



## Board Report

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Agenda Number:10.

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### PLANNING AND PROGRAMMING COMMITTEE OCTOBER 19, 2016

**SUBJECT: METRO COUNTYWIDE BIKE SHARE**

**ACTION: AUTHORIZE CONTRACT OPTIONS TO EXPAND BIKE SHARE**

#### **RECOMMENDATIONS**

APPROVE:

- A. EXTENDING the Downtown Los Angeles Pilot for a period of 5 years.
- B. AUTHORIZING the Chief Executive Officer (CEO) to exercise options and execute Modification No. 4 to Contract No. PS272680011357 with Bicycle Transit Systems, Inc. to account for an accelerated schedule for the implementation and operation of the **Metro Countywide Bike Share expansion in Downtown Los Angeles** for an additional 5 years and in Venice, Pasadena, and the Port of Los Angeles for 6 years in the firm fixed amount of \$42,618,583, increasing the total contract value from \$11,174,329 to \$53,792,912 as follows:
  - 1. Extending Downtown Los Angeles Pilot in the amount of \$19,658,911
  - 2. Expansion to Venice in the amount of \$5,069,606
  - 3. Expansion to Pasadena in the amount of \$12,908,510 (inclusive of an initial two-year pilot for \$4,731,689 plus options for four additional years)
  - 4. Expansion to the Port of Los Angeles in the amount of \$4,907,529
  - 5. Implementing GPS equipment in bicycles to support Countywide modeling efforts in the amount of \$74,027
- C. AUTHORIZING the Life of Project budget (LOP) including the following capital costs:
  - 1. \$2.072M for Pasadena
  - 2. \$670K for Port of LA
  - 3. \$10K for Venice
- D. CHANGING the project sponsor for Call for Project Grant Number F9515 (Pasadena Bike Share Start Up Capital Costs) from Pasadena to Metro in order to utilize funding toward Metro Bike Share implementation in Pasadena.
- E. AUTHORIZING the CEO to take the following actions to expand the Metro Countywide Bike

Share program:

1. Negotiating and executing an amendment to the MOU between City of Los Angeles and Metro to expand bike share to Venice and extend DTLA MOU timeframe;
2. Negotiating and executing a Memorandum of Understanding (MOU) between Pasadena and Metro to set the terms of fiscal and administrative responsibility as described in the January 2015 Receive and File (Attachment C); and
3. Negotiating and executing a Memorandum of Understanding (MOU) between the Port of Los Angeles and Metro to set the terms of fiscal and administrative responsibility as described in the January 2015 Receive and File (Attachment C).

## **ISSUE**

At the June 2015 meeting, the Board awarded a two-year contract to Bicycle Transit Systems (BTS) for the provision of the equipment, installation, maintenance and operation of the Metro Countywide Bike Share Phase 1 Pilot in downtown Los Angeles (DTLA Pilot). The contract includes phases for expanding bike share to other cities throughout the county, to be exercised upon Board authorization. Board authorization is needed to exercise phases within the contract to expand bike share to the communities of Pasadena, the Port of Los Angeles (POLA) and Venice, to modify the contract in order to allow for an accelerated expansion of the system, and to extend the operation period of DTLA.

## **DISCUSSION**

### **DTLA Pilot**

Metro, in partnership with the City of Los Angeles, launched the Countywide Bike Share program in DTLA on July 7, 2016. On August 1, 2016, the system opened to walk up users. The first months of the Metro Bike Share program have shown steady growth and success. September 30, 2016 will mark the end of the first quarter of Metro Bike Share operations. In the first quarter, the program surpassed 50,000 total rides and 2,000 annual flex or monthly pass-holders. As another measure of performance, we also track number of rides per bike per day. The system goal is to reach two rides per bike per day by the 12 month mark of operations. We are at one ride per bike per day and showing steady growth in this metric. The Metro Bike Share program continues to work towards increasing program awareness, growing ridership and increasing pass sales.

In tandem with our outreach efforts and per the Board's direction, we are also working with the City of Los Angeles and community partners Los Angeles Bicycle Coalition (LACBC) and Multicultural Communities for Mobility (MCM) to make the bike share program equitable and accessible to all. This work is being funded through a grant provided by the Better Bike Share Partnership. We will continue to report on this work and the outcomes of the grant funded outreach.

Extending the DTLA period of performance will allow us to continue to grow and strengthen bike share as a first and last mile solution to access Metro rail and bus stops and encourage bicycling as a mode of transportation for short trips.

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Bike Share Expansion

The current contract with BTS allows for a regional bike share system with up to five phases including approximately nine different bike share ready communities in Los Angeles County, as identified in the Implementation Plan. The scope was tailored to be inclusive of all the regional needs for bike share since the best way to ensure regional interoperability is to use one vendor for all of Los Angeles County.

Since the award of contract, staff has continued to meet with the Bike Share Working Group and provided presentations at each of the Council of Governments, sharing updates on the DTLA Pilot, and providing information that would better inform potential participation in Metro's Bike Share program. Through this effort, three communities have confirmed that they are ready to have bike share launched within their jurisdiction: Pasadena, POLA and Venice within the City of Los Angeles.

City of Los Angeles Expansion to Venice

Expansion to the community of Venice was identified through the 2015 Board adopted Implementation Plan as phase five of the Metro Countywide Bike Share program. Indicators for success such as density, existing bikeway network, and support have contributed to moving up the Venice expansion. In line with Board direction and in an effort to address system interoperability, the Venice expansion will also explore siting station within the City of Santa Monica.

The City of Los Angeles and City of Santa Monica have an established MOU allowing for up to five bike share station locations to be located in the other's right-of-way in order to facilitate inter-jurisdictional trips. Five Hulu stations are already located in the City of Los Angeles' Venice neighborhood. The two cities and Metro will collaborate in efforts to work toward interoperability and user-friendliness. Per Metro's MOU with the City of Los Angeles, locations within the City of Santa Monica be delivered by the City of Los Angeles ready for station installation.

An accelerated launch to Venice is being accomplished by exercising a portion of Phase III in BTS' contract. Expansion to Venice and the Santa Monica area would include up to 15 stations with a summer 2017 launch date. Due to economies of scale, 82 stations were purchased as part of the DTLA Pilot, with 65 implemented and 17 stations available for expansion in other areas of the City of Los Angeles. The City of Los Angeles has indicated they would like to allocate 15 of these stations to Venice and Santa Monica. The summer 2017 launch date reflects a two-year acceleration of a portion of Phase III in BTS's contract. The costs of the Venice expansion will be shared between Metro and the City of Los Angeles as directed by the Board in the January 2014 Motion 58 (Attachment E) and Received and Filed by the Board in January 2015 (Attachment C). Attachment D reflects each agency's financial responsibility.

Pasadena Expansion

The City of Pasadena was identified through the 2015 Board adopted Implementation Plan as Phase II of the Metro Countywide Bike Share program. Expansion to Pasadena would include approximately 34 stations with a scheduled launch for summer 2017. This launch date reflects a one-year acceleration over what was included in BTS's contract. The cost of the Pasadena expansion will be shared between Metro and the City of Pasadena as directed by the Board in the January 2014 Motion 58 (Attachment E) and Received and Filed by the Board in January 2015 (Attachment C).

Attachment D reflects each agency's financial responsibility.

In anticipation of launching bike share, the City of Pasadena applied for and was awarded Call for Project funding in 2015 for the Pasadena Bike Share Capital Cost. As Metro is the lead agency in implementing the Countywide Bike Share program, the City of Pasadena has requested that sponsorship of the Call for Project (F9515) be transferred to Metro. The grant award amount shall be applied towards the City's 50% contribution of capital cost. The City of Pasadena shall fulfill its financial commitment of the 50% local match, with a minimum 20% hard match and minimum 30% in-kind match towards the grant amount.

#### Port of Los Angeles Expansion

POLA has expressed interest in joining Metro's Countywide Bike Share program to provide visitors and residents with improved connectivity between key waterfront attractions. Expansion to POLA would include approximately 11 stations with a scheduled launch for summer 2017. The cost of POLA expansion will be shared between Metro and POLA as directed by the Board in the January 2014 Motion 58 (Attachment E) and Received and Filed by the Board in January 2015 (Attachment C). Attachment D reflects each agency's financial responsibility.

#### Memorandum of Understanding

The execution of an MOU between Metro and each expansion jurisdiction is necessary to implement a bike share system where Metro is acting as the lead agency administering the contract to install bike share stations on each jurisdiction's right-of-way. The MOUs set terms of fiscal and administrative responsibility for the expansions. The financial participation is set at 50/50 split for capital and 35/65 split for operating and maintenance (O&M) per the direction of Metro Board Motion 58 (Attachment E) and the Receive and File report in January 2015 (Attachment C). The agreement outlines the roles and responsibilities of Metro and each jurisdiction by setting the procedures for reimbursement of the capital and O&M costs, the rights of advertisement/sponsorship, and the delivery of bike share station locations.

Based on lessons learned from the DTLA Pilot and input from the expansion cities, the MOU will also address early termination provisions, cost overruns and revenue reconciliation splits between cities. Included is a provision to offer the participating city first right of refusal to take ownership of the equipment should the program be terminated. The MOUs also clarify that any cost overruns incurred due to the participating city's inability to deliver station locations on a timely manner, will be borne by the city.

#### **DETERMINATION OF SAFETY IMPACT**

The Metro Countywide Bike Share expansion will not have any adverse safety impacts on Metro employees and patrons.

#### **FINANCIAL IMPACT**

The proposed FY17 project cost is \$4.499M. Of this, \$2.751M is a one-time capital cost, \$1.713M for pre-launch O&M costs and \$35K for bicycle GPS for regional modelling. Since the expansions will be

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launched at the end of FY17, the majority of the costs for the fiscal year will be capital. Attachment D reflects the funding plan for the continuation of the DTLA pilot and the proposed expansion phases.

The FY17 budget only includes \$2.7M for expansion phases' capital costs in Cost Center 4320 (Bike Programs), under Project 200015 (Metro Bike Share Phase II Implementation in Pasadena) and no pre-launch O&M costs have been included. The proposed action will require an additional \$51K for capital and \$1.713M for pre-launch O&M for a total of \$1.764M to Cost Center 4320 under Project 405305 (Bikeshare Prelaunch and Plan), for expansion phases to be redistributed to the appropriate newly developed project numbers upon the Board approval. The \$35K needed for bicycle GPS for all cities are included in the FY17 budget under Cost Center 4320, Project 405302 (Complete Streets).

Since this is a multi-year contract, the cost center manager and Chief Planning Officer will be responsible for budgeting the cost in future years, including any phase(s) the Board authorized to be exercised.

#### Impact to Budget

For contracting purposes, \$2.735M is already included in the FY17 budget. Countywide Planning and OMB staff will identify available and eligible funding in the mid-year budget process to cover the additional \$1.764M capital and pre-launch costs. This funding will be partially or wholly restored (depending on revenues) to the general funds with cities' reimbursements and 2015 Call for Projects fund assignment to ensure revenue neutrality and no impact to other programs supported through the general fund. Anticipated cities' reimbursements and Metro contributions are outlined in Attachment D.

#### **ALTERNATIVES CONSIDERED**

The Board may choose not to exercise the contract options or modify the contract to allow for an accelerated expansion. This alternative is not recommended, as it is not in line with previous Board direction.

#### **NEXT STEPS**

##### Bike Share Marketing and Outreach

Since the DTLA Pilot launch, Metro has continued to conduct outreach and marketing activities with an emphasis on educating the public about bike share, increasing bike share sales passes, and encouraging ridership. The Bike Metro program has participated in over a dozen community events, hosted bike share pass sales, and provided briefings to community-based organizations and elected officials.

In coordination with Metro, the City of Los Angeles has hosted and organized over a dozen bike share rides. They have also continued to keep the Business Improvement Districts informed of bike share activities.

As a new mode of transportation for the DTLA area, employers and hotels have inquired about how bike share can be offered as a benefit to their employees and guests. In response to this interest

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and as part of our ongoing outreach, marketing and bike share education efforts, we will be launching a pilot Bulk Pass and Single Ride program. Outreach for the program will be a coordinated effort led by the Active Transportation group and will include Metro's Communications Department and the Shared Use Mobility and Implementation group, the City of Los Angeles, and Bicycle Transit Systems.

Bike Share Title Sponsor

We continue to work with BTS and Comcast Spectator in securing a title sponsor. We have had several meetings with prospective sponsors and continue to reach out to others. We will continue to keep the Board apprised of progress.

Feasibility Study and Preliminary Station Siting

In response to the July 2015 Board Motion 22.1 (Attachment F) directing staff to conduct additional feasibility studies and preliminary station siting for potential expansion communities, staff issued a request for proposals (RFP) on June 13, 2016. Proposals are currently under review.

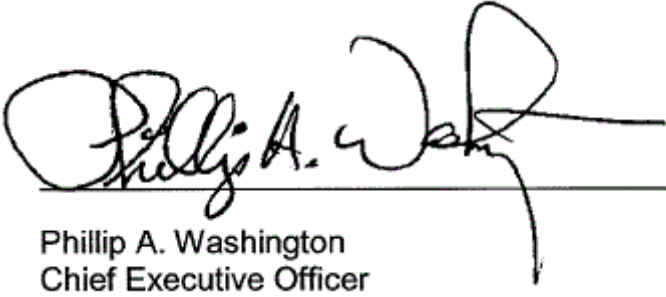
Upon approval by the Board, staff will execute Modification No. 4 to Contract No. PS272680011357 with Bicycle Transit Systems, Inc.

**ATTACHMENTS**

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - January 2015 Bike Share Program Receive and File
- Attachment D - Bike Share Funding/Expenditure Plan
- Attachment E - January 2014 Metro Board Motion 58
- Attachment F - July 2015 Metro Board Motion 22.1
- Attachment G - DEOD Summary

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