

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee

From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure

Subject: Results of the 2022 Bike Share Request for Proposal Process
and Next Steps

Date: February 22, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions be taken with respect to the 2022 Bike Share Request for Proposals (RFP):

- a. This report **BE RECEIVED** for information; it being noted that the results and learnings will be part of the development of the Mobility Master Plan; and
- b. Civic Administration **BE DIRECTED** to develop a micromobility services business case, including bike share services, for inclusion in the 2024-2027 Multi-Year Budget process.

Executive Summary

This report is to update Committee and Council that the City of London did not receive any compliant proposals from the 2022 Bike Share Request for Proposals (RFP) process. The RFP will be cancelled in accordance with the City's Procurement of Goods and Services Policy.

The RFP required a proponent who was able to provide bike share services without requiring annual operating funding from the City of London for standard operations. The RFP indicated that the City of London was able to invest up to \$85,000 annually to provide subsidy to lower income families and individuals (on a pre-approved basis) to ensure the service is available, but that this was not to be considered an operating subsidy/funding.

City staff looked into the current status of bike-only shared micromobility systems in Canada and the United States. Findings indicate that:

- the number of bike-only micromobility systems has decreased as e-scooter based systems have been introduced;
- the impact of the pandemic and the adjustment of more employees working from home permanently or through hybrid models, continues to create uncertainty for operators and municipalities;
- successful bike share operations are based on longer-term contracts; and
- programs have a consistent source of funding for standard operations, either from a municipal operating subsidy and/or or from a major sponsor.

Moving forward, City staff propose to include the evaluation of bike share services as part of the Mobility Master Plan. In addition, City staff recommend including the potential need for an annual municipal operating subsidy in support of a future bike share system as part of the upcoming 2024-27 Multi-Year Budget process.

Linkage to the Corporate Strategic Plan

Municipal Council's 2019-2023 Strategic Plan for the City of London continues to recognize the importance of active transportation, cycling, and the need for a more

sustainable, inclusive, and resilient city. Providing micromobility solutions, such as bike share, addresses four of the five Areas of Focus, at one level or another:

- Strengthening Our Community
- Building a Sustainable City
- Growing our Economy
- Creating a Safe London for Women and Girls

On April 23, 2019, the following was approved by Municipal Council with respect to climate change:

Therefore, a climate emergency be declared by the City of London for the purposes of naming, framing, and deepening our commitment to protecting our economy, our eco systems, and our community from climate change.

On April 12, 2022, Municipal Council approved the Climate Emergency Action Plan which includes Area of Focus 4, Transforming Transportation and Mobility.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Relevant reports that can be found at www.london.ca under Council meetings include:

- Ontario Municipal Greenhouse Gas (GHG) Challenge Fund Transfer Payment Agreement for the Bike Share System (March 19, 2018 meeting of the Civic Works Committee (CWC), Item # 5.3)
- Bike Share System for London: Update and Next Steps (August 12, 2019 meeting of the Civic Works Committee (CWC), Item # 2.5)
- Cycling and Transportation Demand Management Upcoming Projects (March 30, 2021 meeting of the Civic Works Committee (CWC), Item # 2.12)
- Participation in Provincial E-scooter Pilot (June 21, 2022 meeting of the Civic Works Committee (CWC), Item # 4.2)

1.2 Background

Bike share is a transportation service where bicycles are available at a minimal cost for individuals to rent on a short-term basis (i.e., typically for trips under 30 minutes). These systems allow residents, students and visitors to borrow a bike from one location and return it to another location. The systems can handle both “pay-as-you-go” one-time users as well as regular users with typically discounted annual or seasonal membership fees.

Bike share operations in North America have evolved quickly. The City completed a bike share business case in 2019. To develop the background details, preliminary analysis and technical assistance, City staff worked with the consulting team of Arcadis IBI Group and Foursquare ITP. Various work was completed including a peer review of existing bike share systems, market share and propensity analysis focused on high-demand and revenue potential for bike share locations, stakeholder workshops and online public consultation. The business case was used to develop parameters for a bike share RFP.

In August 2020, the City issued its first bike share RFP. It was issued alongside a separate, standalone e-scooter share RFP. Given the American experience at the time with the evolution of their micromobility systems towards e-scooters, and the fact that many of the potential respondents to the City’s bike share RFP also operated e-scooter based systems, City staff believed it was advantageous to include an e-scooter share pilot RFP process at the same time as the bike share RFP. Noting that, at the time, London by-laws had not yet been reviewed to determine if and where e-scooters would be allowed to operate.

Due to the extenuating circumstances surrounding the pandemic, the City cancelled the RFP in late 2020. City staff did learn a lot more about the current state of the bike share service market, including the greater role that electric-assisted bicycles (e-bikes) were playing in new systems. Findings also included that many operators were using e-scooter share to subsidize bike share services given that e-scooter-based systems tend to have lower capital and operating costs compared to bikes.

In July 2022, City Council decided not to opt into the shared portion of the Provincial e-scooter pilot project (i.e., central operator rental e-scooters) due, in part, to safety concerns. This applies for the duration of the provincial pilot, which ends November 27th, 2024.

In Spring 2022, the City worked with Arcadis IBI Group to conduct an equity review and analysis of their previous bike share work for London. City staff recognized the need to review the bike share feasibility work done in 2019 and re-evaluate the proposed service area from an equity perspective. Additional research was also conducted on the associated benefits of bike share services when barriers are reduced such as providing subsidy to lower income families and individuals. Valuable learnings came from this additional equity work.

1.3 Outcome of the Request for Proposals

In November 2022, an updated bike share RFP was issued. The RFP built on the past bike share feasibility work, first bike share RFP findings, experiences in other Canadian municipalities, and the equity analysis. The RFP had a specific focus on equity and inclusion, and on climate.

The City would contribute up to \$85,000 a year as part of an equity program (e.g., a subsidy) to ensure the service was available to lower income families and individuals. The RFP made clear that there was no available City operating subsidy/funding.

No compliant bids were received. The RFP will be cancelled in accordance with the City's Procurement of Goods and Services Policy.

Findings from this process included that the number of operators focused solely on bike share has decreased; successful bike share operations are based on longer-term contracts; and programs have a consistent source of funding for standard operations, either from a municipal subsidy and/or from a major sponsor.

This is in line with City staff research into current bike-only shared services in North America. Canadian examples include:

- Bikeshare Toronto is funded by the Toronto Parking Authority (i.e., parking revenue) and also has sponsorship from Bell Media;
- Hamilton Bike Share is run by a non-profit by the same name. The bikes are owned by the City of Hamilton. Funding support for standard operations includes funding from sponsorship and subsidies from the City of Hamilton;
- Bixi Montréal is a non-profit created by the City. Bixi is run by the City's parking authority. The system is owned by the City of Montréal; and
- Vancouver's Mobi by Shaw Go is operated by CycleHop Canada. It has sponsorship from Shaw Communications. The City of Vancouver provided a \$5 million contribution for the launch and operation of the bike share for five years and provides ongoing in-kind support.

2.0 Discussion and Considerations

2.1 Next Steps

Many positive learnings have been gained from the past RFP attempts. Recent plans and priorities have highlighted the need to reconsider bike share options for London.

The impact of the pandemic and the adjustment of more employees working from home permanently or through hybrid models, continues to create uncertainty. Further the relationship between bike share and e-scooter share systems and other micromobility solutions as part of an integrated mobility system are being examined in many cities. From a technology perspective, mobility as a service (MaaS) is one way of integrating transportation solutions into an on-demand service. More information is also becoming available on the role of micromobility for work purposes, utility purposes (e.g., shopping, appointments), recreational opportunities and tourism.

These learnings and developments are particularly important to:

- London's Climate Emergency Action Plan gives impetus for providing more transportation choices in London that help decrease personal automobile use.
- The development of the City's Mobility Master Plan which includes an equity framework. Equity is at the forefront of transportation planning in London.

In many ways, a bike share based micromobility solution could be considered part of the overall public transportation system. As with transit systems, and based on experience in other cities, it is reasonable to expect that some public funding in the form of operating subsidies be provided for a service that provides a public benefit for citizens.

Moving forward, City staff propose to include the evaluation of bike share services and other micromobility solutions as part of the Mobility Master Plan. In addition, City staff will include the potential need for an annual municipal operating subsidy in support of a future bike share system or other micromobility solutions as part of the 2024-27 Multi-Year Budget process. This will include potential revenue sources that could be used as part of the operating subsidy.

3.0 Financial Impact/Considerations

There are direct municipal financial considerations for bike share moving forward. These will be included as part of the Mobility Master Plan process as well as the business case for the 2024-2027 Multi-Year Budget process.

Conclusion

Bike share services continue to evolve quickly. Experiences elsewhere are consistent with the City's RFP findings, currently showing that in order to be viable, bike share requires an ongoing source of funding from either an operating subsidy and/or a major sponsor.

There remain social, environmental and financial advantages to consider bike share for Londoners as another mode of transportation that promotes less reliance on personal vehicles. This is similar to public transit. City staff will include shared bike services as a consideration in the Mobility Master Plan and for the 2024-2027 Multi-Year Budget consideration.

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