



SACOG Board of Directors

Item #16-4-3 Consent

April 14, 2016

Authorize Regional Bike Share Request for Proposals for Operations & Equipment

Issue: The Bike Share Policy Steering Committee has recommended that SACOG release a request for proposals (RFP) for a regional bike share system operator and bike share equipment.

Recommendation: The Transportation Committee unanimously recommends that the Board authorize the release of a request for proposals (RFP) for a regional bike share system operator and bike share equipment, based on the system framework shown in attachment A.

Committee Action/Discussion: On March 22, 2016 the Bike Share Policy Steering Committee (PSC) unanimously recommended that SACOG release a request for proposals (RFP) for a regional bike share system operator and bike share equipment. Members of the Bike Share Policy Steering Committee include:

- Lucas Frerichs, City of Davis Councilmember,
- Jeff Harris, City of Sacramento Councilmember,
- Steve Hansen, City of Sacramento Councilmember,
- Christopher Cabaldon, Mayor of West Sacramento,
- Mike McKeever, SACOG Chief Executive Officer, and
- Larry Greene, Sacramento Metropolitan Air Quality Management District (SMAQMD) APCO.

To guide SACOG staff, the PSC has reviewed and recommended the attached system framework to guide the technical revisions to the RFP. The system framework is organized as follows:

1. System Goals
 - a. Operational Excellence
 - b. Livability & Economic Competitiveness
 - c. Finances & Transparency
 - d. Social and Geographic Equity
 - e. Health and Safety
2. Proposal Selection Criteria
 - a. Operator Capacity, 15%
 - b. System Quality, 35%
 - c. Innovative Business Model, 50%
3. System Specifications
 - a. Key Performance Indicators
 - b. Required and Desired System Elements
 - c. Detailed Development Schedule
 - d. Equipment location planning

The Bike Share Project Management Team (PMT) of local city staff and other stakeholders will work closely with SACOG staff and legal counsel to help ensure that the intent of the Bike Share RFP Framework is carried out as SACOG makes further technical refinements to system specifications. Staff plans to return in June with a recommended action.

Progress Update on Governance Agreements

SACOG and Toole Design are now working on the details of what a SACOG owned and operated system might look like and how each of the three pilot cities and additional partners might support the system. Balancing the responsibilities of maintenance costs and sponsorship revenues will be keys to ensuring a successful public-private partnership with a future bike share system operator and equipment vendor. To that end, SACOG staff will be drafting formal agreements for how SACOG and various city councils and funding partners would together develop, own, and operate the regional bike share system.

Background: On December 17, 2013, SACOG awarded \$3.9 million in funding from the 2014 SACOG Flexible Funding Round to the SMAQMD to plan, procure and install a Regional Bike Share project in the cities of Sacramento, West Sacramento and Davis, and on the UC Davis, Sacramento State University, and Sacramento City College campuses. This initial multi-agency partnership also committed \$885,000 in local matching funds for capital and operating expenses. SMAQMD was the lead agency and took steps to begin the project, including drafting interagency agreements and considering consultant services to establish a non-profit to manage the bike share program once operational.

During the fall of 2014, SACOG and SMAQMD staff recognized that subsequent tasks related to developing the governance model, finalizing interagency agreements, planning coordination, Connect Card integration, and federal aid processes would be better managed by SACOG. In January 2015, the Bike Share Executive Committee, composed of management staff from multiple cities, transit operators, the University of California Davis (UC Davis), SMAQMD, and SACOG, requested that SACOG become the lead agency and assume project management of the Regional Sacramento Bike Share project. In April 2015 the Regional Bike Share Project was added to SACOG's Overall Work Program. On February 1, 2016, the Bike Share Policy Steering Committee of elected officials and local agency executive management reviewed findings from SACOG's bike share consultant, Toole Design, and recommended the development of a SACOG owned and operated regional bike share system.

Approved by:

Mike McKeever
Chief Executive Officer

MM:SS:ds
Attachment

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Sacramento Regional Bike Share System Framework

The Sacramento Area Council of Governments (SACOG) is developing a regional bike share system in partnership with the Cities of Sacramento, West Sacramento, and Davis. This system framework will guide the development of a Request for Proposals (RFP) for a regional bike share system operator and equipment purchase. This framework describes our region's vision for a bike share system under System Goals, our values for quality and innovation under Proposal Selection Criteria, and our basic needs and desires under System Specifications.

System Goals

The vision of bike share is to encourage bicycle use as an appealing, convenient, active, healthy, environmentally friendly, and congestion-reducing transportation option that is accessible to all of the Sacramento region's residents, commuters, students, visitors and tourists alike. The program aims to leverage existing regional transportation investments and provide a network of bike share stations and bikes that increases multi-modal transportation options throughout the Sacramento region. To achieve this vision, the following goals will give potential bike share operators a clear understanding of our definition of success.

Operational Excellence

Our regional bike share system should create positive user experiences to maintain customers and attract new users. It should identify system performance targets based on community objectives and develop measures to hold system operator accountable. It will need to balance usage based performance measures with user revenue targets to emphasize consumer satisfaction in addition to financial sustainability.

Livability & Economic Competitiveness

The ideal bike share operator should be a strong partner that develops an innovative transportation system that improves our region's livability and economic competitiveness. In close partnership with transit operators and city planners, and other stakeholders, we should ensure that bike share is cost competitive for users as an affordable alternative to other modes.

We can achieve these ambitions by optimizing the number of destinations that can be served by a bike sharing system with a focus on serving neighborhoods and destinations. An ideal system should be able to attract and retain talent for the region's employers and raise the attractiveness of our region for business investment, infill development, and tourism. By partnering closely with new infill development opportunities, a bike share operator can pair affordable mobility with smart growth land use practices.

Finances & Transparency

A bike share operator will need to create a system that is financially sustainable, transparently operated, and accountable to the public. In partnership with SACOG and its bike share partners, the operator will need to plan for and ensure sustainable capital funding for system growth and ongoing equipment replacement. They will need to clearly communicate program performance and effectiveness to stakeholders and the public. They will also need to work closely with SACOG and various stakeholders to maximize opportunities for private sponsorship and support; thereby, minimizing the need for additional public funding.

Social and Geographic Equity

A serious challenge of all bike share systems is that of accessibility to a broad cross-section of people living in and visiting the Sacramento region. Our region's future bike share users will be best served by a bike share system that is closely planned and operated with our region's transit operators. Bike share promises to be

the “first and last mile solution” to encourage transit ridership for many travelers who would take transit, if they had access to a bicycle after getting off of a bus or light rail vehicle. But without close coordination with our partners of the “middle mile” services, such as transit, our system will fail to reach those who need it most. The system operator will need to focus station planning and growth to expand the geographic coverage to include expansion across our region and into adjacent communities where supported. The ideal system will engage and serve users in minority and low-income communities and improve their access to key destinations, such as jobs and recreation.

Health and Safety

As it is with bicycling in general, our bike share system should strive to provide residents and visitors a safe mode of transportation that promotes active and healthy living. It should foster an active lifestyle by diverting a greater share of trips to bicycling, which helps improve air quality by reducing vehicle trips. It should be a powerful tool in promoting a culture of safety among bicyclists as well as pedestrians and motorists. It should also support other public health objectives such as improved access to fresh foods and access to green space, like our region’s many river parkways and greenbelts.

Proposal Selection Criteria

To reflect our region’s goals for a bike share system’s success, an operator’s proposal will be judged by the following criteria. A selection committee of SACOG staff, Bike Share Project Management Team, and Bike Share Policy Steering Committee members will use these criteria to score proposals, shortlist firms for final interviews and recommend a preferred operator through SACOG’s committee and Board review and approval processes. SACOG staff reserves the right to reject all proposals during any point in the procurement process, if staff deems none of the proposals can sufficiently meet the region’s bike share goals or selection criteria.

Operator Capacity, 15%

While a bike share operator’s firm may have documented success through executed contracts within multi-jurisdictional bike share systems, it is more important that key staff included in their proposal have necessary skills and availability to overcome the challenges encountered with balancing the needs and interests of multiple stakeholders. Knowledge of the Sacramento Region, its challenges and its many enthusiastic bike share supporters will be key to launching a system quickly and on schedule. Operator Capacity includes demonstrated technical ability, and familiarity with State and Federal procedures.

System Quality, 35%

An operator must partner with an equipment provider that can supply not only the basic requirements of a safe, secure, and accessible bike share system, but also one that is flexible to meet the demands of our developing region’s diverse needs. Operational excellence is not achieved by copying the approaches of other areas of our nation. The ideal system will need to be tailored to the traveling needs of our region’s diverse areas, from the downtown core of Sacramento, to university students of UC Davis, Sac State, and Sacramento City College, to disadvantaged communities that depend on cheap and reliable transportation.

Innovative Business Model, 50%

While all forms of transportation are subsidized, bike share systems are often held to a higher standard of being asked to pay for themselves. SACOG and its partners intend to subsidize initial capital expenditures, but operations and maintenance costs will need to be covered by ridership fees, sponsorships, and advertisements. The ideal operator will need to show how their proposed system will minimize costs, offer private investment opportunities, cover future system expansion and avoid deferring maintenance costs.

The bike share industry's technology is in a constant state of flux and improvement, where the smart dock systems of yesterday make way for the smart bike and electric assist systems of the future. The ideal system will not only leverage existing experience with proven technology to reduce risk, but also offer opportunities to pilot innovative technologies that can increase ridership and reduce operating costs. Innovation is not limited to technology alone. Business practices and other benefits of new technologies offered through an operator's proposal that add value beyond those described in the RFP are encouraged, such as methods of avoiding and planning for technology obsolescence challenges, as well as offering flexible rider prices and discounts.

System Specifications

The RFP's detailed system specifications will include many tables that describe a basic bike share system as well as our region's desired bike share system. The ideal proposal will need not only to meet the required specifications, but exceed them in many ways.

Key Performance Indicators

Key performance indicators (KPIs) define minimum level of service standards. SACOG staff will include at least the following measurements:

- Overall system functionality, often measured in system out of service minutes
- Percent of bicycles in service
- Percent of clean and graffiti-free bicycles
- Percent of clean parking areas
- Hours between graffiti reports to operator resolution
- Timely response to customer complaints, measured in the percent of satisfied customers or percent of addressed complaints
- Website in service, measured in percent of minutes per week
- Central computer system in service, measured in percent of total minutes per week

Required and Desired System Elements

There are often extensive tables that describe typical details of serious bike share systems as well as additional desired elements that would require modifications to most bike share operator practices. The operator will need to respond if they can meet or exceed these required or desired system elements. These elements are technology neutral and do not prescribe the use of docks, smart bikes, or electronic assist bikes. SACOG staff will include at least these typical elements:

- Station area equipment and planning processes
- Bicycle equipment parts, abilities, and performance specifications
- Station Kiosk/Terminal user requirements, data transmission needs, and sponsor or ad space
- Technology and system interoperability, capacity, and flexibility

Detailed Development Schedule

Several recent California Bike share system RFPs request that the operator estimate the completion date of about 20-30 different system development milestones, with completion ranges from 9 months to 10 days. SACOG staff will request the operator to complete a detailed milestone schedule including but not limited to the following system elements:

- IT System plan and testing
- Security policies

- Station siting plan development and approval
- Bicycle and station prototype delivery and user testing
- Website development and testing
- Marketing promotion development and campaigning
- Organizational staffing plan and implementation
- System maintenance and cleaning plans
- Delivery and installation of all system equipment
- Full system testing for operations

Equipment location planning

The Sacramento Air Quality Management District produced the 2013 Bike Share Business Plan which modeled ridership for a suggested number of bike share bikes and station locations across Sacramento, West Sacramento, and Davis. This plan offers the operator an idea of our regional bike share system's potential ridership demand and success. SACOG staff will request that the operator consider these ideas and inform the operator of its obligations under a regional bike share system as it develops. With this information, SACOG will ask the operator to provide the following:

- Proposed station area siting process, including public planning processes that reaches out to diverse populations and a variety of stakeholders, including city planning staff, employers and transit operators.
- Recommended system size, measured in number of station areas, bikes, station areas per square mile, average distance between station areas, and number of station areas in disadvantaged communities.
- Estimates of bike share system demand during peak hours.