CHARLOTTE

Charlotte City Council
Community Safety Committee
Meeting Summary for September 7, 2010

COMMITTEE AGENDA TOPICS

I. Subject: **Airport's Taxi Services RFP**
Action: None

II. Subject: **Reschedule October 21 Meeting**
Action: Requested Ms. Maynard to poll the Committee

COMMITTEE INFORMATION

Present: Patrick Cannon, Patsy Kinsey, Andy Dulin, Michael Barnes Edwin Peacock
Time: 12:05 pm – 1:30 pm

ATTACHMENTS

1. Agenda Package
2. Handouts from Taxi representatives

DISCUSSION HIGHLIGHTS

Chairman Cannon called the meeting to order and reminded everyone why they are reviewing this item. He said at the last City Council meeting, issues were brought forward regarding the Request for Proposal (RFP) from the Airport, whereby several members of the community expressed concerns. Council member Peacock made a motion at that meeting and asked that this item get reviewed at a called Community Safety Committee meeting. Chairman Cannon said that they typically, don't allow the audiences to speak at Committee meetings, but Council member Dulin has requested that they allow a few speakers today.

Council member Dulin made a motion to allow a few speakers to speak for 2 minutes and after some discussion it was decided that 7 people could speak as long as they were presenting new information that had not yet been heard.

Chairman Cannon asked everyone in the room to introduce themselves. He said today's meeting would serve as an information only session, unless the Committee sees fit to move forth an action or recommendation, for something to take place at the Council meeting that evening. He then turned it over to Assistant City Manager Eric Campbell.

Mr. Campbell reminded everyone that today they are only talking about the RFP at the Airport. At the September 16 Community Safety Committee meeting, they will talk about the Passenger Vehicle for Hire Ordinance.

I. Airport's Taxi Services Request For Proposal

Aviation Director Jerry Orr said the Airport has a mission and that mission is to be the preferred airport and to deliver the highest quality product at the lowest possible cost. Mr. Orr discussed the history of the taxicab operations at the Airport. He said the companies at the Airport now, are there because they have always been there. It's not all the taxicab companies in Charlotte because they had to put a limit on it, because there were too many taxicabs. He then introduced Ms. Lahbabi.

Airport Attorney Leila Lahbabi began reviewing the "Connecting the Carolinas to the World" presentation (copy attached). She stated that many of the taxicabs now have outdated equipment, the customer service is inconsistent and the appearance is also inconsistent. The Airport has 12 different companies with 144 permits and that is challenging to administer. One of the most frequent complaints the Airport hears from the Charlotte Regional Visitors Authority (CRVA) is about the quality of the taxi services that are available.

Ms. Lahbabi said they have surveyed all the Airport drivers, met with the 12 cab companies that serve the Airport, met with the Independent Taxicab Owners & Operators Association and the Airport Taxi Association to get their input. In all of those meetings, they told us their main concern was their security and the high fees they are charged by their companies. Ms. Lahbabi said they have incorporated some of their concerns into the RFP. She said they also looked at the Airport to see what they could do better to improve the taxi operation. They made staffing enhancements to include higher level management on the ground and named a new Ground Transportation Manager, Matt Bauer, who has complete responsibility of the commercial curb. They also doubled the number of inspectors and added administrative support to help administer the contracts effectively. Ms. Lahbabi also said they analyzed the operational data by tracking the number of trips per day and the number of taxis working per day. They determined there was an average of about 72 vehicles working on any given day.

Ms. Lahbabi said the goals for the Airport taxi service is to provide first class service, modernize the system, recover their cost and have a fair system where everyone is invested in the process. She said they feel they can accomplish those goals through competition. They are setting new and higher standards for Airport service and they need the taxi providers to be able to live up to that. She said they felt this is an opportunity for the companies to think through how they could better run a taxi system at the airport.

[“Modernized System” slide]

Ms. Lahbabi said the RFP is asking for compliance with the updated rules and regulations, regarding a modernized system. They would like to require a GPS dispatch system, backseat credit card technology, newer model vehicles and to hold companies accountable for compliance.

[“Cost Recovery” slide]

Ms. Lahbabi said that while revenue is certainly not the overriding goal at the Airport, they would still like to recover their costs. Their team looked at the operation and found out they are actually subsidizing the taxi system. She said they were in the hole before they added the staffing enhancements.

Barnes: Can you explain how we are in the hole?

Orr: If you take our salaries and equipment that we dedicate to the taxi service, it exceeds the amount of money we collect through permits.

Barnes: How many people?

Bauer: When we figured the initial cost it was for one inspector, one supervisor, one person for management oversight, and the staffing cost for the dispatcher and starter. That cost came to over $200,000, which was about $40,000 less than what we collect on the permits.

Barnes: Is the dispatcher on our property?

Bauer: Yes.

Barnes: Does that person call the taxi companies to send out more taxis?

Bauer: They do that on occasion. Primarily, they are in the bullpen and as the taxi pulls in they are telling the next taxi to go forward for the pickup. They send them to the starter. The starter calls the taxis.

Barnes: So, the proposed fee would generate $315,000 in revenue.

Bauer: That’s correct.

Barnes: And that will cover our cost for those 3 ½ people?

Bauer: It covers our cost for those people; however, they also have other responsibilities in the Airport. Part of my cost would go to that, but that’s only a small sliver of it. It covers the full cost of the starter and dispatcher. It does not cover the cost of the facilities and maintenance on the facilities. Those are costs that we are absorbing ourselves and we aren’t

trying to pass that on. It also doesn't cover the cost of any additional technology.

Barnes: Have we analyzed the impact of those sorts of fee increases on the customers? I imagine these will be passed along by the companies to our customers.

Orr: Through the RFP and the proposals we get from the taxi companies, we would anticipate that we would hold the companies accountable to what they charge drivers to release cabs, and to what they charge drivers to serve the Airport. Right now, that's purely in the discretion of the 12 cab companies and it varies widely across the board. That should be uniform.

Barnes: Are you suggesting a fee containment structure?

Orr: Yes.

Barnes: How much does it cost to take a cab from the Airport to Uptown?

Bauer: $25

Barnes: That's for one way. So, it's $50 round trip.

Shah-khan: Actually, the way the rate schedule is set is that $25 is flat, only from the Airport to within the 3 mile Uptown loop. Then the drivers charge by the meter from Uptown back to the Airport. That fee is set by the Passenger Vehicle for Hire (PVH) Board every year.

Barnes: I want to ultimately find out, as we move along, if we will be having a negative impact on the passengers. If so, I think we need to start talking more about some of these compliance issues.

Cannon: I think that will be in further discussions when we begin reviewing the PVH ordinance.

Orr: That's purely a PVH question and we have nothing to do with that.

Dulin: I'm wrapped around the bump in our fee. I do not understand why the cab company owners won't just bump the additional right on to the shoulders of the drivers.

Orr: The thought behind the whole RFP is matching the number of cabs available anytime to the number of drivers that are available to take those fares. Opposite of that, if you have too many drivers sitting at the Airport waiting for a fare, a driver can't make money because the cab is sitting still. We want to put the burden on the companies to always have a cab there when it's needed and never have too many cabs.

Dulin: So, we have 144 permitted cabs and you want to take it to 105?

Orr: Yes and that number is not cast in stone, but we have data as to exactly how many cabs

have been dispatched and at what time, 7 days a week, throughout the year. We calculated that based on a driver working no more than 60 hours a week.

[“Fair System Where All are Invested in its Success” slide]

Ms. Lahbabi said another goal is to have a fair system where all parties are invested in its success. We don’t know the cab companies’ business models. We don’t know what they have to have to operate, so instead of dictating to them what it should be, we asked them. That is part of the RFP process. We want to hear about all the things that affect the drivers. Our idea is that part of the selection criteria is looking at those factors that affect the drivers. The goal is to better serve the passenger. If the drivers are not exhausted, feel like they are being treated fairly, and feel invested in the system, they will provide better service to our customers.

Seven of the 14 pieces of the operating plan that we asked the companies to put together for us directly deals with the drivers. It’s also important to note that 80% of the drivers are owner/operators. Ms. Lahbabi then read the seven items listed on the slide. She added that the financial and contractual arrangements that the taxi companies have with their drivers is a critical component of the RFP’s selection process.

Barnes: What authority do we, the Council, have over this RFP?

Shah-khan: The City Code says the Aviation Director may promulgate reasonable regulations on taxi service at the Airport, which is how Mr. Orr has been able to put this system together. The Director is working within the authority he has.

Barnes: I have concerns over what feels like a lot of government involvement in this process. What I ultimately want are clean cabs and drivers that charge customers as reasonable a rate as possible, and also provide the highest level of service possible. Traditionally, that has been done by way of competition. We have achieved a lot of success by setting up rules and regulations and allowing people to compete within that system.

Cannon: It sounds like they are trying to compose just that, in their own manner.

Peacock: Can you provide back to the Committee at some point how we compare with other cities of our size with the 80% owner/operator?

Lahbabi: I can try to find that out. I think the percentage at the Airport is higher than around the rest of the City.

Peacock: I’m just trying to understand if we have a higher percentage of owner/operator as a result of the way our system has sort of, organically, grown here?

Orr: The Airport system, yes. The reason for that is the taxi companies, over time, are selling that permit that we issue to the company to the drivers.
Peacock: You said earlier that you have incorporated “their thoughts and feelings” into

these documents. In subsequent documents you should show specifically in italics or highlighted, where you are putting in their input, if that's possible.

Kinsey: I have to share a concern. We issue RFPs all the time and I don't want us to start having to go through the RFPs like this, just because architects or engineers or someone else isn't' happy with it.

Cannon: There are currently 144 permitted taxis on the premises and you are requesting that there be 105 taxis. I see through broadcast media that it's being suggested that what we are doing is looking at reducing jobs. Now, that said, give us some clarity because it sounds like you are asking for a reduction in that number largely in part because you have a supply and demand issue. It sounds like the demand out there is not as great as we might think it is. Secondly, there could be a public safety issue centered around the amount of time that a driver may sit and wait on a fare to come. I need to understand that better. If someone is working for a long time or many hours, then the driver may not be alert enough when taking the passenger to wherever they will be going.

Orr: First, safety is the number one priority. We don't think the drivers should have to work 16 hours a day. We need a cab 16 hours a day because that's the amount of time people are going in and out.

Cannon: Where do you get 16 hours a day from?

Orr: We operate roughly 16 hours a day, as far as passengers. Also, to your questions about the number of taxis, we need to match the demand and the capacity to have an efficient and effective service.

Cannon: You are saying the 105 number will get you to that?

Orr: That's a flexible number, but we have calculated that number based on the demand and what capacity it would take, with reasonable driving hours, to meet that demand.

Dulin: We have 32 million people coming through the Airport and we only have enough business for 105 cabs? That's an interesting number to me. I think that by the sheer volume of the fees and the cost of doing business and that the driver's fees are so cumbersome and vary so much, that some of them are working extremely long hours to make ends meet.

Lahbabi: You are right about the fees and that's what we are trying to figure out through a competitive process. We don't know what the companies' business models are, but we do know that there is a great disparity for what each of them charge. We would hope to select the company that provides the best service and part of that is how much they put on the drivers and how much they keep for their corporate situation. You also mentioned the number of passengers going through and that is a huge differential rate, but we don't have very much originating and departing traffic, most of ours are connecting passengers.

Cannon: In a RFP process, a company or companies may not meet what the RFP is calling

for when they are trying to respond. If I'm a business person, and I'm looking to respond to this RFP, my number may not be what the Airport is suggesting, but I can still participate and tell them what my business can do based on my capacity. The entity (the Airport) can either throw it out or go back and look and it and see that maybe the majority of the companies are in the same ball park area and the entity could then reckon with the idea and take what they can get.

Orr: That's exactly right.

Barnes: We need to find the route that creates the least regulations.

Cannon: The companies know what they can bare.

Barnes: To Council member Kinsey's point, I agree we don't typically get to involved in RFP's, but when we were working on the Hall of Fame contract, I don't recall us digging into the backside details of what the companies involved would do. In this case, we are getting into the internal operations, to some extent, of the bidding entities, which is a different animal, in my opinion. Normally, we would put out the RFP and say "here's what we want, can you do it" and people come back and say "here's what we can do" and they give us a price. In this case we are saying, "here's what we want and here's how we want you to do it," and then let you bid. That's how it feels.

Cannon: We are where we are because there has been a different level of ask and demand unlike the NASCAR Hall of Fame. Alright, let's move on to the speaker's list. I'd like to remind you that you have 2 minutes only.

Mr. Church: We appreciate being here today and this is the first opportunity we have had to be at one of your meetings. Taxi USA, which owns Yellow Cab, Eagle Cab and Green Cab, started in Charlotte in January 2006. At the time we had 55 cars on the street and as of today we have 127 cars on the street. That's 131% growth in less than 5 years. We are proud of that and we think we are doing something right to have that continued success. In the packets that I gave out (copy attached), is a letter that was put together by our staff and our people that have been involved in Airports all over the country and we wanted to comment on several items in the RFP. The first item is the permit fee increase of $1,250 to $3,000 per year, per car. That is a 140% increase. There has been no provision made for any kind of an increase for the driver to get any additional revenue to cover the additional cost. We realize this is a need because we realize there are upgrades to the system at the Airport that need to be made and changes that need to be made, but during this economic condition we feel that is not something that needs to be done. We also addressed in the letter the Airport trip charge. The trip fees, in other airports across the United States, are fees that are passed on to the customer. When you go in and check your bags at the curb with US Airways, they charge you $2. It's a fee to the customer and that is where the revenue comes from.

Mr. Mohammad Jenatian: I appreciate the opportunity to be here. I'm the President of the Greater Charlotte Hospitality and Tourism Alliance. We are a membership organization representing more than 800 different businesses in the Charlotte area. I appreciate a lot of the

companies here today and they have been a part of helping us make Charlotte a destination. Each one of them provides many people in our community with an opportunity of owning their own business with little or no investment. Having been involved in the industry as long as I have, I was involved in creating the ordinance that we have. The industry has grown and the tourism industry has made a tremendous amount of investment. The Airport is growing and as a result of the growth we have taxi companies and transportation companies becoming more and more important for our City. We know that the majority of people picked up at the Airport are guests at hotels and that's the first impression that we are providing many people that are coming to our community for the first time. Unfortunately, that has not been a good situation for us. I appreciate the Airport and what they are doing because a lot of what they are doing right now is responding to the need that we've had from the hospitality industry to make some changes and I hope to see these changes happen.

Mr. Duale – I'm an owner/operator at the Airport for over 12 years. When you look at your presentation, it shows the yellow cab of New York City. You see a medallion number. All along and when we have come to the City Council, that is what we are asking for. If you modernize at the Airport and not fix the whole problem, people who take a taxi from the Airport will come to downtown and take a different taxi. It's okay to have better standards at the Airport, but you can't have one standard there and have a completely different standard elsewhere. It's not fair to the drivers. As a driver and a member of this community, I'm asking you to at least take a look at the City ordinance and fix the whole thing and then you can implement the RFP. Without fixing the system first, you are going to show one face to the people coming in at the Airport and something different downtown. We want a better system and have been trying to implement a better system at the Airport. The City requirement for age limit of a car is 10 years and at the Airport it's 6 years. We are willing to work with the Airport, but please fix the whole thing first.

Ms. Harrison: Thank you everyone for your time and commitment to this matter. I became involved several months ago when I was retained by a local driver to represent his rights in an issue between himself and another cab company. Since then, I've been retained by the Independent Taxi Cab Owners and Operators Association to represent the rights of the individual drivers. It's my information and belief that a lot of these drivers are often afraid to stand up for their rights and that's why I'm here. The crux of my job here is to urge for modification in the existing ordinances and urge for a medallion type system. I would urge that you open up the RFP to independent taxi cab drivers once a change in the ordinance has taken place. With the medallion system, I know there are concerns about the price going crazy and companies buying them to sell at really high rates, but our proposal would prevent that by prohibiting individual companies from actually purchasing those medallions. We aren't trying to oust any cab companies; we are trying to create a market that encourages competition. We want the cab companies to win the drivers, so to speak. We want to look out for the driver's rights. Instead of setting up a government regulated market, it would be setting up a market that regulates itself.

Mr. Hinson: I'm with Charlotte Checker and I would like to say thanks to you all for the work that you do. It's a great benefit to the Airport and the City to have stability at the Airport. Driver retention is a large part of that stability. When there is an absence of

turnover among the personnel, the drivers can settle in and learn their jobs well. The differences between the companies are vast and that is why my organization, Charlotte Taxicab Company Owner's Association, is striving to standardize our service, both in amenities in the cars and the way we deal with the drivers who are the heartbeat of our industry. Our owner operators at the Airport are most invested in the process. In my company, the drivers at the Airport have spent the majority of their careers there. They are the best because they are secure in their jobs and have been allowed to grow. Some companies don't care who they put at the Airport, as long as they get their money. Drivers who are happy in their jobs can represent our City to its citizens as well as the business traveler.

Mr. Hagos: Thank you for your time. If you look at the sheet I handed out (copy attached), the chart shows an RFP comparison and then the drivers notes. For item 1, the Airport currently has 12 operating taxi companies and they are proposing only 3 companies. The drivers want the companies to comply with all the rules. We don't want to work as a gypsy or for illegal people. The RFP talks about good working conditions. What does a good working condition mean? It should mean drivers are charged affordable franchise fees or less franchise fees. They should search and find the drivers good car and healthcare insurance. Also, provide GPS in the car system. We want our independence and mutual relationship with the companies.

Cannon: It's my understanding that there is a thought, if it's not already in action, that there is some companies trying to formulate and independent taxi company. If that company organizes itself, there is nothing to prevent them from participating in the RFP process, right?

Lahbabhi: There is not. The initial eligibility is that you have the company operating certificate, a certain number of vehicles or be able to get a certificate.

Cannon: So, they need to be in compliance with the PVH ordinance?

Lahbabi: Yes sir.

Cannon: The other thing is this is for those passengers that will be arriving in Charlotte and taking those cabs leaving the Airport and going to their destination. This does not prohibit any taxi from picking a citizen up and taking them to the Airport, right?

Orr: That's correct.

Barnes: To Mr. Duale, what's a reasonable range of the value of owning a medallion here in Charlotte?

Duale: Currently, the city charges $135 for a permit. The medallion in Charlotte would not be equal to the system in New York. We would suggest it start at $200. We are already paying fees to be small business owners.

Cannon: Thanks to everyone who spoke. Are there any other questions or comments from

the Committee?

Dulin: I'm continuing to give this so much thought and time because it's important to get it right. When we get it right, everyone won't be happy. I have a responsibility to look after our asset at the Airport and to take care of what I've been placed to do. I understand oversaturation of the market and if we have too many cabs, then we have too many cabs. Some cab drivers may lose business or go out of business. We will have to make tough decisions. I appreciate you being here today. I'm a user of your service.

Cannon: Please work to pull together some numbers so we can look at supply and demand issues when we start talking about the actual ordinance. In as much as we need to go back and revamp our ordinances, that will not happen overnight and it will be a lengthy process. Not only is the taxi industry interested in that, but the black car industry is interested also. I have asked some of you here today to take a look at the current ordinance and to redline it and let us know what your issues are. We will reconvene at the Airport Aviation Museum at 5:00 today for the Council meeting.

II. <u>Reschedule October 21</u>

Mr. Campbell said there is a conflict with the meeting date due to the Manager's Cabinet Retreat. The Committee requested Angela Maynard to poll the Committee.

Chairman Cannon thanked everyone for attending and adjourned the meeting at 1:30 p.m.

Community Safety Committee

Tuesday, September 7, 2010; 12:00 – 1:30 pm

Room CH-14

Committee Members: Patrick Cannon, Chair
Patsy Kinsey, Vice Chair
Michael Barnes
Andy Dulin
Edwin Peacock

Staff Resource: Eric D. Campbell

AGENDA

I. Airport's Taxi Service Request for Proposal

Staff Resource: Jerry Orr

During the August 23, 2010 business meeting, City Council unanimously requested a called meeting of the Community Safety Committee to review the recently released Request for Proposals to provide taxi service at the Charlotte Douglas International Airport.

Attachment:
1. PowerPoint: Connecting the Carolinas to the World
2. Request for Proposals to Provide Taxi Service

II. Reschedule October 21 Community Safety Committee Meeting

The October 21 Committee meeting conflicts with the Manager's Cabinet Annual Retreat.

Next Scheduled Meeting: Thursday, September 16 at noon in Room 280

Distribution:

Mayor/City Council	Curt Walton, City Manager	Leadership Team
Mac McCarley	Stephanie Kelly	Rodney Monroe
Jon Hannan	Jerry Orr	Leila Lahbabi

Charlotte Douglas International Airport

Connecting the Carolinas to the World

Airport Taxicab Service
September 7, 2010

Airport Mission

"Charlotte Douglas International will be the preferred airport and airline hub by providing the highest quality product for the lowest possible cost."

History of Taxicab Operations at CLT

1985—Chapter 4-104

- Aviation Director shall have the right to adopt and amend reasonable rules, regulations and procedures applicable to ground transportation services on all Airport roadways.

1989

- Council establishes open agreement system
- Companies enter into Operating Agreements with Airport
- Company receives permits for specific taxicabs

2008

- Airport came to Council to discuss need to improve the Airport taxi system

What is our current environment?

Outdated System

- o System not on par with equivalent cities
- o Many cabs have outdated equipment
- o Inconsistent customer service
- o Inconsistent appearance
- o12 companies with 144 permits
- o Challenging to manage

How do we make it better?

Gathered input from Taxi Companies and Drivers

- ✓ Surveyed all Airport drivers; 91 responded
- ✓ Met with all 12 taxicab companies who operate at Airport
- ✓ Met with Independent Taxicab Owners & Operators Association and with the Airport Taxi Association

Evaluated Airport Administration

- ✓ Created a new Ground Transportation Manager
- ✓ Doubled # of inspectors & added administrative support

Analyzed Operational Data

- ✓ Number of taxis working per day
- ✓ Number of taxis needed per day

What are our goals?

- Provide first class service of which Charlotte can be proud
- Modernize the system
- Recover our costs
- Have a fair system where all parties are invested in its success

How do we accomplish the goals?

By reopening competition.

Through the RFP process, we can contract with the company or companies who can best meet the goals according to the selection criteria.

What does the RFP require?

Modernized System

Compliance with Updated Rules and Regulations

- ✓ Require GPS dispatch systems
- ✓ Require backseat credit card technology
- ✓ Require newer model vehicles
- ✓ Hold companies accountable for compliance

Cost Recovery

Adjusted fee structure

✓Issue 105 permits

✓Permit fee $3k

✓Implement a trip charge

Fair System Where All are Invested in its Success

Company's Operating Plan Critical to RFP

- ✓ How Company will ensure compliance with Rules and Regulations
- ✓ How many drivers will be owner/operators vs. lessees
- ✓ Describe all fees charged directly to or passed on to the drivers
- ✓ Describe driver compensation and any benefits
- ✓ Provide a copy of any contract with independent owner/operators
- ✓ Describe hiring/training/retention plan for drivers and specify whether those with current Airport experience will be given preference
- ✓ Describe any restrictions/requirements regarding days/times worked at Airport

Fair System Where All are Invested in its Success

The financial and contractual arrangements companies have with their drivers is a key element of the RFP's Selection Criteria.

Charlotte Douglas International Airport

Connecting the Carolinas to the World

REQUEST FOR PROPOSALS
TO PROVIDE TAXI SERVICE
at
CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
for the
CITY OF CHARLOTTE, NORTH CAROLINA

SECTION I – INTRODUCTION

The City of Charlotte ("City") owns and operates Charlotte Douglas International Airport ("Airport"), which is managed by the Aviation Director ("Director"). The Airport issues operating agreements ("Operating Agreements") to taxicab companies under which Airport passenger vehicle for hire permits ("Permits") are issued to taxis to provide on-demand transportation via taxi from the Airport ("Taxi Service"). In accordance with the City's Code of Ordinances ("City Code"), only those taxicab companies with Operating Agreements are allowed to provide Taxi Service.

The Director has the authority to execute all Operating Agreements and to adopt reasonable rules and regulations for the safe, courteous and orderly operation of passenger vehicles for hire at the Airport, as codified in Sections 22-353 and 22-354 of the City Code.

The Director seeks to ensure that Airport customers enjoy first-class Taxi Service and, to that end, is issuing this Request for Proposals ("RFP"). The Director hereby invites qualified and interested parties ("Proposers") to submit proposals in response to the RFP to provide Taxi Service. The Director intends to enter into an Operating Agreement for Taxi Service with at least one but no more than three Proposers that will hold, collectively, a maximum of 105 permits.

The total number of Permits issued to the successful Proposers will depend on the number of Proposers selected. Each Proposer should specify in its proposal the number of Permits it wishes to hold as directed in the attached proposal forms. The Director will appoint a group of people ("Selection Committee") to review and analyze the proposals submitted and choose the company or companies who will receive Operating Agreement(s).

The Director's goal is to enter into an Operating Agreement with each successful Proposer that will take effect on or before November 1, 2010. **Proposals must be received by the Airport no later than 5:00 p.m. on Thursday, September 9, 2010, ("Proposal Due Date") to be considered**. Submission instructions are set forth in Section V, Paragraph C below.

SECTION II – BACKGROUND

The Airport is US Airways largest hub and is currently served by eight major airlines and 14 regional carriers. Collectively, these airlines operate approximately 659 daily departures. Taxi traffic patterns are inconsistent throughout the day as aircraft depart and take off in banks. The demand for taxi service ebbs and flows along with the ebb and flow of the aircraft operations.

Passengers can provide their own transportation to the Airport, making use of multiple parking options. There are 26,700 public parking spaces at a cost ranging from $4 to $19 a day. The Airport offers curbside and business valet parking services and the City provides public bus service to and from the Airport. Vans and limousines are also available to serve Airport customers via pre-arrangement.

The Airport is currently party to 12 Operating Agreements pursuant to which144 taxis are permitted. Those taxis operate in excess of two hundred thousand trips per year. Taxis wait in a hold area until dispatched to pick up customers on the curbside of the Terminal. The Airport currently has a Ground Transportation Manager, ground transportation enforcement staff, and provides the taxi dispatcher and starter, who are not affiliated with any taxicab company.

SECTION III –SCOPE OF SERVICES

A. **Operations**

As part of providing seamless customer service, the Airport will require a unified paint scheme, as shall be determined by the Airport, for all permitted taxis.

Each successful Proposer shall be required to provide a sufficient number of drivers and permitted taxis to service the demand of the Airport's customers 24 hours a day, seven days a week, fifty-two weeks per year including holidays. The Airport reserves the right to call in additional taxis from companies who may not hold Operating Agreements to temporarily provide on-demand service if necessary to meet customer needs.

Each successful Proposer will be required to enter into an Operating Agreement with the Airport. Each successful Proposer must comply with all terms and conditions of the Operating Agreement, Chapters 4 and 22 of the City Code of Ordinances and the Rules. A copy of the Rules, which shall take effect upon the full execution of the Operating Agreement, and which may be amended from time to time in the sole and absolute discretion of the Director, are attached hereto as **Attachment IV**.

The Airport is experiencing substantial growth and has plans to expand the terminal. The Airport will also further modernize the taxi operations over time. The Airport will consider making an investment in technology to increase the level of service. While the Airport shall bear the cost of any technological system it purchases, Proposers shall facilitate the installation into all permitted taxis of any required equipment and allow the City reasonable access to perform any maintenance or repairs.

B. **Agreement and Financial Terms**

Each successful Proposer shall be required to enter into an Operating Agreement, in a form substantially similar to the one attached as **Attachment III**, to provide Taxi Service. While the Director reserves the right to modify the Operating Agreement prior to execution, Proposer must be willing to sign the attached Operating Agreement and abide by the attached Rules, as may be amended from time to time, and submission of a proposal indicates said willingness. The term of the Operating Agreement shall be one (1) year with the Airport having the option to extend the Operating Agreement for additional one (1) year terms. The completed Operating Agreement will be subject to final approval by City Council.

Permits will be issued to at least one but no more than three companies. The total number of Permits allocated to each company, up to the maximum of 105, will be determined by the Airport. An annual fee of three thousand dollars ($3,000) per Permit shall be paid to the City by each successful Proposer. In addition, each successful Proposer shall pay a usage fee each time one of its permitted taxis picks up a customer at the Airport ("Trip Charge.") The Proposer shall propose the amount of the Trip Charge and the amount proposed by the successful Proposer selected shall be incorporated into, and made a part of, any resulting Operating Agreement. The Trip Charge shall not be reflected in the fare and shall not be passed on to the taxi passenger in any way.

SECTION IV ELIGIBILITY AND DISQUALIFICATION OF PROPOSERS

A. Initial Eligibility of Proposers

In order to be considered, a Proposer must submit a proposal by the Proposal Due Date in the complete manner and format required. The Proposer must be a business entity that is currently actively engaged in providing taxi service. Proposer must hold a Company Operating Certificate ("COC") issued by the City as required by Chapter 22 of the City Code of Ordinances or be able to obtain a COC within 15 days of notification of selection. Each

Proposer must, at the time of proposal submission, have at least thirty (30) taxicabs affiliated with it.

B. Acknowledgment of Proposer

Proposers shall thoroughly examine and become familiar with this RFP, including attachments, and any addendum that may be issued. Submission of a proposal shall constitute an acknowledgment that the proposer has thoroughly examined and is familiar with all RFP documents, including any and all addenda. The failure or the neglect of a proposer to receive or examine any RFP document shall in no way relieve it from any obligation with respect to its proposal or the obligations that flow from making a successful proposal. No claim based upon a lack of knowledge or understanding of any document or its contents shall be allowed.

Every request for interpretation or clarification of the RFP, including any attachment, and every request for further information regarding the substance of the RFP shall be made in writing and sent to Ms. Leila Lahbabi at lzlahbabi@charlotteairport.com or to her attention at Charlotte Douglas International Airport, Aviation Department, P.O. Box 19066, Charlotte, North Carolina 28219 and must be received nine (9) or more days before the time announced for the receipt of proposals or they will not be considered.

Every interpretation or clarification made and every provision of additional information will be made in the form of a written Addendum, which, if issued, will be posted at www.charlotteairport.com. In case any Proposer fails to acknowledge opening of any such Addendum in the space provided in the Proposal Form, its proposal will nevertheless be construed as though the Addendum had been received and acknowledged, and submission of a proposal shall constitute acknowledgment of the opening of same. Proposers may not rely upon and the director will not make any oral representations. Differences between language in the RFP and the Agreement will be controlled by language in the Agreement.

Attempts to influence the selection process are prohibited. Except for such contacts as are described in the immediately foregoing paragraphs, all Proposers, including any and all persons affiliated with them or acting on their behalf, are strictly prohibited from contacting elected or appointed City officials, officers, employees, or Airport Advisory Committee Members on or regarding any matter relating to this RFP or the new Taxi Service from the time the RFP is issued until the start of the open business meeting at which City Council is asked to approve the Operating Agreements.

C. Disqualification of Proposal

Without in any way limiting the Selection Committee's right to reject any or all proposals, Proposers are advised that any of the following may be considered as sufficient

cause for the disqualification of a Proposer and the rejection of a proposal: (i) failure to meet initial eligibility requirements; (ii) submission of more than one proposal by an individual, firm, partnership or corporation under the same or different names, including the names it does business under; (iii) evidence of collusion among proposers; (iv) the Proposer being in arrears on any existing contract with the City; (v) the Proposer being in litigation with the City over an existing or previous contract with City regarding the Airport; (vi) the Proposer having defaulted on a previous contract with the City; (vii) improper communication as described in Section IV B, above.

Proposals will be considered irregular and may be rejected for omission, alterations of form, additions not called for, conditions, limitation, unauthorized alternate proposals or other irregularities of any kind. All of the foregoing notwithstanding, however, the Selection Committee reserves the right to waive any such irregularities.

V. PROPOSAL FORMAT AND SUBMISSION REQUIREMENTS

The Proposal shall include a completed Proposal Form and Qualifications Form, the forms of which are attached as **Attachments I and II.** In addition, the proposal must include the following:

A. Operating Plan

The Proposer should explain how it plans to meet the requirements of the RFP. Specifically, the Operating Plan should at least address each of the following:

- **i.** The number of permits Proposer is requesting;
- **ii.** The number of vehicles that meet the Rules that Proposer will have in its fleet;
- **iii.** The fleet mix;
- **iv.** The plan for the purchase, maintenance, and repair of taxis;
- **v.** How Proposer will ensure and enforce compliance with the Rules;
- **vi.** How many of the drivers are expected to be owner/operators versus lessees or employees;
- **vii.** Describe all direct and indirect fees or expenses charged, assessed, or passed on to drivers regardless of whether they are paid to Proposer or another entity, including but not limited to franchise or other Permit usage fees, PVH fees, automobile insurance, credit

card fees, maintenance, gas, etc., and differentiating between owner/operators and lessees;

viii. Provide a copy of any form contract or letter or memorandum of understanding between company and independent owner/operators that the company uses now or intends to use;

ix. Describe the drivers' compensation and specify whether drivers will receive any benefits;

x. Describe the hiring, training, and retention plan for drivers, specifying whether drivers with current Airport experience will be given preference;

xi. Describe the plan for providing a sufficient number of drivers and specify any restrictions or requirements that will be placed on drivers regarding days and times for serving the Airport;

xii. Describe the local management team and what involvement they will have in the daily operation of providing Taxi Service;

xiii. Describe the technological capabilities the fleet currently has and suggest what technology the Airport should consider using for dispatching and monitoring the trips; and

xiv. Suggest how Airport could structure the holding and dispatching system if multiple Proposers are awarded Operating Agreements.

B. <u>Background and Experience</u>

Proposer should describe the structure of the organization, its ownership, management, and experience. This section should also discuss any airport experience, describe where Proposer operates and at what level of market share, and any ratings, awards, certifications, or other evidence to show a demonstrated level of customer service.

C. <u>Proposal Submission Instruction</u>

Proposals must be received by the Airport by the Proposal Due Date, as defined in Section I. Proposals must be submitted in hard copy format. Faxes and emails will not be accepted. Proposals may be mailed to:

Charlotte Douglas International Airport
Attention: Aviation Director- Terminal
PO Box 19066
Charlotte, NC 28219.

Alternatively, proposals may be hand delivered or delivered by courier to the Airport Operations Center located in Zone E on the extreme east end of the baggage claim area on the ground level of the Terminal Building. The Terminal Building is located at 5501 Josh Birmingham Parkway, Charlotte, NC 28208.

Proposals must be submitted in the format designated in Attachment I - Proposal Form and must include all the information required in this RFP. Two (2) identical copies of the proposal must be submitted. Proposals may be included in a single or in separate envelopes. All envelopes must be firmly sealed and clearly marked with the following words prominently appearing on the face of each envelope: "PROPOSAL TO PROVIDE TAXI SERVICES AT CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT" together with proposer's name and return address. Proposals received later than the Proposal Due Date will remain unopened and will be returned to the Proposer or discarded. Each qualifying Proposal shall be deemed to be a firm offer to contract for a period of 180 days from the Proposal Due Date.

In submitting the Proposal Form, the Proposer should note that distinctions are made in the form of execution and supporting information required depending upon whether the Proposer is an individual, a partnership, corporation, or a limited liability company. The Proposer must supply all information required of the type of entity that it is.

VII. SELECTION CRITERIA

The Selection Committee will choose one to three Proposers that can demonstrate, to their satisfaction, the experience, qualifications, and ability necessary to meet the requirements of this RFP and provide first-class Taxi Service. The Selection Committee reserves the right to reject any and all proposals and also reserves absolute discretion in evaluating Proposers and proposals.

The Selection Committee intends to consider the following criteria, in no particular order, in making the selection:

i. Quantity and quality of Proposer's relevant experience;
ii. Strength and feasibility of Proposer's Operating Plan;
iii. Demonstrable ability to comply with all the Rules;
iv. Financial history and credit status of Proposer, including proof of sufficient capital or credit to provide a taxi fleet sufficient for the number of Permits offered and meeting all the requirements of the Rules within 30 days of notice of selection;
v. Amount of the proposed Trip Charge; and
vi. Financial and contractual arrangements with taxi drivers.

VIII. AWARD OF CONTRACT

Upon review and evaluation of all qualifying proposals, including any interviews, the Selection Committee will select the Proposer(s) and proposal(s) that they determine, in their absolute discretion, would best provide the Taxi Service. The Director will inform each selected Proposer that it has been selected, subject to final agreement on all terms and conditions of the Operating Agreement. Upon Proposer's execution of such Operating Agreement, the Director shall submit it to City Council for approval. If the Director and the selected Proposer(s) are unable to agree on the final terms, the selected Proposer will be excused from further consideration and the Selection Committee may, at their option, select another Proposer. Until the Agreement and all supporting ancillary documents have been approved by the City Council and executed by the Director, the City shall have no obligations hereunder.

ATTACHMENT I
PROPOSAL FORM

PROPOSAL TO PROVIDE TAXI SERVICE
CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT

Mr. T. J. Orr, Aviation Director
Charlotte Douglas International Airport
Post Office Box 19066
Charlotte, North Carolina 28219

Dear Mr. Orr:

The undersigned hereby submits its proposal to provide Taxi Service at Charlotte Douglas International Airport in response to the Request for Proposals issued by the City of Charlotte on or about August 18, 2010. Capitalized terms in the proposal shall have the same meaning as set forth in the RFP.

I. Terms and Conditions of Proposal

The undersigned proposes to provide Taxi Service at Charlotte Douglas International Airport as described below and in the attached Operating Plan, pursuant to the terms and conditions of the Agreement to be executed by Proposer and the Director, and approved by the Charlotte City Council.

II. Number of Permits Requested and Trip Charge Proposed

Proposer requests a total of _____ permits.
In addition to the annual fee of $3,000 per Permit, the Proposer proposes to pay Airport a Trip Charge of:
$____ if issued 1-35 permits;
$_____if issued 36-70 Permits; and
$_____if issued 70-105 Permits.

III. Operating Plan

Proposer must attach an Operating Plan specifically addressing the issues raised in Section VI of the RFP.

IV. No Collusion Affidavit

In submitting this proposal, Proposer hereby declares that the only person or persons interested in this proposal as principal or principals is or are named herein and that no person other than herein mentioned has any interest in this proposal or in the Operating Agreement to be entered into; that this proposal is made without connection with any other person, company or parties making a proposal; and that it is in all respects fair and in good faith without collusion or fraud. Proposer represents to the City that no employee of the City presently has any financial interest, either directly or indirectly, in the business of the Proposer, or, alternatively, that any such employee of the City having a present interest in the business of Proposer shall not have any such interest at any time during the term of the Agreement should it be issued to the Proposer.

III. Acknowledgment of RFP Terms as Amended by Addenda

The Proposer further declares that it has examined the RFP for Taxi Service dated August 18, 2010 and has read all Addenda, if any, furnished prior to the opening of proposals, as acknowledged below. Acknowledgment is hereby made of receipt of the following Addenda (identified by number) since issuance of the RFP.

Addendum No.	Date
_____	_____
_____	_____
_____	_____

IV. Verification and Certification of Authenticity of Proposal

Submission of this proposal is the duly authorized official act of the Proposer and the person(s) executing this proposal is/are duly authorized and designated to execute this proposal on behalf of and as the official act of Proposer, this the _____ day of _____, 2010.

(If Proposer is individual, sign on this line) _____

_____

_____

(Address)

_____

(If Proposer is a partnership or joint venture, fill in name of partnership or joint venture, followed by the signature of the partner or venture signing.)

_____

A Partnership

By:_____

Names and addresses of All Partners/Joint Ventures:

_____

_____

_____

_____

_____

(If Proposer is corporation, fill in the name of the corporation, followed by the signature of the official signing, followed by title.)

_____

By: _____
(Official Title)

_____
(Address)

_____

Attest: _____
(Secretary)

(Corporate Seal)

Organized under the laws of the State of _____, and authorized by law to make this Proposal and perform all work and furnish materials and equipment required under the Management Agreement.

The full names and residences of persons or firms interested in the foregoing Proposal as principals or officers are as follows:

_____
_____
_____
_____
_____

(If Proposer is a limited liability company, fill in the name of the limited liability company, followed by the signature of the manager or other person signing on behalf of the limited liability company, and the title of the person signing.)

_____
Name of Limited Liability Company

By: _____
Signature

_____
Official Title

_____
_____
Address

Organized under the laws of the State of _____, and authorized by law to make this Proposal and perform all work and furnish materials and equipment required under the contract documents.
The full names and residences of persons or firms interested in the foregoing Proposal as principals or officers are as follows:
_____
_____
_____

ATTACHMENT II
QUALIFICATIONS FORM

PROPOSAL TO PROVIDE TAXI SERVICE
CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT

All statements contained herein must be true and correct. Any omissions or inaccuracies may result in the rejection of this proposal by the Selection Committee. Proposers should note that some responses require separate sheet(s) for response. Those responses should be appropriately marked corresponding to the question. Proposers should use as many additional sheets of paper as necessary to completely answer the question.

I. PROPOSER IDENTIFICATION

This information should appear exactly as it would in the Agreement.

Name:
Address:

Contact
Person:

Telephone:
Facsimile:

II. CORPORATION STATEMENT

If a corporation, please answer the following:

A. When incorporated?

B. Where incorporated?

C. 1.Is the corporation authorized to do business in the State of North Carolina?
Yes ( ) No ( )

2. If yes, as of what date?

D. Is the corporation held: Publicly ( ) Privately ( )

E. Please provide the name, title and address of each officer, director and principal shareholder of the company who owns the company's issued stock.

DIRECTORS' NAMES	**AFFILIATION**
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____

OFFICERS' NAMES	**POSITION**
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____

PRINCIPAL

SHAREHOLDERS	**AFFILIATION**
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____

III. RELEVANT EXPERIENCE AND INFORMATION

A. Please describe Proposer's taxi service experience on separate page or pages inserted at this place in your Proposal. Please also attach a copy of the Company Operating Certificate issued by the City or, if Proposer does not currently have one, a statement explaining why it believes it can obtain one within 15 days of selection.

B. List all airports or other locations where Proposer is operating or has operated taxi services. Include the names, the location, the dates of operation, and a contact person from the other contracting party.

1. _____
2. _____
3. _____
4. _____
5. _____

_____

6. _____

_____

7. _____

_____

8. _____

_____

9. _____

_____

10._____

_____

C. If Proposer has experience other than taxi services that it believes is relevant to the selection that it wishes the Director to consider in evaluating its Proposal, please include that experience on a separate page or pages inserted at this place in the Proposal.

D. Has Proposer ever entered into litigation with any airport operator, municipality, or others over non-payment of rent or fees and/or non-performance? Yes ( ) No ( ) If you answered yes to the above, please explain in detail. (Add additional sheets as necessary).

_____

_____

_____

_____

E. Has Proposer ever declared bankruptcy? Yes ( ) No ( )
If you stated yes, please describe the date, the state, the court jurisdiction, the amount of liability, the amount of assets and the current status of that action.

_____

_____

_____

_____

F. During the past five years have any of Proposer's agreements been canceled

by an airport or others? Yes ( ) No ( )
If you stated yes, please describe the date, the state, and the circumstances surrounding this incident.

_____

_____

G. Describe how Proposer's experience is suited for the Airport. Explain your customer service philosophy with respect to taxi service and how it could be accomplished at this Airport.

H. Please include Proposer's management structure and also the management structure you plan to implement at this Airport. Please include the specific job titles, the general qualifications and the specific functions of those individuals who will be involved at the Airport. Also, include a resume for the person who will be your management representative for the Airport.

I. Please list the vehicles you currently have in your company's fleet that are a model three years old or newer.

IV. FINANCIAL INFORMATION

Please include Proposer's latest financial statements prepared by an independent Certified Public Accountant for the most recent two (2) fiscal years. This information may be submitted in a separate envelope labeled separately from the Proposal and, if desired, marked "CONFIDENTIAL." Notwithstanding, note that proposals submitted to the City are subject to the North Carolina public records law and may be disclosed unless there is a specific North Carolina General Statute specifically exempting the proposal or some portion thereof.

ATTACHMENT III
Taxicab Operating Agreement

CITY OF CHARLOTTE AVIATION DEPARTMENT
CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT

AIRPORT OPERATING AGREEMENT

THIS AIRPORT OPERATING AGREEMENT, made and entered into by and between the City of Charlotte, a North Carolina Municipal Corporation ("City'') and _____, a _____ licensed to operate taxi service under the laws of the State of North Carolina and the City of Charlotte Code of Ordinances ("Company'').

WITNESSETH

WHEREAS, the City, by and through its Aviation Department, owns and operates Charlotte Douglas International Airport ("Airport") in Charlotte, North Carolina and the Aviation Director is empowered to establish rules and regulations governing the operation of taxi services at the Airport; and

WHEREAS, the City issued a Request for Proposals for Taxi Service at Charlotte Douglas International Airport dated on or about _____ ("RFP") in response to which Company submitted a proposal dated on or about _____ ("Proposal") and Company was selected by the City; and

WHEREAS, the City and Company desire to enter into an Airport Operating Agreement ("Operating Agreement") pursuant to which the Company will provide first-class, on-demand transportation via taxi from the Airport ("Taxi Service");

NOW THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth in this Operating Agreement, the City and the Company agree as follows:

AGREEMENT

1. OPERATIONS. The City hereby authorizes the Company to operate Taxi Service in accordance with this Operating Agreement, the Rules and Regulations for Taxicabs at Charlotte Douglas International Airport ("Rules"), as may be amended from time to time, and the Operating Plan submitted as part of Company's Proposal, attached as **Exhibit A**.

Company shall meet the demands of the Airport's customers twenty-four hours per day, seven days per week, fifty-two weeks per year, including holidays. The Aviation Director or his designee reserves the right, in his discretion, to call in additional taxicabs from

companies that may not hold Operating Agreements to temporarily provide Taxi Service if necessary to meet customer needs. The City shall not be liable for any claim of loss or diminution in value for the Permits issued under this Operating Agreement because additional taxicabs were called in, or for any other reason.

2. TERM. The term of this Operating Agreement shall be for one (1) year, effective at midnight on _____ and terminating at 11:59 pm on_____. Upon thirty days written notice, the City may exercise four options to renew for additional one year terms, subject to Company's consent.

3. ISSUANCE OF AIRPORT TAXICAB PERMITS. The City agrees to issue ___#_____ permits ("Permits") to the Company for specific taxicabs that have been approved by the Airport's Ground Transportation Manager as eligible for service under the Rules. The Company shall submit a list to the Ground Transportation Manager identifying each permitted taxicab ("Airport Taxicab") by make, model, year, vehicle registration number, license plate number, Company taxicab number, and the City's Passenger Vehicle for Hire permit number. The Company agrees to notify the Ground Transportation Manager in writing immediately of any change in the information submitted in the above-referenced list.

4. FEES TO THE CITY.

a. PERMIT FEE

The Company agrees to pay the City three thousand dollars ($3,000.00) per year per Airport Taxicab ("Permit Fee"), which is payable in monthly installments over the term of the Operating Agreement. Permit Fee payments are due and payable, in advance and without demand, on the first of each month and are past due on the third day of the month. If Company elects to make payments via credit card, Company agrees to also pay a percentage of the transaction as shall be determined by the Aviation Department as a convenience fee.

b. TRIP CHARGE

The Company agrees to pay a usage fee in the amount of $_____ each time one of its permitted taxis picks up a customer at the Airport ("Trip Charge"). The Airport will record each Trip Charge incurred by the Company and will bill the Company at the end of each month for all trip charges incurred in that month. The Company shall pay all Trip Charge payments are due and payable immediately upon receipt by Company of invoice from the City and are past due on the 20th day of the month following the end of the month in which the Trip Charges were incurred. Company must obtain a copy of the invoice from City if it has not received one in order to

remit payment on time.

c. NOTICE OF VIOLATION

If Company incurs any fines in accordance with the Rules, said fine is due and payable within 15 days of the written Notice of Violation ("NOV"). If Company appeals the fine within the timeframe specified in the Rules, the fine, if upheld, is due and payable within 10 days of the date the written notice of the appeals decision is issued.

d. INTEREST

Interest in the amount of one and a half percent (1.5%) per month shall accrue on all past due amounts.

5. FEES PAID BY COMPANY'S DRIVERS

Company shall not charge or pass through to its Airport Taxicab drivers any fees, costs, charges or expenses in excess of those listed and attached as **Exhibit A** during the one year contract term. If Company wishes to increase the fees to take effect in a renewal term, if any, it must submit a proposed revised **Exhibit A** sixty (60) days in advance of the expiration of the then current term of this Operating Agreement.

6. BOOKS AND RECORDS

The Company shall keep true and accurate accounts, books, records and data which shall, among other things, track all services rendered by the Company at the Airport. Such accounts, books, records and data shall promptly be open to inspection by an authorized representative of the Aviation Department upon request.

6. INDEMNIFICATION. The Company agrees to defend, indemnify and hold harmless the City, its public officials, Airport Advisory Committee, officers, employees and agents from any and all claims, suits, actions, expenses and costs (including attorneys' fees, if applicable) arising from Company's use of, or operations at, the Airport; provided that Company shall not be liable for any injury, damage or loss occasioned solely by the negligence of City, its public officials, Airport Advisory Committee, officers, employees or agents. Company shall purchase insurance, as described in Paragraph 6, which insurance shall provide coverage for this contractual liability. In any case in which Company provides a defense to the City pursuant to this indemnity, the defense will be provided by attorneys reasonably acceptable to the City. The provisions of this paragraph shall survive the expiration or early termination of this Operating Agreement.

6. INSURANCE REQUIREMENTS. The Company is obligated to purchase and maintain the following forms of insurance during the term of this Operating Agreement:

a. Commercial general liability insurance in the amount of at least One Million Dollars ($1,000,000.00) per occurrence.

b. Automobile liability insurance for the amounts and coverage stipulated in Chapter 22 of the City's Passenger Vehicle for Hire Ordinance.

All policies shall be occurrence based and shall include the City as an additional insured. On the date of execution of this Operating Agreement, and each anniversary thereof, the Company shall provide the Aviation Director with proof of the required insurance.

7. SIGNS. No signs, posters or advertising devices may be erected by the Company on Airport premises.

8. NOTIFICATION. Whenever required by the terms of this Operating Agreement, notice shall be in writing and shall be sent by certified mail, postage prepaid. The address of the City shall be:

Attn: Aviation Director
Charlotte Douglas International Airport
Administration- Terminal Building
P.O. Box 19066
Charlotte, NC 28219

If intended for the Company, the address used shall be:

_____
_____
_____

The Company agrees to notify the Aviation Director in writing immediately regarding any change of address, telephone number or change in ownership or partnership.

Company agrees that it is sufficient for City to provide any NOV of the Rules solely by electronic mail to the following address: _____

10. TERMINATION. The City has the right to terminate this Operating Agreement in its

entirety immediately upon the happening of any of the following events:

a. The accumulation of sixteen (16) or more penalty points as set forth in Article V of the Rules.

b. The occurrence of any act which operates to deprive the Company of the rights, powers, licenses, permits and authorizations necessary for the proper and lawful conduct and operation of the Taxi Service. The suspension or loss by Company of its Operating Certificate or any of the Company's permits issued under the Passenger Vehicle for Hire Ordinance.

c. The filing by or against the Company of any petition in bankruptcy.

d. The making by the Company of an assignment for the benefit of creditors.

e. The abandonment or discontinuance of the operations and services of the Company.

f. The nonpayment of fees due to the City when the nonpayment continues for a period of five (5) days from the date written notice of default and intent to terminate has been given to the Company by the City through its Aviation Director.

g. The failure by the Company to perform, keep and observe any other of the terms, covenants and conditions in the Operating Agreement, the Rules, the Passenger Vehicle for Hire Ordinance or other applicable law.

h. A change in majority ownership or control of the Company.

The City's right to terminate this Operating Agreement as set forth above is in addition to, and not in exhaustion of, such other rights that the City has or causes of action that may accrue to the City because of the Company's failure to perform under this Operating Agreement. Upon termination or expiration of this Operating Agreement, the Permits issued to Company shall also automatically expire, and Company shall return the same to the Aviation Director.

[SIGNATURE BLOCK APPEARS ON FOLLOWING PAGE]

IN WITNESS WHEREOF, and in acknowledgment that the parties hereto have read and understood each and every provision hereof, the parties have caused this Operating Agreement to be executed.

_____

[Company Name] **FEIN: _____**

By: _____

Printed Name: _____

Title: _____

Date: _____

CITY OF CHARLOTTE

By: _____

T.J. Orr, Aviation Director

Date: _____

ATTACHMENT IV
Rules and Regulations

Rules and Regulation for Taxicabs at Charlotte Douglas International Airport

Effective _____ 2010

The City of Charlotte ("City") owns and operates Charlotte Douglas International Airport ("Airport") which is managed by the Aviation Director ("Director"). Pursuant to the authority vested in him under Sec. 22-353 of the City's Code of Ordinances ("Code"), the Director hereby promulgates the following Rules and Regulations ("Rules") for the safe, courteous and orderly operation of taxicabs at the Airport.

ARTICLE I
GENERAL

1.1 Taxicabs operating at the Airport must be in compliance with all federal, state, and local laws including, but not limited to, Chapter 4 - Aviation and Chapter 22 - Passenger Vehicles for Hire of the Code[1] and these Rules.
1.2 The Rules set forth requirements that are additional to all other legal requirements.
1.3 Definitions contained in Chapters 4 and 22 of the Code shall have the same meaning in the Rules.
1.4 In the event there is a direct conflict between the requirements of Chapter 22 of the Code and the Rules, the Rules shall control the operation of taxicabs at the Airport.
1.5 Unless otherwise specifically exempted by the Rules, all provisions of the Code are in full force and effect while operating inside the City, inclusive of the Airport. The Rules may be amended from time to time in the sole and absolute discretion of the Director.

ARTICLE II
PERMITS AND IDENTIFICATION

2.1 In order to pick up passengers on demand at the Airport, a taxicab company ("Company") must hold a valid Airport Taxicab Operating Agreement ("Operating

[1] The Code is available at www.municode.com or at the Office of the City Clerk.

Agreement") and the taxi must display an Airport Taxicab Permit ("Permit"). No taxicab shall have the right to pick up passengers without a current and valid Permit except via prearrangement.

2.2 The Airport's Ground Transportation Manager shall inspect all taxicabs, prior to being permitted, at a place and time designated by the Ground Transportation Manager, and periodically thereafter until removed from permitted service.

2.3 Permitted taxicabs will receive a decal from the Airport which must be displayed in the front windshield, lower right side.

2.4 The Permit must be prominently displayed in the taxicab in a manner clearly visible to the passenger.

2.5 The Permit may not be transferred to another vehicle without the express written permission of the Ground Transportation Manager.

2.6 Taxi drivers ("Drivers") must display a valid picture ID in the taxicab and make available contact information cards for the Driver and the Driver's Company for passengers to provide feedback.

ARTICLE III

AIRPORT SERVICE STANDARDS

3.1 Taxicabs must conform to the following specifications:

3.1.1 Taxicab shall be painted in a paint scheme approved in writing by the Director.

3.1.2 Taxicab vehicle model shall be no more than three (3) years old.

3.1.3 Taxicab shall have a GPS system.

3.1.4 Taxicab shall have a backseat credit card payment device.

3.2 Drivers shall be neat and clean in appearance and must adhere to a standard dress code as described below or as determined by the Company and approved, in writing, by the Director:

3.2.1 Light color (white, tan, or cream) button down shirt; and

3.2.2 Dark color (navy blue, black, or brown) pants or a skirt.

3.2.3 Jeans, sweatshirts, and athletic shoes are not permitted.

ARTICLE IV
METHOD OF OPERATION

PICK UP

4.1 Taxis operating via Permit shall report to their assigned hold area immediately upon arrival at the Airport and wait there until dispatched by Airport approved personnel and in accordance with Airport procedures.

4.2 Drivers shall yield the right of way to pedestrians in all crosswalks and shall follow the lawful direction of all uniformed police and/or uniformed traffic direction personnel.

4.3 Drivers shall not leave any door of the taxicab open unless they are actively loading or unloading passengers from that door.

4.4 No maintenance work on the vehicles is to be performed while in the holding area.

4.5 Drivers shall pick up their passengers at the curbside in the area designated by the Director.

4.6 Drivers shall assist passengers by placing luggage or packages in or out of the taxicab when requested without charge and shall assist passengers in and out of the taxicab.

DROP OFF

4.7 Drivers shall drop off passengers on the curbside in the area designated by the Director.

4.8 Drivers shall remain in the left traffic lane until fully across the first crosswalk.

4.9 Drivers may not stop on any crosswalk or in the left traffic lane to discharge passengers.

4.10 Drivers shall pull forward until they are able to safely pull out of the left traffic lane to safely discharge passengers.

4.11 Under no circumstances may drivers block the left traffic lane to wait for a space to open but driver shall continue to pull forward to an open area.

4.12 Drivers may not use the areas designated for Curbside Valet or for the Business Valet shuttle bus.

4.13 Drivers shall endeavor to pull fully to the curb prior to dropping passengers and shall not discharge any passenger on a crosswalk or in the traffic lane.

4.14 Drivers who have dropped off their passengers shall immediately exit the Airport terminal roadways and may not stop for any reason other than to obey a command from uniformed police and/or uniformed traffic direction personnel. Stopping or

standing at the Terminal building without obvious reason will be considered an attempt to solicit passengers.

ARTICLE V
ENFORCEMENT

5.1 Each Company that is party to an Agreement is responsible for ensuring that all of its drivers are aware of and comply with the Agreement, the Code, and these Rules.
5.2 Companies must allow the Director or his/her designees to inspect vehicles at the Airport upon request.
5.3 The Director shall designate staff to monitor and enforce the Rules. Said staff shall have the full authority of the Director with regard to enforcement.
5.4 A violation of Chapter 22 of the Code is also a violation of these Rules, as noted in 1.1 above. Neither these Rules, nor an Airport enforcement action of the same, shall be interpreted to preclude a separate enforcement action of Chapter 22 of the Code by the Passenger Vehicle for Hire ("PVH") Manager and Board.
5.5 The Director and his designees shall have any and all of the following remedies immediately available for any violation of these Rules:

5.5.1 The Permit may be permanently revoked or reassigned if the Director determines that the taxicab associated with that Permit should be taken out of Airport service.

5.5.2 The Company may be required to suspend or remove and to replace any Driver. Any requests made of Company for the suspension or removal of its Drivers shall be made in writing and shall be lawful and non-discriminatory.

5.5.3 The Agreement may be terminated.

5.6 Companies will be charged fees according to the number and type of violations accumulated within a twelve month period matching the Operating Agreement's contract year.

5.6.1 The fees will be determined in the following manner:

5.6.1.1 A violation of an Airport Service Standard as reflected in Article III of the Rules, or a violation of an ordinance in Chapter 22 Article II Division 1, except for section 22-31, 2, 3, 4, 5, 6, 7, and 10 of the Code, will result in the company receiving 1 penalty point and the Permit being suspended until the violation is corrected.

5.6.1.2 A violation of a Permits and Identification standard as reflected in Article II of the Rules, or a violation of an ordinance in Chapter 22 Article II Division 8, except for section 22-288(6), and 9 of the Code,

will result in the Company receiving 2 penalty points and the Permit being suspended until the violation is corrected.

5.6.1.3 A violation of an Operation standards as reflected in Article IV of the Rules, or a violation of Sect. 22-31 or Sect. 22-288(6) of Chapter 22 Article II of the Code will result in the Company receiving 3 penalty points and the Permit being suspended until the violation is corrected.

5.6.2 The fee scale is as follows:

5.6.2.1 0-5 penalty points will result in no fines

5.6.2.2 6-10 penalty points will result in a $1000 fine

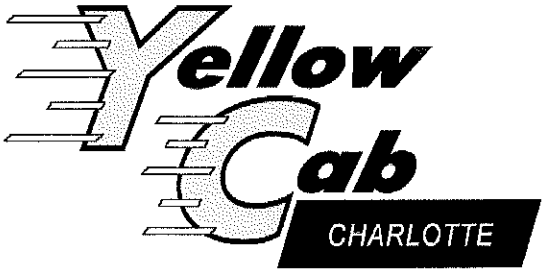
5.6.2.3 11-15 penalty points will result in a $2500 fine

5.6.2.4 16+ penalty points will result in a $5000 fine and prevent the company from being eligible to renew their Operating Agreement for one year.

5.7 Notices of violation shall be issued in writing to the Company with a copy to the Driver.

5.8 Companies may appeal Airport, Permit or Operation Standard violations as described in Section 5.6 above in writing to the Director no later than 15 days after receiving notice of the violation.

[end]



September 7, 2010

Comments on Charlotte Airport Taxi RFP

AIRPORT PERMIT FEES

The proposed annual fee of $3,000 per vehicle represents an increase of approximately $1,750 and 140% over the fees paid under the current structure. We believe the proposed fee is somewhat excessive based on the economic climate of the past few years and an added cost that cannot be absorbed by the drivers.

105 permits @ $3,000 =	$315,000 proposed
105 permits @ $1,250 =	$131,250 present fee
	$183,750 140% increase

AIRPORT TRIP CHARGE (200,000 trips per year)

We believe if the airport needs additional revenue the trip charge should be added to the fare and paid by the passenger. This is common practice at many other airports in the country. When combined with the increased Permit Fee the total fee increase is very excessive in our opinion. The financial reality is that the passenger is the only revenue source for airport trips, and if the trip charge is not passed through to the passenger it has to come from either the driver or the car owner. As I am sure you are fully aware neither drivers nor owners feel they have sufficient net revenue to pay this fee increase without being significantly harmed.

200,000 trips per year @ $1.00 per trip = $200,000 or $1,905 per permit/driver.

A second issue not specifically addressed is how the airport intends to address any differences in proposed trip charges by the successful bidders. It seems to be somewhat unfair to have different fees paid for the same resource of passenger trips.

VEHICLE STANDARDS

The RFP states taxicab vehicle model shall be no more than three (3) years old. We believe this requirement needs some clarification. Is three years old the maximum age for a taxi providing airport service? Or is three years old the maximum age when put into airport service? This is a significant cost item as most vehicles in service as taxis in the city are used when initially put into taxi service, and a requirement to buy new or newer vehicles raises costs and negatively impacts net earnings of all the participants.

2010 van @ $18,000 to $20,000 per van = cost of $128/week based on 3 year straight line depreciation.

Taxi USA, LLC d/b/a Yellow Cab, Green Cab, Eagle Cab
4257 Golf Acres Drive
Charlotte, North Carolina 28208
Phone: (704) 529-1130 Fax: (704) 529-0427
www.yellowcabofcharlotte.net

September 7, 2010

We have questions as to who bears the cost of converting cars to the new paint scheme and what type of decals or signs will be allowed on the cars. Also can the airport cars be used in regular taxi service in the city? How will a passenger in the city know which company the airport taxi belongs to?

MANAGEMENT STRUCTURE

It is not clear from the RFP if the airport staff will be performing the same services as they are today. Can you please provide more detail on what is expected? If more than one company is selected will there be more than one Management Structure or is the intent to have a common structure? We believe the best experience for the passenger is to have one structure for them at the point of contact. Again if the intent is for the successful bidder(s) to manage the taxis at the airport this becomes another significant cost component not in place today. Will the successful companies have access to the existing holding area to stage taxis?

Taxi USA has a proven taxicab management system utilizing GPS location, VeriFone backseat credit card readers and a full service dispatch/call center that can give accountability by tracking all Airport taxis. By knowing the exact location of each taxi, Taxi USA is able to provide the quickest response time to customer calls thus giving better service to all customers.

As an alternative option, Taxi USA will be willing to work with the Airport to allow other successful bidders to utilize the same proven management system we currently use.

AUTO LIABILITY INSURANCE

We believe the auto liability insurance requirement stated in the RFP is not sufficient to adequately protect the airport passengers in the event of a serious accident. The current city requirement for auto liability insurance is only $ $30,000 / $60,000 which provides $30,000 of coverage when only one person is injured or a maximum of $60,000 when more than one person is injured. While there is an indemnity clause in favor of the airport, a company with minimal insurance and without other assets sufficient to pay damages could expose the airport to claims by injured parties. **We suggest that insurance limits of $500,000 combined single limits would provide adequate protection for the airport.** Taxi USA presently has this level of coverage on all of its owned fleet and will offer the same limits to qualified drivers at $60 per week. This is not a marked up price but a pass thru from our insurance provider.

$30,000 / $60,000 Auto Liability required by City ordinance

$500,000 combined single limit Auto Liability in place today on all Taxi USA owned cars.

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September 7, 2010

FINANCIAL STABILITY / EXPERIENCE

To insure continued service that is expected by the City and Airport, we suggest there be a quantitative amount of company assets and a proven Taxi management team. This will insure that the selected company/companies will be able to continually support the Airport customer needs and keep up with constant advances in technology.

VEHICLE TECHNOLOGY

All Taxi USA Airport cars are presently equipped with GPS, backseat card readers and supported by a dispatch/call center that operates 24/7. By knowing the exact location of each taxi, Taxi USA is able to provide the quickest response time to customer calls thus giving better service to all customers. The system also has an Auto Call-Out feature to let the customer know that the cab is outside waiting. The dispatch system is a proprietary system owned and developed by the partners of Taxi USA, LLC. It took over 20 years and hundreds of thousands of dollars to develop and implement.

Our experience in other markets has demonstrated to us that the customer is much more comfortable with backseat devices allowing him to swipe his credit card himself rather having to surrender it to the driver when older technology is employed. We have this technology in place today and applaud the airports plan to require it.

TAXI USA OPERATION AND MAINTENANCE FACILITY

Located only 1.5 miles from the Airport, our new 11,500 square foot facility at 4257 Golf Acres Drive, Charlotte, NC 28208 has 3,000 sq ft of office and driver area plus 8,500 sq ft of shop space. Our shop has the tools and equipment to do anything from changing oil to replacing engines and transmissions. We also provide the drivers a "free" commercial vacuum system if they want to stop by to clean up their car.

Taxi USA has made the investment to bring the best taxicab service to the Airport and to the City of Charlotte.

TAXI LOT AUTOMATION (GATEKEEPER SYSTEM)

This system is presently in use by other Airports in the area. Below is a brief overview of the system.

Introduction

The implementation of ground transportation management (GTM) systems, frequently known as automated vehicle identification (AVI) systems to monitor, track, control and record commercial vehicle operations at airports, is an effective method for improving overall landside operations and reducing congestion, as well as reducing vehicle emissions and collecting fees directly related to vehicle usage of airport roadways and curbside areas.

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Comments on Charlotte Airport Taxi RFP – Page 4

Historically some "ground transportation" operating functions have been limited in their options due to the significant amounts of labor required and their paper-intensive format. However, by installing a GTM system that combines existing radio frequency identification (RFID) technology with specialized software, many airports have significantly improved the results of their ground transportation operations.

The ground transportation systems implemented by GateKeeper Systems, Inc., is a powerful tool that will significantly affect your airport's ability to:

- Make efficient use of limited curbside space and control the movement of commercial vehicles at your airport.
- Create new sources of revenues that are tied to the use of your facilities.
- Improve customer service levels for your ground transportation services.
- Gather extensive information on the commercial vehicle activity at your airport

CLOSING POINTS

1. The proposed new one color scheme does not allow the drivers the opportunity to create return business to the Airport to eliminate deadhead miles.
2. The Yellow Cab brand would allow immediate access to our extra 125 taxicabs whenever the airport was in need of taxicabs during peak periods and holidays.
3. The concept of a master concession with several other companies operating under one management system and brand would clearly benefit the customers and the Airport.

Thank you,

James H. Church
President

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www.yellowcabofcharlotte.net

Charlotte Taxicab Company Association
3504 N. Tryon St
Charlotte, N.C. 28206
(704) 332-8001

FROM : CTCA MANAGEMENT

TO : City Council Member

SUBJECT : PROPOSAL In Response To Airport "RFP"

DATE : August 30, 2010

In view of the situation, as it has occurred with regards to the operating agreements held by the company owners operating at the Charlotte Douglas International Airport, the company owners hereto propose and affirm the following:

1) That the airport is currently, and continues to be party to 12 operating agreements pursuant to which 144 taxis are contracted;

2) The company owner agrees to enter into a binding agreement with the airport authority and abides by all rules and regulations as shall be prescribed by the airport and the city. The terms of the agreement shall not be limited to yearly but with an automatic renewal, except for an instance where a permit holder continues to break the rules and regulations or fails to meet such criteria as it affects the daily executions of the services as mentioned in the agreements;

3) The company owners agree to a unified paint scheme as may be required by the airport authority and designate all the 144 permits as strictly airport taxis. These taxis are to return back to the airport immediately upon emptying their loads;

4) The company owners agree to update their airport fleets yearly as not to have any cab exceed seven (7) years starting from the manufacturer's date;

5) The company owners agree to the annual fee of $3000 per permit and strongly wish the airport authority rescind the usage fees.

6) The company owners agree to adopt a uniform mode of conduct to favor driver rights and privileges. The company owners shall not commit usury on drivers. We also propose a franchise fee sealed $200.00 per week. Out of this fee sixty

Dollars will go to the Airport and One hundred and twenty five dollars will go to the company for overhead expense. A company wishing to lease a vehicle shall not exceed $400.00 per week.

7) The company owners do not subscribe to a two tier system of taxi services within the City of Charlotte. The welcome wagon that ushers in the visitors from the airport shall not differ from the welcome wagon that picks up a visitor from the train station and the bus station; neither shall they all differ from the city wagons that take the same visitors to places of interest, from hotels to restaurants, or residents from neighborhoods to shopping centers, shops, grocery stores, laundry mall, places of worship, schools, places of business, and our sick ones to and from hospitals and clinics.

8) Each company must accept credit cards with all vehicles having credit card machines in them. It will be installed at the back of the seat.

9) Every company should have twenty four (24) computerized dispatch system

Suggestions:

1. There should be a minimum of one year freeze at the Airport on new companies to allow at the Airport to give the Airport Authority to evaluate the current companies at the Airport under the new requirements in order to ensure those companies are complying with these regulations.
2. New companies shall not be allowed to enter into the airport until they have been in business for at least minimum requirement of three (3) years.

Sincerely yours,

Zebene Mesele
Chairman

At-Large Representative on Charlotte City Council,

Date: Tuesday, September 07, 2010

Amanuel Hagos

4120 Providence Rd Apt B

Charlotte,NC 28211

704 – 564 - 6848

Note: Mr Jerry Orr. On his meeting with drivers Association told us, he isn't able to help drivers Unless Sec. 22-351 of the city Ordinance regarding airport service is changed.

Red – Ordinance as it currently exists Green – Ordinance as we would like to be

DIVISIONS 10:- AIRPORT SERVICE

Sec. 22-351. - Operating agreements; permit required.

a) No passenger vehicle for hire shall operate at the airport unless the passenger vehicle for hire company it is associated with has obtained a current airport passenger vehicle for hire permit for the vehicle as a result of entering into an airport operating agreement. Such airport operating agreements shall be entered into annually, shall require the payment of appropriate fees and shall obligate the passenger vehicle for hire company and permitted vehicle to adhere to certain standards of operation at the airport. The airport passenger vehicle for hire permit may be revoked or may not be renewed if there is a failure of the passenger vehicle for hire company to comply with the terms of the agreement.

a) No passenger vehicle for hire shall operate at the airport unless it's owned and operated by an independent taxi driver who is currently associated with the air port taxi cab operator as a result of entering into an airport operating agreement which shall be entered with the airport administration and shall require the payment of appropriate fees and shall obligate the taxi cab operator to adhere to certain standards of operation at the airport. The airport operating permit may be revoked or may not be renewed if there is a failure of the taxi cab operator to comply with the terms of the agreement. However, before any move to revoke or suspend airport taxi cab operating permit there should be a hearing board that shall be constituted of airport taxi operation manager ,passenger vehicle for hire representative, and representative of taxicab association.

WHY TAXI DRIVERS ARE NOT HAPPY ABOUT RFP ?

RFP Comparison Between Current Rules Vs Proposed Rules and Drivers comment

Item	Description	Current Rules	Proposed Rules	Drivers Comment
1.	No. of operating companies	12	1 - 3	Only Taxi cab Independent Operators
2.	No. Permitted Taxi	144	105	144
3.	Vehicle year	10 years	3 years	10years
4.	Annual Airport fee per Car	$1250.00	$3000.00	No payment
5.	Usage fee(Trip Charge)	No fee	Decided By proposer	$0.50 - $1.00 per trip per trip

Driver Comment Explanation

1. Give the airport drivers the chance to choose the company they want and let them negotiate the franchise fee.
2. 39 drivers will lose their job
3. The current City Law and Ordinance says 10years.
4. It is not fair to pay twice because we are going to pay Trip Charge Fee.
5. In most other cities airport there is Trip charge fee.