

**REPORT FOR ACTION****Amendment to Blanket Contract Numbers 47021763 with Enterprise CarShare and 47019969 with Zipcar Canada Inc. for Car-Sharing Services**

Date: December 12, 2019

To: General Government and Licensing Committee

From: General Manager, Fleet Services and Chief Purchasing Officer

Wards: All

SUMMARY

The purpose of this report is to seek authority from City Council to renew and amend contracts with Enterprise CarShare (Blanket Contract Number 47021763) and Zipcar Canada Inc. (Blanket Contract Number 47019969) for car-sharing services.

This contract renewal will ensure ongoing alignment with the Province of Ontario's Vendor of Record agreement (VOR Number OSS-00502055) with Enterprise CarShare and Zipcar Canada Inc. which the City leverages to achieve the best possible pricing and savings. The additional amount of \$200,290 net of all applicable taxes and charges (\$203,815 net of Harmonized Sales Tax recoveries) is for the optional term from March 1, 2020 to February 28, 2022. The current contract value of Enterprise CarShare will increase from \$ 78,275 to \$278,565 net of all taxes and charges (\$283,467 net of Harmonized Sales Tax recoveries). The current contract value of Zipcar Canada Inc. remains the same during this renewal term.

RECOMMENDATIONS

The General Manager, Fleet Services, and Chief Purchasing Officer recommend that:

1. City Council grant authority to amend Blanket Contract Numbers 47021763 with Enterprise CarShare and 47019969 with ZipCar Canada Inc., in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), and authorize the General Manager, Fleet Services, to exercise an additional two-year optional term from March 1, 2020 to February 28, 2022, should the Province of Ontario decide to renew this term, as follows:

- a. Enterprise CarShare: Increase the total contract value by \$200,290 net of all taxes (\$203,815 net of Harmonized Sales Tax recoveries), revising the total contract value to \$278,565 net of all taxes (\$283,467 net of Harmonized Sales Tax recoveries); and

- b. Zipcar Canada Inc.: No increase in total contract value.

FINANCIAL IMPACT

Funding in the amount of \$84,923 net of HST recoveries has been included in the 2020 Operating Budget Submissions for Toronto Water, Transportation Services, Fire Services, Corporate Real Estate Management, Engineering and Construction Services, and Fleet Services. Additional funding in the amount of \$118,892 net of HST recoveries will be requested in their 2021-2022 Operating Budget Submissions. Funding details follow in Table 1.

In principle, the car-share program replaces part of the City's transportation requirements currently covered by other methods of transportation. Associated costs will depend on the usage volumes of each participating City Division.

The total anticipated costs to continue the car-sharing program for the City of Toronto is \$203,815 net of all HST recoveries. Each participating City Division submitted its projected expenditure to the Fleet Services Division.

Table 1: Estimated funding, net of HST recoveries

Division	Cost Centre Group	Cost Element	March 1, 2020 - December 31, 2020	January 1, 2021 - December 31, 2021	January 1, 2022 - February 28, 2022	Total Net of HST Recoveries
Engineering & Construction Services	ECS200 ECS210 ECS220 ECS230 ECS240 ECS330 ECS410 ECS420 ECS430 ECS431 ECS440 ECS450 ECS610 ECS650	4510	\$24,657	\$29,589	\$4,931	\$59,177

Division	Cost Centre Group	Cost Element	March 1, 2020 - December 31, 2020	January 1, 2021 - December 31, 2021	January 1, 2022 - February 28, 2022	Total Net of HST Recoveries
Corporate Real Estate Management	FA0341	4424	\$5,512	\$6,614	\$1,102	\$13,229
Fire Services	FR0006	4510	\$8,480	\$10,176	\$1,696	\$20,353
Public Health	PH2115 PH3615 PH4021 PH4031 PH4041 PH4042	4510	\$2,544	\$3,053	\$509	\$6,106
Transportation Services	TP0219	4510	\$9,785	\$11,742	\$1,957	\$23,483
Toronto Water	Various Cost Centres	4510	\$16,960	\$20,352	\$3,392	\$40,704
Fleet Services	FL7003	4510	\$16,985	\$20,381	\$3,397	\$40,763
Grand Total			\$84,923	\$101,907	\$16,985	\$203,815

The Chief Financial Officer and Treasurer has been provided the financial impacts associated with this agreement for review as part of the 2020 Budget process.

DECISION HISTORY

The consideration of car-share vehicles for the City's fleet was initiated by a request from Government Management Committee (GMC) at its meeting March 11, 2010 (GM29.23).

<http://www.toronto.ca/legdocs/mmis/2010/gm/decisions/2010-03-11-gm29-ds.htm>

At its meeting on July 6, 7, and 8, 2010, City Council requested the Director, Fleet Services Division, to implement a pilot project with respect to the use of car-share vehicles and report back to the Government Management Committee after a one year period.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.GM32.17>

At its meeting on July 6, 7, and 9, 2015, the one-year pilot project results were presented to City Council. At the same meeting, City Council authorized the Director, Fleet Services, in consultation with the Director, Purchasing and Materials Management, to issue a Request for Proposal (RFP) for a city-wide car-share program for City of Toronto Divisions and Agencies, including potential use of car-share technology in managing City-owned vehicles.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM5.21>

At its meeting on May 3, 2016, City Council authorized the General Manager, Fleet Services Division, in consultation with the Chief Purchasing Officer, Purchasing and Materials Management Division to use the Province of Ontario's Vendors of Record for car-sharing services for the period from June 3, 2016 to December 31, 2019.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM11.10>

COMMENTS

Car-sharing is a shared-use vehicle program offering a short-term rental service of motor vehicles owned by a car-share organization/company to individuals or businesses who are members. Car-sharing can provide benefits such as: eliminating the fixed cost of vehicle purchase and maintenance; reducing the operating cost of driving since the “pay as you go” structure creates an incentive to drive less; consequently reducing air pollution and fuel consumption; and providing a conveniently located vehicle to a driver.

As identified in the report GM11.10 (see above link), actual savings associated with the use of car-sharing services depend on the actual application, type of vehicles, vehicle kilometres and overall trip management. Following the successful initial car-sharing service program period from 2016 to 2019, the participating City Divisions have requested to continue this program and have provided Fleet Services their increased estimates for car-sharing services.

Continuing to use the Provincial Vendors of Record, OSS-00502055 with the same terms and conditions until February 28, 2022 ensures access to the best pricing for Ontario Public Sector customers, including the City of Toronto, while reducing the time and effort required for the procurement process.

CONTACT

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SIGNATURE

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