



STAFF REPORT ACTION REQUIRED

Toronto Public Bicycles Project

Date:	May 26, 2009
To:	Public Works and Infrastructure Committee
From:	General Manager, Transportation Services
Wards:	All Wards
Reference Number:	P:2009\ClusterB\tra\tim\pw09012tim

SUMMARY

Transportation Services is seeking authority to enter into negotiations with the Public Bicycle System Company to develop a detailed business plan for launching and operating a Toronto public bicycle system at no cost to the City. If successful, Transportation Services will report back in Fall 2009 on a proposed draft agreement, in order to launch the public bicycle system in Spring 2010.

RECOMMENDATIONS

The General Manager, Transportation Services recommends that City Council:

1. Authorize the General Manager, Transportation Services, in consultation with the City Solicitor, to undertake negotiations with the Public Bicycle System Company, as the sole respondent to the City's Request for Expressions of Interest which was pre-qualified as a potential vendor capable of offering a public bicycle system not dependant on advertising within the street right-of-way, to develop a proposal to implement and operate a Toronto public bicycle system at no cost to the City and, if successful, to report back in Fall 2009 on a proposed draft agreement, in order to launch a public bicycle system in Spring 2010;
2. Authorize and direct the appropriate City officials to take the necessary action to give effect thereto.

Financial Impact

There is no immediate financial impact resulting from the adoption of this report. Transportation Services is seeking authority to enter into negotiations with the Public Bicycle System Company to develop a detailed business plan for launching and operating a Toronto public bicycle system, at no cost to the City and without additional advertising within the street right-of-way. Transportation Services will report back in Fall 2009 on a detailed proposal, including a proposed draft agreement, in order to launch the public bicycle system in Spring 2010.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

The Toronto Bike Plan was adopted by City Council in July, 2001 “as the strategic plan for implementing cycling policies, programs and infrastructure improvements over the 10 year period, 2002-2011.”

ISSUE BACKGROUND

A number of new cycling infrastructure trends and opportunities have emerged since the Bike Plan was adopted by City Council in 2001. Perhaps the most significant and innovative cycling trend is the advent of technologically sophisticated public bicycle programs (also known as Bike Share).

The Paris Velib public bicycle system, which operates with 20,000 “shared bicycles” located all over Paris, is the largest program and has received the most international attention. Many other European cities have also launched public bicycle systems or are in the process of developing a system. The Velib program has dramatically increased bicycle use in Paris almost overnight. Montreal developed their “BIXI” public bicycle system over the past two years and launched the system in May 2009 with 2,400 bicycles located around the city. Other North American cities are in the process of researching and developing similar programs.

Public bicycle systems generally operate more like an extension of the public transit system than like a bicycle rental system. The bicycles are intended to be used for one-way trips of less than 30 minutes in duration. Regular users purchase a membership or “pass” for periods ranging from one month to one year. Registered members use their membership card at any of the fully automated bicycle parking stations to sign out a bicycle. For registered members there is no trip fee if the bicycle is returned to a bicycle parking station within 30 minutes. Bicycles can be picked up and dropped off at any bicycle parking station in the system. A rental fee is charged for any trip longer than 30 minutes or for any trip by an unregistered user, who accesses the system with a credit card.

In order for the program to be successful, the number of bicycles and bicycle parking stations provided must exceed the demand; there must always be a bicycle available for pick up and an available parking space to drop off the bicycle at the end of the trip. The bicycle parking stations must be closely spaced, generally no more than 250-300 metres apart, to provide maximum convenience for users.

COMMENTS

A Toronto public bicycle system is being planned for launch in Spring 2010. The proposed start-up service area would be bounded approximately by High Park in the west, Broadview Avenue in the east, Bloor Street in the north and Lake Ontario to the south. Approximately 3,000 bicycles and 4,500 "bicycle parking spaces" would be required to service this start-up area. The service area and the number of bicycles and bicycle parking stations would be expanded year-by-year based on customer demand.

The estimated capital cost to launch a public bicycle system, based on 3,000 bicycles to start, is in the order of \$11.0 million. The ongoing operating costs would be partially offset by fee revenues generated by users of the system. In many systems the start-up capital costs and a portion of the operating costs are funded from revenues derived from transit shelter-style advertising within the road right-of-way. Transportation Services staff are investigating different funding and operating models for a Toronto program, to be launched in Spring 2010. One operating model would be funded largely through revenues from advertising within the road right-of-way, similar to programs in Paris and other cities. The legal agreement between the City and Astral Media for operation of the Coordinated Street Furniture Program includes a commitment by the City not to authorize any further advertising programs within the street right-of-way and therefore gives Astral Media the first right of refusal to operate a public bicycle system to be funded through advertising within the street right-of-way. However, such a solution would involve the authorization of additional advertising within the right-of-way.

The other operating models include the public bicycle system operated by a third party at no cost to the City and without new advertising within the street right-of-way. Alternatively, the City could procure the system equipment (bicycles, stations, and system technology) and operate the public bicycle system itself or in partnership with one or more other agencies. These latter two operating models would be funded through a variety of other means, including sponsorship, other forms of advertising (i.e. not permitted within the right-of-way) and user fees.

Transportation Services issued a Request for Expressions of Interest (REOI) to identify potential vendors capable of offering a public bicycle system that was not dependant on advertising within the street right-of-way. The intent of the REOI process was to pre-qualify respondents for a subsequent Request for Proposals (RFP) process. The RFP process would have selected a proponent with whom the City could enter into an agreement for the provision of a public bicycle system. Proposals were received from two potential proponents by the REOI closing date, May 14, 2009. Only one proponent, the Public Bicycle System Company, achieved the necessary score to pre-qualify for the subsequent RFP process. The Public Bicycle System Company developed and operates the Montreal BIXI system on behalf of the City of Montreal.

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SIGNATURE

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