

# PA13.1 Appendix C

APPENDIX C: IN-CAMERA BOARD MEMORANDUM DATED FEBRUARY 19, 2016 - MINUTE 16-031 (AUTHORIZED FOR PUBLIC RELEASE BY THE ACTING PRESIDENT, TORONTO PARKING AUTHORITY, ON JANUARY 27, 2020)



## BOARD MEMORANDUM IN-CAMERA

5.2

TO: Lorne Persiko FILE NO: 6190-00  
FROM: Marie Casista DATE: February 19, 2016  
SUBJECT: BIKE SHARE TORONTO  
Equipment Supply Agreement - PBSC

MEETING DATE: Thursday, February 25, 2016

RECOMMENDATION:

| MEETING          | MINUTE |
|------------------|--------|
| February 25/2016 | 16-031 |
| Approved.        | JF.    |

It is recommended that the Board of Directors of the Toronto Parking Authority (the "TPA") authorize staff to enter into a supply agreement with PBSC Urban Solutions Inc. (the "PBSC") to supply new equipment to support phased expansion plans for the bike share system, as and when required, and replace certain existing equipment in order to integrate the existing bike share system with the new system, for a five (5) year term with up to three (3) additional two (2) year optional renewal periods at TPA's sole discretion, under the business terms and conditions outlined herein. (The total amount of the Vendor's submission for the Initial Order, based on the estimate of quantities provided by TPA for the purposes of evaluating the proposals, is \$4,888,400 based on a five (5) year warranty, not including HST).

Purpose:

The purpose of this report is to obtain TPA Board approval to enter into a supply agreement with PBSC for the supply of new equipment to support the phased expansion plans for Bike Share, Toronto and replace certain equipment in order to integrate the existing bike share system with the new system for a term of five (5) years with up to three (3) additional two (2) year optional renewal periods.

Background:

The existing Bike Share, Toronto system (formerly BIXI Toronto) was launched May 1, 2011 and contains approximately 1,000 bikes, 81 payment stations and 1,500 docks. The hardware was supplied by Public Bike Share Company and the software was supplied by 8D Technologies. This current system configuration is no longer available. Since the time of the system launch, it was recognized that the system was too small and that significant expansion would be necessary to support the service mandate and generate system efficiencies. Currently, it is assumed that a 5,000 bicycle and a 500 station system would be of sufficient size to handle the demand within the City of Toronto.

At its meeting of March 26, 2015 (Minute #15-039), the TPA Board authorized staff to enter into an agreement with Metrolinx for their investment of up to \$4.9 million to support the expansion of Bike Share, Toronto.

At its meeting of September 17, 2015 (Minute #15-146), the TPA Board authorized staff to enter into an agreement with MMM Group Inc. to complete a Bike Share Feasibility Study for the expansion of the Bike Share, Toronto system. The mandate for this Study was to establish parameters and guide the expansion of the system over the next five (5) years.

Important considerations included:

- i) The system's coverage area (assuming a 5,000 bike system within the next five (5) years);
- ii) Appropriate station densities given growth corridors and area demographics;
- iii) Station design and placement efficiencies; and,
- iv) Five (5) year implementation schedule.

The Toronto Parking Authority issued a Request for Proposals (RFP) on July 29, 2015 for the supply and delivery of the relevant hardware, software, integration, and operational and performance requirements for the Bike Share, Toronto system. All prospective suppliers were to provide a full service solution including hardware, software, warranty and support services. An open call was posted on the MERX Canadian Public Tender network which closed August 26, 2015.

For the purpose of response evaluation, each responding company based their estimating quantities on 1,000 bikes, 400 platforms, 2,000 docking points and 100 payment terminals, (the "Initial Order"). Proponents were expected to provide assembly or installation cost per unit and the cost per unit for both a 5 year and 10 year warranty. The term of the contract stipulated by TPA is five (5) years, with the option to extend, at TPA's sole discretion, for up to three (3) additional two (2) year periods. The unit prices are quoted in Canadian dollars and are inclusive of all applicable costs except HST, which is quoted separately. In addition, and in order to give adequate consideration to new bike share systems, proponents were requested to provide a salvage value for the existing equipment.

#### *RFP Results*

In total there were seven (7) complete responses, of which the top three (3) proponents were invited to attend a webinar to demonstrate their solution and showcase existing and future technology and improvements. The bike share systems that scored in the top three were PBSC Urban Solutions Inc., 8D Technologies and Bewegen. All three top solutions are headquartered in Canada, although Bewegen partners with other companies in Europe for certain system components. Before giving regard or credit for any salvage value for the existing bike share system, the top scoring system was PBSC Urban Solutions Inc.

The scoring results are somewhat surprising as PBSC Urban Solutions Inc. is a reasonably new company that was purchased by Mr. Bruno Rodi from the Trustee in Bankruptcy in March 2014. Since then, there has been significant investment in hardware and software improvements and their future roadmap for innovative functionality appears strong. Mr. Luc Sabbatini (formally of Bell Media Sales and Astral Media) is now the CEO and a major shareholder.

Although not the only evaluation factor, system costs represents 20% of the total score. The scoring results for the top three (3) responses, before any salvage value consideration, are as follows:

| TOTAL COST <sup>(1)</sup> |             |             |
|---------------------------|-------------|-------------|
|                           | Warranty    |             |
|                           | 5 Year      | 10 Year     |
| PBSC Urban Solutions Inc. | \$4,888,400 | \$5,365,500 |
| Bewegen                   | \$6,541,588 | \$7,467,588 |
| 8D Technologies           | \$6,590,390 | \$7,799,563 |

1. Total cost includes 1,000 bikes, 400 platforms, 2,000 docking points, 100 payment terminals, map frames, assembly and installation

Preference is for a five (5) year warranty period. Other important RFP scoring considerations included experience, number of bikes and systems deployed throughout the world, financial strength, size and number of employees, references, and future roadmap.

After concerning the salvage value for the existing system, PBSC Urban Solutions Inc. scored even higher. They have offered to exchange the existing 81 payment terminals and the 1,500 existing docking points with new PBSC equipment such that the existing system will be fully integrated with the new system. Further, they have dedicated a transition team to develop the plan to complete the conversion within a 72 hour time period. This is important as our goal is to reduce the shut-down time for the existing system as much as possible. No other proponents offered a system switch out, rather most offered a nominal value, if any, for the existing equipment.

**Comments:**

Based on the scoring results, PBSC Urban Solutions Inc. offers the best bike share system for the City of Toronto and other surrounding municipalities. It is our intention to place an initial order for new equipment with PBSC for delivery in late spring 2016. Conversion of the existing bike share system is planned for the end of May 2016. Future purchases of approximately 1,000 bikes and 100 payment stations are planned each year thereafter until the optimum system size reached.

The initial order for new equipment, extra conversion costs, shipping and installation total \$5,745,355. The equipment listing for both the new stations and the conversion of the existing stations is attached as Appendix 'A'.

| INITIAL ORDER – TOTAL COST      |                    |
|---------------------------------|--------------------|
| Equipment (see Appendix 'A')    | \$5,235,355        |
| Installation & Transition Costs | \$400,000          |
| Shipping & Storage              | \$60,000           |
| Contingency                     | \$50,000           |
| <b>Total</b>                    | <b>\$5,745,355</b> |

Funding for the total amount of \$5,745,355 for the Initial Order is from existing, fully funded, reserve accounts with the TPA and the City of Toronto set up solely to fund the expansion of the bike share system in the City of Toronto.

**Conclusions:**

It is recommended that the Board of Directors of the Toronto Parking Authority (the "TPA") authorize staff to enter into a supply agreement with PBSC Urban Solutions Inc. (the "PBSC") to supply new equipment to support phased expansion plans for the bike share system, as and when required, and replace certain existing equipment in order to integrate the existing bike share system with the new system, for a five (5) year term with up to three (3) additional two (2) year optional renewal periods at TPA's sole discretion, under the business terms and conditions outlined herein. (The total amount of the Vendor's submission for the Initial Order, based on the estimate of quantities provided by TPA for the purposes of evaluating the proposals, is \$4,888,400 based on a five (5) year warranty, not including HST).

**List of Attachments:**

Appendix 'A' – Equipment Listing

**APPENDIX 'A' – EQUIPMENT LISTING**

| Station No. | Address - Tentative   | Paves | Map Panels | Pay Terminals | Special | Cables-Black | Cables-Yellow | Docks | Bikes |
|-------------|-----------------------|-------|------------|---------------|---------|--------------|---------------|-------|-------|
| 1           | 19 Lipton Ave         | 4     | 1          | 1             | 1       | 15           | 2             | 15    | 8     |
| 2           | 1577 Danforth Ave     | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 3           | 55 Aldridge Ave.      | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 4           | 5 Howard Street       | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 5           | 40 Gough Ave.         | 3     | 1          | 1             | 0       | 11           | 2             | 11    | 6     |
| 6           | 150-154 Lamb Ave      | 3     | 1          | 1             | 0       | 11           | 2             | 11    | 6     |
| 7           | 4 Cambridge Ave       | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 8           | 6-22 Donlands Ave     | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 9           | 11 Lower Sherbourne   | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 10          | 22 Chester Ave        | 4     | 1          | 1             | 1       | 15           | 2             | 15    | 8     |
| 11          | 75 Castle Frank Rd    | 5     | 1          | 1             | 0       | 19           | 2             | 19    | 10    |
| 12          | 189 Queen Street East | 4     | 1          | 1             | 1       | 15           | 2             | 15    | 8     |
| 13          | 35 Erindale           | 3     | 1          | 1             | 0       | 11           | 2             | 11    | 6     |
| 14          | 872 Queen St E        | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 15          | 200 Queens Quay East  | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 16          | 8 Ellerbeck           | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 17          | 50 Matilda St         | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 18          | 220 Sherbourne        | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 19          | 213 Main St.          | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 20          | 850 Coxwell           | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 21          | 1706 Danforth         | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 22          | 284 Gerrard St. E     | 7     | 1          | 1             | 0       | 27           | 2             | 27    | 14    |
| 23          | 776 Logan Ave         | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 24          | 552 Broadview Ave     | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 25          | 502 Broadview Ave     | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 26          | 653 Strathmore        | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 27          | 540 King St E         | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 28          | 62 Sackville          | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 29          | 885 Dundas St E       | 5     | 1          | 1             | 0       | 19           | 2             | 19    | 10    |
| 30          | 88 Colgate            | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 31          | 955 Yonge             | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 32          | 9 Wood St             | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 33          | 385 Carlton           | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 34          | 600 Parliament        | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 35          | 646 Dundas            | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 36          | 20 Queens Quay East   | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 37          | 2455 Danforth         | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 38          | 16 Yorkville Ave      | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 39          | 9 Spruce St           | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 40          | 55 Bloor St E         | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 41          | 453 Cherry St         | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 42          | 118 Mill St           | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 43          | 5 Lower Sherbourne    | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 44          | 13 Carroll St         | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 45          | 548 Gerrard St E      | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 46          | 630 Logan Ave         | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 47          | 750 Bloor St W        | 5     | 1          | 1             | 0       | 19           | 2             | 19    | 10    |
| 48          | 1141 Bloor St W       | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 49          | 695 Landsdowne Ave    | 5     | 1          | 1             | 0       | 19           | 2             | 19    | 10    |
| 50          | 2340 Dundas St W      | 6     | 1          | 1             | 0       | 23           | 2             | 23    | 12    |
| 51          | 1500 Bloor St W       | 6     | 1          | 1             | 0       | 23           | 2             | 23    | 12    |
| 52          | 237 Clinton St        | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 53          | 875 Dufferin St       | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 54          | 346 Landsdowne Ave    | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 55          | 832 College St        | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 56          | 680 College St        | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 57          | 547 College St        | 3     | 1          | 1             | 0       | 11           | 2             | 11    | 6     |
| 58          | 455 College St        | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |
| 59          | 1053 Dundas St W      | 5     | 1          | 1             | 0       | 19           | 2             | 19    | 10    |
| 60          | 834 Dundas St W       | 4     | 1          | 1             | 0       | 15           | 2             | 15    | 8     |

**APPENDIX 'A' – EQUIPMENT LISTING**

| Station No. | Address - Tentative           | Paves              | Map Panels       | Pay Terminals      | Special        | Cables-Black     | Cables-Yellow   | Docks              | Bikes              |
|-------------|-------------------------------|--------------------|------------------|--------------------|----------------|------------------|-----------------|--------------------|--------------------|
| 61          | 1269 Dundas St W              | 3                  | 1                | 1                  | 0              | 11               | 2               | 11                 | 6                  |
| 62          | 1068 Queen St W               | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 8                  |
| 63          | 1214 Queen St W               | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 8                  |
| 64          | 1303 Queen St W               | 5                  | 1                | 1                  | 0              | 19               | 2               | 19                 | 10                 |
| 65          | 1155 King St W                | 8                  | 1                | 1                  | 0              | 31               | 2               | 31                 | 16                 |
| 66          | 34 Hanna Ave                  | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 8                  |
| 67          | 1 Atlantic Ave                | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 8                  |
| 68          | 1029 King St W                | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 8                  |
| 69          | 100 Liberty St                | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 8                  |
| 70          | 70 E Liberty St               | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 8                  |
| 71          | 1 Strachan Ave                | 5                  | 1                | 1                  | 0              | 19               | 2               | 19                 | 10                 |
| 72          | 250 Fort York Blvd            | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 8                  |
| 73          | 901 King St W                 | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 8                  |
| 74          | 775 King St W                 | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 8                  |
| 75          | 339 Queens Quay W             | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 8                  |
| 76          | 190 Fort York Blvd            | 5                  | 1                | 1                  | 0              | 19               | 2               | 19                 | 10                 |
| 77          | 52 Bathurst St                | 3                  | 1                | 1                  | 0              | 11               | 2               | 11                 | 6                  |
| 78          | 843 Bathurst St               | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 8                  |
| 79          | 693 Bathurst St               | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 8                  |
| 80          | 203 Augusta Ave               | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 81          | 1755 Lakeshore W              | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 82          | 1601 Lakwshore W              | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 83          | 1310 College ?                | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 84          | 325 Soraraen Ave              | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 85          | 50 Wade Avenue                | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 86          | 1435 Dundas St W              | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 87          | 1555 Dundas St W              | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 88          | 66 Sheridan Ave               | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 89          | Dundas W                      | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 90          | Dundas W                      | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 91          | College                       | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 92          | College                       | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 93          | Bloor W                       | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 94          | Bloor W                       | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 95          | King W                        | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 96          | King W                        | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 97          | Infill                        | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 98          | Infill                        | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 99          | Infill                        | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 100         | Infill                        | 4                  | 1                | 1                  | 0              | 15               | 2               | 15                 | 0                  |
| 101         | Existing Station Expansion    | 32                 | 0                | 0                  | 0              | 128              | 0               | 128                | 281                |
| New         | To Be Determined              | 90                 | 20               | 20                 | 0              | 360              | 40              | 360                | 100                |
|             | <b>Total - Units</b>          | <b>535</b>         | <b>120</b>       | <b>120</b>         | <b>3</b>       | <b>2040</b>      | <b>240</b>      | <b>2040</b>        | <b>1000</b>        |
|             | <b>Price per Unit</b>         | <b>\$1,100</b>     | <b>\$1,600</b>   | <b>\$11,150</b>    | <b>\$1,000</b> | <b>\$116</b>     | <b>\$139</b>    | <b>\$860</b>       | <b>\$1,090</b>     |
|             | <b>Total Cost</b>             | <b>\$588,500</b>   | <b>\$192,000</b> | <b>\$1,338,000</b> | <b>\$3,000</b> | <b>\$236,640</b> | <b>\$33,360</b> | <b>\$1,754,400</b> | <b>\$1,089,455</b> |
|             | <b>Total Cost - Equipment</b> | <b>\$5,235,355</b> |                  |                    |                |                  |                 |                    |                    |