**NOTE:** IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT SUNLINE AT (760) 343-3456. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE SUNLINE TO MAKE REASONABLE ACCOMMODATION TO ENSURE ACCESSIBILITY TO THIS MEETING.

THE CHAIR REQUESTS THAT ALL CELLULAR PHONES AND PAGERS BE TURNED OFF OR SET ON SILENT MODE FOR THE DURATION OF THE BOARD MEETING.

<table>
<thead>
<tr>
<th>AGENDA TOPICS</th>
<th>RECOMMENDATION</th>
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<tbody>
<tr>
<td>1. <strong>Call to Order</strong></td>
<td>Chairman Eduardo Garcia</td>
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<tr>
<td>2. <strong>Flag Salute</strong></td>
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<tr>
<td>3. <strong>Roll Call</strong></td>
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<tr>
<td>4. <strong>Presentations</strong></td>
<td>None.</td>
</tr>
<tr>
<td>5. <strong>Finalization of Agenda</strong></td>
<td></td>
</tr>
<tr>
<td>6. <strong>Correspondence</strong></td>
<td>None.</td>
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</tbody>
</table>
7. **Closed Session**


   b) Closed session to review the employee performance evaluation of the General Manager, pursuant to Government Code Section 54957 of the California Government Code.

   c) Closed Session: public employee appointment of Agency General Counsel pursuant to Government Code Section 54957.

8. **Public Comments**

   (NOTE: Those wishing to address the Board should complete a Public Comment Card and will be called upon to speak.)

**NON AGENDA ITEMS**

Anyone wishing to address the Board on items not on the agenda may do so at this time. Each presentation is limited to 3 minutes.

**AGENDA ITEMS**

Anyone wishing to address specific items on the agenda should notify the Chair at this time so those comments can be made at the appropriate time. Each presentation is limited to 3 minutes.

9. **Board Member Comments**

   Any Board Member who wishes to speak may do so at this time.

--- ACTION ---

10. **Consent Calendar**

    All items on the Consent Calendar will be approved by one motion, and there will be no discussion of individual items unless a Boardmember requests a specific item be pulled from the calendar for separate discussion. The public may comment on any item.

   a) Minutes of the April 25, 2012 Board of Directors Meeting (Pages 1-16)
   b) Checks over $1,000 for April, 2012 (Pages 17-18)
   c) Credit card statement for April, 2012 (Pages 19-21)
c) Credit card statement for April, 2012 (Pages 19-21)
d) Monthly Budget Report for April, 2012 (To be provided at June meeting)
f) Ridership Report for April, 2012 (Pages 22-23)
g) SunDial Operational Notes for April, 2012 (Page 24)

11. **Award of Contract for Security Guard Services**
   (Jack Stevens)
   Request to the Board to authorize SunLine General Manager to award a contract for Security Guard Services. (Page 25)

12. **Award of Contract for Zweig Building AV System**
   (Tommy Edwards)
   Request to the Board of Directors to authorize General Manager to approve award of a contract for Zweig Building AV System. (Page 26)

13. **Award of Contract for Internet Service Provider (ISP)**
    (Naomi Nightingale)
    Request to the Board to authorize General Manager to approve award of a contract for an internet service provider. (Page 27)

14. **Approval of the Revised Drug & Alcohol Policy #B-010394**
    (Jack Stevens)
    Request to the Board to update the attached revised Drug & Alcohol Policy #B-010394. (Pages 28-49)

15. **Approval of the Revised Bus Decal Promotion Criteria & Design Policy #B-020598**
    (C. Mikel Oglesby)
    Request to the Board to update the attached revised Bus Decal Promotion Criteria & Design Policy. (Pages 50-54)

16. **Chairman to Appoint a Nominating Committee for Vice Chairman for FY13**
    (Chairman Eduardo Garcia)
    The Chairman is appointing the following Board Members to serve on the Nominating Committee: Chairman Eduardo Garcia, Vice Chairman Robert Spiegel, Mayor Don Adolph.

    The Nominating Committee will meet immediately following the SunLine Services Group Board Meeting. This serves as public notice for Committee Meeting.
17. **General Manager’s Report** (C. Mikel Oglesby)

18. **Next Meeting Date**
   June 27, 2012
   12 o’clock Noon – Kelly Board Room
   32-505 Harry Oliver Trail
   Thousand Palms, CA 92276

19. **Adjourn**
A regular meeting of the SunLine Transit Agency Board of Directors was held at 12:10pm on Wednesday, April 25, 2012 in the Kelly Board Room at SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

1. **Call to Order**  
The meeting was called to order at 12:00 p.m. by Chairman Eduardo Garcia.

2. **Flag Salute**  
General Manager C. Mikel Oglesby led all in a salute to our flag.

3. **Roll Call**  
Completed.

**Members Present**  
Eduardo Garcia, Chairman, Mayor, City of Coachella  
Robert Spiegel, Vice Chairman, Mayor, City of Palm Desert  
Yvonne Parks, Mayor, City of Desert Hot Springs  
Rick Hutcheson, Councilmember, City of Palm Springs  
Bud England, Councilmember, City of Cathedral City  
Bill Powers, Mayor Pro Tem, City of Indian Wells  
Kristy Franklin, Councilmember, City of La Quinta  
Glenn Miller, Mayor, City of Indio  
John J. Benoit, Supervisor, County of Riverside

**Members Absent**  
G. Dana Hobart, Mayor, City of Rancho Mirage

**Guests:**  
Barbara Raileanu, Woodruff, Spradlin & Smart  
Robert Yates, RCTC  
Linda Hurley, MGO  
Michal Brock, Yellow Cab  
Bill Meyers, Yellow Cab  
Gadi Srulovitz, Yellow Cab  
Mabu Hossein, Desert City Cab  
Harry Incs, American Cab  
Adolfo Soto, ATU  
Kimberly Webb, Public
4. **Presentations**

Director of Human Resources, Jack Stevens announced the “Employees of the Quarter” award winners for the 1st quarter of 2012 for the period of January through March, 2012. They are as follows: Monica Dennis of the Operations Dept., Antonio Greer of the Maintenance Department and Jeff Bergen of the Administration Dept. Todd McDaniel of the Operations Dept. was presented with the “Supervisor of the Quarter” award. Chairman Garcia and General Manager Mikel Oglesby acknowledged the employee’s hard work and dedication; the Board gave them a round of applause.

Director of Transit Planning, Joe Forgiarini provided a service planning presentation to the Board. Overview of presentation is as follows:

**System Overview:** SunLine operates 12 fixed route transit and complementary paratransit services primarily in the urbanized sections of a 1,120 square mile service area.
Ridership Overview:
FY 2011 - first time over 4 million rides (up 8.6% from FY 2001).

Factors impacting ridership include population growth, school bus system closures, the recession, and gas prices. Funding has also not been available to fully implement COA plan.

- Population within 0.75 mile of SunLine network grew 30%
- Coachella Valley overall population grew 39%
- Agency needs a new ridership goal – 5 million rides.

Productivity Overview:
Busiest and most productive SunLine transit lines are:
- Line 14 (Palm Springs – Desert Hot Springs)
- Line 30 (Palm Springs – Cathedral City)
- Line 111 (Palm Springs – Indio)

Key Regional Lines, capacity limited - first priority investment.

Local Lines 70 (La Quinta) and 80/81 (Indio) also strong, but limited by low frequencies – second priority investment.

Lines 15, 24, 32, 90, and 91 are average performers; under review to identify improvement strategies.

Line 53 (Palm Desert) is lowest performer - requires action.
Federal Operating Funding FY12-13:
- FTA Section 5307 Operating Assistance $925,000
- FTA Section 5311 Rural Transit Assistance $265,000
- FTA Section 5307 $2.5 million for preventative maintenance
- FTA Section 5316 JARC/Section 5317 New Freedom Grants $227,000; funds Taxi Voucher Program, new Riverside Express
- FTA now allows SunLine to capitalize fuel costs of $440,000; not additional funds, but more available for operations.

State/Local Operating Funding FY12-13:
- Local Measure A Money up slightly to $4.5 Million
- State LTF funding increased to $11.1 Million
- Past LTF surpluses needed to restore operating reserves

Proposed Service Improvements Phase 1
- Introduce new Riverside Commuter Express Route 210 (implementation September 2012 – project is funded)
- Improve Line 14, 30 weekday daytime frequency to 20 min. (currently 30/35 minute) – project is not funded.
- Improve Lines 14, 30, 111 weekends to 30 min. Frequency (currently 40/45 minute) – project is not funded.
- Implementation of Line 14, 30, and 111 improvements requires increased funding in FY13-14 and beyond.

Proposed Service Improvements – Phase 2
- Improve Line 70 frequency weekdays from 45 min. to 30 min.
- Improve Line 70 frequency weekends from 90 min. to 45 min.
- Increase Lines 80-81 frequency weekday from 60 min. to 30 min. frequency

These improvements also require additional funding.
## Estimated Service Improvement Costs

<table>
<thead>
<tr>
<th>Line</th>
<th>Day of Operation</th>
<th>Added Miles</th>
<th>Added Hours</th>
<th>Marginal Operating Costs +10%</th>
<th>Marginal Ridership</th>
<th>Added Fare Revenue</th>
<th>Required Additional Subsidy*</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>Weekdays 30 to 20 minute daytime</td>
<td>59,005</td>
<td>6,331</td>
<td>$301,057</td>
<td>89,732</td>
<td>$58,146</td>
<td>$242,911</td>
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<tr>
<td>111</td>
<td>Weekends 40 to 30 min. service</td>
<td>49,833</td>
<td>3,287</td>
<td>$185,216</td>
<td>86,919</td>
<td>$56,324</td>
<td>$128,892</td>
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<tr>
<td>30</td>
<td>Weekends 40 to 30 min.</td>
<td>21,893</td>
<td>2,240</td>
<td>$108,034</td>
<td>13,305</td>
<td>$8,622</td>
<td>$99,412</td>
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<td>14</td>
<td>Weekdays 35 to 20 min.</td>
<td>150,311</td>
<td>6,956</td>
<td>$459,575</td>
<td>90,931</td>
<td>$58,923</td>
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<tr>
<td>14</td>
<td>Weekends 45 to 30 min.</td>
<td>37,128</td>
<td>1,868</td>
<td>$118,539</td>
<td>13,214</td>
<td>$8,563</td>
<td>$109,977</td>
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<tr>
<td>70</td>
<td>Weekdays 45 to 30 min.</td>
<td>55,418</td>
<td>3,981</td>
<td>$216,901</td>
<td>29,417</td>
<td>$19,062</td>
<td>$197,839</td>
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<tr>
<td>80</td>
<td>Weekdays 60 to 30 min.</td>
<td>38,829</td>
<td>3,581</td>
<td>$178,502</td>
<td>28,053</td>
<td>$18,179</td>
<td>$160,323</td>
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<tr>
<td>81</td>
<td>Weekdays 60 to 30 min.</td>
<td>35,656</td>
<td>3,571</td>
<td>$173,374</td>
<td>28,053</td>
<td>$18,179</td>
<td>$155,195</td>
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<tr>
<td>70</td>
<td>Weekends 90 to 60 min.</td>
<td>21,872</td>
<td>1,598</td>
<td>$86,506</td>
<td>7,751</td>
<td>$5,023</td>
<td>$81,483</td>
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<tr>
<td>210</td>
<td>2 return trips weekdays</td>
<td>76,500</td>
<td>5,245</td>
<td>$311,274</td>
<td>17,850</td>
<td>$49,459</td>
<td>$261,815</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>546,445</strong></td>
<td><strong>38,658</strong></td>
<td></td>
<td><strong>$2,138,978</strong></td>
<td><strong>405,225</strong></td>
<td><strong>$300,480</strong></td>
<td><strong>$1,838,499</strong></td>
</tr>
</tbody>
</table>

### Service Improvement Impacts:

- Proposed service improvements require 9 extra buses and 28 new operators.
- Estimated 400,000 extra rides.
- Total annual cost of improvements = $2.14 million.
- Estimated $300,000 in extra fare revenue.
- Required extra annual operating subsidy $1.84 million.
Sources for the extra funding will be growth in LTF, Measure A, Section 5307 funds and other funding opportunities.

Line 53 Improvement Strategies
1. Revise schedule mornings for Palm Desert High School (implement May 2012).
2. Investigate extension of trips to Xavier School.
3. Reroute to serve Country Club Drive/Portola Avenue
4. Reroute to serve Palm Desert Senior Center.
5. Revised frequency/span of service, days of operation

Proposed Line 53 Reroute
Divert to serve Portola/ Country Club and Seniors Center

Unmet Needs
RCTC Coordinated Planning and SunLine Transit Agency planning has identified two areas of unmet transport needs: (Hearings were held earlier in the year.)
- North Shore (3,500 population, 11 miles east of Mecca)
- Desert Edge/Sky Valley (approx. 6,200 all year population 10,000 in season), 4-8 miles east of Desert Hot Springs).
- Difficult for fixed route transit in small areas to achieve 10% cost recovery (RCTC Policy) plus ADA requirements.

SunLine and RCTC are working with the communities to identify appropriate innovative transportation solutions.

Planning Studies
- Ongoing review of ridership and on-time performance trends using new automatic passenger counter data.
- Monitor funding opportunities for increased service levels.
- Finalize study of unmet needs (North Shore, Desert Edge).
- Study possible route restructures:
  1. Extend Line 111 to Coachella; restructure Lines 90 & 91.

Mr. Forgiarini stated that the extension would provide almost every member city to be served by that line; it's a relatively short extension beyond Indio. He stated that the thing lacking in Coachella to implement is the transit center, so it might be quite a fast simple extension of the bus route. A facility is required to help support.

Chairman Garcia stated the following: “I would like to make a point to that because we have had that conversation here as it relates to transit center services identified by the COA and I think that it is important that we kind of separate between the two - the transit center being worked on in Indio to try bring rail and other types of multi-faceted transportation services and what the COA has identified as a transit center for SunLine services as it relates and points to the City of Coachella. It is important that we do that so that we don’t come back and have the conversation or debate here where the Board states that we can only support one transit center and exactly what does that mean and what does that look like. I think it is important that you be very specific and clear about the transit center that is being referred to in facilitating these types of expansions.” Mr. Forgiarini stated that the Chairman is correct and it is very much necessary if we are going to transfer large volumes of customers between buses; we need an appropriate environments to do that and Coachella would be the new hub in that regard.

  2. Restructure Lines 14 & 15 Desert Hot Springs.
  3. Review transit opportunities for Sun City Palm Desert.

- Develop Service Standards Policy Document. Mr. Forgiarini would like to bring back to the Board at some point a document that provides a framework on how staff decides when it is time that a service might be relevant to discontinue or when it is time to expand.

- Study bus speed improvement options (Bus Rapid Transit).

**Next Steps**

1. Presentation of Short Range Transit Plan draft in conjunction with agency budget (May-June 2012)
2. Approval for Riverside Commuter Express (June 2012)
3. Presentation of draft Service Standards (June 2012)
4. Report on Unmet Needs Options (June 2012)
5. Update on Funding Levels (early 2013)

Supervisor Benoit stated the following: “Thank you; it was a very well organized report. I was pleased to see on the unmet needs list that North Shore is on top of the list. I would reiterate that I recognize that the Desert Edge/Sky Valley communities also have unmet needs; I think there are good arguments why the North Shore should be on top of the list - the population down there being largely indigent and is a long way from even basic medical services and a continuing source of complaints that I’m sure Mike and everybody here understands and recognizes. I think there is an opportunity with a significant portion of sentinel funds having to be spent in that area as part of the civil justice component of the sentinel mitigation fund. I
know that we have been talking staff to staff in the last few days, Mike, about making sure that this is one of the proposals that hopefully in front of the Board at the AQMD. I believe there is a real significant opportunity; maybe not for long term personnel costs, but for some equipment costs. I do believe that if we took some of the vehicles – people do have vehicles in that area that they are driving - older, higher polluting vehicles. If we can take a number of those off the road by providing some form of limited days – a couple trips a day in both directions, would meet the air quality criteria of that grant. I just throw that out for the Board’s consideration and update.”

Vice Chairman Spiegel asked the following: “When do you plan on implementing the changes to the Line 53?” Mr. Forgiarini stated that the Line 53 was in finalizing the planning. He stated that staff would like to meet with the City to have more rigorous discussion first and then talk about possible dates for implementation. He stated that it would not be before January of next year due to going through a formal process of public discussion.

Councilmember England asked the following: “You talk about needing additional revenue sources to provide the services that we currently have, while possibly building for future lines; what can we do as the Board to help with that task - coming up with new sources.” Mr. Oglesby stated the following: “One of the things that may be able to help is prioritizing. From SunLine’s standpoint, we look at the service and we look at the need and we prioritize it. As a matter of fact, that list was provided in the presentation is somewhat prioritized. There is a phase one and phase two and a list of things. In that, while we are looking at it from that standpoint, we get requests from places like North Shore and the other ones. The Board might be able to help us by prioritizing. From our standpoint, this is what we need, why and this is how much. From a political standpoint and other reasons, this needs to be looked at also, including ridership. That is where we get into a point where we look at it and say from a ridership point, we think this is right, but then we get a call saying we disagree, you need to put, as an example, Line 53 at the top in Phase One. If you look at Phase One and Phase Two and from our analysis, North Shore was not in there. But on the other side, we have all these unmet needs. That is where we are having a problem balancing. It’s hard for us to take North Shore, for example, and put it on the top. We need guidance from the Board members” Councilmember England stated: “As I see it, it is all about funding. You have a certain amount of money, and we have more need than dollars. How can we as a Board or individual Board member help with that equation? As the economy keeps going the way that it is going, increase in ridership, and funding is going to diminish a little bit as it has over the past. RCTC is not giving us as much as they should or could.” Mr. Oglesby stated: “With RCTC the money passes through them, so it’s not personally RCTC.” Councilmember England further stated: “Yes, but you understand what I am saying - it is a funding problem that we have and as individual Board members we all have series of influence that we can talk to and help improve that or go after different ones so that we can do a North Shore or Desert Center.” Mr. Oglesby stated” “From that standpoint, communication is key. I think when we get to a point where we look like we are going to go down a certain road, we can come back to you and say we are going down this road and there is opportunity here, what do you think. If everybody blesses it, then we move forward. North Shore is a unique situation because there is a pot of money sitting somewhere that we may be able to grab and make it happen, but then the question is the sustainability. The first year we got it in, but it is temporary. We
think beyond the immediate money. When the money is there, our thought process is three years out – how are we going to keep this going? We had the same kind of situation with the Riverside Commuter service that RTA is helping us with and we are putting this together because of money that we put in. It is a two year project; I'm thinking immediately beyond the two years because once you start providing transportation from Riverside to the Valley, it is pretty much done. After two years we have to find more funding. Again, once we prioritize, and we are going to move forward, we need to come to you and say this is where we are and if you have anything else, let us know now." Ms. Forgiarini stated that a clearer picture would be provided with the mid-year financial review – where we are expect to be. Mr. Yates from RCTC stated: "Typically what we do is - we get the true-up for the previous fiscal year – we will get that in September of this year. That will start to paint the picture of actually what happened this year, but we are already into the next fiscal year. We will follow that trend and typically in January, our CFO will bring that to the Commission with a recommendation. The last three years, we have actually stayed flat. Although we see an upward trend, it's actually added to your reserves slightly simply because we stayed flat. We are thinking we might be able to adjust it. But as Joe said – all things stay the same. Typically, I would like to January of 2013 to have an idea of where you are at."

Mayor Miller asked the following: "Mikel, when we are doing the lines like North Shore, which obviously is a priority to quite a few people, are you going to be able to not only prioritize what we are going to get because of the one time need for equipment from AQMD or whatever it is, the projections and revenue that are going to come in and also the expenses for three or four years, so once that funding goes away we can see if we want to invest over the next five years – will we have that too? It might be something that this Board decides to do, or Sky Valley, where we say we can make it work if we can find out a five year projection. I agree that two years is not going to give us enough information so that we can give an educated decision and we will be in a rough spot three years from now when we have to make a decision to keep it or cut it out." Oglesby stated: "That is exactly what we look at – beyond three years. We look at whether it would be equipment or operating – may be able to cover some of the operating. I would be fooling myself if I told you that it is all covered the first two years on grant funding. There still needs to be funding from us put in and it would just grow. That is why it appears to be simple enough, go get the money and do it, I look at the effect the first two years and forward. It is sometimes frustrating because I believe we need to do the service, but I have to look at the projection." Mayor Miller stated: "Maybe we can work with Robert or with AQMD to see if we can maybe get a five year grant – push that forward."

Mayor Parks stated the following: "We talk about Desert Edge several times in the last three years. Line 15 as it is currently configured, goes right to the edge of Desert Edge. Extending that down Long Canyon – we are just talking about extending it maybe three miles – down Long Canyon, out Dillon to maybe Cork Hill and then turn around, come back and go right back into Desert Hot Springs. To me, that would be the least expensive; you maintain the same bus – you would not have to have an extra bus; you would have the same rider. You may delay the pick up times a little, but that would be the only draw back that I could see by extending the Line 15 down and bringing it back up." Mr. Oglesby stated: "You would want to
add another bus to keep the headways the same because it links to the Line 14. Timing needs to be right. We may add a little bit of resources."

Chairman Garcia stated: "I would like to state that I support the idea of looking at funding that is available for potential services to the North Shore area. As you know, Mikel and I have had a couple of meetings out there. From the standpoint of the community, they are screaming that they need services to and from essential places – healthcare, education, the new Boys and Girls Club in Mecca, a wide range of needs. My question is - are we looking at the sentinel funds to also look at some of the goals of objectives within the COA? In other words, how can we get a bang for our buck if we apply for some of these funds – big picture items in terms of providing transit services in that area."

Mr. Forgiarini stated that there is some language in the introduction to the categories listed that are applicable to the grant that suggests that any project that will have significant emission reduction benefits would be looked at. He stated that if he literally takes that sentence and apply that, he would be very willing to submit a grant application for a portion of the items that were presented today, including the North Shore. Mr. Forgiarini further stated: "That it is one of those grants that typically AQMD money goes toward capital items – it is more unusual. It is not that it never happens, but operating money is more unusual." Oglesby stated: "We are going to apply for the operating side of it for North Shore and even if we did apply for other ones, the way it is prioritized, it would be up to AQMD and the guidelines."

Chairman Garcia stated: "They have a point system that they utilize to grade the applications. In-house we have the ability to give it a first run to make sure that we are ranking high enough and if we are not in one area, how do we strengthen the application or we move on to another project that is going to have a higher probability of being funded."

Supervisor Benoit stated the following: "I would like to make a couple of points as a Supervisor, AQMD, Chairman of RCTC, SunLine member – too many hats. I agree with everything said. I would make a couple of observations on the sentinel money. I don't think there is anything in there that says it has to go for equipment versus sustaining the route. This is a unique grant and has a lot of unique criteria, but I don't think that is one of them. This may be the opportunity to get some operational funding. That being said, because I wear all of those hats, I won't be writing a letter of support for any particular request, or weighing in on any one request except to say that I can get you any technical assistance you need from AQMD to help answer any questions you have during the process."

Oglesby asked the following: "If we put in for the North Shore project and we just showed you a list of other ones - we put in three other critical projects that we all know that we have been beaten up on throughout the past few years - do you think that would take away from the North Shore project, or would it be okay to just put in all four and see where it rides?"

Supervisor Benoit stated: "One of the criteria is that the money has to be spent in specified areas. In this case you have North Shore that would fit in the environmental justice - and the other portion that Mayor Parks is talking about – the Line 14 - may fit six miles within the plan. So there are some opportunities that are limited to those areas."
5. **Finalization of Agenda**
   No changes were made to the Agenda. Vice Chairman Spiegel moved to approval of the agenda. The motion was seconded by Mayor Miller and approved by a unanimous vote.

6. **Correspondence**
   None.

7. **Closed Session**
   At 12:40pm Chairman Garcia announced that the Board would move into Closed Session. Interim Legal Counsel, Jeffrey Goldfarb, announced the Closed Session Section Code.
   
   a) Closed Session - Conference on Labor Negotiations pursuant to Government Code Section 54957.6: C. Mikel Oglesby and Tom Hock (via phone conference).
   Employee Organization: Amalgamated Transit Union, Local 1277 representing drivers, mechanics and other trades.

   At 1:15p.m. Chairman Garcia announced the return to open session. Legal Counsel, Jeffrey Goldfarb announced that there is no reportable action.

8. **Public Comments**
   **NON AGENDA ITEMS:**
   None.

   **AGENDA ITEMS:**
   None.

9. **Board Member Comments**
   Supervisor Benoit stated the following: "My staff was reading through the minutes and was a little concerned. There was an implication that the County had somehow dragged their feet or charged too much money in our process. I just want to point out that basic fee was pre discussed at about $28,000. It rose when there were problems with the plans that were submitted. They total fee was $38,000 as a result of those issues that came up. The contractor agreed and paid $10,000 – the difference. So it really wasn't the County's problem. They agreed that it was in the submission. I just want to make sure that it is fairly reflected that we did what we could to try and keep the costs down. It is always easy to blame the planning staff, but in this case I think the County did a lot to make it accountable as possible."

10. **Consent Calendar**
    Supervisor Benoit moved for approval of the consent calendar. The motion was seconded by Mayor Miller and approved by a unanimous vote.
11. **Approval of New ACCESS Advisory Committee Member**
   Director of Operations, Apolonio Del Toro, addressed the Board requesting approval of a new member of the ACCESS Advisory Committee as approved and presented by the current members. Vice Chairman Spiegel moved for approval. The motion was seconded by Supervisor Benoit and approved by a unanimous vote.

12. **Financial Audit of SunLine Transit Agency for Fiscal Year 2010/11**
   Interim Director of Finance, Stephen Compton, addressed the Board requesting to Receive and File the Financial Audit of SunLine Transit Agency for Fiscal Year 2010/11. He stated that before the Board there is a financial basic audit and single audit. He stated that there were two comments at the bottom of the staff report indicating that there were two findings in the single audit as they are compliance questions and there were no major notes on programs of SunLine. Mr. Compton stated that on the two findings in the single audit, the first finding was how we were recognizing in the financials - the PERMA account. He stated that in prior auditor's guidance, we had been expensing those values - even though the value was sitting in a bank account as an asset out there. SunLine must record and hold that as an asset as part of bank reconciliation, in discussion with PERMA and adjust the PERMA asset as well as the accounting over the time period. Mr. Compton stated that we have responded and changed some things internally. He stated that the auditor has adjusted, and we will work with the adjustments in the financial and the G.L. to recognize that and to also have in place, a correction that will be done on a quarterly minimum basis, but we are actually moving on it on a monthly basis. He stated that the second finding dealt with the CFDA, a term dealing with the financials that we have federal money on. He stated that when the report was originally released back in December, the numbers that went out at that time that was also sent to the auditor, understated the actual numbers for our federal pass through guidelines as well as our federal dollars. It is corrected in this financial audit.

   Linda Hurley from MGO stated that there is a final letter that will be distributed. She stated that the significant issues were addressed. She would be happy to answer any questions. Mr. Oglesby stated the following: "There are times when you deal with auditors for a long period of time and when the auditors change, there are difficulties. I can say that the auditor that we have now has worked very well with us and staff through some of these tough times to get the documents done. I want to thank them for all their hard work." Vice Chairman Spiegel moved for approval to Receive and File. The motion was seconded by Mayor Miller and approved by a unanimous vote.

13. **Proposed New Riverside Commuter Express Service**
   Director of Transit Planning, Joseph Forgiarini, provided the Board with an update on the new proposed Riverside Commuter Express Service.

   **New Funding** SunLine Transit Agency [SunLine] secured new Section 5316 [JARC], Section 5317 [New Freedom] grant funds in 2011 for two projects:
   - Taxi Voucher Program (launched November 1, 2011)
   - New commuter express bus service Coachella Valley – Pass Area
This document provides an overview of the commuter express project, which through the joint efforts of SunLine and Riverside Transit Agency is now proposed to operate between the Coachella Valley, The Pass area, and Riverside.

**Existing Conditions** Today regional public transportation services available between Coachella Valley and Riverside are limited daily (2-4 trips) - Greyhound bus services. Amtrak train service three days per week links to Ontario, Pomona, and Los Angeles. Each option costs around $20 or higher per one-way trip. Amtrak Thruway bus services also run, but only to connect to/from rail services.

**Proposal** SunLine is proposing to operate a new commuter express service weekdays from Palm Desert Mall and Thousand Palms (I-10) to downtown Riverside MetroLink train and bus stations, with intermediate stops at:

- Cabazon (Morongo Casino)
- Banning
- Beaumont
- Moreno Valley (2 stops)
- University of California Riverside Campus

**Partnership** This new commuter express service is proposed to be operated in partnership with Riverside Transit Agency, which already operates CommuterLink Route 210 from Banning, Beaumont, Moreno Valley, to Riverside. The SunLine trips will replace selected existing Route 210 trips (highlighted below) to introduce service in an integrated and cost effective manner.

**Fleet** SunLine is proposing to operate this service utilizing existing SunLine 39-seat, 40 ft. New Flyer buses (air conditioned, wheelchair accessible) which will be upgraded with more comfortable seating, luggage racks, wi-fi internet access, etc. consistent with amenities already offered by RTA on CommuterLink services.

**ADA Paratransit Service** As the proposed services are commuter express and only operated on a limited commuter limited stop schedule, there is no requirement to provide complementary ADA paratransit service. The buses proposed for this service are wheelchair accessible.

**Fares** It is proposed to charge the following fares:

RTA CommuterLink fares would apply between Pass Area and Riverside:
- $3 - single ride; $2 - Seniors/Disabled/Medicare
- $7 - day pass; $5 - Seniors/Disabled/Medicare
- $75 – 30 day pass; $50 Seniors/Disabled/Medicare

Coachella Valley to Pass Area/Riverside (double existing CommuterLink fares):
- $6 - single ride; $4 - for Seniors/Disabled/Medicare
- $14 - day pass; $10 - Seniors/Disabled/Medicare
- $150 – 30 day pass; $100 - Seniors/Disabled/Medicare

Existing college, city employee, and Metrolink rail passes will be acceptable for travel between the Pass area and Riverside only, consistent with existing RTA CommuterLink fare structure, making for a more seamless implementation.
Note: This fare schedule proposal requires public hearing and Board approval.

Operating Costs and Revenues

Direct cost of operation: $275,949
Set up and ongoing planning, marketing, and administrative costs:
- $30,704 (Set-up Year 1)
- $19,716 (Subsequent Year 2)
Total Operating Costs are therefore:
- Year 1: $306,653
- Year 2: $295,665

Note: RTA retains responsibility for operation of other Route 210 trips that do not travel to/from the Coachella Valley.

Estimated ridership is 70 per day (17,850 per year). Average fare blending short and long trips, passes, full/concession fares equals $2.77 per ride. Estimated fare revenue per year = $49,459.

Estimated cost recovery is 16.7% (slightly lower first set up year)

Funding gap between fares and costs will be filled by:
- FTA grants (Sect. 5316, 5317); $134,000 Year 1, $125,030 Year 2
- $61,597 contribution from Riverside Transit Agency
- Matching Sunline LTF funding

Note: FTA funding will need to be competed for in subsequent years

Capital Costs

The following capital costs are attributed to this project:
- 3 buses (two peak fleet + one spare vehicle) = $105,651 value annually.

SunLine already owns these buses, so no new costs are incurred. However, there are the following set-up costs for modifying up to 4 x 40ft buses with suitable passenger amenities:
- Install high back seats $70,560
- Install luggage racks $46,200
- Wi-Fi equipment $23,100
- Branding $27,300
- TOTAL: $167,160 (for 4 buses)

SunLine has a grant available to fund these costs, as well as for minor bus stop installation works. RTA will maintain stops in their area.

This item is provided for Board for information. RTA is providing the same information for their Board. During May 2012, SunLine will work to finalize RTA to develop a Memorandum of Understanding for the funding and operation of this route. SunLine and RTA will also conduct public meetings regarding the service before returning to
the Board for final approval in June 2012. SunLine is targeting a September 2012 start up for this route.

Councilmember England stated: "One of counterparts on the City Council asked me to ask this question. I tried to explain that it just didn't work this way. For the record -- she recently sat on a (CVAG) Homelessness Committee and of course saw the report in the Desert Sun (on the Valley to Riverside commuter service) and asked if it is possible to put a stop off of Indian. I reported back to her that this is the wrong type of system -- it doesn't have interconnect-ability to where....she was trying to think of can we create a piece for the 'Roy's puzzle. Can you explain for the record why that wouldn't help facilitate a piece of the puzzle helping Roy's connect into this unless 'Roy's' people are going into Riverside or going back into Palm Desert. As far as I see, we don't have too much interaction with normal bus routes." Mr. Forgiarini stated: "There are some operational problems that make it very awkward. Configuration does not really suit that type of on and off operation. The second issue is that the 'Roy's' community really needs transportation into our Valley and they actually have a JARC plan that funds that transportation right now. They actually get around $48,000 to $50,000 each year to provide that shuttle." Mr. Oglesby stated: "In short, this set up has a few buses going out and a few buses going back. We talked to the people at Roy's and the need is a lot bigger than that so this would not satisfy it. A Van Hool is probably more appropriate which is what they have going now and the type of funding that we are using to move forward is JARC and New Freedom and it has to go toward the Pass area and there is all sorts of guidelines that we have to follow in order to do that. What you are talking about is a deviated route. One thing we don't to fall into is the past. I have heard that this service has been tried before – SunLink. That's not true. It is important to make this statement that this is not SunLink, but if we start doing things that is suggested, it can turn into it. SunLink took almost an hour or so before it got where it needed to go. We don't want this to happen."

Mayor Miller stated: "I see that at the Mall in Palm Desert where the first start is a 5:45 in the morning, but there won't be any other buses coming from any other locations that early in the morning, so they will have to actually get to Palm Desert Mall, so they will have to have their own basic transportation. So this is more like a share ride to go further without using their own vehicles." Mr. Forgiarini stated: "The second trip has connections." Mayor Miller stated: "That's very limited though. So if you are in Coachella or Indio will have to get there."

14. **General Manager's Report**

Mikel Oglesby addressed the Board. He stated that the Agency feels it is important to celebrate our diversity. On Thursday, May 3rd, SunLine employees will celebrate Cinco de Mayo cooking up their favorite Mexican food dish at the annual potluck lunch. The lunch will take place at the Agency from 11:30am to 1:30pm here in the Board Room. Mr. Oglesby invited the Board members to join staff for lunch. Also in celebration of Cinco de Mayo, today we have provided lunch from Soul de Mexico located in Indio. Mr. Oglesby announced that SunLine was awarded $1.4 million of the FTA National Fuel Cell extension funds for extension of the useful life of the American
Fuel Cell Bus. SunLine is a sub-recipient to CalStart on this grant. The funds are used to extend the operation of the American Fuel Cell bus for five years. Mr. Oglesby stated that this is very significant as it improves the commercialization of fuel cell vehicles. Mr. Oglesby stated that we are in the process of setting up a Finance Committee meeting to go over the draft budget for FY 2013. He stated that we will then bring the draft budget to the Board at the May meeting. Mr. Oglesby stated that on Tuesday, May 1st at 10:00am the Agency's will be celebrating its 35th Anniversary of providing public transit to the Coachella Valley. Through the hard work of staff and the support of the Board of Directors over the years, this Agency has made significant accomplishments that has not only affected our Valley, but has paved the way for our nation to move forward with environmentally friendly, alternative fuel transportation. Mr. Oglesby stated that Leslie Rogers, Regional Administrator for Region 9 of the Federal Transit Administration will be joining in the celebration as keynote speaker, as well other dignitaries. Mr. Oglesby stated to Board members that if they have not yet done so, RSVP to Carolyn Rude. He stated that he hopes to see all Board Members at the event.

15. **Next Meeting Date**
Chairman Garcia announced that the next regular meeting of the Board of Directors will be held on May 23, 2012 at 12 noon – Kelly Board Room, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

16. **Adjourn**
Chairman Garcia adjourned the meeting at 1:39p.m.

Respectfully Submitted

Carolyn Rude
Clerk of the Board

Approved By:

C. Mikel Oglesby
General Manager

Date: 4/10/12
### Vendor Name | Description | Check # | Check Date | Amount
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Health Net | Group Health Ins Prem | 653990 | 4/12/2012 | $205,188.28
Union Bank | Pension Deposits | 654187 | 4/27/2012 | $78,943.79
Union Bank | Pension Deposits | 654080 | 4/17/2012 | $78,549.81
Perma - Insurance | Gen Lib/WC | 654102 | 4/19/2012 | $74,467.01
SO Cal Gas Co. | Utilities | 654103 | 4/19/2012 | $66,863.60
St. Board of Equalization | Use Tax (Otr) | 654105 | 4/19/2012 | $27,115.23
C.V.A.G. | Federal JARC Funding | 654118 | 4/27/2012 | $24,038.25
Goodyear Tire & Rubber Company | Bus Tire Lease | 653986 | 4/12/2012 | $20,097.06
Eldorado National (California) | Fuel Cell Bus | 654135 | 4/27/2012 | $20,000.00
Imperial Irrigation Dist | Utilities | 654000 | 4/12/2012 | $15,621.38
RtC | Federal JARC Funding | 654168 | 4/27/2012 | $13,732.66
LeFlore Group LLC, The | Project Management | 654003 | 4/12/2012 | $13,585.00
Hartford Life | Employee Benefits | 654145 | 4/27/2012 | $10,335.12
Perma - Insurance | Gen Lib/WC | 654165 | 4/27/2012 | $9,612.61
Desert Air Conditioning, Inc. | New Unit 2 in Div 2 | 654129 | 4/27/2012 | $8,072.00
Cummins Cal Pacific, LLC | Bus Repair Parts | 654127 | 4/27/2012 | $6,924.20
Metlife Sbc | Dental Insurance | 654065 | 4/12/2012 | $6,852.29
Colonial Life & Accident | Supplemental Insurance | 654124 | 4/27/2012 | $6,648.77
Pro Financial Services | Finance Consultant | 654166 | 4/27/2012 | $6,000.00
Mike Cox Electric, Inc., The | Electrical Services | 654155 | 4/27/2012 | $5,656.00
Zachary Wayne Johnson | Directors Workshop | 654194 | 4/27/2012 | $4,776.93
Moore Maintenance & Janitorial | Janitorial Servs | 654064 | 4/17/2012 | $4,633.00
G & K Services | Uniform Service | 653983 | 4/12/2012 | $4,342.37
Alexander Cohn, Esq | Legal Services | 653961 | 4/12/2012 | $4,142.67
Allied Refrigeration, Inc | Bus A/C Parts | 653962 | 4/12/2012 | $4,064.28
Amalgamated Transit Union | Union Dues | 654112 | 4/27/2012 | $4,024.42
Amalgamated Transit Union | Union Dues | 654036 | 4/17/2012 | $3,994.24
Telepacific Communications | Telephone Service | 654180 | 4/27/2012 | $3,390.01
Factory Motor Parts Company | Repair Parts | 654054 | 4/17/2012 | $3,165.54
Jim's Desert Radiator | Outside Repair-Fixed Route | 654061 | 4/17/2012 | $3,161.81
American Cab | Taxi Voucher Program | 654113 | 4/27/2012 | $2,876.00
California State Disbursement | Employee Garnishment | 654119 | 4/27/2012 | $2,739.73
California State Disbursement | Employee Garnishment | 654042 | 4/17/2012 | $2,736.72
Carquest of the Desert | Repair Parts | 653971 | 4/12/2012 | $2,674.40
Smartdrive Systems, Inc. | Security Equipment | 654020 | 4/12/2012 | $2,480.00
Cummins Cal Pacific, LLC | Bus Repair Parts | 653973 | 4/12/2012 | $2,333.26
New Flyer | Bus Parts | 654159 | 4/27/2012 | $2,284.64
Kennedy Strickland, Inc. | Lubricants & Oils | 654002 | 4/12/2012 | $2,277.21
Eye Med | Employee Benefits | 653977 | 4/12/2012 | $2,225.36
SunLine Transit Agency
Checks $1,000 and Over
For the month of April 2012

NOTE: 1). Bold check payments represent "pass through" payments that were, or will be reimbursed to SunLine under the provisions of specific grants or contracts. 2). Underlined check payments represent "shared" payments with SunLine and specific vendors/employees.

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Total of Checks Over $1,000 $800,361.19
Total of Checks Under $1,000 $45,556.24
Total of All Checks for the Month $845,917.43

Total Amount of Checks Prior Years Same Month $2,482,958.12
### April Statement

**For activity from Mar. 23, 2012 through Apr. 19, 2012**

**Inquiries:** 1-866-552-8855

**BUS** 13 Page 1 of 2

**SUNLINE TRANSIT**

**C MIKEL OGLESBY**

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### Your Visa® Business Card account at a glance

#### Activity Summary

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<th>Description</th>
<th>Amount</th>
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<td>Purchases</td>
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<td>Balance Transfers</td>
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<td>Advances</td>
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<td>Past Due Amount</td>
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#### Payment Information

- **New Balance:** $0.00
- **Minimum Payment Due (Current Month):** $0.00
- **Minimum Payment Due (Past Due):** $0.00
- **Total New Minimum Payment Due:** $0.00
- **Payment Due Date:** May 17, 2012

**Late Payment Warning:** If we do not receive your minimum payment by the date listed above, you may have to pay up to a $39.00 Late Fee and your APRs may be increased up to the Penalty APR of 28.99%.

---

### Transactions

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**Zero Balance**

To change your address or for Cardmember Service please call:
1-866-552-8855 **Every Hour! Every Day!**

000034151 | MB 0.404 | 105481507892090 P

**SUNLINE TRANSIT**

**C MIKEL OGLESBY**

32505 HARRY OLIVER TRL
THOUSAND PLMS CA 92276-3501

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**PACIFIC WESTERN BANK**

**Your Account Number:**

Your account has a zero balance, but please remember that your available credit is $34,000.00.
April Statement for activity from Mar. 23, 2012 through Apr. 19, 2012
SUNLINE TRANSIT
C MIKEL OGLESBY (CPN 000645533)

2012 Totals Year-to-Date

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<td>Total Interest Charged in 2012</td>
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Company Approval: (This area for use by your company)

Signature/Approval: __________________________ Accounting Code: __________________________

Interest Charge Calculation

Your Annual Percentage Rate (APR) is the annual interest rate on your account.

**APR for current and future transactions.

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<tbody>
<tr>
<td><strong>BALANCE TRANSFER</strong></td>
<td>0.00</td>
<td>0.00</td>
<td>YES</td>
<td>0.00</td>
<td>13.99%</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>*PURCHASES</td>
<td>0.00</td>
<td>0.00</td>
<td>YES</td>
<td>0.00</td>
<td>13.99%</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>**ADVANCES</td>
<td>0.00</td>
<td>0.00</td>
<td>YES</td>
<td>0.00</td>
<td>20.99%</td>
<td>NO</td>
<td></td>
</tr>
</tbody>
</table>

Important Messages

ACTION NEEDED: Contact us to select a new AutoPay date! Due to a change in our payment processing system, it is necessary to select a new AutoPay date (the date your payment is automatically made each month).

To easily change your AutoPay date via the web: Log onto your account at myaccountaccess.com --> Select "Manage Payments" --> Select "View Autopay" --> Select "Edit" --> Under "Payment Day", select your new payment date. Or, you may call Cardmember Service at 800-208-7215 to select a new AutoPay date - it is quick and easy!

To contact us regarding your account...

By Telephone:
Every Hour! Every Day!
Voice: 1-866-552-8855
TDD: 1-888-352-6455
Fax: 1-866-807-9053

Send Inquiries to:
Cardmember Service
P.O. Box 6353
Fargo, ND 58105-6353

Send Payments to:
Cardmember Service
P.O. Box 700408
St. Louis, MO 63179-0408

Online
Visit our website:
myaccountaccess.com

End of Statement
Credit:

04/04/12 Payment $1,367.78 CR

Note: All travel is included in the Board approved FY 2012 budget.
## SunLine Transit Agency
### Monthly Ridership Report
#### April - 2012

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2011 &amp; 2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line 14 DHS/PS</td>
<td>42,726</td>
<td>42,513</td>
<td>47,402</td>
<td>213</td>
<td>0.5%</td>
<td>436,298</td>
<td>409,727</td>
<td>25,571</td>
<td>6.2%</td>
<td>1,328</td>
<td>12,210</td>
</tr>
<tr>
<td>Line 15 DHS</td>
<td>8,082</td>
<td>7,087</td>
<td>9,343</td>
<td>995</td>
<td>14.0%</td>
<td>81,236</td>
<td>53,086</td>
<td>28,150</td>
<td>53.0%</td>
<td>147</td>
<td>1,197</td>
</tr>
<tr>
<td>Line 24 PS/CC</td>
<td>16,410</td>
<td>15,375</td>
<td>17,805</td>
<td>1,036</td>
<td>6.7%</td>
<td>161,202</td>
<td>139,119</td>
<td>22,083</td>
<td>15.9%</td>
<td>334</td>
<td>2,889</td>
</tr>
<tr>
<td>Line 30 CC/PS</td>
<td>65,871</td>
<td>65,826</td>
<td>73,367</td>
<td>45</td>
<td>0.1%</td>
<td>660,007</td>
<td>609,639</td>
<td>50,368</td>
<td>8.3%</td>
<td>1,739</td>
<td>18,135</td>
</tr>
<tr>
<td>Line 32 PD/TP/PS</td>
<td>21,455</td>
<td>18,515</td>
<td>23,818</td>
<td>2,940</td>
<td>15.9%</td>
<td>204,577</td>
<td>168,186</td>
<td>36,392</td>
<td>21.6%</td>
<td>944</td>
<td>7,976</td>
</tr>
<tr>
<td>Line 53 PD/IW</td>
<td>4,491</td>
<td>4,161</td>
<td>5,062</td>
<td>330</td>
<td>7.9%</td>
<td>42,528</td>
<td>31,456</td>
<td>11,072</td>
<td>35.2%</td>
<td>132</td>
<td>1,115</td>
</tr>
<tr>
<td>Line 70 La Quinta</td>
<td>21,213</td>
<td>20,132</td>
<td>25,519</td>
<td>1,081</td>
<td>5.4%</td>
<td>209,902</td>
<td>184,992</td>
<td>24,910</td>
<td>13.5%</td>
<td>514</td>
<td>6,880</td>
</tr>
<tr>
<td>Line 80 Indio</td>
<td>10,868</td>
<td>18,957</td>
<td>11,970</td>
<td>(8,089)</td>
<td>-42.7%</td>
<td>160,827</td>
<td>186,169</td>
<td>(25,342)</td>
<td>-13.6%</td>
<td>205</td>
<td>2,517</td>
</tr>
<tr>
<td>Line 81 Indio</td>
<td>8,051</td>
<td>8,845</td>
<td>8,051</td>
<td>0.0%</td>
<td>-</td>
<td>33,914</td>
<td>33,914</td>
<td>0.0%</td>
<td>150</td>
<td>574</td>
<td>108</td>
</tr>
<tr>
<td>Line 90 Coachella/Indio</td>
<td>18,881</td>
<td>18,481</td>
<td>20,698</td>
<td>400</td>
<td>2.2%</td>
<td>188,835</td>
<td>172,407</td>
<td>16,428</td>
<td>9.5%</td>
<td>456</td>
<td>4,528</td>
</tr>
<tr>
<td>Line 91 Cch/Th/Mecca</td>
<td>20,590</td>
<td>18,085</td>
<td>22,704</td>
<td>2,505</td>
<td>13.9%</td>
<td>193,533</td>
<td>153,480</td>
<td>40,053</td>
<td>26.1%</td>
<td>358</td>
<td>3,798</td>
</tr>
<tr>
<td>Line 111 PS/Indio</td>
<td>136,872</td>
<td>132,610</td>
<td>149,810</td>
<td>4,262</td>
<td>3.2%</td>
<td>1,348,255</td>
<td>1,231,437</td>
<td>116,818</td>
<td>9.5%</td>
<td>4,349</td>
<td>43,770</td>
</tr>
<tr>
<td>* Fixed route total</td>
<td>375,510</td>
<td>361,742</td>
<td>416,343</td>
<td>13,768</td>
<td>3.8%</td>
<td>3,720,114</td>
<td>3,350,263</td>
<td>369,851</td>
<td>11.0%</td>
<td>10,664</td>
<td>105,589</td>
</tr>
</tbody>
</table>

### Demand Response

<table>
<thead>
<tr>
<th>SunDial</th>
<th>10,363</th>
<th>9,022</th>
<th>11,402</th>
<th>1,341</th>
<th>14.0%</th>
<th>102,596</th>
<th>90,156</th>
<th>12,440</th>
<th>13.8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>System total</td>
<td>385,873</td>
<td>370,754</td>
<td>427,745</td>
<td>15,109</td>
<td>4.1%</td>
<td>3,822,710</td>
<td>3,440,419</td>
<td>382,291</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

**Please note:**

Coachella Musical Festival - Saturday/Sunday April 14, 15, 21 and 22, 2012
Stagecoach Musical Festival - Saturday/Sunday April 28 and 29, 2012

Line 80 was separated into Lines 80 and 81 in January 2012. The percentage variances for Line 80 is calculating ridership before the routes where separated.

* FY 2011 YTD total ridership includes data for Line 50 (10,566 passengers). Line 50 was discontinued on September 4, 2010; fixed route and system totals are accurate.

**Issued:** 5/9/2012
SunLine Transit Agency
Monthly Ridership Report
April - 2012

Fixed Route Ridership
- Line 111: 136,872
- Line 91: 20,590
- Line 90: 18,881
- Line 81: 8,051
- Line 80: 10,868
- Line 70: 21,213
- Line 60: 21,455
- Line 53: 4,491
- Line 24: 16,410
- Line 30: 65,871
- Line 32: 21,455
- Line 14: 42,726
- Line 15: 8,082

Demand Response Ridership
- SunDial: 10,363

Year-to-Date System Ridership
- Line 111: 1,348,255
- Line 91: 193,533
- Line 90: 188,835
- Line 81: 33,914
- Line 80: 160,827
- Line 70: 209,902
- Line 60: 42,528
- Line 53: 204,577
- Line 30: 660,007
- Line 24: 161,202
- SunDial: 102,596

Line 14: 435,293
Line 15: 81,236
Line 24: 161,202
Line 30: 660,007
Line 32: 204,577
Complimentary Paratransit Service
Serving Persons with Disabilities Throughout the Coachella Valley

SunDial Operation Notes
April 2012

1. **ON-TIME PERFORMANCE**

<table>
<thead>
<tr>
<th>Last Year</th>
<th>This Year</th>
<th>Total trips carried in the on-time window</th>
</tr>
</thead>
<tbody>
<tr>
<td>93.2</td>
<td>92.7</td>
<td></td>
</tr>
<tr>
<td>604</td>
<td>736</td>
<td>Total trips late during the month</td>
</tr>
<tr>
<td>8,298</td>
<td>9,557</td>
<td>Total trips</td>
</tr>
</tbody>
</table>

2. **RIDERSHIP and MILEAGE**

<table>
<thead>
<tr>
<th>Last Year</th>
<th>This Year</th>
<th>Total passengers for the month</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,022</td>
<td>10,363</td>
<td>78,146</td>
</tr>
<tr>
<td>78,146</td>
<td>87,478</td>
<td>Total miles traveled for the month</td>
</tr>
</tbody>
</table>

3. **SAFETY**

<table>
<thead>
<tr>
<th>Last Year</th>
<th>This Year</th>
<th>Total preventable accidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

4. **RIDE-A-LONG & ONBOARD EVALUATIONS**

<table>
<thead>
<tr>
<th>Last Year</th>
<th>This Year</th>
<th>Total Ride-a-Long Evaluations</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>11</td>
<td>Total Onboard Inspections</td>
</tr>
<tr>
<td>0</td>
<td>1</td>
<td>Total Safety Evaluations</td>
</tr>
</tbody>
</table>

5. **DENIALS**

<table>
<thead>
<tr>
<th>Last Year</th>
<th>This Year</th>
<th>Total Denied Trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

6. **WHEELCHAIR BOARDINGS**

<table>
<thead>
<tr>
<th>Last Year</th>
<th>This Year</th>
<th>Total Mobility Device Boarding's</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,521</td>
<td>1,654</td>
<td></td>
</tr>
</tbody>
</table>

cc: Mikel Oglesby, Carolyn Rude, Polo Del Toro, Mannie Thomas, Jim Rayl, Diane Beebe
DATE: May 23, 2012

TO: Finance Committee
   Board of Directors

FROM: Director of Human Resources

RE: Award of Contract for Security Guard Services

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**Recommended Action**

Recommend that the Board of Directors authorize SunLine General Manager to approve award of a contract for Security Guard Services upon review as to form and legality by Legal Counsel.

**Background**

SunLine Transit Agency contracts with an outside provider for its Security Guard Services. In May of 2008, SunLine Board of Directors approved an agreement between Allied Barton, Inc and SunLine for Security Guard Services. The current agreement will conclude June 30, 2012. SunLine staff has prepared an RFP asking for these services for a period of two (2) years, with three (3) single year options available.

**Financial Impact**

SunLine’s estimated cost for this service is $60,000-$65,000 per year. These expenditures would be included in the budget for fiscal year 2012/2013 and in succeeding years.

Jack Stevens

---

Jack Stevens
Recommended Action

Recommend that the Board of Directors authorize SunLine General Manager to approve award of a contract for Zweig Building AV System upon review as to form and legality by Legal Counsel.

Background

SunLine Transit Agency is modifying our Zweig Building to highlight the progress of SunLine through the years as a leader in transit and alternative fuels. The new project will be a more visual and interactive exhibit based experience. Audio visual aids such as interactive touch screens and large monitors to tell the story are planned throughout nine exhibits.

Financial Impact

SunLine’s estimated cost for this service is $50,000. This will be paid using existing capital grant funding that is currently available.

Tommy Edwards
DATE: May 23, 2012

TO: Finance Committee
    Board of Directors

FROM: Chief of Staff

RE: Award of Contract for Internet Service Provider (ISP)

Recommended Action

Recommend that the Board of Directors authorize SunLine General Manager to approve award of a contract for Internet Service Provider upon review as to form and legality by Legal Counsel.

Background

SunLine currently has Internet access via TelePacific over a copper T1 line that provides 1.5 megabits per second. The Time Warner contract proposal provides Internet access for 23 servers and 86 workstations, with more capacity and faster service that is needed to accommodate current need and future growth. The proposed services will provide 45 megabits per second for approximately $200 per month above our current rate.

Financial Impact

These expenditures would be included in the budget for fiscal year 2012/2013 and in succeeding years.

<table>
<thead>
<tr>
<th>Value summary</th>
<th>Monthly</th>
<th>Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Costs - Excluding Taxes</td>
<td>$1,893.76</td>
<td>$22,725.12</td>
</tr>
<tr>
<td>Proposed Costs - Excluding Taxes</td>
<td>$2,540.00</td>
<td>$30,480.00</td>
</tr>
<tr>
<td>Difference</td>
<td>$646.24</td>
<td>$7,754.88</td>
</tr>
</tbody>
</table>

Naomi Nightingale
DATE: May 23, 2012

TO: Board of Directors

FROM: Director of Human Resources

RE: Approval of Revised Drug & Alcohol Policy #B-010394

Recommendation

Recommend that the Board of Directors approve the revised SunLine Transit Agency Drug & Alcohol Policy #B-010394.

Background

The Policy has been updated to comply with Department of Transportation, Code of Federal Regulation (CFR) 49, Part 40, requirements for all DOT regulated employers to conduct workplace drug and alcohol testing in compliance with current Federal Transit Administration (FTA) regulations.

SunLine Transit Agency contracted with FTA certified trainer and independent consultant, Leila Procopio-Makuh of L.P.M. Consulting, Inc. to review and update Drug and Alcohol Policy to ensure compliance with the Department of Transportation and Federal Transit Administration regulations. In the process of the review, an audit of the drug testing lab, Cal-Test and its procedure was also conducted to ensure compliance with applicable sections of the Policy. The attached red-lined document reflects the updates required in the law.

Fiscal Implications

None

Jack Stevens
1.0 POLICY STATEMENT

SunLine Transit Agency (the Agency) is dedicated to providing safe, dependable and efficient transportation services to our passengers and the citizens of the Coachella Valley. Agency employees are our most valuable resource, and it is our goal to provide a healthy, satisfying, working environment that promotes personal opportunities for growth. We also recognize that our employees' use of illegal drugs and misuse of alcohol poses a significant risk to public safety, reduces productivity in the workplace, and negatively affects the employee's health and well being. In view of this, the Agency has adopted this policy that is designed to

1. Create a work environment free from the adverse effects of drug abuse and alcohol misuse;
2. Deter and detect employee's use of illegal drugs and misuse of alcohol;
3. Prohibit the unlawful manufacture, distribution, dispensing, possession, or use of controlled substances;
4. Encourage employees to seek professional assistance anytime personal problems, including drug or alcohol dependency, adversely affect their ability to safely perform their assigned duties; and
5. Discipline employees who violate the policy, up to and including termination.

1.1 Proper Application of the Policy

SunLine Transit Agency is dedicated to assuring fair and equitable application of this substance abuse policy. Therefore, supervisors/managers are required to use and apply all aspects of this policy in an unbiased and impartial manner. Any supervisor/manager who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy in regard to subordinates, shall be subject to disciplinary action, up to and including termination.

2.0 PURPOSE

The purpose of this policy is to assure worker fitness for duty and to protect our employees, passengers, and the public from the safety and health risks posed by the misuse of alcohol and use of prohibited drugs. This policy is intended to

3.0 APPLICABILITY

Unless otherwise noted in specific provisions, this policy applies to all employees (including contract employees) regardless of their functions. The application of this policy to non-safety-sensitive employees comes under the Agency's own authority. Visitors, invitees, and vendors also are prohibited from entering the premises and/or from conducting any work on behalf of the Agency when illegal substances are present in their system, or the odor of alcohol is present on their breath. This policy applies to off site lunch periods or other authorized breaks when an employee is scheduled to return to work or is on-call.

Contractors that provide safety-sensitive work for the Agency (e.g. transporting vehicles for maintenance purposes) are not covered by this policy, but they are required to provide proof to STA that they have a drug and alcohol testing program that complies with the minimum requirements of Part 40 and Part 655.

4.0 PRE-EMPTION OF STATE AND LOCAL LAWS

If any conflict occurs between this policy, State and local laws and any requirement of Federal regulations, the Federal regulations prevail. However, Federal regulations do not pre-empt provisions of State criminal laws that impose sanctions for reckless conduct attributed to prohibited drug use or alcohol misuse, whether the provisions apply specifically to transportation employees, employers, or the public in general.

5.0 DEFINITIONS

The definitions in this policy are intended to track those described in the Federal Regulations specified in Section 2.0.

Adulterated Specimen: A specimen that has been altered, as evidenced by test results showing either a substance that is not a normal constituent for that type of specimen or showing an abnormal concentration of an endogenous substance.
Alcohol Use: The drinking or swallowing of any beverage, liquid mixture or preparation (including any medication) containing alcohol. For purposes of this policy, alcohol is alcohol regardless of source.

Breath Alcohol Technician (BAT): An individual who instructs and assists employees or applicants in the alcohol testing process and operates an Evidential Breath Testing (EBT) device.

Canceled Test: A drug or alcohol test that has a problem identified that cannot be or has not been corrected, or which Part 40 requires to be canceled. A canceled test is neither a positive nor a negative test.

Collection Site: A place designated by the Agency where individuals present themselves for the purpose of providing a specimen of their urine to be analyzed for the presence of drugs, and/or measure for alcohol by an evidential breath testing device.

Collector: A person who instructs and assists individuals at a collection site, who receives and makes an initial inspection of the specimen provided by the individual, and who initiates and completes the Custody and Control Form (CCF).

Covered Employee: A person, including a volunteer, applicant / transferee, or contract employee, who performs or is required to perform a safety-sensitive function for the Agency.

Designated Employer Representative: An employee or employees authorized by the Agency to take immediate action(s) to remove employees from safety-sensitive duties, or cause employees to be removed from these covered duties, following a positive test, test refusal, or other policy violations.

DHHS: Department of Health and Human Services.

Disabling Damage: Damage which precludes departure of a motor vehicle from the scene of the accident in its usual manner in daylight after simple repairs, including damage to motor vehicles that could have been driven, but would have been further damaged if so driven. "Disabling damage" does not include:

- Damage which can be remedied temporarily at the scene of the accident without special tools or parts.
- Tire disablement without other damage even if no spare tire is available.
- Headlamp or taillight damage.
- Damage to turn signals, horn, or windshield wipers, which make them inoperative.
DOT: U.S. Department of Transportation.

Drugs: The drugs for which tests are required under DOT and FTA regulations, to include any future regulatory amendments.

Drug Abuse: Use of any illegal drug or controlled substance without a valid prescription, misuse of legally prescribed drugs, or use of illegally obtained prescription drugs. This includes use of prescription drugs legally prescribed to another individual or simply having any detectable amount of an illegal drug within your bodily system.

Evidential Breath Testing (EBT) Device: A device approved by the National Highway Traffic Safety Administration (NHTSA) for the evidential testing of breath under DOT Part 40 and placed on the NHTSA's Conforming Products List.

FTA: Federal Transit Administration.

Invalid Drug Test: The result reported by an HHS-certified laboratory in accordance with the criteria established by HHS Mandatory Guidelines when a positive, negative, adulterated, or substituted result cannot be established for a specific drug or specimen validity test.

Mass Transit Vehicles: Vehicles used for mass transportation or ancillary services. They include buses, electric buses, vans, automobiles, rail cars, trolley cars, trolley buses or vessels, non-revenue commercial motor vehicles, and vehicles used by armed or unarmed security personnel.

Medical Review Officer (MRO): A licensed physician (medical doctor or doctor of osteopathy) responsible for receiving laboratory drug test results, who has knowledge of substance abuse disorders, and has the appropriate medical training to interpret and evaluate an individual's confirmed positive test results together with the individual's medical history and any other relevant biomedical information.

Positive Alcohol Test: The presence of alcohol in the body at a blood alcohol concentration (BAC) of 0.04 or greater as measured by an EBT device.

Positive Drug Test: The result reported by an HHS-certified laboratory when a specimen contains a drug or drug metabolite equal to or greater than the cutoff concentration.

Refusal to Test: Includes circumstances or behaviors such as:

- Failure to appear or reporting late for any test (except pre-employment for the newly hired) requested by the agency.
Failure to remain at the testing site until the testing process is completed,
- Failure to provide a urine, breath, or saliva specimen as required by DOT Part 40.
- Failure to permit the direct observation or monitoring of specimen collection when it is required under Title 49 CFR Part 40.
- Failure to provide a sufficient amount of urine or breath specimen without a valid medical explanation.
- Failure or refusal to take a second test when required.
- Failure to undergo a medical evaluation when required.
- Failure to cooperate with the testing process. (Examples: refusal to empty pockets when requested, failure to wash hands after being directed to do so by the collector, or behaving in a confrontational manner that disrupts the collection process).
- In alcohol testing, refusal to sign the Alcohol Test Form.
- For an observed collection, failure to follow the observer's instructions to raise clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if employee is wearing any type of prosthetic or other device that could be used to interfere with the collection process.
- Possession or wearing of a prosthetic or other device that could be used to interfere with the collection process.
- Admitting adulteration or substitution to the collector or the MRO.
- Leaving the scene of an accident without just cause prior to submitting to a test.
- If the MRO reports a verified adulterated or substituted test result.

Note: A refusal to test is equivalent to a positive test result.

Split specimen: In drug testing, a part of the urine specimen that is sent to a first laboratory and retained unopened, and which is transported to a second DHHS-certified laboratory for testing upon employee request following a verified positive or a verified adulterated or substituted test result from the primary specimen.

Substance Abuse Professional (SAP): A person who evaluates employees who have violated a DOT drug and alcohol regulation and makes recommendation concerning education, treatment, follow-up testing, and aftercare. Any SAP obtained must meet the Part 40 qualifications requirements, PRIOR to use with any Return to Duty process.
Substituted Specimen: A specimen with creatinine and specific gravity values that are so diminished or so divergent that they are not consistent with normal human urine.

6.0 EDUCATION AND TRAINING

The education and ongoing awareness component of this policy will include display of posters, distribution to all covered employees and representatives of employee organizations of the drug and alcohol policy and other informational materials, and periodic information seminars. Each employee will be required to sign an acknowledgment form.

As required by FTA regulations, the Agency will provide to all safety-sensitive employees a minimum of 60 minutes of training on the effects and consequences of prohibited drug use on personal health, safety, and the work environment, and on the signs and symptoms that may indicate prohibited drug use.

Supervisors or Agency officials who may make reasonable suspicion referrals shall receive an additional 60 minutes of training on the physical, behavioral, and performance indicators of probable drug use, and at least 60 minutes on the physical, behavioral, speech and performance indicators of probable alcohol misuse.

7.0 CONTACT PERSONS

Any questions about this policy or any aspect of the Agency’s drug and alcohol-free program should be referred to the following Designated Employer Representatives:

Title: Tommy Green, Drug & Alcohol Program Manager
       Director of Safety

Elizabeth Lira, Designated Employer Representative
       Human Resources Administrative Assistant

Jack Stevens, Alt. Designated Employer Representative Human Resource Manager

Address: 35-505 Harry Oliver Trail
         Thousand Palms, CA 92276

Telephone Number: (760) 343-3456
8.0 COVERED EMPLOYEES

As a condition of employment, all safety sensitive employees are required to submit to drug and alcohol tests administered in accordance with Title 49 CFR Parts 40 and 655. (Non, safety-sensitive employees are covered under this Policy under the Agency's own authority.) A refusal to submit to a test as directed will be considered to be a positive test result and the employee will be subject to all the attendant consequences as stated in this policy. (Please refer to Section 5.0 - DEFINITIONS for specific circumstances or behaviors that are considered refusal to test.)

As defined by the FTA, safety-sensitive employees include those who perform, or may be called upon to perform, any of the following safety-sensitive functions:

1. Operating a revenue service vehicle, even when it is not in revenue service;
2. Operating a non-revenue service vehicle which is required to be operated by a Commercial Driver's License (CDL) holder;
3. Controlling dispatch or movement of a revenue service vehicle;
4. Maintaining (including repairs, overhaul and rebuilding) a revenue service vehicle or equipment used in revenue service;
5. Carrying a firearm for security purposes;

The Agency has determined that the job classifications listed below are considered safety-sensitive for the purposes of this policy.

- Training Supervisor
- Transportation Supervisor
- Maintenance Supervisor
- Dispatcher
- Bus Operator
- Mechanic
- Utility Worker
- Contracted transit services personnel

Company, non-DOT regulated positions are:

- Operators of any company vehicle
- Operators of company machinery or equipment
- Any employee deemed by the Agency to be working in a potentially hazardous work environment.

**9.0 DRUGS (OR THEIR METABOLITES) TESTED FOR**

The agency will test for all drugs of abuse and their metabolites, as listed within Title 49 CFR Part 40.85, which has been incorporated into this Policy, as written and revised. This entire Policy shall apply to all DOT Regulated employees as well as Non-DOT Regulated employees.

**10.0 PROHIBITED CONDUCT/BEHAVIORS**

Any employee engaging in the manufacture, distribution, sale, dispensation, possession, or use of prohibited substances on Agency premises, in Agency vehicles, in uniform on/off duty, or while on Agency business is a violation of this policy and will subject the employee to disciplinary process, up to and including termination. Law enforcement shall be notified, as appropriate, where criminal activity is suspected.

Employees also are required to notify the Agency within five (5) days of any criminal drug statute conviction which occurs as the result of an incident which happened in the workplace or while on duty. Failure to notify the agency of such shall subject the employee to disciplinary action, up to and including termination.

**10.1 Illegal Drugs**

Any drug found within the employee’s bodily system that, if possessed, would otherwise violate any Federal, State or Local law. This includes, but is not limited to those prohibited drugs referred to in Section 9.0. Employees may be tested for illegal drugs anytime they are on duty or while on compensable work time.

**10.2 Prescription or Over-the-Counter Medications**

Under Agency policy, the appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. However, safety-sensitive employees must notify the Human Resources Department prior to performing any “safety-sensitive” job for the Agency, and may not perform any safety function if their medication carries a warning label that mental functioning, motor skills or judgment may be adversely affected, unless the medication is being used in accordance with the instructions of a physician.
who has provided a written determination that the substance will not adversely affect the employee's ability to safely perform safety-sensitive duties. It is the employee's responsibility to determine from his or her physician or practitioner whether or not the substance may impair job performance. Failure to immediately report the use of impairing drugs or failure to provide a valid evidence of medical authorization will result in disciplinary action, up to and including termination.

A prescription is considered valid only if it is in writing and indicates the employee's name, date, the name of the substance, quantity or amount to be taken, and the period of authorization. Controlled substances obtained legally outside the United States are not considered valid medical prescriptions under this policy. It is a violation of this policy to use any controlled substance in a manner that is inconsistent with the prescription or is being used in violation of any Federal, State or Local law (i.e.: using another's prescribed medications or medications from a foreign country).

10.3 Alcohol

Safety-sensitive employees are prohibited from consuming alcohol in any form under the following circumstances:

- While performing safety-sensitive functions;
- Within four (4) hours prior to performing safety-sensitive functions;
- While they are on call; or
- Within eight (8) hours following an accident requiring a post-accident alcohol test, unless the test was completed within 8 hours, whichever occurs first.

If an employee on call discloses alcohol consumption when called for duty, the Agency may require the employee to report to the collection site for alcohol testing to determine ability to perform a safety-sensitive function. If the employee tests at or above 0.02, he or she may be required to report to work.

In addition, the Agency under its own authority prohibits possession and/or use of alcoholic beverages by any employee while on compensable work time, or while on Agency property or while operating any Agency vehicles regardless of whether the employee is on or off duty. The Agency may perform an alcohol or drug test anytime an employee is on duty. An alcohol test is considered positive if the employee's alcohol concentration rate, as measured by an evidential breath testing device, is at 0.02 or greater.

11.0 TYPES OF TESTING
11.1 Pre-Employment Testing

All safety-sensitive candidates issued a conditional offer for employment or any employee transferring from a non-safety-sensitive to a safety-sensitive position will be required to undergo pre-employment drug and Breath alcohol tests at a time and place designated by the Agency.

Additionally, any safety-sensitive employee who has not performed any safety-sensitive function for at least 90 days and has been out of the random pool during that time will also be required to submit to a new Pre-Employment test prior to being allowed to perform any safety-sensitive work.

Pre-employment alcohol testing for non-safety sensitive positions is optional and at the discretion of Sun Line Transit Agency. Any applicant testing positive during the hiring process will not be hired.

A verified negative drug test result and alcohol test result below 0.02 must be received by the Agency before an employee can start work for the Agency. If a pre-employment test is canceled, the individual will be required to undergo another test and successfully pass these tests with a verified negative result and have an alcohol test result below 0.02. Any MRO verified result of “Positive”, “Adulterated”, “Substituted” or “Refusal to Test” will immediately disqualify the applicant/employee from further employment with the Agency.

Subject to the candidate’s written consent, the Agency will check on the drug and alcohol testing background of D.O.T. regulated candidates and D.O.T. regulated employees being considered for final selection into any safety sensitive position within the Agency. If the individual refuses to provide the written consent, he or she will not be hired into the safety-sensitive position.

If the information obtained from the previous DOT-covered employer(s) indicates a violation of a DOT drug or alcohol testing rule, the employee may not be allowed to perform any safety-sensitive function unless he or she has successfully complied with the return-to-duty requirements of a D.O.T.-qualified Substance Abuse Professional (SAP) and has been cleared, in writing, by the SAP to resume D.O.T. regulated duties. If the individual has had a positive pre-employment drug or alcohol test, or has refused such a test, he or she will not be hired until and unless the individual has provided a documentation of successful completion of the return-to-duty process, which includes a SAP referral, evaluation and treatment plan.

11.2 Reasonable Suspicion Testing

It is the responsibility of any employee who observes or has knowledge of another employee in a condition which may impair his or her ability to
safely and effectively perform his or her duties, or may pose a safety hazard to self or others, to promptly report the incident to his or her supervisor, or any supervisor if the immediate supervisor is not available.

Whenever a supervisor (or other Agency official) has reason to believe that an employee has used a prohibited drug and/or engaged in alcohol misuse, reasonable testing will be conducted. The individual who makes the referral need not be the employee's own supervisor, as long as he or she is a trained supervisor or agency official that received training in detecting the signs and symptoms of drug use and alcohol misuse. The supervisor's or Agency official's observations will be documented and such documentation shall be kept in the employee's confidential drug and alcohol testing file. Such documentation shall describe and document the following:

a) the date and time observations were made;
b) specific, contemporaneous and articulable observations concerning the employee's appearance, behavior, speech, body odors and/or performance;
c) violation of a safety rule, or other unsafe work incident; and/or
d) other physical or circumstantial indicators of drug or alcohol use.

Suspicion is not considered reasonable, and thus not a basis for testing, if it is based solely on the observations and reports of third parties, a violation of a safety rule, or occurrence of an unsafe work incident. However, such suspicion may be a basis for further investigation, or for action to protect the safety of patrons, such as ordering the employee to stop work.

Once a supervisor or Agency official has made a reasonable suspicion determination, he or she must remove the employee from performing any safety-sensitive functions, transport the employee to the testing site immediately, and arrange for the employee's transportation to their home. The employee will remain out of service and on paid status while awaiting test results, unless the employee is suspended for any additional purposes concurrent with the waiting for the test results. If all test results are negative, the employee will be immediately returned to work. If the alcohol test result is positive, or the drug test result is non-negative (positive, adulterated, or substituted), the employee will be placed on unpaid status pending disciplinary action. Non-safety-sensitive employees will be tested in situations after an on-the-job injury or a reasonable suspicion situation has occurred, when the employee's performance or behavior may have contributed to the job injury or may jeopardize employee health & safety.

FTA rule requires that a reasonable suspicion alcohol test be conducted only if the reasonable suspicion observation is made just before, during, or just after the
employee's performance of safety-sensitive function. However, under the Agency's own authority, a reasonable suspicion alcohol test may be performed any time the employee is on duty. If the alcohol test is not conducted within two hours, the reason for the delay must be documented and kept in the employee's reasonable suspicion test file. All attempts to complete the alcohol test must cease after eight hours.

11.3 Post-Accident Testing

Any employee operating a mass transit vehicle or any other Agency-owned vehicle at the time of an accident shall be required to submit to drug and alcohol tests as soon as practicable after the accident. For purposes of this policy, "accident" is defined as an accident involving a mass transit vehicle or any other Agency-owned vehicle where the result is:

- An individual dies;
- An individual suffers a bodily injury and immediately receives medical treatment away from the scene;
- The vehicle (if bus, electric bus, van, or automobile) or any other vehicle(s) involved in the accident suffers a disabling damage as a result of the accident and is transported away from the scene by a tow truck or other vehicle.

- Any property damage that will result in professional repair, off Agency property.

11.3.1 Fatal Accidents

All surviving covered employees involved in or operating transit vehicles or any other Agency-owned vehicle or equipment, at the time of the accident must be tested immediately and must report the accident to his or her supervisor. All other covered employees whose performance could have contributed to the accident must be tested. Failure to immediately report the accident is grounds for discipline, up to and including termination. Employees involved in an accident that requires testing must remain readily available for testing, including notifying the Agency of their location if they leave the scene of the accident before testing to obtain emergency medical care, or to obtain assistance in responding to the accident. They will be considered to have refused to submit to testing if they fail to do so and will be terminated from employment.

Employees are prohibited from using alcohol for eight hours following an accident or until the post-accident testing is completed, whichever occurs first. Every effort will be made to conduct alcohol testing within two hours after the accident. In the event the alcohol test is delayed beyond two hours, the Agency will prepare and maintain a record stating the reason(s) for the delay. If an alcohol test is not conducted within two hours, the reason for the delay must be documented and kept in the employee's reasonable suspicion test file. All attempts to complete the alcohol test must cease after eight hours.
administered within eight hours following the accident, the Agency will cease all efforts to administer the test and document the reason for the inability. In the event a drug test is not administered within 32 hours from the time of the accident, the Agency will cease all attempts to administer the drug test. This requirement should not be construed to delay the necessary medical attention for injured people following the accident.

If the Agency is unable to perform post-accident tests within the required period of compliance, the Agency will use the post-accident test results administered by State or local law enforcement personnel under their own authority, provided the test results are obtained by the Agency.

**After the accident, the employee will be removed from service, but remain on paid status during the testing period and while awaiting test result, unless the employee is suspended for any additional purposes concurrent with the waiting of the test results. If all test results are negative, the employee will be immediately returned to work. If the alcohol test result is positive or the drug test result is non-negative (positive, adulterated, or substituted), the employee will be placed on unpaid status pending disciplinary action.**

### 11.4 Random Testing

Safety-sensitive employees are required to undergo random drug and alcohol tests to deter use of prohibited drugs and misuse of alcohol. The random selection will be conducted using a scientifically valid method, such as a random number table or a computer-based random number generator, which gives each covered employee an equal chance of being selected every time a selection is made. As is the nature of the random method, it is possible that some employees will be selected several times in one year, and other employees not for several years. Management does not have any discretion on who will be selected.

Every effort will be made by the Agency to spread random testing reasonably throughout the calendar year, the testing period, all days of the week, and all hours when safety-sensitive functions are performed. The testing dates and times are unannounced and employees are required to immediately and directly proceed to the designated collection site following notification.

The Agency will conduct random drug and alcohol tests at a minimum annual percentage of covered employees as required by the FTA. (For 2010 the FTA random rates were 25% for drugs and 10% for alcohol). The rates are subject to change on an annual basis, depending on the industry-wide positive rate determined by the FTA from the annual MIS reports submitted by covered employers.
Non-safety-sensitive employees will be random tested under SunLine Transit Agency authority under the same regulations and guidelines as safety-sensitive employees. Random testing apply to those non-safety-sensitive employees whose job task assignments require the non-safety-sensitive employee to operate agency vehicles, equipment or may place the employee in a safety related situation or condition to complete the job task. Situations include, climbing ladders, working above ground or below ground, operating sedans, forklifts, power mowers and tools.

11.5 Return-To-Duty Testing

An employee who has refused a required test, has a verified positive, adulterated or substituted drug test result, or tests for alcohol at 0.04 BrAC or greater, shall not be allowed to return to safety-sensitive duties until after he or she has completed the return-to-duty process. This includes evaluation by a SAP, successful completion of the rehabilitation, treatment or education program outlined by the SAP, and obtaining a verified negative return-to-duty drug test and/or alcohol test under 0.04%BrAC.

11.6 Follow-Up Testing

In addition to the Return-to Duty test described in Section 11.5, an employee who previously tested positive, or refused to take a required test, shall be subject to follow-up testing for drugs and/or alcohol, as prescribed by the SAP, for a minimum period of 12 months to a maximum of five years, As mandated by the DOT (Title 49 CFR, Part 40), the employee shall undergo at least six follow-up tests during the first 12 months of his or her return to work. Although they are both unannounced, follow-up testing is apart and separate from random testing. The duration and frequency of testing will be designated by the SAP, but the actual follow-up testing dates will be decided by the employee's manager or supervisor. The employee is responsible for payment of all costs associated with follow-up testing.

11.7 Drug & Alcohol Testing Procedures

All DOT drug and alcohol tests required under this policy will be administered in accordance with the “Procedures for Transportation Workplace Drug and Alcohol Testing Programs” (Title 49 CFR Part 40), as amended.

Throughout the testing process, the privacy of the employee will be protected and the integrity and validity of the process will be maintained. The drug testing procedure will include a split specimen collection method and a Federal Custody and Control Form will be used for all D.O.T. regulated tests, while a Forensic Custody & Control Form will be used for all non-regulated employees. Each form will have a unique identification number to ensure that the correct test result is.
attributed to the correct employee. An initial screening test using an immunoassay technique will be performed. If the specimen is positive for one or more of the drugs tested, then a confirmation test will be performed using the state-of-the-art gas chromatography/mass spectrometry (GC/MS) or Liquid Chromatography/Mass Spectrometry (LC/MS) analysis. If the test is confirmed positive, the MRO will conduct a verification process, which includes giving the employee an opportunity to provide a valid medical explanation for the positive test result.

Additionally, the laboratory may conduct analyses to determine if a urine specimen has been adulterated, tampered with, or diluted. If the MRO reports a "negative-dilute", "Invalid Result" or "Rejected for Testing" test result, the employee will be required to take a second test and depending on the level of the creatinine detected, the recollection may or may not be directly observed.

Should the employee decline to take a test as directed by the Designated Employee Representative (DER) or DAPM, this constitutes a refusal to test under DOT agency regulations.

11.7.1 Procedures for Negative Dilute Testing

Negative Dilute Specimen Testing: All SunLine Transit Agency employees that produce negative dilute urine specimens will be immediately retested using a second sample. Depending on the level of creatinine reported by the laboratory, the MRO may direct the recollection to be conducted under direct observation.

Should the second test result in another negative dilute, the test will be considered a negative and no additional testing under DOT/FTA authority will be required unless directed to do so by the MRO.

11.7.2 Procedure for Alcohol Testing

Tests for alcohol concentration will be conducted using an alcohol screening device or an evidential breath testing (EBT) device. If the screen test is at 0.04 BAC or greater, a confirmatory test will be conducted using only an EBT. A DOT Alcohol Testing Form will be used and a unique sequential number will be assigned to each test.

Detailed drug and alcohol specimen collection procedures are outlined within Title 49 CFR Part 40, SubParts E-L and M and are available upon request from the Contact Persons identified in section 7.0 of this policy.

12.0 DIRECTLY-OBSERVED URINE SPECIMEN COLLECTION

Under the following circumstances, the employee will be directed to undergo an
13.0 MONITORED URINE SPECIMEN COLLECTION

Under those circumstances when a multi-stall restroom has to be used for urine specimen collection and the facility cannot be adequately secured, the collector will conduct a monitored collection. The monitor shall be the same gender as the employee, unless the monitor is a medical professional. The monitor will not watch the employee void into the collection container. However, if the monitor hears sounds or observes attempts to tamper with a specimen, an additional collection under direct observation will be ordered. If the employee declines to permit a collection authorized to be monitored, it is considered a refusal to test.

14.0 SPLIT SPECIMEN TESTING

After notification by the MRO of a positive drug test or refusal to test because of adulteration or substitution, the employee has 72 hours to request from the MRO (verbally or in writing) a test of the split specimen. It should be noted however that there is no split specimen testing by the DOT for an invalid drug test result.

Following the employee’s timely request, the MRO shall send a written request to the primary laboratory to forward the split specimen to a second DHHS-certified laboratory for testing without regard to the cut-off concentration. If the second laboratory fails to reconfirm the substance detected in the primary specimen or the adulterant identified, or if the split specimen is unavailable for testing, the test...
shall be canceled. The MRO shall report the cancellation and the reasons for it to the DOT, the Agency, and the employee. In the case of the split specimen being unavailable, the employee shall be directed, with no advance notice, to submit another specimen under direct observation.

All costs related to split specimen testing will be paid by the employee or the applicant. The individual shall be reimbursed if the second test invalidates the original test or if the test was canceled.

15.0 CONSEQUENCES / DISCIPLINE

Any safety-sensitive employee who has a verified positive drug test result, an alcohol concentration of 0.04% BrAC or above, or refuses to submit to a drug or alcohol test (including adulteration or substitution) shall be:

1. Immediate removed from safety-sensitive duty;
2. Referred to a SAP for evaluation, education or treatment

Under the Agency's own authority, non-safety-sensitive employees also may be removed from duty, referred to a SAP, and be subject to discipline, up to and including termination.

FTA regulations allow individual employers to determine the discipline to be imposed on employees who violate the DOT/FTA regulations or Agency policy. The Agency's discipline policy is as follows:

A. A first positive drug test result, test refusal, or alcohol concentration of 0.04% BrAC or above, will result in immediate termination.

B. Other policy violations (e.g., failure to report the use of impairing medications, or failure to immediately report an accident) will subject the employee to disciplinary action, up to and including termination.

15.0 REFERRAL EVALUATION AND TREATMENT

If an employee (including an applicant) tests positive for drugs or alcohol or refuses to submit to a test when required, the Agency shall advise the individual of the resources available for evaluating and resolving problems associated with prohibited drug use and alcohol misuse and document such referral. He or she shall be given the name, address and phone number of SAPS acceptable to the Agency and a list of community hot line numbers. The individual will be responsible for any costs associated with the SAP evaluation and recommendation(s).
17.0 VOLUNTARY REHABILITATION

SunLine employees are encouraged to voluntarily seek professional help directly from the SAP, before any substance use or dependence affects job performance. An employee who has a drug and/or alcohol abuse problem and has not been selected for testing or is not involved in a disciplinary proceeding may voluntarily refer himself or herself to the SAP for evaluation and treatment recommendations. Confidentiality, job security and promotional opportunities will be protected. However, if the employee reports his or her substance abuse directly to an Agency employee or supervisor, instead of the SAP directly, the Agency will require that a "Reasonable Suspicion" drug & breath alcohol test be immediately performed, in accordance with Section 11.2 of this Policy.

The employee may be eligible for sick leave, disability benefits, or vacation while undergoing rehabilitation or treatment. The cost of any treatment or rehabilitation services over and above those offered by the Agency will be the responsibility of the employee.

18.0 CONFIDENTIALITY AND ACCESS TO FACILITIES AND RECORDS

Employees have a right to examine their own drug and alcohol testing records, and have access to any pertinent data such as EBT calibration or drug testing laboratory certification. They also have a right to obtain a copy of their own drug and/or alcohol testing results by submitting a written request to any of the Designated Employer Representative identified in Section 7.0 of this policy.

The Agency will do everything possible to safeguard the confidentiality of drug and alcohol testing records and protect the privacy of the individuals tested. Individual test results or medical information will be released to third parties (e.g. previous employers, unions) only with the employee's specific written consent, or to those parties authorized by the DOT or FTA to receive such information without the employee's consent. Specific written consent applies only to a particular piece of information released to a particular person or organization at a particular time. Blanket releases are specifically prohibited by DOT.

The employee's written consent is not required in administrative or legal proceedings such as:

- A lawsuit, grievance, or administrative proceeding brought by, or on behalf of the employee, or
- A criminal or civil action resulting from an employee's performance of safety-
SunLine Transit Agency  
Policies & Procedures  
Drug & Alcohol Policy  
Policy No: B-010394  
Revised: 5/23/2012

Sensitive duties where the alcohol or drug test information is deemed relevant.

Access to Agency facilities and drug and alcohol program records also must be provided, without the employee’s consent to DOT or FTA agency representatives; the National Transportation Safety Board as part of an accident investigation; a Federal, State or local agency with regulatory authority over the Agency; or State or grantee required to certify FTA compliance with 49 CFR Parts 40 and 655. Except as outlined in DOT Section 40.355, and with the specific consent of the Agency, the Agency’s TPA may receive and maintain records concerning the Agency’s DOT drug and alcohol testing programs, without the employee’s consent.

19.0 JOINT UNION-MANAGEMENT REVIEW ADVISORY COMMITTEE

A. At the direction of Management, two representatives from the Union and two from Management, shall meet periodically to provide input regarding the Agency’s Substance Abuse Program.

B. The purpose of this meeting is to provide a channel of communication whereby participants can give input and make recommendations to the General Manager regarding the Substance Abuse Policy.

C. The participants may review and make recommendations regarding changes in the Substance Abuse Education Program.

20.0 GRIEVANCE AND APPEAL

The consequences specified in Section 15 of the SunLine Transit Agency Drug and Alcohol Policy regarding for a positive test or test refusal is not subject to arbitration.
Sunline Transit Agency
Policies & Procedures
Drug & Alcohol Policy
Policy No: B-010394

Appendix

Sunline Transit Agency

Human Resources Policies & Procedures
July 18, 2006
Revised 08/02/06

Information Regarding
Drug and Alcohol Testing Procedure

Sunline Transit Agency supports a drug-free workplace and complies with Title
49 CFR Part 655 and Part 40 of the Department of Transportation regulations.
The following provides information to employees regarding this regulation in
order to assist in compliance:

DEFINITION:

1. **Drug and Alcohol Program Manager (DAPM):** Sunline Transit
   Agency Designated Employer Representative for drug and alcohol
testing of Agency employees. Sunline Transit Agency Safety Director
   is currently assigned as the DAPM. The DAPM is responsible for
   managing the Substance Abuse Program and making sure the agency
   is compliant with FTA and DOT regulations.

2. **Designated Employee Representative (DER)**

3. **DOT:** Department of Transportation.

4. **FTA:** Federal Transit Administration.

5. **CCF:** Custody and Control Form.

6. **Drugs:** The drugs for which tests are required under FTA Regulations.

7. **Evidential Breath Test (EBT):** A device approved by the National
   Highway Traffic Safety Administration (NHTSA) for evidential testing of
   breath under DOT Part 40 and placed on the NHTSA's Conforming
   Products List.

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A dilute specimen is a urine specimen that has a greater concentration of water than that of a normal urine sample. Dilute specimens are generally caused by oral hydration of fluids and are usually clearer in appearance than normal urine. It is possible that a specimen could be dilute due to inadvertent over-hydration, medications taken by the employee or existing medical conditions. However, it is also possible that the employee has intentionally over-hydrated, or water-loaded, to avoid the detection of the presence of drugs in the specimen. It is important to consider that when specimens are screened for the presence of drugs that the testing laboratories use cutoff levels in determining whether a specimen is positive. It is possible that intentional or inadvertent over-hydration, or water loading, before specimen collection may lower a drug's concentration below the testing cutoff levels, thus preventing the reporting of a positive drug-test result.

Under the Agencies own authority, a hair sample testing may be conducted as well as-soon-as possible after the second results are received by the DAPM. When SunLine Transit Agency sends the employee back for a second test and without delay retested via a new urine and also negative dilute, this is the test result of record and under DOT/FTA authority, the Agency may not send the employee back for a third test unless directed to do so by the MRO. The Agency, under its own authority, may direct an employee to submit to alternative retesting.

Should the employee decline to take a test as directed by the Designated Employee Representative (DER) or DAPM, this constitutes a refusal to test under DOT agency regulations.
Recommendation

Recommend that the Board of Directors approve the revised Bus Advertising Policy #B-020598 superseding the previous Policy regarding the use of exterior bus designs.

Background

Consistent with prior inquiries from individual Board Members regarding a potential to increase advertising revenues, SunLine staff would like the Board of Directors to either confirm its current Policy that severely limits revenue or have the Policy revised to allow the generation of additional advertising revenue.

The revised Policy maintains the Board’s position relative to the requirements for bus advertising to be aesthetically acceptable and be void of political messages; however, it transfers this determination to Staff. The revised Policy also makes available 15 of the 69 buses for advertising revenue.

Financial Impact

Revenue from the increased advertising when combined with the panel advertising on the bus shelters may result in $200,000 of annual operating revenue.

C. Mikel Oglesby
POLICY FOR THE PLACEMENT OF EXTERIOR BUS DESIGNS

STATEMENT OF PURPOSE

SunLine, acting in a proprietary capacity, operates public bus service in the Coachella Valley. It has long recognized that allowing advertising on placards within the interior of the bus can generate revenue. A similar use can be made of the exterior of the bus.

The Board wishes to balance the attainment of revenue with the avoidance of the stereotypical “public bus” exterior and interior, which carries with it an unpleasant association. The Board wishes to convey the promises of a fresh, modern, clean and friendly public transportation system preferred by tourists and local commuters alike.

Tourism is one of the most important industries in the Coachella Valley, and one that every member of SunLine seeks to promote. The appearance of an aesthetically and functionally unpleasant public transportation system is something that SunLine wishes to avoid.

It is not the Board’s intent to generate promotional or advertising revenue at any expense. The Board specifically intends to monitor trends in this area to insure that the generation of revenue does not interfere with the promotion of the aesthetic interests of the Valley.

STATEMENT OF POLICY

SunLine specifically rescinds the previously approved Policy for Exterior Bus Designs as was approved on January 28, 1998, and replaces it with this new Policy.

SunLine shall allow exterior “bus-wraps” which generate revenue. Up to 15 buses shall be used for this purpose.

The Board designates the General Manager to administer the bus wrap policy. This delegation is with the power of re-delegation to appropriate staff. In determining the acceptability of a bus-wrap the following criteria shall be used:

a) The design is aesthetically acceptable; and

b) No political messages shall be accepted.

c) Preference shall be to those wrap designs that promote attractions or events in the Coachella Valley.
POLICY FOR PROMOTION OF COACHELLA VALLEY BY EXTERIOR BUS DESIGNS

STATEMENT OF PURPOSE

SunLine, acting in a proprietary capacity, operates public bus service in the Coachella Valley. It has long recognized that revenue can be generated by allowing advertising on placards within the interior of the bus. Additionally, SunLine has experimented with interior designs to promote special events, such as an Olympics theme on buses used for transportation during the Olympics.

A similar use can be made of the exterior of the bus. At one time, the entire exterior of one SunLine bus was "wrapped" with a whimsical, colorful mural of the wildlife at the Living Desert. The design suggested use of the public transportation system by those wishing to visit the Living Desert, thus promoting the use of the public transportation system for recreational purposes. At the same time, the design avoided the stereotypical "public bus" exterior, associated with the typically unpleasant "public bus" interior, suggesting to the local commuter that SunLine promises a fresh, modern, clean, and friendly means of transportation, one preferred by tourists and commuters alike.

Tourism is one of the most important industries in the Coachella Valley, and one which every member of SunLine seeks to promote. The Board believes "bus-wraps" similar to the Living Desert design can be used to generate revenue in a way which does not undermine SunLine's efforts to change the public's perception about public bus transportation, while at the same time promoting economic development and the Coachella Valley as a destination resort. The Board further believes that public transportation, which every SunLine member also seeks to promote as a means of reducing traffic and minimizing environmental concerns, is promoted by such designs.

It is not, however, the Board's intent to generate promotional or advertising revenue at any expense. The Board specifically intends to retain control over the aesthetics of any proposed design to ensure it remains
consistent with the goal of promoting the Coachella Valley and ridership; avoids the stereotypical public bus exterior; that any exterior design suggests a pleasant riding experience for both the tourist and commuter; that the design does not reference any subjects which might be deemed controversial. Accordingly, the Board shall adopt restrictions which prohibit advertisements on the exterior of the bus of common commercial products unrelated to promoting the Coachella Valley, as well as political messages of any type.

**STATEMENT OF POLICY**

SunLine specifically rescinds the previously approved Policy for Exterior Bus Designs as was approved on December 10, 1997, and replaces it with this new Policy.

SunLine shall allow exterior "bus-wraps" which promote attractions, or events located within the Coachella Valley and that are unique to the Coachella Valley. Up to six buses shall be made available for such promotions. The Board may, at any time, increase or decrease the number of buses available. The Board may also, at any time, withdraw all buses from the bus-wrap program if, in its sole discretion, it determines that the program is not furthering the goals stated above.

The Board designates the Marketing Committee to administer the bus wrap policy.

The Marketing Committee shall approve all bus wraps designs under this Policy and if approved by the Committee, forward that design to the full Board for final approval at their next regular meeting.

All proposed designs shall be submitted to the Marketing Committee. Any entity submitting such a proposal shall be referred to here as the "promoter." The Marketing Committee shall reject or accept each proposal submitted, applying only the following criteria:

a) The bus wrap design promotes an attraction or event that is unique to the Coachella Valley such as the Palm Springs Tram, the Indian Canyons, the Living Desert, the Indio Date Festival and the Children's Museum;

b) The design is aesthetically acceptable; and

c) The design does not promote a purely commercial product or entity.
d) No political messages shall be accepted.

The Committee shall provide a written statement of its decision to the promoter within 10 days following any regularly scheduled Board Meeting of the submittal of any proposal. If the Committee's decision is to reject a proposal, said statement shall set out the grounds for the rejection. If the Committee rejects any proposed design on the basis of aesthetics, the promoter may submit an alternative design for consideration. The Committee shall cooperate in the design process, at the promoter's request, to facilitate the development of a design that will be acceptable to the Committee.

The promoter may appeal any rejection by the Committee to the Board, by written notice within 30 days of the notice of rejection by the Committee. The Board shall hear any such appeal at its next regular meeting, and a written decision shall be issued within 30 days thereafter. The Board's decision shall be final and no further administrative remedies shall be available thereafter with respect to the rejection of the proposal.

The Committee shall not accept any proposals for which the main purpose or theme is the promotion of a commercial product, destination, organization or event that is not unique to the Coachella Valley. No proposals, the main purpose or theme of which is the promotion of a common commercial product, available in any consumer market, shall be accepted. No proposals, which in any manner concern a political message shall be accepted. The term “political message” is intended to encompass any subject which the Committee deems controversial or which the Committee believes might offend any segment of the local community based on a difference of opinion as to the appropriateness of the subject matter.
NOTE: IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT SUNLINE AT (760) 343-3456. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE SUNLINE TO MAKE REASONABLE ACCOMMODATION TO ENSURE ACCESSIBILITY TO THIS MEETING.

The Chair requests that all cellular phones and beepers be either turned off or set on silent mode for the duration of the Board Meeting.

AGENDA TOPICS

1. Call to Order
   Chairman Eduardo Garcia

2. Roll Call

3. Finalization of Agenda

4. Presentations

5. Correspondence
   None.

6. Public Comments
   (NOTE: Those wishing to address the Board should complete a Public Comment Card and will be called upon to speak.)

   Receive Comments

NON AGENDA ITEMS
Anyone wishing to address the Board on items not on the agenda may do so at this time. Each presentation is limited to 3 minutes.
AGENDA ITEMS
Anyone wishing to address specific items on the agenda should notify the Chair at this time so those comments can be made at the appropriate time. Each presentation is limited to 3 minutes.

7. **Board Member Comments**
Receive Comments
Any Board Member who wishes to speak may do so at this time.

- - - - - - - - - - - - - - - - - - - - - - ACTION - - - - - - - - - - - - - - - - - - - - - - - - - -

8. **Consent Calendar**
Approve
All items on the Consent Calendar will be approved by one motion, and there will be no discussion of individual items unless a Boardmember requests a specific item be pulled from the calendar for separate discussion. The public may comment on any item.

   a) Minutes of the April 25, 2012 Board of Directors Meeting (Pages 1-5)
   b) SSG/SRA checks over $1000 issued April, 2012 (Page 6)
   c) SSG/SRA Monthly Budget Report for April, 2012 (To be provided at June meeting)
   d) Taxi Vehicle/Rides Analysis (Pages 7-8)

9. **Fifteen Temporary Non Permanent Taxicabs Permits**
Approve (Naomi Nightingale)
Discuss request to the Board to approve the sunset of the fifteen temporary non permanent taxicab permits on May 31, 2012. (Page 9)

10. **First Reading of SSG Revised Ordinance #2012-01**
Approve (Jeffrey Goldfarb)
Request to the Board to approve the first reading of the proposed SSG Ordinance #2012-01. (Ordinance separate attachment.) (Pages 10-14)

- - - - - - - - - - - - - - - - - - - - - - DISCUSSION - - - - - - - - - - - - - - - - - - - - - - - - -

11. **Request For Proposal Revisions** (Jeffrey Goldfarb) 
Discussion
Discuss Taxi Request For Proposal revisions. (Redlined RFP separate attachments) (Pages 15-17)

12. **Next Meeting Date**
June 27, 2012
12 o'clock Noon – Kelly Board Room

13. **Adjourn**
A regular meeting of the SunLine Services Group Board of Directors was held on Wednesday, April 25, 2012 in the Kelly Board Room at SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

1. **Call to Order**
The meeting was called to order at 1:39 p.m. by Chairman Eduardo Garcia.

2. **Roll Call**
Completed.

**Members Present**
Eduardo Garcia, Chairman, Mayor, City of Coachella
Bob Spiegel, Vice Chairman, Mayor, City of Palm Desert
Yvonne Parks, Mayor, City of Desert Hot Springs
Rick Hutcherson, Councilmember, City of Palm Springs
Bud England, Councilmember, City of Cathedral City
Bill Powers, Mayor Pro Tem, City of Indian Wells
Kristy Franklin, Councilmember, City of La Quinta
Glenn Miller, Mayor, City of Indio
John J. Benoit, Supervisor, County of Riverside

**Members Absent**
G. Dana Hobart, Councilmember, City of Rancho Mirage

**Guests:**
Barbara Raileanu, Woodruff, Spradlin & Smart
Robert Yates, RCTC
Linda Hurley, MGO
Michal Brock, Yellow Cab
Bill Meyers, Yellow Cab
Gadi Srulovitz, Yellow Cab
Mabu Hossein, Desert City Cab
Harry Incs, American Cab
Adolfo Soto, ATU
Kimberly Webb, Public

**Staff:**
C. Mikel Oglesby, General Manager
Jeffrey Goldfarb, Interim Legal Counsel
Carolyn Rude, Special Asst. to the General Manager/Clerk of the Board
Naomi Nightingale, Chief of Staff/EEO, Taxi Administrator
3. **Finalization of Agenda**
No changes to Agenda. Mayor Miller moved to approval of the agenda. The motion was seconded by Supervisor Benoit and approved by a unanimous vote.

4. **Presentations**
None.

5. **Correspondence**
None.

6. **Public Comments**
NON - AGENDA ITEMS

Kimberly Webb - stated the following: "Good morning, I had the great opportunity of meeting with Mr. England, Mr. Powers with a handful of drivers who have felt unable to speak openly. Hopefully progress will be made in that respect. I would like to point out that the arrogance of American Cab management has finally come back to haunt them in that they have lost over ten drivers recently. Those ten permits that were so urgently needed, those temporary that go through May 31\(^{st}\), only one of those vehicles as I understand was even placed on the road. That was one of the prisus'. They did not even have enough drivers to fulfill their permanent permits. Many of the drivers have left and gone to Yellow; I think one has gone over to Desert Cities. There are others that are already in the process and have already
contacted Yellow. They are waiting for some of the drivers to leave. They have no openings whatsoever. We should see a decrease in the number of people working for management over at American Cab. I will say that the rates have gone down as of today by $200. On the first weekend, the first Friday of Coachella Fest, there were four American Cab vehicles involved in motor vehicle accidents. One driver alone identified only as biker Tim, who signed up only to work for the three festivals, so he has got one more weekend in which to destroy another vehicle. He had two accidents on his own. Whether or not either one of those reflected on the one that happened on Friday the 13th – I hope that nobody is superstitious there. Another one of his vehicles that he was driving broke down. He literally left it by the side of the road. In the past, we had some comments last month by Mr. Incs and I will quote by saying ‘based on the meter readings, the drivers make about $3000 a week on average, minus $1000 lease; they keep about $2000 of that. As far as gas, that is being covered by tips, so our drivers are well taken care of.’ He felt that the Board hasn’t really been listening to him and I think that the meeting with the drivers pretty much clarified that most of the information I have been presenting in front of you is correct. So there are those that are not necessarily telling the truth and then there are those of us who are. Here is a copy of a petition that the drivers - I met with a few of them last night. There are only 13 cars available. This is asking the Board to demand that Mr. Incs – an action item present to the Board of Directors, copies of the weekly financials of sales for all vehicles as none of them, including those that are making that much money, which are only one or two. So they would ask that you demand Mr. Incs to substantiate his claims.”

Chairman Garcia stated the following: “If I could ask that you (Ms. Webb) could address the Board and not so much anyone in the audience. Then those in the audience want to fill out a speaker card just to answer your comments.”

Harry Incs stated the following: “How does somebody answer such fantasies and all that? So here you go – she wanted financials. Those are actually our averages that I ran for the month of March - that substantiates – those are actually meter readings and SunLine trip data. Those are the meter readings for the individual taxi drivers. I think that Bud England and Bill Powers would want to look at that so they can substantiate what the drivers actually told them and what the meter read. As far as the lease going down this week – I think it went down $300 this week, not $200. I don’t know where she is getting her numbers, but I can provide you – our lease rates going to the beginning of the franchise; I can provide you with detailed analysis that I do every week. Stuff like that if you guys are interested. The real data is what I want to tell you. SunLine does meter readings for a whole week and you can see how much drivers make; you guys can see what the averages are; what the average trip is. I can provide you with the lease that they paid for the week going back to the beginning of the franchise so you guys can estimate what they ended up keeping in their pocket. Go off of real data, not off of fantasies, and those are fantasies, also coming from bandit cab driver that was caught by SunLine picking up illegally in Coachella. I don’t know what you guys…”
AGENDA ITEMS:
None.

7. **Board Member Comments**
Vice Chairman Spiegel stated the following: “I just want all of you to know that I am in discussions with Tom Kirk at moving taxi to CVAG.”

Chairman Garcia stated the following: “If that is the direction that we are going in, then perhaps we need to consider all the time and effort that is being put in from a legal standpoint, to freshen up this RFP and Ordinance. There is a lot of time, energy and resources that are going in to that and if we are moving in that direction, then perhaps....” Supervisor Benoit stated the following: “I would suggest that we continue on the process because if it goes over there, many of us are going to be sitting over there wrestling over the same thing. Let’s not delay that.” Councilmember England stated: “We need to continue the process and deliver a package if that is what is going to take place.”

8. **Consent Calendar**
Supervisor Benoit moved for approval of the consent calendar. The motion was seconded by Mayor Pro Tem Powers and was approved by a unanimous vote.

9. **Approval of Resolution Changing Maximum Taxi Rates**
Taxi Administrator, Naomi Nightingale, addressed the Board requesting approval of a Resolution to increase maximum base rate per mile. She stated that the SRA is required by the Ordinance to perform an evaluation twice a year. Councilmember England stated that the Taxi Committee discussed and recommends approval. Mayor Pro Tem Powers stated: “Since we regulate the fares that they can charge to the consumer, why can’t we regulate the charge that the franchises charge the drivers so that they always know that they can’t get gouged for Coachella Fest, or something else.” Legal Counsel stated: “The short answer is, as I sit here now, that I don’t know that we cannot do that. I don’t know that there has been any direction in the past to actually do that and it has not been incorporated into the regulatory structure. That’s not to say that it necessarily can’t and I would be more than happy to take a look into that if that is what the Board would like.” Mayor Pro Tem Powers stated: “I think that would solve quite a few of the problems that are going on out there.” Mr. Oglesby stated: “That discussion took place and it was brought up a long time ago. I do recall it, but it fell to the side. I think at the time, our current attorney started looking into it. I remember that we shied away from it, but I don’t know the reason.” Mayor Parks asked if that would be part of the RFP. Legal Counsel stated: “That could be, or the Ordinance. I’m not quite sure where we would plug it.”

Councilmember England made a motion to approve staff recommendation to approve Resolution changing maximum base rate. Mayor Parks seconded the motion and was approved by a unanimous vote.
10. **Next Meeting Date**
Chairman Garcia announced that the next regular meeting of the Board of Directors will be held May 23, 2012 at 12 noon – Kelly Board Room, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

11. **Adjourn**
Chairman Garcia adjourned meeting at 1:48p.m.

Respectfully Submitted,

[Signature]
Carolyn Rude
Clerk of the Board

Approved by:

[Signature]
C. Mikel Oglesby
General Manager

Date: 5/10/12
SunLine Regulatory Administration
Checks $1,000 and Over
For the month of April 2012

NOTE: 1) Bold check payments represent "pass through" payments that were, or will be reimbursed to SunLine under the provisions of specific grants or contracts. 2) Underlined check payments represent "shared" payments with SunLine and specific vendors/employees.

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Total of Checks Over $1,000       $21,974.55
Total of Checks Under $1,000      $4,453.82
Total of All Checks for the Month $26,428.37

Total Amount of Checks Prior Years Same Month $72,935.75
# TRIP vs. VEHICLE ANALYSIS

## TRIP vs. VEHICLE ANALYSIS

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DATE: May 23, 2012
TO: Taxi Committee
    Board of Directors
FROM: Chief of Staff/EEO/Taxi Administrator
RE: Fifteen Temporary Non Permanent Taxicabs Permits

Recommendation

Recommend that the Board of Directors approve the sunset of the fifteen temporary non permanent taxicab permits on May 30, 2012.

Background

The SunLine Service Group (SSG) Taxi Ordinance and RFP are currently under revision. Changes to non permanent and non temporary taxicab permits are a part of this revision for the Board of Directors approval.

Staff has reviewed eight years of historical data and included recent trends through our current fiscal year and find.

Currently not including the extra capacity taxicab due to sunset May 30, 2012, the count of available taxicab per franchise is as follows.

American Cab has forty five non-temporary permits, twelve non-permanent permits. Total of 57

Desert City Cab has forty five non-temporary permits, twelve non-permanent permits. Total of 57

Yellow Cab of the Desert has forty non-temporary permits, ten non-permanent permits. Total of 50

Based on trend data analyzed by staff and the past eight years of historical data, staff believes that the current number of taxicabs is sufficient to meet the anticipated passenger demand during off season. (June, July, August).

Fiscal Impact
None.

[Signature]
Naomi Nightingale
Recommendation

Recommend that the Board of Directors approve the first reading of the proposed SSG Ordinance #2012-01 that will supersede all previous Ordinances and Amendments.

BACKGROUND

Interim General Counsel has been directed to revise the taxi franchise ordinance (Ordinance No. 2010-01; the “Ordinance”) and the franchise agreement (consisting of the agreement and the Request For Proposals for providing franchise taxicab services—RFP 09-021) to provide more consistency between the documents and to better serve SunLine’s goal of an effective and efficient taxi franchise system which does not result in the creation of a de facto or de jure monopoly. Pursuant to that direction, this office has prepared a red-lined draft of both the Ordinance and the RFP. This memo addresses the proposed changes to the Ordinance, which changes have twice been vetted by the subcommittee. Comments of the subcommittee have been incorporated into the revised drafts that are presented for your consideration. The substantive revisions are discussed by category below.

1. **Duration of Franchise.** Section 1.030, subsection H currently states that all franchises sunset after ten years. The RFP, however, notes that the franchise term is five years but may be extended on a year-by-year basis for the following five years. Section 1.030, subsection H is proposed to be revised to be consistent with the intent of the RFP.

2. **Insurance Requirements.** It is recommended that Section 1.050, subsection 2(e) be amended to change franchisee’s minimum insurance requirements from $1,000,000 to a sum acceptable to the Board. The Board will be asked to determine the appropriate amount of insurance.

3. **Manner of Holding Taxicab Fleet.** Currently, Section 1.080 of the Ordinance appears to require franchisees to own all taxicabs in their fleet. The Board is asked
whether a franchisee’s ownership of the taxicab is necessary or whether a leasehold interest in the cab is sufficient.

4. **Regulation of Transfer of Control of Any Franchisee.** A new Section 1.090.5 has been added to clarify that, in addition to requiring documents, SunLine has the authority to approve or disapprove of any sale or transfer of a franchisee’s assets, a sale or transfer of any interest or membership in a franchisee, or any transfer of control over a franchisee. The definitions contained in Section 1.010 have been revised to establish a rebuttable presumption that a transfer of 25% or more of the beneficial ownership of an LLC constitutes a change in control. Under Section 1.090.5, any franchisee proposing any of the aforementioned transfers in interest is required to submit to SRA all information required of an applicant seeking a franchise and the Board has the authority to approve or disapprove that transfer in the same manner as it would evaluate a new application for a franchise.

5. **Allocation of Responsibility between Board and Taxi Administrator.** Section 1.100 is proposed to be amended by establishing that the Board has the sole responsibility to establish the number of allocable Non Temporary Taxi Permits, to allocate those Non Temporary Taxi Permits to franchisees, and to grant requests of franchisees to increase their Non Temporary Taxi Permits by up to 25%. The taxi administrator’s authority is proposed to include the ability to unilaterally issue Temporary Taxi Permits, initially decide to suspend or revoke a permit and to issue warning letters.

6. **Denial, Revocation, Suspension or Termination of Permits and Franchises and Appeals.** Currently, Section 1.110 authorizes the taxi administrator to serve as the hearing officer to conduct hearings necessary to suspend or revoke a franchise or permit. That determination may then be appealed under Section 1.256 to the taxi administrator. Having a person sit as the hearing officer on an issue they had previously decided is inconsistent with existing principles of due process. In addition to the appeal procedures contained in Section 1.256, Sections 1.257 and 1.258 provide separate administrative hearing and appeal processes, respectively, regarding suspensions or terminations of franchise agreements. These provisions are, at best, confusing because they appear to overlap with the appeal process in Section 1.256.¹

Given both the constitutional infirmity and the irreconcilable confusion created by the patchwork of various hearing and appeal procedures, the proposed Ordinance simplifies the process as follows:

(a) The taxi administrator remains authorized to issue orders denying, revoking, suspending, or terminating any permit or franchise.

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¹ The overlap is caused because Section 1.256 relates to appeals from Section 1.110. Section 1.110 relates to the revocation, suspension and termination of not just permits, but franchises as well. It is therefore impossible to determine under the existing ordinance which appeals regarding franchise agreements are intended to be resolved through Section 1.256 and which appeals are intended to be resolved pursuant to Section 1.257.
(b) Anyone aggrieved by a decision of the taxi administrator or by the issuance of any administrative citation is afforded the right of a hearing under Section 1.256.

(c) The Ordinance proposes to have all hearings be conducted by an independent third-party hearing officer.

(d) All hearings on administrative citations whose total fine or penalty is less than $2,000 are to be adjudicated by an employee selected by the General Manager or his or her designee. It is a requirement that the person selected have no communication with the taxi administrator on the case and that he or she have had no input into the decision being appealed.

(e) Administrative hearings on citations whose fine or penalty exceed $2,000 and on all suspensions and revocations of drivers' permits or franchises are proposed to be heard by either a retired judge or an administrative law judge with the California State Office of Administrative Law Judges.

(f) The decision on all hearings is final, but may be challenged through the administrative writ process contained in Code of Civil Procedure section 1094.5.

(g) All appeals to the Board of Directors are eliminated. Matters that previously were appealable to the Board included fines over $500, reductions in excess of 25% of a franchisee's Non Temporary Taxi Permits, and the suspension or termination of a franchise. If the proposed Ordinance is adopted, these issues will be handled as provided above. The primary rationale for this change is that it is exceedingly time consuming to hold an adversarial fact finding hearing before the Board. This can be handled more efficiently as provided above. Moreover, if the appellant is dissatisfied with the decision, he or she retains the right to file a writ of mandate with the courts to challenge the decision.

Section 1.257 is proposed to be deleted as it would no longer be necessary.

7. Establishment of Infraction Penalties. Currently, Section 1.259 allows the taxi administrator to determine whether a violation of the Ordinance constitutes a misdemeanor or an infraction. This process has been called into question because it allows an administrator to determine whether and to what extent a person alleged to have committed a crime would be permitted a jury trial.\footnote{Persons charged with infractions are not entitled to a jury, while persons charged with a misdemeanor are.} The Ordinance proposes to eliminate the discretion to consider a misdemeanor violation to be an infraction. I believe that this authority is unnecessary, in any event, because SunLine has adopted
the civil citation process which allows it to impose a civil penalty in an amount which would otherwise be equivalent to the infraction fine. As a result, issuing a criminal infraction would no longer appear necessary.

8. **Enforcement of Airport Regulations.** Currently, Section 1.260 directs SSG to enforce the rules adopted by the Palm Springs Regional Airport Authority. I question whether the law authorizes SSG to delegate its rule-making authority to the Palm Springs Regional Airport Authority. SSG may well lack the legal authority to enforce the rules adopted by another governmental entity (in this case, the Airport Authority), particularly on property over which SunLine lacks the jurisdiction to engage in rule-making. If the Board desires to enforce rules on airport property, an appropriate mechanism can be devised to do so. The Board is asked to indicate whether such a mechanism is desired.

9. **Regulation of Taxi Leases.** The taxi committee asked that we evaluate the ability to regulate the amount a franchisee can charge a driver to lease a taxi. While such regulation is possible, it may be difficult to administer as explained below.

As a general rule, a governmental body “is free to adopt whatever economic policy may reasonably be deemed to promote public welfare, and to enforce that policy by legislation adapted to its purpose.” *(Nebbia v. New York* (1934) 291 U.S. 502, 537; see also *Santa Monica Beach v. Superior Court* (1999) 19 Cal. 4th 952, 995 (explaining that “the deferential, rational basis, level of judicial scrutiny” is generally “scrutiny applied in due process based challenges to economic and social legislation”).) However, in California, regulations involving “price control” must survive a heightened standard of scrutiny. *(Santa Monica Beach,* supra, at p. 967 (explaining standard of review for regulations constituting “price control, which includes rent control”)). Price control “regulations are generally found to pass constitutional muster ‘so long as the law does not deprive investors of a “fair return” and thereby become “confiscatory.”’” *(Galland v. City of Clovis* (2001) 24 Cal. 4th 1003, 1021, quoting *Kavanau v. Santa Monica Rent Control Bd.* (1997) 16 Cal. 4th 761, 771; see also, *FCC v. Florida Power Corp.* (1987) 480 U.S. 245, 253 (applying heightened level of scrutiny to FCC order reforming lease agreements between power company and cable companies)). To determine whether a price control regulation violates due process, “a ‘court must determine whether the [regulation] may reasonably be expected to maintain financial integrity, attract necessary capital, and fairly compensate investors for the risks they have assumed, and yet provide appropriate protection for the heart of relevant public interests, both existing and foreseeable.’” *(Galland, supra, at p. 1021, quoting *Kavanau,* supra, at pp. 771-772.) In other words, price control regulation “must not prevent an efficient enterprise from ‘operating successfully,’ but rent regulators are permitted to adjust prices ‘within a broad zone of reasonableness’ ...” *(Galland, supra, at pp. 1021-1022, quoting *Kavanau,* supra, at pp. 778-779.)

The types of considerations that might go into the calculation of acceptable lease rates include but are not limited to vehicle purchase prices, the cost of insurance premiums, fuel costs, and variations in the Consumer Price Index evaluated over a twenty-four (24)
month time period preceding the determination of the lease amount, and other factors that may affect the market for taxicab leases or that may affect the provision of taxicab services. Given that many of these factors change over time, one would expect that the lease cap would also have to change over time. How often this change must occur, however, is not known as there are no cases directly on point.

II. CONCLUSION

The proposed revisions are an attempt to create for the Board a more effective and enforceable regulatory system. The Interim General Counsel's office asks staff and the Board, who have substantially more experience in the actual operation of the SunLine franchise program, to evaluate the proposed changes and to feel free to accept, reject, or modify these changes in any way it sees would be more appropriate.

Jeffrey A. Goldfarb
Interim General Counsel
SunLine Services Group

DATE: May 23, 2012
TO: Taxi Committee
    Board of Directors
FROM: Legal Counsel
RE: Taxi RFP Changes

I. BACKGROUND

Interim General Counsel was directed to work with a subcommittee consisting of staff members and two members of the taxi committee to revise the taxi franchise ordinance (Ordinance No. 2010-01; the "Ordinance") and the franchise agreement (consisting of the agreement and the Request For Proposals for providing franchise taxicab services—RFP 09-021) to provide more consistency between the documents and to better serve SunLine’s goal of an effective and efficient taxi franchise system which does not result in the creation of a de facto or de jure monopoly. Pursuant to that direction, this office has prepared a red-lined draft of both the Ordinance and the RFP. This Memo address the proposed changes in the franchise agreement, which changes are contained in the RFP SSG issues when a franchise becomes available. The drafts of the RFP were previously circulated to the subcommittee, revised, and again considered by the subcommittee. Comments of the subcommittee have been incorporated into the revised drafts that are presented for your consideration. The substantive revisions are discussed by category below.

1. Franchise Application Requirements. The franchise application requirements are generally contained in Section II of the RFP (RFP pp. 8-9). The requirements appeared somewhat broad and, as a result, it was unclear what documents were actually required. The proposed revisions to the RFP include numerous specific requirements which will improve applicant’s understanding of what documents are needed and improve the Board’s ability to evaluate applications for a new franchise, a transfer of a franchise, and a transfer of any interest in a franchisee.

2. Adjustments to the “Per Mile Rate.” The Per Mile Rate is the maximum rate the taxi meter can charge per mile driven. The Per Mile Rate is currently adjusted twice each year based upon the cost of fuel. Staff proposes to amend the RFP to adjust the Per Mile Rate annually on or near March 15.

3. Increase or Decrease in Taxicab Permits. Currently, the RFP contains both a six month and an annual review period. The review periods primarily appear to be used
to determine when additional taxicab permits will be allocated or withdrawn from franchisees for the next period. The review periods have overlapping criteria and it is unclear whether they individually perform a unique function.

It was my belief that the six month review period was unnecessary at best and counter-productive at worst. This is because the six month review largely focused on the number of rides per cab per day. The six month period evaluated either the high season or the low season performance of a franchisee. As a consequence, SunLine was evaluating high season performance for purposes of increasing or decreasing a franchisee's taxicab allocations for the following low season, and vice versa. As a result, the RFP, as drafted, can cause SunLine to institutionally run the risk of misallocating cabs. By eliminating the six month review, a franchisee's performance can be evaluated over the course of an entire year for the purpose of determining taxicab permit allocations for the ensuing year. In this way, the review periods are all similar. For this reason, we propose that the six month review period would be eliminated in favor of an annual review that is to begin in April and conclude by July 1.

The proposed change also adopts consistent nomenclature in order to distinguish between the allocation of temporary taxicab permits and the allocation of non-temporary taxicab permits.

The proposed changes also establish a two-step annual review process. The first step evaluates total taxicab demand in the valley. This first step of analysis is helpful to determine whether, as a whole, SunLine needs to add or reduce the total number of non-temporary taxicab permits issued in the valley. For instance, if the analysis reveals that the average number of trips per vehicle per day exceeds 10 trips for the total number of taxicabs in the valley, the Board could properly conclude that there are simply not enough taxicabs operating in the valley. The Board might therefore wish to increase the number of non-temporary taxicab permits that can be allocated to the existing franchisees.

The second stage of the analysis determines which of the franchisees is to be offered or awarded any of the then unallocated non-temporary taxicab permits, and which will be required to give permits back. While the RFP establishes a formula for determining available capacity in any particular franchisee, it does not require the Board to allocate any additional non-temporary taxicab permits to a franchisee. We believe the discretion not to allocate additional non-temporary taxicab permits to any of the existing franchisees is important for the express purpose of preventing any franchisee from becoming a de facto monopoly. Using this discretion, the Board might decide that it does not wish to award a high-performing franchisee more non-temporary taxicab permits and instead decide that it wishes to circulate an RFP for the purpose of issuing

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1 This is what I call the Microsoft dilemma. One franchisee continually outperforming the competition by getting the lion's share of the business. It will therefore have a much higher number of trips per vehicle per day, which makes it eligible for more non-temporary taxicab permits. At the same time, the other franchisees' business either does not grow in the same way or drops. At some point the other franchisees' trips per vehicle per day will require them to surrender some of their non-temporary taxicab
a new franchise to whom it will issue those withheld permits. The RFP also proposes to permit the Board to consider any other relevant factor to reach an allocation determination, including but not limited to issues such as the franchisee’s citation history, the franchisee’s wait time, and whether the franchisee has demonstrated that it is providing its customers longer taxi rides than the valley average, such that its cabs are occupied for a longer period of time which thus reduces their ability to pick up the minimum number of riders per day.

The amendment also clarifies that there are two ways to obtain an increase in non-temporary taxi permits: (1) a franchisee can apply for a 25% increase in the number of non-temporary taxi permits they currently have; and (2) the Board can issue additional permits when it conducts its annual review as discussed above.

The final change in this section is to clarify that it is the Board’s duty to allocate taxicab permits.

4. **Advertising.** The proposed change on page 22 is to make the RFP’s advertising regulations consistent with the regulations currently enforced by SSG.

5. **Regulating Drivers’ Hours.** Both the RFP and the Ordinance have been revised to clarify that the taxicab regulations’ restrictions on the number of hours a driver can operate a taxicab are enforceable. As proposed, the RFP requires that, by April 1, 2013, all franchisees shall have in place the electronics necessary to transmit real time driver hour reports to a franchisee. (RFP p. 24.)

## II. CONCLUSION

The proposed revisions are an attempt to create for the Board a more effective and enforceable regulatory system. The Interim General Counsel’s office asks staff and the Board, who have substantially more experience in the actual operation of the SunLine franchise program, to evaluate the proposed changes and to feel free to accept, reject, or modify these changes in any way it sees would be more appropriate.

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permits, worsening the gap between them and the high-performing franchisee. This can eventually create a de facto monopoly.
ORDINANCE NO. 2012-01

AN ORDINANCE OF SUNLINE SERVICES GROUP
SUPERSEDING ORDINANCE 96-2, 99-1, 99-2, 00-2, 01-01, 07-03, 09-01 and 2010-01

WHEREAS, Government Code section 53075.5 requires every city and county to protect the public health, safety and welfare by adopting an ordinance concerning the provision of taxicab services, to provide a policy for entry into the business of providing taxicab services, to establish or require registration of rates for the provision of such services and for such other matters as determined by the legislative body; and,

WHEREAS, the County of Riverside and the Coachella Valley cities comprising the joint powers agency known as SunLine Service Group ("SSG") desire to provide for the orderly, efficient, and safe operation of taxicab services within the Coachella Valley; and,

WHEREAS, an implementation agreement has been entered into by the County of Riverside and those Coachella Valley cities whose signatures appear on that agreement, authorizing SSG to regulate taxicab transportation services within the jurisdictional boundaries of SSG; and,

WHEREAS, Government Code section 53069.4(a)(1) permits the legislative body of a local agency to make any violation of any ordinance enacted by the local agency subject to administrative fine or penalty; and,

WHEREAS, the powers provided under Government Code section 36091 which permit a city legislative body to impose fines, penalties and forfeitures for violations of its ordinances have, by joint powers agreement, been assigned to SSG as provided under Government Code section 6500, et seq.; and,

WHEREAS, SSG desires to reduce the administrative and legal costs associated with enforcement of ordinances adopted for the purpose of taxicab regulation within the jurisdiction of SSG;

WHEREAS, the Board of Directors of SSG implemented a study commissioned to make recommendations to improve taxicab transportation services which included implementation of a recommendation to award Franchise Agreements as a way to improve taxicab services and to better regulate the service providers; and,

WHEREAS, the existing Ordinance must be amended to ensure consistency between the Ordinance and the Franchise system and to effectuate regulation of the Franchise system in accordance with the decision to implement the study.

NOW, THEREFORE, the Board of Directors of SSG DOES ORDAIN AS FOLLOWS:
PART 1: That SSG hereby adopts this Ordinance regulating taxicabs within the jurisdiction of SSG, superseding and replacing Ordinance 96-2, 99-1, 99-2, 00-2, 01-01, 07-03, and 09-01.

This Ordinance shall include the following sections:

Section

1.010 Definitions
1.015 Delivery of Notices or Requests
1.020 Hotel Limousine — Exemption
1.030 Franchise Agreement — Required
1.050 Franchise — Insurance Required
1.060 Franchise — Color Scheme
1.065 Advertisements
1.070 Vehicle Inspection
1.080 Franchise — Minimum Requirements
1.090 Franchise Fee
1.091 Taxicab Vehicle Permits
1.092 Transfer and Surrender of Vehicle Permits
1.095 Driver Permit — Required
1.100 Permits — Authority
1.110 Permits and Franchises — Denial, Revocation, Suspension or Termination
1.120 Appeal From License Denial Due to Criminal Conviction 1.125 Unauthorized Taxicab Services Prohibited
1.130 Rules, Regulations and Fees
1.140 Use of Toplight
1.150 Information Display
1.160 Identification Display
1.170 Route — Number of Passengers
1.180 Taximeter — Accuracy
1.190 Taximeter — Use
1.200 Taximeter — Misuse
1.210 Receipt for Fare
1.220 Street Stands
1.225 Exclusive Arrangements Between Franchises and Venues Concerning Taxicab Trips Prohibited
1.230 Operation by Other Than Franchisee
1.240 Rates
1.245 Surcharges
1.250 Enforcement
1.255 Penalties
1.256 Administrative Hearings — In General
1.257 Administrative Hearings — Suspension or Termination of Franchise Agreement
1.258 Appeal to Committee of Board of Directors
1.259 Criminal Enforcement and Penalties
1.260 Airports

Deleted: #04/24/12
Deleted: #04/12/12a02/25/12
1.270 Severability
2.010 Scope
2.020 Definitions
2.030 Rule, Regulations & Fees
2.035 Mandatory Controlled Substance and Alcohol Testing Program
2.040 Tests Required
2.050 When Testing Required 2.060 Prohibited Conduct
2.070 Testing Procedures
2.080 Penalties
2.090 Rights of Appeal
2.100 Severability
3.010 Applicability
3.020 Enforcement Officer - Defined 3.030 Regulation - Defined
3.040 Administrative Citation 3.050 Amount of Fines
3.060 Payment of the Fine 3.070 Hearing Request
3.080 Advance Deposit Hardship Waiver
3.120 Late Payment Charges
3.130 Recovery of Administrative Citation Fines and Costs
3.140 Administrative Regulations

SECTION ONE

TAXI FRANCHISE ORDINANCE

Section 1.010 Definitions

As used in this Section:

A. "Base Rate" means the minimum charge to a customer regardless of time or mileage, being that rate which is programmed to show in the Taximeter when first activated.

B. "Board" or "Board of Directors" means the board of directors of SunLine Services Group.

C. "Chauffeured Limousine" means a motor vehicle used for the transportation of passengers for hire along public streets, not over a defined route, but a route under the control of the person hiring such a vehicle. A Chauffeured Limousine shall not bear any distinguishing insignia or monogram or toplights, and shall operate and be dispatched from a fixed location, and shall be hired by contract on a minimum hourly basis, or a fixed point-to-point basis only.

D. "Control Person" means any natural person, corporation, partnership, limited liability company, joint venture, association, trust or other organization, whether or not a legal entity, holding a controlling interest in a Franchise to provide Taxi cab services and the lawful successors, transferees, or assignees of any such natural person, corporation,
partnership, limited liability company, joint venture, association, trust or other organization.

E. "Control" or "controlling interest" means control in whatever manner exercised, including, without limitation, control through ownership, management, debt instruments, or negative control, as the case may be, of the Franchisee or related taxicab service or company. A rebuttable presumption of the existence of control or a controlling interest shall arise from the beneficial ownership, directly or indirectly, by any natural person, corporation, partnership, limited liability company, joint venture, association, trust or other organization, whether or not a legal entity, or any group of such persons or entities acting in concert, of 25 percent or more of any class or series of equity securities, whether or not voting, of any natural person, corporation, partnership, limited liability company, joint venture, association, trust or other organization, whether or not a legal entity, or being a party to a management contract or similar agreement to manage the Franchisee or related taxicab service or company, or any material portion thereof.

F. "Days" means calendar days, except where otherwise referred to in this Ordinance. "Business days" means any days that the administrative offices of SSG are open for business. Any act required by the Ordinance of SSG which is due on a day which is not a business day shall be due on the next business day.

G. "Driver" means an individual natural person who drives or is allowed to drive a Taxicab under the name of a Franchisee. This includes, but is not limited to: full time, regularly employed Drivers; casual, intermittent or occasional Drivers; leased Drivers and independent, Owner-operator contractors who are either directly employed by or under lease to a Franchisee or who operate a Taxicab at the direction of or with the consent of a Franchisee.

H. "Driver Permit" means a permit issued by SSG authorizing a Driver to drive a Taxicab within the jurisdiction of SSG.

I. "Employment" includes self-employment as an independent Driver within the meaning of Government Code section 53075.5.

J. "Franchisee" means any person, firm, association, corporation, partnership or other entity that is granted a Franchise by the Board pursuant to the Ordinance of SSG and has entered into a duly executed Franchise Agreement with SSG.

K. "Hourly Rate" means the charge made to a Taxicab passenger based on Taximeter calibration in instances in which the speed of the vehicle causes
the Taximeter to switch from a Rate per Mile charge to a rate based on passenger time use of the vehicle.

"Jurisdiction of SSG" means the area within the jurisdictional boundaries of the cities of Desert Hot Springs, Palm Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Coachella and the unincorporated area of Riverside County that is within the territorial boundaries of the Palm Springs and Desert Sands Unified School Districts and that portion of the Coachella Valley Unified School District located within Riverside County.

"Owner" means the person or entity identified as the Owner of a Taxicab on the Certificate of Title issued by the California Department of Motor Vehicles (DMV).

"Person" means natural persons, corporations, partnerships, limited liability companies, joint ventures, associations, trusts or other organizations, whether or not legal entities.

"Rate per Mile" or "Mileage Rate" means the charge made to a Taxicab passenger calculated and based on distance traveled by the Taxicab vehicle.

"Street" means any place commonly used for the purpose of public travel.

"Street Stand" means a portion of a street designated by a member city or the county within which the stand is located for the use, while awaiting employment, of any Taxicab, except for locations at which a stand is located within the boundaries of any airport.

"SunLine Regulatory Administration" or "SRA" means the division of SunLine Services Group charged with the duties, obligations and responsibilities of SunLine Services Group to implement and enforce the Ordinance of SSG, any related ordinance and any regulations promulgated pursuant thereto as directed by the board of SSG and the Taxicab Administrator. Unless otherwise specifically specified herein, references to "SSG" refer to and include SRA.

"Surcharge" means the Fee imposed by SSG to recover the costs of regulating Taxicabs and which is charged each time that a Taxicab is initially engaged for hire by a passenger.

"Taxicab" means every automobile or motor-propelled vehicle, designed for carrying not more than eight persons, excluding the Driver, where the driver's seat may be separated from the passenger's compartment by a glass or other partition, used for the transportation of passengers for hire over the public streets in the jurisdiction of SSG, and not over a defined route, irrespective of whether the operations extend beyond the boundary...
limits of the member entities of SunLine, in circumstances where the
dvehicle is routed under the direction of the passenger or of the person

U. “Taxicab Administrator” means the General Manager of SSG or his/her
designee. “Assistant Taxicab Administrator(s)” shall be those persons
authorized by the Taxicab Administrator to perform or assist in the
performance of the functions and powers of the Taxicab Administrator
under the provisions of the Ordinance of SSG.

V. “Taximeter” means a device that automatically calculates, at a

dpredetermined rate or rates, and indicates the charge for hire of a vehicle,
for distance traveled and waiting time.

W. “Toplight” means an illuminated sign, permanently affixed to the top of a

Taxicab, which, bears the name of the Franchise on both the front and
back and when illuminated, clearly indicates whether or not the Taxicab is
vacant and available for hire.

X. “Vehicle Inspection Sticker” means the numbered sticker affixed to the
lower left rear of the windshield of each Taxicab vehicle authorized to
operate in the jurisdiction of SSG.

Y. “Vehicle Permit” means both the vehicle inspection sticker and the
authority from SSG for a Taxicab vehicle to operate in the jurisdiction of
SSG.

Section 1.015 Delivery of Notices or Requests

A. All notices or requests referred to in the Ordinance of SSG which are due
to SRA shall be delivered to the Administrative Office of SunLine
Regulatory Administration. All notices or requests referred to in the
Ordinance of SSG to any individual or Franchisee shall be delivered to the
address of record for the individual or Franchisee.

B. The address of record for a Franchisee shall be the address listed on the
Franchise Agreement. Franchisees shall give notice in writing to SRA of
any change in their business address, and delivery of notices or requests to
the address provided by the Franchisee shall be presumed received by the
Franchisee.

C. Delivery of any notice or request under the Ordinance of SSG shall be
effective as follows:

1. Immediately if given by personal delivery;

2. One day after delivery if delivered by an overnight delivery
   service; and,
3. Three days after delivery if delivered by U.S. Mail.

Section 1.020 Hotel Limousine - Exemption

"Hotel Limousine" means a motor vehicle owned and operated exclusively by hotel. A "Hotel" is defined as any building or group of buildings or a portion thereof containing five (5) or more guest rooms used by five (5) or more guests for compensation. A Hotel Limousine is used for the sole purpose of providing transportation for hotel guests. Hotel Limousines are exempt from the regulation of the Ordinance of SSG when operated in accordance with this section.

Section 1.030 Franchise Agreement - Required

A. It is unlawful for any Person to operate, cause to be operated, to advertise or otherwise hold themselves out to the public in any fashion as a Franchisee without having first entered into a Franchise Agreement with SSG. Subject to the limitations of the Ordinance of SSG, the Board may, and is empowered to, grant to any qualified Person a nonexclusive Franchise to operate Taxicabs within the jurisdiction of SSG. Such Franchise shall be evidenced by a duly executed Franchise Agreement between the Franchisee and SSG. These Franchise Agreements may contain contractual provisions that are supplementary to and/or more restrictive than the provisions contained in the Ordinance of SSG. It is a violation of this Ordinance to operate a Franchise which is not in compliance with the terms and conditions of the Franchise Agreement. Franchisees will be required to provide a list of the Vehicle Identification Numbers ("VIN") of the Taxicabs ("vehicle identification list") which have passed the vehicle safety inspection required by the Ordinance of SSG and amendments thereto.

B. The Franchisee shall maintain with SSG a current list of all Drivers authorized to operate any vehicle on the required vehicle identification list. The Franchisee shall verbally report any additions or deletions to its list of Drivers to SSG within 24 hours of such addition or deletion.

C. Franchisees are required to ensure that all Drivers operating a Taxicab listed on the required vehicle identification list are familiar with the provisions of the Ordinance of SSG as amended from time to time, with the Franchise Agreement as amended from time to time, and with all regulations adopted by SSG from time to time. Franchisees shall promptly notify their Drivers of any changes in the provisions of the above documents and direct their drivers to implement the same.

D. Regardless of whether there is an employment or other direct relationship between the Franchisee and the Driver, Franchisees shall ensure that all Drivers authorized to operate a Taxicab vehicle listed on the vehicle identification list comply with the provisions of the Ordinance of SSG as
amended from time to time, the Franchise Agreement as amended from time to time, all requirements of state law, and with all regulations adopted to implement the Ordinance of SSG. The Franchisee shall not knowingly (or with reason to know) permit any Driver who is not in compliance with the provisions of the Ordinance of SSG as amended from time to time, the Franchise Agreement as amended from time to time, and all requirements of state law to operate any Taxicab listed on the vehicle identification list. This includes without limitation, the Driver operating hours requirements of Section 6.11 of the SunLine Services Group’s Taxicab Regulations.

E. In the event that any Driver listed on the authorized driver list on file with SSG has violated any provision of section 1.110, the Franchisee shall revoke all authority for the Driver to operate any vehicle on the vehicle identification list immediately upon written notification by the Taxicab Administrator of the suspension or revocation of the Driver’s Driver Permit. The Franchise may be temporarily suspended by the Taxicab Administrator in the event that a Franchisee fails to comply with this section and administrative penalties may be imposed in accordance with section 1.255.

F. The Franchisee shall comply with all requirements concerning the mandatory controlled substances and alcohol testing program as set forth in the Ordinance of SSG.

G. No Franchisee shall allow a person to drive a Taxicab using the Franchise’s name unless that person has a valid Driver Permit issued by SSG which states that the Driver is affiliated with the Franchise.

H. All Franchises granted pursuant to the Ordinance of SSG shall be nonexclusive and shall be subject to the terms and conditions specified in the Ordinance of SSG and any additional terms contained in a Franchise Agreement between the Franchisee and SSG. Such nonexclusive Franchises shall not be sold, leased, transferred, assigned or otherwise disposed of, either in whole or in part, whether by forced sale, merger, consolidation, bankruptcy, reorganization under bankruptcy laws or otherwise, without the prior written consent of SSG. The consent of SSG shall be subject to such terms and conditions as may prescribe, and may be denied in SSG’s sole and absolute discretion. Any attempted sale, lease, transfer, assignment or other attempted disposition of a Franchise without the prior written consent of SSG shall render said Franchise null and void and shall result in immediate termination of the Franchise Agreement.

Deleted: The term of the franchise shall be five (5) years. The term may be extended an additional one (1) year after each of the initial five years of the franchise up to a total of ten (10) years at the sole discretion of the SSG, subject to the provisions below. All franchises sunset after ten (10) years and are thereafter void.

Deleted: All Franchise Agreements sunset after ten (10) years and are thereafter void. All agreements must be renewed after the ten (10) year expiration.
I. The SRA reserves the right to issue additional Franchises. The Board awards Franchises after a public hearing.

Section 1.040 Franchise Agreement – Term, Extension

A. The term of the franchise shall be five (5) years. The term may be extended by SSG for an additional one (1) year after the initial five year term (the "One Year Extension Period") of the franchise up to a total of ten (10) years at the sole discretion of the SSG. subject to the provisions below. All franchises sunset after ten (10) years and are thereafter void.

B. The process for granting each One Year Extension Period shall be as follows:

(a) SSG may extend the term of a franchise by written notice to the Franchisee no later than Sixty (60) days before the franchise expires.

(d) Each extension shall be for a term no longer than one year. The determination to permit a Franchisee to continue operating under the Franchise for each One Year Extension Period shall rest exclusively with the Board. In making such determinations, the Board shall consider: the Franchisee's history of operations: the Franchisee's history of complaints, citations, suspensions, and warnings; whether and to what extent the Franchisee has met the average minimum rides per vehicle per day requirements, and whether extending the Franchisee for an additional year serves the health, safety and welfare of the Coachella Valley.

Section 1.050 Franchise – Insurance Required

A. Before any Franchise Agreement is entered into between a Franchisee and SSG, the Franchisee shall procure and maintain, at its cost, comprehensive general liability and property damage insurance, against all claims for injuries against persons or damages to property which may arise from or in connection with the operation of Taxicabs by the Franchisee, its agents, representatives, employees, Franchisees, or subcontractors and the Owner of the vehicle. The Franchisee shall also carry Workers' Compensation Insurance in accordance with California Labor Code section 3700 or any other provision of the State of California Workers' Compensation laws.

B. The policies shall contain or be endorsed to contain the following provisions:
1. General Liability and Automotive Liability Coverage.
   a. SSG, its member entities, their officers, officials, employees, and volunteers are to be covered as insureds for liability related to:
      (i) Activities performed by or on behalf of the Franchisee;
      (ii) Premises owned, occupied, or used by the Franchisee, and;
      (iii) Automobiles owned or leased by the Franchisee.
   b. The coverage shall contain no special limitations on the scope of protection afforded to SSG, its member entities, their officers, officials, employees, agents, representatives, or volunteers.
   c. The Franchisee’s insurance coverage shall be primary insurance as respects SSG, its member entities, their officers, officials, employees, agents, representatives, and volunteers. Any insurance or self-insurance maintained by SSG, its member entities, their officers, officials, employees, agents, representatives, or volunteers shall be in excess of the Franchisee’s insurance and shall not contribute with it.
   d. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to SSG, its member entities, their officers, officials, employees, and agents.
   e. Franchisee’s insurance shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of the insurer’s liability.

2. All Coverage:
   a. Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days’ prior written notice by certified mail, return receipt requested, has been given to SSG.
   b. Franchisee shall furnish SSG with a certificate of insurance and any applicable endorsements affecting the coverage.
required hereunder. The policies and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. At SSG’s option, endorsements and any certificates of insurance required by SSG shall be on forms provided or approved by SSG. All endorsements and certificates are to be received and approved by SSG prior to the operation of any Taxicab by the Franchisee in the jurisdiction of SSG. SSG reserves the right to require complete, certified copies of all insurance policies, including endorsements affecting the coverage required by the Ordinance of SSG, at any time and shall include, but not be limited to, the obligation to indemnify, hold harmless, release and defend SSG.

c. Franchisee shall include all individual Drivers employed, retained by or subcontracted by Franchisee, agents, contractors, other sub operators (“sub-operators”) as may be permitted by SSG, as insureds under its policies or shall furnish separate certificates and endorsements for each sub-operator. All coverage for such sub-operators shall be subject to all of the requirements stated herein.

d. The procuring of such insurance or the delivery of endorsements and certificates evidencing the same shall not be construed as a limitation of the Franchisee’s obligation to indemnify, hold harmless, release and defend SSG, its member entities, their officers, officials, employees, agents, representatives, and volunteers from and against any and all liability, claims, suits, costs, expenses, fines, judgments, settlements, charges or penalties whatever, including reasonable attorneys fees, regardless of the merit or outcome of the same arising out of, or in any manner connected with, any or all of the operations or services authorized, conducted or permitted under a nonexclusive Franchise Agreement.

e. The amount of insurance required hereunder shall be as follows:

(i) For injury or death in any one accident or occurrence, _________________________.

(ii) For the injury or destruction of property in any one accident or occurrence, _______________________.

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(iii) For combined single limits of liability for primary bodily injury and primary property damage, ___ million dollars ($___,000,000);  

(iv) For Workers' Compensation Insurance, with the limits established and required by the State of California;  

(v) For employer's liability, with limits of ___ million dollars ($___,000,000).  

f. It shall be the responsibility of all Franchisees to provide and maintain insurance coverage in compliance with the provisions of the Ordinance of SSG to cover each and every Driver that operates a vehicle as a Taxicab. The Franchisee shall further ensure that appropriate certificates of insurance reflecting coverage are on file with SRA at all times.  

3. Sufficiency of Insurer:  

Insurance required by this Section shall be satisfactory only if issued by companies having at least a Best Insurance Rating or equivalent and are admitted to do business in California. All applicants for the licensing of any Taxicab vehicle or for a Franchise are required to comply with this section prior to the issuance of any license or Franchise.  

4. Penalties  

Franchisees are responsible to ensure compliance with all of the foregoing insurance requirements and regulatory provisions related to such requirements. Responsibility on the part of the Franchisee includes ensuring that any vehicle Owner whose vehicle is operated under the Franchisee's name maintains insurance and provides SRA with proof of same at all times that each vehicle is operated. Failure to comply with the foregoing insurance requirements and/or regulations shall result in a summary suspension of the Vehicle Permit for any affected vehicle which will be presumed unfit and read as out of service. Failures to comply with the foregoing insurance requirements which affect the Franchise as a whole shall result in immediate summary suspension of the Franchise. Failure to comply with the foregoing insurance requirements three times within a calendar year constitutes grounds for termination of the Franchise.  

Section 1.060 Franchise - Color Scheme  

A. All Taxicabs operating under a Franchise shall be of distinctive appearance such as is in common usage in this country for Taxicabs and...
shall have a standard monogram, insignia, or logo which is permanently affixed to each vehicle and clearly indicates that the vehicle is offered for the use of transportation of passengers for hire.

B. No Franchise shall be granted to any Person whose name, monogram, logo or insignia to be used on its Taxicabs is in conflict with, or imitates, any monogram, name, logo or insignia used by another Franchise within the jurisdiction of SSG in such a manner as to be misleading to, or which would tend to deceive or defraud the public.

C. No Franchise shall be entitled to utilize the name or telephone number of any previously operating Franchise unless the assuming Franchisee has paid all fines, permit and Franchise Fees, surcharges, administrative penalties due to SSG from the previous Franchisee and otherwise complied with the requirements for issuance of a Franchise under the Ordinance of SSG. In any case where an administrative or other form of proceeding is pending against the previous Franchisee, no transfer of the name shall occur unless and until SRA is provided with adequate monetary assurance of payment of any anticipated monetary penalty. Assurance may be in the form of a bond or undertaking.

Section 1.065 Advertisements

A. Definition. For purposes of this Ordinance, “advertisement” means the dissemination in any newspaper, circular, form letter, brochure, business card, telephone directory (including the yellow and/or white pages) or similar publication, display, sign, radio broadcast, telecast of by other electronic means, information designed to promote the use of a Franchisee’s services.

B. No Franchisee, Driver or any other Person shall place or cause to be placed any advertisement which:

1. is misleading to, or would tend to deceive or defraud the public;

2. uses a name(s) other than the name(s) registered with SSG for which a valid Franchise has been issued without first obtaining written consent of SSG;

3. uses a name, monogram, logo or insignia which is in conflict with or imitates any monogram, logo or insignia used by any other Person operating in the jurisdiction of SSG.

C. All advertising placed or caused to be placed by a Franchisee or Driver, including all business cards, shall display the Franchisee’s predominant business telephone number.
D. Due to the nature, frequency and duration of violations that may occur under this section, the Board of SSG hereby provides for imposition of specific penalties for violations of this section or of any regulation adopted to implement it. The penalties to be imposed as provided hereunder are in addition to any other remedy available to SSG under sections 1.110, 1.250, 1.255, 1.256, 1.257 or 1.259 of the Ordinance of SSG and are as follows:

1. A penalty in the amount of $1,000 is hereby imposed for the first violation of this section.

2. A penalty in the amount of $1,000 is hereby imposed and the Franchise may be suspended for a period of up to 30 days for a second violation of this section.

3. A penalty in the amount of $1,000 is hereby imposed and the Franchise may be terminated for a third violation of this section.

4. The Taxicab Administrator, in his or her discretion, may reduce any penalty imposed by this section for a violation of this section.

E. No Franchise shall be entitled to utilize the name or telephone number of any unlicensed entity, whether listed in the white pages or advertised in the Yellow pages of the telephone directory.

Section 1.070 Vehicle Inspection

A. Prior to obtaining a Franchise, an applicant for a Franchise shall first present each vehicle to be used as a Taxicab to SSG for a vehicle safety and cosmetic inspection. SSG shall establish and publish vehicle safety inspection and cosmetic standards and procedures as a part of the regulations adopted in order to implement this Ordinance. Any vehicle(s) that a Franchisee proposes to add to its Franchise shall also be presented to SSG for successful completion of a vehicle safety and cosmetic inspection prior to operation as a Taxicab. The Taxicab Administrator shall maintain a list which reflects the VIN of each vehicle that successfully completes the vehicle safety inspection. A record of the VIN of each vehicle that fails the vehicle safety inspection shall be also be maintained by SSG.

B. Prior to the commencement of any vehicle safety and cosmetic inspection, the Franchisee shall pay a vehicle safety Inspection Fee in an amount to be determined by resolution of the Board of Directors.

C. Time for Vehicle Inspections. In addition to the initial vehicle safety and cosmetic inspection, each vehicle shall be required to pass additional inspections at the following times:
1. Every six (6) months, beginning six (6) months from the date the vehicle is first licensed as a Taxicab;

2. After every incident resulting in cosmetic or greater damages as referred to in Section G of this Ordinance; and,

3. At any time upon written request by the Taxi Administrator.

D. Failure to present a vehicle for inspection under this Ordinance within three (3) days of the date upon which a written request under Section 1.070 C(3) is delivered or within three days after inspection is due under Section 1.070 C(1) or C(2) shall result in issuance of a penalty in accordance with Section 1.255. Further failure to present a vehicle for inspection under this Ordinance within ten (10) days of the date upon which a written request is delivered or inspection is due shall result in the vehicle being declared presumed unfit to operate as a Taxicab, an administrative citation shall be issued to that effect, and the vehicle shall be read out of service.

E. Vehicles shall be permitted one (1) re-inspection upon the failure of any inspection. Any vehicle that fails a re-inspection shall be presumed to be unfit to operate as a Taxicab, shall be issued an administrative citation to that effect and shall be read out of service.

F. The Franchisee may appeal the presumption of unfitness by written request for an informal review by the Taxicab Administrator. The decision of the Taxicab Administrator shall be final. Any person aggrieved by the Taxicab Administrator’s decision under this section may obtain review of the administrative decision in accordance with the timelines and provisions of Government Code section 53069.4 and/or Code of Civil Procedure section 1094.5, et seq.

G. It is unlawful to operate a Taxicab vehicle in an unsafe operating condition, including but not limited to a condition that violates the vehicle safety inspection standards of SSG. All Franchisees are responsible to ensure that their vehicles are maintained in a safe operating condition at all times that they are in service. An incident that results in any cosmetic or greater damage shall be reported to SRA no later than the business day following the date of the damage for SRA’s inspection of the vehicle. For purposes of this section “cosmetic damage” means damage to the interior or exterior of the vehicle that does not necessarily affect the safe operation of the vehicle. “Greater damage” means all mechanical damage as well as all damage that may affect the safe or reliable operation of the vehicle. SRA shall inspect the vehicle to determine if the vehicle’s may be operated pending repair of the damage.
Section 1.080  Franchise – Minimum Requirements

A. Any Person wishing to apply for the issuance of a Franchise shall truly and fully complete a Proposal for Providing Franchise Taxicab Services in the form prescribed by SunLine and provide all supporting documentation for evaluation by SRA.

B. The following minimum requirements apply to the issuance and maintenance of a Franchise. The Taxi cab Administrator is authorized to adopt rules and regulations to implement the requirements which shall become effective upon review and approval by the Board of SSG:

1. Each Franchisee shall maintain and provide a year-round computerized dispatch system capable of providing performance reports as required by SRA;

2. Each applicant for a Franchise shall maintain in service a number of vehicles no less than 75% nor more than 125% of the allocation of non-temporary taxicab permits under its Franchise Agreement. The Franchisee shall continue to maintain ownership of the minimum number of vehicles as a condition to the continued validity of any Franchise. The minimum number of vehicles established by this section may be revised by SRA without amendment to this Ordinance;

3. Each Franchisee shall have a principal place of business from which it conducts its activities as a Franchisee, including the dispatch of Taxicabs required under section 1) above, and related activities. This requirement shall not be interpreted to require that all activities of a Franchise be conducted from a single location. A Franchisee may have other locations, in addition to its principal place of business, where it conducts repair and maintenance, storage of vehicles or similar activities, so long as each activity conducted by the Franchisee, is conducted from a location properly zoned for that activity by the local jurisdiction;

4. The principal place of business and each other location from which a Franchisee conducts Taxicab activities, shall be located within the jurisdiction of SSG;

5. Each individual or entity holding any interest in the use of the Franchise name or otherwise participating in the Franchise system is required to truly and fully complete a Proposal for Providing Franchise Taxicab Services, successfully complete a local and Department of Justice criminal background check and provide such information as is required to evaluate the legitimacy of the
Franchisee's business structure, qualifications, corporate stability, financial stability and capability, and;

6. Each applicant for a Franchise shall have a registered fictitious business name with the County of Riverside to do business under the name stated in the application proposal. For Taxicab registration purposes the fictitious business name registration must be renewed at least once every five (5) years.

7. Each applicant for a Franchise shall provide SRA with a business plan and implementation scheduled for acquisition of newer Taxicab vehicles, newer Taxicab technologies including, but not limited to computerized dispatch and GPS tracking of Taxicab vehicles, for electronic processing of credit cards, and for the acquisition of at least two (2) wheelchair-accessible vehicles that meet federal standards.

8. Each applicant for a Franchise shall truthfully supply information requested by SRA as to the Franchisee's experience in the Taxicab business, financial stability, quality of service, past number of trips per vehicle, and the anticipated ability to meet and maintain performance standards. SRA shall consider and evaluate such criteria in determining whether a Franchise should be issued, whether conditions should be imposed upon the Franchise and to determine the identity and number of vehicles to be initially operated under the Franchise, among others. A Franchise may be terminated or suspended by SRA if the Franchisee fails to meet and maintain any conditions imposed by SRA. Each applicant must also furnish all information required of an applicant by the most current RFP prepared by SRA.

9. A Franchise applicant may appeal the imposition of any conditions imposed by the Taxicab Administrator to the Appeal Committee as provided under section 1.258 G. and H.

10. Additional requirements may be imposed pursuant to the Franchise Agreement.

C. All Franchisees shall be required to certify to SRA's satisfaction at least every year that no less than an average of eight (8) dispatched and non-dispatched trips per day per each non-temporary taxicab permitted vehicle per year are generated as provided for in the Franchise Agreement. Franchisees shall be responsible to maintain sufficient records to accurately verify the number of trips per vehicle at the request of SRA. SRA shall reduce the number of Vehicle Permits licensed to the Franchisee if the eight (8) trip minimum is not maintained. If a Franchisee is required to reduce the number of permitted vehicles, it shall be required
to remove vehicles over five (5) model years of age first in the case of standard vehicles and over seven (7) model years of age in the case of approved alternative fueled vehicles, using the Environment Protection Agency's definition of an alternative fueled vehicle. SRA may terminate the Franchise Agreement if the number of licensed vehicles is reduced below the minimum number required by Section 1.080 B. 2).

D. Franchisees shall at all times maintain accurate and complete accounts of all revenues and income arising out of its Taxicab operations, a list of vehicles in use, a list of all Drivers of the Franchise, any complaints by patrons and any other information SRA may require to verify compliance with the Franchise Agreement and the Ordinance of SSG. The Franchisee's books, accounts and records pertaining to compliance with the Ordinance of SSG and the conditions of the Franchise Agreement shall at all reasonable times be open to inspection, examination and audit by the authorized officers, employees and agents of SSG. The refusal of a Franchisee to provide the required records for inspection shall be deemed a violation of the Ordinance of SSG and cause for termination of the Franchise Agreement. Any proprietary data provided to SSG shall be maintained confidential to the extent permitted by law.

Section 1.090 Franchise Fee

At the time a Franchise proposal is received, the proposer shall pay the Franchise Fee as established by resolution of the Board of Directors. Franchise Fees shall be due and payable in a manner and at a time established by the Board. The Board may establish a procedure for payment of the Franchise Fee in installments.

Section 1.090.5 Sale or Transfer of Assets, Interest or Membership in Franchisee or Transfer of Control of Franchisee

Unless prohibited by law, neither the franchise nor any rights or obligations of the Franchisee or any Control Person in or pursuant to the franchise, shall be transferred in part or as a whole, by assignment, trust, mortgage, lease, sublicense, pledge or other hypothecation, and shall not be sold, transferred, leased, assigned, or disposed of in part or as a whole, either by forced sale, stock sale, asset sale, merger, consolidation, reorganization or otherwise, nor shall title thereto, either legal or equitable, or any right or interest therein, pass to or vest in any natural person, corporation, partnership, limited liability company, joint venture, association, trust or other organization, whether or not a legal entity, nor shall a transfer of control of or a "Controlling Interest" (as defined in Section 1.010) in the Franchisee or any "Control Person" (also as defined in Section 1.010) or the taxicab services occur, either by act of the Company, any Control Person, by operation of law or otherwise, in each case without the prior written consent of the Board, which consent shall be expressed by resolution and then only under conditions as may be therein prescribed. No Franchisee or Control Person shall enter into any management contract or other arrangement for the management of
the Franchisee or Control Person, or sell or otherwise transfer any Controlling Interest in a Franchise or any Control Person, or any material portion thereof, with or without the franchise, without the prior written consent of the Board. Any natural person, corporation, partnership, limited liability company, joint venture, association, trust or other organization, whether or not a legal entity, proposing any of the above acts shall theretofore submit an application to SRA containing all information required of an applicant seeking the initial award of a franchise. SRA shall review the application under the same procedures used for initial issuance of a Franchise.

Section 1.091  Taxicab Vehicle Permits

A. It is unlawful for any Taxicab vehicle to operate in the jurisdiction of SSG without a properly issued SSG Vehicle Inspection Sticker affixed to the vehicle. Vehicle Inspection Stickers may be issued only to vehicles operating under a duly executed Franchise Agreement between the Franchisee and SSG. It is also unlawful to operate more vehicles than the total number of non-temporary taxicab permits and then valid temporary taxicab permits issued to the Franchisee.

Section 1.092  Transfer and Surrender of Vehicle Permits

A. Vehicle Permits may be transferred between Franchisees by the Owner listed as the registered Owner of the vehicle on file with SSG provided that the following conditions are satisfied:

1. The Franchisee to which the vehicle is to be transferred and the Owner of the vehicle request its transfer of SSG;

2. The vehicle is presented to SSG for a Taximeter reading to distinguish its operations under the former Franchise from those under the Franchise to which the vehicle will be transferred;

3. The vehicle meets all standards and qualifications of SSG for operation as a Taxicab vehicle in the jurisdiction of SSG;

4. Transfer of the vehicle will not cause the Franchisee to exceed the maximum number of vehicles authorized by SSG, and;

5. Payment is made to SSG of a Vehicle Permit Transfer Fee to cover the administrative costs of such transfer. The Board of Directors may establish by resolution the amount of any Vehicle Permit Transfer Fee.

B. Any vehicle that has been taken out of service and which continues to bear a toplight and the Taxicab signage required by section 1.160 of the
Ordinance of SSG shall display SRA issued “Out of Service” signs as provided by regulation. The toplit and Taxicab signage required by section 1.160 of the Ordinance of SSG shall be removed from the exterior of any vehicle that has been permanently taken out of service within 15 days of the date the vehicle was taken out of service.

C. If a vehicle is permanently taken out of service with a balance due to SSG of the Vehicle Permit Fee for the year (July 1 to June 30), such Fee shall become immediately due and payable except in cases in which the vehicle is taken out of service due to damage or mechanical failure and is replaced by another vehicle within 30 days. SSG shall pursue collection of the Vehicle Permit Fee from either the Franchisee and/or the Owner of the vehicle.

D. If a Franchise is suspended or terminated, Vehicle Permits listed under the Franchise shall be suspended until the vehicle(s) are transferred to another existing Franchise. Owners of all vehicles with a suspended Vehicle Permit shall present vehicles to SSG for out of service Taximeter readings immediately upon suspension or termination of a Franchise or expiration, suspension or termination of the Vehicle Inspection Sticker. The Owner of the vehicle shall have 30 days to register the vehicle with an existing Franchise. If the Owner fails to register the vehicle within such 30 day period, the vehicle shall be presented to SSG for removal of the Vehicle Inspection Sticker (if such sticker has not already been surrendered) and the balance of the Vehicle Permit Fee owing to SSG for the vehicle shall be immediately due and payable. SSG shall pursue collection of the Vehicle Permit Fee from either the Franchisee or the Owner of the vehicle and no Vehicle Inspection Sticker shall be issued to the vehicle regardless of its ownership until the Vehicle Permit Fee owing to SSG shall have been paid.

Section 1.095  Driver Permit – Required

A. It is unlawful for any person to drive a Taxicab without having first obtained a Driver Permit. A Driver Permit may be obtained from SSG as provided below. The Driver Permit shall state the Driver’s name, California Driver’s License number, date of issuance and the name of the Franchisee with whom the Driver is employed within the meaning of Government Code section 53075.5. If the Franchisee and the Driver are the same person, he or she shall apply for and obtain from SSG both a Driver Permit and enter into a valid Franchise Agreement with SSG.

B. An applicant for a Driver Permit shall complete an application form which shall contain the following information:

1. Applicant’s full name, residence address, and age;
2. Applicant’s last two previous residence addresses;
3. A listing of all equivalent permits which have been issued to the applicant by any governmental agency;
4. Applicant’s height, weight, gender, and color of eyes and hair;
5. The number and expiration date of the applicant’s California Driver’s License;
6. All moving violations within the last 3 years, including dates of violations and the jurisdiction where each violation occurred;
7. All criminal convictions, including dates of conviction and the court where the conviction was rendered;
8. Authorization for SSG, or its agents or employees to seek information and conduct an investigation into the truth of the statements set forth in the application and the qualifications of the applicant.
9. The name of the Franchisee with whom the applicant is employed or who has given the applicant an offer of employment within the meaning of Government Code section 53075.5.

C. At the time the applicant submits an application for a Driver Permit, the applicant shall do all of the following:

1. Provide SSG with an original current Department of Motor Vehicles (“DMV”) print-out (“1-1-6”) reflecting the past 10 year driving record of the applicant if applicable. If the applicant has been licensed as a Driver in the State of California for less than 10 years, he or she shall provide original verified driving records from other jurisdiction(s) sufficient to reflect any convictions listed under section 1.110 hereof for the 10 year period prior to filing the application.
2. Be fingerprinted by SSG and provide SSG with two current 2” X 2” passport sized photographs of the applicant;
3. Submit to pre-permit/employment controlled substances testing as set forth in the Ordinance of SSG at a collection site certified to perform controlled substance testing pursuant to Part 40 (commencing with Section 40.1) of Title 49 of the Code of Federal Regulations in or near the jurisdiction of SSG.
4. Pay the Driver Permit Fee as established by resolution of the Board of Directors to cover the administrative costs incurred by SSG in
processing the application as required by this section. No Driver
Permit application shall be processed without the payment of such
Fee, and;

5. Submit the employment verification form which states the name of
the Franchise with whom the applicant is employed or who has
given the applicant an offer of employment within the meaning of
Government Code section 53075.5. The employment verification
form will be supplied to the Franchisee by SSG.

6. Successfully pass a Driver test certifying familiarity with the
Coachella Valley area, the provisions of the Ordinance of SSG and
Regulations adopted to implement it and sufficient proficiency in
the English language.

D. A copy of the application for a Driver Permit along with the
DMV H-6 form or corresponding out of state driving record shall be used to conduct
a local criminal background check in the event a Department of Justice
background check is not received within 7 working days. The applicant’s
application shall be denied in the event that the check discloses conviction
of an offense enumerated in Section 1.110. In the event a local
background check is conducted pending the Department of Justice report,
a temporary permit will be issued if the local check of the Applicant fails
to disclose a conviction enumerated in section 1.110.

E. In the event of denial of a Driver Permit, the applicant may, within 10
days of notification of denial, apply to the SSG for a hearing on the denial
in accordance with the procedures set forth in section 1.256.

F. The applicant’s fingerprints shall also be referred to the California
Department of Justice electronically for a general criminal background
check. If the results of a general criminal background check indicate that
the applicant has been convicted of any criminal charge enumerated in
section 1.110, the Taxicab Administrator shall immediately revoke any
Driver Permit previously issued to the applicant.

G. In the event that drug testing of the applicant indicates the applicant’s use
of a controlled substance as defined by the Ordinance of SSG, the
application shall be denied. The applicant may, within 10 days of
notification of denial based on controlled substances testing results, apply
to the Taxicab Administrator for a hearing and reconsideration of the
application in accordance with the procedures set forth in the Ordinance of
SSG and SSG rules and regulations concerning controlled substances and
alcohol testing.
H. An applicant over the age of eighteen years holding a valid California Driver's License is entitled to a Driver Permit provided that the following conditions are satisfied:

1. The Department of Justice background check of the applicant fails to disclose a conviction enumerated in section 1.110;

2. The applicant tests negative for controlled substances as provided in the Ordinance of SSG;

3. The applicant successfully completes the driver certification requirements established by the Taxicab Administrator as authorized in section 1.096, and;

4. The applicant is either employed by a Franchise or has been given an offer of employment from a Franchise within the meaning of Government Code section 53075.5.

5. The Franchisee provides sufficient proof that the Driver is and will continue to be covered for all Taxicab operations by the insurance required under section 1.050 of the Ordinance of SSG.

6. The Driver provides a copy of a valid California Driver's License. Drivers shall provide SSG with a copy of any replacement California Driver's License immediately upon its issuance. Drivers shall provide SSG with a copy of any renewal of their California Driver's License prior to expiration of the old license.

I. The Driver Permit shall be valid for a period of one (1) year or until suspended, revoked or surrendered. Termination of the Driver's California Driver's License shall constitute grounds for revocation of the Driver Permit authorized hereunder.

J. Termination of Employment. Upon termination of employment within the meaning of Government Code section 53075.5 or upon termination of permission by the Franchisee to drive a Taxicab using the Franchisee's name, the Driver Permit shall become void. In such case, the Driver shall immediately return the Driver Permit to SSG. Upon return of the Driver Permit, the Driver may re-apply for a Driver Permit, provided that the Driver complies with the requirements for issuance of a Driver Permit under this section 1.095.

K. Permit Renewal. Prior to the expiration of a Driver Permit, the Driver may apply to SSG for a renewal thereof for an additional year. A Driver shall be entitled to a one year renewal of the Driver Permit provided that:

1. The Driver pays the Permit Renewal Fee;
2. The Driver submits to permit-renewal controlled substances and alcohol testing as set forth in the Ordinance of SSG;

3. The results of such testing indicate that the Driver has not been using a controlled substance as defined by the Ordinance of SSG;

4. The results of such testing indicate that the Driver has a breath concentration of less than 0.02 percent on an alcohol screening test, and;

5. The Driver has not been convicted of any of the crimes, including but not limited to, those crimes enumerated in section 1.110 during the preceding year.

The rights of appeal provided for by section 1.120 are available to a Driver in the event that renewal of his or her Driver Permit is denied based on the provisions of this section. However, where the renewal of the Driver Permit is denied based on a controlled substances and/or alcohol test result, the rights of appeal provided for by the Ordinance of SSG shall be applicable.

Section 1.100   Permits – Authority

A. 1. Board Authority:

a. The exclusive authority to determine the number of allocable non-temporary taxicab permits.

b. The exclusive authority to allocate non-temporary taxicab permits.

c. The exclusive authority to grant or deny any application or request for additional non-temporary taxicab permits.

2. Taxicab Administrator or designee.

a. The power to grant, or deny any application or request for a temporary taxicab permit.

b. Subject to the appeal rights contained in this Ordinance, the power to suspend or revoke any or all of the permits and/or approvals required by or authorized by the Ordinance of SSG when, in the exercise of reasonable discretion, he or she has determined that the applicant has or has not complied with all the provisions of the Ordinance of SSG relating to the granting of permits.

c. To issue any warning letter provided for in this Ordinance unless this Ordinance otherwise provides.
Section 1.110
Permits and Franchises – Denial, Revocation, Suspension or Termination

A. In addition to any other reason provided for in this Ordinance, a Permit or Franchise may be denied, suspended or revoked when it has been determined that the Applicant, Permittee or Franchisee:

(i) Has not complied with the applicable provisions of this Ordinance, or

(ii) Has failed to cure any item listed in a sixty day warning for failure to comply with any requirements of the Franchise Agreement issued by the Taxicab Administrator or designee; or

(iii) Has been issued three (3) sixty day warnings of failure to comply with any requirements of the Franchise Agreement within a period of twelve months; or

(iv) Has knowingly made a false statement of fact in an application for such permit or in a Proposal for Providing Franchise Taxicab Services; or

(v) Has charged rates other than those which the Permittee and/or Franchisee has on file with SSG, or

(vi) Has violated any of the rules and regulations of the Board of Directors or the Taxicab Administrator pertaining to the operation of Taxicabs; or

(vii) Has engaged in conduct or verbally threatens to engage in conduct which is dangerous or violent such that the safety of the traveling public, SSG employees or agents, Taxicab Drivers or Franchisees, or other persons, is implicated; or

(viii) Has engaged in argumentative or discourteous conduct toward the public, a passenger, other Taxicab Drivers or Franchisees or other persons while on call to provide Taxicab service or in the course of providing such service; or

(ix) Has engaged in conduct under any circumstances which, in the Taxicab Administrator's judgment, raises substantial justification to call for a hearing; or

(x) Has been convicted of any of the following crimes within the time frames set forth below, whether committed in the State of California or elsewhere. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.

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a. Any conviction regardless of the time elapsed, in any state, of any of the following or their equivalent:

(1) any crime which requires the applicant to register as a sex offender under California Penal Code §290, or any felony involving actual or threatened violence against persons, including, but not limited to, assault, battery, robbery or the use of a firearm or other weapon against a person.

b. Any conviction (felony or misdemeanor) within the past 7 years of any crime involving theft or dishonesty, but not limited to, burglary, theft, shoplifting or other crime related to fraud or intentional dishonesty.

c. Any conviction (felony or misdemeanor) within the past 7 years of any crime involving the sale, possession or transportation of narcotics or other controlled substances.

d. Any conviction (misdemeanor or felony) within the past 3 years of any crime involving pandering or prostitution.

B. In addition to the crimes listed above, no Driver Permit shall be granted to an applicant who has been convicted of three (3) or more moving violations within three years previous to submission of the application. Any permit previously granted shall be revoked for any Permittee who has been convicted of three (3) or more moving violations within three years. In the case of a conviction or plea of nolo contendere as to a violation related to driving under the influence of alcohol or drugs, an applicant shall not be disqualified if the conviction or plea is ten (10) years or more in age and no similar violation appears on the applicant’s driving record for the intervening ten (10) year period.

C. In addition to the foregoing, a Driver Permit may be suspended, revoked or denied in the event that:

(i) A Driver is involved in an accident due to a medical condition that prevents the Driver from safely operating a vehicle, or;

(ii) A medical condition that prevents a Driver from safely operating a vehicle otherwise comes to SSG’s attention. Any Driver whose permit has been suspended, revoked or denied due to a prohibitive medical condition as described above, shall be entitled to a license upon certification by a medical doctor that the condition is correctable, has been corrected and will continue to be corrected.

(iii) In addition to the above, any Driver Permit may be suspended or revoked for any crime which is substantially related to the
qualifications, functions, or duties of a Driver which includes, but are not limited to, the following: reckless driving; wet reckless driving; murder; rape; vehicular manslaughter; a violation of California Vehicle Code sections 20001, 20002, or 20003 or any corresponding substitute sections; robbery; a violation of California Penal Code section 314 or any corresponding substitute section; pandering; crimes related to the use, sale, possession, or transportation of narcotics or intoxicating liquors; assault; battery; or indecent exposure.

(iv.) In addition to the above, any Driver Permit may also be suspended for and during the period that the payment of any citation remains outstanding after all appeal periods have been exhausted.

E. From the time of the revocation or suspension of a Driver Permit granted under the provisions of the Ordinance of SSG, it is unlawful for any person whose Driver’s Permit has been suspended or revoked to operate or drive a Taxicab within the jurisdiction of SSG until a new permit has been procured or the period of suspension has expired. It is also unlawful for any person to drive or operate within the jurisdiction of SSG any taxicab included a Franchisee’s vehicle identification list during the period that a Franchise has been revoked, terminated or suspended.

F. In the event the Franchisee or Permittee appeals any denial, suspension, revocation or termination of a Franchise or Permit issued under this Ordinance, the appeal procedures of Section 1.256 shall apply. The Taxicab Administrator is authorized to adopt regulations establishing hearing procedures to implement these provisions, which shall become effective upon review and approval by the Board of SSG.

Section 1.120 Appeal from License Denial Due to Criminal Conviction

A. With the exception of the conviction of a crime which requires registration as a sex offender under California Penal Code section 290, in any case where a Driver Permit is denied due to a criminal conviction under section 1.110 of the Ordinance of SSG, the applicant shall be entitled to apply the Driver Permit application fee towards the appeal fee from such denial under 1.256. In the event that a Driver Permit is granted on such appeal, the applicant shall pay the Driver Permit fee in full prior to issuance of a license.

B. In conducting an appeal to consider the issuance of a license denied due to a previous criminal conviction, the hearing officer shall consider the following criteria to determine if the applicant has demonstrated sufficient evidence of rehabilitation such that a permit should be issued.

(i) The nature and severity of the offense(s).
(ii) The total criminal record of the applicant.

(iii) The extent of time that has elapsed since commission of the offense(s).

(iv) Whether the applicant has complied with any or all terms of parole, probation, restitution or any other sanctions imposed against the applicant in connection with the offense.

(v) Evidence of rehabilitation provided by the applicant.

(vi) Evidence of expungement proceedings pursuant to Penal Code 1203.4.

C. The hearing officer may impose conditions or restrictions upon the issuance of a license under these provisions, as determined within the discretion of the hearing officer, to ensure the safety of the traveling public.

D. Nothing contained in this section should be construed to limit the admission and consideration of prior criminal history information in the event of a subsequent violation of the Ordinance of SSG by a Driver who is issued a license following a hearing as provided in this section.

E. With respect to the conviction of a crime that requires the applicant to register as a sex offender under California Penal Code 290, the Board of Directors finds that the California Legislature has determined that registration is required due to the repeated nature of commission of such crimes by those who have been convicted in the past (People v. Castellanos (1999) 21 Cal. 4th 785) and that the rehabilitation criteria set forth in sections A. (i) through A. (vi) above do not apply to such convictions. The Board further finds that crimes which trigger registration under Penal Code 290 are particularly related to the disqualification of an individual to qualify for a Taxicab Driver’s Permit under the Ordinance of SSG and that no permit should be issued to such individuals.

Section 1.125 Unauthorized Taxicab Services Prohibited

A. No person shall knowingly dispatch a vehicle or respond to a request for a Taxi, Cab or Taxicab for pick-up within the jurisdiction of SunLine Services Group unless the responding vehicle has a valid Taxicab Vehicle Permit, the Driver of such vehicle has a valid Taxicab Driver Permit, and the Taxicab is operated pursuant to a Franchise awarded by SunLine Services Group.

B. No vehicle shall be designated as a Taxi or Taxicab in any sign or advertising matter within the jurisdiction of SunLine Services Group unless the vehicle has a valid Taxicab Vehicle Permit, the Driver of such
vehicle has a valid Taxicab Driver Permit, and the Taxicab is operated pursuant to a franchise awarded by SunLine Services Group.

C. No person who drives or operates a Taxicab within the jurisdiction of SunLine Services Group shall publish, advertise or broadcast in any manner, written or oral, a telephone number either by itself or connected to a rotary or call forwarding system for Taxicab service, which is the same telephone number as that for other Taxicabs or vehicles for hire.

D. No person who drives or operates a Taxicab within the jurisdiction of SunLine Services Group shall use a name that imitates a name used by another person or Franchise who drives or operates a Taxicab in such a manner as to be misleading or tend to confuse or defraud the public.

E. The Taxicab Administrator or his/her designee, following a hearing, or if the use of the taxicab by Franchisee constitutes an immediate threat to the health or safety of the public prior to a hearing provided a post impoundment hearing is held soon thereafter, is authorized to impound and retain possession of any vehicle used in violation of the Ordinance of SSG until such time as the provisions of Government Code section 53075.9, as it may be amended from time to time, are satisfied.

F. Any person operating or dispatching a vehicle in violation of this section is subject to citation.

G. In addition to any other penalties provided by the Ordinance of SSG, following a hearing pursuant to Section 1.256, if a violation of this Ordinance of SSG is found, fines may be imposed as follows:

1. $5,000.00 for each violation; and,

2. An amount sufficient to cover the reasonable expense of investigation incurred by SSG.

Section 1.130 Rules, Regulations and Fees

A. The Taxicab Administrator shall promulgate regulations to implement the Ordinance of SSG, which shall become effective upon review and approval by the Board of SSG.

B. The Board of Directors shall have the authority to adopt a schedule of fees to be charged to any applicant, permittee or prospective permittee in connection with activities of SSG under the Ordinance of SSG.

Section 1.140 Use of Toplight

A. Each Taxicab shall have permanently affixed to the top of the Taxicab an operable Toplight. The lights of the Toplight shall be connected to the
Taximeter so that the Toplight clearly indicates when the Taximeter is in operation.

Section 1.150  Information Display

A. Every Taxicab shall display an information card in full view of the passenger compartment. The information card, which shall be approved by the Taxicab Administrator, shall bear the Owner's name or the corporate or fictitious name under which the Owner operates, the business address and telephone number of the Owner, the Franchisee's name or the fictitious name under which the Franchisee operates, the business address and telephone number of the Franchisee, and the rates, including any surcharges, to be charged for the vehicle.

B. In addition to the information card, every Taxicab shall display a rate card in full view of all passengers. The rate card shall state all of the following: a) the maximum hourly, base, per mile or other rate set by SSG; and, b) the hourly rate, the rate per mile and the Base Rate or other rate charged by the Franchisee.

C. The information contained in both the information and rate cards shall be printed in type not smaller than twelve (12) point.

Section 1.160  Identification Display

In addition to the posted rate, every Taxicab shall have conspicuously displayed, on both sides of the vehicle, the name of the Franchise, or the Corporate or fictitious name under which the Franchisee operates, the Franchisee's (or company's) telephone number, and the cab or vehicle number.

Section 1.170  Route - Number of Passengers

A. Every Driver who is engaged to carry passengers shall take the most direct route possible that will carry the passengers safely and expeditiously to their destinations, unless otherwise directed by a passenger. A Driver shall not refuse a dispatch call or other request for Taxicab service unless the Driver has a legitimate fear for his or her safety or is otherwise engaged by a passenger.

B. When a Taxicab is engaged, the person engaging the Taxicab shall have the exclusive right to the full and complete use of the passenger compartment, and it shall be unlawful for the Driver to solicit or carry additional passengers unless authorized by the person engaging the Taxicab.

C. The Driver of a Taxicab may transport two or more passengers who voluntarily agree to share the vehicle from the same pickup point to one discharge point. A passenger who first engages a Taxicab has the
exclusive right to conveyance therein to his/her desired destination and the Driver may not solicit additional passengers without the express permission of the first passenger.

D. For the purposes of this subsection, the term "adult passengers" is defined as a person age thirteen (13) or older. The number of adult passengers which may be carried in a Taxicab shall be limited to the seating capacity of the vehicle as specified by the manufacturer. The number of passengers consisting of adults plus children (age twelve years or less) which may be carried in a Taxicab shall be limited to adult seating capacity of the vehicle as specified by the manufacturer plus one. No person shall be carried in a Taxicab who is required to share in any way the seating space occupied by another, nor shall any person be carried who is required to occupy a space in or on the Taxicab which is not a seat.

E. In no event shall the number of passengers carried interfere with compliance with, and the Franchisee and the Driver shall comply with, Vehicle Code Sections 27315 and 27360 and any subsequently enacted state law concerning the use of seat belts and child passenger seat restraints.

Section 1.180 Taximeter - Accuracy

A. It shall be the duty of every Franchisee to at all times keep the Taximeter registered with SSG for use in each vehicle accurate. Only one Taximeter shall be used in each vehicle and it shall be permanently affixed and calibrated solely to the rate posted on the exterior of the vehicle and registered with SSG. It shall be certified as to its accuracy for operation in the vehicle in which it is registered by the County of Riverside in accordance with County requirements and a certificate to that effect shall be kept available for inspection in the Taxicab. The Taximeter shall be subject to inspection from time to time, by SRA, by any peace officer or any employee of the Riverside County Department of Weights and Measures. SRA is authorized, in its discretion, or upon information received from any peace officer, or upon the complaint of any person, to investigate the Taximeter and to remove or cause to be removed from the streets of the jurisdiction of SSG, any Taxicab upon discovery of a faulty or inaccurate Taximeter, until the Taximeter has been correctly adjusted and evidence of its accuracy has been presented to the Taxicab Administrator.

B. It is unlawful to install a Taximeter into a vehicle other than the vehicle to which it is registered with SSG without complying with the following:

1. Presentation of the Taximeter for a final out of service reading concurrent with its removal from the previous vehicle;
2. Calibration and certification of the Taximeter for use in the vehicle to which it is to be transferred;

3. Registration with SSG of the Taximeter with the corresponding vehicle to which it is to be transferred;

4. Presentation of the vehicle and Taximeter for an initial Taximeter reading prior to operation of the vehicle to which the Taximeter has been transferred.

Section 1.190  

**Taximeter – Use**

All Taxicabs must base their charges on Taximeters. All Taximeters shall be placed so that the reading dial showing the amount to be charged is well lighted and readily discernable by the passenger(s) riding in the Taxicab. Nothing contained in this section shall be construed to prohibit a Taxicab from charging a discounted rate from that appearing on the Taximeter; however, the Taximeter must have been engaged during the entire trip up to the time of its conclusion.

Section 1.200  

**Taximeter – Misuse**

A. It is unlawful for any Driver, while carrying one or more passengers:

1. to fail to activate the Taximeter as if the Taxicab is not employed; or,

2. to fail to deactivate the Taximeter at the termination of each and every service; or,

3. to activate the Taximeter when the Taxicab is not either actually carrying one or more passengers, except that, the Driver may activate the Taximeter in the event that he or she has been engaged to carry baggage or run an errand.

B. It is unlawful for any Driver, upon initial engagement of a Taxicab for service by a passenger(s), to fail to activate the trip counter of the Taximeter so as to cause the Taximeter to register a Surcharge.

Section 1.210  

**Receipt for Fare**

It is unlawful for the Driver, upon receiving full payment of a fare, to refuse to give a receipt upon the request of any passenger making the payment.

Section 1.220  

**Street Stands**

A. Each of the member cities and the county shall have the power of decision as to whether Street Stands may be located within its boundaries and if so,
their location or locations. The following provisions shall apply to any
Street Stand.

B. Taxicabs may stand while awaiting employment at any properly approved
Street Stand in accordance with the requirements of this Ordinance and
such regulations as may be adopted by SSG. No more than three Taxicabs
may be engaged in standing at a Street Stand at any one time. While at a
Street Stand, a Taxicab shall not ordinarily have its engine running unless
necessary to control the interior temperature of the Taxicab, and then only
to the extent necessary.

Section 1.225 Exclusive Arrangements Between Franchises and Venues
Concerning Taxicab Trips Prohibited

No Franchisee nor representative of a Franchisee, including any Driver or agent
acting on behalf of a Franchisee, shall make arrangements in exchange for
compensation for exclusive or preferential service rights with any venue, business
establishment or public transportation facility within the jurisdiction of SSG
which generates Taxicab transportation service trips

Section 1.230 Operation by Other Than Franchisee

No Taxicab operated under a Franchise shall be operated by anyone but an
employee or independent contractor of a Franchisee duly licensed and permitted
to drive a Taxicab.

Section 1.240 Rates

A. The Board of Directors, by resolution, shall establish, and thereafter may
modify, increase, or decrease, the maximum rates to be charged for the
transportation of Taxicab passengers.

B. No Taxicab operating in the jurisdiction of SSG may charge a rate in
excess of any maximum rate established by SSG. Maximum rates may be
adjusted annually by resolution of the Board of Directors.

C. Franchisee may charge a rate that is less than the maximum rate set by
SSG. Only one base, hourly, mileage or other rate may be charged by a
Franchisee and, such rates shall be uniform for all vehicles operated under
a Franchise regardless of the location of the trip origination or destination
within the jurisdiction of SSG.

D. Every Taxicab shall clearly display on the exterior of the vehicle the base
rate, the rate charged per mile for its usage, the hourly rate and any
additional rate charged by an airport or other jurisdiction.
Section 1.245  **Surcharges**

A. "Surcharge" is hereby imposed by SSG to recover the costs of administration and enforcement of the Ordinance of SSG.

B. When a Taxicab is initially engaged for service by a passenger or passengers a Surcharge shall be and hereby is imposed as a part of the fare of the vehicle in accordance with the regulations adopted pursuant to this Ordinance.

C. No Taxicab shall be operated within the jurisdiction of SSG unless it is equipped with a Taximeter with a properly functioning trip counter that registers the total number of times that the Taxicab is initially engaged for hire. SSG shall provide a seal for each Taximeter to ensure against tampering with the trip counter. All Taxicabs must be presented to SSG for periodic Readings of the Taximeter trip counter for the purpose of determining the number of times that the Taxicab has been engaged for hire and the amount of Surcharge associated therewith. Surcharges shall be billed to the Franchisee.

D. The Board of Directors, by resolution, shall establish, and thereafter may modify, increase, or decrease, the Surcharge to be charged for the transportation of Taxicab passengers as needed to recover the costs of administration and enforcement of this Ordinance.

E. At least annually, the Board of Directors shall review the amount of Surcharge to be charged for the transportation of Taxicab passengers for the purpose of modifying, increasing or decreasing the Surcharge needed to recover the costs of administration and enforcement of this Ordinance.

F. In the event that a Franchisee fails to present all of the vehicles operated under the Franchise for periodic Readings to SSG, the Franchise shall be suspended and a penalty of $50.00 per day per vehicle operated under the Franchise is hereby imposed. The Taxicab Administrator may, in his or her discretion, reduce the amount of any penalties imposed under this Section.

G. In the event that Franchisee fails to pay all Surcharges within thirty (30) days after delivery of the bill, the Franchise shall be suspended and a penalty of $50.00 per day per vehicle operated under the Franchise is hereby imposed. The Taxicab Administrator may, in his or her discretion, reduce the amount of any penalty imposed under this Section.

Section 1.250  **Enforcement**

A. Any violation of one or more of the provisions of the Ordinance of SSG shall constitute a public nuisance that may be remedied by injunction.
B. SSG shall be entitled to recover all attorney’s fees and costs incurred in the filing or prosecution of any action brought to enforce the provisions of the Ordinance of SSG or the regulations promulgated pursuant thereto.

Section 1.255 Penalties

A. Except as otherwise specifically provided in the Ordinance of SSG, a civil penalty of $100.00 is hereby imposed for each separate violation of the Ordinance of SSG or of any regulation adopted to implement it on a per vehicle per day basis. If the violation is continuing in nature, the civil penalty shall be $100.00 per vehicle per day for each day during which the violation continues.

B. A civil penalty of $1,000.00 is hereby imposed for the following:

1. Failure to present any vehicle for the vehicle safety inspections required under section 1.070 on or before the date upon which the inspection is due.

2. Tampering with any Riverside County Weights & Measures or SSG applied Taximeter seal;

3. Failing to present a vehicle to SSG for inspection of the Taximeter trip counter prior to taking the vehicle out of service in accordance with the regulations adopted pursuant to the Ordinance of SSG;

4. Returning a vehicle to service without first presenting the vehicle to SSG for inspection of the Taximeter trip counter in accordance with the regulations adopted pursuant to the Ordinance of SSG.

5. Any failure to comply with the provisions of Section 1.180 B. related to the transfer of Taximeters from one vehicle to another.

C. The civil penalties provided for herein may be recovered in any action brought to enforce the Ordinance of SSG and the regulations adopted to implement it.

D. The penalties provided under Section A. shall be increased to $200.00 for a second violation of the Ordinance of SSG within a year and shall be increased to $500.00 for a third violation of the Ordinance of SSG within a year. A violation of any provision of the Ordinance of SSG which provides for a $1,000.00 penalty shall be counted as a violation to determine if any subsequent violation within a year is a second or third violation as provided under this subsection.
Section 1.256  Administrative Appeal Hearings – In General

Any person aggrieved by any determination under Section 1.110, Section 3.070, or any other provision of the Ordinance of SSG shall be entitled to appeal the decision as provided for herein.

A. A request for hearing must be made within ten (10) days following delivery of notice of the decision which is challenged by delivering the request for hearing at the administrative offices of SSG together with:

(i) An advance deposit of any fine or a notice of request for an Advance Hardship Waiver pursuant to Section 3.080; and,

(ii) Payment of an Appeal Fee as established by resolution of the Board of Directors.

B. Upon satisfaction of the foregoing, SRA shall set a hearing within thirty (30) days of delivery of the request for hearing, or as soon thereafter as reasonably practical. The General Manager of SunLine shall appoint a hearing officer.

(i) If the appeal is of: (1) a decision to deny, suspend, revoke or terminate a permit or franchise; or (2) an administrative fine or penalty imposed pursuant to an administrative citation in excess of $2000, the General Manager shall refer the matter to the administrative hearing officer under contract with SunLine, or a retired judge or an administrative law judge with the California State office of Administrative law judges.

(ii) If the appeal is of a decision to impose an administrative fine(s) or penalty(ies) pursuant to an administrative citation whose total is less than $2000, the General Manager shall refer the matter to an Agency employee who shall serve as the hearing officer. The Employee shall not have any communication with the Taxicab Administrator regarding the Case unless the defendant is present. Nor shall the employee/hearing officer have any input into the decision being appealed.

C. SSG shall notify the appealing party of the time and date for the hearing, which notice shall be delivered at least fifteen (15) days prior to the hearing.

D. The hearing officer shall conduct an administrative hearing which allows SRA and the appealing party to be represented by an attorney to present evidence related to the alleged violations, to cross examine witnesses who have testified, and to argue their positions. The administrative hearing shall be informal and technical rules of evidence, including but not limited to the hearsay rule, shall not apply. Oral testimony received at the hearing shall be taken only on oath, affirmation, or penalty of perjury. The right to
cross-examine witnesses shall not preclude the introduction and consideration of written statements whether made under oath or not. The proceedings shall be recorded or otherwise preserved. It is the intent of SunLine Services Group that hearing officers allow wide latitude in introduction of evidence and the holdings and discussions concerning informality of hearings and relaxed rules of evidence set forth in Mohilef v. Janovici (1986) 56 Cal. App. 4th 310 apply to the fullest extent to all hearings conducted under this and any other Ordinance of SSG.

E. If the appealing party fails to appear, the hearing officer may conduct the hearing in the party’s absence and/or may render a decision to dismiss the matter.

F. After consideration of the evidence presented by all parties, the hearing officer shall render a written decision which sets forth a statement of the case, any relevant findings of fact to support the decision and administrative enforcement order. If the hearing officer finds one or more of the alleged violations has been committed, he or she may suspend, revoke, or terminate any permit or franchise and/or impose administrative monetary penalties in accordance with the limits set forth in the Ordinance of SSG. In determining whether to suspend or revoke any permit or franchise or to impose administrative monetary penalties, the hearing officer shall take into consideration the gravity of the violation, the entire record of the party requesting the hearing, and the harm threatened to the public by the violation.

G. The decision of the hearing officer shall be final and the party requesting the hearing shall be notified in writing of the decision of the hearing officer. Such decision shall be delivered within fifteen (15) days from the date the hearing is concluded.

H. Any review of a decision by the hearing officer brought pursuant to an administrative citation shall be governed by the provisions of Government Code section 53069.4. Review of any other final decision under this Ordinance shall be governed by Code of Civil Procedure section 1094.5, et seq.

**Section 1.259 Criminal Enforcement and Penalties**

A. As an alternative to the provisions of the Ordinance of SSG authorizing enforcement and imposition of monetary penalties through civil actions or administrative proceedings, criminal enforcement may be pursued by SSG, at the discretion of the Taxicab Administrator.

B. Violations of the Ordinance of SSG shall constitute a misdemeanor.

C. RESERVED
D. Every misdemeanor violation shall be punishable by a fine not exceeding one thousand dollars ($1,000.00) or imprisonment not exceeding six months.

E. Prosecution of a violation under this section shall not prevent SSG from pursuit of other appropriate civil or administrative remedies.

Section 1.260 Airports

A. Nothing in this Ordinance shall prevent Palm Springs Regional Airport or any other publicly owned airport from regulation of Taxicab access or from charging access/permit fees.

Section 1.270 Severability

If any section, subsection, sentence, clause or phrase of the Ordinance of SSG is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance of SSG. The Board of Directors of SSG hereby declares that it would have passed this Ordinance, and each section, subsection, clause, sentence or phrase thereof, irrespective of the fact that any one or more other sections, subsections, clauses, sentences or phrases may be declared invalid or unconstitutional.

SECTION TWO

DRUG AND ALCOHOL TESTING

Section 2.010 Scope

All applicants for a Driver Permit and all licensed Drivers shall submit to and comply with the Ordinance of SSG concerning controlled substances and alcohol testing. Franchisees are responsible for the compliance both of themselves and of their Drivers, officers, employees, and agents, consortia and/or contractors with the requirements of this program.

Section 2.020 Definitions

The definitions set forth in Section 1.010, as may be amended from time to time, are hereby incorporated by reference into this Ordinance. In addition, as used in this Section:

A. “Alcohol” shall mean the intoxicating agent in beverage alcohol, ethyl alcohol or other low molecular weight alcohols including methyl or isopropyl alcohol.

B. “Controlled substances” shall mean cocaine, opiates, amphetamines and phencyclidine and any and all other substances listed in Part 21
(commencing with section 1308.11) of Title 49 of the Code of Federal Regulations, as now enacted or as may be subsequently amended.

C. "Refuse to Submit" (to a test authorized by the Ordinance of SSG) includes that the Driver (a) fails to keep an appointment to submit to controlled substances and/or alcohol testing as required by the Ordinance of SSG without a valid explanation; (b) fails to provide adequate breath for alcohol testing without a valid medical explanation after he or she has received notice of the requirement for breath testing in accordance with the provisions of the Ordinance of SSG; (c) fails to provide adequate urine for controlled substances testing without a valid medical explanation after he or she has received notice of the requirement for urine testing in accordance with the provisions of the Ordinance of SSG; or (d) engages in conduct that clearly obstructs the testing process.

D. "SunLine Supervisor" shall mean an SSG operations supervisor trained to detect whether or not reasonable suspicion exists to require a Driver to submit to controlled substances and/or alcohol testing as provided in the Ordinance of SSG.

Section 2.030 Rules, Regulations and Fees

A. The Taxicab Administrator shall promulgate regulations to implement the Ordinance of SSG, which shall become effective upon review and approval by the Board of SSG.

B. The Board of Directors shall have the authority to adopt a schedule of fees to be charged to any applicant, permittee or prospective permittee in connection with the activities of SSG under this Ordinance.

Section 2.035 Mandatory Controlled Substance and Alcohol Testing Program

Each Franchisee shall maintain a mandatory controlled substance and alcohol testing certification program conforming to Part 40 of Title 49 of the Code of Federal Regulations and the California Government Code section 53075.5. Each Franchisee shall maintain a written drug and alcohol policy meeting SSG requirements and proof that the Franchisee has implemented a drug and alcohol certification program covering all of its Drivers which meets all of the following requirements:

A. A contract with a program administrator and authorized lab certified by the U.S. Department of Transportation;

B. Procedures and components conforming to Part 40 of Title 49 of the Code of Federal Regulations for issuance of permits and permit renewal;
C. Procedures and components conforming to Part 40 of Title 49 of the Code of Federal Regulations for rehabilitation, return-to-duty and follow up testing;

D. Procedures and components for random testing following the U.S. Department of Transportation guidelines, and additional tests as required following accidents, rehabilitation, return-to-service, and other circumstances providing reasonable suspicion to test;

E. Monthly reports of the random testing component shall be filed with SSG by the program administrator no later than the 20th day following the end of the previous monthly reporting period; and,

F. The Franchisee’s and the program administrator’s records shall be made available to Taxicab Administrator upon request.

Section 2.040 Tests Required

All Drivers and all Driver applicants shall be required to submit to the following tests:

A. Pre-Permit/Employment Testing. As a condition to the issuance of a Driver Permit, the Driver shall undergo testing for controlled substances. A Driver Permit will not be issued to an applicant unless the applicant tests negative for controlled substances. This section shall apply in those cases where a Driver re-applies for a new Driver Permit pursuant to section 1.095 I. of the Ordinance of SSG, except, the Driver shall also undergo testing for alcohol as provided in subdivision B. below.

B. Permit Renewal Testing. As a condition to renewal of a Driver Permit, the Driver shall undergo testing for controlled substances and alcohol. A Driver Permit will not be renewed unless the Driver tests negative for controlled substances and alcohol. A negative test for alcohol means an alcohol screening test showing a breath alcohol concentration of less than 0.02 percent. No Franchisee shall allow a Driver to operate a Taxicab unless the Driver has received a controlled substances and alcohol test result indicating a verified negative result. A certified test in another jurisdiction submitted in support of an application to renew a permit by SSG shall be accepted as meeting the requirements of SSG if the Driver has not tested positive subsequent to a negative result.

C. Random Testing. All Drivers shall be subject to random controlled substances and/or alcohol testing in accordance with SSG rules and regulations concerning random testing and Part 21 (commencing with section 40.1) of the Code of Federal Regulations, as now enacted or as may be subsequently amended. Random test shall mean a controlled substances and/or alcohol test performed on not more than 48 hours notice.
based upon the random selection of a Driver from among the pool of then currently licensed Drivers.

D. Reasonable Suspicion Testing. Reasonable suspicion testing means a controlled substances and/or alcohol test performed when there is a good faith belief based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech or body odors of the Driver that indicate that the Driver is under the influence of controlled substances and/or alcohol or has violated one or more of the prohibitions contained in section 2.060 of the Ordinance of SSG. For purposes of this section, reasonable suspicion shall exist only after a SunLine Supervisor or Franchisee has considered the facts and/or evidence in the particular case and agrees that they constitute a finding of reasonable suspicion. After it has been confirmed in writing by the SunLine Supervisor or Franchisee, the facts and/or evidence upon which the reasonable suspicion is based shall be documented in writing. A copy of this shall be given to the Driver. In the event that reasonable suspicion testing is performed, the Driver Permit for the Driver so suspected shall be immediately suspended until the results are received and accepted by SSG.

Section 2.050  When Testing Required

In addition to requirements for controlled substances and/or alcohol testing as a condition for issuance and renewal of a Driver Permit under Section 1.095 and this Ordinance, all Drivers are subject to the following controlled substances and/or alcohol tests upon occurrence of the following events:

A. Random Testing. All Drivers shall submit to a random controlled substances and/or alcohol test upon not more than 48 hours notice as provided by SunLine rules and regulations.

B. Reasonable Suspicion Testing. Drivers shall immediately be subject to controlled substances and/or alcohol testing when there is a reasonable suspicion that the Driver is under the influence of controlled substances and/or alcohol or has violated one or more of the prohibitions contained in section 2.060 of the Ordinance of SSG.

Section 2.060  Prohibited Conduct

A. No Driver shall operate a Taxicab while having an alcohol concentration of 0.02 percent or greater. No Franchisee having actual knowledge that a Driver has an alcohol concentration of 0.02 percent or greater shall permit the Driver to operate or continue to operate a Taxicab.

B. No Driver shall operate a Taxicab while the Driver shall have in his or her possession on his or her person, any bottle, can, or other receptacle, containing any alcoholic beverage which has been opened, or a seal broken, or the contents of which have been partially removed. No
Franchisee having actual knowledge that a Driver possesses an open container of alcohol on his or her person may permit the Driver to operate or continue to operate a Taxicab.

C. No Driver shall consume alcohol while operating a Taxicab. No Franchisee having actual knowledge that a Driver is consuming alcohol while operating a Taxicab shall permit the Driver to operate or continue to operate a Taxicab.

D. No Driver shall operate a Taxicab within four hours after using alcohol. No Franchisee having actual knowledge that a Driver has used alcohol within four hours shall permit a Driver to operate or continue to operate a Taxicab.

E. No Driver shall refuse to submit to a controlled substances test and/or alcohol test authorized by the Ordinance of SSG. No Franchisee shall permit a Driver who refuses to submit to such tests to operate or continue to operate a Taxicab.

F. No Driver shall operate a Taxicab when the Driver uses any controlled substances, except when the use is pursuant to the instructions of a physician who has advised the Driver in writing that the substances do not adversely affect the Driver’s ability to safely operate a Taxicab. No Franchisee having actual knowledge that a Driver has used any controlled substances shall permit the Driver to operate or continue to operate a Taxicab. A Franchisee may require the Driver to notify the Franchisee of any therapeutic use.

G. No Driver shall operate a Taxicab if the Driver tests positive for controlled substances after submitting to one of the tests authorized by the Ordinance of SSG. No Franchisee having actual knowledge that a Driver has tested positive for controlled substances shall permit the Driver to operate or continue to operate a Taxicab.

H. Any Franchisee having actual knowledge that a Driver has violated one or more of the above prohibitions shall immediately notify SSG of the violation.

Section 2.070 Testing Procedures

A. Notice. Franchisee or its program administrator shall provide notice to all Drivers of the requirement that a Driver submit to a controlled substances and/or alcohol test as provided by this Ordinance in accordance with SSG rules and regulations concerning controlled substances and alcohol testing.

B. Procedures. The Driver shall show a valid California driver’s license at the time and place of testing. Procedures for the tests authorized by the Ordinance of SSG are set forth in SSG rules and regulations concerning
controlled substances and alcohol testing and shall be conducted in accordance with the standards and procedures set forth in Part 40 (commencing with section 40.1) of Title 49 of the Code of Federal Regulations, as now enacted or subsequently amended.

C. A Driver shall only be tested for alcohol pursuant to the Ordinance of SSG at such times as the Driver is driving a Taxicab, just before a Driver is scheduled to drive a Taxicab, or just after the Driver has ceased driving a Taxicab.

D. Reporting of Test Results. In the case of self-employed independent driver within the meaning of Government Code section 53075.5, the test results shall be reported directly to SSG, who shall notify the Franchisee. In all other cases, the test results shall be reported to the Franchisee who has employed or made an offer of employment to the Driver within the meaning of Government Code section 53075.5. The Franchisee shall immediately notify SSG of the results. Failure of a Franchisee to notify SSG of the results of a positive controlled substances and/or alcohol test shall result in the imposition of a monetary penalty in the amount of $1,000.00 and suspension of the Franchise for a period of 30 days. The Taxicab Administrator may, in his/her discretion, reduce the amount of any penalty imposed under this section.

E. Confidentiality of Test Results. Results of all tests provided for in this Ordinance are confidential and shall not be released without the written consent of the Driver, except as provided in this Ordinance or as otherwise provided by law.

Section 2.080 Penalties

A. Drivers. Any applicant for a Driver Permit who tests positive for controlled substances shall be denied a Driver Permit. The Driver Permit of any licensed Driver who tests positive for controlled substances and/or alcohol on any permit renewal, random or reasonable suspicion test shall be revoked. Except as provided above, a Driver shall be subject to the same enforcement procedures and penalties set forth in Sections 1.250 through 1.259 as may be amended from time to time, for any violation of the Ordinance of SSG.

B. Franchisees. In addition to the specific provisions of this Ordinance, any Franchisee who violates the Ordinance of SSG shall be subject to the same enforcement procedures and penalties set forth in Section 1.250 through 1.259 as may be amended from time to time.

Section 2.090 Rights of Appeal

A. Where an applicant has been denied a Driver Permit on the basis of a positive test result for controlled substances and/or alcohol, the applicant
may request a hearing and reconsideration of the denial in accordance with Section 1.256 of the Ordinance of SSG and the SSG rules and regulations, as they may be amended from time to time.

B. Where a Driver's Driver Permit has been revoked on the basis of a positive test result for controlled substances and/or alcohol, the Driver may request a hearing and reconsideration of the denial in accordance with Section 1.256 of the Ordinance of SSG and the SSG rules and regulations, as they may be amended from time to time.

Section 2.100 Severability

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors of SSG hereby declares that it would have passed this Ordinance, and each section, subsection, clause, sentence or phrase thereof, irrespective of the fact that any one or more other sections, subsections, clauses, sentences or phrases may be declared invalid or unconstitutional.

SECTION THREE
ADMINISTRATIVE CITATIONS

Section 3.010 Applicability

A. This Section provides for administrative citations which are in addition to all other legal remedies, criminal or civil, which may be pursued by the SSG to address any violation of the Ordinance adopted by SSG for the purpose of regulating Taxicabs and regulations adopted to implement them.

B. Use of this Section shall be at the sole discretion of the Taxicab Administrator of SSG or his/her designee.

Section 3.020 Enforcement Officer – Defined

For purposes of the Section, “enforcement officer” shall mean the Taxicab Administrator, any Assistant Taxicab Administrator, SSG employee or agent of SSG designated by the Taxicab Administrator with the authority to enforce any provision of the Ordinance of SSG and regulations pertaining to the regulation of Taxicabs in the jurisdiction of SSG.

Section 3.030 Regulation – Defined

For purposes of this Section, “Regulation” shall mean and include the Ordinance of SSG as presently adopted or amended and any regulation adopted by or on
Section 3.040 Administrative Citation

A. Whenever an enforcement officer charged with the enforcement of any regulation determines that a violation has occurred, the enforcement officer shall have the authority to issue an administrative citation to any person responsible for the violation. In instances in which a Driver is cited for a violation, the Franchisee may also be cited pursuant to section 1.030 D.

B. Each administrative citation shall contain the following information:

1. The date of the violation;
2. The address or a definite description of the location where the violation occurred;
3. The section of the regulation violated and a description of the violation;
4. The amount of the fine for the violation;
5. A description of the fine payment process, including a description of the time within which and the place to which the fine shall be paid;
6. An order prohibiting the continuation or repeated occurrence of the violation described in the administrative citation;
7. A description of the administrative citation review process, including the time within which the administrative citation may be contested and the place from which a request for hearing form to contest the administrative citation may be obtained; and
8. The name and signature of the citing enforcement officer.

Section 3.050 Amount of Fines

A. The amount of the fines for code violations imposed pursuant to the Ordinance of SSG shall be set forth in the schedule of fines established by resolution of SSG.

B. The schedule of fines shall specify any increased fines for repeat violations of the same code provision by the same person within twelve months from the date of an administrative citation,
C. The schedule of fines shall specify the amount of any late payment charges imposed for the payment of a fine after its due date.

Section 3.060 Payment of the Fine

A. The fine shall be paid to SSG within thirty (30) days from the date of the administrative citation.

B. If the fine is challenged by an administrative hearing as set forth in Section 1.256 and the hearing officer determines that the administrative citation shall be upheld, then the fine amount on deposit with SSG shall be retained by SSG.

C. If after a hearing under Section 1.256 the hearing officer determines that the administrative citation should be upheld and the fine has not been deposited pursuant to an Advance Deposit Hardship Waiver, the fine shall be due within thirty (30) days of the date of the decision of the hearing officer is deposited in the mail. Failure to pay the fine within such period shall result in the suspension of the Driver Permit of the Driver until such time as payment is made.

D. If after a hearing under Section 1.256 the hearing officer determines that the administrative citation should be canceled and the fine was deposited with SSG, then SSG shall promptly refund the amount of the deposited fine, together with interest at the rate of five percent (5%) per annum for the period of time that the fine amount was held by SSG.

E. Payment of a fine under the Ordinance of SSG shall not excuse or discharge any continuation or repeated occurrence of the regulatory violation that is the subject of the administrative citation.

Section 3.070 Hearing Request

A. Any recipient of an administrative citation may contest that there was a regulatory violation or that he or she is the responsible party in accordance with the procedures set forth in Section 1.256.

Section 3.080 Advance Deposit Hardship Waiver

A. Any person or Franchise who intends to request a hearing to contest that there was a regulatory violation or that he or she is the responsible party and who is financially unable to make the advance deposit of the fine as required in Section 3.070 A. may file a request for an Advance Deposit Hardship Waiver.

B. The request shall be filed with the SunLine Regulatory Administration on an Advance Deposit Hardship Waiver application form, available from the...
SunLine Regulatory Administration, within ten (10) days of the date of the administrative citation.

C. The requirement of depositing the full amount of the fine as described in Section 3.060 A. shall be stayed unless or until the Taxicab Administrator or Assistant Taxicab Administrator makes a determination not to issue the Advance Deposit Hardship Waiver.

D. The Taxicab Administrator or Assistant Taxicab Administrator may waive the requirement of an advance deposit set forth in Section 3.060 A. and issue the Advance Deposit Hardship Waiver only if the cited party submits a sworn affidavit, together with any supporting documents or materials demonstrating to the satisfaction of the Taxicab Administrator or Assistant Taxicab Administrator the person's actual financial inability to deposit with SSG the full amount of the fine in advance of the hearing.

Section 3.120 Late Payment Charges

Any person who fails to pay to SSG any fine imposed pursuant to the provisions of the Ordinance of SSG on or before the date that fine is due also shall be liable for the payment of any applicable late payment charges set forth in the schedule of fines. In addition, the permit of the Driver involved may be suspended pending payment.

Section 3.130 Recovery of Administrative Citation Fines and Costs

SSG may collect any past due administrative citation fine or late payment charge by use of all available legal means. SSG also may recover its collection costs, including any attorneys' fees.

Section 3.140 Administrative Regulations

The Taxicab Administrator shall promulgate regulations to implement the Ordinance of SSG, which shall become effective upon review and approval by the Board of SSG.

PART 2: This Ordinance shall take effect 30 days from the date of its adoption.

PART 3: SunLine Service Group shall certify the passage and adoption of this Ordinance 2010-01 and shall cause the same to be posted and published in the manner required by law.
PASSED, APPROVED AND ADOPTED by the Board of Directors of SunLine Services Group at a regular meeting held on the _____ day of ____________, 2012.

Date: ________________

Eduardo Garcia
Chairman of the Board of Directors of SSG

Date: ________________

C. Mikel Oglesby
General Manager

Date: ________________

Carolyn Rude
Clerk of the Board
Section 1.257 Administrative Hearings — Suspension or Termination of Franchise Agreement

Except in the case of automatic or summary action such as set forth in Sections 1.030(H), 1.050(B)(4) and 2.070(D), administrative hearings concerning a decision to suspend or terminate a Franchise Agreement shall be conducted as follows:

A. Enforcement pursuant to this section shall be initiated by written notice of a hearing regarding the suspension or termination of a Franchise Agreement, which shall include the following information:

(i) A list of the violation(s) of the Ordinance, Regulations or terms of the Franchise Agreement which subject the Franchise to consideration for termination;

(ii) The date of the violations;

(iii) The section of the Ordinance, Regulation, or Franchise Agreement violated or any other issue which forms the basis for the hearing;

(iv) A general description of the grounds for bringing the question of termination of the Franchise to a hearing for decision; and,

(v) A description of the administrative hearing process.

B. SRA shall notify the Franchisee of the time and date for the hearing, which notice shall delivered at least fifteen (15) days prior to the hearing.

C. The hearing officer shall be the Taxicab Administrator. In the event that the Taxicab Administrator is not available to serve, the General Manager of SSG shall serve as the hearing officer. In the event that neither the Taxicab Administrator nor the General Manager are available to serve, the hearing officer shall be selected from among the retired judges available to serve as administrative hearing officers through Inland Valley Arbitration and Mediation Services either by stipulation or by the then applicable rules of TVAMS.

D. The hearing shall be open to the public, and notice of the hearing shall be posted in accordance with the regulations in place for notice of public meetings of SSG.
E. The hearing officer shall conduct an administrative hearing which allows SRA and the Franchisee to present evidence related to the alleged violations, to cross examine witnesses who have testified and to argue their positions. The Franchisee may be represented by an attorney at the administrative hearing. The administrative hearing shall be informal and technical rules of evidence, including but not limited to the hearsay rule, shall not apply. Oral testimony received at the hearing shall be taken only on oath, affirmation, or penalty of perjury. The right to cross-examine witnesses shall not preclude the introduction and consideration of written statements whether made under oath or not. The proceedings shall be recorded or otherwise preserved. It is the intent of SunLine Services Group that hearing officers allow wide latitude in introduction of evidence and the holdings and discussions concerning informality of hearings and relaxed rules of evidence set forth in Mohilef v. Janovici (1986) 56 Cal. App. 4th 310 apply to the fullest extent to all hearings conducted under this and any other ordinance of SSG.

F. If the Franchisee unreasonably fails to appear at the hearing in the judgment of the hearing officer, the hearing officer may conduct the hearing in the Franchisee’s absence.

G. After consideration of the evidence presented by all parties, the hearing officer shall render a written decision which sets forth a statement of the case and any relevant findings of fact to support the decision. In determining whether to suspend or terminate the Franchise, the hearing officer shall take into consideration the gravity of the violation the entire record of the Franchisee(s) involved, and the harm threatened to the public by the violation. In addition to rendering a decision on suspension or termination of a Franchise Agreement, if the hearing officer finds one or more violations of this Ordinance or any other Ordinance adopted by SSG pertaining to Taxicabs, or the regulations adopted to implement such Taxicabs, or the regulations adopted to implement such Ordinance, he or she may suspend or revoke any permit and impose administrative monetary penalties in accordance with the limits set forth in the Ordinance of SSG.

H. The decision of the hearing officer shall be in writing and shall be delivered to the Franchisee or to legal counsel representing the Franchisee within fifteen (15) days from the conclusion of the hearing.

I. If the decision of the hearing officer is to suspend or terminate the Franchise, the suspension or termination will continue to be in effect during any appeal by the Franchisee if the hearing officer
reasonably determines that continued suspension or termination is necessary for the protection of the public health, safety, or welfare.

J. A Franchisee may appeal the suspension or termination of the Franchise in accordance with the provisions of Section 1.258 of the Ordinance of SSG.

Section 1.258 Appeal to Committee of the Board of Directors

A Franchisee may appeal the following regulatory decisions of SSG in the manner provided in this Section: (1) the suspension or termination of the Franchise; (2) any fine exceeding $3,000.00 in the aggregate for a single violation; or (3) any regulatory decision which has the effect of taking more than 25% of the Franchisee’s vehicles out of service.

A. The Chairperson of SSG shall appoint a committee (the ‘Appeal Committee”) of three members from among the members of the Board of Directors, to serve on the Appeal Committee for a period of one year from the time of appointment or until his or her resignation or until he or she ceases to be a member of the Board of Directors. In the event any member of the Appeal Committee is unable to serve, the Chairperson of SSG may designate an alternate to serve on the Committee for any particular hearing.

B. The Appeal Committee shall hear those matters eligible for appeal under the Ordinance of SSG in accordance with hearing and appeal procedures adopted by SRA.

C. An appeal of the decision of the hearing officer may only be initiated by delivering a written request for appeal hearing within ten (10) days of delivery of the decision of the hearing officer along with an Appeal Fee as established by resolution of the Board of Directors.

D. Upon satisfaction of Section 1.258(C), SRA shall set a hearing to be held before the Appeals Committee within thirty (30) days of delivery of the request for hearing.

E. The notice of the appeal hearing shall be delivered no less than fifteen (15) days before the appeal hearing.

F. Appeals shall be limited to the administrative record created before the administrative hearing officer, unless the Appeal Committee requests additional evidence. The Appeal Committee may suspend an appeal hearing in progress for the purpose of obtaining additional evidence so requested.
G. The decision of the Appeal Committee shall be final. SSG shall notify the Franchisee in writing of the decision of the Appeal Committee within fifteen (15) days of the date of the conclusion of the appeal hearing. Any review of a decision of the Appeal Committee shall be by way of administrative mandate pursuant to Code of Civil Procedure section 1094.5.

The Taxicab Administrator may, in his or her discretion, determine to prosecute a violation of the Ordinance of SSG as an infraction. In determining whether to prosecute a violation as a misdemeanor or an infraction, the Taxicab Administrator shall consider the gravity of the violation, the record of the Franchisee or Driver involved and the harm threatened to the public by the violation.

Every violation of the Ordinance of SSG determined to be an infraction is punishable by (1) a fine not exceeding one hundred dollars ($100.00) for a first violation; (2) a fine not exceeding two hundred dollars ($200.00) for a second violation of this Ordinance within one year; (3) a fine not exceeding five hundred dollars ($500.00) for each additional violation of the Ordinance of SSG within one year.
SUNLINE SERVICES GROUP
REQUEST FOR PROPOSALS
FOR PROVIDING
FRANCHISE TAXICAB SERVICES
RFP 09-021

OBJECTIVE
The goal of the Coachella Valley Taxi RFP is to ensure excellence and professionalism in the taxicab service provided to visitors and citizens of Coachella Valley. Officials of SunLine Services Group (SSG) using its regulatory unit the SunLine Regulatory Administration (SRA) desire taxicab fleets that are safe, accessible to all, significantly reduce emission of pollutants, and affordable. SSG is also committed to the goal of having dependable on-call ground transportation available to the public. Because missed and/or late customer pickups can have devastating consequences to riders who count on timely taxicab service, a key element in the evaluation of proposals will be proposed dispatch and tracking systems that will ensure dependable and timely response to calls for service.

I. INTRODUCTION
PROPOSALS REQUESTED
SSG is issuing this Request for Proposals (RFP) for the selection of multiple franchisee taxicab operators to provide taxicab service in the Coachella Valley. It is anticipated that the total number of taxicabs operating in Coachella Valley will be no more than 180 vehicles in the first several years of these taxi franchise agreements, but that this number may change as demand for service changes over time. It is further anticipated that there will be no less than two (2) and no more than four (4) taxi companies operating in Coachella Valley. Therefore, proposers (interchangeably referred to herein as “franchisees”) can initially offer to operate a minimum of 40 taxis during peak season or up to a maximum of 100 vehicles during peak season. The Sunline Regulatory Administration (SRA) reserves the rights to accept, reject, or negotiate the actual number of taxicabs per franchise company selected. There may be only two companies of
90 taxis each, four taxi companies of 45 vehicles each or any combination of companies (up to 4) and vehicles (up to 100) that results in a maximum of 180 maximum taxis to operate in Coachella Valley at any one time.

To the extent possible selected providers will be encouraged to support Coachella Valley’s existing taxi businesses and those proposers that intend to hire personnel who reside in Coachella Valley.

Proposer’s that form a new business structure or entity in order to comply with the requirements of this solicitation, must provide a copy of any cooperative agreement, operating instructions, and an organizational chart. The Agency’s review will verify the existence of one synergistic entity as contrasted by a collection of redundant processes.

PROPOSAL DUE DATE

Proposals must be received no later than _____ on _____ Late proposals may be rejected.

Proposals shall be submitted in a sealed envelope addressed as follows:

Attn. Ms. Naomi Nightingale
Taxi Administrator
SunLine Regulatory Administration
32-505 Harry Oliver Trail
Thousand Palms, CA 92276-3501

The envelope shall be marked “Proposal for Providing Taxicab Service.”
SUNLINE'S VISION FOR TAXICAB SERVICE.

In 2007, SunLine commissioned a comprehensive study of taxicab services within the Valley. The study found considerable fractionalization of the taxi industry, too many taxis operating for the existing demand, an oversupply of taxis at the Palm Springs Airport, and lack of efficiencies found in modern computerized taxi operations. The study recommended consolidation and expansion of full service taxi companies within the Coachella Valley. The recommendation of a minimum of ten trips per day per vehicle was made to either force some taxi firms from the industry or reduce the number of taxis they can operate until such time they would be able to generate additional markets for their company taxis. It was recommended that existing taxi companies consolidate into larger operations and become full service taxi companies.

The study further suggested that full service taxi companies should expand to 40 or more vehicles per fleet. Upgraded technologies, made possible by sharing the cost among more taxis per company would improve operational performance and efficiencies.

These recommendations were made with the assumption that current taxi operators would not only comply with the recommendations but see them as an opportunity to grow their operations. Some existing taxi owners, perhaps the smaller ones, would see that being a taxi company requires significantly more than they are willing to do and thus would choose to obtain a sedan or limo license if they wished to continue their transportation operations. These are not regulated by SRA and are easily obtainable. In this way they would still be able to service their clients as a prearranged car service throughout the valley including the airport. They would just not be permitted to operate as a taxicab.

The study concluded that should the existing taxi industry prefer to not participate in the revised structure for taxicab services, the SRA would have little choice but to competitively bid the Coachella Valley taxicab service. Several communities of similar size such as Anaheim, California, and Salt Lake City, Utah, have either adopted or are in the process of adopting a competitive franchise approach to their local taxicab operations.
Instead of viewing their taxi operations as a regulated public utility, these communities have sunset this regulation in favor of franchisees or contract for taxi service much the same as an airport would offer a five-year concession agreement for taxi or van services. The early results of this approach are very promising. Typically the wider competition from national and even international taxi firms outside the area results in new, cleaner vehicles, wheelchair accessibility, additional capital and professional management.

The report further rationalized that since the existing operator taxi permits were expiring in July of 2007 and operators would be given their last year of guaranteed operation, the final recommendation was for the SRA Board to hold consideration of a Franchise Taxi System for one year. If the existing taxi industry was consolidating, modernizing, and service improved, then it should be permitted to continue. If however, there was considerable resistance to restructuring the existing taxi regulations, then the franchise option should be considered further and implemented.

It was recommended that two, three or four taxi franchises could be developed for taxi firms of 50 to 100 vehicles each but no more than 175 total taxis in the valley at this time. This number has since been revised upward to 180 vehicles. It was rationalized that initially restricting the size of the total taxi fleet to 180 at this time would give the new franchise operators the opportunity to grow through the same formula of having at least 10 trips per day per vehicle and vehicle ownership.

Based on the recommendations and rationale presented as a result of the study, and a review of conditions one year later, the SRA Board determined that it would be in the public's best interest to significantly change the way valley taxi services were regulated and managed. It therefore terminated the system of non-exclusive, traditional taxi company business licenses and associated Certificates of Public Convenience and Necessity.

In place of the system of Certificates of Public Convenience and Necessity, SRA awarded approximately four (4) taxi service franchise agreements with service providers to supply taxicab services. Taxicab service providers under agreement with the SRA will operate a total of approximately 180 vehicles. Individuals were invited to propose the number of vehicles they would prefer to operate. The number of vehicles awarded to each selected provider was...
negotiated and established during evaluation and contract award process. Depending on the
number of vehicles proposed, and the number of contracts awarded, selected providers were
initially authorized to operate from 40 up to potentially one hundred (100) vehicles. Growth in
the number of taxi vehicle authorizations for temporary or permanent additions to selected
providers will be based on documented demand of service (e.g., trips per cab per day) as
provided herein. Conversely, reductions in fleet sizes may also occur based on lack of service
demand. Each franchise agreement will have a five (5) year term with the ability to increase the
term for five additional 1-year terms through yearly evaluations.

Statement of Work
Providers will be responsible for the effective and efficient management of on-demand taxicab
transportation services throughout Coachella Valley including the Palm Springs International
Airport ("Airport"). The Board requires selected providers to establish physical operating bases
within the area in order to better provide Coachella Valley services and meet the needs of the
public. While dispatching may be done remotely, effective management of valley-wide, 24/7,
on-demand transportation services shall require providers to perform responsibilities and tasks
including but not limited to: driver training and knowledge testing; dispatching; supervision;
vehicle inspections; driver background checks; data collection and report submission; provision
of customer guest services; enforcement of Board and Airport policies, procedures, rules and
regulations; on demand ground transportation traffic control; lost and found management; and
complaint management.

Providers will be required to monitor and control the number of taxicabs waiting at the Airport to
ensure adequate service during peak demand periods while limiting the number of taxicabs at the
Airport during non-peak hours to ensure area-wide availability of taxicab service for other areas
of Coachella Valley.

AWARD OF FRANCHISES

The Board is seeking qualified taxicab operators that best meet the requirements as specified in
this RFP. Evaluations and determinations of responsibility and qualifications shall be based upon
the information furnished by the proposers in response to this RFP, as well as from other sources
determined at the sole discretion of the SRA Board. No award will be made until after such
investigations as are deemed necessary are made regarding the qualifications of proposers. By submitting this proposal, the proposer authorizes the SRA Board and its representatives to perform all investigations necessary to determine suitability. The SRA Board reserves the right to reject all proposals at its sole discretion. All information submitted in response to this RFP shall be deemed a public record except to the extent that the proposer expressly marks information as a trade secret or as proprietary information, in which event the SRA Board shall preserve the confidentiality of such information to the extent permitted by law.

This Request for Proposals as well as the Franchisee’s proposal shall be incorporated into any resulting franchise agreement.

FRANCHISE TERM
The term of the franchise shall be five (5) years. The term may be extended an additional one (1) year after each of the initial five years of the franchise up to a total of ten (10) years at the sole discretion of the SRA, subject to the provisions below. All franchises sunset after ten (10) years and are thereafter void.

PROPOSER RESPONSIBILITY
The proposer will assume the responsibility for making sure all required documents are factually accurate, fully completed and submitted with the proposal.

MINIMUM QUALIFICATIONS OF PROPOSERS
All proposers must present evidence that they are fully competent to perform the conditions of the Franchise and that they will be able to fulfill the conditions of the Franchise for the duration of the Franchise. A Selection Committee, on the basis of the proposer’s written submissions, shall evaluate qualifications and perform such investigations and findings as may be necessary. The proposals will be presented to the SSG Board of Directors with the recommendations of the Selection Committee.

LOCAL PREFERENCE
In evaluating applications, SRA may give preference to proposers with established presence in the Coachella Valley, to the extent legally permissible. An addendum may be forthcoming describing these criteria in more detail.
II. PROPOSAL PROCEDURE

PROPOSAL REQUIREMENTS

Proposers must submit one (1) original and twelve (12) copies of their proposal. No proposal by the telephone, e-mail or fax or modifications to a proposal by said means will be considered. Proposals may be rejected which are received after the date and time fixed in this RFP. Any such late proposal may be returned to the proposer. Any proposal which is incomplete may be returned to the proposer or, at the SBA’s option, have points deducted during the evaluation process. A proposer may withdraw its proposal, provided its request is in writing and is received by the SRA Board prior to the time set for receipt of proposals. After proposals have been opened, no proposer may withdraw its proposal, except with the consent of the Sunline Regulatory Authority Board. Proposals must remain valid for a minimum of 120 days.

OPTIONAL PRE-PROPOSAL CONFERENCE

SunLine will conduct an optional pre-proposal conference at its offices at 32-505 Harry Oliver Trail, Thousand Palms, CA. This Pre-proposal conference will be held at _______ on _________, 20____ in the Zweig Building. Attendees will be asked to sign-in at this time. Proposers are strongly encouraged to attend the pre-proposal conference. SRA will answer questions and provide clarifications about the RFP at this meeting.

Proposers shall submit any questions regarding this RFP by _________, 20____ in writing to:

Attn: Ms. Naomi Nightingale
Taxi Administrator
SunLine Regulatory Administration
32-505 Harry Oliver Trail
Thousand Palms, CA 92276-3501

CONTENTS OF COMPLETE WRITTEN PROPOSAL

Each application shall contain the following information:

(A) The name and address of the applicant.

(B) The name, address and telephone number of the person submitting the application, and the name, address and telephone number of the person who may be contacted regarding this application.
(C) Whether the business is corporation, and if so, the date of incorporation and the state where incorporated. Corporate applicants shall submit a copy of their Articles of Incorporation and Bylaws along with a list of the names of the officers of the corporation. LLC's shall provide a copy of their Operating Agreement.

(D) Any collective bargaining agreements with labor organizations which cover employees of the applicant, the personnel covered by such agreement and the date of expiration of any such agreements.

(E) A full and complete written proposal for providing taxicab service within the Coachella Valley containing all of the documents or information requested in Section IV of the RFP. Indicate how the proposer will satisfy the work requirements indicated in Section III of this RFP. Each document or paper submitted shall be labeled indicating the paragraph number in the RFP to which it responds.

(F) Proof of insurance satisfactory to the SRA Board.

(G) A cashier's check payable to the Sunline Regulatory Authority for the proper deposit and processing fees as specified below.

(H) A completed labor code certificate included with the Request for Proposals.

(I) A demonstration of the applicants technical ability and legal qualifications to construct, maintain, upgrade, and operate a taxi service, including identification of key personnel.

(J) The applicant must show that it, as well as any person which controls the applicant, has not, at any time during the ten years preceding the submission of the petition, been convicted of any act or omission of character that the applicant cannot be relied upon to deal truthfully with SSG and taxi patrons, or to substantially comply with its lawful obligations under applicable law.

(K) If the application is for any action referenced in Section 1.090.5 of the SSG Ordinance, current financial statements showing the financial condition of the Franchisee as of the date of the application.

(L) A statement prepared by a certified public accountant or responsible official of the applicant regarding the applicant's financial ability to construct, upgrade, maintain and operate the taxicab service it wishes to operate.

(M) A description of the applicant's plans for meeting any obligations under the franchise, including, but not limited to, any upgrade obligations, upgrade completion schedules, and performance characteristics.

(N) An affidavit or declaration of the applicant or authorized officer certifying the truth and accuracy of the information in the proposal or other written request, acknowledging the enforceability of the commitments of the proposal or other
written request and certifying that the proposal meets all federal and state law requirement.

(O) A summary of the plans and commitments of the applicant to remedy specific and known defaults and violations, if any, in the operation of the system under the franchise.

(P) At any time during the review process, the SRA reserves the right to require additional supporting documentation from the proposer or any other person involved in the proposal. The proposer shall provide all reasonably requested assistance to SRA in connection with any inquiry and, as appropriate, shall use its best efforts to secure the cooperation and assistance of all other persons involved in the action.

PROPOSAL FEE and DEPOSITS

A proposer's deposit in the amount of $5,000 must accompany your proposal. The deposit is credited against any future franchise fees payable to the SRA. In addition, a non-refundable processing fee of $3,000 is required with each proposal. Payment of these fees in the form of a cashier's check payable to the SRA must accompany each proposal. Failure to remit the required fees in the proper form shall be cause for the disqualification of the proposal.

PROVIDER FEES

A. Airport Automated Vehicle Identification (AVI) Fee

1. Each vehicle operated at the Airport shall have an automated vehicle identification (AVI) transponder tag. This tag shall be installed on the windshield and shall allow access to the restricted commercial traffic lanes, other designated areas, and bus plazas.

2. Each time a vehicle of Provider enters the terminal front roadway system from the taxi holding area or commercial lane, an access fee shall automatically be charged to Provider by the Airport. These lanes or specific designated locations shall be the only areas Provider may transact business at the Airport. Use of the ground transportation lanes shall include pick-up and drop-off of passengers. Transacting business in areas of the Airport other than the restricted commercial lanes or other terminal...
front roadways as approved by the Director of Airports for Provider's business may result in civil fines and/or other citations or actions.

3. The AVI fee per trip as of February 1st 2008 is $2.50 Standard Pick-Up and $3.00 for Pre Arranged Trips. This fee is reviewed and established by the Director of Airports on an annual basis.

4. Provider shall be billed by the Department of Airport’s Finance Division on a monthly basis. Failure to pay on time may result in the revocation of access to the Airport for commercial purposes.

B. Vehicle Permit Fee

On an annual basis, Provider shall pay to SRA a fee of $600.00 per vehicle authorized to operate under this Agreement as a taxicab in Coachella Valley. This fee shall be subject to review by SRA annually. Said fee shall initially be paid upon commencement of service under this franchise agreement. Thereafter Provider shall be billed annually on a contract year basis with billings sent by SRA prior to the anniversary date each year with payment being due before the last day of that month.

C. Driver Background Check & Permit Fees

Drivers shall obtain vehicle operators certificates from SRA. Application and background check fees are set by SRA and are currently $100.00. The Driver Permit Renewal Fee is $75.00 and Driver Transfer Fee is $65.00. The Driver Permit Reinstatement Fee is $25.00 and there is a $5.00 fee for Permit replacement.

D. Vehicle Inspection Fee

Inspections are currently provided at SunLine’s Headquarters at 32-505 Harry Oliver Trail in Thousand Palms, CA at a fee of $50.00 per vehicle, twice yearly. If corrections are not made after a recommendation from SunLine that the corrections are required there is a Re-Inspection fee of $50.00 charged for those re-inspection activities.
E. **Taxi Meter Recalibration Fee**

A taxi meter recalibration fee will be charged by a Third Party provider for recalibration of all taxicab meters each time the meter fees are changed. The Third Party Provider will establish fees.

F. **Operator Shared Revenue Fee**

The Operator Shared Revenue Fee is a fee charged annually per vehicle and it is currently set at $1,805.00.

**METER AND FLAG DROP RATE ADJUSTMENTS**

**Proposer Note:** Current meter rates are established by SRA at a public meeting. The current maximum per trip fee is $3.25 flag drop and $2.96 per mile. It is projected that the July 1, 2009 maximum rate per mile will be adjusted to $2.64. Under the resulting agreements, taxi rates will be reviewed by SRA on a semi-annual basis, with rates to be based on daily average fuel costs and the consumer price index. The method for calculating rate changes is detailed below:

A. **Meter per mile rate (“Per Mile Rate”) changes.** SRA will review Per Mile Rates annually to determine if rate changes are applicable, based on changes in fuel cost. Review will occur on or near March 15. If rate changes are authorized, scheduled meter recalibrations will start on or after April 1, respectively. The initial semi-annual review process shall not be performed until a minimum of six (6) months have elapsed from the service commencement date stated in Paragraph 1 of the Franchise Agreement.

1. **Per Mile Rate changes shall be based on the average price of regular grade fuel per US gallon (“Fuel”) according to the following criteria and requirements.**

   a. Fuel costs shall be determined using AAA’s “Media Site for Retail Gasoline Prices, California, Metro Averages, “www.fuelgaueregreport.com/CAmetro.asp.” (If this website should

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Deleted: SRA will review Per Mile Rates twice each year to determine if rate changes are applicable, based on changes in fuel costs. Reviews will occur on or near March 15 and September 15. If rate changes are authorized, scheduled meter recalibrations will start on or after April 1 and October 1, respectively. The initial semi-annual review process shall not be performed until a minimum of six (6) months have elapsed from the service commencement date stated in Paragraph 1 of the Franchise Agreement.
cease operation, SRA will rely on a similar site or index. The average cost of Fuel is calculated either by:

1. taking the actual cost of Fuel averaged for the three months preceding the respective review date,

or

2. taking the actual cost of Fuel averaged for the six months preceding the respective review date,

b. If an increase is indicated, then the higher of the three or six month Fuel average will be used. If a decrease is indicated, the lower average will be used.

c. Based on the average Fuel price established above, a Per Mile Rate increase or decrease will be authorized as follows:

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<thead>
<tr>
<th>Fuel Cost Increases (Decreases)</th>
<th>Per Mile Rate Increases (Decreases)</th>
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</thead>
<tbody>
<tr>
<td>$0.000 to $0.255 per gallon</td>
<td>$0.00</td>
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<tr>
<td>$0.256 to $0.755 per gallon</td>
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<tr>
<td>$0.756 to $1.255 per gallon</td>
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<td>$1.256 to $1.755 per gallon</td>
<td>$0.30</td>
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<tr>
<td>$1.756 to $2.255 per gallon</td>
<td>$0.40</td>
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2. One hundred percent (100 %) of any Per Mile Rate increase must go to whoever purchases the fuel for the vehicle. Whoever stands to benefit from an increase will be required to absorb decreases in the Per Mile Rate.

3. SRA reserves the right to modify these criteria and requirements for Per Mile Rate change authorizations.

B. Flag drop rate ("Flap Drop Rate") changes. SRA reviews Flag Drop Rates once each year to determine if rate changes are warranted based on changes in the Consumer Price Index. Reviews occur on or near March 15. If rate changes are authorized, scheduled meter recalibrations will start on or after April 1.
initial annual review process shall not be calculated until a minimum of six (6) consecutive calendar months have elapsed from the service commencement date stated in Paragraph 1 of the first part of this Agreement.

1. Flag Drop Rate changes shall be based on the percentage increase in the latest Consumer Price Index - All Urban Consumers, West Urban Area (CPI-West Urban), published by the United States Department of Labor, Bureau of Labor Statistics (http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=dropmap&series_id=CUUR0400SAO,CUUS0400SAO). The percent increase will be calculated using the CPI-West Urban data from the calendar year (January 1 to December 31) preceding the annual review. If the CPI-West Urban index is no longer published, a similar index will be used.

   a. For each five percent (5%) increase in the CPI-West Urban index over the previous calendar year, the flag drop rate shall increase in increments of $0.05 (5 cents). Partial percentage increases of the 5% requirement shall not be considered.

   b. If the CPI-West Urban index does not meet or exceed the 5% requirement for two (2) consecutive calendar years, SRA may at its option, take the percentage difference from January 1 of the first year to December 31 of the second year and use the resulting percentage increase to determine a Flag Drop Rate change. Partial increments of the 5% standard shall not be considered.

   c. Rates will be reviewed annually regardless of whether a one year or two year calculation was used the previous year.

Examples:
1 YEAR EXAMPLE: The Consumer Price Index rises 6.5% from January 1 to December 31 preceding the March review. SRA authorizes an increase of five cents over the current flag drop rate.

2-YEAR EXAMPLE: The Consumer Price Index increase does not exceed 5% in each of two consecutive calendar years. SRA takes the January 1 CPI-West Urban index number for the first year and subtracts it from the December 31 CPI-West Urban index number of the second year to obtain a two year index change. If the two year index change meets or exceeds 5.0%, then SRA may authorize an increase of five cents, from the current flag drop rate.

2. If the consumer price index decreases by more than 5% during the twelve month period prior to an annual review date, SRA may require a Flag Drop Rate decrease based on the above criteria and requirements.

3. One hundred percent (100%) of any Flag Drop Rate increases shall go to the driver. Drivers shall be required to absorb decreases in a Flag Drop Rate.

4. SRA reserves the right to modify the criteria and requirements for Flag Drop Rate changes.

C. Other Rates:

1. **Maximum Waiting Time Rate**: The rate that an owner or driver of a taxi cab may establish and charge for waiting for a customer. The maximum current rate is thirty five dollars ($35.00) per hour.

2. This rate shall be set by SRA on or near March 15 of each year, SRA will determine whether the Waiting Time Rate requires any adjusting.

PROPOSER SITE VISIT
The Selection Committee and/or representatives the SRA may request oral presentations of any proposer and/or conduct site visits of the proposers' places of business. Notice of the date time of any such visit will be provided in advance. Sites visited may include all dispatch facilities, maintenance facilities or general office facilities of the proposer. Formal interviews of proposers may be conducted.

PROPOSAL REQUIREMENTS AND FRANCHISE TERMS

Prior to the establishment of the Franchise system, there were a total of 260 or more taxicab permits allocated among the 15 different providers. The Sunline Taxi cab Franchise was thereafter established in order to provide for a minimum of two and a maximum of four taxicab companies each initially allocated a minimum number of 40, to a maximum number of 100 non-temporary taxicab permits within the new franchise system for a total 180 non-temporary taxicab permits. Franchisees are also be eligible for temporary extra-capacity Coachella Valley permits as specified below. The number of non-temporary taxicab permits may change over time with demand as revealed by the annual review of taxicab usage conducted by SRA. Four initial Franchises were awarded in 2010. Through the Franchise system, Sunline will regulate the provision of taxicab service in the Coachella Valley and, as warranted, issue, deny, revoke and suspend taxicab franchises as provided in this document, the Ordinance, and all Regulations adopted by Sunline to ensure the provision of an efficient and properly regulated taxicab service to the residents and visitors to the Valley.

Each of the Coachella Valley’s franchisee taxicab operators shall at all times maintain in service a number of vehicles equal to no less than 75% of the allocation of non-temporary taxicab permits issued to the franchisee in its franchise. For instance, if a franchise awards a minimum of 40 non-temporary taxicab permits, under no circumstances shall this franchise operate less than 30 taxicabs on the streets of Coachella Valley.

Franchisees may be permitted to increase the number of taxicabs they operate in one of two ways. Franchisees may be permitted to apply for and be awarded up to a 25% increase in the number of non-temporary taxicab permits they then hold based on a showing to SRA that the increase is justified as explained below, provided they pay the appropriate fees and the vehicles...
meet franchise requirements. Alternatively, SRA may offer a franchisee additional non-temporary taxicab permits based upon the results of the annual review as explained below.

Proposers shall comply with a service standard that all franchisees are required to meet. The established minimum service standard for franchised taxicabs operating within the Coachella Valley is: 85% of accepted pickups are to be within 20 minutes from the time of telephone request and that 95% of pickups are to be within 40 minutes of request. The standard must be achieved for (1) the Resort Areas, (2) SRA of Palm Springs, and (3) all other parts of the Coachella Valley. Franchisees, when requested by calling customers, shall be prepared to have the necessary required child car seats in their taxicabs. Franchisee performance shall be tracked through a computerized dispatch system and reported to the SRA on a monthly basis with annual summary reports (see requirements below).

ANNUAL REVIEW

The SRA will conduct annual reviews which will have two components: (1) an evaluation of the total taxicab demand in the Coachella Valley in order to determine the total number of allocable non-temporary taxicab permits for the following year; and (2) the performance of each franchisee to determine the total number of non-temporary taxicab permits allocated to each franchisee for the following year. Annual reviews shall begin in April of each year and SRA shall exercise all reasonable diligence to conclude by July 1.

Total Taxicab Demand

Total Taxicab demand in the Valley will initially be determined by evaluating all franchisees' data regarding trips per vehicle per day. If the average number of trips per vehicle per day exceeds 10 trips per day for each allocable non-temporary permit, SRA may create and allocate additional non-temporary taxicab permits. For example, SRA initially established a total of 225 allocable non-temporary taxicab permits. If analysis reveals that there is an average of 2500 trips per day, SRA may increase the total number of allocable permits by 25 (total average trips per day per for all franchisees combined) / 10 [target trips per vehicle per day] = 250. 250 [trips per day per target vehicle] - 225 [total allocable non-temporary taxicab permits] = 25 [additional number of allocable non-temporary taxicab permits available to meet current demand]. SRA
may then adjust the number of allocable non-temporary permits up or down based upon a review of hotel/resort and airport monitoring of taxi cab availability and other taxi issues, population changes, hotel occupancy and other relevant factors. Based on this review, SRA shall set the number of allocable non-temporary taxi cab permits available for the following year.

**Reallocation of Non-Temporary Taxi Cab Permits**

Non-temporary taxi cab permit allocations will be annually made pro rata among the franchisees, with a maximum 25% adjustment upward or downward based upon each franchisee's performance as provided below. The above notwithstanding, at no time shall any franchisee be permitted to have more than 0% of all allocable non-temporary taxi cab permits.

SRA authorized revisions in the number of non-temporary taxi cab permits allocated to a franchisee shall be based on changes in the average trips per day as reported monthly by each franchisee in accordance with the following criteria and requirements as well as a review of other relevant factors including, but not limited to the citation history of the franchisee, and reported wait times for the franchisee's taxi.

a. The trips per day for each franchisee's allocated non-temporary taxi cab will be averaged over the year prior to the review date.

b. When the records demonstrate that a franchisee exceeds ten (10) trips per day for at least sixty (60%) percent of the total number of non-temporary taxi cab permits allocated to the franchisee, SRA may, at its sole and absolute discretion, allocate up to an additional 5 non-temporary taxi cab permits.

c. When the records demonstrate that a franchisee exceeds ten (10) trips per day for all non-temporary taxi cab permits allocated to the franchisee, SRA may, at its discretion, allocate a sufficient number of additional non-temporary taxi cab permits to reduce the average number of trips per non-temporary allocated permit per day to 10. By way of example only, if the franchisee has been allocated 50 non-temporary taxi cab permits, and its reports demonstrate it
d. If the average number of trips per vehicle decreases to below eight (8) trips per day for at least sixty (60%) percent of the total number of non-temporary taxicab permits allocated to the franchisee, SRA's may, at its discretion, decrease the number of non-temporary taxicab permits allocated to the franchisee by a sufficient number of non-temporary taxicab permits to increase the average number of trips per non-temporary permit per day for 60% of the non-temporary allocated permits to 10 trips per day. If a Franchisee is required to reduce the number of permitted vehicles, it shall be required to remove vehicles over five (5) model years of age first in the case of standard vehicles and over seven (7) model years of age in the case of approved alternative fueled vehicles, using the Environment Protection Agency's definition of an alternative fueled vehicle. An additional criteria that shall be considered by the Board shall be whether the Franchisee has demonstrated that their taxis are providing rides to customers over a substantially longer distance than the average ride distance such that the lower number of rides per day is accounted for by the fact that the taxis are occupied and thus unable to get the minimum number of riders at the required frequency.

3. Franchisee will not be required to accept any increases in the number of non-temporary taxicab permits allocated to it. However, if a franchisee opts not to accept an increase, that increase may, but need not be offered to another franchisee providing that franchisee's resulting non-temporary taxicab permits does not exceed ___% of all allocable non-temporary taxicab permits. All SRA mandated decreases must be implemented.
4. SRA reserves the right to modify these criteria and requirements for fleet change authorizations.

**Temporary Extra-Capacity Taxicab Permits**

Each franchisee may also apply for temporary extra-capacity taxicab permits for taxicabs not included in the franchise allotment. Except as provided below, taxicabs displaying temporary Coachella Valley permits may be used in Coachella Valley only during large conventions or other similar events, which temporarily increase the demand for taxicabs beyond the number regularly franchised. Such temporary extra-capacity Coachella Valley permits shall be limited in duration and revocable at SRA's will in its total and absolute discretion. SRA may also issue additional temporary permits, also limited in duration and revocable at SRA's will in its total and absolute discretion, when there has been full use of all allocable non-temporary taxicab permits and there nevertheless remains insufficient taxi service to accommodate demand. Temporary extra-capacity taxicab permits may be issued by staff upon a determination by staff that there exists a current shortage in the supply of taxicabs in the Coachella Valley.

Franchisee must agree to abide by all applicable laws, rules, regulations, orders and restrictions which are now in force or which may be hereafter adopted by the SRA and communities of the Coachella Valley or any governmental authority, federal, state, county, or municipal, lawfully exercising jurisdiction over taxicab service in the State of California and Coachella Valley.

If at any time the Taxi Administrator or his or her designee determines that a franchisee is not meeting the service standard set forth in the franchise, is experiencing excessive problems as shown by complaints or citations, or is not in compliance with other franchise terms, the Taxi Administrator or his or her designee may issue the franchisee a sixty (60) day warning. The franchisee must correct the problem with sixty (60) days. If the problem is not corrected, Taxi Administrator or his or her designee may set a public hearing to consider termination of the franchise or take other appropriate steps to correct deficiencies.

Taxi Administrator or his or her designee may temporarily suspend any franchise without prior notice in case of failure to meet insurance requirements, the lapse of any permits or licenses required to provide services or any failure that endangers the health and safety of the public. The
temporary suspension shall remain effective until a decision by the SRA Board of Directors, pursuant to the governing ordinance unless earlier lifted by the Taxi Administrator.

Franchise fees will be set from time to time by resolution of the SRA Board of Directors on a cost-recovery basis to offset costs involved in administering the program. Fees will be allocated among the Franchisees on a per-vehicle basis.

All franchises awarded shall be non-exclusive. The SRA Board of Directors reserves the right to issue additional franchises. The SRA Board of Directors awards franchises after a public hearing.

III. GENERAL FRANCHISE REQUIREMENTS

The following are the minimum requirements for obtaining and maintaining a franchise. Proposer's ability to meet or exceed these standards should be demonstrated in the responses provided by the proposer to the request in Section IV below.

1. Start-up

The awarded franchisee shall place 50% of the fifty (50) vehicles into service within two (2) months of the start of the franchise and 100% of their allocated taxis into service within five (5) months of start of franchise. Exceptions to the two-month requirement will be considered for start-up companies. Proposals must specify phase-in plan and justify any exceptions sought. Note that the 25% adjustment flexibility takes effect after the franchisee attains operation of 100% of allocation.

2. Vehicles

No standard vehicles in service shall be more than five (5) model years of age.

Vehicles must be in good operating order, free from known mechanical defects. The interiors and exteriors of the vehicles must be kept in clean, neat and attractive condition. Vehicles are to be taken out of service for repair or maintenance of body damage, dents, broken glass, torn upholstery, bad stains, inoperable seat belts, unclean windows, dirty trunk, unclean Interior or exterior, unsafe tire tread, missing hubcaps and mechanical defects.
Franchisee must have at least two (2) wheelchair-accessible vehicles that meet Federal standards. Each vehicle must be approved by the SRA staff. Each vehicle will be granted one (1) additional full calendar operating year of service, creating a potential for such vehicles to be up to six (6) model years old based on the calendar year and the year of model manufacture during each year of the resulting agreement.

Within 24 months of the effective starting date of their respective franchises, the franchisee must place into service at least 5% of their fleets as vehicles certified as Ultra-Low Emission Vehicles by the California Air Resources Board. An equivalent number (combination) of Low Emission Vehicles (LEV) or cleaner which results in the same emission reductions as that provided by the 5% ULEV requirement will also be allowed as authorized by the SRA Board of Directors.

The use of alternative fueled vehicles shall be specified in the proposal. Each approved alternative fueled vehicle will be granted two (2) additional full calendar operating years of service, creating a potential for such vehicles to be up to seven (7) model years old based on the calendar year and the year of model manufacture during each year of the resulting agreement.

Exterior advertising is permitted only on a trunk mounted sign no larger than one foot tall by three feet long. Only one sign shall be permitted per vehicle. The regulation of signs shall be as provide in the regulations establish by Sunline.

3. Standards for Drivers

Each driver shall have a current California driver's license and Taxicab Driver Permit issued by SRA and the ability to read signs, labels, work schedules, and simple instructions in English; to understand and follow oral directions in English; to write simple messages in English; and to speak English sufficiently to communicate clearly with the public. Drivers may also be required to pass an English Proficiency test and/or Training administered by SRA.

Franchisee must provide a training program for all its drivers which shall include SRA, Coachella Valley and State rules and regulations; geography including map reading, major points of interest in Coachella Valley, and familiarity with Coachella Valley and surrounding area; driver safety and defensive driving; vehicle safety and maintenance/inspection checks; customer service and relations; sensitivity guidelines for disabled, frail and elderly passengers; behind the

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wheel driver training; and (for drivers of accessible vehicles) accessible vehicle operation training.

Drivers must be dressed in a neat and clean fashion. This requirement is best met through an SRA required taxi driver uniform or a common standard of dress which shall be specified in response to this Request for Proposals. For example, attire could include a white or yellow collared shirt or sport shirt and black pants or slacks with closed toed shoes. The shirts must bear the company logo identifying the company drivers are working for.

Drivers will also be expected to have knowledge of and comply with the Palm Springs Airport’s Taxi Passenger Bill of Rights. For more information on these rights please see the City of Palm Springs Website at the following address:


4. Dispatching and Customer Service

Proposals must specify the methods the company will use to ensure sufficient service at the Airport without flooding the Airport with an excessive number of cabs. Proposals must specify the methods the company will use to ensure sufficient service to all other areas of Coachella Valley during peak winter season.

Franchisee must have a centralized office location for dispatch and reservations. This may be remote if that is the company’s general policy and procedure. However, a computerized 24 hour dispatch system is required:

- System must track caller location, response time from the time customer calls until taxi pick up, and duration of trip. Customer call means the time customer first called, not time of any callback.
- System must track number of customer callbacks,
- Pickup zones must separate Coachella Valley into its respective communities so officials from each community can see the quality of taxi service they are receiving.
- System must track calls by pickup zone by hour, day and zip code.
• System must track all requests for service including multiple requests; for instance, if a hotel/resort requests 5 cabs, the system must reflect 5 requests and show response times for each of the 5 requests.

• System must track number of calls in which customer was advised of wait times of 20 minutes or more and declined to wait. Procedures to call back customers where original estimate of time of pickup changes and revised response time will be in excess of 20 minutes, or similar procedure, will be considered an enhancement.

• System must be capable of recognizing incoming telephone numbers and be capable using computerized voice response and dispatch when the number is a frequent caller such as a hotel, restaurant, or other frequent user of the franchisee taxi service.

• System must be capable of providing credit card swiping, reading and verification of card, authorization of payment, and printing of customer receipt within sixty seconds of being swiped. Passenger rear seat credit card swiping would be considered a plus.

• System must be capable of tracking any lost articles by knowing only the date, time of day, and pickup and drop off locations.

By no later than January 1, 2014, System must be capable of report real time information regarding driver hours behind the wheel.

No customer seeking service at a taxi queue, hotel queue or street hail may be refused service, nor may any customer telephoning for service be refused. However, customers waiting for service may be advised of current response times and given the option of calling another company. Therefore, the dispatch system must be capable of tracking any such refusals to the individual taxi and driver. These refusals would not include drunk and disorderly passengers which may be refused service.

GPS systems are required.

• GPS system must be capable of providing drivers turn by turn directions and monitoring shortest route taken.

• GPS system must be capable of reporting all trips that were greater than one percent (1%) out of route.
• GPS system must be capable of capturing and reporting, for all vehicles in the fleet and individual drivers, all trips for which the taxi meter was utilized.

5. **Complaint Procedures**

Applicants must have in place a complaint procedure that includes a log of all complaints received, date and time of complaint, response, date and time of response, results of investigation, action taken, and any written communication. All complaints received in writing must be responded to in writing within five business days with at minimum an acknowledgment of complaint, complaint status and expected time to resolve. All complaints received by the telephone must be logged. All telephone complaints of a serious nature must be responded to in writing.

6. **Record-keeping and reporting**

Franchisee must keep electronic data based records of all revenues, trips, driver name, **driver time behind the wheel**, vehicle registration, maintenance and complaints. These records must be maintained for four years and dispatch data for one year.

Franchisee must report dispatch data as set forth in Exhibit A examples. A summary of complaints lodged and action taken shall be submitted on a quarterly basis. Electronic support data for each call, trip dispatched, total trips made by vehicle and driver are to be provided in addition to the monthly reports. Franchisee will be required to submit this report by the 10th day of the month following the end of each Quarter, along with their franchise payment.

SRA has the right to inspect maintenance, complaint, and financial records, facilities and vehicles, and to audit meters and vehicles for accurate measurement and metering of fares; and to audit books, ledgers, journals, and accounts of operator. The franchisee is also required to cooperate with law enforcement for any criminal investigation. SRA reserves the right to approve agreements between taxi franchise operators and any subcontractor, including but not exclusive to taxicab drivers.

Franchisee must within 30 days of request submit to the SRA recent list of telephone customers’ first names and telephone numbers, for customer satisfaction survey purposes.

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7. **Insurance and Indemnification**

The franchisee shall, as a condition of being granted a franchise hereunder, indemnify, hold harmless, release and defend the SRA, its Board of Directors and each member thereof, and its officers, agents, commission members and employees from and against any and all liability, claims, suits, costs, expenses, fines, judgments, settlements, damages, awards, charges, penalties, actions or causes of actions whatever, including attorney's fees, regardless of the merit or outcome of the same, arising out of or in any way connected with any or all of the operations or services authorized, conducted or permitted under a non-exclusive franchise granted hereunder, to the fullest extent permitted by law.

Every applicant shall provide proof of insurance in the amounts, required by the SRA Board of Directors, underwritten by an insurer licensed and authorized to conduct such business in the State of California. Currently the required coverage is $1,000,000.

8. **Minimum Trio Standards**

The selected Franchisee(s) will be required to reach and maintain an average number of eight (8) dispatched and non-dispatched trips per day per vehicle per year. The electronic capture of all trips will enable SRA Board of Directors to award additional Non-Temporary Taxicab Permits as needed or to reduce the number of Non-Temporary Taxicab Permits if there is an excess of taxicabs on the streets. The selected taxicab Franchisee will be expected to generate increased productivity by dispatching taxis through improved operational efficiency to enhance cost effectiveness. The use of such technologies would also make the task of administration by the SRA much more informed, efficient and accurate.

9. **Taxi Identification Requirements**

The selected franchisee(s) will be required to establish a distinctive color and numbering system to easily identify the company and specific cab in the case of complaints or violations. This distinctive coloring shall be approved by the SRA Board of Directors. The franchisee shall also provide SRA with a list of the active numbers associated with the taxi's put into service.

IV. **EVALUATION MEASURES**
The SRA will evaluate proposals on a 100 point scale according to the following measures, based on the indicated ability of the proposer to satisfy the Franchise Requirements stated above. All information which the proposer wishes to have considered by the Evaluation Committee of the SRA should be stated in the proposer’s submission. Please label each narrative or document with the paragraph number and letter in this RFP to which the applicant is responding.

1. **Proposer experience:** (20 points)
   
   (A) Describe the experience and qualifications of the company in operating taxicabs and/or vehicles for hire, such as shuttles or limousines, and indicate the maximum and average number of taxis/vehicles operated during the past ten (10) years.
   
   (B) If applicable, state the number of years of experience providing taxi operations in the Coachella Valley and elsewhere, the number of taxis specifically operated in Coachella Valley, and provide statistics that will indicate the scope of operations within Coachella Valley, if any. If the proposer has done business in Coachella Valley under a different corporate or company name, specify the name and when such service was provided in Coachella Valley.

2. **Financial stability:** (20 points)

   (A) Provide audited balance sheet, cash flow and income statements consistent with generally accepted accounting principals (GAAP) for the most recent three years.

   (B) Provide information on pending or past litigation within the last ten (10) years, fines or enforcement proceedings by other cities or public entities, bankruptcy filings, projected 3-year cash flow analysis, projected operating expenses, assuming your company is awarded a franchise for 40 taxicab vehicles sought in this proposal; and insurance and bonding capability.

3. **Quality & Coverage of service:** (20 points)

   (A) Coverage
(1) Specify the total number of trips per day (or shift) you propose your fleet will average per vehicle. Include all calls, street hails, queues, and personals.

(2) Specify percent of pickups in each zone you propose to produce for your drivers. That is, what percentage of total trips do you propose your fleet will provide in (A) the Airport and (B) All Other Areas of Coachella Valley.

(B) Provide full details of how company will meet the service standard you propose. Note that the service standard you propose must be met. Details should include your full marketing plan for expanding taxi operations and marketing within the Coachella Valley.

(C) Provide full details on how your company will use temporary permits to meet the service standards for both the Airport and All Other Areas of Coachella Valley during the peak winter season and how your company will redirect those temporary cabs out of Coachella Valley to reach appropriate levels for off peak summer service.

(D) Describe the experience and qualifications of the senior officers and managers of the company and any prior companies the officers and managers of the company have been affiliated with, owned, or operated. Include brief resumes. Describe tasks assigned to officers and key management personnel and approximate percentage of time devoted to each task.

(E) Describe process for recruiting, screening, drug testing, skill testing and hiring drivers. Provide disciplinary policy. Provide list of current drivers, whether drive full-time or part-time, and years of experience of each.

(F) Provide training program for training new drivers, with emphasis on dealing with diverse clientele and driving skills, and a training program to maintain the skills of existing drivers. Describe type of material included or to be included concerning importance of service in Coachella Valley. State dress standards in the
way of a company uniform as required by SRA Franchise Agreement for drivers and other personnel who interface with the public.

(G) Provide your company's policy prohibiting smoking in cabs by passengers or drivers and methods for enforcement.

(H) Provide copies of agreements with VISA, MasterCard, and American Express as well as other credit card agencies for accepting credit card payments for fares and gratuities.

(I) Describe your customer complaint procedures and record keeping mechanisms to facilitate resolution of complaints. Provide a copy of the written procedure.

(J) Provide full details on telephone and dispatching systems proposed or currently being used, including system manuals and sample data printouts. Provide manual or other documentation of dispatch procedures including information obtained from customer (name, customer phone number, location, handicap status, etc.) and procedure for handling situations that may arise such as extended response times, no-show cabs, etc. Specify type and capability of GPS system and how information will be used in dispatch process. Describe any procedures to call back customers where original estimate of time of pickup changes and revised response time will be in excess of 15 minutes, or similar procedure.

(K) Provide any record of adverse actions or warnings regarding your past taxi service from SRA, or any other regulatory agency within the last ten (10) years.

4. Anticipated Ability to Meet and Maintain Performance Standards: (20 points)

(A) Describe your plans for meeting minimum dispatch calls per taxicab per day and how you plan to meet your proposed total number of trips per day per vehicle.

(B) Specify maximum age of vehicles to be assigned to Coachella Valley as follows:

The maximum age of taxicabs shall not be more than 5 years older than the current model year. Vehicles will not be used more than 5 years as taxicabs.
(C) Specify vehicles by make and model year you propose for service.

(D) Specify phase-in plan for purchase of additional vehicles and justify any exceptions sought to vehicle requirements stated above. Describe how your company will adequately service during the first six months of operation as you ramp up for the Winter peak season.

(E) Provide the number of vehicles operated by your company in the past year, number of accidents, number of injury accidents, and number of accidents involving a fatality. Provide your company’s written vehicle safety program and provide information on drug and alcohol testing.

(F) Describe your maintenance facilities including address, size and equipment. Include maintenance schedules. List current personnel employed to conduct maintenance, or other maintenance arrangements.

(G) Describe your data storage and retrieval processes for drivers’ records, vehicle maintenance records, trips, fares paid and times of dispatch/response.

5. Clean and Alternative Fuels/Accessible Vehicles: (20 points)

(A) Describe proposed number vehicles, if any, which will meet California Air Resources Board LEV, SULEV or ULEV standards, Zero Emission Vehicles, hybrids, or alternative fueled vehicles. Include roster of vehicles specifying fueling system, model year and which standard is met. Also, describe your plan for integrating clean fuel vehicles and facilities to fuel and service such vehicles into current fleet and facilities.

(B) Describe the type(s) of accessible vehicles to be used in Coachella Valley and the timetable for purchasing accessible vehicles to meet this requirement.
Trips via Zip Codes Served:

Trip Call Completion Rates

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</tr>
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</table>
FRANCHISE AGREEMENT
BETWEEN
SUNLINE SERVICES GROUP
AND

THIS AGREEMENT is made and entered into this ___ day of __________, 2009, by and between SunLine Services Group, a California Joint Powers Authority, 32-505 Harry Oliver Trail, Thousand Palms, California 92276-3501, (hereinafter referred to as “AGENCY”), and __________ (hereinafter referred to as “FRANCHISEE”).

WITNESSETH:

WHEREAS, AGENCY desires to franchise Taxi Services for its operations in the Coachella Valley area of Riverside County; and

WHEREAS, FRANCHISEE has submitted a proposal for Taxi Services and further has represented that it has the requisite personnel and experience, and is capable of performing the services therewith; and

WHEREAS, FRANCHISEE wishes to provide the services;

NOW, THEREFORE, it is mutually understood and agreed by AGENCY and FRANCHISEE as follows:

ARTICLE 1. COMPLETE AGREEMENT

A. This Agreement; Request for Proposal (RFP) No. 09-001; and the Franchisee’s Proposal in response to this RFP, including all exhibits and documents incorporated herein and made applicable by reference, constitutes the complete and exclusive statement of the term(s) and condition(s) of the Agreement between AGENCY and FRANCHISEE and it supersedes all prior representations, understandings and communications. The invalidity in whole or in part of
any term or condition of this Agreement shall not affect the validity of other term(s) or condition(s).

B. AGENCY’s failure to insist in any one or more instances upon FRANCHISEE’s performance of any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of AGENCY’s right to such performance or to future performance of such term(s) or condition(s) and FRANCHISEE’s obligation in respect thereto shall continue in full force and effect. Changes to any portion of this Agreement shall not be binding upon AGENCY except when specifically authorized by signed written amendment to this Agreement issued in accordance with the provisions of this Agreement.

C. ORDER OF PRECEDENCE - In the case of any disagreement or conflict between any of the terms that constitute the complete agreement, said disagreement or conflict shall be resolved based on the following order of precedence: a) the signed agreement; b) the Request for Proposals; c) The Franchisee’s Proposal.

ARTICLE 2. AGENCY DESIGNEE

The General Manager or his successor with the AGENCY shall have the authority to act for and exercise any of the rights of AGENCY as Set forth in this Agreement.

ARTICLE 3. STATEMENT OF WORK

A. On or about __________, 2009, FRANCHISEE provided AGENCY with a response to AGENCY’s request for proposals to provide taxi services for its operations in the Coachella Valley area of Riverside County for AGENCY. In making its proposal FRANCHISEE offered to provide all labor, materials, equipment and services required to provide taxi services as described herein. FRANCHISEE shall perform the work necessary to comply with the contractual requirements in a manner satisfactory to AGENCY in consideration of Agency’s awarding of this Franchise Agreement.

ARTICLE 4. DELIVERY SCHEDULE/FRANCHISE TERM

FRANCHISEE shall supply the services In the Scope of Work between the date of award and five (5) years with five, one year options unless earlier terminated or extended as provided
elsewhere in this Agreement. The determination to grant a Franchisee’s request to continue operating under the Franchise for each one year option period shall rest exclusively with the Board. In making such determinations, the Board shall consider: the Franchisee’s history of operations; the Franchisee’s history of complaints, citations, suspensions, and warnings; whether and to what extent the Franchisee has met the average minimum rides per vehicle per day requirements, and whether extending the Franchise for an additional year serves the health, safety and welfare of the Coachella Valley.

The Franchisee shall not commence any work until the Franchisee develops a comprehensive work plan detailing their oversight efforts. SunLine shall approve this plan in writing prior to the start of any work by the Franchisee.

ARTICLE 5. CONSIDERATION

A. For FRANCHISEE’s full and complete performance of its obligations under this Agreement, AGENCY will allow the Franchisee to operate a franchise within the areas covered by the SRA.

ARTICLE 6. REPRESENTATIONS

Notwithstanding any provisions of this Agreement to the contrary, AGENCY and FRANCHISEE mutually agree that AGENCY makes no representation whatsoever regarding the profitability of any franchise granted by the terms of this Agreement.

ARTICLE 7. NOTICES

All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of said notices in person or by depositing said notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

To FRANCHISEE:

ATTENTION:
To AGENCY:

SunLine Transit Agency
32-505 Harry Oliver Trail
Thousand Palms, CA 92276-3501

ATTENTION:
Naomi Nightingale
PH: (760) 343-3456
FAX: (760) 343-3845

ARTICLE 8. INDEPENDENT CONTRACTOR

FRANCHISEE's relationship to AGENCY in the performance of this Agreement is that of an independent contractor. FRANCHISEE's personnel performing services under this Agreement shall at all times be under FRANCHISEE's exclusive direction and control and shall be considered exclusively to be employees of FRANCHISEE and not employees of AGENCY. FRANCHISEE shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.

ARTICLE 9. INSURANCE

During performance hereunder, FRANCHISEE shall maintain a certificate of insurance with the following limits of liability, and FRANCHISEE shall not of its own initiative cause such insurance to be cancelled or materially changed during the term of this project. Comprehensive General Liability, including Contractual, Independent Contractors, and Personal Injury Liability, with at least the following limits of liability. Combined single limits of liability in the amount of $2,000,000 per occurrence. Automobile Liability, including any autos, with at least the following limits of liability:

A. Primary Bodily Injury Liability limits of $2,000,000.00 per occurrence; and

B. Primary Property Damage Liability limits of $2,000,000.00 per occurrence;
C. Combined single limits of liability for Primary Bodily Injury and Primary Property Damage of $\_000,000.00 per occurrence;

D. Workers' Compensation Insurance with the limits established and required by the State of California;

E. Employer's Liability with limits of $2,000,000.00.

Prior to commencement of any work hereunder, FRANCHISEE shall furnish to AGENCY'S Taxi Administrator, a certificate of insurance evidencing the required insurance coverage's for FRANCHISEE and further providing that: Certificate shall name and apply specifically to this project/site location on each certificate (worker's compensation coverage is an exception to this requirement); AGENCY and the Cities of Coachella, Palm Desert, Desert Hot Springs, Palm Springs, Cathedral City, Rancho Mirage, Indian Wells, La Quinta, Indio, the County of Riverside and all of their elected officials, officers, agents, employees and volunteers are named as an additional insureds to the extent of FRANCHISEE's contractual obligations set forth under Article 13 "Indemnification", on Comprehensive General Liability and Automotive Liability insurance with respect to performance hereunder, and; the coverage shall be primary and noncontributory as to any other insurance with respect to performance hereunder and; thirty (30) days prior written notice of cancellation or material change in coverage be given to AGENCY. "Occurrence, as used herein, means any event or related exposure to conditions which result in bodily injury or property damage. FRANCHISEE shall also execute and provide AGENCY with the Labor Code certificate attached hereto as EXHIBIT B.

Insurance coverage to be placed with licensed authorized insurance carriers having at least a A-7 Best Insurance Rating or equivalent.

ARTICLE 10. CHANGES

By written notice or order, AGENCY may, from time to time, order work suspension or make changes in the general scope of this Agreement, including, but not limited to, the services furnished to AGENCY by FRANCHISEE as described in the Scope of Work.

ARTICLE 11. DISPUTES
A. Except as otherwise provided in this Agreement, any dispute concerning a
question of fact arising under this Agreement which is not disposed of by supplemental
agreement shall be decided by AGENCY's Taxi Administrator, who shall reduce the decision to
writing and mail or otherwise furnish a copy thereof to FRANCHISEE. The decision of the Taxi
Administrator shall be final and conclusive.

ARTICLE 12. TERMINATION

A. AGENCY may terminate this Agreement for its convenience any time, in whole
or part, by giving FRANCHISEE written notice thereof.

B. AGENCY may terminate this Agreement for FRANCHISEE's default if the
FRANCHISEE fails to correct any deficiency noted by SRA or the Taxi Administrator involving
compliance with the terms of this agreement or any applicable laws or ordinances.

ARTICLE 13. INDEMNIFICATION

FRANCHISEE shall indemnify, defend and hold harmless AGENCY, its officers,
directors, employees and agents and the Cities of Coachella, Palm Desert, Desert Hot Springs,
Palm Springs, Cathedral City, Rancho Mirage, Indian Wells, La Quinta, Indio, the County of
Riverside and all of their elected officials, officers, agents, employees and volunteers from all
losses, damages, claims for personal injury or damages to real or personal property to the extent
caused by FRANCHISEE'S negligence OR misconduct. FRANCHISEE agrees to indemnify
AGENCY against expenses, including reasonable attorneys' fees, and liability arising from any
such claim of infringement provided FRANCHISEE has the right to control the defense or
settlement of any such claim in accordance with the following:

A. FRANCHISEE, at its own cost and expense, shall indemnify, defend and hold
harmless AGENCY and Cities of Coachella, Palm Desert, Desert Hot Springs, Palm Springs,
Cathedral City, Rancho Mirage, Indian Wells, La Quinta, Indio, the County of Riverside and all
of their elected officials, officers, agents, employees and volunteers from and against any and all
claims, demands, actions, suits, damages, liabilities, losses and expenses (including reasonable
attorney's fees and disbursements) for personal injury or property damage asserted by third
parties to the extent caused by the negligence or willful misconduct of FRANCHISEE in
connection with FRANCHISEE'S performance, or failure to perform this Agreement hereunder ("Third Party Claims").

B. AGENCY shall promptly give written notice to FRANCHISEE after obtaining knowledge of any potential or actual Third Party Claim against AGENCY as to which recovery may be sought against FRANCHISEE because of the indemnity set forth above.

C. FRANCHISEE will have the obligation to defend AGENCY against any such Third Party Claim with counsel mutually agreed upon by FRANCHISEE and AGENCY. In addition:

(i) AGENCY may retain separate co-counsel at its sole cost and expense to monitor the defense of the Third Party Claim provided however, that FRANCHISEE shall have the right to control the defense of such Third Party Claim in FRANCHISEE'S sole discretion.

(ii) AGENCY will not consent to the entry of any judgment or enter into any settlement with respect to such Third Party Claim without the prior written consent of FRANCHISEE.

(iii) AGENCY shall cooperate with all reasonable requests of FRANCHISEE in connection with the defense of such Third Party Claim.

D. To the extent reasonably possible, AGENCY shall use its good faith efforts to mitigate any losses which FRANCHISEE is obligated to indemnify against pursuant to this indemnification paragraph.

ARTICLE 14. ASSIGNMENTS AND SUBCONTRACTING

Neither this Agreement nor any interest herein nor claim hereunder may be assigned by FRANCHISEE either voluntarily or by operation of law, nor may all or any part of this Agreement be subcontracted by the FRANCHISEE. This does not prohibit FRANCHISEE'S from subcontracting to individual taxi operators. No subcontractor may have an ownership interest in more than one taxi.
ARTICLE 15. AUDIT AND INSPECTION OF RECORDS

FRANCHISEE shall provide AGENCY or other agents of AGENCY, such access to FRANCHISEE'S accounting books, records, payroll documents and facilities of the FRANCHISEE which are directly pertinent to this Agreement for the purposes of examining, auditing and inspecting all accounting books, records, work data, documents and activities related hereto. FRANCHISEE shall maintain such books, records, data and documents in accordance with generally accepted accounting principles and shall clearly identify and make such items readily accessible to such parties during FRANCHISEE's performance hereunder and for a period of four (4) years from the termination of Franchisee's franchise. AGENCY's right to audit books and records directly related to this Agreement shall also extend to all first-tier subcontractors. FRANCHISEE shall permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably necessary.

ARTICLE 16. FEDERAL, STATE AND LOCAL LAWS

FRANCHISEE warrants that in the performance of this Agreement, it shall comply with all applicable federal, state and local laws, statutes and ordinances and all lawful orders, rules and regulations promulgated thereunder.

ARTICLE 17. CIVIL RIGHTS


B. Equal Employment Opportunity - The following equal employment opportunity requirements apply to the underlying contract:

(1) Race, Color, Creed, National Origin, Sex — Franchisee shall comply with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e.
(2) Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § 623, FRANCHISEE agrees to refrain from discrimination against present and prospective employees for reason of age.


ARTICLE 18. RESERVED

N/A

ARTICLE 20. PROHIBITED INTERESTS

A. FRANCHISEE covenants that, for the term of this Agreement, no director, member, officer or employee of AGENCY during his/her tenure in office or for one (1) year thereafter shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

ARTICLE 21. OWNERSHIP OF REPORTS AND DOCUMENTS

The originals of all letters, documents, reports and other products and data produced under this Agreement shall be delivered to, and become the property of AGENCY. Copies may be made for FRANCHISEE's records but shall not be furnished to others without written authorization from AGENCY. Such deliverables shall be deemed works made for hire and all rights in copyright therein shall be retained by AGENCY.

ARTICLE 22. PATENT AND COPYRIGHT INFRINGEMENT

In lieu of any other warranty by AGENCY or FRANCHISEE against patent or copyright infringement, statutory or otherwise, it is agreed that FRANCHISEE shall defend at Its expense any claim or suit against AGENCY on account of any allegation that any item furnished under this Agreement or the normal use or sale thereof arising out of the performance of this Agreement, infringes upon any presently existing U.S. letters patent or copyright.
FRANCHISEE shall pay all costs and damages finally awarded in any such suit or claim, provided that FRANCHISEE is promptly notified in writing of the suit or claim and given Agency, information and assistance at FRANCHISEE’s expense for the defense of same.

ARTICLE 23. FINISHED AND PRELIMINARY DATA

A. All of FRANCHISEE’s finished technical data, developed specifically for the AGENCY, including but not limited to, technical documentation and user documentation, photo prints and other graphic information required to be furnished under this Agreement, shall be AGENCY’s property and shall be furnished with unlimited rights and, as such, shall be free from proprietary restriction except as elsewhere authorized in this Agreement. FRANCHISEE further agrees that it shall have no interest or claim to such finished, AGENCY-owned, technical data; furthermore, said data is subject to the provisions of the California Public Records Act.

B. It is expressly understood that any title to technical data is not passed to AGENCY but is retained by FRANCHISEE.

ARTICLE 24. FORCE MAJEURE

Either party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by an unforeseeable cause beyond its control including, but not limited to: any incidence of fire, flood; acts of God; commandeering of material, products, plants or facilities by the federal, state or local SunLine; national fuel shortage; or a material act of omission by the other party; when satisfactory evidence of such cause is presented to the other party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the party not performing.

ARTICLE 25. RESERVED

N/A

ARTICLE 26. RESERVED

N/A
This Agreement shall be made effective upon execution by both parties.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written.

FRANCHISEE

By: ____________________________

AGENCY

SUNLINE SERVICES GROUP

By: ____________________________

C. Mikel Oglesby
General Manager

APPROVED AS TO FORM:

By: ____________________________

General Counsel

Deleted: David Erwin

Deleted: 05/09/12

Deleted: 03/15/12
EXHIBIT B
LABOR CODE CERTIFICATE

LABOR CODE CERTIFICATE

"I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

Franchisee Signature: ______________ Date: ______________

Printed Name: ____________________
The service needs will be based on response times, total trips per vehicle in service,

Additional taxi allocations will be made pro rata among the Franchisees with adjustments upward or downward based upon each franchisee’s performance, each franchisee’s need for and utilization of the 25% adjustment provision and of temporary permits, and estimated change in taxi service demand in the next year. The SRA may also change the adjustment percentage (initially set at 25%) and the number of temporary permits allocated to each franchisee. The SRA may reduce the number of allocations for a franchisee based upon unsatisfactory performance and/or a significant drop in the need for taxicab service.
SRA shall review Provider trip information to determine increases and decreases to fleet size. The number of trips per day per vehicle shall be reported monthly.

SRA shall conduct this review semi-annually. The review dates shall be April 15 and October 15, or the next working day if either date falls on a weekend or holiday. SRA shall announce any adjustments within ten (10) working days of the respective review date. The initial semi-annual review process shall not be performed until a minimum of six (6) months have elapsed from the service commencement date stated in Paragraph 1 of the first part of this Agreement. Review shall be based Providers authorized allotment of vehicles.
vehicles

Provider

in the fleet

six (6) months

average trips per taxicab as stated above, exceeds

w

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allow Provider up to five (5) additional vehicles in its fleet.