



Legislation Text

File #: 2024-0279, Version: 1

Report to Mayor and City Council

Tuesday, April 16, 2024

Consent

SUBJECT:

CONSIDER APPROVAL OF AMENDMENT NO. 1 TO EXTEND THE AGREEMENT WITH LYFT, INC. FOR SUBSIDIZED LYFT RIDES BY ONE ADDITIONAL YEAR (CITY COUNCIL)

I. SUMMARY

On January 1, 2021, the City entered into a General Services Agreement and associated Program Partnership Form with Lyft, Inc. (“Lyft”) for on-demand, ride-hail services for a three-and-a-half-year term through June 30, 2024 (Exhibit No. 1; “Agreement”). Utilizing Proposition C funds, City subsidizes 50% of all eligible Lyft rides taking place within City limits, up to a maximum subsidy of \$10 per ride.

As Lyft recently confirmed their intentions to continue the partnership, staff would like to exercise the City’s first of two options to extend the term of the Agreement by one (1) additional year. Additionally, although the annual not-to-exceed compensation amount over the initial 3.5-year term has been \$60,000 per year; City staff would like to increase the not-to-exceed amount to \$120,000 for the proposed first extension year. This request is due to increased public demand for the services.

The City Council is asked to approve Amendment No. 1 to the Agreement, which would: (i) extend the term of the Agreement by one additional year, through June 30, 2025; and (ii) increase the not-to-exceed contract sum by \$120,000, from \$210,000 to \$330,000, to fund services for the one-year extension period.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the Amendment (Exhibit No. 2; “Amendment”); and
2. AUTHORIZE the Mayor to execute the Amendment, following approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

In connection with the Coronavirus Disease 2019 (“COVID-19”), the Disaster Council placed a temporary suspension over the City’s local fixed-route bus operations. The decision was made in an effort to protect the health of the public and to slow the spread of COVID-19. To provide options for alternative transportation, staff: (i) introduced a modified form of Dial-A-Ride service for residents of all ages; (ii) provided supplemental taxi and fixed-route bus service for students; and (iii) established a temporary City-subsidized program through Lyft for on-demand, ride-hail services.

By utilizing the City’s promocode, LyftCarson, riders are eligible to receive a 50% discount on Lyft rides taking place within city limits. Participants are allowed 30 rides per month, up to a cost of \$20 per ride. The City’s maximum subsidy of \$10 per ride is funded through Proposition C local returns.

As initial demand for service saw a steady rise, the City entered into a multiyear agreement with Lyft for a three-and-a-half-year term through June 30, 2024. Recent figures for Fiscal Year 2023-24 have reported an average use rate of 980 rides per month, and over 27,000 completed rides since January 2021. Lyft recently confirmed their intentions in February to continue the partnership. As such, staff would like to exercise the City’s first of two options to extend the term of the agreement by one (1) additional year.

The City Council is asked to approve Amendment No. 1 to the Agreement, which would: (i) extend the term of the Agreement by one additional year, through June 30, 2025; and (ii) increase the contract sum by \$120,000, from \$210,000 to \$330,000 to fund services for the one-year extension period.

V. FISCAL IMPACT

There is no fiscal impact at this time. Should the City Council approve the recommendation, funds in the amount of \$120,000 will be budgeted in Fiscal Year (FY) 2024-25 Proposition C account no. 219-90-940-185-6004. There is no impact to the City’s General Fund accounts.

VI. EXHIBITS

1. Agreement (pgs. 3-21).
2. Amendment (pgs. 22-25).

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