



Fremont City Council

3300 Capitol Avenue
Fremont, CA 94538

SCHEDULED

Meeting: 03/05/19 07:00 PM
Div/Dept: Public Works
Category: Agreements and Contracts

STAFF REPORT (ID # 3683)

Sponsors:
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BIKE SHARE PROJECT - Reject all proposals received for the Bike Share Project

Contact Persons:

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Executive Summary: The purpose of this report is to reject all proposals received in response to a request for proposals (RFP) for the development, launch, and operations of a bike share system. The City's top-ranked firm (Lime) is no longer able to fulfill the requirements of the RFP due to a change in business model. The other firms that proposed on the RFP did not demonstrate sufficient capacity or qualifications to fulfill the RFP requirements. As authorized by the City Council on December 4, 2018, the City will implement a permit system as an alternative means to secure a bike share system operator and to include to consideration of shared e-scooters.

BACKGROUND: The City's Bicycle Master Plan recommends implementing a bike share program to provide Fremont residents, workers, and visitors with a new mobility option for short trips and transit first- and last-mile access. Bike share systems typically consist of a system of bicycles that users can rent for short, point-to-point trips, and membership options that range in duration from daily to annual.

The City received a grant to implement a bike share system from the Metropolitan Transportation Commission which can be spent on capital costs (e.g. supportive parking infrastructure), staff time for program management, and outreach costs. The City released a request for proposals for a bike share system operator in May 2018. The City received four proposals and selected Lime as its top ranked-firm. Lime proposed a "mixed fleet" system consisting of pedal bikes, e-bikes, and e-scooters. On November 13, 2018, the City Council authorized staff to enter into an agreement with Lime as the exclusive operator of a bike and scooter share system for a one-year pilot period. The Council also adopted a regulatory framework for shared bicycles and scooters on December 4, 2018.

DISCUSSION/ANALYSIS: Staff had been working in earnest with Lime to execute an agreement and finalize details for a late February launch of a comprehensive shared active transportation system that featured pedal bikes, e-bikes, and e-scooters. On February 5, 2019, Lime informed the City that it is changing its business model to focus exclusively on shared e-scooters. As such, Lime will no longer commit to providing shared bikes in Fremont and cannot fulfill the requirements of the RFP and the City's grant. Subsequently, staff informed Lime that the City of Fremont no longer intends to award Lime the bike share grant contract.

The other firms that proposed on the City's RFP in June 2018 include ofo, VeoRide, and Gotcha Mobility. These firms have ceased operations in most U.S. markets; did not demonstrate a sufficient track record of operating bike share systems in the Western U.S. or

outside of campus environments; and/or proposed a business model which requires an ongoing public subsidy for operations. As such, staff determined that none of the firms can fulfill the RFP requirements.

As an alternative to securing an operator via an RFP process, staff will develop a permitting process for shared active transportation operators, consistent with the regulatory framework that Council adopted. A permit process will provide the City a more flexible means to adapt to a rapidly evolving industry.

FISCAL IMPACT: There is no fiscal impact associated with the action to reject all proposals.

ENVIRONMENTAL REVIEW: The action to reject all proposals is exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15061(b)(3) in that the action does not have the potential for causing a significant effect on the environment.

ATTACHMENTS: None.

RECOMMENDATION: Reject all proposals received for the Bike Share Project.