other insurance" clause, the policy shall be modified by endorsement to show that it is primary for any claim arising out of the work performed under the Agreement. The City of Hermosa each Insurance Endorsement Form No.2 (Auto) must be executed by the applicable insurance underwriters.

(3) **WORKERS COMPENSATION INSURANCE** - a policy which meets all statutory benefit requirements of the Labor Code, or other applicable law, of the State of California. Employers Liability Insurance with a minimum limits of no less than one million dollars (\$1,000,000) per claim. The policy shall contain, or be endorsed to include, a waiver of subrogation in favor of City.

Additional Requirements. The procuring of such required policies of insurance shall not be construed to limit Franchisee's liability, or to fulfill the indemnification provisions and requirements of the franchise Agreement. There shall be no recourse against City for payment of premiums or other amounts with respect thereto. City shall notify Franchisee in writing of changes in the insurance requirements. If Franchisee does not deposit copies of acceptable insurance policies with City incorporating such changes within sixty (60) days of receipt of such notice, Franchisee shall be deemed in default hereunder.

Any deductibles or self-insured retentions must be declared to and approved by City.

Any deductible exceeding an amount acceptable to City shall be subject to the following changes:

- (1) Either the insurer shall eliminate, or reduce, such deductibles or self-insured retentions with respect to City and its officials, volunteers, employees and agents (with additional premium, if any, to be paid by Franchisee); or
- (2) Franchisee shall provide satisfactory financial guarantee for payment of losses and related investigations, claim administration, and defense expense.

Verification of Compliance. Franchisee shall furnish City with original endorsements effecting coverage required by the Agreement. The endorsements are to be signed by a person authorized by the insurer to bind coverage on its behalf. All endorsements are to be received and approved by City before work commences. Not less than fifteen (15) days prior to the expiration date of any policy of insurance required by the Agreement, Franchisee shall deliver to City a binder or certificate of insurance with respect to each renewal policy, bearing a notation evidencing payment of the premium therefor, or accompanied by other proof of payment satisfactory to City.

## **PAYMENTS**

The Minimum Annual Franchise payments identified in the Franchisee's proposal are payable annually in advance for a twelve month period. Any additional franchise compensation above and beyond the minimum (such as percentage of revenue plans) shall be payable on a monthly basis by the 20th day of the following month. Annual payments for franchise renewals for successive one-year periods must be received by the 1<sup>st</sup> day of the successive contract period. All late payments are subject to a ten percent penalty during the first ten days of the contract period, increased to fifteen percent during days eleven through twenty, and twenty percent for days twenty-one through thirty. Non-payment of franchise fees is grounds for immediate termination of the contract at any time. Proceeds for any Franchisee operations performed during non-payment periods will be deducted from the Franchisee's security deposit.

## **RECORD KEEPING**

Franchisee shall at all times during the term of Franchise Agreement maintain and keep permanent books, ledgers, journals, and other records wherein, are kept entries accurately reflecting all gross revenue derived from the business transacted at the different City locations which Franchisee is permitted to serve. In addition, Franchisee shall keep and maintain a daily record of all "trips" and the passenger counts and fares collected from each trip with supporting verifiable documents showing the driver's name and signature, actual arrival and departure trip times, registration number of vehicle, and reservation numbers, if applicable. City may require Franchisee to use City's forms for said records. Records shall be maintained for a period of 3 years.

It is agreed that examination of the books, ledgers, journals, and accounts of Franchisee will be conducted in accordance with generally accepted auditing standards applicable in the circumstances and that as such, said examinations do not require a detailed audit of all transactions. City may use testing and sampling methods in verifying reports submitted by Franchisee. Deficiencies ascertained by the use of such testing and sampling methods by applying the percentages of error obtained from such testing and sampling to the entire period of reporting under examination will be binding upon Franchisee and to that end shall be admissible in court to prove any amounts due City from Franchisee.

## **METERS**

Each and every cab operated under the franchise shall be equipped with a working meter to calculate the fares. All trips under this franchise Agreement shall be metered. Flat fee trips are permitted. Applicants must submit a list of destinations available for flat fee trips and the total cost of each trip. All flat fee trips must originate in Hermosa Beach. Additionally, the City reserves the right to audit meters and vehicles for accurate measurement and metering of fares. All meters shall be in compliance with Los Angeles County Department of Weights and Measures specifications and standards for taxi/vehicle for hire meters.

## SECURITY DEPOSIT

Franchisee shall deposit and maintain with City a security deposit in the amount of ten thousand dollars (\$10,000), against which City may deduct any delinquent fees, liquidated damages, or other charges incurred pursuant to any resulting Franchise Agreement. The deposit shall be made at the commencement of the contract.

The security deposit shall take the form of either a cashier's check payable to the City of Hermosa Beach, a bond guaranteeing payment, or such other form as is acceptable to Finance Director, and shall be subject to approval as to legal form by the City Attorney.

## ADVERTISING

Franchisee shall, at his own expense, provide advertising to the Hermosa Beach public and the various businesses affected by the commencement of the franchise arrangement. Advertising, which may include media such as newspaper ads, cable TV public announcements and the like, is subject to City approval prior to initiation.

## ROUTING

Franchisees shall, at all times, utilize the most cost effective routing of trips when transporting passengers in performance of the contract, unless otherwise instructed by the passengers.

## RESPONSE TO COMPLAINTS

Franchisee shall be required to log and resolve all written and oral complaints received from the public or City in a timely manner. Franchisee shall respond in writing to complaints received and shall report to City the results of any investigation or actions taken.

## AUTHORIZED VEHICLES

Franchisee shall report to the City, the manufacturer, model year, vehicle type, vehicle identification number ("VIN"), license plate number, company identification number, passenger capacity, and proof of commercial registration for each of Franchisee's vehicles used in its operation in the City of Hermosa Beach.

**At the commencement of the franchise Agreement, all vehicles shall be no more than seven (7) model years old. Franchisee must have a minimum of sixty (60) vehicles (meeting all requirements) available to put in service at the time of the contract commencement.**

Each vehicle operated under the franchise Agreement shall be clean inside and out, free of exterior body damage, mechanically safe, and in excellent working order. The City reserves the right to object to any of Franchisee's vehicles, and to require that the vehicle be cleaned, repaired, or removed from service.

## NON-SMOKING VEHICLES/DRIVERS

Franchisee shall provide, upon request, non-smoking vehicles for patrons. The Franchisee shall advise those requesting such vehicles of the time delay if any for specifying a non-smoking vehicle. **Drivers shall refrain from smoking while in the presence of customers.**

## NON-DUPLICATION OF COMPANY NAMES, LOGOS, AND COLOR SCHEMES

Franchisee shall file with the City a description (either photographic or otherwise) adequate to identify the color scheme and markings common to Franchisee's vehicles and distinguish them visually from vehicles used by another operator.

## **RADIOS**

Each vehicle shall be equipped with a functional two-way radio and/or a mobile display terminal capable of being used to communicate with its central dispatching office at all times while operating in the City.

## **VEHICLE REPLACEMENTS**

When a Franchisee replaces a vehicle due to damage or another reason, the replacement vehicle must be no more than five (5) model years old. A vehicle inspection report will be required before receiving a permit to use it in the City.

## **ENGLISH SPEAKING PERSONNEL**

Personnel hired or contracted by the Franchisee who have dealings directly with the public they are serving, such as drivers and dispatchers, shall be proficient in the English language and be able to communicate effectively with the public. The City may require Franchisees to provide independent third party verification of the driver's ability.

## **FINGERPRINTING**

The Franchisee, at their expense or the drivers expense shall have each driver fingerprinted and a background investigation performed by the Hermosa Beach police Department. Each driver must complete this background investigation prior to being issued an identification card by the City of Hermosa Beach. Drivers who currently possess a valid City of Hermosa Beach Taxicab Identification Card and who are currently employed by the company(s) awarded the franchise will be required to complete an updated application packet. However, those drivers will not be required to submit to another fingerprint check.

## **DRUG/ALCOHOL TESTING**

Franchisee shall have a drug-testing program in place for all personnel (employee and contract). Any driver who fails a random drug/alcohol test shall immediately have his/her permit returned to the City of Hermosa Beach. Driver's who fail a random test shall not be eligible to have their permit reinstated until authorized by a City of Hermosa Beach Representative. Test results for any driver who fails a random test shall immediately be forwarded to the City of Hermosa Beach.

## **ADA COMPLIANCE**

Franchisee shall comply with all provisions of the Americans with Disabilities Act. (ADA)

## **VEHICLE MAINTENANCE PROGRAM**

Franchisee shall submit a copy of its vehicle maintenance program, including its preventative maintenance program, to the City, which will be in effect throughout the term of the Agreement. This program shall be in accordance with the vehicle manufacturer's warranty specifications and any applicable State and Federal laws. Such program shall describe the maintenance facility to be used, schedule of maintenance, and maintenance record keeping. The City shall have the right to inspect Franchisee's maintenance records and facilities during regular business hours and its vehicles on an unscheduled, unannounced basis to audit said program for compliance with the Agreement.

## **VEHICLE INSPECTIONS**

Each vehicle shall be subject to inspection by the City at any time. Vehicles that fail inspection shall not be used to pick up passengers until deficiencies are corrected.

## **DRIVERS**

Franchisee shall be permitted to utilize employees, licensed subcarriers, or a combination thereof to achieve its full complement of vehicles and drivers. Each driver must be full qualified to operate the vehicles specified herein and must possess a valid California Driver's License of the appropriate class.

The City reserves the right to approve in advance the form and content of any Agreement to be used between Franchisee and its licensed drivers.

## **UNIFORMS**

Each driver shall wear a distinctive uniform that projects a professional appearance and clearly identifies the wearer as and employee of Franchisee. This uniform(s) shall be subject to approval by the City. All clothing must be neat and clean.

## **IDENTIFICATION CARDS**

Drivers and coordinators shall wear a valid photographic identification badge issued by the City at all times while in the City. Upon termination of a driver, Franchisee shall be responsible for a timely retrieval of City badges and returning of said badges to the City.

## **TRAINING PROGRAM**

Franchisee shall submit to the City and maintain throughout the term of the Agreement a program for training its drivers pursuant to a training manual developed by Franchisee. Franchisee shall require all of its drivers to attend the training program, and any other drivers subsequently utilized by Franchisee during the term of franchise. The program content shall be subject to review and approval by City and shall include, but not be limited to, the following: City Rules and Regulations, vehicle inspection, vehicle safety procedures, knowledge of traffic laws, passenger assistance and customer service, effective communication skills, and knowledge of Franchisee's authorized service area and passenger fares.

## **RESPONSIBILITY FOR DRIVERS AND OTHER PERSONNEL**

Franchisee and its drivers, coordinators, and other personnel shall, in the performance of all duties pursuant to the Agreement, conduct themselves with the highest degree of courtesy and service. The Franchisee shall be directly and solely responsible for the conduct of its drivers, coordinators, or other personnel utilized under the Agreement.

## **RESTRICTIONS AND REGULATIONS**

(A) Franchisee agrees to abide by any and all: (1) applicable rules, regulations, orders, and restrictions which are now in force or which may be hereafter adopted by City with respect to the operations; (2) orders, directives, or conditions issued, given, or imposed by the City with respect to the use of roadways, driveways, curbs, sidewalks,

and parking areas in and about the City; (3) applicable laws, ordinances, statutes, rules, regulations, or orders of any governmental authority, federal, state, or municipal, lawfully exercising jurisdiction over the City.

- (B) Franchisee agrees to operate its vehicles in City only when a current and valid decal or sticker has been permanently affixed to the vehicle in the appropriate location. Failure to have a current and valid decal or sticker affixed on a vehicle while operating in City shall mean that Franchisee does not have City approval to operate said vehicle in City. Franchisee may receive a suspension or termination of its operating rights. City reserves the right to determine the frequency of and occasions when new or replacement decals or stickers may be issued.

## **ASSIGNMENT OF CONTRACT**

Franchisee shall not, in any manner, directly or indirectly, by operation of law or otherwise, assign, hypothecate, transfer, or encumber the Franchise Agreement, or the rights therein granted, or any portion thereof or any interests therein, without the prior written consent of City. Consent to one assignment shall not be deemed to be a consent to any subsequent assignment. When and if the proper consent of the City to an assignment is received, the Franchise Agreement shall be binding upon and shall insure to the benefit of the successors, heirs, and assigns of the parties hereto.

## **REPRESENTATIVE OF FRANCHISEE**

Franchisee shall at all times retain one (1) qualified representative authorized to represent and act for it in matters pertaining to its operation, and shall keep City informed in writing of the identity of each such person.

## **FREE AND DISCOUNTED RIDES**

Additionally, Franchisees shall provide discounted rides for senior citizens (age 55 and better). The discount to be applied shall be stated in the RFP questionnaire response.

## **CUSTOMER SERVICE CARDS/CONTACT**

The City reserves the right to place either a placard or cards within the passenger area of each cab informing customers of the City's representative who may be contacted if the patron would like to comment on the service provided. Additionally, the Franchisee may be required to produce, display and make available customer survey cards for patrons.

## **FAILURE TO PERFORM**

Should the successful Proposer fail to enter into the Franchise Agreement or to file the required Bonds or other security deposits with the City of Hermosa Beach after award to such Proposer of the Agreement, the entire penal sum of the proposal bond submitted by said Proposer shall be payable to the City on demand, or the certified or cashier's check so submitted and the proceeds thereof shall become the property of said City, not as a penalty but as liquidated damages. Such payment shall not preclude recovery by City of any amount over and above said sum to which City sustains damage by reason of such failure or refusal.

## **TAXI CAB FRANCHISE PERMITS**

Franchisee must provide the adequate number of cabs to meet the franchise permit decals assigned. Failure to do so will result in City re-issuing the unused franchise permit decals.

## CHANGE IN OWNERSHIP

Should the ownership of Franchisee substantially change during the term of the Agreement, Franchisee shall be obligated to notify Franchisor within ten (10) days of the effective date of any such change. Franchisor shall have ten (10) days from receipt of such notice to terminate the Agreement at its sole discretion. Failure by Franchisee to provide said notice shall be considered a material breach of the Agreement. For purposes of the Agreement, a change in ownership shall be deemed to have occurred when a controlling interest in Franchisee has been transferred to any party not having a controlling interest on the date the Agreement was executed by Franchisor.

## AFFIDAVIT OF NON-COLLUSION REQUIREMENTS

Each proposal must be accompanied by the enclosed affidavit of the Proposer that such proposal is genuine and non-collusive or made in the interest or in behalf of any person not therein named, and that the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a sham proposal, or any other person, firm, or corporation to refrain from proposing, and that the Proposer has not in any manner sought by collusion to secure for itself an advantage over any other Proposer.

The affidavit must be fully executed, including the affidavit of the Notary and the Notary Seal.

**Any proposal not accompanied by, or which is made without, such affidavit, or in violation thereof, will not be considered.**

Questions regarding this affidavit may be directed to the following:

City Attorney's Office  
City of Hermosa Beach  
1315 Valley Drive  
Hermosa Beach, CA 90254  
Attn: Michael Jenkins  
Telephone: (310) 939-1736



# AFFIDAVIT TO ACCOMPANY PROPOSALS OR BIDS

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

\_\_\_\_\_ being first duly sworn, deposes and  
says: That he is

\_\_\_\_\_  
(Insert "sole owner", "a partner", "president", "secretary", or other proper title)

of \_\_\_\_\_

(Insert Name of Bidder)

who submits herewith to the City of Hermosa Beach the attached proposal;

That \_\_\_he\_\_\_ the person \_\_\_whose name \_\_\_\_\_ signed to the hereto attached proposal; that said proposal is genuine; that the same is not sham or collusive; that all statements of fact therein are true; that such proposal was not made in the interest or behalf of any person, partnership, company, association, organization, or corporation not therein named or disclosed.

Affiant further deposes and says: That the bidder has not directly or indirectly by Agreement, communication or conference with anyone attempted to induce action prejudicial to the interests of the public body which is to award the contract, or of any other bidder, or anyone else interested in the proposed contract; that the bidder has not in any manner sought by collusion to secure for himself, itself, themselves, an advantage over any other bidder.  
(Strike out words not appropriate).

Affiant further deposes and says that prior to the submission of the proposal the said Proposer:

- (a) did not, directly or indirectly, induce or solicit anyone else to submit a false or sham proposal;
- (b) did not, directly or indirectly, collude, conspire, connive or agree with anyone else that said Proposer or anyone else would submit a false or sham proposal, or that anyone should refrain from submitting a proposal or withdraw his proposal;
- (c) did not, in any manner, directly or indirectly, seek by Agreement, communication or conference with anyone to raise or fix the proposal price of said Proposer or of anyone else, or to raise or fix any overhead, profit or cost element of his, its, their price or of that of anyone else;

(Strike out words not appropriate).

- (d) did not, directly or indirectly, submit his, its, their proposal price or any breakdown thereof, or the contents Thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any individual or group of individuals, except to the awarding authority or to any person or persons who have a partnership or other financial interest with said Proposer in his, its, their business.

(Strike out words not appropriate).

Executed this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_, California.  
I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signed:

\_\_\_\_\_  
(Title)

Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
(Seal of Notary)

**WARNING**

Bids will not be considered unless the  
affidavit hereon is fully executed including the affidavit of the  
Notary Seal

Notary

And the Notarial Seal

\_\_\_\_\_  
Notary Public

## **INSURANCE ENDORSEMENT FORMS**

CITY OF HERMOSA BEACH  
1315 VALLY SRIVE  
HERMOSA BEACH, CA 90254  
(310) 318-0200

INSURANCE ENDORSEMENT FORM #1 (GENERAL)

Attachment" A "

This endorsement is issued in consideration of the policy premium. Notwithstanding any inconsistent expression in the policy to which this endorsement is attached, or in any other endorsement now or hereafter attached thereto, or made a part thereof, the protection afforded by said policy shall include the following:

1. Additional Insured. With respect to such insurance as is afforded by this policy, the City of Hermosa Beach and its officers, employees, elected officials, volunteers, and members of boards and commissions shall be named as additional insured. This additional insured coverage only applies with respect to liability of the named insured or other parties acting on their behalf arising out of the activities of the undertaking specified in paragraph No.5 below (Indemnification Clause). -
2. Cross Liability Clause. The insurance afforded - applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability.
3. Occurrence Based Policy. This policy shall be an "Occurrence based policy."
4. Primary Insurance. For the risks covered by this endorsement this insurance shall provide primary Insurance to the City to the exclusion of any other insurance or self- insurance program the City may carry with respect to claims and injuries arising out of activities of the Contractor or otherwise insured hereunder.
5. Indemnification Clause. The underwriters acknowledge that the named insured shall indemnify and save harmless the City of Hermosa Beach against any and all claims resulting from the wrongful or negligent acts or omissions of the named insured or other parties acting on their behalf in the undertaking specified as (list activity location and dates(s) or event to include set-up and cleanup dates):
6. Investigation and Defense Costs. Said hold harmless assumption on the part of the named insured shall include all reasonable costs necessary to defend a lawsuit including attorney fees, investigators, filing fees, transcripts, court reporters, and other reasonable costs of investigation and defense. .
7. Reporting Provisions. Any failure to comply with the reporting provisions of the policy shall not affect coverage provided to the City.
8. Cancellation. This policy shall not be canceled except by written notice to the Risk Manager at: City of Hermosa Beach, 1315 Valley Drive, Hermosa Beach, CA. 90254, at least thirty (30) days prior to the date of such cancellation.
9. Limits of Liability This policy shall provide minimum limits of liability of \$100,000/300,000/50,000 combined single limit coverage against any injury, death, loss or damage as a result of wrongful or negligent acts or omissions by the named insured.
10. Comprehensive Coverage. This policy shall afford coverage at least as broad as Commercial General Liability "Occurrences" Form CGOO01 and shall include the following:

A. General Liability

- (1) Comprehensive Form (2) Premises/Operations
- (3) Independent Contractors Liability (4) Broad Form Property Damage (5) Personal Injury
- (6) Products, Completed Operations (7) Contractual
- (8) Explosions, collapse, or underground property damage.

NOTE: If this is a Homeowner's Policy in lieu of Commercial General Liability, it shall afford coverage at least as broad as Homeowners ISO Form HO II (Ed 9-70) California and shall include comprehensive personal liability.

This policy shall provide the dollar limit specified in paragraph 9 with the following

Additional coverage where boxes below are checked:

11. Host Liquor Liability

12. Liquor Law Liability

13. Other \_\_\_\_\_

The limits of liability as stated in this endorsement apply to the insurance afforded by this endorsement notwithstanding that the policy may have lower limits of liability elsewhere in the policy.

This endorsement is effective \_\_\_\_\_ at 12:01 a.m. and forms a part of

Policy No. \_\_\_\_\_.

Name Insured \_\_\_\_\_

Name of Insurance Company. \_\_\_\_\_

I, \_\_\_\_\_ (print/type\_name) warrant that I have authority to bind the above listed insurance company, and by my signature hereon do so bind this company.

By \_\_\_\_\_  
Signature of Authorized Representative

Approved. \_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

PLEASE ATTACH CERTIFICATE OF INSURANCE

CITY OF HERMOSA BEACH  
1315 VALLEY DRIVE  
HERMOSA BEACH, CA 90254  
(310) 318-0200

INSURANCE ENDORSEMENT FORM #2  
(AUTO)  
Attachment "B"

This endorsement is issued in consideration of the policy premium. Notwithstanding any inconsistent expression in the policy to which this endorsement is attached, or in any other endorsement now or hereafter attached thereto, or made a part thereof, the protection afforded by said policy shall include the following:

1. Additional Insured. With respect to such insurance as is afforded by this policy, the City of Hermosa Beach and its officers, employees, elected officials, volunteers, and members of boards and commissions shall be named as additional insured. This additional insured coverage only applies with respect to liability of the named insured or other parties acting on their behalf arising out of the activities of the undertaking specified in paragraph No.5 below (Indemnification Clause).
2. Cross Liability Clause. The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability.
3. Occurrence Based Policy. This policy shall be an "occurrence based policy."
4. Primary Insurance. For the risks covered by this endorsement this insurance shall provide primary" insurance to the City to the exclusion of any other insurance or self- insurance program the City may carry with respect to claims and injuries arising out of activities of the Contractor or otherwise insured hereunder.

Indemnification Clause. The underwriters acknowledge that the named insured shall indemnify and save harmless the City of Hermosa Beach against any and all claims resulting from the wrongful or negligent acts or omissions of the named insured or other parties acting on their behalf in the undertaking specified as (list activity location and dates(s) of event to include set-up and cleanup dates):

5. Investigation and Defense Costs. Said hold harmless assumption on the part of the named insured shall include all reasonable costs necessary to defend a lawsuit including attorney fees, investigators, filing fees, transcripts, court reporters, and other reasonable costs of investigation and defense.
6. Reporting Provisions. Any failure to comply with the reporting provisions of the policy shall not affect coverage provided to the City.
7. Cancellation. This policy shall not be canceled except by written notice to the Risk Manager at: City of Hermosa Beach, 1315 Valley Drive, Hermosa Beach, CA 90254, at least thirty (30) days prior to the date of such cancellation.
8. Limits of Liability. This policy shall provide minimum limits of liability of \$100,000/300,000/50,000 \_combined single limit coverage against any injury, death, loss or damage as a result of wrongful or negligent acts or omissions by the named insured.
9. Scope of Coverage. This policy shall afford coverage at least as broad as Insurance Services Office Form No. CAOOOI (Ed 1/78), Cod 1 ("any auto") and shall include the following:

A. Auto Liability

- (1) Any auto
- (2) All owned autos (private Passengers)
- (3) All owned autos (other than Private Passengers)
- (4) Hired autos
- (5) Non-owned autos (for business purposes)
- (6) Other \_\_\_\_\_

The limits of liability as stated in this endorsement apply to the insurance afforded by this endorsement notwithstanding that the policy may have lower limits of liability elsewhere in the policy.

This endorsement is effective \_\_\_\_\_ at 12:01 a.m. and forms a part of

Policy No. \_\_\_\_\_.

Named Insured \_\_\_\_\_

Name of Insurance Company \_\_\_\_\_

I, \_\_\_\_\_ (print/type name), warrant that I have authority to bind the above listed insurance company, and by my signature hereon do so bind this company.

By \_\_\_\_\_  
Signature of Authorized Representative

Approved: \_\_\_\_\_  
City Attorney Date

PLEASE ATTACH CERTIFICATE OF INSURANCE

CITY OF HERMOSA BEACH  
1315 VALLEY DRIVE  
HERMOSA BEACH, CA 90254  
(310) 318-0200

INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

Attachment "D"

This Agreement is issued in consideration of the City approval of the sponsor's application. The named insured must still provide a Certificate of Insurance, naming the City as an additional insured and meet the City's required minimum limits of insurance. An additional insured endorsement shall also be provided and signed by the insurance carrier.

The named insured agrees to the following:

1. Indemnification Clause. The named insured shall indemnify and save harmless the City of Hermosa Beach including its elected officials, officers agents and employees against any and all claims, liability, judgments, costs or expense resulting from the wrongful or negligent acts or omissions of the named insured or other parties acting on their behalf in the undertaking specified as (list activity location and date(s) of event to include set- up and cleanup dates):
2. Investigation and Defense Costs. Said hold harmless assumption on the part of the named insured shall include all reasonable costs necessary to defend a lawsuit including attorney fees, investigators, filing fees, transcripts, court reporters and other reasonable costs of investigation and defense.

This Agreement is effective \_\_\_\_\_ at 12:01 a.m.

Named Insured \_\_\_\_\_

I, \_\_\_\_\_ (print/type name), warrant that I have authority to bind the above listed sponsor and by my signature hereon do so bind this sponsor.

By \_\_\_\_\_  
Signature of Authorized Representative

Approved \_\_\_\_\_  
City Attorney Date