

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-11

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August 21, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications RFP No. PW12-025 and authorize the City Manager to execute a contract and any amendments thereto, to Bike Nation, Inc., of Tustin, CA (not an MBE, WBE, SBE or Local), for a Bike Share Program, for a period of ten years, with the option to renew for one additional ten-year period, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to authorize the City Manager to execute a contract for the development, design, installation, operation, maintenance, and marketing of a network of publicly available bicycles in a "third generation" Bike Sharing Program (Program) for the City. As Long Beach's bike-friendly model continues to expand, this Public Private Partnership will be an accelerant to this achievement, as well as an economic stimulant to various destination hubs within the City. The Program consists of self-service kiosk stations and docks throughout the City for the public use of bicycles. Bike Nation, Inc. (Bike Nation), operates in the City of Anaheim and is implementing bike sharing programs in areas within the City of Los Angeles. The City of Long Beach will provide locations in the public right-of-way for the bike share stations. Bike Nation has proposed to invest \$12 million to develop a safe, dependable, efficient, and environmentally sustainable bike share program in the city, with no out-of-pocket costs to the City. This initial investment will include 250 bike share stations, 2,500 bikes, 3,750 bike docks, and provide community bike educational programs citywide.

Given the significant expense on Bike Nation's behalf, a contract term of ten years is necessary to allow Bike Nation to achieve a return on their investment. In addition, during this term, the City will partner with Bike Nation in a revenue sharing model that is mutually beneficial for both parties. The City also anticipates the capabilities of working with Bike Nation to utilize advertising space for public service announcements benefiting City programs.

Bike Nation has also provided an option of expanding the City's bike parking facilities by installing up to 50 secured and covered bike parking systems. The initial implementation will be conducted in a phased approach, while engaging the City, citizens, community, businesses, business associations and all other relevant stakeholders to ensure optimal placement to maximize the many benefits the Program will yield. Additionally, Bike Nation has recommended the creation of a Long Beach Advisory Board, consisting of a number of community stakeholders acting in an advisory capacity to the siting, implementation and overall operations. The community benefits to the City will come in many forms, from promoting a healthy lifestyle, to providing bike education and safety, to advocating for local businesses.

Upon approval and execution of the proposed agreement, City staff will work with Bike Nation, who proposed partnering with Studio One Eleven, a Long Beach-based architecture firm, to identify sustainable destination hubs to implement the Program. Studio One Eleven has significant Long Beach project experience, with an emphasis in sustainable practices, from the development of parklets, to various traffic and transportation-related projects. These destination hubs will be based on a number of factors including, but not limited to, tourism and retail stimuli, like those found in the Downtown and Convention Visitor's Bureau areas; exposure to the City's diverse neighborhoods, such as Belmont Shore/Second Street, Fourth Street Retro Row, and Bixby Knolls areas; pathways and networks in City parks; and, the locality of various Citywide events.

The Request for Proposals (RFP) was posted via our electronic bid system on June 25, 2012, and 798 potential bidders specializing in bike sharing programs were notified of the bid opportunity. Of those bidders, 38 downloaded the RFP via our electronic bid system. The RFP document was also made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. The RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women-owned business groups. Two proposals were received on July 18, 2012. Of those two proposals, none were Minority-owned Business Enterprises (MBEs), none were Women-owned Business Enterprises (WBEs), none were certified Small Business Enterprises (SBEs), and none were Long Beach businesses (Local). Bike Nation, Inc., of Tustin, CA (not an MBE, WBE, SBE or Local), was determined to be the most qualified proposer.

Local Business Outreach

In an effort to align with our outreach goal, Long Beach businesses were encouraged to submit RFPs for City contracts. The Purchasing Division also assisted businesses with registering on the Bids Online database to download the RFP specifications. Through outreach, 77 Long Beach vendors were notified to submit RFPs, of which none downloaded or submitted an RFP. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

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This matter was reviewed by Deputy City Attorney Amy R. Webber and Budget Management Officer Victoria Bell on August 10, 2012.

TIMING CONSIDERATIONS

City Council action to adopt Specifications RFP No. PW12-025 and execute the contract is requested on August 21, 2012 to ensure the contract is in place expeditiously.

FISCAL IMPACT

The costs for installation, maintenance, and monitoring of this program will be incurred by Bike Nation; therefore, it will have no reliance on City subsidies and no impact to the General Fund. If there is sufficient profit, the City will work with Bike Nation to share revenue/profit sometime after the first 18 months of operation. The use of right-of-way permits will require Bike Nation to accept liability. The award of this contract will provide continued support to our local economy and provide a positive job impact.

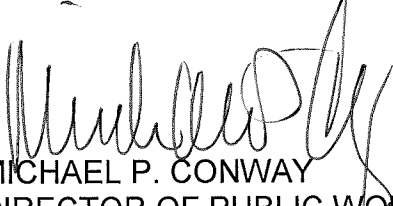
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,




JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

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APPROVED:



PATRICK H. WEST
CITY MANAGER