

Salt Lake City taxi case on hold for now

By Jasen Lee^[1], Deseret News

Published: Monday, Nov. 7 2011 4:00 p.m. MST



[2]

A judge's temporary restraining order is still in effect after a three-person panel decided to take more time to review a taxi company's complaint that the city's bid process was unfair and fees charged were illegal.

Scott G Winterton, Deseret News

Enlarge photo»^[3]

SALT LAKE CITY — A judge's temporary restraining order is still in effect after a three-person panel decided to take more time to review a taxi company's complaint that the city's bid process was unfair and fees charged were illegal.

The panel — comprised of Salt Lake Police Chief Chris Burbank, chief information officer Bill Haight and chief procurement officer Bryan Hemsley — heard arguments on Nov. 3 from Yellow Cab Driver Association attorneys and Salt Lake City regarding the Salt Lake City Department of Airports' recent award of taxi contracts to two firms from outside of Utah.

Yellow Cab attorney Don Winder called the bid process "illegal on its merits" and called the "minimum annual guarantee" or MAG fee required of each bidder "an illegal tax."

Winder told the Deseret News that the board is expected to issue a decision on their first complaint "sometime this week." He added that Yellow Cab — now joined by Ute Cab in the suit — has issued a second amended complaint alleging numerous breaches of city ordinances, including violating due process, allowing the Department of Airports to regulate ground transportation and violation of the Commerce Clause of the U.S. Constitution through requirement of the MAG fee.

"What we believe is the unfairness of the process," Winder said. The case would continue until all administrative options are exhausted, he added.

The legal action stemmed from the announcement last month that the Salt Lake City Department of Airports had awarded Ace Taxi Service of Cleveland, Ohio, and Total Transit of Glendale, Ariz., contracts to provide ground transportation at the airport and across the city. The companies were selected in a competitive bid process.

The new companies would replace Yellow Cab, Ute Cab and City Cab whose contracts are about to expire.

Winder claimed in his court arguments that the bid process developed by the airport department put local companies at a competitive disadvantage.

He also said the city had vowed to wait to award the contracts until after a Nov. 3 appeals hearing that would determine if the bid process would be upheld or forced to start over.

"They promised they wouldn't (award any contracts)," he said.

Yellow Cab and Ute Cab had contracted with the city for years, but in August the Salt Lake City Council voted to turn ground transportation responsibilities over to the Department of Airports. Soon after, the department devised a plan to open taxicab contracting up to a competitive bid process. Ace Taxi and Total Transit were selected based on review of their detailed proposals.

During litigation, the contracts previously awarded to Ace Taxi Service and Total Transit are effectively on hold. The two companies were scheduled to begin providing transportation service at the airport and on-demand service citywide when the current

contracts expire on Nov. 28.

How long the current case will continue is unknown, Winder said. But for now, Yellow and Ute will keep fighting for their "day in court" hopefully before a jury, he said.

The Department of Airports declined to comment "due to pending litigation."

E-mail: jlee@desnews.com^[4]

Links

1. <http://www.deseretnews.com/author/21634/Jasen-Lee.html>
2. <http://img.deseretnews.com/images/article/midres/651746/651746.jpg>
3. <http://img.deseretnews.com/images/article/midres/651746/651746.jpg>
4. <mailto:jlee@desnews.com>

Get a free Evernote account to save this article and view it later on any device.

Create account