

**Board Report**

File #: 2015-0478, **File Type:** Contract

Agenda Number: 14.

**PLANNING AND PROGRAMMING COMMITTEE
JUNE 17, 2015**

SUBJECT: METRO COUNTYWIDE BIKESHARE

ACTION: ADOPT A BIKESHARE IMPLEMENTATION PLAN AND AWARD CONTRACT

RECOMMENDATIONS

APPROVED AS AMENDED:

- A. adopting the **Regional Bikeshare Implementation Plan for Los Angeles County** (“Plan”) (Attachment B).
- B. awarding a two-year firm fixed price Contract No. PS272680011357 (RFP No. PS11357), to Bicycle Transit Systems, Inc. (BTS) for the equipment, installation and operations of the Metro Countywide Bikeshare Phase 1 Pilot in the amount of \$11,065,673 contingent upon the execution of an MOU between the City of Los Angeles and Metro. Authorization of future phases will be presented for Board approval contingent upon successful completion and operation of the Phase 1 Pilot, and completion and operation of each subsequent phase, availability of funding and interest of participating communities (Attachment A).
- C. authorizing the Chief Executive Officer (CEO) to take the following actions to implement the Metro Countywide Bikeshare Phase 1 Pilot in downtown Los Angeles (“Pilot”):
 - 1. negotiating and executing a Memorandum of Understanding (MOU) between City 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); and
 - 2. amending the Fiscal Year 15/16 bikeshare project budget to include an additional \$2.64M for the capital and operating and maintenance costs of the Metro Countywide Bikeshare Phase 1 Pilot (Attachment D).

ISSUE

At the January 2014 meeting, the Board approved the CEO to undertake a study of how a Metro-led bikeshare program could be implemented throughout Los Angeles County (Attachment E). The Board

also authorized the CEO to procure, contract, and administer the bikeshare program through Motion 58 (Attachment F). Per Board direction and in coordination with the Bikeshare Working Group, staff identified a phased approach to implementing the program and how to apply the Board's commitment of funding up to 50 percent of total capital costs and up to 35 percent of ongoing operations and maintenance (O&M) costs for each participating city. At the January 2015 meeting, the Board received and filed staff's recommended business structure for the Metro Countywide Bikeshare (Attachment C). Per the Board's direction, staff proposes to implement a two-year (FY16 & FY17) Pilot in downtown Los Angeles (DTLA) starting in FY15/16 to test the feasibility of a Countywide Bikeshare system. The Pilot will include a bikeshare system with approximately 65 bikeshare stations and 1,090 bicycles.

Prior to the end of the two-year Pilot, staff will return to the Board for a determination on whether to continue the Pilot and/or expand bikeshare to additional bikeshare-ready communities per the Countywide Bikeshare Implementation Plan ("Plan"). Having one contractor for the duration of the program is key to ensuring countywide interoperability and allowing Metro to pursue Federal and State funding. The continuation of the bikeshare program beyond FY17 is dependent upon Board direction, availability of funding and interest of participating communities.

DISCUSSION

Bikeshare is a program designed for point-to-point local trips using a shared use fleet of bicycles strategically located at docking stations throughout a well-defined project area and within easy access to each other.

Bikeshare programs around the country and world have proven to be a strong first and last-mile short-trip transportation option. Currently there are over 50 bikeshare programs operating in cities in the United States. When coordinated with transit, such programs can facilitate reductions in vehicle miles traveled, reduced travel times, improved access, and growth in bicycling as a viable mode of travel.

Implementation Plan

Subsequent to the January 2014 Board direction, staff coordinated the formation of the Bikeshare Working Group to guide the preparation of the Plan. Group members included Metro staff (including TAP, OMB, and Design Studio), as well as representatives from the cities of Los Angeles and Pasadena. Representatives from the cities of Santa Monica and Long Beach also participated to coordinate their efforts and update the Group on their progress on parallel bikeshare efforts.

Since the initiation of the Plan, Metro has had approximately 20 meetings with either the entire Working Group or individually with the cities of Santa Monica, Pasadena, Los Angeles, West Hollywood, Culver City, Beverly Hills, Long Beach and other interested jurisdictions. Metro has also held public Metro Bicycle Roundtable meetings that included discussions about Metro Countywide Bikeshare. Additionally, in order to gauge whether Metro's technical work is in line with community support, Metro solicited feedback through an online crowdsourcing map that identified potential locations for bikeshare stations in the pilot cities of downtown Los Angeles, Pasadena and Santa Monica in September 2014. Metro had a successful response with over 3,000 people viewing the map, over 5,200 location "likes" and 400 suggested locations were received. To follow up on this first map, in December 2014, Metro requested additional input through a second crowdsourcing map. The

second crowdsourcing map identified potential future bikeshare communities identified through the Plan. Similar to the first map, Metro asked that community members provide feedback regarding Metro identified communities. The input collected from these crowdsourcing maps helped confirm the locations that Metro has identified for bikeshare station locations and potential future bikeshare communities. Final bikeshare station locations will be determined by respective city staff in consultation with Metro and the bikeshare operator.

The Plan envisions a bikeshare system that is accessible to Los Angeles County residents, students, workers and visitors, and that integrates with existing Metro transit services to provide a seamless passenger experience and improve the reliability, efficiency and usefulness of Metro's transportation system. Consistent with findings and recommendations from the Plan, the first phase of the Pilot is recommended to be in DTLA. Up to eight additional communities were identified to be bikeshare ready with Pasadena identified as primed for a second phase of the Pilot. As indicated previously, the continuation of the bikeshare program beyond the Phase 1 of the Pilot is dependent upon Board direction, availability of funding and interest of participating jurisdictions.

Memorandum of Understanding

The execution of a MOU between the City of Los Angeles and Metro is necessary to implement a bikeshare system where Metro is acting as the lead agency administering the contract to implement bikeshare stations on City of Los Angeles right-of-way. The MOU sets terms of fiscal and administrative responsibility for the Pilot. The financial participation is set at 50/50 split for capital and 35/65 split for O&M per the direction of Metro Board Motion 58 (Attachment F) and the Receive and File report in January 2015 (Attachment C). The agreement outlines the roles and responsibilities of Metro and the City of Los Angeles for the Pilot by setting the procedures for reimbursement of the capital and O&M costs, the rights of advertisement / sponsorship, and the delivery of bikeshare station locations. Execution of a contract between Metro and BTS, is contingent on Metro executing the MOU with the City of Los Angeles.

Regional Interoperability

True bikeshare interoperability is best achieved through one Countywide Bikeshare vendor system, as bicycles and docks of bikeshare systems are proprietary and are not physically interoperable with one another. In order to develop an interoperable Metro Countywide Bikeshare system in line with the Metro Board's direction, any city or community that would like to participate in a system should ideally use the same vendor system. That vendor should have a proven track record of launching and delivering similarly scaled systems and proven technology.

Santa Monica and Long Beach have chosen to move forward with independent bikeshare systems. However, a more limited level of interoperability can be achieved through operational and/or technological integration of bikeshare facilities throughout the County. Technological integration can occur through web/mobile applications, the TAP system and membership reciprocity. In Motion 58 the Board directed the CEO to develop a Countywide Bikeshare program under the following conditions (Attachment A):

- a. Metro needs to be the lead agency in the county that will manage and procure a robust bicycle share program and
- b. That a single-point agency will also ensure interoperability among the different jurisdictions

and can also provide a multi-modal transportation system through the use of the Transit Access Program ("TAP") smart card.

Metro commits to working with Santa Monica and Long Beach who are implementing their own bikeshare program to create an interoperable system and will continue to engage both cities in order to achieve this. To develop an interoperable Metro Countywide Bikeshare system in line with the Metro Board's direction, we have set forward objectives of countywide interoperability for these cities (Attachment G). To accomplish this, Metro included requirements for TAP integration in the Metro Countywide Bikeshare RFP that was released in December 2014. TAP integration is intended to provide consistent access across bikeshare platforms at a minimum, and payment and revenue settlement at its fullest capabilities. Metro is committed to working with a bikeshare vendor and Metro's TAP group to develop and implement a system that, at a minimum, is capable of utilizing the TAP card as a membership card. Additionally, Metro is committed to working with the selected Metro Countywide Bikeshare vendor to provide for physical co-location of bikeshare kiosks/stations as needed. Staff will also work with the cities on fare structure, branding, marketing and education and membership reciprocity.

Contract for DTLA Pilot

An RFP for a multi-phased Countywide Bikeshare program was issued on December 15, 2014. The RFP scope included a regional bikeshare system with at least 5 phases including 9 different bikeshare ready communities in Los Angeles County, as identified in the Plan. The scope was tailored to be inclusive of all the regional needs for bikeshare since the best way to ensure regional interoperability is to use one vendor for all of Los Angeles County. Additionally, this procurement approach will best prepare the region for federal and state funding opportunities for future bikeshare phases since the lifetime project costs have been assessed holistically and not piecemealed out.

DETERMINATION OF SAFETY IMPACT

The Metro Countywide Bikeshare Phase 1 Pilot will not have any adverse safety impacts on Metro employees and patrons.

FINANCIAL IMPACT

The proposed FY16 project cost is \$7.78M. Of this, \$5.8M is a one-time capital cost and \$1.98M is the Operating and Maintenance (O & M) cost. Attachment D reflects the funding plan for the Pilot. The FY16 budget currently includes \$5.14M for this project. The proposed action will add \$2.64M in Cost Center 4320, Project 405301 - 05.01 (Bikeshare Program).

Capital Costs

The capital costs of \$5.8M in FY16 will be funded by Metro, \$3.8M from toll revenues and \$2.0M from two City of Los Angeles Call for Projects grants that are being reallocated to Metro through the June 2015 Call for Projects recertification and deobligation process. The City of Los Angeles has requested to cancel the Call for Projects grants originally programmed to #F3510 - Figueroa Corridor Bike Station and Cycling Enhancements and #F5523 - Expo Line Bike Hubs South Los Angeles, and to reallocate the funds to Metro towards the implementation of the Countywide Bikeshare Phase 1

Pilot in Downtown Los Angeles (the "Pilot"). The reallocation of funds to the Pilot is consistent with the original intent of the Call for Projects grants.

Operating and Maintenance Costs

Total O & M costs in FY16 are 2.0M. \$1.3M of this will be funded by City of Los Angeles, which includes the City's local match of \$919,539 from the cancelled Call for Projects mentioned above (\$368,213 for the Figueroa Corridor Bike Station and \$551,326 for the Expo Line Bike Hubs South Los Angeles) plus an additional City's contribution of \$364,446. The remaining \$0.7M is estimated to be Metro's share. However, anticipated revenues from user fees and potential title sponsorship may reduce Metro's funding responsibility.

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, \$5.14M is already included in the FY16 budget. This action will add \$2.64M to the budget which will be immediately funded from general funds or other eligible and available local funds. This funding will be restored to the general funds with City of Los Angeles's reimbursements and 2015 Call for Projects fund assignment to ensure revenue neutrality and no impact to other programs supported through the general fund.

ALTERNATIVES CONSIDERED

The Board may choose not to award a contract. This alternative is not recommended, as it is not in line with the June Board Motion 58 directing staff to procure, contract, and administer the bicycle share program.

NEXT STEPS

Bikeshare Marketing and Branding

Staff has been coordinating with the Metro Design Studio and the Bikeshare Working Group regarding design and branding of a Metro Countywide Bikeshare system. Metro is working collectively with the participating cities to determine a design that is representative of Metro while exploring opportunities for local identity. Metro's Countywide Bikeshare system will utilize the Metro-Bike color palette for branding and designs which will be finalized once the Pilot contract is executed.

Sponsorship

Metro Communications is on schedule to amend the existing Metro system-wide advertising contract to include provisions for a bikeshare title sponsorship starting in June 2015. Communications plans to complete the amendment by fall 2015, well ahead of the estimated Pilot launch in spring 2016. Per the January 2015 Receive and File report in January 2015 (Attachment C), Metro would retain on-bike title sponsorship and reserve the right to sell to sponsor(s) as a source of Metro's funding commitment. On-bike title sponsorship revenue would first be applied towards Metro's financial

commitment. Remaining sponsorship revenues would then be applied towards each city's O&M cost. Any excess sponsorship revenues would then be expended for the bikeshare program under the terms of the MOU. Cities would retain the right to sell advertising or sponsorship at bikeshare stations based on their jurisdiction's policies to meet the local share of capital and operating expenses.

Existing bikeshare systems in Denver, Minneapolis, Washington D.C., Philadelphia and New York have utilized corporate sponsorship/advertisements contracts to generate revenue to cover all or some of the O&M costs in which ads are placed on the bike and/or the kiosks. An average title sponsorship of these bikeshare systems generates \$1,375 of revenue annually per bike. Although markets vary and it is unknown at this time what the Los Angeles region's potential is, based on an average from other programs, Metro estimates that the Pilot could generate \$1.5 million annually from sponsorship revenues.

Fare Structure & TAP Integration

Staff will return to the Metro Board in fall 2015 with a recommended fare structure and TAP integration strategy for the Pilot in DTLA.

ATTACHMENTS


- Attachment A - Procurement Summary
- Attachment B - Regional Bikeshare Implementation Plan for Los Angeles County
- Attachment C - Bikeshare Program Receive and File January 2015
- Attachment D - Bikeshare Funding/Expenditure Plan
- Attachment E - Countywide Metro Bikeshare Board Report January 2014
- Attachment F - Metro Board Motion 58
- Attachment G - Interoperability Objectives with Existing Local Bikeshare Programs

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