



# City of San Antonio

## Legislation Details (With Text)

**File #:** 19-9107

**Type:** Staff Briefing - With Ordinance

**In control:** City Council A Session

**On agenda:** 12/12/2019

**Title:** Ordinance amending Chapter 19, Article XIX, titled "Motor-Assisted Scooters, Electric Bicycles, and Bicycles Equipped with GPS" related to the Dockless Vehicle Program consistent with terms for operation and permitting as developed through the RFP process and negotiated agreements with selected entities.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Draft Permit and Revenue Agreement

Date	Ver.	Action By	Action	Result
12/12/2019	1	City Council A Session	Motion to Appr w Cond	Pass

**DEPARTMENT:** Center City Development & Operations

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** City-wide

**SUBJECT:**

The Approval of Exclusive Contracts with Three Dockless Vehicle Operators

**SUMMARY:**

Approving contracts with three dockless vehicle operators as a result of a Request for Proposal (RFP) process; amending the existing dockless vehicle ordinances to limit the number of operators, adjusting the permit fee structure to allow the program to continue cost recovery, lifting the prohibition on nighttime riding, and other necessary changes to the current ordinance; and, amending the Fiscal Year 2020 General Fund Revenue budget in the amount of \$529,191.00 and appropriating \$529,191.00 in the Center City Development and Operations General Fund Budget.

**BACKGROUND INFORMATION:**

Dockless vehicle operators introduced vehicles in San Antonio in June of 2018. In response to this new mode of

transportation, the City Council enacted a light-handed pilot program in October of 2018. That pilot program established a permit structure, riding rules, and rules for parking and deploying vehicles. It also created permit fee revenue to cover associated costs related to enforcement, vehicle correction, and education initiatives. At the time of program adoption, staff committed to returning to City Council after six months of oversight and monitoring to make any recommended changes to the pilot program.

The pilot program resulted in seven dockless vehicle operators seeking a total of 16,100 permits for individual vehicles. The large number of operators and permitted vehicles resulted in the adoption of a moratorium on further permitting by City Council in January 2019. After the conclusion of the initial six month permits, staff returned to City Council with recommended next steps for the initiative, including a recommendation that the City pursue a Request for Proposals (“RFP”) to identify three qualified operators to perform these services, and that the total number of vehicles be reduced. On May 29<sup>th</sup>, City Council endorsed Staff’s recommendation to issue a RFP to select three operators. Prior to Council endorsement at “A” Session, the issue had been briefed at Transportation Council Committee, Audit & Accountability Council Committee, and to the full City Council at “B” Session.

## **ISSUE:**

The RFP was released on June 7<sup>th</sup> and remained open for 45 days. The City received 9 responsive proposals that were sent to the evaluation committee for review and consideration. The evaluation committee included 11 voting members, including neighborhood representatives for downtown, King William, and Lavaca; a Tech Bloc representative; a Disability Access Advisory Committee representative; the CEO of the San Antonio Hotel and Lodging Association; and staff from the City Manager’s Office, Center City Development and Operations, Information Technology Services Department, the Police Department, and the Transportation & Capital Improvements Department. A non-voting technical advisory committee included staff from Parks & Recreation, Risk Management, the Disability Access Office, ITSD, CCDO, VIA, and SARA.

The evaluation committee ranked both the ‘Experience, Background, and Qualifications’ and the ‘Quality of Proposal’ components of the RFP. Specific attention was paid to operational and staffing models, rider education efforts, equity programs, the type and quality of vehicles, and each respondent’s concepts for creating a more orderly environment. The points assigned by the evaluation committee were then combined with the points awarded for Economic Terms (evaluated separately by the Finance department), SBEDA, the Local Preference Program, and the Veteran Owned Small Business Preference Program.

A post-solicitation briefing for this high profile RFP occurred at the November 13<sup>th</sup> B Session. Staff recommends that Council authorize staff to negotiate and execute contracts with Lime (Neutron Holdings, LLC.), Razor, and Bird. Following the post-solicitation B Session for these contracts, Lyft - a vendor initially recommended to advance to contracting by the evaluation committee - rescinded their proposal as part of a nation-wide restructuring of their dockless vehicle operations. Staff recommends that Bird, which finished fourth out of nine respondents, be substituted in place of Lyft. The term of the contracts will be two years with a one year renewal option at the option of the City.

In addition, staff recommends reducing the number of total authorized vehicles to 3,000 with the ability to grow over time. Each firm will be authorized for an initial fleet of up to 1,000 vehicles. This recommendation was supported by multiple respondents who communicated that the market would remain oversaturated at 5,000 vehicles.

Following contracting, staff will further engage with these firms to develop a new Parking Framework. This

effort will rely in part on the concepts proposed through this RFP process, as well as other concepts being enacted in cities around the country. The intention is to identify methods for creating a more orderly environment and maintaining a clear walk path for pedestrians.

Once City Council approves these exclusive contracts, any other operators present in the marketplace will be provided with 30 days to wind down operations and remove their vehicles from the right-of-way.

#### **ALTERNATIVES:**

City Council may choose to direct staff to negotiate contracts with other providers, to expand or reduce the number of contracts to be awarded, or to augment the number of total authorized vehicles to begin the contract term.

#### **FISCAL IMPACT:**

This ordinance authorizes agreements between three dockless vehicle operators, and authorizes adjustments to the permit fee structure to allow for the continuation of cost recovery. These fee structure adjustments include \$10 per vehicle fee along with a \$0.25 per ride revenue share to the City. In addition, there is an initial one-time infrastructure fee in the amount of \$25,000 per vendor for parking infrastructure in year one of the contract.

This ordinance will increase the FY 2020 General Fund revenues budget by \$529,121.00 in FY 2020 to account for the revenues generated by the dockless vehicle program. Additionally, \$529,121.00 will be appropriated in the Center City Development and Operations' FY 2020 General Fund Budget increasing the budget to \$19,556,567.00.

The budget of \$529,121.00 will be used to fund four additional positions within Center City Development and Operations, which includes a Senior Management Analyst, and three Parking Enforcement Officers. This also includes \$75,000 to be spent on parking infrastructure in FY 2020. A total of \$105,168.00 will be reserved for future City Council discussions of transportation-related initiatives. Funding for the transportation related initiatives is contingent upon the City meeting the projected revenues from these agreements.

#### **RECOMMENDATION:**

Staff recommends that City Council authorize staff to negotiate and execute agreements with Lime, Razor, and Bird to provide dockless vehicle services. Staff also recommends that City Council amend the FY 2020 General Fund budget and appropriate the program revenue in Center City Development and Operations' annual operating budget. Other changes to the existing ordinance, such as lifting of the moratorium on permitting and revoking the nighttime riding ban are also recommended.