

DESIGNATED DRIVER SERVICES OPTIONS - FURTHER INFORMATION

RECOMMENDATION

That Administration prepare bylaw amendments to require designated driver service operators to obtain police information checks as outlined in Option 1 of the August 9, 2022, Urban Planning and Economy report UPE00676rev.

Requested Council Action		Decision Required	
ConnectEdmonton's Guiding Principle		ConnectEdmonton Strategic Goals	
CONNECTED This unifies our work as we work to achieve our strategic goals.		Regional Prosperity	
City Plan Values	THRIVE		
City Plan Big City Move(s)	Catalyze and Converge	Relationship to Council's Strategic Priorities	Economic Growth Mobility Network
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none">Vehicle for Hire Program		
Related Council Discussions	<ul style="list-style-type: none">UPE0909 Vehicle for Hire Annual Report - 2021 Program Update		

Previous Council/Committee Action

At the March 14, 2022 City Council meeting, the following motion was passed:

- That the March 7, 2022, Urban Planning and Economy report UPE00676, be referred back to Administration to review and return to City Council with options for more clarity.

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Executive Summary

- Designated driver services provide an important service for residents who require their vehicle to be transported but are unable to drive.
- These services support The City Plan outcome of contributing to Edmonton's safe, secure, accessible and responsive mobility system.
- This report further examines options for regulating designated driver services based on a review of the current regulations applicable to this industry, a cross-jurisdictional review and industry engagement.
- Based on discussions presented at the March 7, 2022 Community and Public Services Committee, Administration recommends that Bylaw 20002 - Business Licence Bylaw be amended to require that designated driver services obtain police information checks and screen their designated drivers, as outlined in Option 1.

REPORT

Current Operation and Licensing of Designated Driver Services

Designated driver services transport a customer's vehicle to a specified location, usually with the customer as a passenger. Services are only provided when a customer requires their privately owned vehicle to be transported and services are not provided to a customer without an accompanying vehicle to transport.

As the primary function of designated driver services is to transport the customer's privately owned vehicle, the services are licensed under the General Business category of Bylaw 20002 - Business Licence Bylaw. This licence category does not impose any specific regulations on the business beyond the requirement to obtain a business licence. Provincial requirements for vehicle registration and insurance apply to customers' vehicles, while the provincial requirement for a valid driver's licence applies to designated drivers.

Industry Feedback

In December 2021, Administration surveyed the two operating and licensed designated driver service providers regarding their current business practices and satisfaction with the current regulations. The level of satisfaction with the City's current regulations varied between the service providers - with one service provider being satisfied with the regulations, and the other being dissatisfied and requesting additional regulations such as police information checks for drivers, and additional mandatory insurance. The feedback from these two designated driver service providers is referenced in Attachment 1.

As of April 2022, there is only one licensed designated driver service. This is a decline from six designated driver services that were licensed in Q1 2020. It is anticipated that the decline in the number of service providers is due to the impacts of COVID-19.

Cross-Jurisdictional Scan

A jurisdictional review of Canadian municipalities indicated a spectrum of differing approaches to regulating designated driver services. Some municipalities, such as Calgary, do not have any

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licensing requirements for these services while others, like Grande Prairie, impose requirements such as dispatch licence (dispatch means the sending of a vehicle to a location for the purpose of providing transportation to a passenger), commercial liability insurance and police information checks. Further details can be found in Attachment 2.

Council Direction

At the March 7, 2022 Community and Public Services Committee, UPE00676 presented options for industry regulation. At the time, Administration recommended no change to the current practice. However, during the meeting there was robust discussion regarding the options presented, such as requiring businesses to obtain police information checks and whether additional insurance requirements were necessary.

Options for Regulating Designated Driver Services

Administration recognizes the important role of designated driver services and is committed to ensuring that regulations balance all stakeholders' interests, public safety, equity and inclusion. Accordingly, Administration has identified the following options for regulating designated driver services.

Option 1 - Require Businesses to Obtain Police Information Checks and Screen their Designated Drivers (Recommended)

This option would require designated driving services to obtain annual police information checks from all designated drivers employed by the business, and from anyone being considered for employment as a designated driver. Using the same criteria provided by the Government of Alberta for ride-sharing services, businesses would be required to refuse employment as a designated driver to anyone with relevant criminal history.

Considerations

- The police information check requirement may improve safety for users of designated driving services and for the public by ensuring designated drivers have no prior record of convictions for crimes of a violent or sexual nature, trafficking, fraud, or serious motor vehicle infractions.
- This requirement reflects feedback gathered from the current designated driver service providers regarding reasonable enhanced safety measures. Through engagement, these service providers confirmed their own policies require that all designated drivers must provide police information checks. The amendment would make this practice mandatory.

Option 2 - Create New Insurance Requirements for Designated Drivers and Designated Driver Services

This option would involve preparing bylaw amendments to require Designated Driver Service providers to obtain additional insurance over and above provincial requirements, in the form of a Commercial General Liability Policy. See Attachment 3 for a summary of applicable insurance requirements for vehicle operators in Alberta.

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Considerations

- Administration did not find strong rationale to extend the requirement for insurance to designated drivers services as these services involve the use of private vehicles that are not owned or supplied by the business operator. Provincial law requires vehicle owners to have insurance that follows the vehicle, not the driver. Further, requirements for insurance would create more red tape while also increasing barriers to businesses.

Option 3 - Require a Police Information Check for Designated Drivers, and Insurance for Designated Driver Services and Designated Drivers

This option would require bylaw amendments to require designated driver services to obtain annual police information checks from all current and prospective designated drivers as described in Option 1 and to require designated driver services to obtain additional insurance over and above provincial requirements as described in Option 2.

Considerations

- Considerations as described in both Options 1 and 2 above.

Option 4 - Maintain Current Practices

This option acknowledges that this industry is demonstrating a high level of self-regulation and that there is no identified need for additional regulations at this time. Administration would monitor developments in the industry and any feedback from customers, and amend regulations if required to better meet industry and user needs.

Considerations

- This option acknowledges and supports the needs of business owners by avoiding the imposition of additional regulations unless deemed necessary, or that would otherwise result in additional financial and operational barriers to businesses.
- Administration has not received any complaints from users of these services that suggest an imminent need for additional regulation.
- This option aligns with the provincial government's primary role in regulating insurance and passenger transportation.
- Existing applicable City bylaws that designated drivers services are currently regulated under have a mechanism for reviewing licences of businesses that may pose a public safety risk. Where necessary, a licence review could result in imposing conditions on a licence, suspension or cancellation of the licence.
- Currently, there is only one licensed designated driver service provider in the city.

Next Steps

If directed by Council, Administration will proceed with recommended Option 1 - Require Businesses to Obtain Police Information Checks and screen their Designated Drivers.

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Corresponding bylaw amendments will be advanced in Q1 2023. Administration will monitor developments in the industry and propose further regulations if warranted.

COMMUNITY INSIGHT

In December 2021, Administration reached out to the two designated driver service providers that were licensed to ascertain their satisfaction with the current regulations and to obtain suggestions for improvement. Satisfaction with the current regulations among the two service providers varied; and as discussed in this report, Administration weighed the considerations that would be involved in implementing the suggestions provided by the service providers. It is important to note that Administration has not received any complaints from users of the service and there is currently only one designated driver service operating in the city. Based on feedback from committee members at the March 7, 2022 Community and Public Services Committee meeting, Administration has further tailored the recommendation to require Police Information Check submission.

GBA+

Administration engaged directly with both designated driver service providers that were operating in the city as of December 2021, providing the opportunity for feedback and suggestions for improvement. Administration considered the impacts of the options on users of designated driver services - noting that a requirement of Police Information Check submission may enhance safety for the users. Administration will continue to monitor all user feedback and concerns regarding inclusivity, barriers to equity and equality of outcomes for the service, and will adjust future approaches/bylaw provisions if required.

ATTACHMENTS

1. Summary of Industry Feedback
2. Cross Jurisdictional Review of Designated Driver Service Licensing
3. Vehicle Insurance Requirements