



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Bay Area Metro Center  
375 Beale Street  
San Francisco, CA 94105  
TEL 415.778.6700  
WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

## *Memorandum*

TO: Administration Committee

DATE: October 5, 2016

FR: Executive Director

W. I. 1125

RE: Contract Amendment – Bay Area Bikeshare Program Agreement: Bay Area Motivate, LLC

This memorandum asks for Committee approval of a contract amendment with Bay Area Motivate, LLC (“Motivate”) to modify certain terms of the Bay Area Bikeshare Program Agreement according to the revised Term Sheet, attached as Attachment A, Term Sheet (revised October 2016). These modifications, described in full detail below, will allow Motivate to secure stronger financing for successful operation of the program, modify the program implementation schedule, expand the low-income equity program, plan for additional community engagement, and provide terms for Motivate to operate smart-bike systems integrated in the region at a reduced rate.

### **Background:**

On May 27, 2015, after a presentation to this Committee, the Commission authorized the MTC Executive Director to negotiate and enter into a 10-year contract (with two 5-year options to extend) with Motivate International, Inc. for a contract to deliver, implement, and operate a bike share system for 7,000 shared bikes in Berkeley, Emeryville, Oakland, San Francisco, and San Jose, at no cost to taxpayers. At that meeting, the Commission also approved a Term Sheet, which dictated certain contract requirements, such as the term, implementation schedule, operations and pricing, and program expansion. The Term Sheet, including modifications proposed in this Memorandum, is attached as Attachment A, Term Sheet (revised October 2016).

On December 31, 2015, MTC negotiated and entered into the contract with Bay Area Motivate, LLC, a company that Motivate International, Inc.’s parent company, Bikeshare Holdings, LLC, formed to operate the bike share program in the Bay Area. This Committee approved the Program Agreement and other program related agreements on January 13, 2016. On June 28, 2016, the Program Agreement was amended to modify its Attachment A, Continuation Agreement that related to continued operation of the existing Pilot Bike Share Program to extend the period of performance.

On September 9, 2016, Motivate announced that Ford Motor Co., would sponsor the Bay Area Bike Share Program for seven years, at a price of \$49 million. However, Motivate’s lenders will only provide a line of credit for five years because of MTC’s ability to reduce the term to five years. Motivate is seeking to change this provision.

In exchange, staff has further negotiated with Motivate to create a more accessible low-income equity program, to expand community engagement as further outreach of the Bike Share program, and to alter other terms for the operation of smart-bike systems in the region.

**Requested Contract Amendment Terms**

Staff requests this Committee to authorize a contract amendment with Motivate to modify the following terms, in accordance to Attachment A, Term Sheet (revised October 2016):

1. Contract Term Reduction (refer to Attachment A, Item 4, Term)

Staff requests to modify the contract term provision such that MTC may reduce the 10-year term by three (3) years [instead of five (5) years], so that Motivate may get a seven year loan against seven years of sponsorship revenue. This will assist Motivate in getting essential funding upfront to implement the program, and provide for a more timely installation schedule and financially sustainable operation. MTC will still retain its ability to terminate the contract for cause.

2. Program Implementation Schedule (refer to Attachment A, Item 3, Launch Dates)

2A: Phase I Milestone re: Installation

Staff requests to extend the milestone for commencement of Phase I installation of bicycles such that installation commences seven (7) months [instead of effectively five (5) months] after 75% of Phase I permits have been issued. This will ensure that Motivate has enough time to close its financing, order the equipment, and receive delivery.

2B: Phase I Milestone re: Order for Bicycles

Staff requests to extend the milestone date for Motivate to place a purchase order for 75% of the Phase I Bicycles and Stations to sixty (60) days [instead of thirty (30) days] after 75% of the Phase I permits have been issued. This will provide Motivate with additional time to close the loan and organize its finances.

3. Community Engagement (refer to Attachment A, Item 24, Low Income and Minority Community Engagement)

Staff requests to add a contract term such that Motivate agrees to provide \$140,000 to create a community engagement program that will fund community based organizations to educate their communities about planning for and use of the Bikeshare system in advance of and during its expansion. This is one of the key strategies to increase use of the Bikeshare system by low-income and minority riders who have not used Bikeshare systems nationally at rates commensurate with their population share within the service areas. In combination with the provision of a deeper low-income pass (see #4 below), these outreach efforts will walk potential users through the siting, potential benefits, user requirements, and membership process in their own neighborhoods and languages leading up to and through the arrival of hundreds of new bicycles in 2017. Early feedback from these communities will also be used to inform future phases of the system expansion, identify additional

community needs for the successful use of the system by all the residents of the service area, and link with Motivate's community outreach efforts.

4. Pricing Uniformity and Discounting (refer to Attachment A, Item 7, Pricing)

Staff requests to add a contract term requiring Motivate to offer uniform pricing to users of all bicycles operated by Motivate in the Bay Area. Furthermore, staff requests to modify the pricing provision such that Motivate must offer a discounted pass set at \$5 for the first year and \$5 per month thereafter [instead of 40% of the annual price]. Based on the Chicago Divy Bikeshare system, this pricing structure is a proven method to encourage would-be, low-income users to try Bikeshare. By reducing this barrier to entry, creating a cash-payment option in time for Phase I deployment, and in combination with the outreach program outlined above, these changes will help MTC and Motivate develop a Bikeshare system that meets both equity and sustainability goals. Motivate will partner the cities and MTC to study usage and membership of low-income and minority users within six months of Phase I deployment to determine the efficacy of these actions and determine if any additional changes are needed to increase usage and membership.

5. Smart Bike System – (refer to Attachment A, Item 25, Reciprocity with Contiguous Smart Bike System)

Staff requests to add a requirement that other cities in the MTC region within a 10 mile radius that contract with Motivate for operations of a "smart bike" system that has membership reciprocity with the MTC program will be charged no more than \$195 per bike per month for a "smart-bike" system. This will provide for an integrated membership solution among various vendor systems in preparation for possible future integration of smart bike systems in the Bay Area.

**Recommendation**

Staff recommends that this Committee authorize the Executive Director or his designee to negotiate and enter into a contract amendment with Bay Area Motivate, LLC in accordance with the Attachment A, Term Sheet (revised October 2016), in order to allow for continued successful program implementation and financing for the Bay Area Bike Share Program.



---

Steve Heminger

SH:dj

J:\COMMITTEE\Administration\2016 by Month\10\_Oct'2016\_Admin\3b\_Bay Area\_Motivate\_LLC\_ContractAmend\_Memo.v.2.doc

**Attachment A**  
**Motivate-MTC Term Sheet**  
*(Originally adopted May 25, 2015)*  
*(Revised October 2016)*

This term sheet is intended to be used to facilitate discussions between the Metropolitan Transportation Commission (“MTC”) and Motivate International Inc. (“Motivate”) in order to develop a contract for the acquisition, launch and operation of a bike share system in the Bay Area.

Where text is revised, added text is indicated in italics. Deleted text is indicated in strikethrough.

<i>Item</i>	<b>Contract Topic</b>	<b>Contract Terms</b>
1	Equipment Ownership	<p>If required by the FHWA, Motivate will be obligated to purchase the equipment initially acquired with federal funds according to the terms of the FHWA agreement.</p> <p>As currently outlined in the FHWA agreement, any item with a current per-unit FMV of less than \$5,000 will be transferred to Motivate at no cost. For items with a current per-unit FMV of more than \$5,000, the purchase price will be based on the share of federal funding for the project multiplied by the equipment’s FMV, as established by past sales of comparable equipment.</p>
2	System Size	<p>7,000-7,055 bikes total</p> <ul style="list-style-type: none"> <li>• 4,500 in SF</li> <li>• 1,000 in San Jose</li> <li>• 1,400 in East Bay (850 in Oakland, 100 in Emeryville, 400 in Berkeley, 50 TBD based on additional system planning analysis)</li> <li>• Between 100 and 155 to be determined: <ul style="list-style-type: none"> <li>– If Mountain View, Palo Alto, and Redwood City all decide to agree with Motivate and continue bike share, Motivate will provide 155 bikes among the three cities.</li> <li>– If one or two of the three pilot cities listed above decide to continue bike share, Motivate will provide enough bikes to maintain a 2:1 dock to bike ratio with the docks currently stationed in each city. If this is less than 100 bikes, Motivate will deliver enough bikes to another city to reach a program total of at least 7,000.</li> <li>– If none of the three pilot cities listed above decides to continue bike share, 100 bikes to be determined among SF, San Jose, and the East Bay.</li> </ul> </li> </ul>
3	Launch Dates	<p><i><b>PHASE I:</b> Sites Motivate, or Operator, shall submit to the Participating Cities complete applications for Site Permits for Stations representing 25% of the total bikes for San Jose, East Bay and San Francisco (the “Phase I Stations”) <del>should be approved and permitted</del></i></p>

Item	Contract Topic	Contract Terms
		<p><del>by December 30, 2015</del> by the date that is 5 months after the Effective Date. <del>Motivate will install these bikes by June 1, 2016</del> Operator shall not be obligated to commence installation of fully functional and operational Bicycles and related Equipment at such Sites until the date that is 7 months after the issuance by the Participating Cities of Site Permits for 75% of the Phase I Stations and shall complete such installation for all such Sites by the date that is 7 months after the issuance by the Participating Cities of Site Permits for the remainder of the Phase I Stations.</p> <p>Motivate will order bikes within 60 days of receiving 75% of Phase I Permits</p> <p><b><u>PHASE II:</u></b> <del>Site Permits for Station Sites</del> Motivate, or Operator, shall submit to the Participating Cities complete applications for Stations representing an additional 15% of bikes for San Jose, East Bay and SF (the “Phase II Stations”) <del>should be approved and permitted by April 30, 2016.</del> by the date that is 9 months after the Effective Date. <del>Motivate will install these bikes by October 1, 2016.</del> Operator shall not be obligated to commence installation of fully functional and operational Bicycles and related Equipment at such Sites until the date that is 5 months after the issuance by the Participating Cities of Site Permits for 75% of the Phase II Stations and shall complete such installation for all such Sites by the date that is 5 months after the issuance by the Participating Cities of Site Permits for the remainder of the Phase II Stations.</p> <p><b><u>PHASE III:</u></b> <del>Sites</del> Motivate, or Operator, shall submit to the Participating Cities complete applications Permits for Stations representing the remaining 60% of bikes for the East Bay (the “Phase III Stations”) <del>should be approved and permitted by July 30, 2016</del> by the date that is 12 months after the Effective Date. <del>Motivate will install these bikes by January 1, 2017.</del> Operator shall not be obligated to commence installation of fully functional and operational Bicycles and related Equipment at such Sites until the date that is 5 months after the issuance by the Participating Cities of Site Permits for 75% of the Phase III Stations and shall complete such installation for all such Sites by the date that is 5 months after the issuance by the Participating Cities of Site Permits for the remainder of the Phase III Stations.</p> <p><b><u>PHASE IV:</u></b> <del>Sites</del> Operator shall submit to the Participating Cities complete applications for Site Permits for Stations representing an additional 30% of bikes for San Jose and SF (the “Phase IV Stations”) <del>should be approved and permitted by November 30, 2016</del> by the date that is 16 months after the Effective Date. <del>Motivate will install these bikes by April 1, 2017.</del> Operator shall not be obligated to commence installation of fully functional and operational Bicycles and related Equipment at such Sites until the date that is 5 months after the</p>



Item	Contract Topic	Contract Terms
		<p><i>issuance by the Participating Cities of Site Permits for 75% of the Phase IV Stations and shall complete such installation for all such Sites by the date that is 5 months after the issuance by the Participating Cities of Site Permits for the remainder of the Phase IV Stations.</i></p> <p><i><b>PHASE V:</b> Sites Operator shall submit to the Participating Cities complete applications for Site Permits for the remaining bikes in San Jose and SF (the “Phase IV Stations”) <del>should be approved and permitted by May 31, 2017</del> by the date that is 22 months after the Effective Date. <del>The remainder of bikes shall be installed no later than November 1, 2017.</del> Operator shall not be obligated to commence installation of fully functional and operational Bicycles and related Equipment at such Sites until the date that is 5 months after the issuance by the Participating Cities of Site Permits for 75% of the Phase V Stations and shall complete such installation for all such Sites by the date that is 5 months after the issuance by the Participating Cities of Site Permits for the remainder of the Phase V Stations.</i></p> <p>Delays in receiving permitted and approved sites by specified dates <i>or Events of Force Majeure</i> will result in extension of the installation dates in an amount equal to the delay.</p> <p><del>The above dates are based on completion of the contract with the MTC by July 31, 2015. If Motivate is negotiating in good faith and the contract signing occurs after July 31, 2015, the above dates will be extended by a duration equal to the difference between the contract signing date and July 31, 2015.</del></p>
4	Term	<p>10 year term, reduced to <del>5 years</del> <i>seven (7) years</i> if Motivate does not achieve the aggregate bike target numbers described above (includes provisions for force majeure and siting issues) or if Motivate is in persistent and material breach of its contractual obligations as of the time renewal is considered in the <del>fourth</del> <i>sixth</i> year.</p> <p>The contract may be extended for two additional five-year terms upon mutual agreement of the MTC and Motivate. If Motivate is in substantial compliance with the terms of the contract, MTC will engage in good faith negotiations to renew the contract on substantially equivalent terms one year prior to the expiration of the current term.</p> <p>MTC will provide notification of non-renewal no later than six months prior to the end of the term. If neither party provides no notice of non-renewal by six months, the contract should be extended for five years on the same terms.</p>

<i><b>Item</b></i>	<b>Contract Topic</b>	<b>Contract Terms</b>
5	Exclusivity	<p>During the Term of this Agreement, Motivate shall have the exclusive right to operate a bike sharing program that utilizes public property and public right of way anywhere within San Francisco, Berkeley, Oakland, San Jose and Emeryville.</p> <p>The exclusivity provision does not apply to an existing pilot electric bike share program, facilitated by City CarShare and planned for Berkeley and San Francisco. The approximately 90 electric bikes at 25 planned stations will be available only to members of City CarShare.</p>
6	System Buy-In	<p>San Jose, San Francisco, Berkeley, Emeryville, and Oakland may contribute public funding for additional bikes and stations that are interoperable with the existing system. Costs to cities for purchasing, installing and operating the equipment is as follows:</p> <ul style="list-style-type: none"> <li>• Capital Equipment: Aggregate pricing for bike share solution as specified in the Air District contract + 10%. Adjusted annually by the producer price index.</li> <li>• Installation: \$4,000 per station, including site planning and drawings, growing at CPI.</li> <li>• Operations and maintenance of the equipment: \$100 per dock per month, growing at CPI</li> <li>• Motivate is obligated to maintain equipment purchased by the cities in a state-of-good repair throughout the term. At the end of the term, Motivate shall return the equipment to the city in good working order acknowledging that there is expected to be normal wear and tear from use.</li> </ul> <p>San Mateo and existing pilot cities other than San Francisco and San Jose that want to continue and/or expand existing system operations after the expiration of the BAAQMD contract can develop a new service agreement with Motivate using their own sources of funds. Costs to cities for purchasing, installing and operating the equipment is as follows:</p> <ul style="list-style-type: none"> <li>• Existing equipment upgrade cost: \$12.50 per dock per month, growing at PPI.</li> <li>• New capital equipment: Aggregate pricing for bike share solution as specified in the Air District contract + 10%. Adjusted annually by the producer price index.</li> <li>• Installation of new equipment: \$4,000 per station, including site planning and drawings, growing at CPI</li> <li>• Operations and maintenance of the equipment: \$100 per dock per month, growing at CPI.</li> </ul>

<i>Item</i>	<b>Contract Topic</b>	<b>Contract Terms</b>
	System Buy-In (continued)	<ul style="list-style-type: none"> <li>- Price is reduced to \$75 per dock, adjusted by CPI, if an average of 1 ride per bike per day citywide occurs for a 12 month period</li> <li>- Price is reduced to \$50 per dock, adjusted by CPI, if an average of 1.5 rides per bike per day citywide occurs for a 12 month period</li> <li>- Price is reduced to \$0 per dock, adjusted by CPI, if an average of 3 rides per bike per day citywide occurs for a 12 month period</li> </ul> <ul style="list-style-type: none"> <li>• Motivate is obligated to maintain equipment purchased by the cities in a state-of-good repair throughout the term. At the end of the term, Motivate shall return the equipment to the city in good working order, acknowledging that there is expected to be normal wear and tear from use.</li> <li>• Cities are able to raise sponsorship to offset the costs of purchasing and operating the bike share system in their locality. Local sponsorship packages may include recognition of the sponsor on one side of one ad panel on the station. System naming rights, bike branding, and other branding of physical assets will be determined by Motivate in conjunction with title sponsor and in compliance with local advertising regulations. Local sponsors cannot be in the same category as the title sponsor, unless approved by Motivate.</li> <li>• Motivate will operate the current configurations of stations and docks, following the expiration of the BAAQMD contract, with enough bikes to provide a 2:1 ratio of bikes to docks, at no cost until December 31, 2015.</li> <li>• MTC will pay \$100 per dock per month to Motivate from January 1, 2016 through June 30, 2016 to maintain operations in the pilot cities.</li> <li>• Cities must decide whether or not to continue and/or expand bike share by May 31, 2016. Motivate will begin relocating equipment in cities that decide not to continue in July 2016.</li> </ul> <p>Subsequent to deployment of 7,000 bikes within San Francisco, San Jose, Oakland, Berkeley and Emeryville, other cities in the MTC region that want to participate in the regional bike share system can develop a service agreement with Motivate using their own sources of funds. Costs to cities for purchasing, installing and operating the equipment is as follows:</p>



<i>Item</i>	<b>Contract Topic</b>	<b>Contract Terms</b>
	System Buy-In (continued)	<ul style="list-style-type: none"> <li>• New capital Equipment: Aggregate pricing for bike share solution as specified in the Air District contract + 10%. Adjusted annually by the producer price index.</li> <li>• Installation: \$4,000 per station, including site planning and drawings, growing at CPI</li> <li>• Operations and maintenance of the equipment: \$130 per dock per month, growing at CPI. <ul style="list-style-type: none"> <li>– Price is reduced to \$97.50 per dock, adjusted by CPI, if an average of 1 ride per bike per day citywide occurs for a 12 month period</li> <li>– Price is reduced to \$65 per dock, adjusted by CPI, if an average of 1.5 rides per bike per day citywide occurs for a 12 month period</li> <li>– Price is reduced to \$0 per dock, adjusted by CPI, if an average of 3 rides per bike per day citywide occurs for a 12 month period</li> </ul> </li> <li>• Motivate is obligated to maintain equipment purchased by the cities in a state-of-good repair throughout the term. At the end of the term, Motivate shall return the equipment to the city in good working order, acknowledging that there is expected to be normal wear and tear from use.</li> <li>• Cities are able to raise sponsorship to offset the costs of purchasing and operating the bike share system in their locality. Local sponsorship packages may include recognition of the sponsor on one side of one ad panel on the station. System naming rights, bike branding, and other branding of physical assets will be determined by Motivate in conjunction with title sponsor and in compliance with local advertising regulations. Local sponsors cannot be in the same category as the title sponsor, unless approved by Motivate.</li> </ul> <p>In addition, Motivate has the right to contract with private entities that want to provide funding for stations and bikes that are situated on privately-owned property.</p>
7	Pricing	<p><i>This pricing will be offered to users of all bicycles operated by Motivate in the Bay Area.</i></p> <p>\$149 annual pass that can be increased no more than CPI + 2% annually. Annual pass can be paid in 12-monthly installments of no more than \$15.00</p> <p>All other pricing can be set at Motivate's discretion.</p> <p>Motivate will offer a discounted pass set at <del>40% of the annual price</del> \$5</p>

		<i>for the first year and \$5 per month thereafter and, in partnership with the cities, provide a cash payment option for households without an active bank account.</i> The discount will be available to customers who are eligible and enrolled in Bay Area utility lifeline programs. If participation in the discounted program is below expectations, Motivate and MTC may mutually agree on other eligibility criteria so long as the eligibility is determined by a third-party.
8	Revenue Share	<p>User Revenue: 5% of user revenue above \$18,000,000 earned by Motivate (in accordance with GAAP) in any year will be paid to MTC. Amounts owed will be paid within 120 days of the end of the calendar year.</p> <p>Sponsorship Revenue: 5% of sponsorship revenue in excess of \$7,000,000 earned by Motivate (in accordance with GAAP) in any year will be paid to MTC. Amounts owed under the sponsorship revenue share agreement in years 1-5 will be deferred and paid in equal installments in years 6-10. For years 6-10, amounts owed under the sponsorship revenue share agreement will be paid within 120 days of the end of the calendar year.</p> <p>The revenue share hurdle will be adjusted for CPI starting in year 2.</p>
9	Brand Development and Sponsorship	<p>Motivate is responsible for identifying sponsors and developing system name, color, logo and placement of system assets. MTC, in consultation with the cities, will have approval rights over title sponsorship and branding.</p> <p>Motivate will abide by cities' existing guidelines and restrictions with regards to outdoor advertising. Motivate will not choose sponsors that are in age-restricted categories (alcohol, tobacco or firearms), products banned by the local government, or deemed offensive to the general public. Rejection of proposed sponsors by municipalities are limited to the grounds above.</p>
10	Advertising	Motivate will have the right to sell advertising on physical and digital assets. Advertising on physical assets are subject to local restrictions on outdoor advertising.
11	Siting	<p>Motivate to develop site locations, which will be prioritized based on demand. Motivate will also use city analyses and recommendations already developed where possible.</p> <p>If a city does not approve a proposed site location, they must provide an alternative within one-block.</p> <p>Motivate to provide a 20% minimum placement in communities of concern system-wide. Participating cities may designate other areas for 20% minimum placement instead of communities of concern.</p>

<b>Item</b>	<b>Contract Topic</b>	<b>Contract Terms</b>
	Siting (continued)	<p>Motivate will work together with cities on community engagement and outreach as part of the station siting process, including necessary business associations and city meetings.</p> <p>Motivate can relocate or resize underperforming stations while maintaining minimum placements in communities of concern.</p> <p>Motivate will hire planning and engineering firms to minimize the cities' costs and resources related to planning. Motivate will discuss staff time requirements with each city and determine ways to reduce demands on staff. If staff time exceeds estimates due to errors or omissions or by Motivate or its contractors, Motivate will reimburse cities for reasonable and documented direct staff time related to these issues.</p> <p>Cities to provide estimates on costs of permits within seven days of signing term sheet. If costs of permits are significant, Motivate will seek a waiver on permit costs given the public benefits of the project. If Motivate and Cities cannot reach agreement on a waiver, Motivate may consider reimbursing actual direct costs incurred by the city to provide the permit (e.g, a field visit by an inspector).</p>
12	Security Fund	<p>Motivate will provide \$250,000 into a Security Fund account controlled by MTC prior to the installation of the first new station. The Security Fund shall serve as security for the faithful performance by Motivate of all obligations under the contract.</p> <p>MTC may make withdrawals from the Security Fund of such amounts as necessary to satisfy (to the degree possible) Motivate's obligations under this Agreement that are not otherwise satisfied and to reimburse the MTC or cities for costs, losses or damages incurred as the result of Motivate's failure to satisfy its obligations.</p> <p>MTC shall not make any withdrawals by reason of any breach for which Motivate has not been given notice and an opportunity to cure in accordance with the Agreement.</p> <p>If funds are withdrawn from the Security Fund, Motivate will be required to replenish the Security Fund to an amount equal to \$250,000 on a quarterly basis.</p> <p>Interest in account accrues to Motivate.</p> <p>90 days after the end of the term, any remaining funds will be returned to Motivate.</p>

<b>Item</b>	<b>Contract Topic</b>	<b>Contract Terms</b>
13	Liability	Motivate shall defend, indemnify and hold MTC and its officers and employees harmless, to the fullest extent permitted by law, etc. Similar indemnities for cities.
14	Default	Termination and default clauses include the option to require Motivate to remove equipment, assign or transfer equipment and IP to a third party. IP assignment is limited to the extent needed for a third-party to maintain and operate the system.
15	Data	All data owned by Motivate. Cities granted a non-exclusive, royalty free, perpetual license to use all non-personal data.  Monthly Reports shall be provided for each of the above KPIs and other system data, to be determined.
16	Responsibilities of Motivate	Brand development, station siting, design, permitting, purchase of equipment and software, installation of bikes and stations, station relocation, equipment replacement, bike share safety training, monthly operating meetings with MTC and cities, marketing, sales and sponsorship, operations and maintenance of system including customer service.  Station relocation by public agencies will require reimbursement of costs incurred by Motivate. However, if a newly installed station is found to be unsuitable by a city for its location, the city may request within 30 days of installation the relocation of a station at Motivate's cost. The number of available free station moves is equal to 10% of the installed station base less any prior moves. For example, if a city has 100 stations installed, they have a total of 10 free station moves less any free station moves used to date. If the system grows to 200 stations, they then have 20 station moves less any station moves used to date.
17	Site Design and Planning	Motivate will hire a planning and engineering firm with experience in the specific locality to do surveying, site design and permit submission. Motivate will solicit input from each city to help determine its planning and engineering partners.  Motivate will hire a community relations firm to assist with organizing and hosting community meetings and to conduct outreach to local residents and businesses.  Motivate will use commercially reasonable efforts to subcontract the work to DBEs where possible.  Each municipality should provide a point of contact to coordinate the community engagement efforts and the permitting process.

<b>Item</b>	<b>Contract Topic</b>	<b>Contract Terms</b>
18	Marketing	<p>MTC, in consultation with the cities, has final approval of marketing plans and activities.</p> <p>MTC, in consultation with the cities has approval over marketing and outreach plans for low-income communities, non-native English speaking populations, and disadvantaged communities. Motivate must do outreach and marketing in Spanish, Chinese and Vietnamese. MTC retains the ability to conduct outreach and program support in low-income and Limited English Proficiency neighborhoods.</p> <p>Motivate's other marketing activities must comply with MTC and local standards for decency and not offend the general public. Motivate will not advertise or promote any products in prohibited categories (tobacco, alcohol, etc.).</p>
19	Parking Meter Revenue	<p>Motivate must make best effort to avoid taking metered parking spaces. If a city requires reimbursement of lost parking meter revenue for a given site, the city must also provide an alternative site location within one city block that is not sited in metered parking areas. Motivate can choose to locate in either site.</p>
20	KPIs	<p>Key Performance Indicators:</p> <ol style="list-style-type: none"> <li>1. Rebalancing: no station will remain full or empty for more than 3 consecutive hours between 6AM and 10PM.</li> <li>2. Bicycle Availability: the number of bikes available for rent on an average, monthly basis shall be at least 90% of all bikes in service.</li> <li>3. Station Deactivation, Removal, Relocation, and Reinstallation: as notified by MTC, perform the necessary action within the number of days in the established schedule for each task.</li> <li>4. Station/Bike Maintenance, Inspection &amp; Cleaning: check each bike and station at least once per month and resolve each issue within a given time frame.</li> <li>5. Program, Website, and Call Center Functionality: the system, website, and call center shall each be operational and responsive 24/7, 365 days a year.</li> </ol> <p>Liquidated damages related to KPIs may not exceed 4% of annual user revenue for the year.</p>

<b>Item</b>	<b>Contract Topic</b>	<b>Contract Terms</b>
21	Transition of Project from Bay Air Quality Management District (BAAQMD) to MTC	Subject to Air District Board approval, BAAQMD, MTC and Motivate will cooperatively develop a plan to effectuate the transfer of the project from the BAAQMD to MTC. The plan will provide for the implementation of new pricing, the continuation of existing memberships, the transfer of system data, the transfer of assets, and any other provision to ensure a seamless transfer and provide Motivate with the ability to operate the system under the MTC contract.
22	Resolution of Terms with BAAQMD	Resolution includes: <ul style="list-style-type: none"> <li>• Motivate will settle all outstanding claims with the Air District for the amount of \$150,000.</li> <li>• Air District agrees to release funds withheld for billed expenses and to pay all legitimate past and documented unbilled expenses totaling \$582,872 less the \$150,000 settlement amount.</li> <li>• On a go-forward basis, Motivate will be paid for all eligible reimbursable costs per month to the maximum amount of one twelfth of the Annual Operations Fee, or \$136,638.67 per month. Cost caps within categories will not be relevant.</li> <li>• This agreement will resolve prior SLA claims and any other prior potential claims that could be asserted through the date of Settlement</li> </ul>
23	Americans with Disability Act (ADA) Provisions	In implementing and operating the bicycle sharing system, Motivate shall comply with all applicable requirements of the Americans with Disabilities Act, Section 508 of the Rehabilitation Act of 1973, and all other applicable federal, state and local requirements relating to accessibility for persons with disabilities, including any rules or regulations promulgated thereunder. Such compliance shall extend to the location and design of system equipment and related facilities as well as the system website and any mobile application for the system.
24	<i>Low Income and Minority Community Engagement</i>	<i>Motivate will provide \$140,000 to create a community engagement program that will fund community based organizations to educate their communities about planning for and using the Bikeshare system in advance of its expansion.</i>
25	<i>Reciprocity with Contiguous Smart Bike Systems</i> [JG2] [ALN3]	<i>Other cities in the MTC region within a 10 mile radius of an existing Motivate bike share Operation that contract with Motivate for operations of a “smart bike” system that has membership reciprocity with the MTC program will be charged no more than \$195 per bike per month for a “smart-bike” system, which is a 25% discount from the “smart-dock” offer in the original term sheet.</i>



REQUEST FOR COMMITTEE APPROVAL  
Summary of Program Agreement Amendment

Work Item No.:	1125
Consultant:	Bay Area Motivate, LLC New York, NY
Work Project Title:	Bay Area Bikeshare Program
Purpose of Project:	To operate the Bay Area Bikeshare Program in the existing pilot program areas of Mountain View, Palo Alto, Redwood City, San Francisco, and San Jose, and expand the program to Berkeley, Emeryville, Oakland, San Francisco, and San Jose.
Brief Scope of Work:	This amendment will modify the contract in accordance with the revisions stated in the Executive Director's Memorandum, and in accordance with the revisions indicated in <u>Attachment A</u> , Term Sheet (revised October 2016) thereto.
Project Cost Not to Exceed:	\$0 (this amendment) Total Contract before this amendment: \$500,000 Total Authorized Contract after this amendment: \$500,000
Funding Source:	Fund transfer from Bay Area Air Quality Management District (BAAQMD) – local bike share pilot program revenues
Fiscal Impact:	Included in the MTC FY 2015-16 budget
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with Bay Area Motivate, LLC, for the purposes described above and in the Executive Director's memorandum dated October 5, 2016.
Administration Committee:	<hr/> Adrienne J. Tissier, Chair
Approved:	Date: October 12, 2016