

THIS PRINT COVERS CALENDAR ITEM NO.: 16

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Taxis and Accessible Services

BRIEF DESCRIPTION:

Requesting the Board to amend Transportation Code Sections 1102, 1103 and 1107 to implement dispatch performance standards, and to adopt minimum requirements for dispatch equipment and for the transfer of a dispatch service permit.

SUMMARY:

- Current provisions of the Transportation Code related to dispatch were originally adopted in 1988 and 2007. These proposed amendments would be the first time that the SFMTA addresses dispatch standards.
- The Hara Associates report indicated that taxi dispatch success will result in increased commuter transit use, increased economic activity, and that improved dispatch systems will give taxi drivers the tools they need to respond to taxi demand outside of the downtown area more effectively.
- Amendments to dispatch standards will address the need to establish enforceable performance standards for dispatch in order to increase the reliability of taxis in the neighborhoods outside of the downtown area.
- These proposed regulations would establish minimum criteria for the size of a dispatch service, the number of dispatch calls received and the number of dispatch calls successfully serviced, and provide for the eventual revocation of any dispatch service permit that cannot bring itself into compliance. These minimum size and dispatch success criteria would increase over time.
- These amendments would require all dispatch service permit holders to use dispatching equipment that includes two-way communication through a driver information monitor (DIM) or mobile data terminal (MDT) connected to the taximeter, with integrated GPS, configurable polling time of vehicle data and status, and the ability to report detailed trip information on every order entered into the system.
- The proposed regulations would also establish requirements for the transfer of a dispatch service permit that mirror the requirements for a color scheme permit transfer.

ENCLOSURES:

1. SFMTAB Resolution
2. Transportation Code Amendments

APPROVALS:

DIRECTOR _____

SECRETARY _____

DATE

9/11/13

9/11/13

ASSIGNED SFMTAB CALENDAR DATE: September 17, 2013

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PURPOSE

Requesting the Board to amend Transportation Code Sections 1102, 1103 and 1107 to implement dispatch performance standards, and to adopt minimum requirements for dispatch equipment and for the transfer of a dispatch service permit.

GOAL

Goal 2: Make transit, walking, bicycling, taxi, ridesharing, and carsharing the preferred means of travel.

Objective 2.1: Improve customer service and communications.

Objective 2.2: Improve transit performance.

Objective 2.3: Increase use of all non-private auto modes.

Goal 3: Improve the environment and quality of life in San Francisco.

Objective 3.2: Increase the transportation system's positive impact to the economy.

Objective 3.4: Deliver services efficiently.

Goal 4: Create a workplace that delivers outstanding service.

Objective 4.4: Improve relationships and partnerships with our stakeholders.

DESCRIPTION

Current provisions of the Transportation Code related to taxi dispatch were originally adopted as part of the Police Code in 1988, and by the Taxi Commission in 2007. In 1988 the Board of Supervisors required a permit to dispatch taxicabs, and required all taxis to maintain a radio dispatch capacity. In 2007 the Taxi Commission required dispatch service permit holders to maintain certain response times when filling orders for trips. These proposed amendments would be the first time that the SFMTA directly addresses performance standards for taxi dispatch service permit holders.

Taxis are hailed in one of two ways, either by a visual connection between passenger and driver on the street (street hail), or by "dispatch": the communication of a request for taxi service to a business that promises to connect (and that profits by connecting), taxi passengers with taxi drivers.

The report provided by the SFMTA's taxi industry best practices consultant, Hara Associates, identified two principal causes for an overall shortage of taxi supply in San Francisco. The first is a chronic undersupply of taxi vehicles. As a result, at its meeting of April 16, 2013 the Board authorized the introduction of 320 new taxis between 2012 and 2014, in addition to 200 "company permits" and 50 Single Operator Part-time Medallions that had been previously authorized, with an additional 180 medallions potentially available in 2015 should taxi reliability issues persist going forward. This represents a potential total of 750 new taxi vehicles between 2012 and December 31, 2015. Of those, 370 will be issued by December 31, 2013, and 200 more will be issued in 2014.

The second principal contributor to the unavailability of San Francisco taxis is the failure of existing dispatch systems to respond to requests for service to areas outside of the downtown core.

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The Hara Associates report has indicated that the success of taxi dispatch is a factor in increasing transit demand and in increasing economic activity in the City's entertainment sector. It states:

The second source [of taxi shortage] is the long-term systemic undersupply of taxis to neighborhoods outside the downtown core. The size of this shortage is evidenced by failure in the dispatch market where neither drivers nor customers have confidence in the ability of traditional dispatch to serve them. . . . San Francisco residents report a high degree of unreliability in service to their homes, and long average wait times even when a taxi does eventually show up. The result is suppressing not only taxi demand, but also associated complementary demand for public transit for commuting. It is also constraining the volume of business that San Franciscans give their dining, entertainment, and nightlife industries.

Hara Associates, *Best Practices of Taxi Regulation: Managing Taxi Supply*, Executive Summary, page ii.

A good dispatch system should not only communicate a passenger's request for service to a driver; it is important that it also provide other useful information to drivers. The Hara Associates report notes:

Dispatch systems are more than dispatchers and software dispatching the closest taxi. Pre-positioning of taxis to take advantage of the daily rhythm of taxi demand in each neighborhood falls to the independent drivers. Skilled drivers are part of the intelligence of a dispatch system. Drivers, too, need to become confident in the reliability of a system where customers will wait for them because they trust the driver will indeed appear. Dispatch systems themselves must adapt to provide drivers with more information by locale so that necessary learning and strategic positioning occurs. San Francisco dispatch systems are often technically sophisticated, but many provide drivers with very little information, even treating the entire dispatch market as a single geographic zone.

Hara Associates, *Best Practices of Taxi Regulation: Managing Taxi Supply*, Executive Summary, page iii.

Current regulations do not contain enforceable dispatch performance standards. In 2007, the Taxi Commission adopted response time goals for dispatch services, but without reliable reporting or monitoring mechanisms these goals were entirely unenforceable.

These proposed amendments to dispatch standards will address the need to establish enforceable performance standards for dispatch in order to increase the reliability of taxis to neighborhoods outside of the downtown area.

These regulations would establish minimum criteria for the size of a dispatch service and the number of dispatch calls successfully serviced per day on average, and provide for the eventual revocation, with an opportunity to cure, of any dispatch service permit that cannot bring itself into compliance with those criteria.

There are currently ten companies that hold dispatch service permits in San Francisco. Of these, three would not currently meet the minimum size requirement that would apply between November 1 and December 31, 2013. These services would have to attract more medallions or consolidate in order to meet the standard.

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These minimum size and dispatch success criteria would increase over time, with any dispatch service permit holder that does not meet the escalating standards subject to eventual revocation. By December 31, 2015, any remaining dispatch service permit holder will be required to be affiliated with at least 100 medallions, and to successfully complete an average of at least 500 dispatch orders per day.

The reason for setting minimum requirements for the number of medallions affiliated with each dispatch service is to ensure that each dispatch service permit holder has a sufficient number of vehicles to be able to respond to City-wide requests for service.

The accelerating requirements also include a minimum number of calls to the dispatch service on average per day, and a minimum number of successful dispatch calls per medallion on average per day. This ensures that the dispatch service permit holder is motivated to advertise its dispatch contact information so that it will receive a high volume of calls, and that there is also a direct incentive to motivate drivers to pick up customers who request service through the dispatch system.

This amendment would eliminate the requirement that a dispatch service call another dispatch service if it cannot service a customer who requests a wheelchair accessible taxi if a taxi is not dispatched within 20 minutes. This requirement is nearly impossible to meet on a consistent basis in a busy call center, is impossible to enforce, and creates unrealistic expectations on the part of the public during peak times. Demand for wheelchair accessible taxi service is being addressed through separate reforms such as the implementation of the Electronic Taxi Access (ETA) System that would make all ramp vehicles capable of being directly hailed on a smartphone or internet platform, and a proposed reform of the ramp medallion system to encourage wheelchair pick ups that will soon be brought to the Board for consideration.

The proposed regulations would also require all dispatch service permit holders to utilize modern dispatching equipment that includes two-way communication with a driver through a driver information monitor (DIM) or mobile data terminal (MDT) directly connected to the taximeter, with integrated GPS, configurable polling time of vehicle data and status, and the ability to report detailed trip information on every order entered into the system. While most dispatch service permit holders already conform to these standards, the regulations have never established minimum equipment standards, with the result that some companies have made substantial investments in sophisticated dispatch equipment, while other dispatch service permit holders have not. Dispatch service to the public has suffered as a result, and the regulatory environment has fostered an uneven playing field among our taxi dispatch service providers. These proposed regulations would raise the bar for all taxi dispatch services in San Francisco.

Under current regulations there is a significant difference between the requirements for SFMTA approval of the transfer of a color scheme permit and the transfer of a dispatch service permit. The requirements for transfer of a dispatch service permit are also vague. The amendment would set forth more detailed requirements for SFMTA approval of the transfer of a dispatch service permit, which mirror the existing requirements for transfer of a color scheme permit. These requirements include:

- Proof of compliance with the requirements of this Article applicable to Dispatch Service Permit Holders, including all required insurance;
- A business license;

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- A signed partnership agreement among multiple purchasers or documentation of current valid corporate status; and
- A signed lease establishing the buyer's right of occupancy at a business premises.

ALTERNATIVES CONSIDERED

Without these proposed amendments to the Transportation Code, there would continue to be a lack of direct economic incentive on the part of taxi dispatch service permit holders to fulfill a higher volume of dispatch requests and achieve a higher number of successful dispatch orders. There would continue to be no way for the SFMTA to monitor all dispatch services equally and accurately or enforce performance standards. In addition, there would be no minimum requirements for dispatch equipment, and the standards for transfer of dispatch service permits would continue to be unclear.

FUNDING IMPACT

There are no funding impacts to the SFMTA if these regulations are adopted. However, according to the Hara Associates report, if taxi service to San Francisco residents is made more reliable, the City is likely to enjoy increased economic activity overall in the entertainment (movies, dinner, nightlife) sectors.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

None.

RECOMMENDATION

That the Board amend Transportation Code Sections 1102, 1103 and 1107 to implement dispatch performance standards, to adopt minimum requirements for dispatch equipment and for the transfer of a dispatch service permit.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Current provisions of the Transportation Code related to dispatch were originally adopted as part of the Police Code in 1988, and by the Taxi Commission in 2007; and,

WHEREAS, Enforceable dispatch performance standards are needed to increase the reliability of taxis to neighborhoods outside of the downtown area, including minimum dispatch service size requirements, a minimum number of completed dispatch orders and minimum dispatch equipment standards; and

WHEREAS, Minimum requirements for dispatch permit transferability should be clarified in the regulations; now therefore, be it

RESOLVED, That the Board of Directors amends Transportation Code Sections 1102, 1103 and 1107 to implement dispatch performance standards, and to adopt minimum requirements for dispatch equipment and for the transfer of a dispatch service permit.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of September 17, 2013.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

[Dispatch Service Standards]

Resolution amending Article 1100 of Division II of the Transportation Code by amending the definition of “dispatch service,” imposing minimum dispatch service standards that become increasingly rigorous over the next two years, eliminating outmoded requirements for call processing, imposing minimum requirements for dispatch equipment, and imposing new standards for approval of requests to transfer dispatch service permits.

NOTE: Additions are single-underline Times New Roman; deletions are ~~strike through Times New Roman~~.

The Municipal Transportation Agency Board of Directors of the City and County of San Francisco enacts the following regulations:

Section 1. Article 1100 of Division II of the Transportation Code is hereby amended by amending Section 1102 to read as follows:

SEC. 1102. DEFINITIONS.

"Dispatch Service" shall mean an entity that holds a Dispatch Service Permit to Dispatch Taxis and Ramp Taxis that are affiliated with the Dispatch Service, ~~any person, business, firm, partnership, association or corporation~~ and that receives communications from the public regarding taxi service for the purpose of forwarding such communications to a Driver Permit Holder, ~~motor vehicle for hire drivers,~~ and shall include any owner, manager, employee, lessee and any agent of said service.

"Dispatch Service" shall not include any service through which the public is able to communicate directly with Drivers, and shall not include any effort on the part of a Driver to market his or her services to the public.

Section 2. Article 1100 of Division II of the Transportation Code is hereby amended by amending Section 1103 to read as follows:

(g) Additional Requirements Applicable To Dispatch Service Permit Applications. ~~Reserved.~~

(1) Dispatch Service Permit Transfers. Any transfer of a Dispatch Service permit must be approved in advance by the SFMTA. The Permit Holder shall give notice to the SFMTA of the intended transfer at least 30 days prior to such transfer. Prior to approving a transfer of a Dispatch Service permit, the SFMTA shall conduct an investigation to ensure that the proposed transferee meets all requirements of this Article. For the purpose of this subsection, the transfer of a business means the transfer of 50 percent or more of an ownership interest in the business to a person or entity that did not already hold an ownership interest in the business as of September 17, 2013. In addition to any other documents establishing compliance with laws and regulations that the SFMTA may require as a condition of approval of the transfer, the parties to the transfer must provide:

(A) Proof of compliance with the requirements of this Article applicable to Dispatch Service Permit Holders, including all required insurance;

(B) A business license;

(C) A signed partnership agreement among multiple purchasers or documentation of current valid corporate status; and

(D) A signed lease establishing the buyer's right of occupancy at a business premises.

Section 3. Article 1100 of Division II of the Transportation Code is hereby amended by amending Section 1107 to read as follows:

SEC. 1107. CONDITIONS APPLICABLE TO DISPATCH SERVICE PERMITS.

(a) In addition to all other conditions applicable to a Dispatch Service Permit, each Dispatch

Service Permit Holder shall comply with the following performance standards:

(b) Minimum Dispatch Service Standards.

(1) A Dispatch Service must affiliate with at least 50 medallions and must successfully complete an average of at least 250 verifiable Dispatch requests per day with an average of a least three completed Dispatch requests per medallion, per day, from November 1, 2013 through December 31, 2013.

(2) A Dispatch Service must affiliate with at least 75 medallions and must successfully complete an average of at least 375 verifiable Dispatch requests per day with an average of a least 3.75 completed Dispatch requests per medallion, per day, from January 1, 2014 through December 31, 2014.

(3) A Dispatch Service must affiliate with at least 100 medallions and must successfully complete an average of at least 500 verifiable Dispatch requests per day with an average of a least five completed Dispatch requests per medallion, per day, from January 1, 2015 through December 31, 2015.

(4) Any Dispatch Service that does not meet the minimum required levels for completion of Dispatch requests per medallion set forth in Sections 1107(b)(1) through (3), and all Color Scheme Permit Holders affiliated with that Dispatch Service Holder shall be placed on Administrative Probation for not more than 90 days. If after 90 days the Dispatch Service cannot meet the applicable minimum required levels for completion of Dispatch requests per medallion, the Dispatch Service permit shall be automatically revoked and all affiliated Color Scheme Permit Holders shall affiliate with a Dispatch Service that meets minimum service standards.

(c) Dispatch Service Operational Requirements. A Dispatch Service must:

(1)(a) Maintain and update an emergency plan that conforms to SFMTA requirements for Drivers and Dispatch Service employees to follow in emergencies, and file an updated emergency plan annually at the time of permit renewal.

(b) List a 24-hour telephone number and the names of the Color Scheme(s) for which they provide dispatch services in the Yellow Pages section of the telephone book.

(c) Promptly dispatch a Ramp Taxi in response to Ramp Taxi service request, and, within

20 minutes of receiving the Ramp Taxi service request, the Dispatch Service must:

~~(1) — Contact the customer who requested a Ramp Taxi with the vehicle number of the Ramp Taxi assigned to handle the call, or to advise the customer that no Ramp Taxi has been dispatched; or~~

~~(2) — If the call cannot be dispatched to a Ramp Taxi affiliated with a Color Scheme that uses that Dispatch Service within 20 minutes, call another Dispatch Service to handle the request, and then call the customer with the name and telephone number of the Color Scheme of the responding Ramp Taxi; or~~

~~(3) — Advise the customer that no vehicle was dispatched.~~

~~(4) — If there are no Ramp Taxis immediately available to respond to a customer's request, record the customer's name and phone number and the names of the other Dispatch Services contacted.~~

~~(d) — Record all requests for taxi service, noting the date and time of the request for service, the service address, the vehicle number dispatched and the time that the Taxi or Ramp Taxi was dispatched to respond to the call.~~

~~(e) — Maintain the capacity to broadcast and to receive transmissions from every Taxi or Ramp Taxi operating under their service.~~

~~(2)(f)~~ Answer all calls by human, mechanical or other device within six rings 365 days per year, 24 hours per day. At least one person shall be available to respond to calls at all times.

~~(g) — Contact customers who have requested a return call if a vehicle has not been dispatched within 20 minutes of the call.~~

~~(h) — Upon customer request, call back customers with an approximate arrival time of the dispatched vehicle.~~

~~(3)(i)~~ Assign each dispatcher, operator and/or call taker employed by the Dispatch Service a unique individual identifier.

~~(4)(j)~~ Require all dispatchers, operators and/or call takers, to answer a call with the name of the Dispatch Service, and, upon request of the caller, to identify themselves with either their unique individual identifier or their ~~true~~ legal name.

~~(5)(k)~~ If two or more Color Schemes share the same Dispatch Service, the Dispatch Service may not dispatch a vehicle from a Color Scheme other than the one requested by the caller to respond to the call until the Dispatch Service operator first advises the customer of the Color Scheme of the vehicle that will respond to the call.

~~(f) **Dispatch Service Permits Transferable.** Dispatch Service Permits are transferable, subject to the approval of the SFMTA, which shall determine whether the proposed transferee meets the criteria set forth in this Article, and whether taxi service would be improved by the transfer of the Dispatch Service Permit. The Permit Holder shall give notice to the SFMTA of any intended transfer at least 30 days prior to any such transfer.~~

~~(6)(m) **Workers' Compensation Requirements.** All Dispatch Service Permit Holders shall comply with all applicable state laws and regulations concerning Workers' Compensation.~~

~~(d)(n) Found Property.~~

(1) Dispatch Service Permit Holders shall take reasonable measures to attempt to return Found Property to its rightful owner in a timely fashion. If the owner cannot be contacted ~~found~~, the property shall be held for safekeeping for a period of not less than 120 days. A receipt shall be issued to the Driver for each item turned in.

(2) If the Found Property is currency, is of the value of \$100 or more, is either a serialized item or an electronic device or contains owners identification information, within 30 calendar days the Dispatch Service Permit Holder ~~or a designee~~ shall transfer the property to the ~~Taxi Detail~~ SFMTA, make a Police Report, and obtain both Police Incident Report Number and a receipt of the items processed.

(3) Dispatch Service Permit Holders shall advise passengers claiming to have lost property of value in a ~~taxicab~~ Taxi or Ramp Taxi, to make a lost property police report if their property has not been found. Color Schemes shall not inform customers to call 311 to report or recover Found Property.

~~(4) Dispatch Service Permit Holders shall notify SFMTA when an item of Found Property is returned to its owner.~~

(e) Minimum Dispatch Equipment Requirements. Each Dispatch Service permit holder

must maintain at a minimum the following dispatch equipment and dispatch capacity as of February 1, 2014:

- (1) A hard-mounted driver information monitor or mobile data terminal capable of two-way communication to display and accept orders, which must be directly connected to the taximeter or connected to the taximeter as part of a secondary system such as a payment system; and
- (2) Integrated GPS to allow for nearest taxi distribution of available orders; and
- (3) Ability to dispatch entered orders based on vehicle type;
- (4) Configurable polling time of vehicle data and status;
- (5) Ability to report data on all orders entered into system, including but not limited to: time and date, order status, drivers/vehicles rejected and drivers/vehicles accepted, all timing points of order (entry time, dispatch time, acceptance or rejected time, and trip completion time), abandoned and non-completed jobs, driver login and logout status while on duty;
- (6) Functional direct voice access and two-way communication with all affiliated Taxis and Ramp Taxis.

Section 4. Effective Date. This ordinance shall become effective 30 days after enactment.

Section 5. Scope of Ordinance. In enacting this ordinance, the San Francisco Municipal Transportation Agency Board of Directors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, letters, punctuation marks, charts, diagrams, or any other constituent parts of the Transportation Code that are explicitly shown in this ordinance as additions or deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Mariam Morley
Deputy City Attorney

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of September 17, 2013.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency