

Capitola City Council

Agenda Report



Meeting: April 27, 2023

From: Community Development Department

Subject: Regional Bikeshare Contract Amendment

Recommended Action: Authorize City Manager to sign Amendment 1 to the Professional Service Agreement with BCycle for a regional bikeshare program to modify the required aggregate insurance coverage for cyber liability from \$10 million to \$5 million.

Background: On January 12, 2023, the City Council authorized a five-year Professional Service Agreement (PSA) with BCycle for the Regional Bikeshare Program.

Discussion: On March 2, 2023, BCycle requested a modification of the PSA to decrease the aggregate insurance coverage for cyber liability from \$10 million to \$5 million. The PSA authorized in January requires coverage of \$5M per occurrence and \$10M aggregate for cyber liability. BCycle currently has a coverage of \$5M per occurrence and \$5M aggregate, which applies to all other operating agreements. Upon discovering the discrepancy, BCycle reached out to their insurance broker to understand the process of seeking additional coverage and concluded additional coverage is not a feasible option. BCycle is requesting an update to the PSA language to reflect their current coverage levels (\$5 million).

In the email request to staff, BCycle indicated:

“Trek's Treasury team and our insurance broker believe that \$5M in aggregate coverage is adequate for a business of BCycle's size and type, and it has never been an issue during our 10+ years of operation. \$5M in aggregate coverage for cyber liability is the same level of coverage we have in place for all other BCycle operating agreements (Santa Barbara, Boulder, Madison, Encinitas, Nashville, San Antonio, Greenville, Broward County) as well as for all the 25+ systems we support as a software provider for (i.e., LA, Philadelphia, Austin, Las Vegas, Indianapolis, Cincinnati, Fort Worth, etc.).

City staff recently met with representatives from all participating agencies and educational institutions to discuss the request. All entities are in support of the request and are currently processing the PSA amendment.

Fiscal Impact: There is no fiscal impact associated with this request.

Attachments:

1. Amendment 1 to PSA

Report Prepared By: Katie Herlihy, Community Development Director

Reviewed By: Julia Moss, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager