



City of San Antonio

Agenda Memorandum

File Number:16-3882

Agenda Item Number: 38.

Agenda Date: 6/30/2016

In Control: City Council A Session

DEPARTMENT: Police Department

DEPARTMENT HEAD: William McManus, Chief of Police

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Extension of Transportation Network Company (TNC) Agreements

SUMMARY:

The Transportation Network Company (TNC) agreements will expire during the coming months. Council was briefed during B Session on June 15, 2016 and support staff's recommendation to extend the current agreements to align them all with an October 2016 expiration date.

BACKGROUND INFORMATION:

On August 13, 2015, the San Antonio City Council passed an ordinance allowing the City Manager to approve an operating agreement with TNCs that would allow them to operate in San Antonio. The TNCs began operating in San Antonio on October 13, 2015 under a temporary nine-month operating agreement. Since that time, three companies have actively started working under the operating agreements - Uber, Lyft, and Get Me. A fourth company - Bid My Ride - has signed the agreement but hasn't yet started operations. The agreements for Uber, Lyft and Get Me expire on July 13, 2016, September 3, 2016, and October 14, 2016.

The operating agreements provide riders with the option to choose drivers that have voluntarily submitted to a 10-fingerprint identity verification criminal background checks. The agreement also allows individual drivers (who are in a sense, small business owners) to choose whether voluntary fingerprint checks make business sense for them. It is also designed to allow City Staff the opportunity to gather data on actual TNC operations in the City.

The operating agreement also:

- Requires TNCs to conduct initial and annual third-party criminal background and driver history checks.
- Requires training on, and compliance with, ADA requirements.
- Requires a zero-tolerance policy on drug/alcohol use, harassment (sexual or otherwise), and discrimination (on the basis of those categories outline in the City's Non-Discrimination Code).
- Requires TNCs, TNC drivers, or both to carry insurance as mandated by HB 1733 from the first day of the agreement.
- Requires a vehicle to be inspected before it begins operation as a TNC vehicle.
- Allows the City to conduct random visual inspections of drivers and vehicles active on the platform.
- Requires the TNC to provide certain operations data to City staff each quarter.
- Requires the TNC to pay \$1.00 for each trip originating at the airport.
- Allows either party to terminate the agreement with 30 days notice.
- Suspends provisions of Chapter 33 of the City of San Antonio Municipal Code applicable to TNCs, and Chapter 3, Division 4, and the rules and regulations developed pursuant to that chapter for a period of nine-months from the time the TNC begins operations in the City.

The TNC agreement provided for no-cost fingerprinting to any TNC driver that applied and 205 drivers requested an application. Of that, 138 completed the process and passed the background, and of that, 119 picked up their verification card. No applicant has failed the background but some have not completed the process. The SAPD process takes approximately 5-7 business days; 1-2 days for the driver to receive the application, 3 days to get the background returned to GTU, and 1-2 days for GTU to let the driver know they passed. The driver then works with each TNC to get their "T" number uploaded to the app. Each TNC places the "T" number on the same screen as the driver's photo and car description, advising the rider of the driver's additional screening.

Over the past eight months, the SAPD's Ground Transportation Unit (GTU) has conducted 124 "secret shopper" rides with the TNCs and generally found the cars were clean, drivers were presentable and personable. Average wait times were 3-5 minutes and drivers took a direct route. GTU found, similar to other vehicles-for-hire, that there were some instances of minor speeding, cell phone use, and acceptance of cash tips (not permitted in the TNC ordinance) but those were minimal occurrences. During this time, there were no reports of TNC drivers driving while intoxicated or under the influence (DWI or DUI) nor is the SAPD aware of any drivers engaging in illegal activity.

As required by the TNC Operating Agreement, the City held two round table discussions with members of the public on May 18 and June 1, 2016, with approximately 175 members of the public in attendance. Staff also surveyed the public regarding their experience using Rideshare and traditional Vehicles-For-Hire. Over 2,700 surveys were complete as of June 1, 2016. Staff presented the results of the roundtables and survey at the June 15th City Council B Session. Staff recommended that we align all the TNC agreements to expire October 2016.

Uber's operating agreement expires on July 13, 2016; Lyft's agreement on September 3, 2016 and GetMe's on October 14, 2016. BidMyRide has a signed agreement but has yet to start operations. Aligning the operating agreements to expire concurrently in October provides staff time work with the TNCs and traditional vehicles for hire companies to draft changes to Chapter 33 to and provide council with an update on the issues presented during the B Session.

ISSUE:

TNCs are currently operating under a temporary nine-month operating agreement with the City and three companies have executed agreements - Uber, Lyft, Get Me - all with different expiration dates. A fourth

company, Bid My Ride, has an executed agreement but has not yet started operations.

Rather than suspend TNC operations, staff recommends extending all current TNC operating agreements to October 31, 2016. Staff will return to City Council in October 2016 with feedback and recommendations for revisions to Chapter 33.

ALTERNATIVES:

- 1) Extend the expiration date of the TNC agreements to October 31, 2016.
- 2) Amend Chapter 33 prior to the expiration of the agreements.
- 3) Allow the TNC agreements to expire and require TNCs to operate within the current confines of Chapter 33.

FISCAL IMPACT:

The proposed operating agreement extensions will require the TNCs to remit the prorated portion of the \$25,000 annual operating fee for the extension of the agreement. Respectfully: Uber \$8,320.00. Lyft \$4,160.00. GetMe \$2,080.00. Totaling \$14,560.00

RECOMMENDATION:

The Department recommends extending the current operating agreements to expire on October 31, 2016.