



**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Transportation Planning and Parking Division**

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	July 7, 2021
<b>SUBJECT/REPORT NO:</b>	Receiving Portland Bikeshare Equipment (PED21144) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Peter Topalovic (905) 546-2424 Ext. 5129
<b>SUBMITTED BY:</b>	Brian Hollingworth Director, Transportation Planning and Parking Planning and Economic Development Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That staff be authorized and directed to submit a formal expression of interest to the City of Portland, Oregon, USA, to receive up to 600 used bike share bikes that have become available via donation as a result of Portland's upgrade to a newer system;
- (b) That, should the expression of interest be successful, that the bike share bikes, which are fully compatible with Hamilton's current bikeshare technology, be added to the City-owned bikeshare fleet as a City-owned asset and be used to extend the fleet life by providing a reliable source of spare equipment and parts;
- (c) That staff be authorized and directed to arrange for shipping and other logistics to transport the donated bikes from Portland to Hamilton, pursuant to the City's Procurement Policy;
- (d) That the estimated cost of \$50 K for shipping the bikes from Portland, moving bikes into the current City-owned maintenance and storage facility and rebranding the bikes to reflect Hamilton Bike Share logos be funded through the Sustainable Mobility Programs Project ID: 4032055820;

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

- (e) That staff negotiate with Hamilton Bike Share Inc. (HBSI) for the use of the donated bikeshare equipment through the current contract period which extends to December 31, 2022; and,
- (f) That the General Manager of Planning and Economic Development be authorized to negotiate, enter into, and execute the agreements and any ancillary documents required to give effect to the donation of the bikeshare equipment from Portland, the shipping and storage of the equipment, and the arrangements with Hamilton Bike Share Inc. (HBSI), all in a form satisfactory to the City Solicitor, based on the general scope and terms outlined in this Report.

## **EXECUTIVE SUMMARY**

The City of Portland, Oregon, recently awarded their bikeshare operations contract to a new supplier and as part of this process upgraded its bikeshare fleet. Portland has made other North American bike share systems aware that their original bikes are available at no cost aside from transportation costs. Since Hamilton's existing bikeshare fleet and computer technology is compatible with Portland's original fleet, there is an opportunity to expand Hamilton's fleet and extend the life of the existing fleet by increasing the spare bike ratio.

This Report requests Council authority to accept a donation of bike share equipment from the City of Portland, Oregon, United States, to enhance the City of Hamilton's current bike share fleet.

Accepting the donated bikes from Portland would require that Hamilton arrange for and assume the cost of transporting the bikes from Portland to Hamilton, estimated to cost between \$30 K and \$40 K. An additional \$10 K would be required to re-brand the bikes.

It is proposed that the bikes be added to the existing fleet, which is owned by the City, and that Hamilton Bike Share Inc. (HBSI) would undertake the assessment, maintenance, servicing, parts coordination, and operation for all of the donated bikes, as part of the operations contract.

## **Alternatives for Consideration – See Page 6**

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: Receiving the bike share donation from Portland, Oregon will require the City of Hamilton to cover the costs of the transportation of the bikes from Portland to Hamilton at an estimated cost of \$40 to \$50 per bike for an estimated upset limit of \$40 K, taking into account, any contingencies. Upon approval of this Report, a Request for Quotations process will be

undertaken to award a contract to a logistics company for the transportation service. These costs will be covered through the Sustainable Mobility Programs Project ID: 4032055820. This Project ID will also cover costs to remove the former marks associated with the Portland Bike Share program and their sponsor for donated bikes that are integrated into the existing fleet, as necessary. This cost is estimated to be up to \$10 K, or on average, \$15 per bike.

The responsibility for the cost of storage and disposal of any unusable parts would be the responsibility of HBSI at no cost to the City.

Staffing: N/A

Legal: Legal Services will work with Transportation Planning Staff and HBSI staff to make arrangements and any necessary agreements or amendments for the assessment, processing, and operations of the donated Portland bike share equipment.

## **HISTORICAL BACKGROUND**

The Hamilton Bike Share Program, previously known as SoBi, was launched on May 21, 2015. Since launch, the system has logged 1.86 million trips and 4.1 million kms travelled. The City purchased 750 initial bikes in 2014/15 for \$1.6 M through the Metrolinx Quick Wins Funding Program. In 2017, an additional 75 bikes were purchased through a Federation of Canadian Municipalities and Hamilton Community Foundation Grant for the initial expansion of the Everyone Rides bikeshare equity program. All 1,300 bike share station racks were refurbished, and 650 new racks were purchased as part of an Ontario Municipal Commuter Cycling (OMCC) Program in 2019/20.

In May of 2020, Uber Inc. terminated their operating agreement with the City of Hamilton, and HBSI agreed to operate the program for the City on a provisional basis as part of the staged approach to develop a long-term strategy for micro-mobility in the City, with bike share as its anchor.

On November 25, 2020, Council approved Report PED20109(c) Public Bike Share Program Phased Procurement Process which established an operating agreement through to December 2022 for the operation of the existing base bike share program through HBSI. As part of this process, the bike fleet will be upgraded with new communications hardware so they can continue to connect to the servers which enable their operation. In addition, the bikes require a continuous stream of parts to consistently maintain them. In addition to resulting in an expanded fleet, the Portland,

Oregon equipment donation would serve to extend the life of the existing fleet by providing a greater spare ratio for the fleet and a source of compatible parts.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

N/A

## **RELEVANT CONSULTATION**

This Report was prepared in consultation with staff from Transportation Planning, Legal Services, and Procurement, internally.

External consultation took place with municipal staff from the City of Portland, Oregon and HBSI.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The City of Portland, Oregon recently awarded their bike share operations contract to a new supplier and will no longer require their fleet of bike share bikes previously supplied by Social Bicycles Inc., the same supplier that supplied bikes for the Hamilton Bike Share program. The City of Hamilton has one of the largest remaining fleets of Social Bicycles equipment and would benefit from the addition of new compatible bikes, parts and equipment, from approximately 600 retired Portland bikes.

The Portland, Oregon bike share equipment donation will require the City to cover the costs of the transportation of the bikes and, upon approval of this Report, Staff will obtain quotes from logistic companies to perform the transport. It is estimated that transport of the bikes will be approximately \$40 to \$50 per bike for an estimated total of \$30 K to \$40 K. The bikes will be temporarily stored in the current City-owned storage location for bike share and bike parking equipment before they are either put into service or harvested for parts, depending on the assessment of each bike. The bikes would also be prepared for service by removing any marks from the City of Portland or their sponsor to a maximum upset limit of \$10 K.

HBSI will undertake the assessment, maintenance, servicing, parts coordination, operation for all the donated bikes, as part of the operations contract. It is expected that approximately 10% of the bikes received would be deemed as bike parts, with any non-useable components needing to be recycled. Based on past experience, it is reasonable to assume all metal parts can be recycled at no cost or a small profit.

The cost to purchase new pedal bike share bicycles is between \$1,800 and \$2,000, and no capital replacement plans are currently underway. Utilizing these donated bikes can enhance the fleet with bikes and parts that can be integrated into the existing service.

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Any portion of the Portland donated bikes that are not suitable for service can be utilized for parts that can benefit the existing fleet. Through previously approved plans funded by the OMCC Program, the current operating fleet will be receiving an upgrade to each controller that is necessary to connect the bikes to the network. Up to 900 new controllers will be available for the combined bike share fleet, which effectively caps the operating fleet size. HBSI is responsible for all connectivity fees for operating bike share equipment.

The table below provides a summary of the advantages and disadvantages of accepting the donated bicycles.

<b>Advantages</b>	<b>Disadvantages/Risks</b>
<ul style="list-style-type: none"><li>- Provides ability to renew and expand fleet at a low cost</li><li>- Provides a stream of bike parts for the fleet</li><li>- Extends the lifecycle of the existing fleet</li><li>- Reduces operational costs by allowing bikes to be swapped out easily and extending maintenance timelines</li><li>- Provides a better upcycled solution for the Portland bikes, avoiding waste</li><li>- Donated bikes will be assessed and processed by HBSI at no cost to the City</li></ul>	<ul style="list-style-type: none"><li>- Existing marks on the Portland bikes will need to be removed</li><li>- Portland bikes are orange and not the standard blue colour of the existing fleet</li><li>- The time to transport and assess the bikes will be significant and delay the integration of the bikes into the fleet until 2022</li></ul>

In order to maintain the operations of the system, the operations contract between HBSI and the City will need to be amended to reflect the new operational tasks and reflect the potential increase in the size of the operating bike share fleet. This amendment would be at no additional operating cost to the City. HBSI will undertake an assessment of the donated bikes to determine their condition and other inventory considerations and then perform a repair or parts extraction to extend the lifecycle of the existing fleet. HBSI will also remove the Portland Biketown branding in order to integrate the serviceable bicycles into the existing fleet.

The reason for the request of contract extension is to provide time for the newly donated bikes to be assessed and used for operational support – this is expected to take up to 12 months.

The City has \$100 K in funds from the wind-down of the former bike share agreement in Account 4032055820 which is being maintained for the purposes of decommissioning the bike share program, including the additional donated bikes, should the City not be successful in securing a long-term operating partner beyond the current operating agreement with HBSI.

### **ALTERNATIVES FOR CONSIDERATION**

Council can decide not to accept the Portland Oregon bike share equipment donation and await future grants or other funding opportunities to enhance the fleet. However, these grants are not guaranteed, and the bike share fleet would benefit from immediate enhancements at a low cost.

### **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

#### **Healthy and Safe Communities**

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

#### **Our People and Performance**

Hamiltonians have a high level of trust and confidence in their City government.

### **APPENDICES AND SCHEDULES ATTACHED**

N/A

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