Agenda – Council – April 29, 2021

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – April 20, 2021

Item No. 2 Annual Update on the Vehicle for Hire Industry and Amendments to the Vehicle for Hire By-law

STANDING COMMITTEE RECOMMENDATION:

On April 21, 2021, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the following to Council:

1. That the update provided on the vehicle for hire industry be received as information.

2. That the Vehicle for Hire fee schedule be updated as set out in Appendix A effective March 1, 2021.

3. That a 3-year pilot project (2021-2023) for "Improvements to Accessible On Demand Transportation Service" be endorsed, and the expenditure of Accessibility Surcharge funds in accordance with the framework plan laid out in Appendix B, including the issuance of a request for proposal related to the centralized accessible dispatch system in order to improve accessible on-demand vehicle for hire service and the Accessible Transportation Incentive Program, be authorized.

4. That the authority be delegated to the Designated Employee (Manager of Vehicles for Hire) for the administration of the program, as recommended in the Framework included in Appendix B.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – April 20, 2021

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 21, 2021, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On April 20, 2021, the Standing Policy Committee on Infrastructure Renewal and Public Works recommended to the Executive Policy Committee and Council:

1. That the update provided on the vehicle for hire industry be received as information.

2. That the Vehicle for Hire fee schedule be updated as set out in Appendix A, effective March 1, 2021.

3. That a 3-year pilot project (2021-2023) for "Improvements to Accessible On Demand Transportation Service" be endorsed, and the expenditure of Accessibility Surcharge funds in accordance with the framework plan laid out in Appendix B, including the issuance of a request for proposal related to the centralized accessible dispatch system in order to improve accessible on-demand vehicle for hire service and the Accessible Transportation Incentive Program, be authorized.

4. That the authority be delegated to the Designated Employee (Manager of Vehicles for Hire) for the administration of the program, as recommended in the Framework included in Appendix B.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Jesse Turner, Accessibility Advisor, The University of Winnipeg, submitted a communication with respect to the matter.

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – April 20, 2021

DECISION MAKING HISTORY (continued):

COUNCIL DECISION:

On March 25, 2021, Council ruled automatic referral of the following motion to the Standing Policy Committee on Infrastructure Renewal and Public Works:

Moved by Councillor Allard,
Seconded by Councillor Rollins,

BE IT RESOLVED that Council concur in the recommendations contained in the report of the Winnipeg Public Service dated January 28, 2021, with respect to the Annual Update on the Vehicle for Hire Industry and Amendments to the Vehicle for Hire By-law, namely:

1. That the update provided on the vehicle for hire industry be received as information.

2. That the VFH fee schedule be updated as set out in Appendix A effective March 1, 2021.

3. That Council endorse a 3-year pilot project (2021-2023) for "Improvements to Accessible On Demand Transportation Service" and authorize the expenditure of Accessibility Surcharge funds in accordance with the framework plan laid out in Appendix B, including the issuance of a request for proposal related to the centralized accessible dispatch system in order to improve accessible on-demand vehicle for hire service and the Accessible Transportation Incentive Program.

4. That the authority be delegated to the Designated Employee (Manager of Vehicles for Hire) for the administration of the program, as recommended in the Framework included in Appendix B.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Annual Update on the Vehicle for Hire Industry and Amendments to the Vehicle for Hire By-law

Critical Path: Standing Policy Committee on Infrastructure Renewal and Public Works - Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
R. Topolniski/G. Heather	J. Berezowsky	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

On March 1, 2018 the *Local Vehicles for Hire Act* came into force, thereby dissolving the Manitoba Taxicab Board and requiring the City to assume responsibility for regulation of the vehicle for hire (VFH) industry in Winnipeg through the passage of a VFH By-law.

The VFH By-law has continued to support a more streamlined and modernized vehicle for hire industry by reducing the regulatory burden on taxis, increasing the industry's capacity to meet demand by allowing more vehicles for hire on the road, adding to the accessible taxi fleet, and implementing improvements to both driver and passenger safety. Since assuming responsibility for VFH regulation, the VFH office has continued to develop collaborative relationships with the industry and stakeholders. With the increase in the number of accessible vehicles, the industry is now positioned to further improve accessible service. This report outlines more steps being taken in that direction.

There are no proposed changes to the maximum fare schedule for 2021. As well, the VFH office has continued to focus on safety as a priority.

Recommendations in this report are intended to continue to ensure the industry operates as efficiently and safely as possible while continuing to innovate and modernize. The VFH office aims to address feedback from various stakeholders (including the taxicab industry, personal transportation providers, accessibility advocates and passengers who use vehicle for hire services, and industry partners), and take a proactive approach in making improvements to the overall regulatory and licensing regime.

Highlights of recommendations proposed in this report are:

- adjusting and realigning licensing categories in the fee schedule to improve clarity and better reflect the reality of the industry;
- providing the framework for the City to implement the Winnipeg WAV (wheelchair accessible vehicle) pilot project, which should address concerns with accessible on-demand transportation.

Proposed by-law amendments are likely to be brought forward to Council later in 2021 as they are currently being considered and discussed amongst stakeholders.

This report also includes an update on the use of diamond lanes by taxicabs based on data collected by Winnipeg Transit. There are no recommended changes to the restrictions on the use of diamond lanes at this time.

The management, licensing, regulatory oversight, and other initiatives for the VFH industry are currently projected to be cost neutral, even in light of the COVID-19 pandemic, and will have no budgetary impact to the City.

RECOMMENDATIONS

1. That the update provided on the vehicle for hire industry be received as information.

2. That the VFH fee schedule be updated as set out in Appendix A effective March 1, 2021.

3. That Council endorse a 3-year pilot project (2021-2023) for “Improvements to Accessible On-Demand Transportation Service” and authorize the expenditure of Accessibility Surcharge funds in accordance with the framework plan laid out in Appendix B, including the issuance of a request for proposal related to the centralized accessible dispatch system in order to improve accessible on-demand vehicle for hire service and the Accessible Transportation Incentive Program.

4. That Council delegate authority to the Designated Employee (Manager of Vehicles for Hire) for the administration of the program, as recommended in the Framework included in Appendix B.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

REASON FOR THE REPORT

This report is the third of five annual reports required by Council, as per the December 13, 2017 report on VFH By-law approved by Council, which directed:

> “That the Public Service be required to report back every 12 months for the first 5 years with an update on the vehicle for hire industry under the new By-law and to request approval for any By-law revisions deemed necessary.”

As well, on December 19, 2019, Council directed that, in consultation with Transit, future reporting on the use of diamond lanes by taxis should be included the VFH Annual Report.

Only Council has the authority to approve an updated fee schedule and the utilization of the accessibility surcharge funds.

IMPLICATIONS OF THE RECOMMENDATIONS

This report proposes a framework for improvements to the accessible service in Winnipeg, funded through the Accessibility Surcharge, and requests authority to continue to move forward through the issuance of an RFP for a centralized accessible dispatch service provider.

There is also a proposed revised VFH fee schedule, that includes an updated breakdown of vehicle categories that is more reflective of the current state of the industry. Over the past several years we have noted that the dispatcher licence categories as originally presented were in some cases too broad and hampered the growth of some dispatchers due to the cost. The proposed fee schedule attempts to adjust those categories, providing varying ranges, which should provide more flexibility to dispatch companies to grow as the needs of the industry change. The other change is creating a specific category of dispatch licence within the general personal transportation provider (PTP) category for those dispatchers who are exclusively limousine/luxury service providers. These are often smaller companies and are unable to "scale up" in numbers of vehicles the same way that a ride-share PTP would be able to. VFH is proposing the addition of several dispatch categories in order to provide more flexibility to dispatchers on the numbers of vehicles they have operating under their licence. The fees associated with that reflect a staged approach to the numbers of vehicles, as well as the resource costs to administer, licence and enforce those dispatchers operating in the categories.

HISTORY/DISCUSSION

On November 9, 2017, the Province of Manitoba passed the *Local Vehicles for Hire Act*, which dissolved the Manitoba Taxicab Board, repealed the *Taxicab Act* and associated regulations, and statutorily transitioned oversight and regulation of Winnipeg's VFH industry to the City, effective February 28, 2018.

The City of Winnipeg assumed responsibility for the VFH industry by enacting a new VFH By-law that streamlined and modernized VFH regulations, with an emphasis on passenger and driver safety, as well as an aim to increase accessible service and options for passengers. This report's recommendations, combined with recent achievements made since the City was assigned responsibility for VFH regulation, will continue to resolve these concerns and allow for further improvements in the industry.

The following recommendations will make oversight and enforcement more efficient, address feedback from industry stakeholders, and offer improvements to the VFH industry.

Recommendation 2- VFH Fee Schedule (Appendix A)

A proposed updated fee schedule for the VFH industry will provide additional clarification to existing fees that are already in place. The evolution of the industry has necessitated consideration for changes to the fee schedule. The proposed re-alignment of dispatcher licence categories and the associated fees better reflect the current realities of the industry as well as addressing opportunities to better set up future growth. In general, the new fee schedule provides for more accurate dispatcher licence bands, that addresses the variations in the various service providers. The proposed changes are highlighted in yellow on the attached fee schedule. In implementing this new VFH schedule, there is no anticipated increase to the revenue collected from these items. There are no changes to the per trip surcharges, accessibility surcharge or safety surcharge that are collected.

Recommendation 3 – Accessible On-Demand VFH service (Appendix B)

Appendix B provides the conceptual framework and proposed details of a proposed pilot project for a centralized dispatch system for on-demand accessible service. The appendix contains information pertaining to the work done on this project to date, including the public engagement and consultations that have occurred, as well as the framework for the next steps in this project, including the opportunity to solicit requests for proposals to select a third-party proponent to be the dispatcher for the system. Once this has been completed and a proponent has been selected, the VFH office and the proponent will move towards implementation of the dispatch system and into the next phase of this project. In addition to a centralized dispatch system, this project will provide incentives to accessible drivers and vehicle owners that will help to address the additional costs associated with purchasing and operating an accessible vehicle, as well as the additional level of assistance and service that should be provided by drivers. These initiatives would be funded through the accessibility surcharge and at no cost to the taxpayer or with a budget impact to the VFH office. The project is currently budgeted at $1.8m over the term of the 3-year pilot project, which is to include the centralized dispatch system and its operation as well as the incentives for vehicle owners and drivers. Actual financial implications will be determined through the RFP process and negotiated within the approvals requested. If the existing accessibility surcharge collected on trips is not sufficient to cover the actual program costs, a recommendation will be brought forward to Council at the next annual report to amend the accessibility surcharge accordingly. This pilot project program will be reviewed on a yearly basis as part of VFH annual report to ensure that there continues to be no negative impact on the VFH budget.

In order to accommodate timing, possible VFH By-law amendments may be brought forward later in 2021.

Key achievements and VFH industry update:

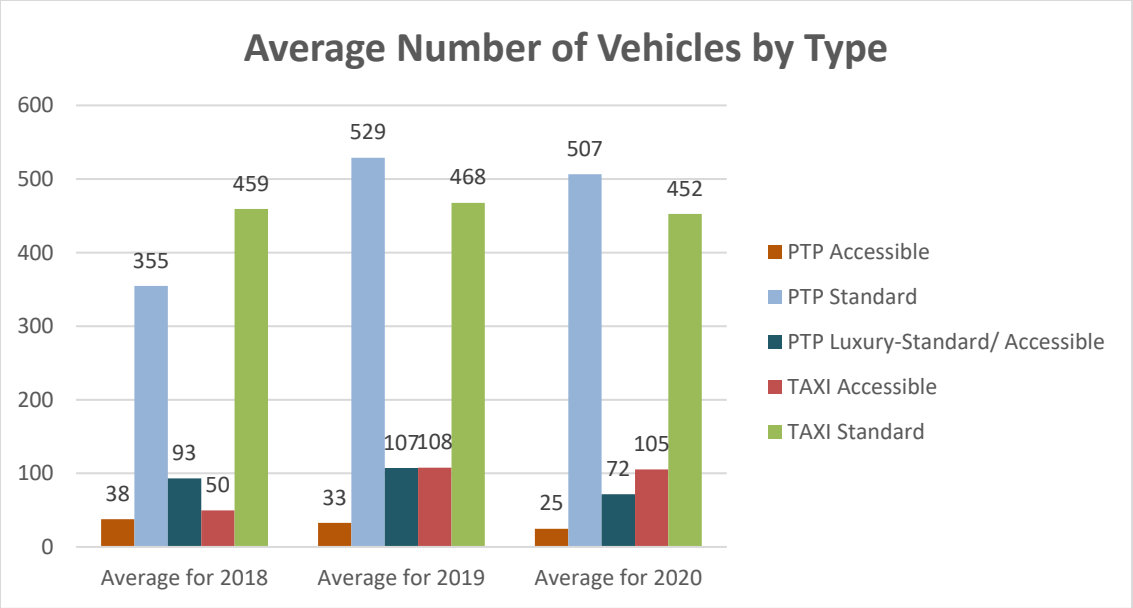
1. The industry has played, and continues to play, an important role during the COVID-19 pandemic, in allowing citizens to continue to move around, obtain important goods and services and to ensure they are able to get to work, medical appointments and continue their lives, as best as possible. However, 2020 has been a challenging year for the industry, with a number of vehicles coming off the road for significant periods of time, as the demand dropped. While demand was high in early 2020, as the pandemic took hold and lockdown orders were put in place by Public Health, demand dropped off significantly, affecting the industry. With the single highest cost to being vehicle insurance, many cars were pulled off the road at that time, and drivers simply sat idle. VFH saw a drop of nearly 50% of available vehicles from March 2020 to April 2020. The hardest hit sector of the industry however has been the limousine and luxury vehicle category. With large gatherings not occurring, including weddings, grads and funerals, this category has seen a large amount of their normal business dry up. These service providers were also impacted by the fact that air travel has decreased significantly. There are however some service providers who have continued to operate throughout.

   To that end however, as the demand for transportation has increased since April, the number of vehicles available to provide service has increased as well, with an average of 1,160 available vehicles each month, which is close to the 2019 average of 1,244. This has shown the overall resiliency of the industry and an obvious need to have vehicles available to move passengers around.

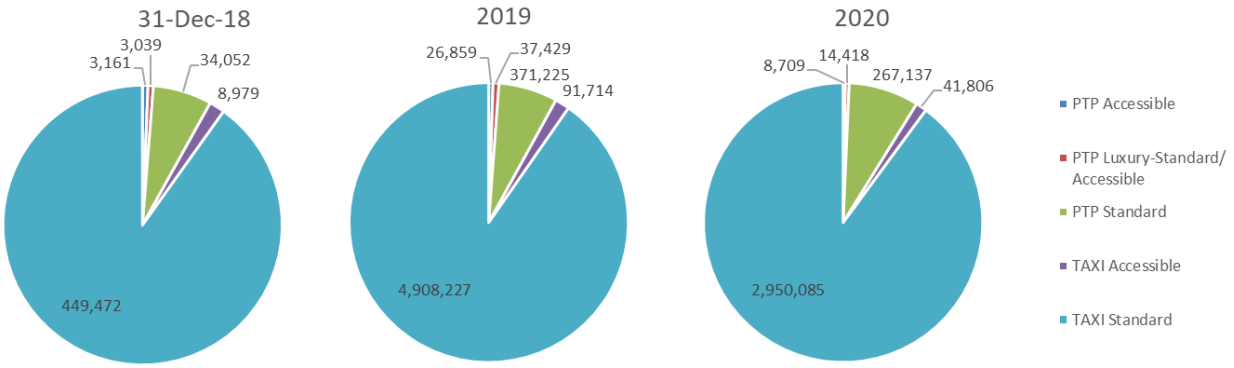
2. The numbers of taxis available for service in 2020 remains at 600 licences issued, while we have seen an average of 603 PTPs available. These numbers have varied throughout the year dependent on demand. The average number of taxis operating in Winnipeg has remained constant during this period, but can generally fluctuate and be affected by demand, and vehicle repairs and maintenance.

3. The PTP category continues to provide scalable capacity and is driving increased competition in the industry. The overall level of customer service continues to improve, as does the availability of vehicles and accessibility of service. As well, this segment of the industry provides an opportunity for citizens to earn additional income, especially at a time when other opportunities may not be available, as well as providing flexibility of schedule to accommodate other commitments.

4. This year saw Uber enter the Winnipeg market in the PTP category, beginning to offer transportation service in July 2020.



The average number of standard PTPs available decreased from 2019 (by 22 vehicles, from 529 to 507), but is still up significantly over 2018. This is mainly due to the fact that the COVID19 pandemic has had many drivers, who tend to be more part-time in this category, working from home, and therefore simply not out on the road to provide service. As mentioned in the past, it should be noted that there could in fact be some double-counting of vehicles and we are aware that many drivers are registered with multiple PTP dispatchers and would be reported more than once. While the number of PTP vehicles and taxis are nearly even, taxis continue to provide significantly more trips than do PTPs.



Year-to-date (January to September) in 2020, there have been 3,282,155 trips completed in the vehicle for hire industry. This is an average of 364,684 trips per month, but has been heavily impacted by the COVID-19 pandemic. Prior to the pandemic taking grip in March 2020, the industry was on pace to have another year of growth, based on year over year comparison.

The 2019 year ended with 5,435,454 trips (an average of 452,955 trips/month). The 10-months (from March 1 to December 31, 2018) saw 4,309,216 reported trips in Winnipeg (an average of 430,922 trips/month). The 2019 average increase over 2018 was 5.1% in the number of trips per month.

The impact that the COVID-19 pandemic has had on the industry has been significant. The industry has seen a significant loss of trips that would normally be provided to those airline passengers travelling for business or pleasure, including the week of spring break, which occurred early in the pandemic. As well, lockdown/shelter in place and other restrictions (such as the cancellations of festivals, concerts and other sports events, as well as reductions in the number of patrons that can be in restaurants, patios and bars) that have been in place throughout 2020 have impacted the industry. This includes the loss of an entire high school grad and wedding season in the spring and summer. The limousine/luxury vehicle category has been the most significantly impacted.

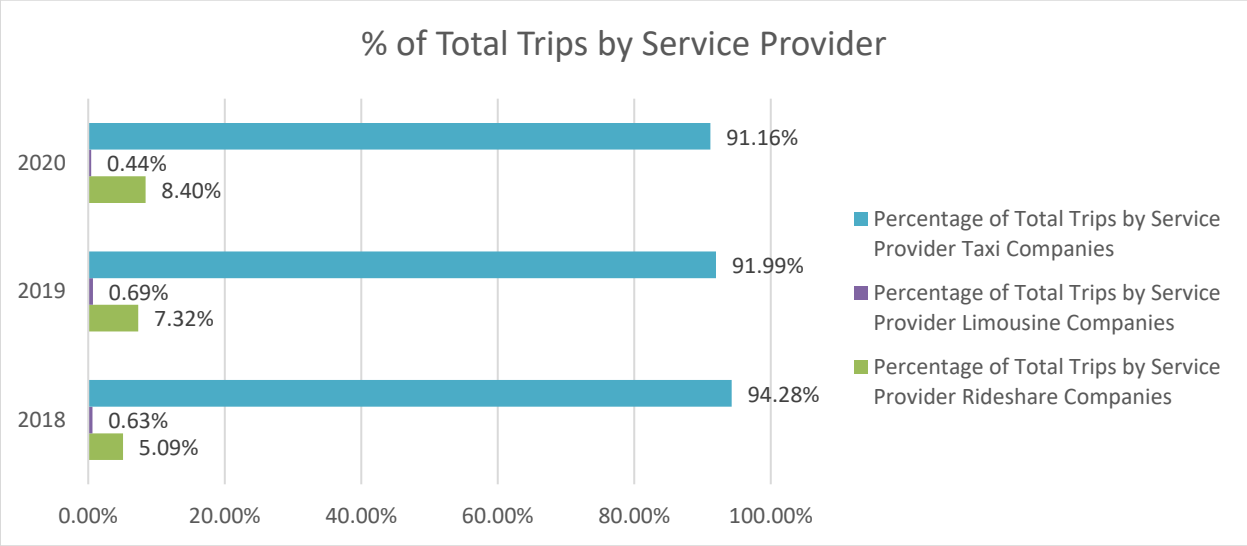
The industry has worked hard to ensure that they have been available to provide service to the citizens of Winnipeg throughout the pandemic. VFH has seen an uptick in the number of trips over the past several months, and while reported trips have not returned to pre-pandemic levels, there have been increases. When the two hardest hit months of 2020 (April and May) are removed from the numbers, the 2020 average increases to 403,145 trips/month. This is still below both 2018 and 2019 levels, but does demonstrate the increases that have been seen, as well as the impact of the pandemic.

Part of the increase in trips over the past several months may be attributed to a few items:

- More Winnipeggers remaining in the City during the normal summer holiday months, and taking the opportunity to “support local” restaurants, patios and bars;
- citizens removing the MPI insurance from their vehicles, and therefore choosing to take a vehicle for hire for transportation;
- malls and casinos were opened at one point in 2020, and people moving around and attending those locations;
- non-emergency medical transportation and people getting to appointments;
- changing behaviours as citizens made a choice in some cases to move from taking public transportation to more “private” transportation.

While the industry did see some bounce back during mid-2020, further Public Health orders that require lockdowns/closures would cause an impact on the industry. Use of vehicles for hire continues to be a much needed and popular mode of transportation. Citizens continue to see the benefits of having access to both taxi and PTP options, and the service providers continue to provide choice and competition. VFH continues to see improving customer service, increasing accountability by the dispatch companies, increased availability and access to vehicles, and this is benefitting citizens and transportation users.

Both standard and accessible taxis continue to provide a large majority of the overall trips, accounting for 91.16% (to the end of September 2020), slightly down from the 91.99% they provided in 2019, and lower than the 94.28% in 2018 (for the 10 months reported from March to December). Limousine/Luxury vehicle service providers have decreased since 2019, from 0.69% to 0.44% in 2020, after remaining steady between 2018 and 2019. Some of the reasons for this drop are mentioned previously. PTPs have increased by a little over 1.1% moving from 7.32% in 2019 to 8.4% in 2020 (to end of September). The numbers of trips being provided by PTPs continues to increase over the past several months and there is a continuing trend where PTPs are providing service to citizens who may otherwise drive their own cars.



Enforcement and regulatory oversight of the industry continues to be a main focus. The VFH enforcement team provides on-street monitoring of the industry, regularly attending to high-use locations and places where vehicles congregate waiting for trips. Vehicle inspection continue to be a major focus of the team. From January 2020 to the end of September 2020, a total of 10,516 vehicles have been inspected by VFH officers under the VFH By-law. In comparison, in 2018, there were 16,706 inspections completed and in 2019, there were 19,969. The number of vehicles on the road, as well as the numbers being inspected have been impacted by the COVID-19 pandemic. While the majority of the vehicles being inspected are taxis, a focus in 2019 has been on PTPs as well. Of these inspections, officers have placed a vehicle “out of service” only 4.01% of the time, which has decreased to 4.97% in 2019. This demonstrates that continued monitoring of vehicles, and proactive enforcement is reducing the number of vehicles that are found to be not in compliance with the By-law and need to be taken off the road.

All vehicles for hire are required to meet certain standards in order to pass inspections, and are expected to meet those minimum standards at all times. Roadside or call-in vehicle inspections are used to inspect critical components and systems that may pose imminent safety concerns to the public. As well, the VFH office has continued to strengthen its relationship with MPI’s Vehicle Safety Division and has continued to work

closely over the year with them to ensure that any vehicles providing service to customers are safe, reliable, and meet the standards of the VFH By-law and the MPI vehicle inspection and safety certification program.

The Public Service continues to review the numbers of vehicles available to provide transportation service. Given the ongoing uncertainty around the pandemic, the number of vehicles available should be considered sufficient to the present demand. Should there be a sudden increase in the need for on-demand vehicle for hire service, there is a high level of confidence, based on the current number of vehicles and mix of service providers available, that this demand will be met.

There does not appear to be a shortage of vehicles available to provide service, and in fact it appears, as previously indicated, that a number of vehicles have additional available capacity in order to reach their previous high levels of trips.

As has been recommended in previous VFH Annual Reports, the Public Service continues to recommend that when new taxicab licences are issued, based on increased population, that priority be given to accessible vehicles, and that this should be a policy that is endorsed by Council.

Further, given the current COVID-19 pandemic, as well as continued increases in competition in the market, at this time, the Public Service is recommending that no changes are made to the maximum fare schedule. It is recommended that the fare schedule currently in place for all City of Winnipeg licenced taxicabs remain for 2021 and that the VFH division undertake a review for the next VFH annual update.

Since the introduction of the VFH By-law, the City of Winnipeg has ensured that ongoing consultations with VFH industry stakeholders and the public have occurred, in order to gain valuable insights, and to gather input for consideration while developing future recommendations to Council on the regulation. Over the past year, feedback was gathered specifically on accessibility, safety, education and licencing, as well as enforcement.

The VFH Advisory Committee continued to meet throughout the year, transitioning to an online platform. The Advisory Committee consists of 13 citizens who represent a cross-section of groups or organizations involved in or linked to the VFH industry, including: taxicab owners, taxicab drivers, PTP industry, limousine industry, safety perspective, poverty reduction community groups, Indigenous organizations, the business community, taxi dependent services, accessibility groups and citizen members at large with unique perspectives. The committee has continued to provide beneficial feedback and insights to the Public Service on the various perspectives of the VFH industry, often assisting in developing programs, identifying needs and providing expertise on items. The Advisory Committee has consistently been a “sounding board” for ideas, and has been consulted on concerns and plans, often providing valuable feedback and insight prior to implementation. The Advisory Committee provided feedback on a number of items, most specifically accessibility issues, as well as continuing to improve driver safety, additional driver training and course content, and transitioning driver licencing of

PTPs to the City. A major area that the Stakeholder Advisory committee has provided feedback over the past while has been on improvements to accessible on-demand service and better access to the service for users. The Advisory Committee has also served as a barometer for the industry and its relationship with the public.

Other key highlights and achievements that have occurred since the VFH By-law was enacted by the City include:

- The VFH office has taken a role in communicating, providing guidance, support and where needed, assistance to the industry throughout the COVID-19 pandemic during 2020. Early in March, VFH developed COVID-19 precautionary measures information for distribution to industry, and was posted on our website. In March, the VFH office was closed to the public for service and transitioned to complete online customer service platform. This has been relatively successful, and while there has been some shifting of processes and procedures over the time, as well as additional time spent working with applicants, things have generally gone smoothly. In order to accommodate the varied level of service from some of the service providers that applicants rely on to obtain background checks or training, VFH has been flexible in adjusting requirements (when safety or thoroughness is not considered impacted) or in extending deadlines, especially as it pertained to driver training. Further to this, the VFH office worked with the Winnipeg Police Service to gain a better understanding of the online criminal record check application, and to communicate to the industry the best way to accomplish continuing to get their checks completed. As well, VFH fast tracked its policy implementation regarding the fact that renewing drivers no longer needed to have a vulnerable sector search completed. This expedited many background checks for drivers, allowing them to save time and money and have their checks completed in order to continue working. As the background check providers adjusted to more regular levels and new drivers were able to complete the required training, in order to ensure that licencing of new drivers continued, the VFH office worked with IT and Corporate Communications to determine a solution that included online appointment bookings in order to accommodate in-office hours to complete new driver licencing. This has been a big success! Drivers are able to book appointments to come into the office and complete the licencing process in order to ensure they may continue working. This process has allowed for precautions to be taken to ensure the safety of both the VFH staff and the drivers. We have endeavoured to ensure that we continue to provide service to the industry, have worked to develop processes and procedures that can be implemented easily both online and in safely continuing to provide in-person service.
- As well, the VFH office worked cohesively with the taxi dispatchers to quickly approve both a temporary full shield and a permanent full shield extension to act as a barrier between the front seat and back seat. This was to ensure there was additional protection in place for the driver and passengers. The taxi dispatchers also brought forward guidance and precautionary steps they implemented, which was supported by VFH. Throughout the pandemic, VFH has ensured that any enforcement action balanced the current situation with the continued need to ensure compliance with the By-law. To that end, a number of adjustments were put in place by VFH enforcement.
- In September, Council voted to provide a credit to the licenced vehicle for hire dispatchers who had been operating in April, in recognition of extreme drop in business that occurred. Each licenced dispatcher, who held a valid licence for less than 25 vehicles, received a credit for 1/12th of their dispatch licence fee, while the larger dispatchers with licences over 25 cars received a credit equal to 50% of 1/12th of their

licence fee. This amounted to approximately $16,000 being returned in a credit to the industry in order to assist the dispatchers in providing personal protective equipment, assistance to their drivers and maintaining their operations.

- In an effort to increase awareness and education in taxis, and remind citizens that a taxi is the place of work for the driver, the Taxicab Code of Conduct was deployed into all taxis within Winnipeg in 2020. The document is in both English and French. This initiative was done at no cost to drivers or owners and the cost was covered through the Safety and Security surcharge that is collected. This project had been part of the Safety and Security report approved by Council in January 2019. VFH Enforcement officers maintain copies of this in their vehicles, and can replace any damaged or lost ones. A copy is provided in Appendix C.
- The VFH office has continued to support and develop relationships within the community and of industry-affected organizations throughout Winnipeg. Tourism Winnipeg has been provided a seat on the VFH Stakeholder Advisory committee, as well VFH is looking to strengthen its lines of communication with Indigenous organizations in Winnipeg. These groups continue be a valuable resource and provide insights into how VFH service affects the community as well as assisting in improving customer service and monitoring. The Public Service has also continued to strengthen the relationships it started to build in 2018 and 2019, and have continued with this initiative through 2020 in order to ensure that a wide number of perspectives are considered in regulating and overseeing the industry.
- Ongoing cultivation of relationships continues with industry regulatory bodies, including Manitoba Public Insurance (MPI), as well as further developing partnerships with the Winnipeg Airports Authority, and the Winnipeg Police Service (WPS). As previously reported, over the course of several days in late October 2019, the WPS, MPI vehicle inspection division and the VFH enforcement team coordinated and executed targeted vehicle inspection days. During the 2019 inspection program, there were 111 vehicles for hire that were inspected by MPI to ensure they met vehicle maintenance and safety standards, by the WPS for *Highway Traffic Act* offences and by the VFH enforcement team for VFH By-law compliance. While MPI, WPS and VFH had planned to perform these inspections again in March 2020, this project was deferred at that time due to the COVID-19 pandemic until it was deemed safe to proceed. In late September and early October 2020, this targeted inspection campaign was undertaken again by MPI and VFH (the WPS were unavailable to participate). This inspection blitz included an increased focus on PTP vehicles. All totaled, there were 134 vehicles called in for inspection, and 121 vehicles were inspected by MPI safety inspectors and VFH enforcement officers. This included both standard and accessible taxis and standard and accessible PTPs. This coordinated effort is planned to occur again and is being undertaken in order to ensure that vehicle safety standards are met on an ongoing basis. This directly impacts the safety of drivers and passengers using vehicles for hire and works to identify vehicles that require repairs and maintenance in order to meet safety standards.
- The VFH office continues to actively investigate complaints, holding the dispatch companies accountable to respond to citizens, and working towards improving customer service through a balanced approach of communication and education along with by-law enforcement. The department takes legitimate complaints seriously, investigating them and ensuring follow-up with the complainant. Over the course of the year to date (January to end of September 2020), 46 official complaints have been received through 311. Of this amount, 50% pertain to customer service issues, driver conduct and road driving habits. In comparison, VFH concluded 2019 with 86 complaints that had been lodged with 311. We continue to see that the dispatch companies are taking more

responsibility for handling complaints and dealing with customer service situations as well as holding the drivers more accountable for their behaviour.

- From the time that the VFH By-law took effect in March 2018 to the end of September 2020, there have been 23 appeals heard by the VFH Appeal Board, 17 of which had the original decision overturned by the Board (i.e. the Appellant was successful). All appeals to date have dealt with either relevant criminal offence convictions or major driving offences for taxicab or PTP drivers. The appeal process is open and transparent and provides an opportunity to have a case heard by an impartial tribunal committee of citizens that considers the facts of the situation, the character of the appellant, and any relevant or mitigating factors as they weigh the risks and render a decision.
- Since 2018, when the City began regulating the VFH industry, the VFH office has been a member of the International Association of Transportation Regulators (IATR). This worldwide regulatory association includes a strong Canadian Regulators Committee, and schedules regular conference calls to discuss insights, lessons learned, best practices, as well as issues of oversight and regulation. This has been especially important in 2020, as regulators across Canada have been able to discuss and connect on COVID-19 pandemic issues, including support for the industry, measures taken at various times to implement precautions, guidance and regulation to protect drivers and passengers as best as possible. IATR provides a significant opportunity to learn from other municipalities, and to have a network of other regulators to pose questions of, get advice and provide feedback. In addition to sitting on the Canadian Regulators committee, the VFH office continues to sit on the IATR Accessibility Committee and Safety Committee. These committees provide opportunities for the Public Service to hear insights, experiences, and concerns from other regulators and stakeholders in North America in relation to improving safety and accessibility within the VFH industry. IATR moved to hold their annual conference via Zoom in 2020, which allowed more members of the Public Service to participate. The conference was held in October 2020 over 4 days, and included panel discussions related to the VFH industry and focussed on COVID-19 issues, regulatory information, policy setting, enforcement, technology, accessibility, training, and industry changes. At this conference, Winnipeg's VFH was provided the opportunity to present it's report on the Pre-payment pilot project at the conference during the national Canadian Regulators session. This was an opportunity to explain the findings and discuss the lessons learned with our fellow industry regulator partners. There was also significant discussion at the conference on electric/green vehicles, micro-mobility options (such as e-scooters) and multi-modal transportation integration. These are areas that will be explored further in the future. The VFH office continues to reap the benefits of being a member of IATR and would like to make attending this conference a yearly opportunity as it provides substantial benefits to the Public Service and the local VFH industry.
- Since March 1, 2018 taxis have been authorized to use transit diamond lanes in order to improve the service they provide during peak traffic hours. In June 2019, Council approved a report that authorized the use by taxis to become permanent, with ongoing and continued review by the Transit Department and the Winnipeg Parking Authority. From a VFH industry perspective, this remains a favourable opportunity for taxis and their passengers. This allows for taxis to use these lanes in order to expedite their travel, during the rush hour. The Public Service continues to work with and remind the taxi industry of the proper use of diamond lanes. Drivers continue to be reminded of their responsibilities in using the lanes correctly, and to ensure that they are mindful of both bus and cyclist use. This additional use of the transit diamond lanes appears to be working as intended, and WPA and the Transit Department are working on streamlining communication related to issue areas, so those specific areas can be addressed quickly

to impact the behaviour of the drivers. Transit and WPA will continue to work together to monitor and ensure there are no significant impacts to Transit operations and that the proper authorized use and the Highway Traffic Act continue to be obeyed by taxi drivers. To the end of September 2020, there were 14 reported incidents involving taxi infractions in diamond lanes. As reference, 57% were in one specific block. VFH is addressing this area by increased patrols and communications to the taxi dispatch companies and all licenced taxi drivers. Outside of the one specific area, the number of reported incidents is fairly low for the usage levels throughout the City. In comparison, there were 13 reported incidents in all of 2019. Overall, while Transit indicates that there are likely more concerns throughout the City, they often go unreported by Operators, as they do not cause a major impediment to their schedule or operations.

Taxis in Diamond Lanes		
	2019	**YTD 2020**
Issues reported by Transit Operators	13	14

- On September 30, 2019, the VFH office began the mandatory minimum pre-payment pilot project in order to determine whether taxi pre-payment will reduce fare disputes between passengers and taxi drivers. While the pilot project was originally intended to finish in June 2020, the COVID19 pandemic caused it to be cut short with a conclusion of April 30, 2020. While there were some challenges with the pre-payment pilot project, there were also a number of lessons learned that can be applied for future decisions related to this. A full report on the pilot project, including analysis and next steps, was provided for information at the Standing Policy Committee for Infrastructure Renewal and Public Works (IRPW) on December 4, 2020, and so will not be addressed further in this report.
- During 2020 PTP driver and vehicle documentation audits continued to be conducted by the VFH office as part of the ongoing enforcement of the industry. This is undertaken in an ongoing effort to ensure that the PTP dispatchers are complying with their responsibility under the By-law. The VFH office continues to see issues with ongoing documentation vetting and compliance on drivers and vehicles amongst the PTP category. While some dispatch companies have done well in obtaining, and reviewing the documentation submitted by prospective drivers, there are still deficiencies. As well, these reviews continue to identify drivers that do not qualify for registration under the By-law. Based on the result of the reviews, the VFH office continues to issue penalty notices when required. To the end of September 2020, the VFH office has audited 168 vehicles and 71 drivers. The results from these audits, including the fact that only 42% of vehicles and 72% of drivers had the proper, up to date documentation, is troubling. The VFH office is currently reviewing options and may bring forward further by-law changes to ensure that all industry service providers are remaining compliant. The Public Service also worked to educate the PTP companies on their responsibility regarding the registration of drivers and collection of their paperwork. The audit process has identified that this is an area that requires specific attention from the VFH office. This continues to be an area of focus for the Public Service as dispatch companies who fail to properly vet drivers and vehicles does present a risk to the industry and passengers. The VFH office will continue to monitor to see if further amendments to licencing responsibilities need to be proposed in the future.

- The VFH office operates on a budget-neutral mandate generating all revenues needed to sustain its operations through licence revenue, fine revenue, and per trip surcharges. All activities performed by the division are within budgeted amounts. There are synergies with the existing WPA systems, and through the support provided within the department. While revenue was less than budgeted in 2019, the department adjusted its operations to align to its budget neutral mandate. It is anticipated that VFH will continue to remain cost neutral during the 2020 fiscal year.

Vehicles for Hire

	2018		2019		2020
	Budget	Actual	Budget	Actual	Budget
Revenue	$0	$1,346,772	$1,519,000	$1,472,676	$1,545,600
Expenditures	0	1,346,772	1,519,000	1,472,676	1,545,600
Surplus/(Deficit)	$0	$0	$0	$0	$0

Medium to Long-Range Plans for the VFH Industry

The VFH office continues to look for ways to improve the safety for both passengers and drivers, streamline and improve compliance and enforcement, expand the capacity of the industry, and assist in providing an improved level of customer service. In order to do so, some of the plans that the VFH office has for the medium to longer term include:

- This Public Service proposes moving forward with an RFP for a centralized dispatch system for on-demand accessible service, as detailed in Appendix B. This proposed pilot project, including the centralized dispatch system and the accessible vehicle owner and driver incentives should address the issues that have been identified by stakeholders regarding accessible service and begin to improve the on-demand transportation service that is available. As indicated in the framework, while a third-party will run the dispatch system on a day to day basis, monitoring and oversight will be the responsibility of the VFH division. This program, including the incentives to drivers and vehicle owners, as well as the dispatch system, is proposed to be fully funded through the accessible surcharge.
- The Public Service will continue to look for opportunities to innovate and streamline processes in order to provide improved service for the industry. This includes looking for innovative ways for continued process improvements to licencing and reporting, some of which have already taken effect for the 2021 licencing year.
- Initiation and implementation of the licencing regime for limousine/luxury vehicles. This will streamline the requirements on limousine dispatchers by transferring the administrative burden to the VFH office. As well, this will provide an opportunity for taxicab drivers to apply for a dual taxi/limousine licence, enabling them to provide additional services when opportunities arise. This would remove an administrative burden from smaller dispatch companies, and by having the VFH office perform the review and issuance of licences, this will provide more confidence in the overall vetting process and on-going compliance with the By-law.
- Continue to engage the taxi industry on options and ways to implement pre-payment in the future in order to reduce disputes and fare jumping.
- Roll-out of the driver refresher training program originally identified in the VFH Safety and Security report which Council approved in February 2019. This was originally intended to be

rolled out in 2020, however the COVID-19 pandemic necessitated a delay of this. The content has been created, and is ready to be delivered to some test groups to determine if anything needs to be refined. Based on a phased-in approach, it should take approximately 3-4 years to have all drivers complete this training. The VFH office will endeavour to provide this training at minimal or no cost to drivers who are completing it for the first time.

- The Public Service will explore the feasibility of creating a reserve fund within VFH in order to have a funds available for initiatives to support the industry. Further research of options, including reserve usage, funding sources, and limitations will be undertaking in order to provide recommendations related to this.
- Ongoing development and expansion of the VFH office's relationship with MPI, including their vehicle inspection division to ensure that safe vehicles are on the road and available to provide service, as well as assisting with claims related to the VFH industry.

Ongoing administration of the Vehicle for Hire industry and By-law:

The Public Service believes that the administration, oversight, and regulation of the VFH industry and By-law has been generally successful since implementation. The Public Service continues to work with the industry, its partners, and stakeholders to evolve and improve all facets of the VFH network.

The next annual reporting on the VFH industry, which will be the fourth, including any required By-law amendments, is planned to be submitted to Council in December 2021.

FINANCIAL IMPACT

Financial Impact Statement

Date: January 28, 2021

Project Name:

Annual Update on the Vehicle for Hire Industry and Amendments to the Vehicle for Hire By-law

First Year of Program

	2021	2022	2023	2024	2025
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 600,000	$ 600,000	$ 600,000		
Less: Surcharge Revenue/Deferred Revenue	600,000	600,000	600,000		
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Recommendation #1 has no financial implications as it is received as information.
Recommendation #2 has no financial implications as proposed changes to the VFH fee schedule will provide clarity to existing fees and re-alignment to categories and associated fees to better reflect the realities of the industry and future growth.
Recommendation #3 has financial implications, however there is no budget impact to the VFH office anticipated in the first year of the program as the program will be financed through accessibility surcharge collected by the VFH office since its inception in 2018. Actual implications will be determined through RFP process and the annual cost could be in the range from $400K to $600K. As of December 31, 2020, there is approximately $664 thousand recorded as an accessibility surcharge deposit. If existing surcharge added to each trip is not sufficient to cover the program costs, the surcharge can be increased and/or program expenses reviewed and adjusted accordingly. This program will be reviewed on a yearly basis as part of VFH annual report to ensure no negative impact on the VFH budget.

original signed

Lioubov Gavrilova-Crozier, CPA, CA
Manager of Finance, WPA

CONSULTATION

This Report has been prepared in consultation with:
Legal Services (as to legal matters)
Winnipeg Transit (as to taxis operating in diamond lanes)

OURWINNIPEG POLICY ALIGNMENT

These changes are aligned with the key goals of the City of Winnipeg Transportation Master Plan (a part of the OurWinnipeg framework):

“A key underlying goal of the transportation plan is to expand the range of travel options that are available to residents, workers and visitors, and to ensure that people are not dependent on one single mode. Expanded travel choice creates countless community benefits.”

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

The vehicle for hire industry supports the climate change action plan strategic opportunity #3, which is to advance sustainable transportation and shift to zero emission vehicles (page vi of the plan). The ability to access taxicabs and personal transportation providers (limousines and ridesharing) allows greater flexibility for residents to shift out of single occupancy vehicles and provides improved access to other mobility options such as transit and active transportation. For example, in other jurisdictions ridesharing has been used successfully as part of an integrated multi-modal trip planning tool for residents where vehicles for hire are used for a portion of a trip and transit is used for the remainder of the trip.

SUBMITTED BY

Department: Public Works
Division: Winnipeg Parking Authority SOA
Prepared by: G. Heather
Date: January 28, 2021
File No: WPA-024-2020

Attachments:

Appendix A - Vehicle for Hire 2021 Fee Schedule

Appendix B – Framework for On-Demand Accessible VFH Service

Appendix C – Taxicab Code of Conduct