



Cover Memorandum/Staff Report

File #: 18-0605 CRA

Agenda Date: 6/23/2020

Item #:

TO: CRA Board of Commissioners
FROM: Ivan Cabrera, AICP, Redevelopment Manager
THROUGH: Renée A. Jadusingh, Esq., CRA Executive Director
DATE: June 23, 2020

POINT-TO-POINT TRANSPORTATION SERVICES - THIRD AMENDMENT TO THE ORIGINAL AGREEMENT - CONTRACT RENEWAL WITH BEEFREE, INC. D/B/A FREEBEE

Recommended Action:

1. Approve the renewal of the agreement for the Point to Point Transportation Services with BeeFree Inc. d/b/a Freebee for an additional one-year term and authorize the Board Chair to execute all documents necessary for said purpose.
2. Provide direction regarding advertising on the vehicles as part of the renewal.

Background:

On January 28, 2019, the CRA issued a Request for Proposals for a Pilot Program for Point-to-Point Transportation Services.

The CRA and BeeFree, Inc. d/b/a Freebee entered into a Transportation Services Agreement on June 25, 2019, ("Original Agreement"). Subsequently, both parties executed two amendments due to COVID-19. The First Amendment was executed on March 27, 2020 and included temporary changes to the service area and hours of operation. The Second Amendment was executed on April 8, 2020, and included temporary changes related to ceasing operations of the service route and modifications to the contract price paid by the CRA to Freebee.

The term of the Original Agreement commenced on September 1, 2019 and is set to expire on August 30, 2020. Per the Original Agreement, the parties may mutually agree to renew the term of the Original Agreement for two (2) additional one (1) year terms, subject to the approval of the CRA's Board of Commissioners, and the execution by both parties of a written amendment to the Original Agreement.

In addition, the Original Agreement includes Section 3.7, "Revenue Sharing/Advertisement Sales Services", as it refers to advertising within and/or outside of vehicles with the goal of raising revenue to partially finance the cost of services, if in accordance with all City ordinances, policies and procedures.

Before the Pilot Program commenced, the CRA Board directed staff to start the Program with the current signature vehicle branding of "Welcome to Delray Beach" on all five (5) vehicles with the purpose of introducing Connect Delray Beach Transportation Services to the community along with

Downtown Connect, the fixed route service. It was discussed that at a later time, the CRA Board was going to reassess vehicle advertising in order to determine if the Program would continue with the signature vehicle branding or shift to offsetting the cost of services with advertising within and/or on the outside of the vehicle(s).

The presence of Freebee within the community has several tangible positive impacts. Some of which are:

Transportation Benefits:

- Helped reduce the number of cars on the road and the vehicular traffic within the Downtown area.
- Helped reduce traffic congestion and helped free up limited street parking availability.

Economic Development Benefits:

- Through the Ride Freebee mobile app, many of Delray Beach's local businesses have taken advantage of the opportunity for FREE advertising; by offering exclusive deals and discounts through the app, Freebee has helped increase the customer base of local businesses

Goodwill Community Benefits:

- During the Covid-19 pandemic, Freebee helped provide meal delivery to the local senior community during the stay at home orders.

Environmental Benefits:

- By providing 100% electric transportation, Freebee is helping to reduce carbon emissions while providing a much utilized service.

Service Numbers:

- 38,070 Total Passengers (From 9/5/19 to 2/29/20 before COVID-19)
- 18,599 Completed Rides (From 9/5/19 to 2/29/20 before COVID-19)

The breakdown of the cost of the services without any advertising and with advertising to offset the cost of services is as follows:

| Description | Monthly Cost | Yearly Cost |
|---|---------------------|--------------------|
| Transportation Service without Advertising (Current Program) | \$48,463.33 | \$581,559.96 |
| Transportation Service with Advertising | \$33,463.33 | \$401,559.96 |

We currently have custom vehicle wrapping in lieu of advertising on all five vehicles which costs \$3,000.00 per vehicle per month for a total of \$15,000.00 per month. By utilizing advertising on the vehicles, this cost could be offset.

CRA Staff is requesting the CRA Board approve this Third Amendment to the Original Agreement renewing and thereby extending the term of the Original Agreement to August 30, 2021. Additionally, CRA Staff is requesting direction regarding advertising within and/or on the vehicles for the remainder of the original term and if approved, the additional year.

Attachment(s): Exhibit A - Third Contract Amendment

CRA Attorney Review:

The CRA Attorney has reviewed the Agreement as to form and determined it to be acceptable.

Finance Review:

N/A

Funding Source/Financial Impact:

Funding is available in the amount of \$1,400,000 - GL# 5230 - Transportation Services.