ORDINANCE NO. 154925

An Ordinance granting, to Lupe, Inc., a new taxicab franchise to replace franchise Ordinance Nos. 146,497 and 149,397, as assigned, taxicab franchise in Area B (Western Los Angeles) and Area C (Eastern Los Angeles) of the City.

THE PEOPLE OF THE CITY OF LOS ANGELES

DO ORDAIN AS FOLLOWS:

SECTION 1. DEFINITIONS

Unless is is apparent from the context that it has a different meaning, each of the following words and phrases has the meaning herein stated wherever it is used in this franchise, that is:

BOARD: The Board of Transportation Commissioners of the City.

CITY: City of Los Angeles, State of California, in its governmental capacity.

DEPARTMENT: The Los Angeles City Department of Transportation.

FRANCHISE PROPERTY: All property installed, used or maintained in or upon the public streets pursuant to any right or privilege granted by this franchise.

GRANTEE: The person, firm or corportion to whom this franchise is awarded and granted by the City Council and any person, firm, or corporation to

which it may hereafter be lawfully transferred as herein provided.

STREET: The portion of any public street, road, highway, freeway, lane, alley, sidewalk, parkway, or public place which now exists or which may hereafter exist within the City.

TAXICAB: Any motor vehicle equipped with a taximeter, operated in streets of this City by or for the Grantee for the transportation of persons and property for hire at the direction of the passengers and not over a defined route.

TAXIMETER: An instrument for indicating and recording charges for taxicab services in proportion to distance traveled, waiting time, or both.

TAXICAB ZONE: The portion of a street area designated for the standing of taxicabs while awaiting employment.

SEC. 2. FRANCHISE GRANT

SEC. 2.1 NATURE AND EXTENT OF GRANT

The franchise hereby granted by the City authorizes the Lupe, Inc. subject to the provisions herein contained, to conduct a public transportation business by taxicab, in the City, that is, a franchise to pick up persons and property by taxicab within the franchise area herein described and to transport such persons and property for hire, over

any street within the City and to stand taxicabs at designated taxicab zones within said franchise area.

SEC. 2.2 DURATION OF GRANT

This franchise shall be effective on the thirty-first (31) day after the publication of the enacting ordinance, provided the Grantee has filed with the Board, within twenty (20) days after such date of publication, a written instrument, addressed to the Council, accepting this franchise and agreeing to comply with all the provisions hereof.

This franchise shall expire March 31, 1985, unless sooner terminated, by ordinance, in the event (a) the Council finds that the Grantee has failed to comply with or violated any provision hereof; (b) any provision hereof becomes invalid or unenforceable and the Council expressly finds that such provision constituted a consideration material to the grant of this franchise.

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The right of the City to revoke or terminate this franchise pursuant to the terms of this Section shall be in addition to all other rights and remedies which may otherwise accrue to the City by reason of any failure or refusal of the Grantee to perform any obligation imposed by the terms of this franchise.

SEC. 2.3 DESCRIPTION OF FRANCHISE AREA

The franchise area referred to in Sec. 2.1 hereof is the area of the City described as follows:

(a) Primary Service Area as described in Sec. 2.4 hereof.

(b) The Los Angeles International Airport subject to the provisions of this franchise and to any additional conditions that may be prescribed by the Board of Airport Commissioners and/or the Board of Transportation Commissioners.

(c) The City to its boundaries or any portion thereof, except areas defined in (a) and (b) herein, for pick up on a telephone order or a referred order subject to the provisions of this franchise and to any additional conditions that may be prescribed by the Board.

Sec. 2.4 DESCRIPTION OF PRIMARY SERVICE AREA

The Primary Service Area, Area B and C, is the area of the City described as follows:

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Service Area B

Beginning at a point on the westerly boundary of the City at its intersection with the common boundary of the San Fernando and Westgate Annexations, thence easterly along said common boundary to Mulholland Drive, easterly along the northerly line of Mulholland Drive to the easterly line of Bowmont Drive, southerly along Bowmont Drive to the City boundary, southerly and westerly along the City boundary to the easterly line of La Cienega Boulevard near Olympic Boulevard, southerly along La Cienega Boulevard to the Santa Monica Freeway, easterly along the Santa Monica Freeway to the southerly line of Washington Boulevard, southwesterly along Washington Boulevard to the City boundary, southwesterly along the City boundary to the easterly line of Overhill Drive near 63rd Street, southerly along Overhill Drive to the City boundary, westerly and southerly along the City boundary to the Pacific Ocean, northwesterly along the shoreline to the City boundary west of Castellamare, and northerly along the City boundary to the point of beginning.

Service Area C

Beginning at the intersection of the northerly line of Mulholland Drive with the westerly line of Bowmont Drive, easterly along Mulholland Drive

to the Hollywood Freeway, northerly along the Hollywood Freeway to a point due south of the Southermost tip of Universal City, due north to the City boundary at Universal City, northeasterly along and around the City boundary to the Los Angeles River near 25th Street, northerly along the Los Angeles River to the Santa Monica Freeway, westerly along the Santa Monica Freeway to the Westerly line of La Cienega Boulevard, northerly along La Cienega Boulevard to the City boundary near Olympic Boulevard, northeasterly along the City boundary to the westerly line of Bowmont Drive, and northerly along Bowmont Drive to the point of beginning.

The City boundaries and streets referred to are as existing at the date of the award of this franchise, according to the official records of the City Engineer.

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SEC. 3. CONSTRUCTION OF FRANCHISE

SEC. 3.1 INTERPRETATION

Unless otherwise specifically prescribed herein, the following provisions shall govern the interpretation and construction of this franchise:

(a) The singular number includes the plural, and the plural number includes the singular.

(b) Time is the essence of this franchise. The Grantee shall not be relieved of its obligation to promptly comply with any provision hereof by any failure of the City to enforce prompt compliance with the same or any other provisions.

(c) Any right or power conferred, or duty imposed upon any officer, employee, department, or board of the City, is subject to transfer by operation of law to any other officer, employee, department or board of the City.

(d) The Grantee shall have no recourse whatsoever against the City for any loss, cost, expense or damage, arising out of any provision or requirment of this franchise or the enforcement thereof.

(e) This franchise does not relieve the Grantee of any requirement of the City Charter or of any ordinance, rule, regulation or specification of the City.

(f) This franchise shall not constitute an exclusive grant of any right to carry persons or

property for hire within the City or any portion thereof.

SEC. 3.2 LIMITATION UPON GRANT

(a) No privilege or exemption is granted or confered by this franchise except those specifically prescribed herein.

(b) This franchise is a privilege to be held in personal trust by the original Grantee. It cannot in any event be transferred in part; and it is not to be sold, transferred, leased, assigned, or disposed of as a whole, either by forced sale, merger, consolidation, or otherwise, without prior consent of the City expressed by ordinance, and then only under such conditions as may be therein prescribed; provided, however, that no such consent shall be required for any transfer in trust, mortgage, or other hypothecation, as a whole to secure an indebtedness or for the purpose of renewing, extending, refunding, retiring, paying or cancelling, in whole or in part, any such indebtedness at any time or from time to time. Any consent of the City hereunder shall be subject to such terms and conditions as may be recommended by the Board unless otherwise determined by the City Council in the manner provided in Ordinance No. 58,200, as amended, with respect to grants of franchise. Any such sale, lease, assignment or other disposition of franchise for which consent of the City is required hereunder shall be evidenced by a duly and jointly

executed instrument in writing addressed to the City Council and filed with the Board.

(c) The Grantee shall not sell, transfer, exchange or release, or permit the sale, transfer, exhange or release of any part of the ownership of the Grantee without prior consent of the City Council, and then only under such conditions as may be therein prescribed.

(d) Grantee shall not install, construct, or maintain any property in the public streets or public place within the franchise area unless in each instance the Board shall first determine that such property is reasonably necessary to the conduct of the taxicab business authorized by this franchise.

Sec. 3.3 RIGHTS RESERVED TO CITY

(a) There is hereby reserved to the City every right and power which is required to be herein reserved or provided by any provision of the City Charter or Ordinance No. 58,200 as amended, and the Grantee by its acceptance of this franchise agrees to be bound thereby . . .

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and to comply with any action or requirement of the City in its exercise of any such right or power.

(b) Neither the granting of this franchise nor any provision hereof shall constitute a waiver or bar to the exercise of any governmental right or power of the City.

SEC. 4. OPERATIONS AND SERVICE

SEC. 4.1 ESTABLISHMENT AND ABANDONMENT OF SERVICE

When the Grantee shall have been authorized by this franchise to furnish transportation service, such transportation service shall be provided by the operation of a fleet of taxicabs consisting of at least 30 vehicles and such minimum service shall be maintained.

After the Grantee shall have established any transportation service pursuant to this franchise such service shall not be suspended or abandoned unless such suspension or abandonment be authorized or ordered, in writing, by the Board.

The Grantee shall not refuse to accept any passenger in the Primary Service Area or Los Angeles International Airport for transportation, for hire, by taxicab to any destination to and at which the Grantee may legally transport and discharge such passenger, unless the attitude or condition of the passenger is

such that it would not be in the public interest for the Grantee to accept such passenger.

Whenever the Grantee shall file with the Board a written application alleging that public convenience and necessity no longer require that the Grantee furnish transportation service as authorized or require by, or pursuant to, this franchise, in any part or all of the franchise area, the Board shall, at a public hearing take evidence upon that question and shall make a finding with respect thereto. Notice of such hearing shall be given for a period of fifteen (15) days prior thereto, by posting such notice in each of the taxicabs in service in the area affected; such notices, in a form satisfactory to the Board, to be posted by the Grantee. If the Board shall find that public convenience and necessity no longer require that the Grantee furnish such transportation service, then the Board may, after hearing as provided herein, authorize in writing the suspension or abandonment of such service upon such reasonable terms and conditions as may be prescribed by the Board.

SEC. 4.2 OPERATIONS OF GRANTEE

(a) All vehicles, equipment and appurtenances used under this franchise shall be operated and maintained in accordance with all applicable Federal and State laws, ordinances of this City and orders of the Board.

(b) All taxicabs used by the Grantee within the City shall be operated under and pursuant to the provisions of this franchise and not otherwise.

(c) The number of taxicabs operated pursuant to this franchise, the manner and time of all operations, the transportation service provided, and the rates or fares charged shall at all times conform to such regulations as shall from time to time be fixed or prescribed by the City and/or Board.

(d) All taxicabs operated under this franchise must be registered to Grantee. They must be either owned by Grantee or leased from a licensed leasing company.

(e) All taxicabs operated on behalf of this franchise shall be under the direct control of the Grantee. All present leasing/contracting to driver-owners is to be terminated immediately upon completion of the lease/contract and in no event later than July 1, 1981. Grantee shall offer to employ all such affected drivers under an employer-employee arragement. Beginning on July 2, 1981, Grantee shall not be permitted to provide taxi service through a contracting or leasing type operation with a driver-owner, but only by the operation of its taxicabs by employees and officers of the grantee. Any such authorization which may have been granted to franchisee,

or any predecessor in interest of franchise, is accordingly hereby revoked.

(f) The Board may require the franchise Grantee to establish an appropriate order referral interconnect telephone loop with all other Grantees servicing the same franchise area.

(g) The Grantee shall radio dispatch only with the frequency assigned to Grantee by the Federal Communication Commission and shall notify the Department in writing, of such frequency upon its issurance.

(h) The Grantee shall participate in any transportation coupon (user-side subsidy) program sponsored by the City of Los Angeles. The grantee shall accept the transportation coupons, vouchers, stamps, etc. issued by the City or its agents in lieu of cash as payment for taxicab service. The coupons, vouchers, stamps etc. will be redeemed by the City or its agents upon receipt of billing documentation from the Grantee in a manner acceptable to the Department of Transportation.

SEC. 4.3 PUBLIC LIABILITY INSURANCE OR BOND

Grantee must at all times fully comply with all insurance or bond requirements as set forth in Section 71.14 of the City Municipal Code.

SEC. 4.4 AFFIRMATIVE ACTION POLICY

The Grantee of this franchise shall not discriminate in its employment practices against any employee or applicant for employment because of race, religion, national origin, ancestry, sex, age, or physical handicap, while engaged in any activity covered by this franchise. Grantee agrees to adhere to the provisions of Ordinance No. 147,030 and any additional conditions that may be prescribed by the Board.

SECTION 5 COMPENSATION AND GUARANTEE TO CITY

SEC. 5.1 PAYMENTS TO CITY

(a) By its acceptance of this franchise, the Grantee agrees to pay to the City, monthly, a base payment of $41.67 for each sealed taxicab listed for the Grantee on City records for the previous month. The base payment shall be increased or decreased by the same percentage that the rate authorized for the Grantee, by Board Order, changes during the previous billing period and shall be known as the adjusted base payment. The percentage change in rate shall be calculated based on a trip of 5 paid miles.

The total monthly payment accruing to the City in accordnace with the foregoing provisions shall then be determined by multiplying the adjusted base payment by the appropriate Payment Percentage increments shown in Schedules I and II and then adding these products to the adjusted base payment.

(b) The Payment Percentage Increments shall be based on the Grantee's level of service. The level of service shall be measured by the percent of calls answered within 45 seconds and the percent of telephone orders responded to within 15 minutes in the Primary Service Area or as otherwise determined by the Board.

The level of service shall be determined by the Board based on the results of service tests conducted by the Department and presented at a public hearing.

(c) Service tests shall consist of a series of tests, of sufficient number so as to produce satistically valid results, conducted over the seven days of the week for each of the two factors used to determine the percentage. A test shall consist of a telephone request for service to be provided from a specific location and at a specific time within the Primary Service Area.

Telephone answering time shall be measured from the time the call is placed until it is answered by Grantee. Response time shall be measured from the time the order is accepted by Grantee until a cab arrives at the requested location. Each service test call location, time of day and day of week shall be selected at random from the actual trips operated in the Primary Service Area by Grantee or any other Grantee operating in the area pursuant to a franchise or agreement with the City.

(d) The Payment Percentage Increments used in calculating the total monthly payment shall be determined by the Board after public hearing and shall apply to the adjusted base payment for the period of operation during which the determination is made and each succeeding period thereafter until the Board establishes new Payment Percentage Increments.

(e) The amount of any payment in excess of the adjusted base payment shall not be allowed as franchise payment expense for rate making purposes.

(f) A franchise payment is due 30 days after the end of the month for which the payment has accrued. The payment is delinquent if not paid on or before the due date. Grantee shall pay a penalty of 10% of the amount of the payment for any payment which has become delinquent. If Grantee fails to pay any delinquent payment on or before the last day of the fourth month following the date on which the payment first became delinquent, Grantee shall pay a second penalty of 10% of the amount of the payment in addition to the amount of the payment and the 10% penalty first imposed.

(g) In addition to the penalties imposed above, if Grantee fails to pay any payment required by this franchise, the Grantee shall pay interest at the rate of 1 1/2% per month, or fraction thereof, on the amount of the payment, exclusive of penalties, from the date on

which the payment first became delinquent until it is paid.

(h) At the first of each month the Department shall bill the Grantee for the franchise payment due, based on Department records and in accordance with the provisions of this section, for the previous month.

(i) The payment made to the City pursuant to this Section for any period shall be in lieu of any license fee or business tax now or hereafter prescribed by the City Municipal Code for taxicabs operated pursuant to this franchise during said period.

(j) The use of the service test and its results to determine franchise payment shall not preclude in any way the Board's use of the same service test results or any other test, investigation or study in determining Board actions regarding its power to regulate rates and services.

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SCHEDULE 1

TELEPHONE ANSWERING TIME

Percent of Calls for Service Answered Within 45 Seconds	Payment Percentage Increments
More than 85%	0%
85% to more than 80%	5%
80% to more than 75%	10%
75% and below	15%

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SCHEDULE II

TELEPHONE ORDER RESPONSE TIME

Percent of Orders Responded to within 15 minutes* or as Established by Board	Payment Percentage Increment
More than 76%	0%
76% to more than 73%	20%
73% to more than 70%	45%
70% and below	85%

SEC. 5.2 FAITHFUL PEFORMANCE BOND

Within thirty (30) days after the award of this franchise the Grantee shall file with the Department an acceptable corporate surety bond in duplicate, effective for the entire term of the franchise, running to the City in the penal sum of $10,000, conditioned that the Grantee shall well and truly observe, fulfill, and perform each and every term and condition of this franchise except the obligations imposed on the Grantee in Section 4.3 of this franchise, and that:

(a) If the Grantee shall fail to observe, fulfill and perform any term or condition fixed or

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* Applies to orders responded to within Primary Service Area only.

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prescribed by or pursuant to Section 5.1 or 5.3 of this franchise, then any damage to the City caused by such failure shall be recoverable jointly and severally from the principal and surety named in such bond; and

(b) If the Grantee shall fail to observe, fulfill and perform any term or condition fixed or prescribed by, or pursuant to, any section of this franchise, then the whole amount of the penal sum named in such bond shall be taken and deemed to be receivable jointly and severally from the principal and surety named in such bond.

If, at any time during the term of this franchise, the condition of the corporate surety shall change in such manner as to render the bond unsatisfactory to the City, the Grantee shall forthwith replace such bond with a bond of like amount and similarly conditioned, issued by a corporate surety satisfactory to the City.

In the event the Grantees' obligations under this franchise shall so warrant, the Board, from time to time may authorize or require appropriate adjustments in the amount of the bond. The Department may accept cash in lieu of a bond provided that it is submitted in accordance with an agreement containing all the requirements of the aforementioned bond.

SEC. 5.3 INDEMNIFICATION TO CITY

The Grantee shall keep and hold the City, its officers and employees, free and harmless from any and all claims, costs, liability, damages or expenses (including costs and fees and expense for legal services) on account of any damages claimed by any third party, including such claims by agents or employees of the City or of the Grantee, to have been sustained in or about any of the Granteee's premises, or arising out of the Grantee's operations, as a result of anything claimed to have been done or omitted to be done by the Grantee or by anyone claiming or acting under it.

Sec. 5.4 INSPECTION OF PROPERTY AND RECORDS

At all reasonable times, the Grantee shall permit any duly authorized officer or employee in the classified service of the City to examine all property of the Grantee, whether such property be situated within or without the City, and to examine and transcribe any and all books, accounts, papers, maps, and other records kept or maintained by the Grantee or under its control which treat of the operations, affairs, transactions, property or financial condition of the Grantee, including those which treat of the operations and property of the Grantee outside the City. If any of the books, accounts, papers, maps, or other records referred to in this Section are kept outside the City and if the Board shall determine that an examination thereof is

necessary or appropriate to the performance of any of its duties, then all travel and maintenance expense necessarily incurred in making such examination shall be paid by the Grantee.

The Grantee shall prepare and furnish to the Board or Department, at the times and in the form prescribed by the Board or Department, such data, with respect to its operations, affairs, transactions, property or financial condition, as may be reasonably necessary or appropriate to the performance of any of the duties of the Board or Department.

Requested data may include, but not be limited to; waybills, financial statements, insurance fleet schedules, dispatch records, driver-owner records, affirmative action records and employment records including all data evidencing the payment of social benefits. In addition, a copy of every application, petition, and schedule, and all amendments thereof, concerning rates and service within the City, filed by the Grantee with any regulatory agency of the State of Califoria, shall within one day thereafter, be filed with the Board.

Failure to comply with a Board or Department request for such information shall result in temporary suspension of all vehicle processing activities by the Department for the offending Grantee.

Sec. 6. **The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.**

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, at its meeting of FEB 11 1981

REX E. LAYTON, City Clerk,

By Edward W Ackdam, Deputy.

Approved FEB 19 1981

Tom Bradley, Mayor.

Approved as to Form and Legality

2-11-81

BURT PINES, City Attorney,

By John F. Haggerty, Deputy.
JOHN F. HAGGERTY
Assistant City Attorney

File No. 80-1643

City Clerk Form 23