



City of Kelowna / Modo Car Share Agreement

April 2018



Background – OGO Car Share

- ▶ 2014: City partnered with OGO Car Share (non-profit cooperative)
 - ▶ Shared vehicles for City Hall staff and car share users
 - ▶ Pilot program very successful for both partners



Photo: OGO Car Share Co-op

Background

- ▶ 2017: OGO looking to transition to Modo
 - ▶ Modo Co-operative: 20 yrs. old, 18,000+ members in Vancouver, Victoria, Nanaimo
 - ▶ Requested City support
- ▶ Council approved MOU and instructed staff to work on formal agreement

Draft Agreement: Modo

- ▶ Reviewed by legal counsel and Financial Services
 - ▶ Modo provides min. eight shared vehicles
 - ▶ Initial term three years (renewable)
 - ▶ City continues to provide parking
 - ▶ Modo covers costs of insurance, maintenance, booking software, administration etc.
 - ▶ City will transfer vehicles over to Modo for term
 - ▶ Termination option / clause
 - ▶ When vehicles cycle out, Modo responsible for on-going replacement

Potential Risks (& Mitigation)

- ▶ Reduced life cycle (five years)
 - ▶ If agreement extends, Modo responsible for replacement
- ▶ Opportunity cost = \$55,100
 - ▶ Still \$7,390 less expensive (over three-year term)
- ▶ Breakeven point: if Modo increased rates by \$0.10 per km or \$3.65 per hour
 - ▶ Unlikely based on rate history
- ▶ Other risks – e.g. loss of control over fleet
 - ▶ Regularly review the agreement

Potential Benefits:

- ▶ Operating costs \$62,490 less than City fleet
 - ▶ \$7,390 including opportunity cost
- ▶ If agreement extends, financial benefits significantly increase
- ▶ Eliminates need to buy \$83,600 booking software
- ▶ Many non-financial benefits for City and community

Added Value of Car Sharing in Kelowna

- ▶ More compact development patterns
- ▶ Challenges in meeting parking requirements
- ▶ Major shifts in transportation behaviour



Conclusions

- ▶ Overall benefits to City and Community outweigh potential risks
 - ▶ Financial benefits
 - ▶ Growth of car share in the community
 - ▶ Broader integrated transportation benefits





Questions?

For more information, visit kelowna.ca.