



CITY COUNCIL AGENDA REPORT

MEETING DATE: January 5, 2010

ITEM NUMBER:

SUBJECT: ADOPTING REVISED ORANGE COUNTY TAXI ADMINISTRATION PROGRAM (OCTAP) REGULATIONS

DATE: December 4, 2009

FROM: FINANCE DEPARTMENT/FINANCIAL OPERATIONS

PRESENTATION BY: COLLEEN O'DONOGHUE, ASSISTANT FINANCE DIRECTOR

FOR FURTHER INFORMATION CONTACT: COLLEEN O'DONOGHUE, ASSISTANT FINANCE DIRECTOR (714) 754-5219

RECOMMENDED ACTION:

Adopt Resolution Number 10 - ___ approving the revisions to the Orange County Taxi Administration Program regulations.

BACKGROUND:

The Orange County Taxi Administration Program (OCTAP) is a voluntary association of Orange County Agencies created to coordinate taxicab service permitting and other administrative functions with the Orange County Transportation Authority (OCTA) in compliance with California Government Code Section 53075.5 as authorized by participating Agencies. The City of Costa Mesa has been a member agency since February 17, 1997 with the approval and adoption of Resolution 97-96, as well as Ordinance No. 97-33 which amended Section 9-27 of the Costa Mesa Municipal Code relating to the regulation of taxicabs.

ANALYSIS:

OCTAP has been in operation since 1998. The adopted regulations were created to reduce the multiplicity of documentation involved in the regulation of taxicab services in Orange County. The proposed regulation changes are primarily administrative, however a few of the changes may be characterized as substantive. Pursuant to Section 13.2 of the OCTAP Regulations, substantive amendments must be approved by each member agency and shall be effective only in the area of jurisdiction of each member agency that has approved the amendments. A complete list of the changes and reasons for the changes are found in the attached "OCTAP Regulations Revision – Detail of Changes". A few of the major changes and explanation for those changes are as follows:

- Section 5.2.3 – Revision of insurance requirements: The reason for the revision of this section is to improve and strengthen the insurance requirements for a Company Permit. The levels of insurance have not changed; however, an applicant will now have to submit an endorsement executed by the agent or broker of record in order to further prove coverage. In addition, if a Permittee allows its insurance to lapse, its Company Permit will immediately be suspended and all Taxicab Permits will be revoked. This is necessary to ensure that uninsured Taxicabs are not allowed to operate.
- Section 5.3 Addition of “applicant Company” to list of individuals for which conditions of denial of permit may apply: This change was made to clarify the issue related to denial of a Company Permit on the basis of unsatisfied court judgments. The previous language could be interpreted as meaning an unsatisfied judgment against just the Permittee would not be a basis for denial. This change tightens up this requirement.
- Section 6.1 Removal of references to “interim” permits: These changes were made to reflect the opinion of OCTAP staff that “interim” Driver Permits no longer be issued. As a result of consultation with the Orange County Sheriff’s Dept., and because access to the CLETS system is no longer allowed, it was determined that the risk of allowing an individual to operate a Taxicab prior to obtaining the results of the background check from the Dept. of Justice is too great to justify the issuance of “interim” permits.
- Section 6.3 (deleted) – Deletion of Interim Permit: This deletion was made to reflect the opinion of OCTAP staff that “interim” Driver Permits no longer be issued. As a result of consultation with the Orange County Sheriff’s Dept., and because access to the CLETS system is no longer allowed, it was determined that the risk of allowing an individual to operate a Taxicab prior to obtaining the results of the background check from the Dept. of Justice is too great to justify the issuance of “interim” permits.
- Section 6.14.9 – Addition of “good cause” clause: This addition was made to include “good cause” as a reason for suspension or revocation of a Driver Permit. This clause allows for an administrative hearing prior to action being taken against a permit holder.
- Section 7.3 – Modification of requirements for random inspections: These changes were made to clarify and improve the requirements for random inspections. Previously, as a result of a failure of a random inspection, a taxicab could only be placed into “Not in Service” status. This resulted in the taxicab not being allowed to operate in revenue service until such a time as it passed a re-inspection, even for minor items. The changes made here allow for a second status level of “Must Repair” to address a situation where minor items are discovered as a result of a random inspection. A taxicab can be placed in this level of status if items are found that are sufficiently minor to allow the vehicle to

remain in service. These items are required to be repaired within 10 business days and the taxicab is required to be re-inspected. If the taxicab fails re-inspection or if it is not presented for re-inspection within the 10 business days, the vehicle is immediately placed into the “Out of Service” status and cannot be operated in revenue service until such a time as it passes re-inspection. Each re-inspection is subject to a fee.

If a taxicab is inspected and major items are found that would preclude it from operating in revenue service, the vehicle is placed in “Out of Service” status and the Taxicab Permit is suspended pending passing a re-inspection.

ALTERNATIVES CONSIDERED:

The City could choose not to adopt the revised OCTAP Regulations; however the City would no longer be included in the OCTAP program and would then be responsible for taxicab, driver and vehicle permits, fees and regulation.

FISCAL REVIEW:

There is no direct fiscal impact related to this item.

LEGAL REVIEW:

The City Attorney has reviewed and approved the attached Resolution and the revisions to the OCTAP Regulations.

CONCLUSION:

Staff recommends that the City Council approve the revisions to the OCTAP Regulations

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Assistant Finance Director

ALLAN L. ROEDER
City Manager

KIMBERLY HALL-BARLOW
City Attorney

ATTACHMENTS: [Exhibit A - Resolution No. 10-_____](#)
[Exhibit B – 2009 OCTAP Regulations - Redlined Version](#)