



**City of Kingston
Report to Council
Report Number 18-137**

To: Mayor and Members of Council
From: Lanie Hurdle, Commissioner, Community Services
Resource Staff: Peter Huigenbos, Director, Real Estate & Environmental Initiatives
Date of Meeting: May 1, 2018
Subject: Award of Contract - Supply and Operate a Kingston Community Bike Sharing System

Executive Summary:

This report recommends the award of a licensing agreement between the City of Kingston and Dropbike Inc. for the purpose of operating a community bike sharing system and permitting use of the City's right-of-way for the system. This recommendation is being brought forward following the issuance of a Request for Proposals (RFP) for a community bike share system provider that yielded two proposals (Dropbike Inc. and Zagster Inc.), and pursuant to direction received from Council on December 19, 2017 related to Report Number [EITP-18-002](#).

While both proposals were very similar in terms of quality of equipment and approach, the proposal submitted by Dropbike requires no capital or operating investment by the City of Kingston whereas deployment of the Zagster system is predicated on obtaining \$520,000 USD in sponsorship funding that, if not met, would require financial support from the City and/or result in delays and reduced scope of the program.

The proposed Dropbike system responds to concerns expressed by users and City staff during the 2017 pilot by improving the quality of bikes and adding physical docking racks to the system. At one dollar per hour the proposed Dropbike system will provide affordable access to bike share and Dropbike will also implement measures to allow non-conventional users to access the system such as cash based payments, rental via SMS text messaging and access arrangements with local not-for-profit organizations.

The program is expected to launch by July 1, 2018. Dropbike proposes to roll out a limited number of docking racks at launch and the rest in the months that follow. The City has the option to accelerate the deployment of additional bike docking racks at the launch date at the City's cost. Staff believes it is important to the success of the program that racks be in place for

the launch in high traffic, high visibility locations, particularly in the downtown BIA. Therefore, this report recommends up to \$30,000 to purchase these additional docking racks. The City will own these additional racks.

The terms of reference for the RFP were approved by City Council and developed utilizing feedback received from a public opinion survey as well as experience gained during the 2017 pilot bike sharing program. The provision of a community bike sharing system will increase the ability of residents and visitors to utilize active transportation and less carbon intensive modes of travel and is consistent with Council's priorities with respect to investing in infrastructure, planning a livable city and greening the city.

Section 3.4 iv) of the Purchasing By-Law requires that approval be sought by a report to Council when less than three proposals have been received. With Council's approval, a licensing agreement will be negotiated with Dropbike and the deployment of bikes may begin as early as June 2018. The City would also roll out a communications plan to ensure that residents and visitors are aware of this bike share program.

Recommendation:

That Dropbike Inc. be awarded the contract to "Supply and Operate a Kingston Community Bike Sharing System", pursuant to RFP F31-CS-REEI-2018-002; and

That the Mayor and Clerk be authorized to execute a three-year license agreement with Dropbike Inc. for the purpose of operating a community bike sharing system utilizing space on City of Kingston property, in conformance with the proposed terms outlined within Report Number 18-137 and in a form satisfactory to the Director of Legal Services; and

That staff be authorized to acquire and install additional docking racks with up to \$30,000 in funding from the active transportation provincial grant funding received as part of the Ontario Municipal Commuter Cycling (OMCC) Program and existing approved monies for the municipal portion or, if the Province does not approve the use of the OMCC, staff be authorized to use up to \$30,000 from the Environment Reserve Fund; and

That By-Law Number 2004-190, "A By-Law to Regulate the Use of City Streets", as amended, be further amended, as per Exhibit B (Draft By-Law to Amend By-Law Number 2004-190) to Report Number 18-137.

Options/Discussion:

At the December 19, 2017 meeting, City Council authorized staff to proceed with a RFP to solicit proposals from qualified firms to operate a community bike sharing system within the City of Kingston, based on the terms described within Report Number [EITP-18-002](#). The RFP was a follow-up to a successful pilot scale bike sharing program run by Dropbike Inc. during the summer and fall of 2017. The terms of reference developed for the RFP, and endorsed by City Council, were also informed through responses received to a public opinion survey conducted in 2017 during the pilot scale program.

Two proposals, one from Dropbike Inc. and one from Zagster Inc., were received in response to RFP Number F31-CS-REEI-2018-002. Both proposals were generally compliant with the terms of reference provided and included the supply, deployment and operation of a community bike share system that utilizes dock stations, existing public bike racks mid-trip and the option to leave the bikes undocked at the end of their ride for a fee. Both proposals also commit to a relatively large service area that would expand based upon customer demand and business viability. Both proposed systems focused on utilizing smart phone based apps for unlocking bikes and providing payment. Both also included options for non-smart phone users to pay in advance via the system website and rental and return of bikes using SMS text messaging.

Both proposals included bikes with features requested by the City including:

- Adjustable seat heights
- Front and rear brakes
- Front and rear lights
- Cargo basket
- More than one gear speed
- GPS technology on the bike
- Minimum 26 inch diameter wheels
- Compatibility with Kingston Transit Rack and Roll

Both proposals included the commitment to a minimum of 200 bikes and 50 stations.

Based on analysis by staff and discussions with both proponents, the important difference between the two proposals was determined to be the manner in which the proposed bike share system would be financed and how that financing relates to risks of financial cost to the City, risks of delays in system deployment and potential reductions in the system's scale. Implementation of the Dropbike proposal would be via venture financing by Dropbike; therefore, the City would not be at risk of capital or operating contributions to their proposed system.

Implementation of the Zagster proposal is premised on the acquisition of at least \$520,000 USD in sponsorship funding for bicycles and docking stations. If the sponsorship funding is not fully secured, the City will be exposed to the risk of either funding the shortfall or agreeing to adjust the scope and schedule of the system. Staff does not support taking these risks.

Both proposed systems addressed the concerns from users articulated in the 2017 public opinion survey and from City staff by improving the quality of the proposed bike units and by utilizing docking racks for the parking of bikes.

Most other aspects of the two proposals were functionally equivalent with only minor differences in bikes and approach as described within Table 1 below.

Table 1: Comparison of Dropbike and Zagster Proposed System Differences

Aspect	Dropbike	Zagster
Bike frame	Steel (see Exhibit A for full Dropbike bike specifications)	Aluminum
Gears	3 speed hub	5 speed hub
Docking racks	Conventional rack. Usable by any bike	Custom racks exclusive to Zagster bikes
Membership costs	\$10/30 days, \$25/90 days, \$69/year (unlimited 1 hour sessions, no deposit)	One-time \$25 fee for eligible employees or students of sponsoring organizations. Unlimited 30 minute rides. \$2/extra 30 minutes.
Reloadable wallet	Minimum load = \$10 (\$1/hour no deposits)	None proposed
Pay as you go costs	\$1/hour + refundable \$50 deposit	TBD but typically \$1/30minute, \$2/additional 30 minutes. Deposits TBD.
Penalties	Karma points added or deducted and extra fees for mis-use.	TBD but typically \$1 extra fee for ending ride away from Zagster rack.
Sponsorships and advertising	Will be sought once system has been deployed.	Will be required before system deployment.
Marketing and Promotion	Co-branded mobile app and bike branding. Launch event with City and other major partners. Early-bird and first time user offers and discounts. Presence and demos at local and corporate events. Coordination of social media messaging with the City and other partners.	Co-branded website and mobile app user interface and bikes. Signage at docking stations, co-branded printed materials, email and social media marketing, PR support to generate pre-launch media attention. All in conjunction with the City.

Based on the scoring undertaken by the proposal review team, the proposed bike share system put forward by Dropbike Inc. is being recommended for award of a 3-year license agreement to operate the docking stations on City property.

The City has the option to accelerate the deployment of docking racks for the launch date for key locations, such as the downtown BIA. The purchase of additional racking units is not expected to exceed \$1,500 per unit and is likely a permitted expenditure as part of the active transportation grant funding received by the City from the Ontario Ministry of Transportation as part of their Ontario Municipal Commuter Cycling (OMCC) Program. This report recommends up to \$30,000 from the OMCC grant and the municipal portion to be allocated from existing approved cycling budget for the purchase of these additional docking racks. The OMCC grant program funds 80% of eligible costs and so the remaining 20% would be funded from reserve funds dedicated to bicycle parking. Should the province not allow the City to use the OMCC program funds, the Environment Reserve Fund would be used to purchase the racking units.

It is expected that Dropbike will also work with other community partners to establish stations on property owned by private companies, Queen's University and other organizations wishing to provide bike share system access to their user base. The Dropbike proposal also referenced a future plan to solicit sponsorship or advertising revenues but only after implementation of their system outlined in their proposal. If advertising proceeds on bikes or havens located on City property, Dropbike will be required to comply with the City's advertising policies.

The proposed Dropbike system is considered affordable at a pay-as-you-go rate of \$1 per hour and Dropbike has committed to measures that will allow non-conventional users (i.e. those without smart phones or credit cards) to access the system via cash based payments, rental via SMS text messaging and access arrangements with local not-for-profits.

The Dropbike system will be promoted by Dropbike Inc., in conjunction with the City and other major partners, through the following methods:

- Mobile user app
- Social media information
- System launch events
- Press releases and media interviews
- Demonstrations at local and corporate events and on campuses
- Branded bikes and racks equipped with user instructions

Operational performance of the system including critical data will be provided monthly to the City by Dropbike and a system status report will be provided to City Council annually at the end of each riding season.

Some of the more significant terms within the recommended license agreement consist of the following:

- Cost of License = \$1
- Term of License = 3 years; renewable in one year increments by mutual agreement.

- Minimum number of bikes deployed = 200 bikes with specifications as described in Exhibit A of this report.
- Minimum number of havens or docking stations = 50.
- Minimum service area:
 - Downtown BIA
 - Kingston General Hospital and Queen's University main and west campuses, Donald Gordon Centre and Innovation Park
 - Johnson and Brock Street loop
 - St. Lawrence College
 - Kingston Centre shopping area
 - Princess Street corridor from Ontario Street to Sir John A. Macdonald Boulevard
 - Montreal Street corridor from Brock Street to Weller Avenue
 - Division Street corridor from Union Street to John Counter Boulevard
 - King Street - Ontario Street - Highway 2 corridor from St. Lawrence College to CFB Kingston including Fort Henry and RMC
 - Urban portion of the K&P Trail
- Seasonal removal, storage and replacement of physical bike racks at docking stations where required to allow for winter control by City (snow removal and de-icing).
- Racks at docking stations to be located in consultation with City departments of Public Works, Recreation & Leisure, Transportation Services, Engineering and others who may be impacted.
- 24/7 customer service support.
- Provision of locally based repair and rebalancing staff with same-day correction of improperly placed or abandoned bikes.
- Access to monthly customizable data reports that include number of rides, ride start and stop locations, number and nature of service calls, etc.
- General liability and WSIB insurance.
- Financial securities held by the City sufficient to gather up and decommission bikes and appurtenances from City property in the event of program failure.
- Advertising and marketing of the system and compliance with City standards.
- Schedule of user and membership fees and charges to be used during the term of the license.

Amendment of the streets by-law, By-Law Number 2004-190, "A By-Law to Regulate the Use of City Streets" is required to allow for the operation of Dropbike during the 3-year license period. An amending by-law is presented as Exhibit B to this report.

Existing Policy/By-Law:

City of Kingston By-Law Number 2004-190 "A By-Law to Regulate the Use of City Streets" was amended to permit and set out terms for the 2017 DropBike pilot program and will require further amendment as proposed in the amending by-law (Exhibit B) to permit the proposed bike share operation.

The proposed bike sharing system is an important component of active transportation infrastructure and supports Council's 2015-2018 priorities of investing in infrastructure, planning a livable city and greening the city.

Notice Provisions:

Not applicable

Accessibility Considerations:

The proposed license agreement with Dropbike will stipulate conditions for conformance by Dropbike with the requirements to maintain accessibility of public sidewalks and other City-owned areas where the bike share system will operate.

Staff will monitor the operation of the bike share program and work with Dropbike to identify opportunities for integrating accessible bicycle units (tricycles, electric assists, etc.) into the bike share fleet and bring any associated recommendations to City Council, if necessary.

Financial Considerations:

Dropbike will supply and operate a bike sharing system as described within Report Number 18-137 at no cost to the City.

The purchase of additional racking units as indicated in this report is not expected to exceed \$1,500 per unit and is likely a permitted expenditure as part of the active transportation grant funding received by the City from the Ontario Ministry of Transportation as part of their Ontario Municipal Commuter Cycling (OMCC) Program. This report recommends up to \$30,000 be spent from the OMCC grant (80%) and existing Transportation Services capital funds (20%) for the purchase of these additional docking racks. In the event that the OMCC grant cannot be applied to the purchase of the racking units, the amount would be allocated from the Environment Reserve Fund. The City will own these bike racks.

The proposed cost of the 3-year license is \$1 which is considered reasonable given the following:

- The proposed community bike share system constitutes a community service, at no cost to the City, that is not currently offered by the private or public sectors;
- The community bike share system provides support for the implementation of active transportation and community greenhouse gas emission reduction strategic goals;
- The capital and operating cost to implement an equivalent service by the municipality would be significant; and
- The proposal is the winning proposal that was submitted in response to the City issuing an open market RFP.

Contacts:

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Mark Dickson, Transportation Engineer, Transportation Services

Other City of Kingston Staff Consulted:

Ian Semple, Director, Transportation Services

Damon Wells, Director, Public Works

Luke Follwell, Director, Recreation & Leisure Services

Mary C. Rae, Senior Legal Counsel, Legal Services

Exhibits Attached:

Exhibit A Dropbike's Proposed Bicycle Specifications

Exhibit B Draft By-Law to Amend By-Law Number 2004-190

Figure v) Bike specifications.



- 1— Gears**
Shimano 3 speed internal gear system with drum brake
- 2— Basket**
Attached to the front of the frame will keep bike balanced when resting, advertising space available. 12" x 8" x 5". Holds 10kg/22 pounds
- 3— Bells**
Integrated bell with few moving parts and low maintenance
- 4— Front Brakes**
V-brake with forged alloy arms
- 5— Cranksets**
Forged alloy crank arm with a reinforced steel chain ring.
- 6— Cable Lock**
Optional locking system can be integrated into smart-lock.

- 7— Frame**
Customized branding (colours, logo) is available.
- 8— Front Light**
Panasonic NRV006 dynamo. Turn the metal clip to activate.
- 9— Pedals**
Carbon reinforced plastic.
- 10— Safety Reflectors**
Sited on front & back wheel, and pedals.
- 11— Rims and Spokes**
Double wall alloy rim and 26" stainless steel spokes.
- 12— Saddle and Seat Post**
Nylon and Carbon fibre saddle and 35cm max extension seat post.
- 13— Solar panel**
Thin-film panel charges smart-lock.

- 14— Smart Rear light**
Solar powered, and includes accelerometer. Turns on automatically after dark, when in motion.
- 15— Tires**
Tubeless tires don't need to be serviced. Pneumatic options also available.
- 16— Smart lock**
Proprietary smart-locking system with internet, bluetooth & GPS connectivity. Tethers to Dropbike's software for asset management tracking. Lock can also record speed, elevation, trip paths and monitor battery power.

By-Law Number 2018-___

A By-Law To Amend By-Law Number 2004-190, as amended “A By-Law to Regulate the Use of City Streets” (Authorized Alterations and Uses of Boulevards)

Passed: [Meeting Date], 2018

Whereas the Council of the Corporation of the City of Kingston passed By-Law Number 2004-190, “A By-Law to Regulate the Use of City Streets”, to regulate the use of City road allowances; and

Whereas By-Law Number 2004-190 prohibits the operation of a bicycle on a boulevard or sidewalk; and

Whereas By-Law Number 2004-190 prohibits the obstruction of a sidewalk by any means that impedes the free movement of pedestrians; and

Whereas the City of Kingston intends to provide a license to DropBike Inc. to operate a community bike sharing service on city sidewalks at approved locations; and

Whereas Section 5.6 of By-Law Number 2004-190 authorizes the modified use of City boulevards for locations specified in Schedule E – Authorized Alterations and Uses of Boulevards; and

Whereas a Staff review has determined there are no technical concerns with the operation of the proposed bike share pilot program;

Therefore be it Resolved That the Council of The Corporation of the City of Kingston hereby enacts as follows:

1. That the City of Kingston Streets By-Law Number 2004-190, Schedule E (Authorized Alterations and Uses of Boulevards) be amended to remove the following:

Location: Sidewalk and boulevard locations approved by the Director of Engineering or Director and Transportation only

Purpose: To allow bicycle parking associated with the temporary pilot testing of a community bike share enterprise by DropBike Inc. until October 31, 2017 as per terms of a license agreement with the City

And replace it with the following:

Location: Sidewalk and boulevard locations approved by the Director of Engineering or Director of Transportation Services only

Purpose: To allow bicycle parking associated with a community bike share enterprise as per the terms of approved contract(s) or license agreement(s) with the City

2. This by-law shall come into force and take effect on the date of its passing.

Given First and Second Readings May 1, 2018

Given Third Reading and Passed: Month XX, 2018

John Bolognone
City Clerk

Bryan Paterson
Mayor