

For Information Only

Airport Ground Transportation Tender - Status Report

Presented To: Operations Committee

Presented: Monday, Dec 03, 2012

Report Date: Wednesday, Nov 21, 2012

Type: Correspondence for Information Only

Recommendation

For Information Only

Background

On May 22, 2012, Council received a report for information entitled "Airport Ground Transportation and Taxi Licensing By-law". The report provided a brief description of the current taxi licensing program and the resolution of the Board of Directors of the Greater Sudbury Airport Community Development Corporation (SACDC) to "obtain the necessary approvals from the City Council to amend the Taxi By-law to facilitate the tender of ground transportation services at the Greater Sudbury Airport." (See attachment to this report)

Greater Sudbury Airport Ground Transportation Services Tender - Update

Staff from Greater Sudbury Airport, Growth and Development and Legal Departments has met to discuss the tender document, the consultation process with the stakeholders in the taxi industry and by-law amendments that may be required to aid in the implementation of contracted transportation services at the Airport.

The tender document is expected to be released to the public on November 30, 2012. A letter will be sent to all licensed taxi and shuttle owners advising of the Request for Proposal (RFP) release and information meeting. The meeting will be mandatory for all bidders and is expected to be scheduled for no later than December 7, 2012. The meeting will be held by the Greater Sudbury Airport and Growth and Development Staff will be in attendance to answer questions. This will be part of the consultation process described in the previous report.

The RFP will have a target closing date of January 18, 2013, and is expected to be awarded before March 29, 2013. A report will be forthcoming to Council before March 8, 2013 with recommendations for proposed

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by-law amendments essential to awarding the contract. The table included in this report provides a summary of the targeted milestone dates. Although staff are confident that these dates are realistic, they are targets and may have to be adjusted to allow for any contingencies in the process.

Event	To be Completed Before	Description
Release of RFP – through City Supplies and Services Dept.	November 30, 2012	Staff will send Information letter and invite to public meeting to all current licensed taxi and shuttle owners.
Information meeting with taxi industry and potential bidders	December 7, 2012	To be held at the Airport by Staff. Consultation with Taxi Industry
Closing date of RFP	January 18, 2013	
Evaluation and Contract Award	February 1, 2013	Recommendations made to SADC for contract award
Report to Council	March 8, 2013	Report to Council will recommend any requested by-law amendments, if necessary for contract award.
Contract Awarded	March 29, 2013	Conditional upon any required by-law amendments being enacted.
Transition Period	April thru June, 2013	Airport to work directly with contractor to finalize details of the contract. Staff will monitor and respond to any inquiries or requests from Taxi Industry and Council.
Ground Transportation Services in place by contractor	July 8, 2013	Review of services provided and respond to any question or concerns from the taxi industry. Final report to Council if required.

Anticipated By-law Amendments

The successful service provider of this contract will be expected to comply with the current provisions in place for taxi and shuttle services found in by-law that licenses and regulates these businesses. This will ensure that the standards in the by-law for health, safety and consumer protection are upheld and consistent with the current industry.

The Airport may approve the successful proponent to provide transportation services and implement those services without any amendments to the current by-law; however, there may be requests from the taxi industry and the Airport for changes to the by-law as a result. Staff will be using the process of this RFP to consult with both groups to determine what is desired, and present a report that contains options for Council's consideration.

Staff anticipates a request for amendments to the by-law for a more predictable and efficient method of calculating taxi and shuttle fares between the airport and destinations within the Greater City. There have been complaints in the past of the high cost of taxi rates to and from the airport and the method by which they are calculated. Staff sees this RFP process as an opportunity to review the rates and propose a new method of calculation which will benefit the taxi industry and the travelling public.

The report introducing this subject on May 22, 2012, indicated that contracting ground transportation services at the GSA may have an impact on the current taxi and shuttle operators at the airport. Staff will be

better able to determine what this impact is as this process unfolds. Consultation with the industry during this process and a review of the impact on the current licensees is essential prior to recommending any changes to the by-law. An update of this item will be included in the March report. If concerns by the taxi industry remain outstanding during the final review stage of this process, an additional report will be forthcoming to Council with recommendations addressing those concerns.

Conclusion

Staff has worked co-operatively to prepare and present an RFP for contracted ground transportation services at the Greater Sudbury Airport which is anticipated to be released at the end of November. Staff is prepared to follow this process and update Council with reports and options for potential amendments to the by-law addressing potential concerns from both the Greater Sudbury Airport and the current taxi and shuttle industry. These reports will provide a comprehensive review of the issues and comments received from the consultation process along with options for Council's consideration while at the same time upholding the intent of the by-law, fairness to the stakeholders of the industry and benefit the travelling public.

For Information Only

Airport Ground Transportation and Taxi Licensing By-law

Presented To: Finance and Administration Committee

Presented: Tuesday, May 22, 2012

Report Date: Tuesday, May 08, 2012

Type: Correspondence for Information Only

Recommendation

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Current Taxi By-law Provisions

The City of Greater Sudbury Taxi By-law, 2008-180 as amended, regulates licenses and governs taxi, limousine and shuttle transportation for the purposes of health, safety and consumer protection. It provides for 3 classes of taxi licenses which restrict certain classes of taxicabs to certain geographic areas of the City. Part of the reason for this restriction was due to amalgamation. The effect of the system prior to amalgamation was that taxicab licenses within the former City of Sudbury were granted a monopoly to operate within the former City boundaries and were limited in number, while each of the outlying, rural municipalities had their own taxicabs with similar geographic restrictions on their areas of operations. The restrictions to the classes of licenses as follows is to ensure that residents and visitors within the outlying areas of the City of Greater Sudbury continue to have a level of taxicab service available to them which is timely and available from sources outside of the downtown core of the City. The following table shows the differences in the classes of taxi licenses.

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Comparitive Chart of Taxicab License Classes

Class of Taxi	Zone 1	Zone 2	Zone 2 + Airport
Area of Operation	Pickup in Former City only – unless fare terminates in Former City Pickup and drop off at the Airport	Pickup in areas outside Former City only – unless the fare terminates outside Former City Cannot pick up at Airport	Pickup in areas outside Former City only – unless the fare terminates outside Former City Pickup and drop off at the Airport
Restrictions on Number of Taxicab Licenses	92 + 8 Accessible Taxi (1 taxicabs per 1000 residents as per formula)	No restrictions	No restrictions
Number of Current Licenses (April 2012)	92 + 7 Accessible Taxi	10 + 1 Accessible Taxi	16
Age of Taxicabs	Vehicles must be no older than 7 years	No restrictions	Vehicles must be no older than 7 years
Insurance	\$2 million	\$1 million	\$1 million
Availability	24 hrs/7 days a week	Unregulated	Unregulated
Minimum Annual Safety Inspections	2	1	2
Annual Licence Renewal Fee	\$200	\$100	\$200

Airport Ground Transportation

On June 13, 2011, the Greater Sudbury Airport (GSA) conducted a meeting with all the Zone 2 + Airport Taxi owners to introduce a "Code of Conduct" that was to be implemented to address the long list of known issues and challenges associated with the taxi and shuttle services being provided at the airport. The list included poor dress code and inadequate personal hygiene, intense competition for business which caused personal conflict and unsafe operating practices, inconsistency of operating hours and a host of other problems. Staff worked with the GSA closely in developing a Code of Conduct that clearly establishes the guidelines and procedures to be followed by the taxi operators, ensuring that the rules were consistent with the regulations currently established in the Taxi By-law and other relevant legislation.

The Code of Conduct was implemented by GSA in August, 2011, and all taxicab owners and drivers were required to sign an agreement and be approved to operate at the airport, pursuant to the Code of Conduct. As of April, 2012, 11 licensed taxi and shuttle companies and 40 licensed taxi drivers are authorized to wait in the queue to pick up fares at the airport.

On May 1, 2012, the Sudbury Airport community Development Corporation (SACDC) heard a report from the CEO of the Greater Sudbury Airport, identifying the shortfalls of the goals the Code of Conduct intended to reach; attached as Appendix 1. The report identifies the most significant problem still remains since implementing the Code; the unpredictability of taxi and shuttle operating hours which results in taxi shortages and/or no taxi services at all. The report also identifies that the Code of Conduct has not removed the competition between drivers which exposes customers to unsafe and unethical operating practices.

The Board of Directors of the SACDC passed a resolution on May 1, 2012 to direct the CEO of GSA "to obtain the necessary approvals from the City Council to amend the Taxi By-law to facilitate the tender of ground transportation services at the Greater Sudbury Airport." The resolution is also attached to this report as Appendix 2.

Conclusion

Although it was deemed that tendering ground transportation services at the GSA was the best option, it is understood that moving forward with the process involves a number of other important considerations, including the impact that this could potentially have on the livelihood of the current taxi and shuttle operators at the airport.

Staff is dedicated to continue to work with the Greater Sudbury Airport during the full tender process in consultation with the Taxi and Shuttle owners and drivers to ensure this transition is viable and successful for all involved. Consultation with the City's legal department is underway, and options will be investigated to facilitate the current affected taxi and shuttle licenses with the least impact as possible.

Once the tender document has been prepared and staff has a more fulsome review of the ground transportation requirements needed to service the GSA and has had an opportunity to review comparative models in other municipalities with the similar services, staff will be returning to Council with a comprehensive report. This report will include recommendations to amend the Taxi By-law to facilitate the tender of ground transportation services at the Greater Sudbury Airport while mitigating negative effects this may have on the current taxi and shuttle operators.

Background:

In August 2011 the Board was briefed on a joint initiative with the City to implement a "Code of Conduct" to improve ground transportation at the Greater Sudbury Airport. This initiative was seen as a last attempt to address major deficiencies in the present system.

The Board was made aware of a long list of issues and challenges associated with the present taxi and shuttle services. This list included poor dress code and inadequate personal hygiene, intense competition for business which caused personal conflict and unsafe operating practices, inconsistency of operating hours and a host of other problems.

The Board was further advised that the purpose of implementing the Code of Conduct system was to establish operating guidelines to improve ground transportation customer services. Operators failing to meet the standards set out in the policy would receive demerit points and would stand to lose their operating privileges at the GSA when their demerit points accumulated to certain levels (refer to attached policy).

While certain objectives of Code of Conduct were achieved the new system has fallen short of its overall goals. The most significant problem remains the unpredictability of taxi and shuttle operating hours. The operators (drivers) themselves determine when they will provide services and the hours they will work. This current system results in taxi shortages and/or no taxi services at all on many occasions during the week which creates a significant inconvenience, and on occasion, leaves customers stranded at the airport. As our business grows we have found the number of occasions when taxis aren't available is becoming more prevalent and customer complaints have escalated. Most shortages occur at the absolute worst times, late in the evening or on the weekends, and frustrated customers have directed their rage and discontentment towards the GSA. Consistent exposure to this shortcoming does irreparable damage to our reputation and negativity becomes deeply rooted in the minds of the traveling public.

The other most notable shortfall of the Code of Conduct system is that it does not remove the competition between drivers. Conflict between drivers has not diminished and continues to expose customers to unsafe and unethical operating practices.

Tender Service

On Monday March 26th, 2012, the various players from the City of Greater Sudbury and the GSA met to search for a permanent solution to the ground transportation debacle. In addition to City and Airport staff, Leah Miller from our Board also participated in the meeting.

Consensus was reached amongst the participants and a strong recommendation was put forth to tender the service. It was felt that tendering the service to one company would remove competition and provide the GSA the necessary contractual controls to ensure the highest and best standards in the industry.

While tendering was deemed to be the best option, it was well understood that moving forward with this process involved a number of other important considerations. The most notable was the fact that tendering the service could potentially impact the livelihood of the current operators at the airport. In addition, City Council would be required to approve amendments to the existing taxi By-Law.

From a strategic perspective, buy-in from all stakeholders was seen as a critical first step in the process. To this end, the first priority was identified as obtaining support from the City Senior Management Team (SMT), as well as, the SACDC Board of Directors. In addition, support will be solicited from various other stakeholders who have a vested interest in seeing ground transportation services improved at the GSA, which include the Chamber of Commerce, GSDC, Tourism and other businesses.

Once the support is in place a comprehensive report will be brought forth to City Council for approval. It is anticipated that before City Council deliberates the virtues of tendering airport ground transportation in an open camera public meeting, they would have had the benefit of being fully apprised of the issues at play and the reasons for the recommendations to amend the By-law.

In closing, as noted above, there is a considerable amount of work to do to achieve our goal of enhancing taxi and shuttle services. It will require open and honest dialogue with a number of stakeholders and the community in general. As we move forward through each stage in this process we will keep the Board apprised of our progress and of any issues that require the attention of the Board.

In light of the above, a resolution has been prepared for Board consideration.



RESOLUTION OF THE BOARD OF DIRECTORS

OF

SUDBURY AIRPORT COMMUNITY DEVELOPMENT CORPORATION

(Hereinafter referred to as "the Corporation")

RESOLUTION #2012-426

WHEREAS the Greater Sudbury Airport is a gateway to the City of Greater Sudbury and represents on many occasions an opportunity to provide that first positive impression of our community;

AND WHEREAS the Greater Sudbury Airport strives to achieve the highest service standards on ground transportation;

AND WHEREAS the current ground transportation system has serious shortcomings which have undermined the Greater Sudbury Airport's efforts to implement a system with acceptable customer service standards;

NOW THEREFORE BE IT RESOLVED THAT the Board of the SACDC directs the CEO to obtain the necessary approvals from City Council to amend the Taxi By-law to facilitate the tender of ground transportation services at the Greater Sudbury Airport.

DATED: May 1, 2012

THE UNDERSIGNED, being an Officer of the Corporation, hereby signs the foregoing Resolution # **2012-426** pursuant to the provisions of the Corporations Act (Ontario).

Claude Lacroix, Chair