



## Request for City Council Committee Action from the Department of Public Works

**Date:** April 30, 2013

**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

**Subject:** **Car Sharing Pilot**

**Recommendation:**

Authorize staff to negotiate terms for a two-year agreement with Car2go N.A., LLC for a city-wide car sharing pilot program.

**Department Information:**

Prepared by: Atif Saeed, Parking Systems Manager, PW Traffic & Parking Division

Approved by: \_\_\_\_\_

Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Atif Saeed

**Reviews:**

- Permanent Review Committee (PRC): Approval \_Y\_ Date 11/8/12

**Financial Impact**

- No financial impact

**Community Impact**

- City Goals: Eco-Focused; A City that Works; Jobs and Economic Vitality

**Supporting Information**

Background

The Public Works Department has been exploring the possibility of implementing a city-wide car sharing program in Minneapolis. Based on research conducted by staff, a pilot program was found to be the best first step towards determining the feasibility of such a program.

On February 6, 2013, Public Works issued a Request for Proposal (RFP) to identify a contractor to conduct the Car Sharing Pilot. The following four organizations submitted proposals:

- Hertz on Demand
- Hourcar
- Car2Go
- Zipcar

### Car Sharing

Car sharing is a community based transportation service that allows pre-approved members to use a car when needed. A number of vehicles are usually parked at locations throughout the city and members reserve and access vehicles as needed. Generally, vehicles can be rented by the hour or day, and the rates charged by the operator usually include all expenses including maintenance, fuel, insurance, and parking fees.

According to Transportation Sustainability Research Center (TSRC) at University of California Berkeley, car sharing is gaining popularity in North America. TSRC reports that as of July 2012, 26 U.S. car sharing programs claimed 806,332 members sharing 12,634 vehicles.

Car sharing has been known to reduce the need for car ownership. According a nationwide study published by University of California Transportation Center (UCTC), one car sharing vehicle can replace as many as 9 to 13 individually owned vehicles, resulting in reduced congestion, greenhouse gas emissions and need for parking supply.

Additionally, most car sharing operators use modern, fuel-efficient cars including hybrids, further contributing towards a healthier environment. Moreover, car-sharing members may be more likely to walk to local stores and businesses for basic goods and services and utilize several modes of transportation to meet their needs, resulting in local economic growth as well as more sustainable mode share.

### Results of RFP

Proposals were reviewed by a six-member selection committee. After reviewing the written proposals, the selection committee decided to invite all four proposers for face-to-face presentations/interviews. Members of the selection committee individually evaluated the proposals and presentations/interviews based on the following criteria:

- |   |      |
|---|------|
| • Quality, thoroughness and clarity of proposal           | 10%  |
| • Qualifications and experience of staff                  | 10%  |
| • How well the scope of services offered meets objectives | 45%  |
| • Financial responsibility and capacity of the company    | 5%   |
| • Organization and management approach                    | 15%  |
| • Cost of services to the end users                       | 7.5% |
| • Cost of services to the City of Minneapolis             | 7.5% |

Based on the review by the selection committee, Car2Go has been selected to provide car sharing service in Minneapolis.

### Selected Vendor

Car2Go proposed a fleet of 250 Smart Cars for the Pilot. Most of the vehicles will not be tied to specific parking spots, but instead can be picked up and dropped off at any legal on-street parking space. Some of the reasons given by the selection committee members for scoring highly in favor of Car2Go were:

- Offers the greatest flexibility to the end users through point-to-point rentals
- No monthly fees, low cost to join, and best value for short trips around the City
- Memberships for those aged 18 and up open up the service to a larger population
- Deploys a large number of cars to the curbside, not just off-street spaces
- The size of the fleet will provide large amount of user data

- Distribution of vehicles throughout the city based on demand
- Flexibility in how the company pays the city for curbside space and garage usage

### Next Steps

As the next step, staff would like to negotiate the terms for the two-year Pilot. Once the terms have been finalized, staff will return for Council action for authorization to enter into a contract for the Pilot.