



Memorandum

TO: CITY COUNCIL

FROM: Mayor Chuck Reed
Councilmember Sam Liccardo
Councilmember Donald Rocha

**SUBJECT: AIRPORT ON-DEMAND
GROUND TRANSPORTATION
DISPATCH SYSTEM**

DATE: September 14, 2012

Approved *Chuck Reed* Date *9/14/12*
Don Rocha
PH *[Signature]*

RECOMMENDATION

Approve staff recommendations with the following changes:

1. Amend the terms of the of the contract extension from 3 years to 24 months.
2. Before the conclusion of the term, issue a new RFP for on-demand ground dispatch service.
3. Direct the City Auditor to conduct an audit of the existing service model to determine if we are getting the results that were expected as outlined in the Taxi Service Model and the Taxi San José contract. The results of the audit should be presented to the Transportation and Environment Committee.
4. Direct staff to explore options for lowering the amount of monthly rent for the newly constructed staging lot building. Said options may include extending the length of the payment schedule from 10 years to 20 or 30 years.

BACKGROUND

In 2005, Taxi San José was awarded the service contract for on-demand ground dispatch operations at the Airport. Over the past seven years, we have seen significant changes in the Airport, from the rebuild to the number of daily flights. These changes have brought a number of challenges to the taxi drivers and the dispatch operator. When the construction was completed, we would have expected the number of issues between drivers and the dispatchers to be reduced, but that has not been the case. We are proposing a reduced extension to allow Taxi San José to improve their performance, especially as it relates to driver grievances, while staff prepares a new RFP to be issued within 24 months.

HONORABLE MAYOR AND CITY COUNCIL

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Over the past few weeks, we have heard from a number of different taxi companies and driver organizations who have had a number of questions regarding the taxi service model in general. Their questions focus primarily on the overall number of licenses issued, how both company and driver Airport permits are allocated, and how fees are determined. The current model was developed in collaboration with drivers, taxi companies, and city staff with the goals of balancing the needs of the city population and traveling public, and having the ability for the companies and drivers to make a decent living. To understand if the model is working, we would direct the City Auditor to review the current model and report back to our Transportation and Environment Committee.