



## REPORT FOR ACTION CONTRACT AWARD

### **Contract Award - Request for Proposal Number 20190821 for Bike Share Toronto System Management**

**Date:** January 2, 2020  
**To:** Board of Directors, Toronto Parking Authority  
**From:** Acting President, Toronto Parking Authority  
**Wards:** All

#### **RECOMMENDATIONS**

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The Acting President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority grant authority to award the contract for the management of the Bike Share Toronto system to Shift Transit Inc., providing the highest ranking proponent score and the lowest bid price, for a term of five years, plus two optional one-year extensions, at the sole option of the President, Toronto Parking Authority, in the estimated amount (five years) of \$42,244,200.

#### **FINANCIAL IMPACT**

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The estimated potential total amount to award the contract for Bike Share Toronto system operations over the five year term is \$42,244,200.

**Contract Award Value:**  
\$42,244,200 net of all applicable taxes

Initial contract term, pending contract finalization, is anticipated to commence on February 1, 2020 and end on January 31, 2025.

**Option Period 1 - February 1, 2025 to January 31, 2026**

\$8,712,000 net of all applicable taxes

**Option Period 2 - February 1, 2026 to January 31, 2027**

\$8,712,000 net of all applicable taxes

**Table 1 - Financial Impact Summary of Recommended Five-Year Contract**

<b>Year Ending January 31,</b>	<b>Average Number of Docks</b>	<b>Average Number of Bikes</b>	<b>Contract Award Value</b>
2021	10,275	6,000	\$ 7,396,200
2022	12,000	7,000	\$ 8,712,000
2023	12,000	7,000	\$ 8,712,000
2024	12,000	7,000	\$ 8,712,000
2025	12,000	7,000	\$ 8,712,000
<b>Five-Year Contract Total</b>			<b>\$ 42,244,200</b>
2026	12,000	7,000	\$ 8,712,000
2027	12,000	7,000	\$ 8,712,000
<b>Seven-Year Contract Total</b>			<b>\$ 59,668,200</b>

Table 1 shows the annual contract value for the five-year contract with two optional one-year extensions. Base operational fees are calculated at \$54 per bicycle dock and \$110 per e-bike dock per month and fees may be further adjusted by performance. Subject to meeting system balancing targets, additional fees for the year may be awarded to a maximum of \$540,000. Where bicycle availability or bike station maintenance metrics fall below performance target thresholds, as outlined in Form 4 of Attachment 1, liquidated damages may be collected and offset operational and performance bonus fees.

Operational performance targets are set to ensure the availability of the equipment, ensuring a good user experience. Bike availability metrics are set to ensure that an average of 90 percent of total bike fleet is available in summer (May to September) and 70 percent in winter (October to April) and are always in service. Bike station maintenance ensures that 100 percent of bike stations, and every component, are fully functional at all times, all kiosks, docks, and bikes and all of their components, are operable, and that stations are clean and graffiti free, and snow removal is timely, as per the City of Toronto's policy.

Estimated operational contract award value includes the forecasted operational impacts of the City of Toronto's Transportation Services' recommended additional capital expansion above the original 2020 Budget request, which is expected to bring the 2020 capital expansion spend up to \$11.25 million. If approved, this additional proposed expansion is expected to be completed by the third quarter of 2020. This further expansion would potentially increase the number of bikes from 5,000 to 6,700, provide the addition of 300 e-bikes, and bring the number of stations and docks up to 625 and 12,000 respectively. It is therefore estimated that the 2020 expansion could see a 35 percent increase in the size of the system, which would include the introduction of e-bikes. If the additional capital expansion proposal is not approved, annual operating fees are expected to approximate \$5.6 million, which approximates the 2020 Operating Budget of \$5.5 million.

## CALL SUMMARY

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**Call Issued:** August 21, 2019

**Call Closed:** September 27, 2019, Noon, Toronto time

**Call Number:** Request for Proposal Number 20190821

**Number of Addenda Issued:** Four (4)

**Number of Bids:** Four (4)

### Description:

The purpose of this Request for Proposal (RFP) is to select a qualified company to partner with Toronto Parking Authority (TPA) for the operation and administration of the Bike Share Toronto system.

Through a competitive bid process, TPA selected and contracted with Ward O'Farrell Consultants Inc., a Government of Ontario Vendor of Record consulting firm specializing in preparing, writing, and managing government procurement RFPs.

In total, 19 organizations were invited to submit responses to the RFP through direct contact to known suppliers or through contacting two transportation and bike share associations: the North American City Transportation Officials (NACTO) and the North American Bike Share Association (NABSA).

TPA received four (4) proposals in total: Shift Transit Inc. (incumbent), CycleHop LLC, Bicycle Transit Systems and Bewegen Technologies Inc. All of these companies currently manage bike share programs in North America.

A copy of TPA - Bike Share Operations RFP can be found in Attachment 1 and further information is provided in Attachment 2.

**Table 2** - Summary of Bids Received for RFP Number 20190821 Including Bid Price and Score

Bidder Name	Bid Price - Monthly Fees	Bid Price - Incremental Fees	Proponent Points
Bewegen Technologies Inc.	\$1,054,350	\$1,167,507	266 points
Bicycle Transit Systems	\$1,382,224	\$1,031,150	398 points
CycleHop LLC	\$810,764.50	\$365,200	344 points
Shift Transit Inc.	\$461,700	\$1,496	425 points

## COMMENTS

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Since program inception in 2011, system operations have been performed through contracted services initially provided by BIXI Toronto Inc. under an agreement with the City of Toronto. Through transition and expansion under TPA management, system operations have been provided by Motivate Company Toronto Inc. and is currently operated by Shift Transit Inc., under a memorandum of understanding.

TPA conducted an open RFP to select an exclusive operator of the Bike Share Toronto system to meet the following key operational objectives:

- Provide an effective maintenance program to ensure bicycle safety and availability;
- Ensure payment kiosks and docking stations are in working order;
- Ensure the bicycle fleet is balanced to meet ridership demands during peak periods;
- Support and coordinate potential system expansions;
- Meet operational key performance indicators; provide detailed reports on system metrics, benchmarks and performance;
- Recommend and incorporate recent experience and trends to deliver a positive bike share experience; and
- Provide exceptional customer service, call centre services and coordination of marketing initiatives to promote our program 24 hours a day, 365 days a year.

All proposals were considered compliant and scored following a rigorous analysis of each written proposal and pricing structure. References were contacted for all proponents and most participated. References for the recommended Proponent, Shift Transit Inc., were favourable and support the recommendation. In addition, during the past two years, TPA has had a positive experience with Shift Transit Inc. as the system operator.

Shift Transit Inc. is a North American mobility operations company. Founded in 2015, Shift Transit Inc. has experience operating all aspects of bike sharing systems: station and bike deployment, fleet rebalancing, equipment maintenance, marketing and customer service. Shift Transit's executive team has decades of experience overseeing large scale mobility services, including bike sharing and car sharing programs.

After the review and scoring of the RFP responses, the results show that Shift Transit Inc. has the best score and the lowest total cost to operate, as displayed in Table 2. Staff recommend that the bid of Shift Transit Inc. be accepted and TPA enter into a five-year agreement with Shift Transit Inc. to operate the Bike Share Toronto program.

## **CONTACT**

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## **SIGNATURE**

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Robin Oliphant, Acting President  
Toronto Parking Authority

## **ATTACHMENTS**

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Attachment 1 - Notice to Potential Proponents - Request for Proposal Number  
20190821 For: Bike Share Program Management

Attachment 2 - Bike Share Request for Proposal Number 20190821 - Proponent  
Questions and Toronto Parking Authority Responses, Addendums for Bike Share  
Request for Proposal 20190821