



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item: 3b

Joseph P. Bort MetroCenter  
101 Eighth Street  
Oakland, CA 94607-4700  
Tel: 510.464.7700  
TDD/TTY: 510.464.7769  
Fax: 510.464.7848

## *Memorandum*

TO: Administration Committee

DATE: January 6, 2016

FR: Executive Director

W.I.: 1125

RE: Bike Share Program Contract Actions

- i. Contract – Bay Area Bike Share Program Agreement: Bay Area Motivate, LLC (Not to exceed \$500,000)
- ii. Contract – Bike Share Asset Transfer Agreement: Bay Area Air Quality Management District (\$696,898)

This memorandum requests Committee approval of a contract with Bay Area Motivate, LLC (“Motivate”), for an amount not to exceed \$500,000, and of an asset transfer agreement with the Bay Area Air Quality Management District (“BAAQMD”) for \$696,898. Both amounts are pass-through expenses related to the Bay Area Bike Share program and will not result in any MTC funds spent on the program, as required by the May 2015 Commission approval of the program.

### **Background**

On May 27, 2015, the MTC Commission authorized the MTC Executive Director to negotiate and enter into a 10-year contract with Motivate International, Inc. for a zero cost contract to deliver, implement, and operate a bike share system for 7,000 shared bikes in Berkeley, Emeryville, Oakland, San Francisco, and San Jose, with two 5-year options to extend the program. At that meeting, the Commission also approved a term sheet, which set forth material terms and requirements for the contract. One such requirement was a directive that Motivate and MTC cooperatively develop a plan to effectuate the transfer of the pilot bike share program in Mountain View, Palo Alto, and Redwood City from BAAQMD to MTC. The transfer plan was to provide for continuation of existing memberships and the transfer of system data and assets to ensure a “seamless transfer”, leaving Motivate with the ability to operate the system under the MTC contract. The entity that owns Motivate International, Inc., Bikeshare Holdings, LLC, has formed Bay Area Motivate, LLC for the operation of the bike share program in the Bay Area.

In December 2015, to satisfy timing needs related to BAAQMD’s closing of its pilot project, MTC and Motivate executed a Bay Area Bike Share Program Agreement based on the approved term sheet and negotiations between MTC, BAAQMD, Motivate, and the participating cities. As part of the negotiations, BAAQMD agreed to provide MTC with \$500,000 from the revenues that were earned during the pilot program through membership dues and usage fees, subject to approval by the California Department of Transportation (Caltrans) of this use of program revenues. Once received, MTC will pass through these funds, in an aggregate amount not to exceed \$500,000, to Motivate to defray program transition costs.

Additionally, Motivate agreed to purchase the assets of the pilot program initially acquired with federal funds and currently owned by BAAQMD. Caltrans determined the federal portion of the Fair Market Value (FMV) of those assets to be \$696,898 in December 2015, based upon an external auditor's valuation. MTC agreed to help facilitate the purchase of these assets by serving as a pass-through agent from Motivate to BAAQMD. Specifically, Motivate will pay to MTC \$696,898 under the Program Agreement, and MTC will then pass through the same amount to BAAQMD under the Asset Transfer Agreement. Funding for both of these contract actions is proposed to be included in the FY 2015-16 agency budget, as revised, as part of agenda item 4a on today's agenda.

**Recommendation**

Staff recommends that the Committee authorize the Executive Director or his designated representative to pass through an amount not to exceed \$500,000 in a contract with Motivate to support the pilot bike share program and defray operational costs related to program transition.

Staff also recommends that the Committee approve the Asset Transfer Agreement with BAAQMD to facilitate the transfer of bike share assets from BAAQMD to Motivate in the amount of \$696,898, the funding for which will be provided to MTC by Motivate.



---

Steve Heminger

SH:km

REQUEST FOR COMMITTEE APPROVAL  
Summary of Contract

Work Item No.:	1125
Consultant:	Bay Area Motivate, LLC New York, NY
Work Project Title:	Bay Area Bike Share
Purpose of Project:	Continue to operate existing pilot bike share program during program transition phase.
Brief Scope of Work:	Service existing memberships and operate an existing pilot program in Mountain View, Palo Alto, Redwood City, San Francisco, and San Jose through June 30, 2016 and until the first phase of the bike share expansion is complete.
Project Cost Not to Exceed:	\$500,000
Funding Source:	Fund transfer from Bay Area Air Quality Management District (BAAQMD) – local bike share pilot program revenues
Fiscal Impact:	Funding subject to inclusion in FY 2015-16 budget
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a contract with Bay Area Motivate, LLC for the purposes described above and in the Executive Director’s January 6, 2016 memorandum, and the Chief Financial Officer is authorized to set aside funds in the amount of \$500,000 for such contract subject to inclusion in the FY 2015-16 MTC budget.
Administration Committee:	<hr/> Adrienne J. Tissier, Chair
Approved:	Date: January 13, 2016

REQUEST FOR COMMITTEE APPROVAL  
Summary of Asset Transfer Agreement

Work Item No.:	1125
Consultant:	Bay Area Air Quality Management District (BAAQMD) San Francisco, CA
Work Project Title:	Bay Area Bike Share Asset Transfer
Purpose of Project:	Transfer ownership of pilot bike share program assets from BAAQMD to Bay Area Motivate, LLC (Motivate).
Brief Scope of Work:	Pass through funds from Motivate to BAAQMD and transfer data and assets from BAAQMD to Motivate to facilitate Motivate's expansion of the bike share program.
Project Cost Not to Exceed:	\$696,897.77
Funding Source:	Fund transfer from Motivate
Fiscal Impact:	Funding subject to inclusion in FY 2015-16 budget
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into an asset transfer agreement with BAAQMD to acquire pilot bike share program assets as described above and in the Executive Director's January 6, 2016 memorandum, and the Chief Financial Officer is authorized to set aside \$696,897.77 for such asset transfer agreement, subject to inclusion in the FY 2015-16 MTC budget.
Administration Committee:	<hr/> Adrienne J. Tissier, Chair
Approved:	Date: January 13, 2016