

## **ORDINANCE No. 187774**

Increase the Portland Bureau of Transportation procurement authority for the bike share system not to exceed \$3,750,000 (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. On September 19, 2012 Council approved Intergovernmental Agreement #28287 (the IGA) with the Oregon Department of Transportation (ODOT) to accept TWO MILLION DOLLARS (\$2,000,000) in Federal Highway Administration (FHWA) funds to develop a bike share system (the System) and operate it for five (5) years.
2. On January 9, 2013 the City of Portland, acting and by and through its Bureau of Transportation (PBOT) entered into Contract No. 30003174 (the Original Contract) with Alta Bicycle Share, Inc. (Alta) to purchase, install and operate the System in Portland.
3. On December 15, 2013, the IGA was amended to include PBOT's receipt of a FORTY-TWO THOUSAND DOLLAR (\$42,000) grant from the Federal Transit Administration (FTA) to fund a portion of the System at Union Station.
4. Subsequently, one hundred percent (100%) of Alta's stock was purchased by Bikeshare Holdings LLC (BSH). Alta retained its obligations and rights under the Original Contract. Thereafter, Alta changed its name to Motivate International, Inc. (Motivate).
5. Due to technological advancements in the industry, PBOT renegotiated the terms of the Original Contract to include the acquisition, launch and operation of a 600 bike, 30 station smart bike technology System as substantially set forth in the Amended and Restated Services Contract attached hereto as Exhibit A (the Amended Contract).
6. Under the Amended Contract, Motivate has agreed to a three (3) year operating term (the Term) with obligations regarding levels of service, pricing, sponsorships, revenue sharing and appropriate collection and accounting of System revenues. The cost of operating the System will be covered by available System revenues. To the extent that System revenues are not adequate to cover the cost of operating the System to meet the performance standards of the Amended Contract, Motivate will use its private funds to meet any shortfall. The IGA funds will be used for equipment purchase and System launch costs. No City funds will be used to operate or otherwise fund the System during the Term with the exception of the Match (defined below).
7. The Amended Contract increased the procurement authority for the City to cover the costs of purchasing and launching the System not to exceed \$2,175,000. The match

requirement of the federal grants is 10.27% and will be met with funding from reimbursements from transportation demand management programs held in the PBOT's current budget (the Match).

8. On December 1, 2015 Nike and the PBOT entered a five-year, \$10 million sponsorship agreement that recognizes Nike as the title sponsor. In the public announcement of the partnership, PBOT and Nike announced the name of the system, BIKETOWN.
9. On December 23, 2015 PBOT and Motivate signed the Amended Contract.
10. Solely funded with a portion of the title sponsorship funds, PBOT, Motivate and Nike plan to expand the size of BIKETOWN from 600 bicycles and 30 stations to 1,000 bicycles and 100 stations. This expansion will allow BIKETOWN to provide a more robust, low-cost transportation service to more Portland neighborhoods. The procurement cost for this 1,000-bicycle system is \$3.43 million.
11. PBOT staff wish for additional procurement authority to allow for a modest future expansion of BIKETOWN by up to approximately 100 additional bicycles without further Council action. PBOT does not have immediate plans for this additional expansion. Procurement authority of \$3.75 million would allow for this additional future expansion.
12. The PBOT's level of confidence in the cost estimates for the purchase of the System equipment is high, the prices for the System equipment and installation services from the Amended Contract are set forth in the Amended Contract as Exhibit A.

NOW, THEREFORE, the Council directs:

- a. That the Commissioner-in-Charge and the Auditor are hereby authorized to increase procurement authority in an amount not to exceed \$3,750,000 to launch and potentially further expand the System.

Passed by the Council,

Commissioner Steve Novick  
Prepared by Steve Hoyt-McBeth:sld  
Date Prepared: April 18, 2016

JUN 01 2016

**Mary Hull Caballero**

Auditor of the City of Portland

By

*Gayle Jennings*

Deputy

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Agenda No.  
**ORDINANCE NO. 187774**  
Title

Increase the Portland Bureau of Transportation's procurement authority for the bike share system,  
(Ordinance) *not to exceed \$3,750,000*

<p><b>INTRODUCED BY</b> Commissioner/Auditor: <b>COMMISSIONER STEVE NOVICK</b></p>	<p>CLERK USE: DATE FILED <u>MAY 10 2016</u></p>
<p><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety – Novick <i>AN</i></p>	<p>Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u><i>[Signature]</i></u> Deputy</p>
<p><b>BUREAU APPROVAL</b></p> <p>Bureau: <b>Transportation</b> <i>ANP</i> Policy, Planning and Projects Manager: <b>Art Pearce</b> Director: <b>Leah Treat</b> <i>[Signature]</i></p> <p>Prepared by: Steve Hoyt-McBeth:sld Date Prepared: 4/18/16 Supervisor: Margi Bradway <i>[Signature]</i></p>	<p><b>ACTION TAKEN:</b></p> <p>MAY 19 2016 PASSED TO SECOND READING JUN 01 2016 9:30 A.M.</p>
<p><b>Impact Statement</b> Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p><b>Portland Policy Document</b> If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p><b>City Auditor Office Approval:</b> required for Code Ordinances</p>	
<p><b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter</p>	
<p><b>Council Meeting Date</b> May 19, 2016</p>	

<p><b>AGENDA</b></p>
<p><b>TIME CERTAIN</b> <input checked="" type="checkbox"/>  <b>Start time: 4:00Pm</b>  <b>Total amount of time needed: 15 min</b>          (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input type="checkbox"/>  <b>Total amount of time needed: _____</b>          (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input type="checkbox"/>	
4. Novick	4. Novick	<input type="checkbox"/>	
Hales	Hales	<input checked="" type="checkbox"/>	