# Legislation Details (With Text)

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| **File #:** | 16-0234 | **Version:** | 1 | **Name:** | PW - Bike Share Program |
| **Type:** | Contract | | | **Status:** | CCIS |
| **File created:** | 2/19/2016 | | | **In control:** | City Council |
| **On agenda:** | 3/8/2016 | | | **Final action:** | 3/8/2016 |
| **Title:** | Recommendation to adopt Specifications No. RFP PW16-058 and award a contract to CycleHop, LLC, of Santa Monica, CA, for the operation of the Bike Share Program, at no cost to the City for period of five years, from March 9, 2016 to March 8, 2021, with the option to renew for two additional five-year periods; and authorize City Manager, or designee, to execute all documents necessary to enter into the agreement, including any necessary amendments thereto regarding the terms of the agreement and scope of services. (Citywide) | | | | |
| **Sponsors:** | Public Works, Financial Management | | | | |
| **Indexes:** | Contracts | | | | |
| **Code sections:** | | | | | |
| **Attachments:** | 1. 030816-R-19sr.pdf, 2. 030816-R-19 Flyer.pdf | | | | |

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|
| 3/8/2016 | 1 | City Council | approve recommendation | Pass |

Recommendation to adopt Specifications No. RFP PW16-058 and award a contract to CycleHop, LLC, of Santa Monica, CA, for the operation of the Bike Share Program, at no cost to the City for period of five years, from March 9, 2016 to March 8, 2021, with the option to renew for two additional five-year periods; and authorize City Manager, or designee, to execute all documents necessary to enter into the agreement, including any necessary amendments thereto regarding the terms of the agreement and scope of services. (Citywide)

On June 2, 2015, the City Council awarded a contract to CycleHop, LLC (CycleHop), in an amount not to exceed $2,176,625 to purchase the equipment for a Bike Share system. As the subsequent step, City Council approval is requested to enter into a contract with CycleHop for the implementation of the Bike Share Program.

CycleHop will operate, maintain and grow the Bike Share Program, which consists of the City's 500 bicycles and 50 bike share kiosks, with the goal to self-sustain operations with revenue generated from user fees, sponsorship and advertising sales. The proposed agreement is expected to result in a positive fiscal impact to the City, based on a revenue-sharing model that will also fund the program's ongoing operations and future expansion. Any net revenue reinvested by CycleHop into capital cost outlays and maintenance would be exempt from revenue sharing.

Operating 24 hours a day, the system will be monitored remotely and receive daily maintenance and cleanliness checks from the CycleHop operations team. A call center will operate at a minimum hour range of 6:00 a.m. to 8:00 p.m., with the objective that 98 percent of calls are answered within 3 minutes. Bicycles will be redistributed throughout the system,

as necessary, on a daily basis, to meet demand. Docks and bicycles will be repaired or replaced within 48 hours of discovery or notification of defect. CycleHop will place stations in areas of high visibility to ensure user safety, will be in collaboration with the Police Department to communicate safety and security initiatives, and will provide excellent customer service through consistent, friendly and well-informed staff. Electronic reports including, but not limited to, system usage, uptime, estimated miles ridden, average length and duration of trips, and user types will be delivered on a monthly basis.

A Request for Proposals (RFP) was advertised in the Press-Telegram on January 4, 2016, and 4,834 potential proposers specializing in bicycle operation services were notified of the RFP opportunity. Of those notified, 26 downloaded the specifications via the City's electronic bid system. The RFP document was made available through the Purchasing Division, located on the Seventh Floor of City Hall, and the Division's website at www.longbeach.gov/purchasing <http://www.longbeach.gov/purchasing>. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 22 local, minority and women-owned business groups. Two proposals were received on January 27, 2016. Of those proposals, none were Minority-owned Business Enterprises (MBEs), Women-owned Business Enterprises (WBEs), certified Small Business Enterprises (SBEs), Disadvantaged Business Enterprises (DBEs), or Long Beach businesses (Local).

A selection committee, comprised of City staff, reviewed and evaluated the proposals and determined that CycleHop was the most qualified to operate the Bike Share Program based on best meeting the RFP criteria, and for providing the best value for the City.

**Local Business Outreach**

In an effort to align with our outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The Purchasing Division assists businesses with registering on the Bids Online database to download specifications. Through outreach, 567 Long Beach vendors were notified to submit proposals, of which none downloaded or submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Richard F. Anthony and by Budget Management Officer Victoria Bell on February 29, 2016.

SUSTAINABILITY

According to the City's Draft Mobility Plan, mobile sources account for approximately 30 to 40 percent of greenhouse gas emissions. The creation of a City Bike Share Program is an important step to curbing greenhouse gas (GHG) emissions, by allowing residents and visitors to complete short trips by bicycle, rather than driving.

City Council action to adopt Specifications No. RFP PW16-058 and award a contract

concurrently is requested on March 8, 2016, to ensure the contract is in place expeditiously and can start when the acquisition and installation of the equipment (bicycles, software, hardware, stations) has been completed.

Based on the goal of CycleHop to self-sustain operations with revenue generated from user fees, sponsorship and advertising sales, a financial subsidy from the City is not anticipated. The City will receive 5 percent of net revenue in year one. This amount will increase each year over the term of the contract, up to 20 percent. The actual revenue generated from CycleHop is largely dependent on the success of the Bike Share Program, and a revenue amount cannot be projected at this time. In addition, capital costs incurred by CycleHop for system expansion will halt revenue sharing with the City until a full return on the investment has been achieved by CycleHop. Any net revenue ultimately received by the City will be deposited to the General Fund (GF) in the Public Works Department (PW). Approval of this recommendation anticipates a positive impact on the local economy.

Approve recommendation.

CRAIG A. BECK
INTERIM DIRECTOR OF PUBLIC WORKS

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER


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