



REPORT FOR ACTION

Bike Share 2023 Equipment Purchase

Date: September 15, 2022

To: Board of Directors, Toronto Parking Authority

From: President, Toronto Parking Authority

Wards: All

SUMMARY

Bike Share Toronto is a central component of Toronto Parking Authority's (TPA) transformation into a mobility services provider. Accelerating Bike Share's growth and role as an integral part of Toronto's mobility network is a strategic priority for both the TPA and the City of Toronto.

TPA has developed a Four-Year Growth Plan that will guide the expansion of the Bike Share Toronto program through 2025. At the completion of the Growth Plan, the Bike Share Toronto system will include a minimum of 1,000 stations and 10,000 bikes, including 2,000 e-bikes, that are distributed across all 25 Wards of the City. An overview of the Growth Plan is included in PA32.3 – Bike Share Toronto – Four-Year Growth Plan.

First year expansion of the program, which includes a modest addition of 50 stations, including 100 iconic bikes and 225 e-bikes, is currently in progress. The appropriate authorities to purchase the equipment for the first-year expansion were provided by TPA Board of Directors at its meeting of February 18, 2022.

In the second year of the four-year expansion, Bike Share Toronto will add a further 160 stations, including 1,815 bikes of which 1,300 will be E-FIT pedal assist bikes. As a result of the growing demands for bike share equipment, together with ongoing supply chain issues that the global market is experiencing, TPA is seeking authority from TPA Board of Directors to purchase the equipment needed for its second-year expansion.

The total cost to purchase the new equipment, which includes the supply and delivery of approximately 1,300 E-FIT pedal assist bikes, 515 Iconic bicycles, 30 e-charging stations, 130 solar paneled stations and ancillary elements, is \$11,028,019 (excluding Harmonized Sales Tax (HST)). The equipment will be purchased from PBSC Urban Solutions Inc. (PBSC), pursuant to the terms and conditions of TPA's Equipment Supply Agreement with PBSC. Under the terms of this agreement, PBSC requires a deposit of

\$2,990,000 (excluding HST) which will be funded by TPA through a reallocation of 2022 unspent capital dollars. The details of this reallocation are included in PA32.5 – Capital Variance Report for the Eight Months Ending August 31, 2022. The remaining balance of \$8,038,019 (excluding HST) has been included in TPA’s proposed 2023 Capital Budget and 2024 – 2032 Capital Plan.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors, Toronto Parking Authority, authorize payment of a \$2,990,000 deposit (excluding HST) for the purchase of new equipment to support year two (2023) of the Four-Year Bike Share Toronto Growth Plan, comprising new bicycles, new stations, docks, and ancillary elements from PBSC Urban Solutions Inc. The purchase will be made pursuant to the terms and conditions of the Equipment Supply Agreement dated March 22, 2016 between the Toronto Parking Authority and PBSC Urban Solutions Inc. and will be made in the amount of \$11,028,019 (excluding Harmonized Sales Tax (HST)) of which, \$2,990,000 (excluding HST) will be paid as an advance deposit in 2022 to secure delivery of the equipment in early 2023.

FINANCIAL IMPACT

The total cost of the new equipment is \$11,028,019 (excluding HST) and is subject to pre-determined rates that are included in the Equipment Supply Agreement dated March 22, 2016 between TPA and PBSC Urban Solutions Inc. Table 1 summarizes the main elements of the proposed purchase.

Table 1: 2023 Equipment Order

2023 Equipment Order	
Iconic Bicycles	515
E-FIT Bicycles	1300
Solar Paneled Stations	130
E-Charging Stations	30

Under the terms of the agreement with PBSC, a deposit of \$2,990,000 is required to secure the purchase of equipment. The deposit amount will be funded by TPA through underspent 2022 capital dollars. The details of the reallocation are included in PA32.5 – Capital Variance Report for the Eight Months Ending August 31, 2022. The remaining balance of \$8,038,019 has been included in TPA’s proposed 2023 Capital Budget and 2024 – 2032 Capital Plan.

Assuming year two (2) of the expansion is substantially completed by the end of December 2023, the incremental operating costs as a result of this expansion is expected to be \$1,969,920, partially offset by increased ridership, advertising and sponsorship revenue of an estimated \$1,560,000.

DECISION HISTORY

The Toronto Parking Authority Board, at its meeting of February 25, 2016, in considering the matter, "Bike Share Toronto Equipment Supply Agreement - PBSC", outlined the results of a Request for Proposals (RFP) process, authorized staff to enter into an Agreement with the successful proponent. The term of the supply agreement is five (5) years with up to three (3) additional two (2)-year optional renewal periods at TPA's sole discretion. This report was considered in camera and remains confidential.

COMMENTS

TPA has developed a Four-Year Growth Plan that will guide the expansion of the Bike Share Toronto program through 2025. At the completion of the Growth Plan, the Bike Share Toronto system will include a minimum of 1,000 stations and 10,000 bikes, including 2000 e-bikes, that are distributed across all 25 Wards of the City. An overview of the Growth Plan is included in PA32.3 – Bike Share Toronto – Four-Year Growth Plan.

As part of the implementation schedule included in the Bike Share Toronto Four-Year Growth Plan, TPA plans to expand the program by 160 stations and 1,815 bikes, including 1,300 E-FIT pedal assist bikes. Given that the micro-mobility industry is experiencing severe supply chain delays in the battery, motor and bike part industry, TPA has been notified by PBSC that an order would need to be placed in the fall of 2022 in order to secure delivery of the equipment for the spring/summer of 2023. Additionally, placing an early order for the 2023 expansion, will guarantee TPA the 2022 price index on the equipment it is ordering.

TPA plans to begin implementing the second year of the growth plan upon delivery of equipment. Should TPA Board of Directors adopt the recommendation of this report, equipment is projected to be delivered by the end of second quarter (Q2), which will help TPA maximize the expansion of the program in 2023.

With the purchase of equipment in 2023, Bike Share Toronto's network will expand to include 8,990 bikes, including 1,825 e-bikes and 825 stations.

CONTACT

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SIGNATURE

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