



**DATE:** October 2, 2018

**TO:** Mayor and City Council

**FROM:** Director of Utilities & Environmental Services

**SUBJECT:** Resolution Authorizing the City Manager to Negotiate and Execute an Agreement with Zipcar for Car Sharing Services in Hayward

**RECOMMENDATION**

That the City Council adopts the attached resolution authorizing the City Manager to negotiate and execute an agreement with Zipcar, Inc., to implement a car sharing pilot program in Hayward.

**SUMMARY**

Staff is seeking Council authorization to implement a car sharing pilot program with Zipcar. This vendor has proposed locating four cars across three locations throughout Hayward. The program will involve the use of \$200,480 in Metropolitan Transportation Commission (MTC) grant funding to subsidize the vendor’s local marketing efforts. Staff will meet the grant’s local match requirement through in-kind-services totaling \$45,400 in value. These in-kind-services will consist of staff time spent managing the project. Zipcar will cover all other program implementation and marketing costs, in addition to providing utilization data that will help staff gauge the community’s interest in car sharing. This data will also be used by staff to determine whether to pursue long-term car sharing programs beyond the eighteen-month pilot.

Council Sustainability Committee – On September 24, 2018, the Committee considered the Zipcar proposal and recommended that Council adopt a resolution authorizing the City Manager to negotiate and execute an agreement with Zipcar.

**BACKGROUND**

MTC Climate Initiatives Program Grant – In December 2014, the City was approved for funding from the Metropolitan Transportation Commission’s Climate Initiatives Program to implement a car sharing pilot program and identify participating car sharing vendors through a competitive Request for Proposals process. Funding for the grant comes from Federal Congestion Mitigation and Air Quality Improvement (CMAQ) funds.

Council Sustainability Committee - On January 12, 2015, staff presented a report to the Council Sustainability Committee providing an overview of car sharing and its alignment with the City's greenhouse gas emission reduction efforts, as well as a number of General Plan policies and implementation programs.<sup>1</sup> Staff also reported on the MTC Climate Initiatives Program Grant and how the funding could be used toward implementing car sharing services in Hayward.

City Council – On January 27, 2015, Council adopted Resolution 15-014 authorizing receipt of the MTC grant funds to implement the Car Sharing Pilot Program.<sup>2</sup>

Council Sustainability Committee – Initial iterations of the Car Sharing Pilot Program focused on using the grant funding to subsidize the purchase of fuel-efficient car share vehicles. However, after in-depth discussions with MTC and the California Department of Transportation (Caltrans), staff was unable to identify vehicles that met both the City's efficiency goals and the grant requirements. As such, the program's scope was revised in late 2015 to specify that the grant funding would be used toward assisting selected car share vendors with their local marketing efforts. On December 10, 2015, staff presented a report to the Council Sustainability Committee summarizing these changes to the program's scope and identifying potential provisions to be included in the Request for Proposals.<sup>3</sup>

Caltrans, the administrator of the grant funds, approved the amended project scope in early 2017. Additional delays have been caused by staff turnover and higher priority projects.

## **DISCUSSION**

### Request for Proposals

A Request for Proposals was released on August 9, 2018, requesting that interested car share vendors submit proposals to implement an eighteen-month pilot program in Hayward. Proposals were required to identify a minimum of two locations for car share vehicles in the City. The first required location was within the City-owned municipal parking garage at Watkins and B Street, with the intent of serving patrons of the Downtown Hayward BART Station and area businesses. The second location could be near the South Hayward BART Station, Life Chiropractic College, Chabot College, the Hayward Amtrak Station or another location suggested by the vendor.

In an effort to help meet the City's emission reduction goals and to evaluate the community's level of interest in car sharing with alternative-fuel/low-emission vehicles, the Request for

<sup>1</sup> January 12, 2015 CSC Agenda Packet:

<https://hayward.legistar.com/MeetingDetail.aspx?ID=505651&GUID=98EB77F5-CD85-49A7-871E-FF45D9AF6B60&Options=info&Search>

<sup>2</sup> January 27, 2015 City Council Agenda Packet:

<https://hayward.legistar.com/MeetingDetail.aspx?ID=454159&GUID=6980F6E4-B56F-4638-AFA1-548E73417972&Options=info&Search>

<sup>3</sup> December 10, 2015 CSC Agenda Packet:

<https://hayward.legistar.com/MeetingDetail.aspx?ID=447895&GUID=267FA428-D765-44D4-9F7E-A3F754187530&Options=info&Search>

Proposals also indicated a particular interest in proposals that included a plan for at least one electric vehicle and/or plug-in electric hybrid vehicle.

The four-week Request for Proposals period closed on September 7, 2018, by which time one proposal had been received from Zipcar. The proposer participated in a finalist interview on September 17, 2018.

Based on Zipcar's proposal, interview and qualifications, staff presented a report to the Council Sustainability Committee on September 24, 2018, recommending that this vendor be selected to implement the Car Sharing Pilot Program in Hayward.<sup>4</sup> The Committee concurred with staff's recommendation to proceed with Zipcar.

### About Zipcar

Zipcar provides car sharing services in more than 500 cities and towns and 600 colleges and universities worldwide, operating 400 locations in the Bay Area alone. The vendor currently has partnerships established with a number of local agencies including the San Francisco Municipal Transportation Agency, City of San Jose, Sonoma County Transportation Authority, City of San Mateo, City of Emeryville, and the City of Fremont.

Zipcar is also currently the only car sharing provider operating within Hayward boundaries, with six vehicles at the California State University East Bay campus. These cars are intended for students living on campus and do not serve the larger Hayward community.

### Zipcar's Proposed Pilot Program Details

Zipcar's proposed Car Sharing Pilot Program includes the establishment of four designated parking spots at three locations, each of which were identified in the Request for Proposals as either mandatory or optional:

1. Watkins Street and B Street Municipal Parking Garage (two spaces)
2. South Hayward BART Station (one space)
3. Chabot Community College (one space)

The proposal did not include an electric vehicle sharing option due to the challenges associated with keeping these vehicles adequately charged, both during and between trips. Patrons often do not have access to a charging station at their destinations. The car must also recharge before a new trip with a new member can begin. These challenges make electric vehicle carsharing largely infeasible at this time.

<sup>4</sup> September 24, 2018 CSC Agenda Packet:  
<https://hayward.legistar.com/MeetingDetail.aspx?ID=606472&GUID=A6C710ED-CDBA-4933-8955-E0A546294515&Search>

Zipcar is a membership-based program, with current pricing at \$7 per month or \$75 per year, and the pre-requirement of a \$25 application fee. Trip rates are structured either hourly, ranging from \$8.50 to \$13.50 per hour, or daily, ranging from \$79 to \$101 per day.

Upon approval for membership, each new driver receives a unique account number and a “Zipcard” that can be used to access any Zipcar in cities all over the world. Reservations can be made via the Zipcar website, mobile app, or with a live service representative. The program is also return-trip based, meaning that members pick cars up at a designated location and must return the car to the same location. This model ensures the availability of the vehicles at their designated location whenever they are not in use.

Zipcar has proposed sharing data with the City on a quarterly basis regarding the number of unique users per month at each location, average number of miles driven per trip based on reservations from each location, and average vehicle utilization based on reservations from each location.

#### *Zipcar’s Proposed Marketing Efforts*

Zipcar’s proposed marketing plan includes both an immediate marketing push to announce the Zipcar program in Hayward, as well as a long-term plan. Marketing initiatives identified in the proposal include a dedicated newsletter to Zipcar members at launch, social media promotion, Zipcar digital ads, inclusion in City newsletters, discounted membership for residents and employees for a limited time, and hard promotional materials including flyers and postcards. Further details regarding the marketing plan and portion of MTC funds allocated to subsidize these efforts will be identified during the negotiation phase.

At the end of the pilot operation period, staff will evaluate the data provided and gauge the community’s interest in car sharing. Staff will also determine whether to work with the vendor to extend the program period or to issue another Request for Proposals for a longer-term and potentially larger-scale car share program.

#### **ECONOMIC IMPACT**

Car sharing can reduce the need for car ownership and/or the use of personal vehicles. As such, this pilot program could potentially reduce consumer spending on automobile-related purchases and services. Any savings realized by Hayward households could lead to increased spending in non-automotive sectors.

#### **FISCAL IMPACT**

The grant amount is \$200,480 and the City will also provide an in-kind City match of \$45,400 in the form of staff time spent managing the project. All program implementation costs that go beyond the scope of the grant or in-kind funding will be covered by Zipcar and will therefore have no impact on the City’s General Fund.

**STRATEGIC INITIATIVES**

This item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities initiative is to create and support structures, services and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. Car sharing provides community members cost-effective and equitable access to transportation, and is therefore aligned with the following goal:

*Goal 1:* Improve quality of life for residents, business owners and community members in all Hayward neighborhoods.

**SUSTAINABILITY FEATURES**

Car sharing reduces the need for personal vehicle ownership by providing access to vehicles when needed but on a limited basis. As such, the car sharing model can also contribute to the use of public transportation, biking and walking, which ultimately results in reduced greenhouse gas emissions.

*Air:* Car sharing can reduce car use and congestion, thereby reducing time spent on the road or idling in traffic, as well as associated emissions.

**PUBLIC CONTACT**

On August 9, 2018, the Request for Proposals associated with this pilot program was published to the Request for Proposals Portal on the City’s Website.

**NEXT STEPS**

If Council agrees that Zipcar has the appropriate experience and qualifications to implement this Car Sharing Pilot Program and adopts the attached resolution authorizing the City Manager to negotiate and execute an agreement with Zipcar, staff will initiate the program.

*Prepared by:* Kait Byrne, Management Analyst

*Recommended by:* Alex Ameri, Director of Utilities & Environmental Services

Approved by:



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Kelly McAadoo, City Manager