



SACOG Board of Directors

Item #16-4-4
Consent

April 14, 2016

Authorize Regional Bike Share Request for Proposals for Sponsorship and Advertisement

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

Recommendation: The Transportation Committee unanimously recommends that the Board authorize the release of a request for proposals (RFP) for a regional bike share system sponsorship development.

Committee Action/Discussion: On March 22, 2016 the Bike Share Policy Steering Committee (PSC) recommended that SACOG release a request for qualifications (RFP) for a regional bike share system sponsorship development. 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.

Based on a comparison of many different RFPs circulated as examples by the North American Bike Share Association (NABSA), SACOG staff has modified the scope of work used by the City of Chicago. Key elements of the scope of work include:

- No cost to SACOG or bike share partners for this service.
- Brokers will propose a share of sponsorship or ad revenue as a fee for service.
- Brokers will pursue regional sponsors once a bike share vendor is selected and bike share system assets are evaluated for potential sponsorship value.

To understand current sponsorship and advertisement opportunities, Bike Share PMT staff attempted to find all applicable codes and city staff contacts involved in these issues. However, finding detailed information has proven difficult. To better assist bike share partner cities, SACOG staff recommends soliciting the following optional scope of work tasks to assist cities with understanding and implementing local bike share sponsorship and advertising opportunities:

- Evaluate local city ordinances and codes
- Suggest revisions to city councils to open opportunities for bike share system sponsorship or advertisement.

- Review the value of local assets not under the regional sponsorship contract, such as local kiosk map panels, other features of bike share bicycles, and other street furniture.
- Broker sponsorship and advertisement contracts for local bike share assets on behalf of cities.

Local agency staff can opt out of the optional scope of work, if they find that it does not meet their needs. 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 RFP is carried out as SACOG makes further technical refinements. Staff plans to return in June with a recommended action.

Background: On December 17, 2013, SACOG awarded \$3.9 million in funding from the 2014 SACOG Flexible Funding Round to the SMAQMD to 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

Key Staff: Kirk Trost, Chief Operating Officer/General Counsel, (916) 340-6210
Matt Carpenter, Director of Transportation Services, (916) 340-6276
Sam Shelton, Senior Analyst, (916) 340-6251

Sacramento Regional Bicycle Sharing System Advertising, Sponsorship, and Partnership Scope of Services

The Sacramento Area Council of Governments (SACOG) is seeking proposals from brokers to develop and implement a sponsorship and advertising program for the Sacramento Regional Bike Sharing System. SACOG and its bike share partner cities of Sacramento, West Sacramento, and Davis recognize the opportunity to help cover ongoing and system expansion costs through private sponsorship(s) and advertisements.

Responsive proposals must address the following elements. However, SACOG does not seek to limit the creativity of the respondents. Therefore Respondents may offer additional opportunities as a part of their proposal.

System-wide Sponsorship

SACOG is seeking proposals for a system-wide sponsorship for its bicycle fleet throughout the cities of Sacramento, West Sacramento, and Davis, including the higher education campuses of UC Davis, Sacramento State, and Sacramento City College. This sponsorship may include a title sponsorship. The selection, design, fabrication, installation and maintenance of such sponsorship will be completed by the selected offeror, at no cost to SACOG.

Potential Partnerships

SACOG also recognizes that there are opportunities to develop long-term strategic partnerships that will help build customer loyalty and attract new members. SACOG envisions partnering with companies that share the values of the bike sharing system and offer opportunities to expand the utility of joining SACOG's bike share system. SACOG is seeking partners in, but not limited to, the following sectors:

- Health/Fitness
- Retail/Grocery
- Financial Services
- Travel/Leisure
- Professional Sports

SACOG views these partnerships as a way to increase the value of a membership and to improve the user experience over an opportunity to directly increase revenue. SACOG reserves the right to approve all partnership opportunities identified by the winning bidder, such that SACOG or the winning bidder do not violate local sponsorship and advertisement restrictions and approval processes.

Event Sponsorships

SACOG envisions creating or engaging in a number of events over the course of a year. For example, this could lead to a "bike share day" at a sporting event in which a sponsor encourages patrons to attend a sporting event by bike sharing. Alternately, a bike share partner city could host a bike sharing event, such as a race or charity ride focused on purchasing new stations, providing subsidized memberships to low-income riders, or encouraging bicycle safety.

Respondents should address each of these areas. However, they are invited to also provide alternative approaches to meeting the goals of this request for proposals.

All services proposed will be offered at no cost to SACOG

As part of the proposal, firms will need to propose revenue sharing that will allow SACOG and Respondent to share in the benefit of increased sponsorship revenue. The Respondent can propose variable service rates depending on the amount generated (i.e., X% of all revenue under \$X,XXX,XXX, Y% of all revenue generated above \$X,XXX,XXX and below \$Y,YYY,YYY, et cetera). To maintain the usefulness of this relationship to help cover system expenses, all negotiated sponsorship agreements will need to be indexed not only to the Consumer Price Index, but also to the number of bike share bicycles in the system in any given year of operations as the system expands.

Local Sponsorship and Advertisement Restrictions

SACOG retains the right to reject any potential sponsorship that conflicts with the policy goals of the bike sharing system or its partner cities and higher education campuses. Careful review of existing sponsorship and advertisement policies will be required. Tasks that include evaluating those policies and suggesting changes to those policies that could lead to additional brokered revenues are encouraged.

Potential Local Advertisement Opportunities

Once local ordinances and restrictions are evaluated, SACOG will pursue regional sponsorship opportunities with the selected broker; however, bike share partner cities and higher education campuses may choose not to engage SACOG's selected broker for locally permitted bike share sponsorship and advertisement brokerage services, such as bike share station kiosk sign panels or other fixtures considered street furniture. The ideal brokerage firm will propose a scope of services that is tailored to the needs of local agencies and higher education campuses.