



Office of the City Manager

Date: July 6, 2017
To: Honorable Mayor and Members of the City Council
From: *DWR* Dee Williams-Ridley, City Manager
Subject: Revised Bike Share Launch Date

This report provides an update regarding the launch timeline of Bay Area Bike Share (now known as Ford GoBike) expansion to Berkeley, the terms of the Bike Share Program Agreement between Bay Area Motivate LLC and the Metropolitan Transportation Commission, and the Bike Share Low-income Outreach Program.

BACKGROUND

Bay Area Motivate LLC (Motivate) has been selected by the Metropolitan Transportation Commission (MTC) to expand the current operating area of Bay Area Bike Share into the Cities of Berkeley, Oakland, and Emeryville. In September 2016 Motivate entered into a title sponsorship agreement with Ford Motor Company. The system's name has therefore changed from Bay Area Bike Share to Ford GoBike. Ford GoBike funding relies solely on the corporate title sponsorship from Ford, revenue from other advertising, and membership fees. Ford GoBike members pay a daily, monthly or yearly fee which allows them to use the Ford GoBike system for unlimited one-way trips of up to 45 minutes each.

On December 15, 2015, City Council approved a ten-year franchise agreement with Motivate, as well as a coordination agreement with MTC, Motivate, the City and County of San Francisco, and the cities of Emeryville, Oakland, and San Jose. After securing the necessary permits, the franchise agreement will allow Motivate to own and operate bike share stations on the public right-of-way within the City.

MTC separately executed a Program Agreement with Motivate in December 2015, which lays out terms for the operation of Ford GoBike (then Bay Area Bike Share). Motivate was then tasked with securing private financing and a corporate sponsor for which the bike share system would be named. Motivate also planned to work with City staff to perform public outreach on station siting, and apply for City permits to install stations within the public right-of-way. The Program Agreement stipulated that its ten-year term would be reduced to five years if Motivate did not meet certain specified deadlines to launch each phase of the bike share program. The first three planned program phases will provide stations in Berkeley among other participating cities.

The City issued a Request for Proposals in June 2016 (Spec No. 16-11046) to develop and carry out a bike share low-income outreach program. Department of Public Works staff evaluated the single submitted proposal and selected TransForm, Inc. as the responsive, cost competitive and qualified vendor. This \$29,500 contract amount is less than the minimum for which Council approval is required.

TransForm will partner with community-based organizations in Berkeley to hire an outreach ambassador and sign-up a minimum of one hundred residents for low-income GoBike memberships. The low-income memberships will be provided at a rate of \$5 for the first year, and \$5 per month for the second year. This is significantly discounted from the standard rate of \$149 per year. TransForm will also hold and/or attend multiple outreach events and educate residents about bike share and bicycling in general. These outreach activities will be coordinated with the launch of bike share in Berkeley.

CURRENT SITUATION

The expansion of the Ford GoBike system into Berkeley will occur in three phases. In June 2016 Motivate applied for and the City approved permits for seven bike share stations as part of Phase I. Another two stations in Phase I will be located within the right-of-way of other agencies responsible for supplying the respective permits including the Bay Area Rapid Transit District and the University of California at Berkeley. Phase I stations are expected to provide approximately 110 bikes and 220 bike parking docks.

Phase I of the Ford GoBike expansion was postponed from December 2016 and rescheduled to mid-July 2017 because of a delay in securing corporate regional title sponsorship, and permit approvals in other participating cities. Motivate planned to secure corporate title sponsorship in spring 2016, but was not able to enter into a title sponsorship agreement until September 2016 when its agreement with Ford Motor Company was announced. Motivate has scheduled an event to publicize the East Bay launch of Ford GoBike for July 11 2017.

Motivate applied for seven additional bike share station permits in May 2017 as part of phase II. One additional station in Phase II is located within the right-of-way of BART. The Phase II stations will include approximately 100 bikes and 170 bike parking docks. These permits have been issued. Motivate is expected to apply for an additional twenty-one permits as part of phase III, which is to include the remaining 190 bikes and 390 bike parking docks. The Phase II and III Ford GoBike stations are expected to be installed in summer 2017 and fall 2017, respectively.

Phase	Number of stations	Number of bikes	Original Launch Timeline	Updated Launch Timeline
Phase I	10	110	Nov/Dec 2016	July 2017*
Phase II	8	100	March/April 2017	July 2017*
Phase III	20	190	June/July 2017	Fall 2017*

*Launch timeline is directly related to permit approvals by participating cities in aggregate.

In addition to the timeline adjustment described above, in October 2016 the MTC Administration Committee approved modifications to the Program Agreement between MTC and Motivate. These modifications were made to allow Motivate to secure up-front financing for program operations; modify the program implementation schedule; expand the low-income equity program; and plan additional community engagement sessions. The MTC-Motivate Program Agreement states that Motivate's overall term of operation would be reduced from ten years to seven years upon failure to meet certain specified milestones by their given target dates. Previously, the Program Agreement stated this term would be reduced from ten years to five years. Thus, this change was made to allow Motivate to secure financing needed to order bike share equipment.

After the vendor was selected for the City's low-income outreach program, but prior to the contract award, Motivate agreed to subsidize the low-income bike share memberships at the same rate the City would have provided (\$5 for the first year and \$5 per month for the second year). In addition, MTC committed to fund a regional low-income outreach program. These additional resources have allowed Berkeley's low-income outreach scope of work and associated cost to be reduced. The City will no longer fund low-income bike share memberships, and the outreach contractor is now able to increase efficiency by conducting Berkeley outreach in conjunction with outreach in other cities. City staff are currently negotiating this reduced scope of work with TransForm and low-income outreach activities are expected to begin in late June 2017.

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