

**Metropolitan Transportation Commission**  
**Operations Committee**

February 10, 2023

Agenda Item 5a

**Contract - Bay Wheels Bikeshare E-bike Expansion: Lyft, Inc. (\$15,940,000)**

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**Subject:**

Approval of a contract with Lyft, Inc. (Lyft) for expansion of the Bay Wheels bike share system in the form of electric bikes and other improvements in a not to exceed amount of \$15,940,000.

**Background:**

Accelerating transportation electrification is a key Plan Bay Area 2050 strategy to help achieve the greenhouse gas reduction target for passenger vehicles. MTC administers transportation funding through the One Bay Area Grant (OBAG) program, including \$65 million for transportation electrification initiatives. As part of the transportation electrification initiative, up to \$20 million has been identified for electric bikeshare.

Staff seek authorization for the Executive Director to negotiate and enter into a sole source contract with Lyft, subject to funding being allocated, to expand shared electric bikes (e-bikes) in the Bay Wheels bikeshare system. The capital investment will include additional e-bikes, spare parts, docking stations, and infill docks in all five Bay Wheels cities and a station electrification pilot in San Francisco, with potential opportunities to expand the pilot to other member cities. This contract would also include a subsidized low-cost membership program for college students, and a new price accumulator for monthly memberships. Lastly, the investment allows for a \$19 decrease in the cost of annual membership, and a \$0.05 decrease in the e-bike per minute fees for members.

While this contract would cover the majority of the \$20 million of funding, the remaining amount, subject to approval, will include funding for an adaptive bikeshare program, partial funding for expansion of e-bike share to adjacent cities, funding for staff needs for participating cities, and grid connection for station electrification. The proposed allocation of the expected programming and investment is summarized in Attachment B and the remaining amount will be brought to the Commission at a later date.

Staff presented to the Operations Committee on November 4, 2022, and to the Policy Advisory Council on January 11, 2023, with an update on bikeshare in the region, focusing on Bay

Wheels. In addition, a report was provided to the MTC Planning Committee in December that included proposed transportation electrification investment details. The MTC Executive Director authorized MTC to enter into a sole source agreement with Lyft for the remainder of the Program Agreement. Concurrently, staff have been working internally and with the five member cities on a proposal and term sheet that aligns regional and jurisdictional goals that can be implemented quickly. The proposed key terms are attached hereto as Attachment A.

**Executive Summary:**

MTC staff believes that bikeshare will play a valuable part in achieving the Plan Bay Area 2050 statutory target to reduce greenhouse gas emissions, as well as the goal of reducing vehicle miles traveled. Given that implementation of all thirty-five strategies outlined in the Plan is expected to nearly double biking and walking commute trips, increasing from 5% to 9% by 2050<sup>1</sup>, a sustainable bikeshare system will be a key implementation component to encourage Bay Area residents to take more trips by biking than by single occupancy vehicles.

As the end of the Bay Wheels contract approaches, in July 2027, MTC and the participating cities need to be proactive in preparing for the future regional bikeshare system. While many aspects of the system are working well, there is also room for improvement, and the system is not equal across all five member cities. To fortify the system, MTC is looking to make an investment by bringing new e-bikes across the entire system. The investment focuses on e-bikes, with additional capital funding to add stations, and pilot station electrification. It includes additional equity program funding, including a subsidized low-cost membership program for college students. The investment focuses on investing in new e-bikes to build regional cohesion and have a substantial e-bike fleet in all member cities. It will add and replace e-bikes in San Francisco and San Jose, and bring e-bikes to Berkeley, Emeryville, and Oakland.

This investment will improve the system's financial sustainability by reducing operational costs through station electrification and longer lasting batteries in the new e-bikes and building ridership by lowering membership costs and e-bike fees. Assessing the financial sustainability of the system post investment will help to understand what investment might be needed for a future

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<sup>1</sup> PBA2050, pg. 119

system, and how successful the system can be. The new e-bikes have better theft deterrents, a significant issue for bikeshare and scooter operators in the Bay Area, and lower operational costs. In addition, e-bikes have had higher utilization than pedal bikes, so adding e-bikes in Berkeley, Emeryville, and Oakland is expected to increase ridership. Finally, reducing annual membership cost and member per minute e-bike are expected to increase membership and ridership by offering a more affordable option. Although this funding approval is subject to the key terms in Attachment A, it does not approve specific details of program implementation or circumscribe the range of possibilities for the expansion.

**Next Steps:**

MTC and Lyft will negotiate a contract that includes the terms provided in Attachment A. Contract execution would be subject to MTC programming actions necessary to fund the contract up to the ‘not to exceed’ amount. Staff will continue to work with cities on how to document their coordination.

**Issues:**

None identified.

**Recommendations:**

Staff recommends the Committee authorize the Executive Director or designee to negotiate and enter into a contract with Lyft for the expansion of the Bay Wheels bike share system in the form of electric bikes and other improvements in an amount not to exceed \$15,940,000, subject to necessary allocation actions.

**Attachments:**

- Attachment A: Term Sheet
- Attachment B: Proposed Investment
- Attachment C: PowerPoint Presentation



Andrew B. Fremier

## Request for Commission Approval

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### Summary of Proposed Term Sheet

Work Item No.:	1413
Consultant:	Lyft Inc., San Francisco, California
Work Project Title:	Bay Wheels Bikeshare E-bike Expansion
Purpose of Project:	To expand e-bike service to the entire Bay Wheels system and improve bikeshare system service
Brief Scope of Work:	To fund capital investments in new e-bikes, spare parts, new stations, infill docks and station electrification, and implement a low-cost subsidized student membership pilot
Project Cost Not to Exceed:	\$15,940,000
Funding Source:	OBAG 3 Climate Initiatives
Fiscal Impact:	Funds available in the FY (Fiscal Year) 2022-23 MTC agency budget.
Motion by Committee:	That the Executive Director or designee is authorized to negotiate and enter into a contract with Lyft Inc., for Bay Wheels Bikeshare E-bike Expansion as described above and in the Operations Committee Summary Sheet dated February 10, 2023, and that the Chief Financial Officer is authorized to set aside \$15,940,000 for such contract, subject to funding availability and programming actions.
Operations Committee:	<hr/> Carol Dutra-Vernaci, Chair
Approved:	February 10, 2023