SUBCHAPTER C. MEDALLION SALES BY THE AUTHORITY

§ 1013.31. Purpose and definitions.

(a) This subchapter establishes the public bidding process through which the Authority will sell taxicab medallions as authorized by the act.

(b) The following words and terms, when used in this part, have the following meanings, unless the context clearly indicates otherwise:

Bidder—A person qualified pursuant to § 1013.32 (relating to bidder qualifications) to submit a sealed bid for a taxicab medallion sold by the Authority. The term includes any person with a controlling interest in an entity that submits a bid for one or more medallions.

Closing Deadline—The date by which a successful bidder must complete the approval process and the closing on the sale of a medallion.

Special restriction—Limitations placed upon a medallion by the Authority in addition to restrictions provided for in the act, this part or an order of the Authority. For example, a medallion sold by the Authority may include a restriction that the medallion only be attached to a wheelchair accessible vehicle.

Upset price—The dollar amount below which a medallion will not to be sold.

§ 1013.32. Bidder qualifications.

(a) To participate as a bidder, a person must be a medallion taxicab certificate holder or person authorized as provided in subsection (b) and a person in good standing with the Authority. For the purposes of this section, “a person in good standing with the Authority” is a person that meets the following criteria:

(1) Is qualified to buy transferable rights as provided in Chapter 1027 (relating to sale of rights).

(2) Is qualified to renew a transferable right as provided in § 1011.3 (related to annual rights renewal process).

(3) Has not sold a medallion in the most recent 365 days.

(4) Does not currently own and is not a person having a controlling interest in an entity that owns a medallion that is in a suspended status as provided in § 1011.14 (relating to voluntary suspension of certificate).

(b) A person that is not a medallion taxicab certificate holder may submit a bid for a medallion if the person has requested a new medallion taxicab certificate through the filing of an SA-1 application as provided in § 1027.6 (relating to application for sale of transferable rights) and the request has not been denied by the Authority prior to the date bids are due. In order to qualify to
bid as a pending medallion taxicab certificate holder, the SA-1 must be filed 45 days or more before the date bids are due. Participation in the bidding process will not guarantee the issuance of the medallion taxicab certificate by the Authority.

(c) Bids submitted in violation of this subsection will be considered non-responsive.

§ 1013.33. General Provisions.

(a) Sale by Sealed Bid. The Authority will sell taxicab medallions by sealed bid.

(b) Restriction of medallion rights. A medallion offered for sale by the Authority may have restrictions attached to it that will run with the medallion in perpetuity or for a shorter expressed period. The Authority will issue all restrictions by order and identify any medallion to which any restriction will apply in the notice of the sale as provided in section 5717(b)(1) of the act (relating to additional certificates and medallions).

(c) Separate Public Sales. Separate sales may be conducted for each medallion to be sold by the Authority.

§ 1013.34. Notice of medallion sale by the Authority.

Notice of a proposed sale of a medallion by the Authority will be published in the Pennsylvania Bulletin 60 days or more before the sealed bids will be due from bidders. The notice will include the following:

(1) The date and time on which bids are due.

(2) The location where bids are due.

(3) The number of medallions to be sold.

(4) Special restrictions that have been attached to any medallion. Restrictions will be identified and linked to the medallion number identified in the public notice.

(5) The upset price for each medallion.

(6) The maximum number of medallions a bidder may purchase at each public bidding session.

(7) The mandatory closing date.

(8) Other terms of sale.

§ 1013.35. Procedures for Bidding.

(a) Bid submissions. Each Bidder must do the following:
(1) Submit the bid in a 9” x 12” sealed envelope. The exterior of the sealed envelope shall identify, in the English language and with Arabic numerals, the medallion number for which the bid is intended and any additional information identified in the notice provided pursuant to § 1013.33 (relating to notice of medallion sale by the Authority). All information required by this paragraph shall be in black ink with characters no smaller than 1 inch high and 1/2 inch wide. For example, a sealed bid for medallion 9999 must display the following on the outside of the sealed envelope: “Bid for medallion 9999”.

(2) Submit only one bid, rounded to the nearest dollar increment, for one medallion per envelope.

(3) Submit the bid amount on a completed Form No. MA-2 “Bid Cover” in the sealed and marked envelope. The MA-2 is available at www.philapark.org/tld.

(4) Include with each bid inside the sealed envelope, the following:

(i) A deposit of $5,000 in a certified check, bank check or money order drawn on a Federally- or State-insured bank payable to the “Philadelphia Parking Authority”. The deposit will be non-refundable as to the highest conforming bidder and credited toward the sale price if the sale is approved.

(ii) A bank statement in the name of the bidder evidencing sufficient funds to purchase the medallion or a letter of commitment for no less than eighty percent of the bid amount, issued by a bank, credit union or other lender licensed to do business in the Commonwealth of Pennsylvania.

(5) Submit each sealed bid by hand delivery at the time and place designated in the sale notice as provided in § 1013.34 (relating to notice of medallion sale by the Authority).

(b) Late Bids. Any bid presented to the Authority after the time designated or to a location other than that designated in the sale notice as provided in § 1013.34 will not be accepted.

(c) Required Certifications. The MA-2 will include provisions through which each bidder must provide the following information with an accompanying verification:

(1) The bidder has not relied on any statements or representations from the Authority in determining the amount of the bid.

(2) The bidder has not colluded, consulted, communicated, or agreed in any way with any other bidder or prospective bidder for the purpose of restricting competition or of inducing any other prospective bidder to submit or not to submit a bid for the purpose of restricting competition.

(3) The bidder has not disclosed any bid price, directly or indirectly, to any other bidder for the purpose of restricting competition or of inducing any other prospective bidder to submit or not to submit a bid for the purpose of restricting competition.
(4) The bidder is not an owner, partner, member, shareholder, key employee of any other bidder and that the bidder is not a person with a controlling influence over any other bidder.

(d) Non-Responsive Bids. The following will be considered “non-responsive” bids and will be rejected:

(1) Bids that do not comply with the requirements of this section.

(2) Bid packages containing bids for more than one medallion.

(3) Bids that are non-responsive or non-conforming in any other respect.

(4) Bids below the upset price.

(e) All Bids Final. All bids are considered final and no bidder will be allowed to correct any bid after submission.

§ 1013.36. Bid Opening.

(a) The sealed bids will be opened in public and not before the time designated in the notice of a proposed sale provided pursuant to this subchapter.

(1) Each bidder, or an individual authorized as the bidder’s representative as provided in § 1001.28 (relating to power of attorney), must be present at the bid opening in order to address any issues that may arise during the bidding process, including the event of a tie bid.

(2) The winning bid for each medallion will be the highest bid for that medallion that is complete and responsive.

(3) Tie bids will be decided through subsequent sealed bids between only the tied bidders. The sealed bids to break the tie shall be submitted on the same day as the bid opening pursuant to the instructions of the Director. This process will also be used to determine tie bids for placement on the list as provided in subsection (b).

(4) The winning bids will be announced at the public sale, posted in the lobby of the TLD’s Headquarters, and listed on the Authority’s website at www.philapark.org/tld.

(5) The winning bidder will be notified by the Authority of its winning bidder status as provided in § 1001.51(b)(3)(relating to service by the Authority).

(6) The winning bidder must appear before the Director or his designee at TLD Headquarters within 5 business days of notice of the winning bid to acknowledge acceptance of the medallion and to confirm that all sale documentation has been properly completed and filed as provided in Chapter 1027 (relating to sale of rights).

(b) Non successful bid review.
(1) A list of all responsive, non-successful bids in the order from the highest bid amount will be produced and maintained by the Authority for each medallion subject to sale by the Authority.

(2) If the successful bidder is not approved by the Authority or fails to close on the sale of the medallion by the date designated in §1013.34 (relating to notice of medallion sale by the Authority) the Director may notify the highest non-successful bidder as provided in §1001.51(b)(3) and allow the bidder the opportunity to be a successful bidder and complete the sale process as provided in this subchapter.

(3) The highest non-successful bidder shall notify the Director of its decision to become a successful bidder within 5 business days of notice. In the event the noticed non-successful bidder elects not to become a successful bidder, the Director may proceed to notify non-successful bidders in order of highest to lowest bid until a successful bidder is obtained.

(4) The Director may amend the mandatory closing date by a period no greater than the time between the bid date and the date the next highest ranking bidder accepts the Director’s invitation to become a successful bidder.

(5) The Director may, in his discretion, request authorization from the Board to re-advertise the bid process for any medallion after the sale of the medallion to the original successful bidder fails to close by the date designated in §1013.34.

(c) Assignment of the Winning Bid. A winning bidder may not assign its rights to the winning bid status; any such assignment is void.

§1013.37. Medallion bid approval process and closing on sale.

(a) The sale of a medallion to a successful bidder will be prohibited if that bidder is not qualified to be a medallion certificate holder pursuant to the act and this part.

(b) For purposes of reviewing the potential sale of a medallion, the Authority will consider the successful bidder to be the proposed buyer as provided in this part.

(c) If the Director determines that the successful bidder is qualified as provided in the act, this part or an order of the Authority, a recommendation to approve the sale will be presented to the Board for approval at its next regularly scheduled meeting.

(d) Upon approval of the sale by the Authority, the Director will schedule the parties to meet at a time and location where an Authority staff member will witness the closing of the transaction.

(e) An Authority staff member shall witness the execution of each document by the proposed buyer, or its designated agent. Any closing not witnessed by Authority staff is void as provided in sections 5711(c)(5) and 5718 of the act (relating to power of authority to issue certificates of public convenience; and restrictions).
(f) The Authority will issue a new medallion taxicab certificate to the new medallion owner after the closing process if requested by the proposed buyer as provided in § 1013.32(b) (relating to bidder qualifications.)

(g) Except as provided in subsection (h), a medallion subject to a completed closing after sale by the Authority may not be transferred or sold for a period of 3 years from the date of closing, except as follows:

1. A medallion sold within one year of closing will be subject to a transfer fee 15 times greater than that provided in the Authority’s fee schedule as provided in section 5710(a) of the act (relating to fees).

2. A medallion sold within two years of closing will be subject to a transfer fee 12 times greater than that provided in the Authority’s fee schedule as provided in section 5710(a) of the act.

3. A medallion sold within three years of closing will be subject to a transfer fee 10 times greater than that provided in the Authority’s fee schedule as provided in section 5710(a) of the act.

(h) Subsection (g) shall not apply to the sale of a medallion in the following circumstances:

1. When each person that owns securities of the corporation, partnership, limited liability company or other form of legal entity that owns a medallion sold pursuant to this subchapter has died or is declared incapacitated.

2. When a person that owns securities of the corporation, partnership, limited liability company or other form of legal entity that owns a medallion sold pursuant to this subchapter has died or is declared incapacitated and that person’s securities are transferred to the medallion owning entity or another owner of securities in the entity that owns the medallion.