

**Your**

**TRANSPORTATION**

**Committee**

**reports as follows:**

TRANSPORTATION COMMITTEE REPORT relative to a contract with Hertz On Demand for carsharing services in the city of Los Angeles.

Recommendations for Council action:

1. ADOPT a policy that the City of Los Angeles supports carsharing services as part of its overall transportation, land use, and environmental policies.
2. DIRECT and AUTHORIZE the General Manager, Los Angeles Department of Transportation (LADOT), to negotiate and execute a five-year contract, starting upon contract execution and ending June 30, 2018, with Hertz On Demand to provide carsharing services for the City of Los Angeles, subject to the approval of the City Attorney as to form and legality.
3. DIRECT LADOT to report relative to how other private car-share operators doing business within the city of Los Angeles will be treated.
4. RECEIVE and FILE LADOT report to Council dated March 21, 2013 (attached to the Council file) relative to this matter.

Fiscal Impact Statement: LADOT reports that there are no costs associated with this program. Program administration costs and lost parking revenue will be reimbursed. In addition, the City is expected to realize revenue. The amount of revenue will depend on carshare vehicle utilization.

Community Impact Statement: None submitted.

SUMMARY

In a report to Council dated March 26, 2013 (attached to the Council file), LADOT requests authority to execute a contract with Hertz On Demand for the operation of a carsharing program. The proposed program will result in a citywide fleet of 1,000 shared cars over the next five years, branded as the City of Los Angeles' carsharing program. Program members will be able to rent cars on an hourly basis, with rates varying depending on model of vehicle. Vehicle can be dropped off at any designated drop-off location, enabling one-way use of vehicles. Hertz will redistribute vehicles as necessary to ensure that all carshare locations have vehicles available

LADOT goes on report that the goal of the carsharing program is to reduce car ownership, which will reduce the amount of public space required to accommodate private vehicles, vehicle miles traveled, and greenhouse gas emissions; provide economical, as-needed access to a car when needed, supporting the City's goals of increasing transit usage, cycling, and walking; and, to resolve the "first mile-last mile" dilemma for users of transit lines that do not reach every origin or destination.

On May 12, 2012, the City released a Request for Proposals (RFP) for the exclusive operation of a public carshare program. An exclusive agreement, according to LADOT, provides customers with a single, unified customer interface and branding so that there is clarity about the carshare program. Also, working with one service provider allows the Department to focus its limited staff resources on the successful launch and operation of a city carshare program. Supporting multiple service providers would dilute staff's efforts and not maximize the probability of success. The Department further notes that having more than one service-provider would make program administration much more complicated.

Two bids were deemed responsive to the RFP: Hertz on Demand and Zipcar. LADOT recommends the selection of Hertz On Demand. Factors contributing to the selection of Hertz On Demand include more fleet vehicles by year five, a better vehicle replace policy, more revenue recovery and program revenue sharing, branding, full administrative cost recovery, and other advantages.

At its meeting held April 10, 2013, the Transportation Committee discussed this matter with LADOT staff. Department staff reviewed the RFP bid and selection processes as well as the rationale for the selection of Hertz On Demand. It was stated that Hertz already operates carshare programs. The company also offers superior revenue sharing. Staff went on to state that cars will be made available for short term rentals by program members and LADOT will provide off-street parking spaces for program vehicles. The Committee recommended that Council approve and authorize LADOT to execute the contract with Hertz On Demand for carshare services. Committee also recommended that Council direct LADOT to report relative to how other private car-share operators doing business within the city of Los Angeles will be treated, and that Council receive and file a report previously submitted by the Department.

Respectfully submitted,

TRANSPORTATION COMMITTEE

**- NOT OFFICIAL UNTIL COUNCIL ACTS -**

<u>MEMBER</u>	<u>VOTE</u>
ROSENDAHL:	YES
KORETZ:	YES
PARKS:	YES
LABONGE:	YES
HUIZAR:	ABSENT

JAW  
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