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**CITY OF TEMPE**  
**REQUEST FOR COUNCIL ACTION****Council Meeting Date: 09/08/2016**  
**Agenda Item: 6A2**

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**ACTION:** Award a five-year sole source contract with two, two-year renewal options to CycleHop, LLC to install, operate, and maintain the City's Bike Share Program.

**FISCAL IMPACT:** Total combined cost for the five-year contract is \$1,992,188. Sufficient funds have been appropriated as follows: Transit Fund cost center 3917 (Bus Stop & Bikeway Maintenance) \$100,000 per year for operating costs (\$500,000 over five years); Transit Capital Improvement Project Fund cost center 6007199 (Tempe/Phoenix Bike Share) for one-time installation and capital costs valued at \$373,295; and federal grant funds for one-time capital costs valued at \$1,118,893. Arizona State University (ASU) will reimburse the City \$50,000 for annual operating costs.

**RECOMMENDATION:** Award the sole source contract.

**BACKGROUND INFORMATION:** It is recommended that Tempe utilize CycleHop, LLC as a sole source vendor to implement its bike share program. This sole source is necessary in order to create a seamless bike share operating environment with the City of Phoenix and the City of Mesa who have previously awarded their bike share programs to CycleHop, LLC. By approving CycleHop, LLC as its bike share provider, Tempe will complete a fully integrated bike share experience for patrons. It is important to acknowledge that the three named cities jointly participated in a Request for Proposal (RFP) hosted and awarded by the City of Phoenix. Due to timing issues, the City of Tempe chose not to proceed under the City of Phoenix cooperative award. Recently, the City of Tempe received a federal grant through the Federal Highway Administration (FHWA) and Arizona Department of Transportation (ADOT) to purchase the capital equipment necessary for the operation of a bike share system. Additionally, the bike share equipment operated by CycleHop, LLC is specialized and uses custom software to manage the program.

A Memorandum of Understanding (MOU) between the Maricopa Association of Governments (MAG), City of Phoenix, City of Mesa, and City of Tempe for a regional bike share program will be executed in the fourth quarter of 2016.

CycleHop, LLC will provide bike share services to the Tempe community and ASU Tempe campus to achieve the following objectives:

- Provide mobility to Tempe visitors, residents, and employees and ASU staff, faculty, students, and visitors in and around the ASU campus and Tempe community.
- Reduce the use of private automobiles for as many trips as possible, thus minimizing congestion and air pollution.
- Provide connections to local bus, express, Orbit, and light rail transit services.
- Operate and maintain 300 bicycles year-round with rentals available 24 hours a day, seven days a week.

Specific additional bike share services to be provided by contractor will include:

- Maintaining components for bicycles and bicycle racks.
- Providing monthly performance reports.
- Collecting and redistributing bicycles to ensure even distribution tailored to ridership trends and popular locations.

CycleHop, LLC will acquire on behalf of the City of Tempe 300 bicycles, 450 docking racks, two (2) solar powered payment kiosks, and 29 map signs with solar powered lighting. Each bicycle will be equipped with GPS, bicycle locks, and front and rear flashing lights. The bicycles used for this service will be owned by the City of Tempe and be a part of the GRID fleet with GRID branding. With Council approval, the City expects to have a fully implemented bike share program by April 2017.

After the initial five-year agreement, the annual operating cost may increase to \$161,800 in order to cover the costs associated with the software to operate the bicycles. A separate Intergovernmental Agreement with ASU will be presented to the City Council in September or October 2016 for approval.

**ATTACHMENTS:** Bike Share Program Agreement

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Legal review by: Teresa Voss, Assistant City Attorney

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