

**CITY OF TEMPE
REQUEST FOR COUNCIL ACTION**
**Council Meeting Date: 04/14/2016
Agenda Item: 5B21**

ACTION: Award a five-year contract with one, two-year renewal option to The Bicycle Cellar, Inc. for the operation of the Regional Bicycle Center at the Tempe Transportation Center.

FISCAL IMPACT: There is no cost to the City for this contract. The contractor compensates the City with monthly rent payments. Total income to the City for the initial five-year term will be \$38,000.

RECOMMENDATION: Award the contract.

BACKGROUND INFORMATION: (RFP #16-110) The City of Tempe issued a Request for Proposal (RFP) to establish a contract for the operation of the Regional Bicycle Center under a landlord/tenant relationship.

The Regional Bicycle Center is a 2,000 square foot regional bicycle commuter parking facility located in the Tempe Transportation Center that provides safe and secure commuter services for the community to encourage bicycling and is operated based on user fees that contribute to the cost of the services and offers bicycle related sales and services. The bicycle center is a full service commuter center that offers: secure indoor parking, showers/changing facilities, bicycle maintenance and repairs, bicycle rentals, and educational opportunities.

Notification of the RFP was sent to over 75 vendors, including many local bicycle vendors and only one proposal was received.

Evaluation Process

The proposal was evaluated by a committee comprised of Public Works and Procurement staff. The following firm responded:

The Bicycle Cellar, Inc.

The proposal was scored using the following criteria:

| Criteria | Weight |
|--|--------|
| Financial proposal to the City | 40% |
| Bicycle industry/retail experience | 15% |
| Financial status | 15% |
| Business/management experience | 10% |
| Methodology for providing retail sales and service | 10% |
| Marketing/merchandising experience | 5% |
| Thoroughness/completeness of proposal; acceptance of City's terms and conditions | 5% |

Financial Proposal to the City

The Bicycle Cellar, Inc. will pay the City an annual rental rate per square foot as follows:

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|---------------|---------------|---------------|---------------|---------------|
| Annual Rental Rate (per square foot) | \$3 | \$3 | \$4 | \$4 | \$5 |
| Membership Fees: | | | | | |
| Daily Fee (bicycle parking only) | \$2 | \$2 | \$3 | \$3 | \$4 |
| Monthly Fee (membership) | \$30/\$35 | \$30/\$35 | \$35/\$40 | \$35/\$40 | \$35/\$40 |

The Bicycle Cellar, Inc. will also be responsible for electric utility costs.

Results of Scoring

Results of the scoring are as follows:

| Offeror | Score |
|--------------------------|-------|
| The Bicycle Cellar, Inc. | 735 |

It is the recommendation of the committee to award a contract to The Bicycle Cellar, Inc. The company has successfully operated the Regional Bicycle Center at the Tempe Transportation Center since 2009.

ATTACHMENTS: Vendor Offer Form

STAFF CONTACT(S): Shelly Seyler, Deputy Public Works Director - Transportation/Traffic Engineering, (480) 350-8854

Department Director: Renie Broderick, Internal Services Director
 Legal review by: David Park, Assistant City Attorney
 Prepared by: Lisa Goodman, CPPO, Procurement Officer