



# INFORMATION REPORT

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| <b>TO:</b> Chair and Members<br>Public Works Committee   | <b>WARD(S) AFFECTED:</b> CITY WIDE   |
| <b>COMMITTEE DATE:</b> December 2, 2013  |  |
| <b>SUBJECT/REPORT NO:</b> Public Bike Share Implementation (PW13015b) - (City Wide)<br>(Outstanding Business List) |  |
| <b>SUBMITTED BY:</b><br>Gerry Davis, CMA<br>General Manager<br>Public Works Department                             | <b>PREPARED BY:</b><br><br>Peter Topalovic<br>(905) 546-2424, Extension 5129 |
| <b>SIGNATURE:</b>  |  |

**Council Direction:**

As part of General Issues Committee Report 13-007, on March 27, 2013, Council approved the following recommendations:

- (a) *That the implementation of a public bike share transit system be approved, as outlined in Appendix "A" to Report PW13015, subject to finalization of an agreement to secure a system supplier and operator through a Request for Proposals (RFP) process;*
- (b) *That staff report back to Council with the results of the RFP process;*
- (c) *That the General Manager of Public Works be given delegated authority to negotiate with potential system sponsors and enter into agreements for the purpose of fully offsetting the operating costs of the system for a minimum period of three years;*
- (d) *That the capital and start-up costs of the Public Bike Transit System, as outlined in Appendix "A" to Report PW13015, be funded from the Rapid Transit Capital Reserve (108047) to an upset limit of \$1,600,000, subject to available funding and approval from Metrolinx;*
- (e) *That staff be requested to provide a report back to the Public Works Committee at the end of each full year period to provide a progress/status report on the program which would include update, accident claims, etc.*

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**Information:**

This report is intended to inform Council of the results of the Request for Proposals (RFP) process and act as the final step in the awarding of a Contract with the Successful Proponent of the RFP.

It will also complete and remove the Public Bike Share Transit System Implementation item from the Public Works Committee Outstanding Business List.

On February 25, 2013 (PW13015) and in a follow up report on March 20, 2013 (PW13015a), General Issues Committee approved the RFP process, to procure the supply, delivery, installation and operation of a public bike share transit system in Hamilton. Council gave final approval on March 27, 2013. The RFP outlined the City of Hamilton's plans to develop a system with twenty five (25) to sixty five (65) stations including two hundred and fifty (250) to six hundred and fifty (650) bikes, depending on the cost to supply such a system, up to the upset limit outlined in PW13015 of one million six hundred thousand dollars (\$1.6 million). The RFP requested various system configurations and associated costing scenarios based on the minimum and maximum system configurations and outlined provisions for a five (5) year renewable operating contract.

Staff have reviewed and evaluated all the proposals received, and have determined that Social Bicycles is the successful Proponent. Social Bicycles provided a detailed proposal for a bike share hardware and software technology platform including stations, terminals, hubs, bikes and supporting wireless and software systems. They have also provided a business plan, which outlines their projections and strategies for operating a financially, socially and environmentally sustainable bike share system. The details of the sixty five (65) stations and six hundred and fifty (650) bike systems include:

- Next generation technology, which enables the bicycle to work independently from a station using smart cards, smartphones and dial pad codes.
- Bikes can be tracked for additional security to prevent theft.
- Minimalist station design allows for a larger amount of stations and bikes to be in service at a lower cost than typical bike share systems. In Hamilton's case, we are able to implement the fully recommended station and bike configuration on budget.
- The system is intended to be run by a made-in-Hamilton not-for-profit group managed by Social Bicycles with a base of operations in Hamilton; further improving community capacity for bike sharing. The RFP, contract number C11-57-13, includes the details of the five (5) year renewable contract between the City of Hamilton and Social Bicycles.
- Social Bicycles will assume all legal and financial liability with no additional legal or financial support from the City. This is in-line with other medium sized North American Cities who have similar contracts.
- Social Bicycles currently operates systems with operating partners in Hoboken New Jersey, Buffalo, New York and Orlando, Florida.

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Staff determined that this successful proposal demonstrates the best system, based on the City's requirements, which broadly included:

- (a) Bicycle stations that are simple, robust, reliable, and designed for both sidewalk and street installation
- (b) Stations that are moveable, free-standing incorporate wireless technology and have no need for electrical service
- (c) An overall system plan that is efficiently managed and carefully maintained, with bicycles that are appropriately and regularly distributed

The City of Hamilton will purchase and own the stations and related infrastructure, as well as assist with the installation of the stations. Social Bicycles will operate the system and be responsible for all operating expenses, revenues, theft, damage, wear and tear and liability associated with the operation of the bike share system. Social Bicycles will be required to operate all stations and bikes purchased at the time of installation, which is scheduled for late March 2014, and any stations purchased thereafter, at any time during the contract period. The system will be fully operational in April 2014, in time for a Spring launch.

The City will not provide funds for the operation of the Bicycle Sharing System. Revenues from user fees, memberships, sponsorships and advertising are expected to fund the operation, maintenance and promotion of the Bicycle Sharing System. The City will assist Social Bicycles in their attempts to secure naming rights, sponsorships, and station-based advertising by advising them on appropriate sponsors and attending meetings with potential sponsors. Revenue generated from the system operation will go to Social Bicycles for the first five (5) years of the contract. These revenues will first be used to offset system operating costs and any additional funds will be retained by Social Bicycles in the first five (5) years of the contract. If the City of Hamilton chooses to enter into subsequent contract renewals with Social Bicycles, revenues will be shared as agreed upon in a revenue sharing formula; to be developed at the time the contract is renewed. Contract renewals with Social Bicycles are not guaranteed.

**FINANCIAL, LEGAL AND STAFFING IMPLICATIONS:**

A one-time capital expense of one million and six hundred thousand dollars (\$1.6m) will be used to procure the six hundred and fifty (650) bikes, sixty five (65) stations, sixty five (65) hubs, sixty five (65) terminals and related communications infrastructure, software platforms and back-end management systems that comprise the public bike share system, from Social Bicycles. The capital funds will come from the Rapid Transit Capital Reserve (108047) - Quick Wins funding at a maximum limit of one million and six hundred thousand dollars (\$1.6m).

Social Bicycles will be responsible for any and all other costs associated with the operation of the system including, but not limited to, operating expenses, revenues, theft, damage, wear and tear and liability associated with the operation of the bike share system. Social Bicycles will be required to operate all stations and bikes purchased at the time of installation and any stations purchased thereafter, at any time during the contract period.

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Legal Services, Risk Management and Purchasing staff have been engaged in the public bike share project and have helped develop the RFP, contract number C11-57-13, including the contract components contained within it. It will ensure that Social Bicycles will be bound to the terms and conditions outlined in reports PW13015 and PW13015a and the RFP document, which acts as the binding Contract, once Council receives this information report numbered PW13015b.

The Project Manager, Transportation Demand Management (TDM) will be the liaison between the City and Social Bicycles.

This Information Report provides information to Council on the Social Bicycles RFP award for the supply, delivery, installation, and operation of the Hamilton Public Bike Share System, as outlined in the RFP Contract Number C11-57-13. It is the final step in the Hamilton Public Bike Share Project which received Council approval on March 27, 2013 (PW13015a). Endorsement of Report PW13015b will move the project to the implementation phase, given that all requirements set out by Council are satisfied by Social Bicycle's RFP submission.