



REPORT FOR ACTION

Bike Share Toronto 2024 Equipment Purchase

Date: November 9, 2023

To: Board of Directors, Toronto Parking Authority

From: President, Toronto Parking Authority

Wards: All

SUMMARY

The purpose of this report is to obtain authority from the Toronto Parking Authority Board of Directors to purchase the equipment needed for Toronto Parking Authority (TPA) to execute year three (3) of Bike Share Toronto's expansion plan, including payment of an advance deposit before the end of 2023, which will secure delivery of the equipment by the second quarter of 2024.

In 2024, Bike Share Toronto will add 70 solar stations, 460 electric charging docks, and 530 iconic bikes to the system. These investments will grow the current system to 870 stations, 45 electric charging stations (1,160 e-docks) and 9,500 bikes, including 7,585 iconic bikes and 1,912 e-bikes. The planned expansion is reflected in both TPA's 2024 Annual Operating Plan and TPA's proposed 2024 Operating Budget and 2024 – 2026 Capital Budget.

The total cost to purchase the new equipment is \$4,287,604.37 (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 \$1,500,661.53 (excluding HST) which is included in TPA's Approved 2023 – 2025 Capital Budget.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors, Toronto Parking Authority, authorize payment of a \$1,500,661.93 deposit (excluding HST) for the purchase of new equipment to support the 2024 expansion of Bike Share Toronto, comprising new bicycles, new stations, docks, and ancillary elements from PBSC Urban Solutions Inc. in the amount of \$4,287,604.37 (excluding HST).

FINANCIAL IMPACT

The total cost of the new equipment is \$4,287,604.37 (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. It should be noted that TPA is purchasing 300 electric charging docks as TPA currently has 160 charging docks in inventory. Together, the 460 electric charging docks will be installed and activated in 2024. The equipment purchase costs exclude the capital costs to install the electric charging docks, which are estimated at \$1.5 million.

A deposit of \$1,500,661.93 is required to secure the purchase of equipment and must be paid before the end of the year to ensure delivery of the equipment in Q2 2024, ahead of Bike Share Toronto's peak spring and summer season. Sufficient funds are available in TPA's Approved 2023 – 2025 Capital Budget for both the advance deposit to be paid in 2023 and the remaining balance of \$2,786,942.84, which will be paid on receipt of the equipment in 2024.

The estimated cost of \$1.5 million required to install the e-stations has also been included in the approved 2023 – 2025 Capital Budget and proposed 2024 – 2026 Capital Budget.

DECISION HISTORY

The Toronto Parking Authority Board of Directors, 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.

At its meeting of September 29, 2022, Toronto Parking Authority Board of Directors adopted PA32.3, which sets out Bike Share Toronto's multi-year growth plan. <https://secure.toronto.ca/council/agenda-item.do?item=2022.PA32.3>

COMMENTS

TPA has developed a Growth Plan that will guide the expansion of the Bike Share Toronto program. At the completion of the expansion, 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.

In 2024, TPA plans to expand the program by 70 solar stations, 460 electric-charging docks and 530 iconic bikes. TPA has been notified by PBSC that an order would need to be placed in the fall of 2023 in order to secure delivery of the equipment for the

spring/summer of 2024. Additionally, placing an early order for the 2024 expansion will guarantee TPA the 2023 price index on the equipment it is ordering.

Execution of the 2024 expansion plan balances continued expansion of the network with densification of high-density areas as well as a strategic deployment of both e-bikes and iconic bikes. The acquisition of 70 solar stations is a key component to both expand and densify the Bike Share Toronto network. New stations will be deployed outside the core to help expand the reach of the system. Additional stations are also needed in the core of the City to ensure that the density of Bike Share Toronto stations in high demand areas is sufficient to ensure that customers can readily find an available bike or docking station. Demands in the core continue to surge and additional infrastructure is needed to ensure that members and casual users can continue to access the system when and where needed.

In order to grow the public availability of the current e-bike fleet of 1,912 e-bikes, it is critical to build a robust charging infrastructure network. The additional investment in 460 electric charging docks will increase the system-wide charging capacity to 1,160 electric docking points, representing approximately 5 percent of all docks, by the end of 2024. This will ensure that the Bike Share Toronto program can fully charge 1,160 e-bikes every single day so that customers can be provided with the highest level of service.

Although this would make Bike Share Toronto a North American leader in e-bike charging infrastructure, industry best practices suggest that 20 percent of all Bike Share docks (e-stations and iconic stations) should be electrified. In order to achieve this threshold, a further 1,500 e-docks would be required at an estimated total cost of \$11.3 million, including \$4.5 million for equipment and \$6.8 million for installation. Further build out of the e-docks is included in TPA's proposed 2024 – 2026 Capital Budget and Management will accelerate, where the opportunity presents.

Consideration has been given to the option of purchasing e-bikes exclusively, but currently, it is urgent that the challenge of system rebalancing be addressed. Ensuring a well-balanced distribution of bikes throughout the network is essential to providing a seamless user experience. In addition, as the network expands into Neighbourhood Improvement Areas, TPA wants to ensure equitable access to annual members who may find the additional e-bike cost per minute a barrier. A balanced mix of iconic and e-bikes is consistent with the approach being taken by other Bike Share programs, where typically, e-bikes make up 20 percent of fleets.

Should TPA Board of Directors adopt the recommendation of this report, TPA has been advised that the equipment will be delivered by the end of second quarter of 2024. This will ensure that TPA has the new equipment in place for its' peak spring / summer season.

CONTACT

Jeffrey Dea, Vice President Business Development, Toronto Parking Authority
(437) 243-6545, jeffrey.dea2@toronto.ca

Justin Hanna, Director Bike Share Toronto, Toronto Parking Authority
(416) 393-7266, Justin.Hanna@toronto.ca

SIGNATURE

W. Scott Collier
President Toronto Parking Authority