

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 25, 2021

To: Honorable City Council  
c/o City Clerk, Room 395  
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From: Seleta J. Reynolds, General Manager   
Department of Transportation

Subject: **PERSONAL DELIVERY DEVICES REGULATORY FRAMEWORK UPDATE (CF #20-1328)**

**SUMMARY**

As directed by Council File (CF) 20-1328, this report provides a regulatory framework for Personal Delivery Devices (PDDs) operating in the public right-of-way. This framework addresses sidewalk accessibility and use, digital management tools, fees, advertising, enforcement capacity, and consumer and public privacy.

**RECOMMENDATION**

That City Council:

1. APPROVE the regulatory framework presented in this report, which includes new program fees;
2. DIRECT that the Bureau of Streets Services report back on appropriate compliance measurements six months after program initiation;
3. REQUEST the City Attorney to draft an ordinance for the permitting and regulation of Personal Delivery Devices, and;
4. DIRECT the Department of Transportation and the Bureau of Street Services to report back in 180 days on the status of the program and any additional staff required to enforce compliance with permit rules and guidelines.

**BACKGROUND**

In November 2020, Council directed LADOT, with the assistance of the Bureau of Street Services (SLA) and the City Attorney, to develop a regulatory framework for personal delivery devices that operate in the City's public right-of-way. LADOT was further instructed to report on sidewalk accessibility and use, the use of digital management tools, public right-of-way use fees, limitations on advertising, enforcement capacity, consumer and public privacy, and any public benefits, as well as options to prohibit the deployment of devices in the City's public right-of-way.

Currently, the deployment of these devices is limited, but states and local jurisdictions across the nation have enacted local regulations to ensure the safe operation of these devices. In California, there is no

legal prohibition to operating delivery robots; however, cities may adopt a regulatory framework to ensure their safety and the protection of people walking.

## DISCUSSION

The City of Los Angeles is a proving ground for new and innovative technologies that service Angelenos safely and equitably. This penchant for innovation did not stop during the COVID pandemic. As the COVID pandemic changed the City in multiple ways, the City of Los Angeles continued to review and monitor new programs and ideas to benefit the City.

Delivery of food and packages skyrocketed during the pandemic, as the need and desire for contactless delivery became more important for many Angelenos. Personal delivery devices present local businesses with additional options to meet their customer's needs during COVID and they are expected to remain an important business tool for local companies during the post-COVID economic recovery period.

While many states adopted legislation allowing for the operation of personal delivery devices including setting speed limits, weight limits, and insurance requirements, few cities adopted regulations around PDDs. Most City regulations enabled limited tests of the technology.

Jurisdiction	Legislative Info	Top Speed	Weight (No Cargo)	Insurance
Idaho	HB 204 (2017)	10 mph	80 lbs.	Amount Not Specified
North Carolina	SB 739 (2020)	10 mph Sidewalks/ 20 mph Streets	500 lbs	\$100,000
Virginia	SB 1207 (2017)	10 mph	50 lbs	\$100,000
Texas	SB 969 (2019- 2020)	10 mph. Local authority can set as low as 7 mph.	N/A	\$100,000
Washington	Title 46.75 (2019)	6 mph	120 lbs	\$100,000
Santa Monica	SMMC 3.12.1055 (2021)	N/A	N/A	\$1,000,000
Los Angeles (proposed)	LAMC (2021)	5 mph	100 lbs	\$1,000,000

Of the cities in California that began regulating PDDs, both West Hollywood and San Francisco limit the number of PDDs to three per operator with San Francisco allowing no more than nine devices to be permitted at any time, and even then, only on certain sidewalks. West Hollywood allowed a three month pilot, whereas San Francisco allows for permits with a duration of six months.

The City of Santa Monica is one of the few cities to adopt regulations, after it expanded from a pilot program to a permanent permit program (as of April 2021, changes go into effect at the end of May 2021) and does not restrict fleet sizes. LADOT incorporated some best practices from that program in the recommended framework. Council District 15 was also proactively testing PDDs in their district with the PDD operator agreeing to follow basic insurance and indemnity requirements.

The City of Los Angeles seeks the following basic framework for PDDs:

- All operations of autonomous or remotely controlled delivery vehicles or devices shall comply with all requirements, including insurance, data, and indemnification requirements, imposed as a condition of maintaining a permit to operate on the City's right-of-way.
- The Operators of PDDs must follow certain operational requirements including:
  - PDDs shall yield the right of way to pedestrians and bicycles;
  - PDDs shall obey all digital and physical signs and signals governing traffic and pedestrians;
  - PDDs shall not interfere with the maintenance of paths of travel for persons with disabilities;
  - PDDs may not transport waste or hazardous materials (including flammables or ammunition);
  - PDDs shall be equipped with headlights that operate at night, sunrise, and sunset;
  - PDDs shall bear, in markings of a size sufficient to be clearly legible to passing vehicles and pedestrians, a unique identifier for each individual device together with the name and contact information of the device's operator. PDDs shall also include a readily accessible, single, unique, and clearly displayed tactile sign containing raised characters and accompanying Braille, in compliance with standard ADA requirements, to identify the device and for the purpose of reporting illegal or negligent activity.

These are the basic operational requirements that LADOT will mandate for all PDD Operators. The City is taking a proactive approach to integrate this new mode into the fabric of its transportation system with the creation of an annual permit program where LADOT would be the permitting body and the Bureau of Streets Services would manage enforcement of the devices on the sidewalk right-of-way.

### Rules and Guidelines

The attached Rules and Guidelines, drafted by LADOT with the assistance of the Bureau of Streets Services, outline in detail the basic expectations and permit requirements for PDD Operators.

### *Sidewalk Accessibility and Use*

PDDs are expected to operate primarily on sidewalks and crosswalks and as stated above will be required to yield the right of way to pedestrians and bicycles, obey all signs and signals governing traffic and pedestrians, and not interfere with the maintenance of paths of travel for persons with disabilities.

PDD parking on sidewalks or in crosswalks is prohibited. For purposes of this program, parking is defined as any PDD that is inactive for over one hour at any time of the day. The City further reserves the right to determine where PDD parking is additionally prohibited or to create geo-fenced stations within certain areas where PDDs shall be parked if a future business case determines that this is necessary. If PDDs are

parked in metered spots, or in areas where fees are collected, operators will be responsible for paying the associated fees. The Department of Public Works' Bureau of Street Services investigators may remove any PDD that is parked in one location for more than 24 hours and take it to a City facility for storage at the expense of the Operator. Bureau of Streets Services shall invoice the violating Operator for fees incurred.

PDD Operators are responsible for removing inoperable or improperly parked devices within two hours of notification from the City. These devices are not allowed to remain on the roadway overnight or left unattended. The business protocol is for all devices to return to their originating location, such as a restaurant, delivery vehicle, or store, after completion of its delivery. In emergency situations where the public's safety may be involved, Operators, when notified by the Department, shall deactivate and remove all devices within a given area and not re-deploy them until advised to do so by the City.

Operators will be required to ensure their devices are not stopped in a way that impedes the regular path of travel for any person, including those with disabilities.

#### *Fleet size*

Operators are not currently expected to deploy large scale operations, and thus will not immediately cause significant impact to the public right-of-way. However, the City should plan for what could eventually be a scaling up of operations, should these delivery programs become successful. At the moment, the Rules and Guidelines limit the Providers to a maximum of 100 devices per Provider citywide, with an opportunity to request additional devices from the City based on demand. Santa Monica does not currently cap the number of devices on their right-of-way, but the City chose to take a slightly more cautious approach. This number further reflects the size of the City, the nascent nature of the program, and the number of businesses that could potentially benefit without having a complete oversaturation of devices in a way that is unmanageable for the City. Depending on the number of providers, location of deployment and number of devices, the LADOT will reserve the right to modify this program accordingly to suit the needs of the City. This may include creating digital policies to limit the number of devices operating in certain areas through the creation of Special Operations Zones, modifying the fee structure to support the increase in the scale of deployment, or requiring a more equitable deployment of devices in disadvantaged communities. The City also would retain the right to limit the number of devices on the right-of-way or potentially limit the number of operators if necessary.

#### *Fees*

This Program will be cost recoverable. Given the nascent industry and limited number of devices available to date, LADOT determined that trip or dwell time fees would not be sufficient to cover the time and effort needed to manage the program.

Based on this assessment of the industry, the attached Rules and Guidelines recommend an annual fee of \$10,000 for companies that have up to 50 devices and \$20,000 for companies with more than 50 devices. All fees are to be paid prior to deployment and are non-refundable. These fees will ensure that the administrative and technological costs to monitor and enforce the program are covered, including digital management tools and sidewalk infrastructure upgrades as needed. If a company begins operation with less than 50 devices and pays its \$10,000 fee, but scales up throughout the year to more than 50 devices, the company will be responsible for paying an additional \$10,000 prior to the 51st device beginning operation. Following the initial phase, as operations adjust, LADOT may revise permit

fee requirements to reflect fleet growth and demand or lack thereof. For this initial program, staff may explore permit fee reductions for companies that are based in Los Angeles or companies that commit to hiring a certain percentage of its workforce through local hire programs.

### *Advertising*

The Rules and Guidelines limit advertising in this initial pilot phase to promotional opportunities for the PDD Operator or their Customers (e.g., the company, organization, or individual business that is contracting the Operator's Services). At the City's request, PDD Operators will also display marketing and advertising related to City programs. Any marketing and advertising must fit within the size and weight limitations for vehicles and shall only be visual in nature only. Auditory marketing and advertising is prohibited under the Rules and Guidelines.

### *Enforcement*

Because PDDs will primarily operate on City sidewalks, the Bureau of Street Services will maintain responsibility for enforcement including removal. This program is very early in its development, and thus staff recommends a report six months after program initiation on how enforcement should be managed, including costs for device removal and or storage, and appropriate enforcement staffing levels for this program.

### *Digital Management Tools*

LADOT currently manages the City's Personal On-demand Mobility program using the Mobility Data Specification (MDS). MDS allows LADOT to digitally express program policies and monitor permitted deployment and will be used in the Personal Delivery Device program. PDD permits will require Operators to comply with MDS to allow LADOT to set up endpoints related to where devices have parked, establish geographic zones of operation or prohibited areas, and establish dwell time or parking fees. The City will also require PDD Operators to send MDS notifications related to where a device begins and ends a delivery, time of delivery, the amount of time it takes for delivery completion, and dwell time. The City's adopted data protection principles will govern the use and storage of MDS notifications LADOT receives from PDD Operators.

The City requires Operators to be responsible for integrating with MyLA311 to receive and close out Service Request tickets. Failure to respond to open Service Requests in 311 will be grounds for discipline including but not limited to denying increased fleet sizes, reducing existing fleet size, and/or revoking permit. This tool is also used by dockless and taxi providers and allows the permittee to address issues directly within a reasonable time frame.

### *Consumer and Public Privacy*

Also included in the Rules and Guidelines is a framework for managing data privacy. As directed by the Los Angeles City Council (CF 19-1355)- the City will apply LADOT's data protection principles to all MDS notifications LADOT receives from Operators to carry out the City's and the Department's data protection responsibilities including, but not limited to, data categorization, data minimization, access limitation, security, and transparency to the public.

Data categorization: To ensure consumer privacy, LADOT designates device-specific notifications sent from Operators to LADOT as Confidential Information under the City of Los Angeles Information Technology Policy Committee (ITPC) Information Handling Guidelines. This long-standing policy for the City of Los Angeles governs the obligations of the City to protect all manner of data under its control. LADOT withholds this Confidential Information as exempt from release under the California Public Records Act.

Data minimization: LADOT will mandate notifications solely to meet the specific operational and safety needs of LADOT objectives in furtherance of its responsibilities and protection of the public right of way. No additional notifications will be collected for non-LADOT purposes.

Aggregation, obfuscation, de-identification, and destruction: Where possible, LADOT will aggregate, de-identify, obfuscate, or destroy notifications received from PDD Operators where we no longer need it for the management of the program or public right-of-way. Methodologies for aggregation, de-identification, and obfuscation of notifications will rely on industry sound practices and will evolve over time as new methodologies emerge.

Access limitation: LADOT will limit access to device-specific notifications sent from Operators to LADOT to what is required for our operational and regulatory needs as established by City Council.

- a. Law enforcement and other government agencies unaffiliated with this program, whether local, state, or federal will not have access to device-specific notifications sent from Operators to LADOT other than as required by law, such as a court order, subpoena, or other legal process.
- b. Similarly, the City will only allow access to device-specific notifications sent from Operators to LADOT by contractors under the LADOT Third Party Master Data License Agreement which explicitly limits the use of device-specific notifications sent from Operators to LADOT to purposes directed by LADOT for LADOT's operational and regulatory needs. LADOT will prohibit use of this data for any non-LADOT purposes, including for data monetization or any third party purpose.
- c. The LADOT will continue to provide transparency by providing data request reports showing what data was requested, who requested it, and how it was shared, if it was shared at all.

Security: The City, with the support of ITA, will enact appropriate administrative, physical, and technical safeguards to properly secure and assure the integrity of data.

- a. Los Angeles' formal information security program and the comprehensive set of security protections and standards established by the City will govern this data as it does all other city data, including but not limited to security incident and emergency response reporting.
- b. The City will conduct ongoing security testing to audit and improve security

protections, consistent with existing City of Los Angeles' information technology policies and practices.

#### *Prohibition/Limited Geography Option*

City Council directed LADOT to consider prohibiting or limiting the operations of PDDs. The City of Santa Monica initially limited its program to their Downtown/Main Street Zero Emission Delivery Zone. Based on input from restaurants frustrated with the high cost of car and app-based delivery services during the pandemic and resident demand for more sustainable delivery options, it eventually recommended that personal delivery devices be allowed to operate throughout the City. After months of operation and hundreds of miles traveled without any significant accidents, incidents, or complaints, the program is seen as a success and has broad support from numerous stakeholders.

Due to the limited number of devices currently deployed, it is not expected that the City will be saturated with PDDs in the short term. As detailed earlier, we will also control the number of devices per permitted operator and will use similar anti-saturation tools as those used for the dockless micromobility program. As the program grows, LADOT will continue to monitor and assess the volume of deployment to ensure that all parts of the City, including underserved communities, have access to this contactless, zero-emission delivery mode should they desire it, and to digitally control for operational issues and challenges including over-saturation, should it occur.

#### *Equity and Outreach*

Staff included in the Rules and Guidelines a section on Equity and Outreach that will require Operators to work with various underserved communities to address inequitable deployment issues. Components of this include a requirement that Operators must attend meetings with City's Business Improvement Districts, Neighborhood Councils, Council Districts, surrounding municipalities, Transportation Management Organizations/Associations, Disability Rights Organizations/Centers for Independent Living, and any other community-based organization as stipulated by the City to raise awareness of the program with local residents and gather feedback on neighborhood impacts and interest.

Operators will also be required to provide customer service, outreach, and advertising materials in multiple languages including but not limited to Spanish. Operators will be required to conduct, submit, or respond to surveys as requested by the LADOT including but not limited to surveys related to job creation and community outreach.

LADOT will closely monitor deployment to ensure equitable service and will report back on any recommended changes in policy to address emerging concerns.

#### **FINANCIAL IMPACT**

This is a permit program and all revenues will cover the cost of the Program. Therefore, there is no fiscal impact.

SJR:jm

Attachment

# CITY OF LOS ANGELES

CALIFORNIA

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**ERIC GARCETTI**  
MAYOR

## PERSONAL DELIVERY DEVICES (PDD) RULES AND GUIDELINES 2021

### **Goal**

In the last decade, coinciding with the introduction of the smartphone, the City of Los Angeles (“City”) has seen an explosion in new mobility products and services. Acceleration of shared mobility, artificial intelligence and machine learning, electrification and solar power, GPS and big data combined to change the mobility landscape more than in the previous 40 years. The City is taking a proactive approach to integrate these technologies into the fabric of its transportation system. This document, and the program described herein, is part of a broader effort to understand on-demand technology and the implications for the City and its citizens.

### **Purpose**

The purpose of the Personal Delivery Devices (PDD) Rules & Guidelines is to establish requirements to govern and permit the operation of a Program in the City.

### **Definitions**

**City** means the City of Los Angeles.

**Customer** means a person or organization that uses the services from an Operator.

**Dwelling** is defined as a Vehicle being inactive or idling for 1 hour or under at any time of the day

**Municipality** means a city or a town that has corporate status and local government.

**Parking** is defined as a PDD Vehicle being inactive in a location for over 1 hour at any time of the day.

**Program** means the PDD Mobility Permit to operate on the right-of-way within the City.

**Operator** means a company that operates a PDD company and/or devices within a Municipality.

**Vehicle** also called Device, means an Operator device that is used or intended to be used to move goods from one physical point to another. The device may be controlled by a person or by partial or full automation.

#### **Duration**

- A. The Program is intended to last one calendar year from issuance of the first Program permit. The City reserves the right to modify the Program in duration or scope based on the information it learns from the Program.
- B. Notwithstanding the duration of the Program, Operator Program permits must be renewed yearly. Permit requirements may be adjusted yearly to accommodate changing technology, needs, and priorities.

#### **Modifications**

- A. The City may modify any of the terms and conditions contained in this Permit program at any time and in the City's sole discretion.
- B. If any modification is unacceptable to the Operator, its sole recourse is to terminate its permit. Its continued usage of the right of way, services, software, and/or content following the city's modification constitutes irrevocable and binding acceptance of the change.

#### **Relationship to City**

- A. In rendering service hereunder, the Operator shall be and remain an Independent Contractor. It is expressly understood and acknowledged by the parties that any amounts payable hereunder shall be paid in gross amount, without reduction for penalties, taxes, or charges. Operators are responsible for assuming any applicable federal or state withholding taxes, estimated tax payments, or any other fees or expenses whatsoever.
- B. Permits issued under this Program are not to be assigned or delegated to a substitute Operator, a successor in interest, or a purchaser of the permit without express written permission by the City.
- C. The City reserves the right to terminate permits at any time and require the Operator to remove their entire fleet of Vehicles from City streets. An Operator will have 10 business days to remove the entire fleet from City streets.
- D. Failure to comply with any of the rules and guidelines in this document may subject the Operator to suspension, revocation or non-renewal of its permit.

#### **Non-transferability**

- A. This permit may not be transferred to another party or entity without the express written permission of the City of Los Angeles.

## **Indemnification**

### **AGREEMENT TO INDEMNIFY, DEFEND AND HOLD HARMLESS ("Agreement")**

By obtaining this permit, Operator agrees to defend, indemnify, and hold harmless the City, its officers, elected or appointed officials, employees, agents, and volunteers from and against any and all claims, damages, losses, expenses, fines, penalties, judgments, demands, and defense costs (including, without limitation, actual, direct, out-of-pocket costs and expenses, and amounts paid in compromise, settlement, or judgment, and reasonable legal fees arising from any claim or litigation of every kind or nature or liability of any kind or nature including civil, criminal, administrative or investigative) arising out of, in connection with, or which are in any way related to, the City's issuance of or decision to approve the Operator's Permit, the process used by the City in making decisions, the Operator's (including its officers, managers, employees, contractors, agents, and volunteers) business conduct and operations, any violation of any laws by the Operator (including its officers, managers, employees, contractors, agents, and volunteers) or its users, or any bodily injury including death or damage to property arising out of or in connection with any use, misuse, placement or misplacement, including but not limited to placement or misplacement resulting in alleged violations of the Americans with Disabilities Act (ADA), of Operator's device, property or equipment by any person, except such loss or damage which was caused by the sole willful misconduct of the City. Operator will conduct all defenses pursuant to this Agreement at Operator's sole cost and expense, and City shall reasonably approve selection of the counsel to represent City as proposed by Operator. This Agreement shall apply to all claims and liability regardless of whether any insurance of Operator, its affiliates or other parties are applicable thereto. The policy limits of any insurance of Operator, its affiliates or other parties are not a limitation upon the obligation of Operator, including without limitation, the amount of indemnification to be provided by Operator. The provisions of this section shall survive the termination of this Agreement.

**SEVERABILITY AND GOVERNING LAW.** If any provision or portion of this Permit shall be held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by law. This Permit shall be governed by and construed and enforced in accordance with the laws of the State of California applicable to contracts made and to be performed in California.

**AMENDMENT/INTERPRETATION OF THIS PERMIT.** This Permit represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. The City, at its sole discretion, may amend any term or condition of this Permit as necessary during the Pilot Program. This Permit shall not be interpreted for or against any party by reason of the fact that such party may have drafted this Permit or any of its provisions.

CPRA INDEMNITY LANGUAGE. ("Company") undertakes and agrees to defend, indemnify and hold harmless the City of Los Angeles and any of its boards, officers, agents, and employees (collectively, the "City") from and against all suits, claims, and causes of action brought against the City for the City's refusal to disclose Company's trade secrets or other technical or financial information, or Company's personally identifiable customer data, to any person making a request pursuant to the State of California Public Records Act (California Government Code Section 6250 et seq.). Company's obligations herein include, but are not limited to, all reasonable attorney's fees (both in house and outside counsel), reasonable costs of litigation incurred by the City or its attorneys (including all actual, costs incurred by the City, not merely those costs recoverable by a prevailing party, and specifically including costs of experts and consultants) as well as all damages or liability of any nature whatsoever arising out of any such suits, claims, and causes of action brought against the City, through and including any appellate proceedings. Company's obligations to the City under this indemnification provision shall be due and payable on a monthly, on-going basis within thirty (30) days after each submission to Company of the City's invoices for all fees and costs incurred by the City, as well as all damages or liability of any nature. Company shall receive prompt notice from the City of any (1) communication to the City challenging the City's refusal to disclose Company's information, and (2) any complaint or petition to the court challenging the City's refusal to disclose Company's information. Further should Company choose to intervene in any court action relating to the City's refusal to disclose Company's information, the City shall not oppose Company's motion to intervene. Company shall be discharged of its obligations to the City under this provision in any circumstance where Company provides written confirmation to the City that 1) all of the requested records at issue are not Company trade secrets, technical, financial or other similar information or personally identifiable customer data and 2) the City may release said records to the requester.

### **Insurance Requirements**

- A. All permitted Operators shall have commercial general liability insurance, including contractual liability, and property damage insurance written by an insurance company authorized to do business in the State of California, or approved by the California Department of Insurance as a surplus lines insurer eligible to do business in California, rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City and Department if a Best's Rating is not available) with Licensee's normal limits of liability, but not less than One Million Dollars (\$1,000,000) for injury or death to one or more persons out of each accident or occurrence and One Million Dollars (\$1,000,000) for bodily injury and property damage for each occurrence. Each policy shall name the "City of Los Angeles, its officers, agents and employees" as Primary additional insureds.
- B. Workers' Compensation insurance as required by the State of California, with Statutory Limits and Employers' Liability Insurance with limits no less than \$1,000,000 per accident for bodily injury or disease.

- C. Operators shall maintain an umbrella insurance policy providing coverage in excess of its primary general liability, employer's liability and automobile liability policies in an amount not less than \$1,000,000 per occurrence. The City of Los Angeles must be named as additional insured.
- D. All Operators shall have a performance bond of \$100/Vehicle. The form of the bond shall be approved by the City. These funds shall be accessible to the City for costs that may be incurred for, including but limited to, removing and storing improperly parked Vehicles and if an Operator fails to remove the Vehicles when its permit is terminated. If an Operator increases the size of their fleet, the performance bond shall be adjusted appropriately before deploying additional Vehicles.

### **Operator Responsibilities**

- A. Operators seeking to participate in the Program will register with the Office of Finance within the City for business tax compliance. Operators can either register on-line or in person at one of the public service centers.
- B. Operators must be in compliance and in good standing with tax payments or the permit may be revoked or not eligible for renewal the following year.

### **Permit Required**

- A. No vehicle shall be put in service until the appropriate Program permit is obtained from the City.
- B. Program permits shall be valid for a maximum of one year from the date of issue and all issued Program permits will expire on the same date.
- C. Operators are advised that application for a Program permit does not guarantee issuance of a Program permit.

### **Application Process and Permit Fees**

Applicants for PDD vehicle permits shall file with the Department an application upon forms provided by the department, containing such information as is required by the rules and regulations of the LAMC, the Board, and the LADOT.

Each Operator who makes application for a permit shall submit with an application a nonrefundable administration and permitting fee in the amount of (\$10,000) as specified in the LAMC if they plan to operate 50 devices or less, or (\$20,000) if they intend to operate more than 50 devices. This fee is also to be paid upon renewal of the permit. If a company begins operation with less than 50 devices and pays its \$10,000 fee, but scales up throughout the year to more than 50 devices, the company will be responsible for paying an additional \$10,000 prior to the 51st device beginning operation. All fees are non-refundable.

<b>Annual Permit Application and Administration Fees</b>	\$10,000/year up to 50 devices	Administration of the Permit. Fees shall be due upon application submittal(Non-Refundable)
	\$20,000/year 51 Devices or more	Administration of the Permit. Fees shall be due upon application submittal(Non-Refundable)

Permit applications must be succinct and all pages must be numbered. Boilerplate and glossy promotional materials are discouraged; any such materials deemed necessary should be included as a separate appendix and may or may not be considered as part of the evaluation. All components of the permit application shall be on 8.5" x 11" pages with the exception of two to three pages depicting imagery, mapping, etc. which may be on 11" x 17" pages. Font size shall be limited to 10-point font or larger with single line spacing.

Required Attachments including but not limited to:

- Completed PDD VERSION 1.0 PERMIT APPLICATION with signatures.
- Application agreement
- Synopsis of operator service model and qualifications, including images of the vehicles, mobile application, and website
- Schedule for implementation, including the size of fleet and service area(s) at launch
- Size and service area(s) of any planned fleet expansions (optional)
- Organizational structure of the operations team, including title, and their specific responsibilities on the project
- Screenshot illustrating how customers will be notified through a mobile and web application of the following:
  - Location of vehicle
  - Estimated time of delivery arrival
- Proof of general commercial liability insurance with a minimum liability limit of \$1,000,000 and that lists the “City of Los Angeles, its officers, agents and employees” as Primary additional insureds.
- Proof of Workers' Compensation insurance as required by the State of California, with Statutory Limits and Employers' Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease.
- Proof of umbrella insurance policy providing coverage in excess of its primary general liability, employer’s liability and automobile liability policies in an amount not less than \$1,000,000 per occurrence. The city of Los Angeles must be named as additional insured.
- Proof of performance bond of \$100/Vehicle.
- Indemnity Agreement (attachment provided by city).
- Non-Refundable Permit application fee

- Non-Refundable Permit administration fee
- Organizational Chart & 24-Hour Contact Information
- Community Outreach plan that gives specific strategies for engaging with older adults and persons with disabilities.
- Remote operator training modules and proof of training certification for all remote operators (if applicable)
- Names and locations of all remote operators (if applicable)

Any fees arising from the need for City crews to relocate or remove vehicles from any location where a vehicle is prohibited under this permit shall equal the StreetsLA Investigator's hourly rate plus any additional storage/impound fees.

### **Vehicle Identification**

- A. Every Vehicle shall have a unique identifier that is readily visible to the Customer or any member of the public. Operators shall provide easily visible contact information, including toll-free phone number and email address, on each Vehicle for the Customers or members of the public to make relocation requests or to report other issues with the vehicles.
- B. A PDD Vehicle shall also include a readily accessible, single, unique, and clearly displayed tactile sign containing raised characters and accompanying Braille, in compliance with standard ADA requirements, to identify the device and for the purpose of reporting illegal or negligent activity.

### **Health and Safety**

- A. All vehicles shall meet the safety standards as determined by the City, including for lighting during operations at sunrise, sunset and in darkness.
- B. A PDD shall be zero emission and weigh no more than 100 pounds.
- C. Devices shall not exceed speed greater than 5 MPH on sidewalks and crosswalks, and 15 MPH on shoulders of roadways and on roads. LADOT reserves the right to revise the speed limit based on collision and injury data.
- D. Vehicles shall have always-on front and back lights that are visible from a distance of at least 300 feet under normal atmospheric conditions at night. Front and rear lights must stay illuminated for at least 90 seconds after the vehicle has stopped during a trip.
- E. Cleanliness and Sanitary Guidelines  
Operators have an obligation to protect the health and welfare of riders and the surrounding community.  
The LADOT requires that certain methods must be done to ensure the safety of the public. These measures include the following:
  - All Providers must ensure that its vehicles are sanitized and disinfected prior to each deployment or upon return to its originating location.
  - All Providers must ensure that any vehicle brought to its originating location is sanitized and disinfected regardless of whether the vehicle was sanitized previously that day.

- Operators may also temporarily remove a portion or all of its fleet from circulation during an emergency if it deems such action as necessary. This will not affect the Operator's permit as long as all requirements are met when the devices are re-deployed.

### **Fleet Size**

- A. All Operator applicants to the Program shall include the total fleet size in their application.
- B. All Operators shall have a maximum fleet of 100 Vehicles;
- C. All Vehicles must be zero emission.
- D. Operators shall notify the City and submit a revised Permit Application to request an increase in total permitted fleet size prior to deploying new Vehicles into service. Any revisions to the Permit Application will be accompanied by additional application and administration fees, to be assessed by LADOT based on fleet size and service area scale.
- E. Additional vehicles beyond the fleet maximum may be permitted at the discretion of the General Manager and may depend on factors related to performance and Program compliance.
- F. The General Manager may reduce the permitted number of vehicles in the case of demonstrated Program noncompliance and/or nonperformance by permittee.

### **Compliance with Mobility Data Specification**

- A. Upon submission of any application for authorization to operate within the City, every company will be subject to LADOT verification and confirmation that the company fully complies with the Mobility Data Specification (MDS) requirements. All Operators shall abide by the Mobility Data Specification ("Specification") as published online at <https://github.com/openmobilityfoundation/mobility-data-specification> and updated from time to time.
- B. As part of the Program permit application process (initial or renewal), all Operators shall demonstrate support for v1.1 or any subsequent version of the LADOT MDS API Technical Compliance Overview.
- C. Once confirmed, all such requirements shall be kept current at all times during the duration of any permits issued. Willful non-compliance or inability to comply shall be due cause for immediate suspension and/or revocation of the operator's permit.
- D. The City may conduct maintenance on, stop providing, and/or change the method of access to the Services, Software, and/or Content outlined in the LADOT MDS Compliance Guidelines at any time, with or without notice to the Operator. For avoidance of doubt, the City, in its sole discretion, may temporarily or permanently suspend Operator's access to the Services, Software, and/or Content under this Agreement.
- E. Unless otherwise authorized by the City, all vehicles shall be registered through MDS prior to deployment on City streets and sidewalks.
- F. Required information shall be available to the Department on a 24 hour/ 7 days a week basis.
- G. All company's vehicles shall conform to the MDS current requirements for all Service Level Agreements (SLAs) as defined by the LADOT.

## Data Protection and Privacy

- A. The Mobility Data Specification (MDS) is designed to process notifications sent from commercial companies operating vehicles in the City's public right of way minimally necessary for our stated goals and to apply strong privacy protections and security protocols.
- B. As part of its Operator permitting process, the City of Los Angeles requires Mobility Service Providers (Operators) operating on the streets of Los Angeles to comply with the MDS. Such permitting rules set a consistent standard for the transfer, use, and protection of notifications sent from Operators to LADOT about the performance and operations of Operator vehicles in the City's Public Right of Way.
- C. As directed by the Los Angeles City Council (CF 19-1355)- the City will apply LADOT's data protection principles to all notifications LADOT receives from Operators to carry out the City's and the Department's data protection responsibilities including, but not limited to, data categorization, data minimization, access limitation, security, and transparency to the public.
  - 1) Data categorization: LADOT designates device-specific notifications sent from Operators to LADOT as Confidential Information under the City of Los Angeles Information Technology Policy Committee (ITPC) Information Handling Guidelines. This long-standing policy for the City of Los Angeles governs the obligations of the City to protect all manner of data under its control. LADOT will withhold this Confidential Information as exempt from release under the California Public Records Act.
  - 2) Data minimization: LADOT will mandate notifications solely to meet the specific operational and safety needs of LADOT objectives in furtherance of its responsibilities and protection of the public right of way.
    - a. Aggregation, obfuscation, de-identification, and destruction: Where possible, LADOT will aggregate, de-identify, obfuscate, or destroy notifications where we no longer need it for the management of the program or public right-of-way.
    - b. Methodologies for aggregation, de-identification, and obfuscation of trip notifications will rely on industry sound practices and will evolve over time as new methodologies emerge.
  - 3) Access limitation: LADOT will limit access to device-specific notifications sent from Operators to LADOT to what is required for our operational and regulatory needs as established by City Council.
    - a. Law enforcement and other government agencies unaffiliated with this program, whether local, state, or federal will not have access to device-specific notifications sent from Operators to LADOT other than as required by law, such as a court order, subpoena, or other legal process.

b. Similarly, the City will only allow access to device-specific notifications sent from Operators to LADOT by contractors under the LADOT Third Party Master Data License Agreement which explicitly limits the use of device-specific notifications sent from Operators to LADOT to purposes directed by LADOT and as needed for LADOT's operational and regulatory needs. LADOT will prohibit use of this data for any non-LADOT purposes, including for data monetization or any third party purpose.

4) Security: The City with the support of ITA will enact appropriate administrative, physical, and technical safeguards to properly secure and assure the integrity of data.

a. Los Angeles' formal information security program and the comprehensive set of security protections and standards established by the City will govern this data as it does all other city data, including but not limited to security incident and emergency response reporting.

b. The City will conduct ongoing security testing to audit and improve security protections, consistent with the City of Los Angeles' information technology policies and practices.

#### **Reporting Requirements / Data Sharing**

- A. Personally Identifiable Information on Customers collected by Operators may not be transmitted to, processed or stored at a destination outside of the United States.
- B. The City is permitted to use all data the Operator provides in accordance with the Program including, but not limited to, displaying real-time data and real-time Vehicle availability data to the public. Third parties are permitted to republish any data the City publishes.
- C. During the Program, Operators shall distribute to their Customers a City-provided customer survey when requested by the City.
- D. PDD Operators shall be required to report information, including but not limited to, the following:
  - 1. A description of the people or entities on whose behalf the permit holder is making deliveries using a PDD;
  - 2. The total number of deliveries completed by each PDD;
  - 3. The duration of time, distance traveled, and route of each delivery;
  - 4. A heat map showing the frequency of routes taken by each PDD
  - 5. A description of any collisions involving a PDD and any form of traffic or property;
  - 6. The nature and location of any incidents involving theft or vandalism of a PDD; and;
  - 7. The nature and location of any incidents involving the cyber hacking of a PDD's systems.

#### **Service Area and Geo-Fencing**

- A. The Program is valid only for operations within the City's rights-of-way.
- B. At the City's discretion, additional operating zones may be established including locations within parks, publicly-accessible plazas, on-street parking spaces, off-street parking lots/garages, or

campuses. However, permission to do so shall require coordination with the appropriate department, agency, or property owner; and shall be communicated to the Customer through signage approved by the respective entity and/or through the Operator's mobile and web application.

- C. Vehicle parking on sidewalks or in crosswalks is prohibited. The City reserves the right to determine where Vehicle parking is additionally prohibited or to create geo-fenced stations within certain areas where Vehicles shall be parked. This could include in parking spaces or otherwise in the roadway. The City will make this information available via MDS policy end-point or alternative method.
- D. The City shall maintain geographic parking boundaries for Operators and make these available via the MDS policy end-point or alternative method.

### **Special Operations Zones (SOZ)**

- A. At the City's discretion, Special Operations Zones may be established to address neighborhood-specific concerns including, but not limited to, oversaturation, operating regulations, equity, fleet caps, and parking behavior. These Special Operations Zones will be published via the MDS policy end-point.

### **Marketing / Advertising**

- A. Marketing and advertising is restricted to promotional opportunities for the Vehicle Operator or their Customers (e.g., the company, organization, or individual which is contracting the Operator's Services).
- B. At the City's request, Vehicle Operators shall also display marketing and advertising related to City programs.
- C. Any marketing and advertising must fit within the size and weight limitations for Vehicles.
- D. Any marketing and advertising must be visual in nature only. Auditory marketing and advertising is prohibited.

### **Operator Customer Service**

- A. All Operators shall provide a mechanism for Customers or for bystanders to notify the Operator that there is a safety or maintenance issue with the Vehicle.
- B. Operators shall maintain an updated organizational chart with contact information of their operations team and advise the LADOT Program Manager of any changes within 48 hours.

### **Operations & Maintenance**

- A. All Operators shall have a staffed operations center in the City and a 24-hour contact person available for emergency removals.
- B. Operators shall remedy devices parked incorrectly or are inoperable within two hours of being notified by the City.
- C. In emergency situations where the public's safety may be involved, Operators, when notified by

the Department, shall deactivate and remove all vehicles within a given area and not re-deploy them until advised to do so by the City.

- C. An Operator shall repair any inoperable Vehicle or any Vehicle that is not safe to operate before returning the Vehicle into revenue service.
- D. If LADOT or any other City department or office incurs any costs addressing or abating any violations of this agreement, or incurs any costs of repair or maintenance of public property, and potentially upon receiving written notice of City costs, the Operator shall reimburse the City for such costs within thirty days of receipt of an invoice detailing such costs.
- E. Operators will attend an on-site meeting with City staff to discuss the program and show a demonstration Vehicle that will be deployed prior to permit approval.
- F. Operators shall submit maintenance schedule and maintenance logs to the City via the report-maintenance API or MDS v0.1 endpoint.

### **311 Integration and Response**

Operator agrees to be responsible for integrating with and closing out MyLA311 Service Request tickets within the 311 System. Failure to respond to open Service Requests in 311 will be grounds for discipline including but not limited to denying increased fleet sizes, reducing existing fleet size, and/or revoking permit.

### **Parking & Dwelling**

- A. Parking is defined as a Vehicle being inactive for over 1 hour at any time of the day. Dwelling is defined as a Vehicle being inactive or idling for 1 hour or under at any time of the day.
- B. Vehicle parking on sidewalks or in crosswalks is prohibited. The City reserves the right to determine where Vehicle parking is additionally prohibited or to create geo-fenced stations within certain areas where Vehicles shall be parked. This could include in parking spaces or otherwise in the roadway. The City will make this information available via MDS policy end-point or alternative method. If Vehicles are parked in metered spots, or in areas where fees are collected, Operators will be responsible for paying the associated fees. Any Vehicle that is parked in one location for more than 2 consecutive days without moving may be removed by the Department of Public Works' Bureau of Street Services streets investigators and taken to a City facility for storage at the expense of the Operator. Bureau of Streets shall invoice the violating Operator for fees incurred.
- C. Operators shall ensure their Vehicles are not moving or dwelling in a way that impedes the regular flow of travel in the public way, or in a way that impedes the clearance on sidewalks needed for regular pedestrian travel and for ADA compliance.
- D. PDDs are not allowed to remain on the roadway overnight or left unattended.
- E. Restrictions to eligible dwelling areas on sidewalks shall be as follows:
  - Vehicles shall not dwell at the following places:
    - Corners of sidewalks
    - Crosswalks

- Curb ramps
- Transit zones, including bus stops, shelters, passenger waiting areas and bus layover and staging zones
- Parklets
- Disabled parking zone, or any other accessible route that would otherwise create a barrier to accessibility
- Red curb areas
- The City reserves the right to determine certain block faces where vehicle parking or stopping is prohibited.

**Enforcement & Termination Grounds**

- A. If data is falsified or the City suspects dishonest reporting, the City reserves the right to revoke the Program permit. In the case of a Program permit being so revoked, the Operator will not have an opportunity to reapply for a permit for at least one year.
- B. If Vehicle parking and dwelling standards are not met on a monthly basis, the City reserves the right to revoke the Program permit.
- C. Grounds for terminating Program permits include, but are not necessarily limited to:
  - Failure to meet the terms and conditions set forth in the Program permit and/or the Rules and Guidelines;
  - Failure to put vehicles into service within 30 days after permit approval;
  - Failure to share data as specific within these Program rules;
  - Failure to abide by the PDD-on-MDS Specification when published;
  - Failure to abide by the LADOT PDD-on-MDS API Technical Compliance Overview v1.0 when published or any subsequent version
  - Falsification or information submitted by the Operator of any portion of the application that has been determined to be intentionally misleading.
  - Operating an unauthorized vehicle on the right of way

**Waiver**

The City’s decision not to insist upon strict performance by the Operators of any provision of the permit in every one or more instances shall not constitute a waiver of such provision by the City, nor shall, as a result, the City relinquish any rights that it may have under the terms of the pilot program.

**Liquidated Damages - Forfeiture**

- A. As actual damages would be difficult, if not impossible to determine, the City and any Operator accepting permits under the Program agree that penalty for noncompliance with any provision of the Rules and Guidelines and other permit issuance requirements may result in termination of all or one Program permits, at the election of the City, without refund, reimbursement or adjustment or any and all fees paid to the City as of the date forfeiture for breach is determined. Determination shall be written notice from the City to the Operator.

**Outreach & Equity**

- A. Operators must attend meetings with City's Business Improvement Districts, Neighborhood Councils, Council Districts, surrounding municipalities, Transportation Management Organizations/Associations, Disability Rights Organizations/Centers for Independent Living, and any other community-based organization as stipulated by the City to introduce the Operators to them and make these communities aware of the Program and how it may affect the communities.
- B. Operators must provide customer service, outreach, and advertising materials in multiple languages including but not limited to Spanish.
- C. Operators must conduct, submit, or respond to surveys as requested by the LADOT including but not limited to surveys related to job creation and community outreach.