



Board Report

File #: 2023-0616, File Type: Contract

Agenda Number: 34.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
JANUARY 18, 2024

SUBJECT: METRO BIKE SHARE CONTRACT AWARD

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATIONS

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm fixed price Contract No. PS102304000 to Lyft Bikes and Scooters, LLC for the Metro Bike Share (MBS) program for a base term of five years and five months in the amount of \$62,933,262, and two separate, three-year options, for the mobilization, operation, maintenance, and expansion of the MBS program, in the amounts of \$33,146,835 and \$36,478,001, respectively, for a total contract amount of \$132,558,098 effective February 1, 2024, to initiate the transition of the program, subject to the resolution of any properly submitted protest(s), if any and;
- B. EXECUTE individual contract modifications within the Board approved contract modification authority.

ISSUE

The current MBS contract will expire on June 30, 2024. To provide continued and seamless service to the public, a new contract incorporating the Board approved model, from the December 2021 Board Motion No. 41, authored by Directors Krekorian, Garcetti, Kuehl, and Sandoval (Attachment A), is needed to continue operations.

BACKGROUND

As a program, MBS was authorized in 2015, with the initial bikes deployed in 2016. The current contract with Bicycle Transit Systems (BTS) represented the first deployment of a regional Los Angeles County bike share program as well as Metro’s first direct engagement with bike share. While the initial program grew to include the City of Los Angeles, the City of Pasadena, and the Port of Los Angeles as partners, both the City of Pasadena and the Port of Los Angeles elected to leave the program, citing cost considerations. Through this period, the City of Los Angeles has been a steadfast partner.

As with most first-time programs, there have been several challenges which MBS has faced and

overcome, this includes the departures of the City of Pasadena and the Port of Los Angeles, increased bike loss/theft, the introduction and subsequent replacement of Smart bikes (which enabled users to check out bikes independent of a docking station - supporting stand-alone operations but also greatly contributed to bike loss) and the impacts of the COVID pandemic. Despite these obstacles, MBS has not only continued to operate but has expanded to incorporate three distinct service areas within the City of Los Angeles - Downtown/Central Los Angeles, Westside and North Hollywood. Post pandemic ridership continues to grow and has been setting new milestones above pre-pandemic levels. August 2018 represented the highest pre-COVID ridership at 33,329 trips, comparatively August 2023 post-pandemic ridership was 41,845 trips (an increase of 8,516 trips or 25.6%). Ridership has continued to steadily increase as reflected in the 50,146 trips taken in October 2023 and 41,887 trips taken in November 2023. Total calendar year 2023 ridership reached 441,199, which is the highest annual ridership ever. The 2023 ridership figure is an increase of 128,787 trips or 41% compared to the highest pre-COVID ridership of 312,412 trips registered in calendar year 2018. Additionally, there have been increases in MBS passholders/memberships. As of November 2023, there are 3,149 passholders compared to 1,952 in November 2022 (61% increase). Of these for November 2023, 1,000 or 32% are reduced fare compared to 278 reduced fare passholders in November 2022 (260% increase).

This growth can be attributed to several actions, including actions directly associated with Board direction, per Motion No. 41 (Attachment A), and has resulted in improvements to MBS. The actions taken have:

- 1) stabilized the program and provided for more on-street bikes (consistent on-street fleet of approximately 1,800 bikes - for comparison 1,726 on-street bikes for November 2023 versus 1,224 on-street bikes in April 2022);
- 2) ensured a substantive decrease in bike loss/theft - due to installation of GPS on all bikes, improved staff oversight and coordination with law enforcement and other services resulting in an overall decrease in bike loss by 101 bikes or 57% when comparing calendar year 2023 to 2022;
- 3) increased the number of pedal assisted e-bikes from 97 in April 2022 to 370 as of November 2023 (MBS e-bikes generate approximately 7 times more use than the classic pedal bikes - 2.9 trips/bike/day versus 0.4 trips/bike/day);
- 4) enabled the adoption of the new bike share operational model with the objective of decreasing costs, improving service, and increasing the program footprint through partnership with additional jurisdictions toward a more sustainable, equitable and seamless regional MBS program.

DISCUSSION

Pursuant to the October 2022 Board approved MBS operational model, staff, in collaboration with the City of Los Angeles, engaged in the development of a Scope of Work (SOW) which incorporated several changes with the goal of improving the MBS program and enabling a sustainable and equitable future for the program. The SOW focused on the following items: 1) the Contractor providing and owning MBS equipment versus the current model of Metro procuring and owning the equipment; 2) service based performance requirements with payments based on fixed unit rates versus monolithic milestones; 3) improved cost awareness and management to support sustainable operation and expansion; 4) realignment of roles and responsibilities between the Contractor and Metro; 5) improved customer experience and neighborhood engagement; 6) improved equitable

access and service; and 7) decreasing overall cost.

Per the SOW, the Contractor, Lyft Bikes and Scooters, LLC, shall be responsible for:

- Providing MBS equipment, including replacement of lost/stolen equipment to ensure on-street bike availability and fleet stability;
- Ensuring a transition with minimal impact to MBS customers;
- Ensuring MBS operates as a “Good Neighbor/Community” member;
- Operating and maintaining the entire MBS system (equipment, hardware, software and systems) to ensure adherence to performance requirements and standards;
- Ensuring improved equitable access to MBS;
- Increasing ridership, rider diversity, and use cases for MBS;

In addition, through discussions/negotiations, the Contractor and Metro agreed to the following changes/improvements:

- Transitioning/updating to all new equipment
- Updating the MBS website and mobile application;
- A limited not-to-exceed annual cost-sharing for bike loss;
- Deploying a Community Ambassador program to support MBS engagements;
- Conducting monthly bike education, safety and riding classes;
- Supporting improved ridership diversity and equity focus community engagement;
- Evaluating and the possible development of alternative/adaptive bike solutions;
- Evaluating the ability to integrate and/or improve the collaboration with bike library programs;

Metro will continue to retain authority over station placement, fare structure, expansion, sponsorship/advertising and the overall MBS brand. Additionally, Metro, in collaboration with MBS partners, will continue to actively monitor and manage the program to ensure the Contractor’s adherence to the performance requirements and the SOW. Finally, Metro will, pending the award and execution of this contract, engage with interested parties to determine a path for expansion of MBS into new jurisdictions. Staff will reach out to jurisdictions that have expressed prior interest in joining MBS to review their current level of interest and identify the potential size of the system, placement of stations, any local or community-based requirements or concerns and cost. Staff anticipates being able to initiate this effort within 60 to 90 days from the execution of the contract.

A key element to the future success of MBS is in enabling the sustainable and equitable expansion of the system. This expansion consists of both gap/in-fill expansion and new partner expansion. There are a number of jurisdictions, which include Culver City, Pasadena, Burbank, San Fernando and others, who have in the past expressed interest in becoming MBS partners. The ability to expand MBS not only requires the internal/contractual capability but also agreement on cost. This new contract represents not only a reduction in the initial capital cost to support expansion as equipment cost from the new Contractor is over 30% less than the current contractor, but also is roughly a 30% reduction from current MBS operational costs. All things being equal, the total 11-year 5-month contract value is approximately 26% or \$47 million less than the estimated cost of the current contract, with a similar annual cost escalation. Similarly, the average annual cost for this contract,

which includes the impact of the annual escalation, is \$1.6 million less than the 2023 annual cost of the current contract. This significant cost reduction, coupled with improved services and the Contractor's ability to provide the necessary equipment in a shorter time frame, is anticipated to result in the sustainable expansion of MBS. Additionally, due to the accelerated e-bike transition, ridership is projected to grow, resulting in increased fare revenue and the possibility of increased advertising/sponsorship opportunities, which will provide additional offsets to operating costs.

With respect to expansion, during the procurement process for this contract, Metro successfully received a \$7.5 million Regional Early Action Planning (REAP) grant from the Southern California Association of Governments (SCAG). This grant is specific to expanding MBS to fill a service gap between the Downtown/Central and Westside service areas (from Koreatown to Westwood). The execution of this new contract will enable staff to finalize the plan with the Contractor and the City of Los Angeles to implement this expansion. A contract modification will be needed, and staff anticipates returning in the near future to obtain Board approval for this grant supported expansion and contract modification.

New Contract System Improvements

Overall, this new Contract will provide a number of immediate and long-term benefits that will improve the service provided to the public and the efficiency of the overall program, this includes:

- Immediate increase in the number of on-street pedal assisted e-bikes from the current 370 to 1,350, representing 75% of the system when the new system is fully deployed. E-bike usage is consistently an order of magnitude higher with MBS e-bikes being used 7x more than classic pedal bikes, indicating the public's preference for e-bikes.
- Continued support for classic pedal bikes. While e-bikes are preferred, there is still a need to provide classic pedal bikes to address special situations, such as in locations which restrict the use of e-bikes. The current supplier of MBS equipment no longer manufactures the classic bikes, Lyft will continue to manufacture and provide classic bikes based on MBS requirements/need.
- Improved battery for the new e-bikes provides a range of over 45 miles compared to the current MBS e-bike range of 30 miles.
- Provision of 100 stations capable of providing in-dock battery charging. The value of the e-bike is dependent on the battery being charged. The ability to have stations that support in-dock battery charging will greatly increase the reliability and availability of charged e-bikes for the public. Note that final approval is still required from the appropriate agencies to connect the stations to a power source and enable the in-dock charging capability. Neither the current MBS system nor the current equipment provider has a station capable of in-dock charging which will result in higher costs and VMT due to the need to implement a battery swapping solution. (Attachment D)
- Improved docking system that provides a more secure anti-theft solution. The new stations will have securing technology at the dock which is inaccessible to the public reducing instances of vandalism versus the current design where the clamps and bike striker loops are visible and exposed to vandalism.
- Improved integrated GPS units with functionality that enables historical, real-time and loss/theft monitoring - use of data will conform with all regulations and restrictions regarding personally identifiable information.

- Improved e-bike design with the battery installed within the bike frame to reduce battery theft and/or vandalism. The current MBS e-bikes were retrofitted with a u-lock to secure the exposed battery.
- Capability to update bike technology/software while docked versus bringing the bike into the warehouse. Includes the remote monitoring of the battery which improves the efficiency of battery maintenance, this feature is not currently available in MBS.
- Stations will be provided with kiosks to support walk-up transactions. The current equipment provider is phasing kiosks out of their offerings, which will make future station equipment purchases with kiosks more costly and increase delivery time.
- Improved cash-based solution to be implemented by the new Contractor for purchasing passes, similar to PayNearMe which is currently only available to MBS users through taptogo.net and not the MBS mobile app. Expansion of other methods such as Apple Pay and the Mobility Wallet pilot (currently supported) are also expected.
- Reduced equipment cost, improved equipment delivery capabilities and reduced operational cost will enable MBS to present a more cost-effective and streamlined solution to support system expansion with partners, who identified cost as a barrier to participation.

Transition/Mobilization

With respect to the transition, the Contractor will coordinate with Metro, LADOT and the current provider to minimize the impact of the transition for all parties. To support the transition from the current to the proposed Contractor, there will be a period of up to 5 months (February 1 to June 30, 2024) where both the current and the new contracts will be active. This is needed to ensure that the new Contractor has adequate time to mobilize and secure all the necessary staff and equipment to affect the transition, while the current Contractor ensures that MBS continues to provide service to the public.

The new Contractor will be providing all new equipment as part of their operation including new stations, bikes and systems (website, mobile app). The Contractor has experience conducting similar transitions having recently concluded the successful transition of the Mexico City bike share program (Ecobici) comprised of over 450 stations and 6,500 bikes. The transition to the new equipment will improve the overall program and is necessary to ensure that the Contractor is able to fully meet all service level requirements. The Contractor is also responsible for working with Metro to properly address the handling of existing MBS equipment. This includes equipment sales, donations, salvage and other approved solutions.

Additional customer focused improvements will also be implemented, including a new website, mobile application and streamlined methods to check out a bike. With respect to the mobile application, the Contractor and MBS staff will investigate, develop and/or update its mobility application in coordination with Metro's concurrent work towards the development of a single Metro app. The Contractor is also responsible for the transfer of existing MBS membership. This will require some member interaction to upload the new application and appropriately set-up the application (password, payment, etc.). Upon successful completion of the transfer of member information, Metro will take steps to ensure the proper closure of the prior mobile application and the appropriate removal of all data.

With respect to existing contractor staff impacts, the new Contractor, via their subcontractor, has provided a letter of commitment which states that they will recognize the Transport Workers Union (TWU) and coordinate with Metro, the existing contractor and TWU to ensure staff have the information and opportunity to transition from their current employer. This letter will be incorporated into the Contract, which provides additional assurance and a greater ability for Metro to enforce this commitment. The Contractor and their subcontractor have similar experiences in other locations where they have successfully transitioned prior staff. Of note, the subcontractor has conducted similar actions in Portland and Chicago, where existing Transport Workers Union members accepted new positions with the subcontractor. Although not a requirement of this procurement, the Contractor and subcontractor will be providing wages and benefits in excess of Metro's current Living Wage requirement.

Finally, the procurement was issued with a goal of 28% DBE participation. The Contractor met this requirement through Good Faith Efforts and a 9.21% commitment. Both Metro and the Contractor agree that despite the Good Faith Efforts this is not an acceptable level of participation. To that end, the Contractor stated in their proposal and further confirmed in a separate letter that they are committed to supporting small and disadvantaged businesses and will continue to conduct DBE outreach in an effort to increase their DBE participation. The Contractor has stated that they have a potential partner identified, which pending contract award and agreement with this partner, will immediately improve the level of their DBE participation and commitment. The Contractor acknowledges that this will require the existing non-DBE subcontractor to modify their level of work/participation and all parties are in agreement and support of this effort. As with the prior letter of commitment regarding existing staff transition, this letter of commitment will also be incorporated into the Contract. Metro will actively work with and monitor the Contractor's actions in support of this commitment. Additional information regarding the Contractor's Union and SBE/DBE participation with other programs is provided in Attachment E.

DETERMINATION OF SAFETY IMPACT

Approval of this item will ensure the continued safe and reliable operation of the Metro Bike Share program and is not anticipated to have any negative safety impacts. Additionally, this Contract will provide monthly bicycle education, safety and riding classes to improve safety, awareness and capability of future bike riders.

FINANCIAL IMPACT

Funding in the amount of \$15,000,000 for the mobilization, operation, maintenance and expansion of the MBS program for the remainder of FY24 is allocated under cost center 4540 - TDM Policy & Regional Shared Mobility, account 50316, Professional Services, under various projects. Under the existing cost sharing partnership with the City of Los Angeles, any Capital costs are shared equally between Metro and the City (50/50), while operating costs are allocated on a 35% Metro - 65% City/Partner split. The City is aware of the cost, provisions and requirements of this contract and has provided their concurrence to proceed.

Since this is a multi-year contract, the cost center manager and Deputy Chief Operations Officer, Shared Mobility will be accountable for budgeting the costs for future years.

Impact to Budget

There is no impact to the current FY24 budget. Funding for MBS is included in the FY24 budget and consists of City of Los Angeles subsidy, fares, DoorDash advertising revenue, and other bus and rail operating-eligible funds.

EQUITY PLATFORM

The approval of this new contract will ensure Metro's ability to continue to operate and maintain a regional bikeshare program that is accessible to Los Angeles County residents. Metro is committed to expanding the program beyond the City of Los Angeles to include other jurisdictions including those with Equity Focus Communities (EFC). Currently, 47% of stations are in EFCs and 40% of all trips start at EFC stations. Under the new contract, the Contractor will implement strategies to build community partnerships through local engagement opportunities with stakeholders and residents at events, both in-person and virtual, and by ensuring information is provided in multiple languages and formats. The Contractor will also develop a "Good Neighbor" plan approved by Metro, with adherence to this plan being a performance metric subject to potential liquidated damages. The "Good Neighbor" plan is tied to the goal of MBS providing exemplary customer service and being a valued addition to the community/neighborhood that MBS operates within. The purpose is to better understand how MBS can serve the community and all customers - this includes passholders, single riders, potential riders, partners, businesses and any others that may be impacted by MBS throughout construction/relocation, as well as during general operations, with the goal of enabling MBS to better implement and operate its service to meet community and customers' needs. The plan will outline how MBS will engage, listen, adapt and serve the neighborhoods, businesses and communities within which it operates. Key to this expansion strategy will be to maintain ongoing communication with residents of these communities and to provide a process so that station planning is transparent and allows community members to provide their input.

Metro will collaborate with the Contractor and MBS partner(s) to establish a national model for bike share equity, focusing on communities with "High Need" and "Very High Need" based on the Equity Need Index. The Contractor will propose service metrics, non-smartphone and non-credit card payment options, outreach strategies for disadvantaged populations and plan for engaging with EFCs. Metro will also collaborate with our MBS partner(s), the Contractor and other stakeholders to consider and identify options that will support expansion of MBS into EFCs through potential grants, such as Better Bike Share Partnership grants, cost-sharing and other solutions.

In addition, offering an option for individuals who are unbanked or may not have access to a digital device, will be advanced with the new contract as part of the Mobility Wallet solution. Working closely with TAP and the Office of Strategic Innovation will allow Metro to identify an implementation plan for MBS users beyond the current pilot phase. The contract will also allow Metro to work toward an improved and integrated payment solution that provides a more streamlined process. Integration will allow payments within TAP and outside of the TAP environment leading to improved user experience and allowing for greater access overall.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

MBS program supports the following Vision 2028 Strategic Plan Goals:

1. Provide a high-quality mobility option that enables people to spend less time traveling.
2. Deliver an outstanding trip experience for all users of the transportation system.
3. Enhance communities and lives through mobility and access to opportunity.
4. Transform LA County through regional collaboration and national leadership.
5. Provide responsive, accountable, and trustworthy governance within the organization.

ALTERNATIVES CONSIDERED

The Board may reject the approval of the recommendation. This alternative is not recommended as it could negatively impact the public as the current contract for MBS services will expire on June 30, 2024. To continue providing the service without interruption, an extension of the current contract would be required or there would be a service gap until such time as a new contract is approved.

The Board may also decide to cease all MBS operations. This alternative is not recommended as MBS provides a reliable and growing mobility option for many residents, as well as visitors, within Los Angeles County, with over 441,000 trips taken in 2023. MBS is a key component to providing a comprehensive transportation solution to meet the varied needs of Los Angeles County residents and visitors. MBS provides an effective zero-emissions VMT alternative to using a vehicle for short trips.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS102304000 with Lyft Bikes and Scooters, LLC for the MBS program and initiate the transition from the current to new contractor in as seamless a manner as possible. Staff will initiate outreach efforts to identify and introduce any changes/improvements to the public and existing MBS members and work with the Contractor to secure authorization to enable installation of the in-dock e-bike charging stations. Staff will actively coordinate and monitor actions to ensure the Contractor's adherence to their commitment related to the transition of existing staff to the new Contractor. Staff will continue outreach efforts to interested jurisdictions and initiate discussions regarding the possible expansion of MBS and begin work on the fare structure review. Staff will engage with the Contractor to ensure efforts are being made per their commitment to increase the DBE participation rate under this contract. Finally, staff will begin the discussion with the Contractor to finalize the contract modification needed to support the implementation of the REAP grant extension which will be brought back for Board approval.

ATTACHMENTS

Attachment A - Motion #41

Attachment B - Procurement Summary

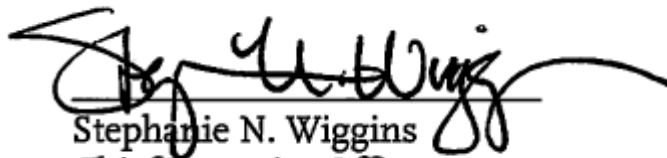
Attachment C - DEOD Summary

Attachment D - MBS Equipment Upgrade and Operations Information

Attachment E - Contractor Union and SBE/DBE Participation Summary

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Stephanie N. Wiggins
Chief Executive Officer



Metro

Board Report

File #: 2021-0743, File Type: Motion / Motion Response

Agenda Number: 41.

EXECUTIVE MANAGEMENT COMMITTEE NOVEMBER 18, 2021

Motion by:

DIRECTORS KREKORIAN, GARCETTI, KUEHL, AND SANDOVAL

Improving the Effectiveness and Sustainability of Metro Bike Share

Metro Bike Share, a county-wide bike share program, launched in 2016. Since then, Metro has had over 3,300 bicycles in the system, consisting of a mix of Classic, Smart, and E-bikes.

Currently, Metro only has 38% of the total original fleet remaining in operation. Metro Bikes have been targets of theft, and rates of fleet loss ebb and flow as new methods of theft are discovered and addressed. The Metro Bike Share team has increased efforts to recover lost and stolen bicycles but this is not sustaining the fleet and the program does not have an established fleet replenishment strategy. As a result, fewer Metro Bikes are available for use, which degrades the quality of service available to the public.

Affordable, accessible public transportation and active transportation options such as Metro Bike Share are a cornerstone of meeting our region's climate goals. As local jurisdictions in the County continue expanding bicycle infrastructure and mobility options to meet climate goals and improve the quality of life for residents, a successful and sustainable Metro Bike Share program is more important than ever.

SUBJECT: IMPROVING THE EFFECTIVENESS AND SUSTAINABILITY OF METRO BIKE SHARE

RECOMMENDATION

APPROVE Motion by Directors Krekorian, Garcetti, Kuehl, and Sandoval that the Board direct the Chief Executive Officer to report back in 90 days on:

- A. An action plan to stabilize the current fleet size including actions for how to identify, prioritize, and address new mechanisms of theft as they arise.
- B. An action plan to address equitable access in the current program and in any future form of the program. This plan shall include recommendations on issues such as serving people who may be unbanked, addressing the digital divide, and keeping fare cost low.

- C. A plan to provide uninterrupted service as the next iteration of the program is determined and executed.
- D. A plan to convene an industry forum (as was performed for Metro Micro) to bring together academics, cities with existing bike share programs, community stakeholders, and industry experts to provide recommendations on advancing Metro Bike Share beyond the current contract in one of several forms including but not limited to:
1. Continuing Metro Bike Share as a contracted service,
 2. Operating the program In-house with Metro employees,
 3. A private-sector model with financial subsidy provided by Metro.
- E. Performing a market survey to identify best practices and business models among existing bike-share systems in the US, and comparable global systems (e.g., Paris, London, Barcelona, Madrid, and Mexico City), and to develop comparative data on subsidy cost per ride, total ridership, size of fleet, vehicle technology, theft and damage loss and prevention, and alternative financing sources like sponsorship and advertising.
- F. Recommendations for continuing and evolving the Metro Bike Share program to meet the goals of the agency, with countywide stakeholder engagement and consideration of cost-sharing, with the goal of expanding service area and local participation to all subregions in the County. These recommendations should include eligible local, state, and federal funding sources for capital and operations budgets, as well as legislative opportunities to expand such funding eligibility.

PROCUREMENT SUMMARY

METRO BIKE SHARE/PS102304000

1.	Contract Number: PS102304000	
2.	Recommended Vendor: Lyft Bikes and Scooters, LLC	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: April 19, 2023	
	B. Advertised/Publicized: April 19-20, 2023	
	C. Pre-Proposal Conference: April 27, 2023	
	D. Proposals Due: June 28, 2023	
	E. Pre-Qualification Completed: October 26, 2023	
	F. Ethics Declaration Forms submitted to Ethics: June 28, 2023	
	G. Protest Period End Date: January 23, 2024	
5.	Solicitations Picked up/Downloaded: 43	Bids/Proposals Received: 2
6.	Contract Administrator: James Giblin	Telephone Number: 213-922-4654
7.	Project Manager: Paula Carvajal-Paez	Telephone Number: 213-299-4258

A. Procurement Background

This Board Action is to approve Contract No. PS102304000 issued in support of Metro Bike Share. Board approval of contract awards is subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed price. A 28% DBE goal with a COMP (Contractor Outreach Mentoring Plan) Program participation was required.

Four amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on May 5, 2023, clarified and updated the Statement of Work, adding more detail to Sections 2.2 - *Data Management*, 2.3 – *Data Analytics and Reporting*, and 9.2 – *TAP and Mobility Wallet*.
- Amendment No. 2, issued on May 18, 2023, extended the deadline to submit questions and extended the proposal due date from June 7, 2023, to June 21, 2023;
- Amendment No. 3, issued on May 25, 2023, added Form 6/COMP PROGRAM – Protege Pre-Assessment Form as a requirement;
- Amendment No. 4, issued on June 6, 2023, extended the proposal due date from June 21, 2023, to June 28, 2023;

A total of 43 firms downloaded the RFP and were included in the planholders list. A pre-proposal conference was held on April 27, 2023, attended by 18 participants

representing 14 firms. A total of 58 questions were asked and responses were released prior to the proposal due date.

A total of two proposals were received on June 28, 2023, from the following firms:

- Bicycle Transit Systems, Inc. (BTS)
- Lyft Bikes and Scooters, LLC (Lyft)

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro’s Operations Department and Office of Strategic Innovation, Los Angeles Department of Transportation, City of Pasadena, and City of Culver City, was convened to conduct a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- | | |
|--|-----|
| • Understanding of the Requirements/Work and Overall Approach | 45% |
| • Firm/Team (Prime and Subs) Experience and Staff Qualifications | 25% |
| • DBE Contracting Outreach and Mentoring Plan (COMP) | 5% |
| • Cost Proposal | 25% |

The evaluation criteria were carefully developed by the project team based partially on the previous Metro Bike Share solicitation, with refinements and additions based on the experience of operating the program since July 2016. Several factors were considered when developing these weights, giving the greatest importance to the understanding of requirements/work and overall approach. The PET evaluated the proposals according to the pre-established evaluation criteria.

During the period of July 24, 2023, through August 23, 2023, the PET independently evaluated and scored the technical proposals. Both firms were determined to be within the competitive range and were invited for oral presentations on August 3, 2023, which provided each firm the opportunity to present their team’s qualifications, and to respond to questions from the PET.

Following oral presentations, a clarification request was issued to both proposers on August 9, 2023, to confirm that both proposals addressed sponsorship/advertising as an alternative, rather than as a baseline component of cost proposals. The PET finalized technical scores based on written proposals, oral presentations, and the clarification request. On August 23, 2023, the PET completed their evaluation of the proposals and ranked Lyft’s proposal as the highest scored proposal.

Qualifications Summary of Firms within the Competitive Range:

Lyft Bikes and Scooters, LLC (Lyft)

Lyft operates bike-share programs in many of the largest and most visible domestic markets, including New York City (Citibike), Chicago (Divvy), and San Francisco (Bay Wheels). Each of these programs, as well as others both domestic and international, were acquired by Lyft via a 2018 buyout of Motivate, then the largest bike-share operator in the United States. In 2022, Lyft acquired PBSC Urban Solutions, a Montreal-based bike-share systems manufacturer, and the supplier of equipment in support of Lyft's proposal for Metro Bike Share.

Lyft brings an experienced team to the project, including the VP of Public Policy with 15 years of experience in related industries; Sr. Director of Business Development with 9 years in related industries; and General Manager for the Los Angeles Market with 4 years in related industries.

Lyft's response to the solicitation is a plan to replace 100% of current Metro Bike Share equipment with their own systems, a change which will be accompanied by a 75% e-bike to standard bike ratio, as well as charging docks (as opposed to the current fleet whose batteries are manually charged and replaced by technicians). In addition to the full system replacement, Lyft commits to improve key metric performance of the Metro Bike Share program using technologies and best practices developed and deployed in other leading North American markets.

Bicycle Transit Systems, Inc. (BTS)

BTS currently operates the LA Metro Bike Share program and has done so since 2016. Furthermore, BTS operates other major bike-share programs in Philadelphia (Indego) and Las Vegas (RTC Bike Share). BTS partners with B-Cycle, a subsidiary of major bicycle manufacturer Trek Bikes, as both the current and proposed supplier of docks and bicycles to the Metro Bike Share Program.

BTS's project team includes extensive experience in the nascent domestic bike-share industry, including the CEO with 8 years in related industries; owner/founder with 16 years in related industries; and the General Manager for the Los Angeles Metro Bike Share with 7 years in related industries.

Without the need for a transition to a new operator or equipment replacement, BTS' proposal demonstrated they can immediately focus on Metro Bike Share objectives which range from improving equitable access to service, to expansion into new geographical locations in the market, to reducing cost and improving performance, as well as key customer service and ridership metrics. BTS' proposal ranked well in the technical areas; however, its cost proposal was not competitive.

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	Lyft Bikes and Scooters, LLC				
3	Understanding of the Requirements/Work and Overall Approach	81.33	45.00%	36.60	
4	Firm/Team (Prime and Subs) Experience and Staff Qualifications	92.68	25.00%	23.17	
5	DBE COMP Plan	80.00	5.00%	4.00	
6	Cost Proposal	100.00	25.00%	25.00	
7	Total		100.00%	88.77	1
8	Bicycle Transit Systems, Inc.				
9	Understanding of the Requirements/Work and Overall Approach	84.00	45.00%	37.80	
10	Firm/Team (Prime and Subs) Experience and Staff Qualifications	90.68	25.00%	22.67	
11	DBE COMP Plan	80.00	5.00%	4.00	
12	Cost Proposal	39.20	25.00%	9.80	
13	Total		100.00%	74.27	2

C. Cost Analysis

The recommended price of \$132,558,098 has been determined to be fair and reasonable based upon an independent cost estimate (ICE), cost analysis, technical analysis, fact finding and negotiations.

The recommended amount includes the following items that were negotiated but not included in Lyft's original proposal:

- Negotiation of incentive funding
- Clarification of the cost to incorporate annual escalation
- Clarification on unforeseen actions
- Negotiated a usage fee program with a 5% residual over the useful life of equipment (docks and bikes), with Metro retaining rights to purchase all equipment in the event of contract termination
- Agreed on preliminary terms and funding for station electrification, to allow for a major customer service and operations improvement with charging docks
- Negotiated a loss sharing plan to reward partnership in reduction of theft percentage, with guide rails to help ensure Metro is protected from loss.

	Proposer Name	Proposal Amount	Metro ICE	Recommended Amount
1.	Lyft	<p>\$103,610,822</p> <p>Base: \$48,318,960 (Years 1-5)</p> <p>Opt. 1: \$27,635,131 (Years 6-8)</p> <p>Opt. 2: \$27,656,731 (Years 9-11)</p>	\$133,558,605	<p>\$132,558,098</p> <p>Base: \$62,933,262 (Years 1-5)</p> <p>Opt. 1: \$33,146,835 (Years 6-8)</p> <p>Opt. 2: \$36,478,001 (Years 9-11)</p>
2.	BTS	<p>\$264,296,016</p> <p>Base: \$144,865,206 (Years 1-5)</p> <p>Opt. 1: \$56,564,577 (Years 6-8)</p> <p>Opt. 2: \$62,866,233 (Years 9-11)</p>		

D. Background on Recommended Contractor

Lyft Bikes and Scooters, LLC, (Lyft) incorporated in 2021 in San Francisco, CA, is a subsidiary of Lyft, Inc. focused on operating networks of short-term rental bikes and scooters. This subsidiary incorporates staff and resources from two recent corporate acquisitions made by Lyft, Inc.: Motivate, acquired in 2018; and PBSC Urban Solutions, Inc. (PBSC), acquired in 2022. Motivate was, at the time of acquisition, the largest bike-share operator in the United States. PBSC, a Montreal-based manufacturer of docks and bicycles, continues to operate as a major international supplier of bike-share systems. Lyft’s proposal included competitive labor rates for hourly workforce that exceed Metro’s current living wage rate. Additionally, Lyft’s subcontractor committed to voluntarily recognize the existing Transport Workers Union (TWU) upon program transition.

Lyft, Inc., founded in 2007 and headquartered in San Francisco, CA, manages a platform facilitating peer-to-peer ridesharing across the United States and Canada. The corporation orchestrates versatile transportation networks, driven by mobile phone apps and granting users access to diverse travel options. Their offerings range from the Ridesharing Marketplace, connecting drivers and passengers; Express Drive, a car rental program aimed at Lyft drivers; Lyft Rentals, a short-term oriented entry into the car rental market, as well as a fleet of shared bikes and scooters in multiple cities, catering to short-distance trips. Additionally, Lyft, Inc. has invested in products and services ranging from access to self-driving vehicles, centralized tools, enterprise solutions like concierge transport for organizations, subscription plans such as Lyft Pink,

commuter programs via Lyft Pass, first and last-mile services, and safe rides initiatives tailored for university settings.

DEOD SUMMARY**METRO BIKE SHARE / PS102304000****A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 28% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Lyft Bikes and Scooters, LLC (Lyft) made a 9.21% DBE commitment. In accordance with the DBE Program Regulation, 49 Code of Federal (CFR) Part 26.53, to be considered responsive, Proposers must document enough DBE participation to meet the goal and if the commitment is less than the stated goal, submit evidence of adequate good faith efforts (GFE) to meet the goal.

As identified in the Request for Proposal (RFP), the nine factors considered during the GFE evaluation include: (1) Advertisements soliciting bids/proposals from DBE firms(s), (2) Outreaching to Small Business Organizations and Community Groups, (3) If the Proposer identified portions of Work to be subcontracted, (4) Soliciting to an adequate number of DBE firms, (5) If the Proposer followed up with an adequate number of solicited DBE firms, (6) If the Proposer offered assistance with bonding and insurance to DBE firms, (7) If the Proposer negotiated in good faith with DBEs, and (9) Consideration of the DBE commitment of other Proposers. To pass GFE, Proposers must score 90 out of the possible 100 points.

DEOD evaluated Lyft's GFE documentation based upon the GFE standards.

Examples of Lyft's GFE include the following:

- Lyft advertised this opportunity in 3 minority publications and 2 trade publications for greater than 26-30 days (the standard is no less than 21 days).
- Lyft took reasonable efforts to break down work categories for subcontracting opportunities.
- Lyft contacted 177 out of 348 (50%) listed DBE firms provided in the solicitation (the minimum is 40%).
- Lyft followed up with 168 out of the 177 (94%) of the DBE firms originally contacted (the minimum is 75%).
- Lyft offered bonding and insurance assistance in its advertisement/outreach.
- Lyft attended Metro's Pre-Proposal conference.
- Lastly, Lyft provided evidence that it did not unjustifiably reject bids from any DBEs.

Lyft achieved a passing score of 90 points and DEOD determined that Lyft demonstrated sufficient good faith efforts. Additionally, DEOD recognizes that Lyft is utilizing 4 DBE firms out of the 6 total subcontractors.

Small Business Goal	28% DBE	Small Business Commitment	9.21% DBE
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	DBE Subcontractors	Ethnicity	% Committed
1.	Arellano Associates	Hispanic American	1.70%
2.	2meart.com	African American	0.79%
3.	Millenium Concepts, LLC	African American	1.29%
4.	DirectedLINK, LLC	Hispanic American	5.43%
Total DBE Commitment			9.21%

Contracting Outreach and Mentorship Plan (COMP)

To be responsive, Proposers were required to submit a Contracting Outreach and Mentoring Plan (COMP) including strategies to mentor for protégé development two (2) DBE firms for Mentor-Protégé development. Lyft Bikes and Scooters, LLC proposed to mentor the following (2) protégé's: Millenium Concepts (DBE), and 2meart.com (DBE).

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable on this contract. However, Lyft's proposal included competitive labor rates for hourly workforce that exceed Metro's current living wage rate. Additionally, Lyft's subcontractor committed to voluntarily recognize the existing Transport Workers Union (TWU) upon program transition.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.

MBS Equipment Upgrade and Operations Information

Equipment Upgrade

The equipment exchange will provide two significant improvements that will increase the performance of MBS and the overall service provided to the public.

E-Bikes

The first improvement is an acceleration in the availability of pedal assist e-bikes. The Contractor has agreed to an immediate increase in the number of e-bikes, such that the MBS fleet will be comprised of 75% class 1 pedal assisted (not throttle controlled) e-bikes with a maximum speed of 20 mph. This will increase the on-street e-bike fleet from 370 to 1,350. E-bikes have consistently demonstrated a higher ridership rate. Currently, MBS e-bikes generate, on average, seven (7) times more ridership than compared to the classic pedal bikes. The usage rate demonstrates a definite preference of e-bikes by riders. Using a more conservative average of 2.0 trips/bike/day for e-bikes and 0.5 trips/bike/day for classic pedal bikes, the accelerated transition to 75% e-bikes is estimated to generate approximately 1.1 million rides annually versus an estimated 441,000 rides for calendar year 2023.

Station Electrification

The second improvement is the provision of up to 100 stations capable of supporting in-dock e-bike charging. While the Contractor has developed and implemented this technology with over 1,600 in-dock e-bike charging stations installed in a variety of locations including Pittsburgh, Chicago, Barcelona, and Madrid, the installation of these stations represents a new opportunity for MBS. The installation and full operation of this technology will improve the overall user experience as the number of e-bikes charged and ready for use will increase and enable more efficient operation; however, the installation of these stations will be dependent upon the Contractor securing approval from both Metro and the appropriate local jurisdiction(s). As the value of the e-bike is dependent upon the batteries, ensuring that the batteries are charged and therefore the e-bikes fully usable is essential. The alternatives to the in-dock charging stations are 1) to operate a battery swapping protocol that is both labor and material intensive with higher cost and resulting in an increase to the VMT to support the battery swapping protocol; or 2) reduce/eliminate the addition of the e-bike fleet which would negatively impact the value and service provided to the public.

Initial exploratory discussions have begun between Metro and the City of Los Angeles (LADOT, Bureau of Engineering and LADWP) to evaluate this opportunity and all parties are in general agreement to support this innovative solution. Metro will continue to evaluate this solution and work with all parties to identify the appropriate locations to ensure efficient e-bike charging, prioritizing EFCs (aiming for approximately 50% of

stations within these communities), identifying and securing appropriate power sources, supporting station connectivity to approved power sources, and obtaining final approval. Upon approval, Metro will take the appropriate steps to initiate the work, which may require Board authorization to modify the contract. Should the Contractor be unable to connect the stations to enable in-dock charging, then the stations will still be functional as a standard non-powered station; however, Metro will incur additional costs to support the in-field battery swap protocol.

There are also ancillary benefits to having electrified stations. This includes the opportunity to collaborate and leverage existing and planned privately owned micro-mobility equipment or possible EV charging capabilities, including the possible coordination with the City of Los Angeles' BlueLA electric carsharing program to provide e-bike charging, wherever appropriate.

Staff is investigating and will continue to investigate and pursue grant or alternative funding opportunities to help off-set these and other MBS costs.

Operations

The contract is structured with a 5-year base period of operation, following the 5-month transition/mobilization, and 2 separate 3-year options for a total potential operating period of 11 years. As part of the discussions Metro secured a letter of commitment from the Contractor's CEO to address prior public statements by the CEO regarding "inbound" interest in their bike and scooter program. The Contractor affirms that any contractual obligations will remain in place. That being stated, the contract contains terms and conditions that provide Metro with remedies and approval authority should there be any change in ownership/responsibility.

The Contractor shall be responsible for ensuring the reliable and efficient operation of MBS pursuant to the SOW and performance requirements. The SOW contains a series of performance requirements and associated metrics which, based on the Contractor's performance, if not met, will result in payment reductions via liquidated damages. In addition to these requirements and the associated liquidated damages, the SOW contains one incentive-based metric tied to ridership, specifically to the monthly average rides/bike/day. This incentive has been included to support the goal of increasing the overall ridership, value and impact of MBS. The trips/bike/day metric will be reviewed and revised annually and is capped to not exceed a total value of \$200,000 per year for a total potential of \$2.2 million over the 11-year contract period. Concurrently with this ridership-based incentive, there is a similar ridership-based metric which can trigger liquidated damages should ridership not reach the identified level.

The performance metrics, MBS equipment ownership and other provisions were developed to better align the roles and responsibilities between Metro and the Contractor. For example, Metro will retain authority over the fare structure, but the Contractor will be responsible for ensuring the implementation of the fare structure into its various fare collection and customer touch point systems. Other tasks are tied in

some level to performance metrics and/or approved operational plans with the Contractor being the primary subject matter expert to perform and operate as required and Metro providing the oversight and guidance as well as retaining certain foundational authority to ensure a sustainable and equitable program.

With respect to equipment ownership, while the Contractor will still be the owner and have primary responsibility for loss/theft mitigation, during the negotiations, the Contractor requested a slight modification to the loss/theft arrangement. To ensure a greater shared engagement on loss/theft, Metro and the Contractor agreed to the following: 1) the Contractor shall be solely responsible for the initial 5% annual bike loss; 2) Metro and the Contractor shall jointly be responsible (35% Metro – 65% Contractor) for the next 15% of annual bike loss; and 3) the Contractor shall be responsible for bike loss above 20% annually. For context, bike loss for calendar year 2023 was 76 bikes or 4% based on an average of 1,800 bikes. Comparatively, for calendar year 2022, the bike loss was 177 bikes or approximately 10% based on 1,800 bikes. Based on these loss figures, Metro would have no contribution for 2023 and would have provided 35% funding for the replacement of 87 bikes in 2022. This solution results in a lower set/fixed monthly fee, while enabling Metro and the Contractor to collaboratively engage in keeping the variable bike loss cost to a minimum as there are financial and operational benefits to both parties as well as to the public. This solution caps Metro's obligation to no more than 15% above the initial 5%, which is fully covered by the Contractor, thereby limiting Metro's overall exposure. For example, the industry bike loss average is 10% per year, if MBS was to experience a 10% bike loss the first 5% would be fully covered by the Contractor and Metro would contribute 35% of the cost for the next 5%. This contribution would equate to approximately \$75,000 (or 35% of the cost to replace 90 e-bikes). The alternative scenario is to cover this cost as part of the set/fixed monthly per dock operating fee. This would increase the total annual cost to Metro by approximately \$137,000 to cover the same loss scenario. As long as MBS bike loss is contained at 20% or less, Metro will realize a cost saving under this scenario versus the set/fixed monthly per dock fee scenario. As the industry average for loss is 10% and as MBS has diligently worked on reducing this figure, there is an opportunity to realize cost savings under this scenario. This scenario is similar to the model employed in Paris, France where the Agency and the Contractor share a 50%-50% responsibility for the first 10% of bike loss/theft.

Another area of potential operational improvement due to the transfer of equipment ownership is the ability to realize equipment advancements or innovations more efficiently. With the Contractor owning the equipment, it will be more efficient for MBS to realize equipment advancements or innovations, some of which are a result of the Contractor's operations and experiences in other bike share programs. In the past, the ability to improve equipment was based on Metro's ability to define or scope the work, secure the funding and execute a contract modification. For example, Metro required a modification to secure 100% GPS capability on all MBS bikes, which delayed the ability to introduce this capability to mitigate bike loss/theft. Under this SOW, should the Contractor develop any advancements, with Metro's approval, the Contractor will be able to expeditiously deploy such innovations to the overall benefit of MBS users.

Additionally, the SOW contains a provision that enables Metro to direct improvements, advancements, innovations or developments. For example, Metro could direct the development of a new interface and/or integration with the Long Beach bike share program to provide a more seamless experience for both MBS and Long Beach bike share customers, develop new uses for the electrified stations (if installed), pursue additional mobile application improvements, etc.

With respect to sponsorships/advertising, while Metro retains full authority and rights, Metro and the Contractor have had initial exploratory discussions regarding the potential to increase revenues from these streams and will continue to explore available options. Any agreement regarding sponsorship or advertising will be incorporated into a future contract modification and may require Board and local jurisdiction approval. In the interim, Metro will continue to retain full control and rights to advertising as currently structured.

Contractor Union and SBE/DBE Participation Summary

Union Staffing Summary

The table below provides a summary of the major markets in which Lyft currently operates. Union staffing is primarily associated with operations and maintenance actions and provided by Lyft subcontractors. The work performed may include bike maintenance, station maintenance, system rebalancing, installation, cleaning, etc.

Market	Bikes	Stations	Operating Since	Union Staffing	% Union
Chicago*	9,500	730	2013	Yes	92
New York	40,000	2,100	2013	Yes	94
Washington DC	7,500	750	2010	Yes	89
Bay Area	9,000	520	2013	Yes	85
Portland**	2,000	0	2020	Yes	29
Boston	3,500	415	2011	Yes	83
Toronto***	9,000	780	2017	No	-
Chattanooga***	500	40	2017	No	-
Detroit***	600	80	2017	Yes	75

Notes:

*- Chicago is currently in the midst of a transition and the figures represent the previous subcontractor. The subcontractor is working with all parties to transition the employees with the expectation of maintaining the current utilization.

** - Portland is currently undergoing a unionization process with the expectation that once completed the percentage will be in alignment with the other markets.

*** - These three markets are directly operated by one of their subcontractor.

SBE/DBE Summary

Lyft confirmed that the only contract with a DBE/SBE/WBE/MBE commitment is in Chicago. The DBE target for this contract is 5% and Lyft has reported meeting this goal.

As Lyft can only respond to the requirements of any procurement action or contract provisions as disseminated by the public contracting authority, they are unable to provide any clarification as to the lack of any DEOD related goals for their other markets. Of note, some markets do not provide public funds to support the program (i.e. New York) or may only provide funds to support capital equipment purchased but not for program operations.