



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 15

Agenda Date: May 5, 2022

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

One-year Extension of Dockless Vehicle Contracts

SUMMARY:

On December, 12, 2019, City Council authorized the negotiation and execution of contracts with Razor USA, LLC (Razor) and Bird Rides, Inc. (Bird), following the completion of a Request for Proposals (RFP). The effective date of the agreements was January 12, 2020. These companies were granted the exclusive right to offer dockless vehicle services within City Right-of-Way through these contracts. The agreements include a two-year term and a one-year extension, with Council approval. This ordinance authorizes the one-year extension included in the contracts.

BACKGROUND INFORMATION:

Dockless vehicles were introduced in San Antonio in the summer of 2018. Soon after, City Council directed staff to create an initial pilot permit program. The program was intended to have a light touch with no caps on the number of vendors or vehicles that could operate on City Right-of-Way. The six-month initial pilot program resulted in seven vendors and the issuance of 14,000 permits for individual vehicles. While this many vehicles were never deployed at any given time, resident feedback and complaints indicated that too many operators and permits were allowed into the market. Council then took a number of actions to curb issues related to “scooter clutter”, rider and

pedestrian safety, and rider behavior; culminating in a moratorium on new permits and the release of an RFP to identify specific vendors to provide these services, while also reducing the total number of vehicles that would be permitted.

The RFP outlined an opportunity for up to three operators to provide services on City right-of-way. Each company would be authorized to permit up to 1,000 dockless vehicles. Following the RFP, Council authorized the negotiation and execution of agreements with three operators - Lime, Razor, and Bird. However, Lime then withdrew from contracting as part of a broader withdrawal from a number of markets across the country. Contracts were then finalized with Razor and Bird with each company authorized to deploy up to 1,000 vehicles. The contracts went into effect on January 12, 2020, and included an option for one additional year, with City Council approval. Staff recommends that City Council exercise this option within the contract to avoid an interruption in service and to provide time for the development and completion of an RFP.

Limiting the number of vendors and vehicles has resulted in fewer complaints, and cleaner sidewalks. Authorizing this extension will provide time for the development of a solicitation and to garner community feedback on any potential program changes for dockless vehicles.

ISSUE:

The term on the existing agreements with Razor and Bird expired on January, 12, 2022. The companies are operating under a permitted grace period while City Council considers whether to approve the one-year extension within their contracts. Staff's recommendation is to approve the extension to allow time for the development of an RFP.

The process to develop the RFP will require input from Council members and the broader City Council. Approving the one-year extension will prevent a gap in services while this process moves forward. The RFP would result in new agreements that go into effect in January 2023.

ALTERNATIVES:

City Council could decide not to extend the contracts with Razor and Bird. This would either result in a gap in services while an RFP is produced and completed for dockless vehicle services or the elimination of a dockless vehicle program.

FISCAL IMPACT:

Upon approval of this Ordinance, each operator will pay the City a \$10,000 annual per vehicle permit fee. In addition, the City will continue to receive the \$0.25 per ride fee as outlined in the contract. These revenues will be deposited into the General Fund.

RECOMMENDATION:

City staff recommends the approval of the one-year extension with Razor and Bird for continued dockless vehicle services.