



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: July 21, 2011

ATTENTION: Public Safety & Neighborhood Services Committee
Agenda of July 27, 2011

SUBJECT: Report from the Office of the Mayor – Economic Growth Services
regarding CITY OF SAN DIEGO’S ALL-ELECTRIC VEHICLE CAR-
SHARE PILOT PROGRAM

REQUESTED ACTION:

1. Recommend approval of a RESOLUTION ESTABLISHING THE CITY OF SAN DIEGO’S ALL-ELECTRIC VEHICLE CAR-SHARE PILOT PROGRAM (Attachment B)

EXECUTIVE SUMMARY:

In 2007, the City of San Diego launched a Cleantech initiative in an effort to promote the expansion, attraction and retention of businesses that develop products and technologies that provide environmentally sustainable solutions. Earlier this year, the City, San Diego Gas & Electric, General Electric, University of California San Diego, and CleanTECH San Diego announced Smart City San Diego, a collaboration to further local initiatives to improve the San Diego region’s energy independence, empower consumers, reduce greenhouse gas emissions, and drive economic growth. The collaboration is encouraging the use of all-electric vehicles, studying consumer behavior relating to the use of all-electric vehicles, quantifying economic impacts of electric vehicles and improving electric vehicle infrastructure. To further these goals, the City of San Diego (City) is proposing an all-electric vehicle car-share pilot program (Pilot Program) consistent with California Vehicle Code Section 22507.1 (Attachment A).

A Pilot Program in the City is desirable for several reasons. According to data provided by University of California Berkeley, as of January 1, 2011 there are 27 car-share programs operating in the United States. Such a program may be attractive to those who are unable to purchase an electric vehicle due to cost. Entry-level vehicles range in price from \$38,000-\$50,000. A car-share program, using all-electric vehicles, will provide the public with a reasonably priced method to experience and use electric vehicles. When compared with all-electric vehicles, the combustion engine and hybrid vehicle fleets used by traditional car-share programs can have greater emissions of carbon dioxide, unburned hydrocarbons, carbon monoxide, nitrogen oxides, and particulate matter. All-electric vehicles produce no direct emissions and are emission free if charged with renewable energy.

The proposed Pilot Program supports City efforts to encourage the use of electric vehicles, utilize the expansion of electric vehicle infrastructure, and reduce tailpipe emissions within city limits. In San Diego, ECOtality is installing 1,000 electric vehicle charging stations by the end of 2011. The deployment of 300 all-electric car-share vehicles nearly doubles the number of vehicles using the newly installed EV charging infrastructure and will enhance the data-gathering efforts of the project.

The Pilot Program will allow the City to assess whether electric vehicle car-sharing is beneficial to local residents, visitors, and employers over a two-year period at no cost to the City. After assessing the results of the Pilot Program, the City may elect to issue a request for proposals for one or more car-share programs.

After exhaustive research, City staff has found that only one company is able to deploy an all-electric vehicle fleet and operate a car-share program in a timeframe commensurate with the progress of the ECOtality project. The company is car2go North America, LLC, a subsidiary of Daimler North America Corporation.

Car2go will provide 300 “smart fortwo” electric drive vehicles (smart vehicles) powered by a 30 kW electric propulsion system. The smart vehicles can be charged at designated Blink EV charging stations developed by California-based technology provider ECOtality. The Pilot Program will operate in a specific area (Attachment C – Exhibit 1).

The action before the committee today is the approval of a resolution creating the Pilot Program parameters, including the requirement that car-share vehicles be all-electric vehicles. The operation of the Pilot Program will be described in an agreement between the City of San Diego, to be executed by the Office of the Mayor, and car2go (Attachment C).

Reserved On-Street Parking

The City will make available 10 on-street parking spaces reserved for car2go car-share vehicles. The proposed locations were selected based upon recommendations Downtown Parking Management Group (DPMG) and input from the Centre City Advisory Committee (CCAC) (Attachment C – Exhibit 1).

Reserved on-street parking locations:

- India & G St.
- Market between 10th & 11th
- 2nd & Broadway (on 2nd)
- Kettner & Cedar
- Kettner & C St.
- 7th & B St.
- 8th & Market
- 7th & Market (parking structure)
- 4th & B St.
- 3rd & Market

Any necessary signage will adhere to the City’s sign ordinance and will be provided at the expense of car2go. The City will install the signs, and car2go shall reimburse the City, within

thirty (30) days of the date of invoicing, for all reasonable costs incurred by City in installing the signs to designate Car-Share Parking Zones.

Unreserved On-Street Parking

Car2 go will reimburse City for use of unreserved metered parking spaces. Car2go will provide the City with a report on the 15th day of each month describing the use of unreserved metered parking spaces by its members for the prior month and compensation for such use in the amount (Attachment C – Exhibit 2). All vehicles are monitored via GPS and telemetric devices allowing the company to accurately determine how long a vehicle is parked in a given location. The Parking Management Group (PMG) will be responsible for auditing car2go's compensation report. Using financial reports from previous years PMG can verify the accuracy of the car2go compensation report and establish and an accurate benchmark.

Permit Parking

Car2go will annually purchase residential parking permits for the vehicles in its fleet. The neighborhoods within the proposed operating area that require residential parking permits are Cortez Hill, Mission Hills, Hillcrest, and College.

Program Operation, Education and Enforcement

Prior to the launch of the program, car2go is required to work with the Parking Enforcement Team, Emergency Response Team, and Meter Parking Operations on vehicle identification, operations and safety procedures for plug-in electric vehicle (PEV). In addition, car2go and the City will establish procedures for parking enforcement and traffic management. The Mayor or his designee will have the ability to amend the operating plan if they determine that it is appropriate in order to obtain maximum Pilot Program participation and sufficient data for assessment purposes.

FISCAL CONSIDERATIONS:

The action before the committee does not have a fiscal impact. Consistent with San Diego City County Policy 100-05, it is the intent of the City to incur no expense associated with its involvement of this program. Accordingly, car2go will reimburse City within thirty (30) days of the date of invoicing for all reasonable costs associated with the pilot program including, but not limited to, metered revenues, residential permits, reinstallation of removed parking meters as appropriate, repainting of curbs, re-striping, and capping the meters.

This pilot program will allow the City to assess the benefits of an all-electric vehicle car-share program to City residents, visitors and employers at no cost to the City. After assessing the results of this pilot program, the City may elect to issue a request for proposals for one or more car-share programs.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Since the beginning of the year Economic Growth Services has been consulting with organizations with expertise in downtown parking and car-sharing programs. The Downtown Parking Management Group has identified specific locations where existing parking spaces could be used for a car-sharing program.

San Diego Downtown Partnerships, July 14, 2011

Center City Advisory Committee, May 18, 2011

Downtown Parking Management Group, May 12, 2011

Downtown Parking Management Group, April 14, 2011 and July 14, 2011

California Center for Sustainable Energy, March 24, 2011

Parking Management Advisory Group, February 2011



Originating Department
David Graham
Deputy Policy Director, Office of the Mayor



Deputy Chief of Staff
Aimee Faucett

ATTACHMENT A

California Vehicle Code Section 22507.1

a) A local authority may, by ordinance or resolution, designate certain streets or portions of streets for the exclusive parking privilege of motor vehicles participating in a car share vehicle program or ridesharing program. The ordinance or resolution shall establish the criteria for a public or private company or organization to participate in the program, and may limit the types of motor vehicles that may be included in the program. Under the car share vehicle program a car share vehicle or ridesharing vehicle shall be assigned a permit by the local authority that allows that vehicle to park in the exclusive designated parking areas.

(b) The ordinance or resolution described in subdivision (a) does not apply until signs or markings giving adequate notice thereof have been placed.

(c) A local ordinance or resolution adopted pursuant to subdivision (a) may contain provisions that are reasonable and necessary to ensure the effectiveness of a car share vehicle program or ridesharing program.

(d) For purposes of this section, a "car share vehicle" is a motor vehicle that is operated as part of a regional fleet by a public or private car sharing company or organization and provides hourly or daily service.

ATTACHMENT B

(R-2012-67)

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION ESTABLISHING THE CITY OF SAN DIEGO'S ALL-ELECTRIC VEHICLE CAR SHARE PILOT PROGRAM.

WHEREAS, a report by the Mineta Transportation Institute entitled "Carsharing and Public Parking Policies: Assessing Benefits, Costs, and Best Practices in North America" issued in March 2010 (Mineta Report) states that 23 to 32 percent of car share participants sold a personal vehicle; and

WHEREAS, the Mineta Report also states that between 29 and 68 percent of car share participants postponed or entirely avoided a car purchase; and

WHEREAS, according to a report issued by the San Diego Association of Governments entitled "On-Street Parking Carshare Demonstration Project" (SANDAG Report), each shared vehicle is estimated to take an average of 15 private vehicles off the road; and

WHEREAS, the SANDAG Report further states car-sharing results in an average net reduction of 40 to 60 percent in per capita driving among participants; and

WHEREAS, in January 2011, San Diego Mayor Jerry Sanders introduced Smart City San Diego (Smart City), a broad public-private collaboration that includes the City of San Diego (City), San Diego Gas & Electric, General Electric, the University of California San Diego, and CleanTECH San Diego, a nonprofit organization that includes business and financial leaders, academic and research institutes, government agencies and other nonprofits; and

WHEREAS, Smart City's objective is to improve the region's energy independence, to empower consumers to adopt electric vehicles, to reduce greenhouse gas emissions, and to encourage economic growth; and

WHEREAS, an all electric vehicle car share program is consistent with Smart City objectives and enables Smart City to quantify the economic impacts of its electric vehicle initiatives, such as cluster growth, incremental job growth and training needs; and

WHEREAS, San Diego Municipal Code sections 86.06 and 86.23 have been amended to allow the use of municipal parking spaces for car share programs (O-2011-126); and

WHEREAS, the City Council seeks to initiate an all-electric vehicle car share pilot program (Pilot Program) in the City to assess whether City residents, employers, and visitors would benefit from a car share program; and

WHEREAS, because an all electric vehicle car share program is consistent with Smart City's objectives as well as the City's efforts to reduce greenhouse gas emissions, provide City residents, employers, and visitors with affordable transportation options, and the City's existing infrastructure, including the 1,000 to 1,500 charging stations to be installed by ECotality Inc. (the "ECotality Project"), the City Council wishes to limit the Pilot Program to all electric motor vehicles; and

WHEREAS, the City Council wishes to designate certain streets or portions of streets for the exclusive parking privilege of motor vehicles participating in the Pilot Program, as described in California Vehicle Code section 22507.1; and

WHEREAS, the City Council also wishes to establish the criteria for a public or private company, or organization to participate in the Pilot Program; and

WHEREAS, the City Council resolves to limit this Pilot Program to all-electric vehicles, as allowed under California Vehicle Code section 22507.1; and

WHEREAS, each car share vehicle participating in the Pilot Program will be assigned a parking permit, as required by California Vehicle Code section 22507.1; and

WHEREAS, car2go has offered to operate a Pilot Program at no cost to the City; and

WHEREAS, car2go will provide 300 smart for two electric drive vehicles powered by a 30 kW electric propulsion system that can be charged at one of the charging stations within the City; and

WHEREAS, the City would be the first city in North America to have an all electric motor vehicle car share program; and

WHEREAS, after exhaustive research, City staff has found that only car2go North America, LLC (car2go), a subsidiary of Daimler North America Corporation, is able to deploy an all-electric vehicle fleet and operate a car-share program in a timeframe commensurate with the progress of the ECOTality Project; and

WHEREAS, this Pilot Program will enable the City to assess over a short period of time and at no charge to the City whether City residents, employers, and visitors would benefit from a car share program; and

WHEREAS, a sole source award of a contract for this Pilot Program to car2go does not have to be competitively bid under San Diego Municipal Code section 22.3212(a) because the City will expend less than \$5,000 as a result of this contract; and

WHEREAS, a sole source award of a contract to car2go for this Pilot Program for two years with an option to extend the contract for an additional one year is justified under San Diego Municipal Code sections 22.3212(e) and 22.3037(a) because strict compliance with competitive

selection would be unavailing, or would not produce an advantage, or would be undesirable, impractical, or impossible; and

WHEREAS, although this activity is a “project” as defined in CEQA Guidelines section 15378, it is exempt from CEQA review pursuant to the “common sense” exemption, because the Pilot Program will likely reduce emissions and downtown traffic.

BE IT RESOLVED, by the Council of the City of San Diego as follows:

1. That the Mayor or his designee is authorized to initiate a Pilot Program consistent with that described in Attachment A, the “Agreement for car2go Carshare Program” (Agreement), on file in the Office of the City Clerk as Document No. _____, in order to allow the City to assess at no cost to the City, whether City residents, employers, and visitors would benefit from a car share program.
2. That the Pilot Program’s operating area includes the streets or portions of streets designated in Exhibit 1 of the Agreement.
3. That the Mayor or his designee may amend this operating plan as deemed appropriate in order to obtain maximum Pilot Program participation and sufficient data for assessment purposes.
4. That the Pilot Program is limited to all electric motor vehicles because these vehicles best address the City’s efforts to reduce greenhouse gas emissions within City limits, provide City residents, employers, and visitors with affordable transportation options, and best meet the City’s existing infrastructure.
5. That the Mayor or his designee will assign parking permits to each car share vehicle participating in the Pilot Program at the cost described in the Agreement.

6. That the Mayor or his designee is authorized to implement the Pilot Program as described in the Agreement with car2go for a two-year term plus one option year.

APPROVED: JAN I. GOLDSMITH, City Attorney

By

Mara W. Elliott
Deputy City Attorney

MWE:als
7/22/2011
Or.Dept:CPCI
Doc. No.: 216443_2

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

ATTACHMENT C

AGREEMENT FOR car2go CAR SHARE PROGRAM

This "Agreement For car2go Car Share Pilot Program" ("Agreement") is made and entered into on this _____ day of _____ ("Effective Date") by and between car2go N.A., LLC, a limited liability corporation registered to do business in Texas, and the City of San Diego ("City"), a municipal corporation.

Car-sharing has been shown to mitigate environmental and transportation issues commonly affecting urban communities, including increased traffic congestion and limited infrastructure capabilities. car2go offers customers the opportunity to rent smart fortwo electric drive vehicles powered by a 30 kW electric propulsion system that can be charged at one of the charging stations within the City. These vehicles can be rented by the minute any time of the day within a defined operating area. Customers locate vehicles by using a cell phone or the Internet. The vehicles can be used for one way trips and may be returned anywhere in the defined operating area. Rental fees include fuel, insurance, parking, and maintenance. car2go anticipates providing approximately three hundred (300) car2go vehicles for use in a defined operating area within the City of San Diego.

The City seeks to encourage participation in car-sharing programs because such programs offer economic, environmental, and community benefits to City residents, employers, and visitors. Specifically, a Pilot Program (Program) limited to all electric motor vehicles supports the City's efforts to reduce greenhouse gas emissions, provides City residents, employers, and visitors with affordable transportation options, and is compatible with the City's existing infrastructure, including the 1,000 to 1,500 charging stations to be installed by ECOTotality by the end of 2011. In addition, this Program allows the City to assess at no cost to the City whether a car share program is beneficial to City residents, employers, and visitors over a two-year period. If the City determines the Program is beneficial, the City may issue a Request for Proposals (RFP) for one or more permanent car-share programs.

Accordingly, the parties hereby agree as follows:

1. Term. This Program will remain in effect for two (2) years from the Effective Date. The parties may agree in writing to extend the term of this agreement for one additional year.
2. General Terms and Conditions.
 - a. All of the Exhibits (1-3) attached to this Agreement are deemed incorporated by reference.
 - b. The parties will agree on a defined Program operating area as described in section 5.a.vi ("Operating Area").

3. Public Records Requests

- a. Any information contained in this Agreement is a public record subject to disclosure unless a specific exemption in the California Public Records Act (CPRA) applies.
- b. If car2go clearly marks any information contained in the Agreement as confidential or proprietary, the City may protect such information and treat it with confidentiality only to the extent permitted by law. However, it will be the responsibility of car2go to provide the City the specific legal grounds on which the City can rely in withholding information requested under the CPRA, should the City choose to withhold such information. General references to the CPRA will not suffice. Rather, car2go must provide a specific and detailed legal basis, including applicable case law that clearly establishes the requested information is exempt from the disclosure requirements of the CPRA.
- c. If car2go does not provide a specific and legal detailed basis for withholding the requested information within a time specified by the City, the City will release the information as required by the CPRA and car2go will hold the City harmless for the release of this information.
- d. It is car2go's obligation to defend, at car2go's expense, any legal actions or challenges seeking to obtain from the City any information requested under the CPRA withheld by the City at car2go's request.
- e. Unless clearly marked as confidential or proprietary as described in 3 b., above, nothing in this contract creates an obligation to notify car2go or to obtain car2go's approval or consent before releasing information subject to disclosure under the CPRA.

4. Obligations of the City

a. Reserved On-Street Parking

- i. The City shall make available for use by marked car2go vehicles ten (10) on-street parking spaces exclusively reserved for car2go members ("Reserved On-Street Parking") as set forth in Exhibit 1.
- ii. The City may designate up to four (4) additional parking spaces as Reserved On-Street Parking within the Operating Area.
- iii. The City shall remove parking meters placed at the designated Reserved On-Street Parking spaces and install signs paid for and provided by car2go and approved by City indicating the parking is reserved exclusively for car2go car-sharing program participants.

b. Unreserved On-Street Parking.

- i. car2go vehicles may park in any legal public on-street metered or unmetered parking space in the City of San Diego (“Unreserved On-Street Parking”).

c. Permit Parking.

- i. car2go vehicles may park in any Unreserved On-Street Parking.
- ii. The City shall assign a permit to each participating car share vehicle as required under California Vehicle Code section 22507.1.
- iii. car2go members may park in all residential parking zones allowed under the terms of the permit issued to car2go.

5. Obligations of car2go.

a. General

- i. car2go will rent vehicles to car2go members in accordance with car2go’s then existing rental process, terms, and conditions, and privacy policy as available at www.car2go.com. The City has no obligation or responsibility for car2go’s rental process.
- ii. car2go shall ensure proper registration and insurance coverage of car2go vehicles.
- iii. car2go shall comply with all applicable laws and regulations.
- iv. car2go shall pay all applicable local, state, and federal taxes.
- v. car2go shall, at its own expense, obtain any necessary licenses, including a City of San Diego business tax license, permits, certifications, accreditations, fees and approvals for complying with any federal, state, county, municipal, and/or other laws, codes, and regulations applicable to the performance of the work or to the products or services to be provided under this Agreement. Any company doing business with the City of San Diego is required to comply with San Diego Municipal Code section 31.0301 regarding business tax. Contractor will be required to attach a copy of their business tax license or a copy of their application receipt to the Contract prior to execution.
- vi. car2go will propose an Operating Area for consideration by the San Diego City Council in designating certain streets or portions of streets for exclusive use by participants in car-sharing programs as described in California Vehicle Code section 22507.1.

- vii. car2go shall properly maintain and repair car2go vehicles; keep such vehicles in a neat and clean condition; and provide all fuel and other supplies and parts required for safe operation of the vehicles at no cost to the City.

b. Cost-reimbursement for Reserved On-Street Parking.

- i. car2go shall compensate City for the privilege of Reserved On-Street Parking as described in Exhibit 2 on the 15th of each month. Costs will increase if parking meter rates rise.
- ii. car2go shall reimburse the City, within thirty (30) days of the date of invoicing, for all reasonable costs incurred by City in installing the signs designating the parking spaces and for the removal and reinstallation of the parking meters. car2go will bear the expense of maintaining and, when deemed necessary by the City, replacing said signs.
- iii. car2go vehicles utilizing Reserved On-Street Parking spaces shall be clearly marked as being owned by car2go.

c. Cost-reimbursement for Unreserved On-Street Parking.

- i. car2go will reimburse City for use of unreserved metered parking spaces as described in Exhibit 2 on the 15th of each month. Costs will increase if parking meter rates rise.

d. Permit Parking.

- i. car2go will annually purchase parking permits for use in neighborhoods requiring a residential permit within the Program areas and for each vehicle provided by car2go for participation in this Program.

e. Data Exchange.

- i. car2go shall furnish to the City at an in-person meeting that will occur once per month or in any other reasonable manner a monthly report containing summary data related to usage, mileage information, and describing its' members use of unreserved metered parking spaces for the prior month. The City may use this information to assess the Program's benefits to its citizens, employers, and visitors.

f. Other Program Costs.

- i. Consistent with San Diego City County Policy 100-05, it is the intent of the City to incur no expense associated with its involvement of this Program. Accordingly, car2go will reimburse City within thirty (30) days of the date of invoicing for all reasonable costs associated with this Program including, but not limited to,

reinstallation of removed parking meters as appropriate, repainting of curbs, re-striping, and capping the meters.

g. Insurance Requirements.

All required insurance shall be submitted to Purchasing within ten (10) days of approval of Agreement. Contractor shall maintain insurance in full force and effect during the entire period of performance under this Agreement. Failure to do so shall be cause for termination of the Agreement.

All policies must have a thirty (30) day non-cancellation clause giving the City thirty (30) days prior written notice in the event a policy is canceled.

Insurance coverage must be from an insurance carrier licensed in the State of California and rated "A-, VI" or better by the A.M. Best Key Rating Guide.

At all times during the term of this Agreement, the Contractor shall maintain insurance coverage as follows:

Commercial General Liability. Commercial General Liability (CGL). Insurance written on an ISO Occurrence form CG 00 01 07 98 or an equivalent form providing coverage at least as broad which shall cover liability arising from any and all personal injury or property damage in the amount of \$1,000,000.00 (one million) per occurrence and subject to an annual aggregate of \$2,000,000.00 (two million). There shall be no endorsement or modification of the CGL limiting the scope of coverage for either insured vs. insured claims or contractual liability. All defense costs shall be outside the limits of the policy.

Commercial Automobile Liability. For all of the Contractor's automobiles including owned, hired and non-owned automobiles, the Contractor shall keep in full force and effect, automobile insurance written on an ISO form CA 00 01 12 90 or a later version of this form or an equivalent form providing coverage at least as broad for bodily injury and property damage for a combined single limit of \$5,000,000.00 (five million) per occurrence. Insurance certificate shall reflect coverage for any automobile (any auto).

Workers' Compensation. For all of the Contractor's employees who are subject to this Agreement and to the extent required by the applicable state or federal law, the Contractor shall keep in full force and effect, a Workers' Compensation policy. That policy shall provide a minimum of \$1,000,000.00 (one million) of employers' liability coverage, and the Contractor shall provide an endorsement that the insurer waives the right of subrogation against the City and its respective elected officials, officers, employees, agents and representatives.

Deductibles. All deductibles on any policy shall be the responsibility of the Contractor and shall be disclosed to the City at the time the evidence of insurance is provided.

Acceptability of Insurers. Except for the State Compensation Insurance Fund, all insurance required by this Contract or in the Special General Conditions shall only be carried by insurance companies with a rating of at least "A-, VI" by A.M. Best Company, that are authorized by the California Insurance Commissioner to do business in the State of California, and that have been approved by the City.

The City will accept insurance provided by non-admitted, "surplus lines" carriers only if the carrier is authorized to do business in the State of California and is included on the List of Eligible Surplus Lines Insurers (LESLI list). All policies of insurance carried by non-admitted carriers are subject to all of the requirements for policies of insurance provided by admitted carriers described herein.

Required Endorsements. The following endorsements to the policies of insurance are required to be provided to the City before any work is initiated under this Agreement:

Commercial General Liability Insurance Endorsements

ADDITIONAL INSURED. To the fullest extent allowed by law including but not limited to California Insurance Code section 11580.04, the policy or policies must be endorsed to include as an Insured the City of San Diego and its respective elected officials, officers, employees, agents and representatives with respect to liability arising out of (a) ongoing operations performed by you or on your behalf, (b) your products, (c) your work, including but not limited to your completed operations performed by you or on your behalf, or (d) premises owned, leased, controlled or used by you.

PRIMARY AND NON-CONTRIBUTORY COVERAGE. The policy or policies must be endorsed to provide that the insurance afforded by the Commercial General Liability policy or policies is primary to any insurance or self-insurance of the City of San Diego and its elected officials, officers, employees, agents and representatives as respects operations of the Named Insured. Any insurance maintained by the City of San Diego and its elected officials, officers, employees, agents and representatives shall be in excess of Contractor's insurance and shall not contribute to it.

SEVERABILITY OF INTEREST. The policy or policies must be endorsed to provide that the Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability and shall provide cross-liability coverage.

Automobile Liability Insurance Endorsements

ADDITIONAL INSURED. To the fullest extent allowed by law including but not limited to California Insurance Code Section 11580.04, the policy or policies must be endorsed to include as an Insured the City of San Diego and its respective elected officials, officers, employees, agents and representatives with respect to liability arising out of automobile owned, leased, hired or borrowed by or on behalf of the Contractor.

SEVERABILITY OF INTEREST. The policy or policies must be endorsed to provide that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability and shall provide cross-liability coverage.

Worker's Compensation Insurance Endorsements

WAIVER OF SUBROGATION. The Worker's Compensation policy or policies must be endorsed to provide that the insurer will waive all rights of subrogation against the City and its respective elected officials, officers, employees, agents and representatives for losses paid under the terms of this policy or these policies which arise from work performed by the Named Insured for the City.

Reservation of Rights. The City reserves the right, from time to time, to review the Contractor's insurance coverage, limits, deductible and self-insured retentions to determine if they are acceptable to the City. The City will reimburse the Contractor for the cost of the additional premium for any coverage requested by the City in excess of that required by this Agreement without overhead, profit, or any other markup.

Additional Insurance. The Contractor may obtain additional insurance not required by this Agreement.

Excess Insurance. All policies providing excess coverage to the City shall follow the form of the primary policy or policies including but not limited to all endorsements.

6. Advertising. car2go shall not advertise or publish the City's participation in this car-sharing program without the City's prior written authorization. Pursuant to San Diego City Council Policy 000-41, the facts in any such advertisement or publication must be accurate; cannot include references to City employees; and may not represent that the City endorses the Program or car2go unless so approved by the City Council and in accordance with this Agreement or other agreement specific to car2go products or services. The City authorizes car2go to advertise or publish the information in Exhibit 3.
7. Exclusivity. The City may not contract with other car share programs for two (2) years after the Effective Date of this Agreement, unless the Agreement is terminated as described in section 9, below. The City will assess the Program and, if satisfied with the Program's results, may issue a

RFP. The City may extend the contract with car2go for up to one additional one year so that the Program may continue while a procurement is occurring.

8. Indemnification and Hold Harmless Agreement. With respect to any liability, including but not limited to claims asserted or costs, losses, attorney fees, or payments for injury to any person or property caused or claimed to be caused by car2go's acts or omissions, or car2go's employees, agents, and officers, arising out of performance involving this Agreement, car2go agrees to defend, indemnify, protect, and hold harmless the City, its agents, officers, and employees from and against all liability. Also covered is liability arising from, connected with, caused by, or claimed to be caused by the active or passive negligent acts or omissions of the City, its agents, officers, or employees which may be in combination with car2go's active or passive negligent acts or omissions, or those of its employees, agents or officers, or any third party. Car2go's duty to defend, indemnify, protect and hold harmless shall not include any claims or liabilities arising from the sole negligence or sole willful misconduct of the City, its agents, officers or employees. Car2go agrees to pay any and all costs the City incurs enforcing the indemnity and defense provisions set forth herein.
9. Termination for Convenience. This Agreement may be terminated for convenience by either party at any time and for any reason by written ninety (90) day notice.
10. Dispute Resolution. Except as otherwise provided in this Agreement, any dispute concerning a question of fact arising under this Agreement shall be decided by the City's Purchasing Agent. The decision of the Purchasing Agent is final and conclusive unless, within thirty (30) days from the date of receipt of such decision, the Contractor mails or otherwise furnishes to the Purchasing Agent a written appeal. The decision of the Purchasing Agent, or his duly authorized representative for the determination of such appeals, is final and conclusive. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of his appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the Contract and in accordance with the Purchasing Agent's decision. The intent of this paragraph is to allow the parties to resolve a dispute informally, and to provide Contractor with a mechanism for exhausting administrative remedies. This paragraph does not limit Contractor's ability to assert claims against the City in a court of law once administrative remedies are exhausted.
11. No Joint Enterprise. Nothing in this Agreement shall be construed as creating an ownership interest in the vehicles by the City or a partnership, joint venture, or joint enterprise between the Parties. car2go shall at all times be solely and completely responsible for ownership, operation, and maintenance of the vehicles.
12. Merger. This Agreement constitutes the entire understanding of the parties relating to the subject matter herein, and there shall be no modification or waiver of the terms of this Agreement except by writing, signed by the parties to this Agreement. There are no oral representations or agreements between the parties regarding the subject matter of this Agreement.
13. Assignment or Transfer. Neither party shall assign or transfer any interest in the contract, in whole or part, without the other party's prior written approval.

14. Amendments. The City may want to expand this Program to City employees to better assess whether the Program is beneficial to the City's citizens and visitors. The City and car2go will discuss amending this Agreement to expand the Program to include City employee use of car2go vehicles approximately six months after the commencement of this Agreement.
15. Availability of Records. car2go shall retain and maintain all records and documents relating to this City contract for five (5) years after the date in which this Agreement terminates, and shall make them available for inspection and audit by authorized representatives of the City. car2go shall make available all requested data and records at reasonable locations within the City or County of San Diego at any time during normal business hours, and as often as the City deems necessary. If records are not made available within the City or County of San Diego, car2go shall pay the City's travel costs to the location where the records are maintained. Failure to make requested records available for audit by the date requested may result in termination of the Agreement. car2go must include this provision in all subcontract documents exceeding \$5,000.
16. Council Policy 100-04. car2go agrees to comply with Council Policy 100-04 titled "Americans with Disabilities Act Compliance/City Contractors," which establishes that all City contractors, including but not limited to construction contractors, consultants, grantees, and providers of goods and services agree to comply with all applicable titles of the Americans with Disabilities Act.
17. Council Policy 100-17. car2go agrees to comply with Council Policy 100-17 which requires all City construction contractors, consultants, grantees and providers of services to provide a drug-free workplace for the performance of work done in connection with a contract held by the City.
18. Compliance with the City's Equal Employment Opportunity Outreach Program. car2go shall comply with the requirements of the City's Equal Employment Opportunity Outreach Program (San Diego Municipal Code sections 22.2701 through 22.2708). car2go shall not discriminate against any employee or applicant for employment on any basis prohibited by law. car2go shall provide equal opportunity in all employment practices. car2go shall ensure that its subcontractors comply with the City's Equal Employment Opportunity Outreach Program requirements. Nothing in this Section shall be interpreted to hold car2go liable for any discriminatory practice of its subcontractors.
19. Non-Discrimination Clause. car2go shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring or treatment of subcontractors, vendors or suppliers. car2go shall provide equal opportunity for subcontractors to participate in subcontracting opportunities. car2go understands and agrees that violation of this clause shall be considered a material breach of the contract and may result in contract termination, debarment, or other sanctions. Contracts between car2go and any subcontractors, vendors, and suppliers shall contain this language.
20. Compliance Investigations. Upon City's request, car2go agrees to provide to the City, within sixty calendar days, a truthful and complete list of the names of all subcontractors, vendors and suppliers car2go has used in the past five years on any of its contracts that were undertaken

within San Diego County, including the total dollar amount paid by car2go for each subcontract or supply contract. car2go further agrees to fully cooperate in any investigation conducted by the City pursuant to the City's Nondiscrimination in Contracting Ordinance (San Diego Municipal Code sections 22.3501 through 22.3517). car2go understands and agrees that violation of this clause shall be considered a material breach of the Agreement and may result in remedies being ordered against the car2go up to and including contract termination, debarment, and other sanctions for violation of the provisions of the Nondiscrimination in Contracting Ordinance. car2go further understands and agrees that the procedures, remedies and sanctions provided for in the Nondiscrimination in Contracting Ordinance apply only to violations of said Nondiscrimination in Contracting Ordinance.

21. Equal Benefits Ordinance. Consistent with SDMC sections 22.4301 through 22.4308, Contractor agrees to offer the same employment benefits to employees with spouses and employees with domestic partners.
22. Notices. Notices to the City or car2go regarding the terms and conditions under this Agreement shall be in writing and shall be considered effective upon personal delivery to the individual listed below or five (5) calendar days after deposit in any U.S. mailbox, first class and addressed to the other party as follows:

The City of San Diego:
Jacques Chirazi, Clean Tech Program Manager
202 C Street, MS 4A
San Diego, CA 92101-4195

car2go
1717 W. 6th Street, Suite 425
Austin, Texas 78703

23. Governing Law, Jurisdiction, and Venue. This Agreement shall be construed and governed by the laws of the State of California. The parties further agree and intend that venue shall be proper and shall lie exclusively in the County of San Diego, State of California.

EXECUTED as of the date first written above.

THE CITY OF SAN DIEGO

By: _____
Name:
Title:

car2go, LLC

By: _____
Name:
Title:

car2go, LLC

By: _____

Name:

Title:

APPROVED AS TO FORM AND LEGALITY:

Mara W. Elliott, Deputy City Attorney

Exhibits

Exhibit 1 - Designated Parking Spaces

Exhibit 2 - Compensation

Exhibit 3 - Approved Advertising

DRAFT

MAYOR JERRY SANDERS, CITY OF SAN DIEGO



Proposed Operating Area

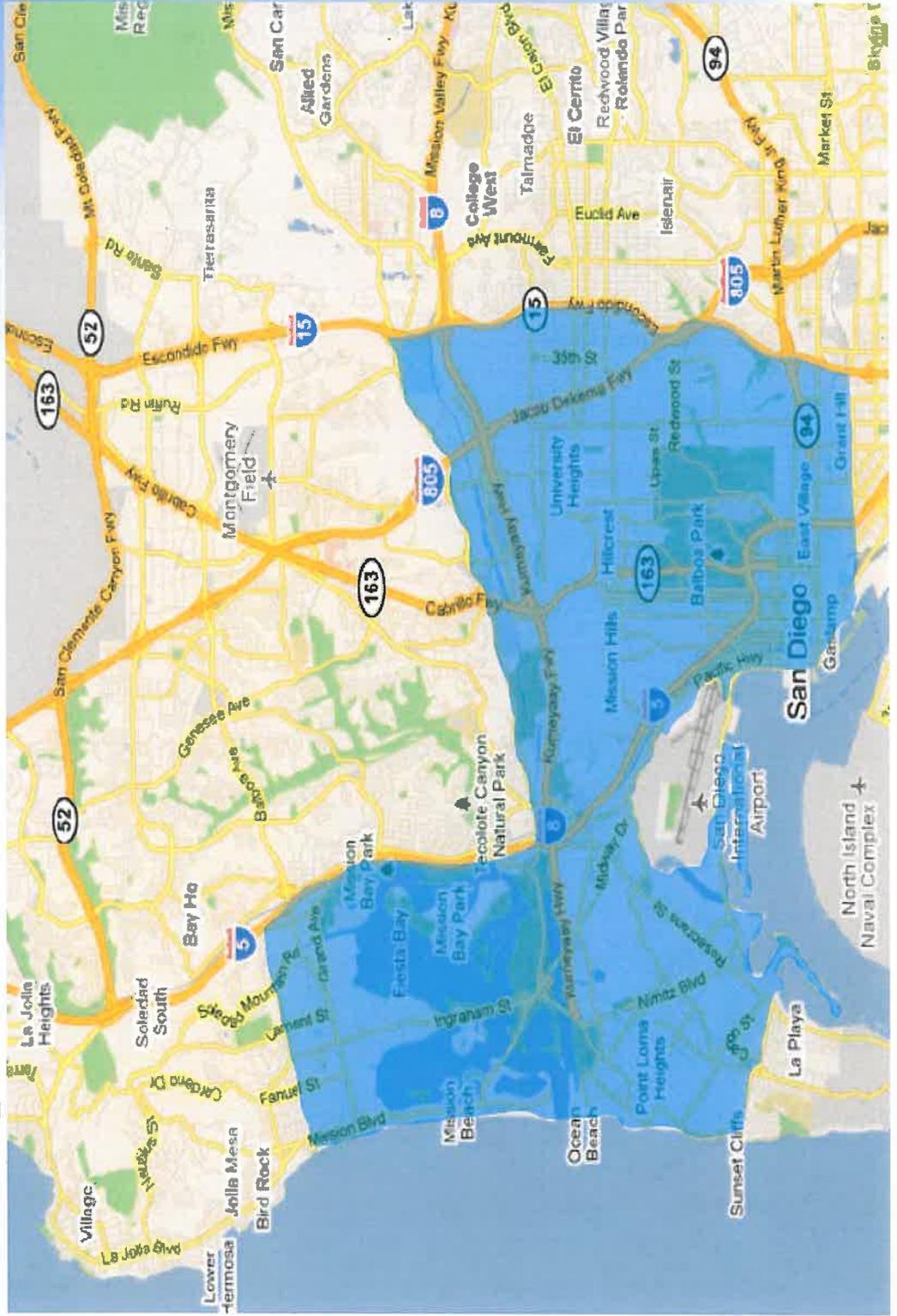


EXHIBIT 2

Reserved On-Street Parking Cost-Reimbursement

2010 Actual Meter Revenues

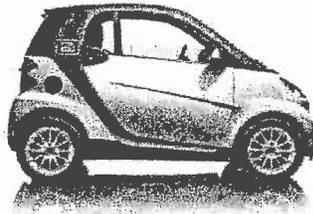
India & G Street	\$1,155.00
8 th & Market	\$1,081.00
Market between 10 th & 11 th	\$1,081.00
2 nd & Broadway (on 2 nd)	\$1,527.35
3 rd & Market	\$1,280.00
7 th & Market (structure)	TBD
7 th & B Street	\$1,259.00
4 th & B Street	\$1,217.00
Kettner & Cedar	\$2,295.60
Kettner & C Street.	\$2,074.60
Estimated annual cost-reimbursement	\$14,497.90

Unreserved Parking On-Street Parking Cost-Reimbursement

Car2 go will reimburse City for use of unreserved metered parking spaces. Car2go will provide the City with a report on the 15th day of each month describing the use of unreserved metered parking spaces by its members for the prior month and compensation for such use. The Parking Management Group (PMG) will be responsible for auditing car2go's compensation report. Car2go shall reimburse the City, within thirty days of the date of invoicing. The estimated annual cost-reimbursement cannot be determined at this time as actual use will determine the amount of compensation.

EXHIBIT 3

CAR SHARING WITHOUT ALL THE RESERVATIONS.



No mandatory reservations. No late charges. It might just change the way you think about car sharing.



THE CITY OF SAN DIEGO

