

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Sustainable Streets

BRIEF DESCRIPTION:

Staff recommends that the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors approve the Regional Bicycle Share Pilot Program Intergovernmental Agreement ("Agreement") between the City and County of San Francisco, the San Mateo County Transit District, the City of Redwood City, the County of San Mateo, the Santa Clara Valley Transportation Authority (VTA), and the Bay Area Air Quality Management District (Air District) anticipated to be in effect until September 30, 2013. Planning and implementation of the pilot program project will require a total SFMTA expenditure of \$996,550 from a combination of Transportation Development Act Article 3 (TDA3) funds (\$500,000), the Livable Streets Fund (\$95,300), and the Transportation Fund For Clean Air County Program Manager (TFCA CPM) Fund (\$401,250).

SUMMARY:

- Under the leadership of the Air District, a regional bicycle sharing pilot project (the "project") will deploy 1,000 bicycles regionally starting in spring 2012 at up to 100 stations along the peninsula transportation corridor, with 500 bicycles (and approximately 50 stations) in San Francisco.
- The project schedule aims to circulate a Request for Proposals (RFP) this summer to solicit bid proposals for the capital purchase and bike share operations, award a contract in the fall, and launch service in spring of 2012.
- The project will operate for 12 months, followed by a final evaluation with a goal for the project to continue and expand following the pilot period.
- The total SFMTA cost for the pilot is just under \$1M, including the SFMTA's local match and staff time, 90% of which comes from grant sources, and the remainder from the SFMTA's Livable Streets Fund.
- The Agreement defines an organizational structure for implementing the project, ratifies the financial and logistical commitments for each participant, and sets forth the basic policy direction for the project.
- The Agreement establishes a four-member Steering Committee consisting of representatives from the Air District, SFMTA, VTA, and SamTrans, with SamTrans representing all three San Mateo County partners and the Air District serving as the overall project lead and administrator.
- The Agreement does not specify which entity will own the bikes and stations during or after the project, rather it provides that ownership will be determined by the RFP, decisions of the Steering Committee, and the contract with the vendor.
- The Agreement states that any vendor selected in the course of the project will be required to indemnify the parties against any and all liability and loss and be obligated to require any third party implementing any portion of the project to indemnify the parties against any and all liability and loss.

ENCLOSURES:

1. SFMTAB Resolution
2. Map of planned pilot bicycle sharing service area
3. Regional Bicycle Share Intergovernmental Agreement

APPROVALS:

DATE

DIRECTOR OF DIVISION

PREPARING ITEM _____

FINANCE _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION BE RETURNED TO Heath Maddox, Senior Planner

ASSIGNED SFMTAB CALENDAR DATE: _____

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PURPOSE

The Project objective is to pilot zero-emissions bicycle sharing strategically in downtown urban centers of varying sizes and population densities in close proximity to transit services located in Priority Development Areas (PDA) or other areas with high potential for use. This Project will demonstrate and test the potential to effectively reduce single-occupancy vehicle travel by offering shared use bicycles as a first- and last-mile transportation alternative, thereby reducing vehicle miles traveled and greenhouse gas emissions and improving local air quality. It will also work to test the viability of public use bicycles as a stand-alone mode of travel.

The Project is intended to produce data that will be used to develop a regionally coordinated bike-sharing strategy useful for expanding the program in the original pilot cities and for replicating the program in other targeted Bay Area communities. The Project will also include an extensive outreach component that will encourage transportation mode shift to sustainable transportation alternatives with a focus on bicycling.

The purpose of the Bicycle Sharing Intergovernmental Agreement is to define an organizational structure for implementing the regional bicycle sharing project, to ratify the financial and logistical commitments that the parties have made to the project, and to set forth the basic policy direction for the project.

GOAL

The proposed project intends to fulfill the following goals and objectives of the SFMTA 2008-2012 Strategic Plan:

Goal 1: Customer Focus – To provide safe, accessible, reliable, clean and environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First Policy.

Objective 1.4: Improve accessibility across transit services

Objective 1.5: Increase percentage of trips using more sustainable modes (such as transit, walking, bicycling, rideshare)

Goal 2: System Performance – To get customers where they want to go, when they want to be there.

Objective 2.2: Ensure efficient transit connectivity and span of service

Objective 2.3: Fulfill bicycle and pedestrian network connectivity

Goal 3: External Affairs/Community Relations – To improve the customer experience, community value, and enhance the image of the SFMTA, as well as ensure SFMTA is a leader in the industry.

Objective 3.4: Enhance proactive participation and cooperatively strive for improved regional transportation

DESCRIPTION

Background

In October of 2010, the Metropolitan Transportation Commission (MTC) approved the recommended Bay Area Climate Initiatives (BACI) program of projects, including \$4.3 million for a one-year Regional Bicycle Sharing Pilot. The lead applicant for the federal BACI grant, the Bay Area Air Quality Management District (Air District) is responsible for executing the overall funding agreement with Caltrans, administering the project according to Caltrans procedures, and coordinating implementation by the local partners, comprised of the SFMTA, the Santa Clara Valley Transportation Authority (VTA), San Mateo County Transit District (SamTrans), the City of Redwood City, and the County of San Mateo.

Since late 2010, the project partners have been working collaboratively to produce an intergovernmental agreement to define partner roles and responsibilities for planning and implementation of the project. Once the agreement is approved by the SFMTA Board of Directors and the respective partner agencies, staff from the agencies will complete a scope and technical specifications for the issuance of a Request for Proposals to solicit bid proposals from bike share providers and operators.

Project Scope

The bike sharing project will deploy 1,000 bicycles regionally in spring 2012 at up to 100 stations along the Peninsula transportation corridor, with 500 bicycles (and approximately 50 stations) in San Francisco, 200 in San Jose, 100 in Palo Alto, 100 in Mountain View, and 100 in Redwood City.

Description of Bicycle Sharing

Similar to car sharing, bicycle sharing is a membership-based system for short-term bicycle use. Members or one-time users can check out a purpose-built bicycle from a network of automated bicycle stations, ride to a destination, and return the bicycle to a different station. A contractor has not yet been chosen for the regional pilot (RFP forthcoming this summer) but the stations will most likely be modular and essentially portable, have room for 7-20 bikes, and use solar and battery power.

Local Service Area

In San Francisco, the pilot service area will be centered in the employment- and transit-rich Downtown/SOMA corridor between the Financial District, Market Street and the Transbay and Caltrain terminals (see Attachment 2 for a preliminary map). This area is notably flat, has the city's densest bikeway network coverage and enjoys the highest levels of cycling, yet those who commute by transit from cities to the East and South encounter difficulties bringing a bicycle with them on BART or Caltrain. Much of San Francisco's densely urbanized northeastern quadrant is similarly well-suited to bicycle sharing, making a system size of several thousand bicycles immediately viable given sufficient additional capital funding.

Intergovernmental Agreement

Air District staff led the development of the Intergovernmental Agreement (Attachment 3), but the local partners contributed significantly and the document underwent multiple iterations of staff and legal review. The purpose of the agreement is to define an organizational structure for implementing the project, to ratify the financial and logistical commitments that the parties have made to the project, and to set forth basic policy directions for the project. In addition to defining roles and responsibilities for project administration and implementation, the agreement provides general information on the project's background, purpose and scope as well as details on schedule, funding, and budget.

The agreement establishes a four-member Steering Committee consisting of representatives from the Air District, SFMTA, VTA, and SamTrans, with SamTrans representing all three San Mateo County partners. The Air District will serve as the overall project lead and administrator, responsible for executing the master agreement with Caltrans for federal funds, leading a joint procurement process, and contracting with an eventual vendor.

The Regional Bike Share Intergovernmental Agreement will become effective upon execution by all parties, including the SFMTA, and will continue in effect to the conclusion of the one-year pilot, anticipated to be September 30, 2013.

A key function of this agreement is to establish a common understanding among the partners regarding ownership of the capital assets (primarily the bicycles and stations). The total value of the bicycles and stations that will be put into service is estimated to be approximately \$4.02 M, of which the SFMTA's local match will cover just over \$270,000, or just under six percent, yet the agreement does not guarantee the City of San Francisco a proportional share of ownership in return for this local match. The agreement does not specify who will own the bikes and stations during the project, rather it is stated that ownership will be determined by the RFP, by decisions of the Steering Committee, and by the selected vendor's proposal, leaving open the possibility that possession and control of the bicycles and stations could be through lease or ownership by the Air District, by the parties jointly, by the selected vendor, or through some other mechanism. The agreement goes on to state that final, post-pilot ownership of the program and initial components will be determined by the parties before the end of the first year. Options for program ownership after the pilot period include, but are not limited to: transferring program and permits in whole or part to the local hosting jurisdictions/agencies; and transferring program and permits to a third party administrator or operator.

Staff supports the Intergovernmental Agreement as written. It is a well-considered, thorough document that provides a defined yet flexible framework for the regional partners to move the project forward. The City Attorney has reviewed this report as well as the Intergovernmental Agreement.

Project Schedule

The project schedule, found on page nine of the agreement, aims to circulate an RFP this summer, award the contract in the fall, and launch the service in spring of 2012, with the pilot to run for 12 months, followed by a final evaluation. Upon completion of the evaluation and an eventual determination by the partners that the endeavor is both worthy of pursuing and economically sustainable (whether through operating income, sponsorships, continued grant funding, or some other mechanism), the goal of the project is for regional operations to continue and expand following the pilot period. The parties will determine final, post-pilot ownership of the program and initial components before the end of the first year.

Safety & Liability

Experience in Montreal, the leading North American City with regard to bicycle sharing, has shown that bicycle sharing riders as a group are safer than other cyclists. Injury collisions involving bicyclists in Montreal fell in 2010 despite (or perhaps because of) the introduction of 5,000 public bicycles in 2009. Every effort will be made to encourage helmet use by members in San Francisco, including potentially offering coupons to offset their purchase price, but users of the system will not be required to wear bicycle helmets. There is no practical way to provide helmets for one-time or shared use. Australia has a national law requiring helmet use by cyclists, and Melbourne's bicycle sharing program has suffered reduced levels of participation as a result. The Intergovernmental Agreement states that any vendor selected in the course of the project will be required to indemnify the parties against any and all liability and loss and will also be obligated to require any third party implementing any portion of the project to indemnify the parties against any and all liability and loss.

Environmental Review

The San Francisco Planning Department has determined that the pilot project is exempt from environmental review under California Public Resources Code section 21084, as a pilot project of limited duration and scale. During the pilot project, data will be collected to inform the environmental analysis for an expanded, permanent bicycle sharing system. City Planning has issued an exemption letter indicating that the pilot project is categorically exempt from CEQA pursuant to Title 14 of the California Code of Regulations Section 15306.

ALTERNATIVES CONSIDERED

Over the past several years, SFMTA staff has sought a City-only pilot bicycle sharing program in San Francisco on a smaller scale than the current proposal; however, prior to the current BACI grant, insufficient funding was available to cover the capital costs of even a smaller program. Furthermore, staff has found that experience in other cities shows that very small programs have minimal transportation impact, yet the administrative burden, organizational hurdles and costs are nevertheless significant. Economies of scale begin to emerge at about 500 bicycles, at which point the system can be increased as additional capital funding becomes available. Additionally, the numerous benefits of participating in a regionally coordinated pilot make the current proposal more advantageous than pursuing a stand-alone system for San Francisco.

FUNDING IMPACT

The total SFMTA cost for the pilot is just under \$1M, including a local match and staff time. The attached interagency agreement provides for \$401,250 in participating SFMTA local match for program development and program implementation (Table 2, page 4 of the attachment) payable to the Air District within 30 days of vendor selection. In addition to this participating local match, the total project budget provides for a minimum of \$281,250 in non-participating SFMTA staff costs. These non-participating costs are not subject to the Air District’s funding agreement with Caltrans for the federal BACI funds, and the amount reflects an early estimate of staffing costs to support the pilot in San Francisco, which has since been increased by Livable Streets staff to just under \$600,000. The increase in estimated staffing costs is due primarily to two factors: increasing the time period from 2.5 to 3.25 years to fully cover the project's preparatory and evaluative phases, and the inclusion of 12 months of work by a full-time Transit Planner II to perform field checks and seek necessary approvals and permits for station locations. The updated staffing estimate accounts for previously unavailable information gained from interviews with staff in Minneapolis, Washington, DC, Denver and Toronto regarding the level of effort leading up to these cities’ own respective system launches. SFMTA staff did not request that the Interagency Agreement be updated to reflect the increased staffing costs.

The following table details the amount, sources and status of funds our agency will draw on to support this project:

SFMTA Local Expenditures for Bike Sharing Pilot

Source	Amount	Status	SFMTAB Resolution Number and Date
TDA3 FY 09-10	\$200,000	Allocated	09-123, Aug. 4 2009
TDA3 FY 10-11	\$200,000	Allocated	10-072, June 1, 2010
TDA3 FY 11-12	\$100,000	Programmed	11-049, April 11, 2011
Livable Streets Fund FY 09-10	\$ 95,300	Allocated	N/A
TFCA CPM FY 11-12	\$401,250	Programmed	N/A
Total:	\$996,550		

The participating capital (program development) and operating (program implementation) funds for San Francisco’s share of this project will come from the FY 2011-12 Transportation Fund For Clean Air (TFCA) County Program Manager Fund, administered by the San Francisco County Transportation Authority (SFCTA). The SFCTA Board is expected to approve recommendations from its staff, Citizen Advisory Committee and Plans and Programs Subcommittee to fully fund our request for \$401,250 on June 28th, 2011, after which point the SFCTA and SFMTA can execute a funding agreement without any further board action. Operating funds required to cover the SFMTA’s local staffing costs associated with this project will come from a combination of Transportation Development Act Article 3 (TDA3) and the Livable Streets Fund. A total of \$400,000 has been allocated to the project from FY 2009-10, FY 2010-11 TDA3. Both of these allocations are from TDA3 claims that have been approved by both the SFMTA Board and the Board of Supervisors, and no further approval is required to expend the funds on this project. A claim for an additional \$100,000 in FY 2011-12 TDA3 funds has also been approved by both the SFMTA Board and the Board of Supervisors, and allocation by MTC should be complete by August. The remaining \$95,300 in staff funding, which has largely been already spent on

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planning activities in the first half of 2011, came from the Livable Streets Fund, which is funded from the agency's red light camera revenues.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The VTA has already approved the attached Intergovernmental Agreement for the Regional Bicycle Share Pilot Program. In addition to the SFMTA and the VTA, SamTrans, the City of Redwood City, the County of San Mateo, the Santa Clara Valley Transportation Authority, and the Air District will approve the Agreement.

No further board review or action is necessary to implement the project. The Air District will lead the procurement of a contractor, issuing the RFP and executing the contract on behalf of the project partners with approval of the project Steering Committee. As members of the Steering Committee, Livable Streets staff will work with SFMTA contracting & procurement staff to ensure that the project RFP and contract contain language to guarantee that the SFMTA is empowered to exert necessary control over the eventual contractor and protect the City from any potential liability.

The City Attorney's Office has reviewed this report.

RECOMMENDATION

Staff recommends approval of the Regional Bicycle Share Pilot Program Intergovernmental Agreement between the City and County of San Francisco, the San Mateo County Transit District, the City of Redwood City, the County of San Mateo, the Santa Clara Valley Transportation Authority, and the Bay Area Air Quality Management District anticipated to be in effect until September 30, 2013.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, On April 20, 2010, the Metropolitan Transportation Commission (MTC) issued a solicitation through its Climate Initiatives Program seeking grant proposals focusing on innovative strategies for reducing greenhouse gas emissions; and,

WHEREAS, The MTC grants program is funded with federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds that are administered in California by the California Department of Transportation (Caltrans) and are assigned by Caltrans to MTC; and,

WHEREAS, On June 1, 2010, the SFMTA submitted a letter of interest to MTC proposing a regional bicycle share pilot to support climate protection and transportation mode shift; and,

WHEREAS, On June 21, 2010, the MTC notified the Air District that SFMTA, SAMTRANS, Redwood City, the County of San Mateo, and VTA had each proposed similar local scale bicycle share projects, and requested that these parties collaborate on a single bicycle share pilot proposal; and,

WHEREAS, On June 30, 2010, the MTC notified the parties that they were selected to submit a final single, regional bicycle share pilot proposal; and,

WHEREAS, On August 13, 2010, the Air District, on behalf of the parties, submitted a final proposal for a pilot bicycle sharing project along the Peninsula transportation corridor at locations in San Jose, Palo Alto, Mountain View, Redwood City and San Francisco; and,

WHEREAS, On October 6, 2010, the Board of Directors of the Air District approved a commitment to the Regional Bicycle Share Pilot of \$1.4 million in matching funds from its Transportation Fund for Clean Air (TFCA); and,

WHEREAS, On October 27, 2010, the MTC's Commissioners awarded the Air District \$4.29 million in grant funds from its Climate Initiatives Program to administer a Regional Bicycle Share Pilot Project (the "Project"); and,

WHEREAS, SFMTA has pledged at least \$682,500 in local match; and,

WHEREAS, The parties wish to implement the Project in reliance upon the grant award to the Air District and upon other local matching fund commitments; and,

WHEREAS, The Air District is the lead agency for the Project and will execute the grant funding agreement with Caltrans; and,

WHEREAS, The Air District will be responsible for ensuring that the Project complies with all applicable requirements of law and with grant funding documents; and,

WHEREAS, The Regional Bicycle Share Pilot Program Intergovernmental Agreement defines an organizational structure for implementing the Project, ratifies the financial and logistical commitments that the parties have made to the project, and sets forth the basic policy direction, scope and schedule for the project; and,

WHEREAS, The proposed regional bike sharing project is subject to environmental review under the California Environmental Quality Act (CEQA); and,

WHEREAS, The Department of City Planning has determined that the project is categorically exempt from environmental review since it qualifies as a pilot project of limited duration and scale pursuant to California Public Resources Code section 21084 and Title 14 of the California Code of Regulations Section 15306; and,

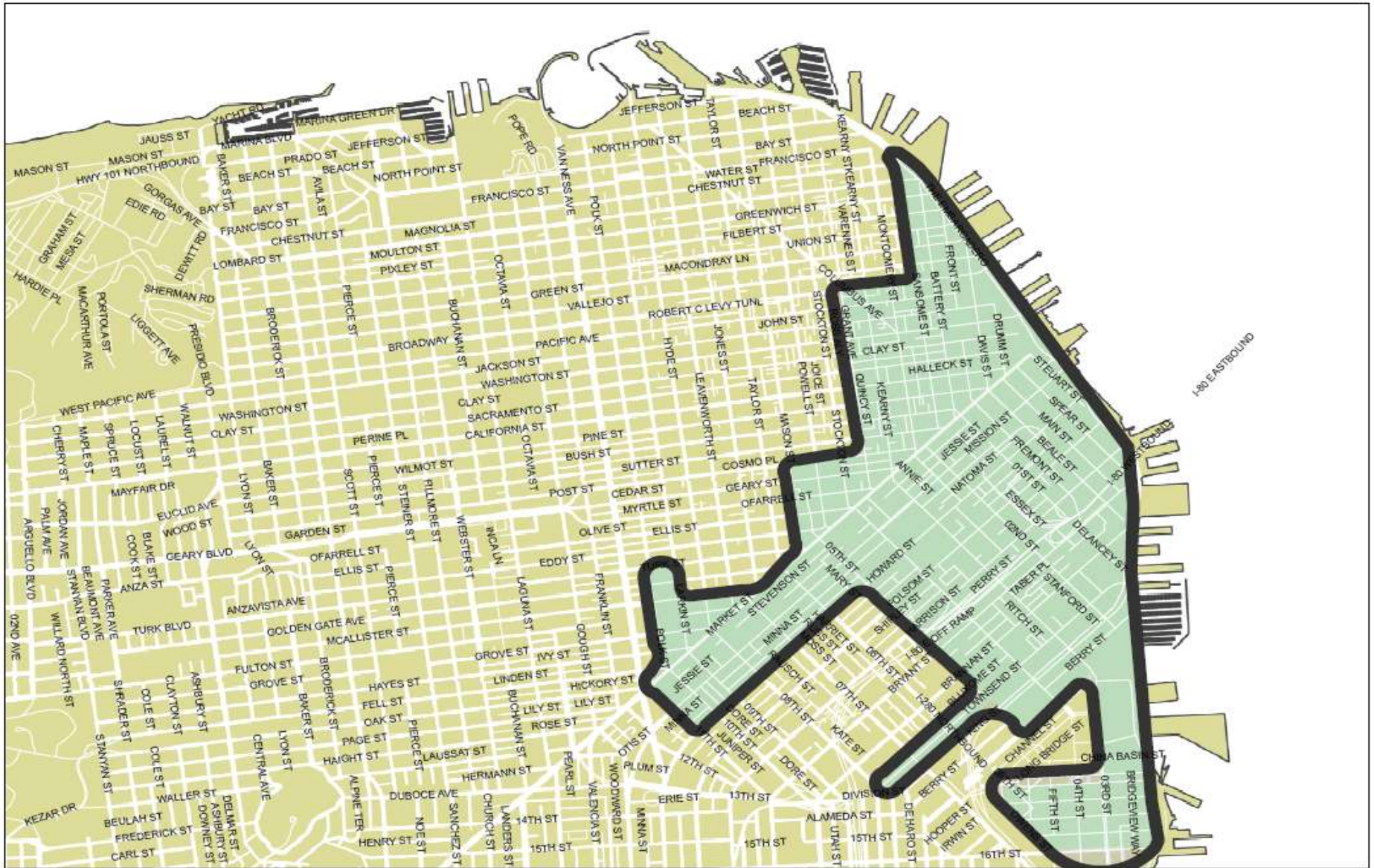
WHEREAS, Said CEQA determination is on file with the Secretary to the SFMTA and is incorporated herein by this reference; and,

WHEREAS, During the pilot project, data will be collected to inform the environmental analysis for an expanded, permanent bicycle sharing system; and,

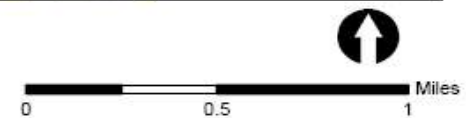
RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors approve the Regional Bicycle Share Pilot Program Intergovernmental Agreement between the City and County of San Francisco, the San Mateo County Transit District, the City of Redwood City, the County of San Mateo, the Santa Clara Valley Transportation Authority, and the Bay Area Air Quality Management District to deploy 1,000 bicycles regionally at up to 100 stations along the peninsula transportation corridor, with 500 bicycles (and approximately 50 stations) in San Francisco and \$682,500 in local match starting in spring 2012 and anticipated to be in effect until September 30, 2013.

I hereby certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of _____.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency



San Francisco Bicycle Sharing Pilot Service Area (DRAFT 5/9/11)



The map of the pilot service area presents eastern San Francisco. The highlighted area in the map is the bicycle sharing pilot service area bound by South Van Ness Avenue and the Ferry Terminal along Market Street. To the north, the service area boundary includes the Federal Building at Turk Street, Union Square at Post Street, the Broadway and Columbus Avenue intersection, and The Embarcadero at Sansome Street. To the south, the highlighted service area includes the Embarcadero to Mission Bay, Townsend Street and Concourse Exhibition Center.

Intergovernmental Agreement Between the City And County Of San Francisco, the San Mateo County Transit District, the City Of Redwood City, the County Of San Mateo, the Santa Clara Valley Transportation Authority, and the Bay Area Air Quality Management District Regarding a Regional Bicycle Share Pilot Program

This agreement is entered into between the City and County of San Francisco, acting through the San Francisco Municipal Transportation Agency (“SFMTA”), the San Mateo County Transit District (“SAMTRANS”), the City of Redwood City (“Redwood City”), the County of San Mateo, the Santa Clara Valley Transportation Authority (“VTA”), and the Bay Area Air Quality Management District (“Air District”), collectively the “parties”.

RECITALS

WHEREAS, the Bay Area is currently not attaining State and Federal ambient air quality standards for ground-level ozone and particulate matter, and in the Bay Area, the transportation sector accounts for more than 50% of “criteria” pollutants, including reactive organic gases (ROG) and oxides of nitrogen (NO_x), both of which are ozone precursors, and particulate matter (PM), and for more than 40% of greenhouse gas (GHG) emissions.

WHEREAS, on April 20, 2010, the Metropolitan Transportation Commission (“MTC”) issued a solicitation through its Climate Initiatives Program seeking grant proposals focusing on innovative strategies for reducing greenhouse gas emissions;

WHEREAS, the MTC grants program is funded with federal Congestion Mitigation and Air Quality Improvement Program (“CMAQ”) funds that are administered in California by the California Department of Transportation (“Caltrans”) and are assigned by Caltrans to MTC;

WHEREAS, on June 1, 2010, the Air District submitted a letter of interest to MTC proposing a regional bicycle share pilot to support climate protection and transportation mode shift;

WHEREAS, on June 21, 2010, the MTC notified the Air District that SFMTA, SAMTRANS, Redwood City, the County of San Mateo, and VTA had each proposed similar local scale bicycle share projects, and requested that the parties collaborate on a single bicycle share pilot proposal;

WHEREAS, on June 30, 2010, the MTC notified the parties that they were selected to submit a final single, regional bicycle share pilot proposal;

WHEREAS, on August 13, 2010, the Air District on behalf of the parties submitted a final proposal to pilot bike-sharing along the peninsula transportation corridor at locations in San Jose, Palo Alto, Mountain View, Redwood City and San Francisco;

WHEREAS, on September 15, 2010, the Board of Directors of the Air District adopted the “Bay Area 2010 Clean Air Plan committing to Transportation Control Measure (TCM) D-1 Bicycle Access and Facilities Improvement”;

WHEREAS, on October 6, 2010, the Board of Directors of the Air District approved a commitment to the Regional Bicycle Share Pilot of \$1.4 million in matching funds from its Transportation Fund for Clean Air (“TFCA”);

WHEREAS, on October 27, 2010, the MTC's Commissioners awarded the Air District \$4.29 million in grant funds from its Climate Initiatives Program to administer a Regional Bicycle Share Pilot;

WHEREAS, MTC will coordinate regional marketing of the Climate Initiatives Program working with its contractor and the parties, review key milestones and documents, and provide assistance with integration of an ongoing bike share program with 511.org and with the Clipper system;

WHEREAS, SFMTA has pledged \$682,500 in local match, SAMTRANS has pledged \$105,000 in local match, and VTA has pledged \$500,000 in local match;

WHEREAS, the parties wish to implement a Regional Bicycle Share Pilot (the "Project") in reliance upon the grant award to the Air District and upon the local matching fund commitments;

WHEREAS, the Air District is the lead agency for the Project and will execute the grant funding agreement with Caltrans;

WHEREAS, the Air District will be responsible for ensuring that the Project complies with all applicable requirements of law and with grant funding documents.

NOW, THEREFORE, the parties agree to work together to implement the Project as follows:

1. Purpose of Agreement. The purpose of this agreement is to define an organizational structure for implementing the Project, to ratify the financial and logistical commitments that the parties have made to the Project, and to set forth basic policy directions for the Project.
2. Project Description, Purpose, and Funding. The Project will deploy 1,000 bicycles at up to approximately 100 kiosk stations along the peninsula transportation corridor at locations in San Jose, Palo Alto, Mountain View, Redwood City and San Francisco. Its objective is to pilot zero-emissions bike-sharing strategically in downtown urban centers of varying sizes and population densities in close proximity to transit services located in Priority Development Areas (PDA) or other areas with high potential for use. This Project will demonstrate and test the potential to effectively reduce single-occupancy vehicle travel to transit stops by offering bicycles as a first- and last-mile transportation alternative, thereby reducing vehicle miles traveled and greenhouse gas emissions and improving local air quality. It will also work to test the viability of bicycling as a stand-alone mode of travel.

The Project will provide bicycles for use by program members (e.g. memberships may be daily, weekly, and annual) from unattended stations, incentivizing short-term use (e.g. 30 minutes). The bicycles will be tamper and vandalism proof and will employ radio-frequency identification smartcards and wireless and internet technologies to coordinate and track bicycle reservations, pick-up, drop-off, and subscriber information. This advanced technology system will track user demand and provide a mechanism to maintain a balanced distribution of bikes within each host community, and the desirable number of bikes and spare parking within each station. Information obtained via the technology portion of the program will be combined with surveys to calculate emissions reduced by the Project, its success in market penetration, its sustainability and its ability to be replicated or expanded. Although the Project launch date may be staggered, the pilot will operate for a minimum of twelve months within each host community.

The Project will be coordinated and administered by the Air District in partnership with cities, counties and transportation agencies. Among the outcomes of the Project, the Air District will research, test, and evaluate sustainable program financing models, including private-public partnerships. The Project is intended to produce data that would be used to develop a regionally coordinated bike-sharing strategy useful for expanding the program in the original pilot cities and for replicating the program in other targeted Bay Area communities. The Project will also include an extensive outreach component that will encourage transportation mode shift to sustainable transportation alternatives with a focus on bicycling.

3. Project Budget. The budget for the Project is as follows:

Table 1: Total Project Budget

Project Component	MTC Share	Air District Share	Air District Share -Non Participating	Local Match ¹	Local Match-Non Participating ¹	Total Cost
Program Development: capital costs including procurement and installation of 1,000 bicycles and approximately up to 100 kiosk stations and Program Implementation including operations and maintenance, bike re-distribution, insurance, and subscriber management	\$4,125,764	\$962,000	\$-	\$881,250	\$-	\$5,969,014
Procurement of racks for use at Caltrain stations	\$-	\$-	\$20,000	\$-	\$-	\$20,000
Staffing: (1) Air District FTE 2.5 years (labor & indirect)	\$-	\$280,896	\$80,000	\$-	\$-	\$360,896
Staffing: VTA 1.5 FTE 1 yr	\$150,000	\$-	\$-	\$-	\$100,000	\$250,000
Staffing: SAMTRANS (managing agency for Caltrain – oversight for installation of kiosks at 6 Caltrain stations)	\$-	\$10,000	\$-	\$-	\$25,000	\$35,000
Staffing: SFMTA	\$-	\$-	\$-	\$-	\$281,250	\$281,250
Auditing Costs	\$-	\$50,000	\$-	\$-	\$-	\$ 50,000
Integration with MTC 511	\$15,236	\$7,504	\$-	\$-	\$-	\$ 22,740
Total	\$4,291,000	\$1,310,400	\$100,000	\$881,250	\$406,250	\$6,988,900

¹For further clarification of the breakdown of local match see Table 2 below

4. Local Matching Funds. In the grant application, the parties committed the following funding and in-kind match to the Project for program development, implementation and staff costs:

Table 2: Financial Commitment for Each Party

Implementing Parties	Total Participating Contribution	Program Development	Program Implementation	Additional Party Matching Funds (Nonparticipating Staffing Costs)
BAAQMD	\$ 1,310,400	See Table 1	See Table 1	See Table 1
SFMTA	\$ 401,250	\$ 270,308	\$ 130,942	\$ 281,250
VTA	\$ 400,000	\$ 269,466	\$ 130,534	\$ 100,000
SAMTRANS	\$ 80,000	\$ 53,893	\$ 26,107	\$ 25,000

The total amount that the Parties shall be obligated to commit to this Project shall not exceed those amounts set forth in Table 2 above.

5. Term. This agreement will become effective upon execution by all parties and will continue in effect to the conclusion of the Project, anticipated to be September 30, 2013.
6. Steering Committee. The parties agree to work together through a Steering Committee that will make Project policy decisions, coordinate the activities of the parties, and otherwise ensure the completion of the Project.
 - 6.1. Designated Representatives and Alternates
 - 6.1.1. The Steering Committee will consist of one designated representative from each of the following parties: the Air District, SFMTA, VTA, and SAMTRANS. Each party with a designated representative will have the right to change its designated representative upon five (5) days written notice to the parties.
 - 6.1.2. The designated representative from SAMTRANS shall represent the collective interests of the San Mateo County parties (SAMTRANS, the County of San Mateo, and Redwood City) and, in voting on matters decided by the Steering Committee, shall be bound by a majority decision of these three parties.
 - 6.1.3. At its sole discretion each party with a designated representative on the Steering Committee shall appoint an alternate that will have full voting rights as the representative.
 - 6.2. Administration
 - 6.2.1. The Steering Committee shall hold such meetings as it deems necessary, which may be called at any reasonable time by any designated representative. Meetings may be in person, by teleconference or a combination. Any party may attend a meeting, but decisions shall be made by designated representatives or their alternates in accordance with Section 6.3.
 - 6.2.2. A party shall convey all communications and documents intended for the Steering Committee through that party's designated representative.
 - 6.2.3. The Steering Committee shall convey all communications and documents intended for a party to that party's designated representative.
 - 6.3. Meetings and Decision-Making. A Steering Committee meeting or teleconference cannot be held unless a majority of the designated representatives (or alternates in their absence) are present or available by telephone. The goal of the Steering Committee will be to reach decisions by consensus, *i.e.* a unanimous vote of all designated representatives, with each of the four designated representatives being entitled to one vote. An absent designated representative

may vote by giving a written proxy to another designated representative. The Steering Committee shall endeavor in good faith to reach consensus in resolving all matters. However, if a pending decision has been discussed at two Steering Committee meetings without reaching consensus, at the conclusion of the second meeting the decision will be made by the Air District.

7. Responsibilities of Parties

7.1. Air District

- 7.1.1. The Air District will serve as the program administrator for the Project. In consultation with the Steering Committee, Project tasks may be assigned to one or more vendors under the oversight of the Air District.
- 7.1.2. The Air District will organize meetings of the Steering Committee, determine designated representative availability for meetings, provide notice of meetings, distribute materials and information as required, and facilitate meetings.
- 7.1.3. The Air District will serve as the fiscal agent for the Project as described in Section 9.
- 7.1.4. In consultation with the Steering Committee, the Air District will investigate and evaluate financing and business models for operation of a bicycle share program beyond the date on which the Project is completed.
- 7.1.5. In consultation with the Steering Committee, the Air District will lead and facilitate a federally compliant procurement process for selecting vendors necessary for the Project.
- 7.1.6. In consultation with the Steering Committee, the Air District will negotiate and execute agreements with the selected vendor(s). As necessary, the Air District shall also incorporate any party's agency-specific requirements including insurance requirements into vendor agreements.
- 7.1.7. In consultation with the Steering Committee, the Air District will develop and implement the program's regional interface, which will involve revenue collection and sharing, a common system interface for reservations and payments that includes Web-based applications, and marketing.
- 7.1.8. The Air District will meet with MTC staff to review the Clipper revenue sharing model for integration in the specifications/contract and to the extent that delays to program implementation are minimized, will endeavor to implement the Clipper system during the Project.
- 7.1.9. During the term of this agreement and within 90 days of the termination of this agreement, the Air District will provide all required reports to MTC and/or Caltrans and will make those reports available to the parties.
- 7.1.10. The Air District will maintain Project records, including those submitted pursuant to Section 7.3.1.7, at one central location for the term of the agreement.

7.2. VTA. In consultation with the Steering Committee, VTA will lead development of the vendor scope of work and technical specifications of the bicycle share system for request for proposals (RFPs) for Project vendors. As part of its responsibilities, VTA will:

- 7.2.1. Work with the Steering Committee to identify desirable system features and service needs to incorporate into the technical specifications of the regional program;
- 7.2.2. Recommend a vendor solicitation framework;
- 7.2.3. Prepare vendor scope of work and technical specifications;

- 7.2.4. Develop evaluation criteria for vendor selection;
- 7.2.5. Provide Air District staff answers to technical questions from the proposers;
- 7.2.6. Support the Air District in the contract negotiation and review process.
- 7.3. SFMTA, SAMTRANS, County of San Mateo, City of Redwood City, and VTA.
 - 7.3.1. SFMTA, SAMTRANS, County of San Mateo, City of Redwood City, and VTA are responsible for the local coordination and implementation of bicycle share pilot elements within their jurisdiction including:
 - 7.3.1.1. Choosing and/or advising the vendor(s) on kiosk sites, providing any necessary permits, leases, licenses or other preferred implementing mechanisms to vendor/Air District for bicycle share locations. Any permits issued for this purpose are understood to be on a revocable, at-will basis and do not confer any permanent rights to the grantee.
 - 7.3.1.2. Assisting with any required CEQA or environmental clearance as needed.
 - 7.3.1.3. Obtaining signed agreements for bike share service to be provided if required.
 - 7.3.1.4. Engaging local stakeholders, promoting, and marketing the bicycle share pilot.
 - 7.3.1.5. Local CEQA requirements and documentation.
 - 7.3.1.6. Providing the Air District with a summary of local efforts and activities regarding local bicycle share on a quarterly basis during the term of this agreement and within 90 days of the termination of this agreement.
 - 7.3.1.7. Maintaining all necessary Project records to document Project activities and performance, including documentation to support the invoices described in Section 9, documentation to support the permits and CEQA compliance for Project activities as described in Section 7.3.1.5, and documentation of marketing activities as described in Section 7.3.1.4. These records shall be maintained in one central location during the term of this agreement and copies shall be submitted to the Air District as they become available.

8. Withdrawal

- 8.1. A party may voluntarily withdraw from this agreement by providing written notice of its intent to withdraw no later than 30 days before the date of withdrawal.
- 8.2. A party shall withdraw under the following circumstances:
 - 8.2.1. The party fails to provide matching funds required by Section 9.3;
 - 8.2.2. The party's governing board fails to approve actions necessary for completion of the Project;
 - 8.2.3. The party fails to obtain necessary rights or approvals for use of real property required for Project actions or equipment.
- 8.3. A withdrawing party will forfeit a portion of its local match sufficient to reimburse a party or vendor for costs incurred on behalf of the withdrawing party prior to the withdrawal, except as determined by Air District.
- 8.4. A withdrawing party is not entitled to reimbursement for staffing costs covered by CMAQ or Air District funding, except as determined by the Air District.

9. Financial Management

- 9.1. The Air District will establish a Project fund and will use monies deposited in this fund solely for Project expenses.

- 9.2. The Air District will deposit all monies received from the parties into the Project fund. Within 30 days from the receipt of funds, the Air District will contribute into the Fund the amount shown in Section 3.
- 9.3. Within 30 days after the parties have selected the vendor(s) and prior to execution of a contract with the selected vendor, each party will pay the Air District the match funds for program development and implementation identified below:

SFMTA \$401,250

VTA \$400,000

SAMTRANS \$80,000

These match funds will be applied towards the associated capital costs, installation of bicycles and stations, and the operation and maintenance of the system for a minimum of 12 months in each host community (see Table 2).

Non-participating staffing costs identified in Tables 1 and 2 may be used by the parties to cover agency staffing costs related to this Project and are not governed by this agreement.

- 9.4. Each party will provide the Air District a preview of future expenditures through a quarterly work plan for staffing cost.
- 9.5. The Air District will provide quarterly financial reports to the parties. Upon completion of the Project, any unexpended funds shall be returned to the parties, pro-rated in accordance with each party's original contribution share.
- 9.6. For eligible staff costs to be covered by CMAQ or Air District funding, Air District, VTA and SAMTRANS will detail via timesheet and reports on a monthly basis staffing costs incurred as part of the Project. It will be at the sole discretion of the Air District to determine if costs submitted fall within the scope of the Project.
- 9.7. The Air District will provide payment to vendor(s) for purchases and/or operations cost of the project. Payments will be based on the following procedure:
 - 9.7.1. Upon receipt of an invoice, the Air District will notify the parties of intent to pay and provide an invoice copy.
 - 9.7.2. Within 10 business days, each party must approve the invoice for work performed in its jurisdiction.
 - 9.7.3. Federal funding is dispersed on a reimbursement basis. Upon party approval of an invoice, the Air District will seek federal reimbursement for the project cost and will disperse payment of available TFCA, local, and federal funds according to the formula established by the Steering Committee.
- 9.8. The Air District, in consultation with the Steering Committee, will decide how to allocate any revenue collected through this Project, whether from advertising, sponsorship, subscriber fees, or other program-related activities. Beyond supporting the ongoing operation of the system, revenues may be used to extend the term of the Project, expand coverage within the existing parties' jurisdictions, or to expand coverage to new areas.

10. Implementation Policies

- 10.1. The parties agree to be bound by the requirements contained in the funding agreement with Caltrans ("Federal") and the TFCA program, and to take no actions during the Project that are in conflict with those requirements. To the extent that the requirements apply to post-Project actions, the parties agree to continue to be bound by those Federal and TFCA requirements.
- 10.2. The parties commit to the following allocation of bicycles: 500 bicycles in San Francisco, 100 in Redwood City, and 400 in Santa Clara County distributed in the

cities of Mountain View, Palo Alto, and San Jose. This allocation may be changed at the discretion of the Steering Committee based on withdrawals, breaches, or termination.

- 10.3. The parties agree to be bound to the results of a shared procurement process for the purposes of equipment purchase and program operation for the Project.
- 10.4. Each party agrees that, if required by law or policy, it will present RFP results and the Steering Committee recommendation for vendor selection to its board and will advocate for that selection. The parties agree that a “No” vote by a party’s governing board constitutes a withdrawal from the project, upon which the Air District can at its sole discretion reallocate resources under the program (Air District and MTC funding).
- 10.5. The parties agree to work together to develop branding and marketing strategies in consultation with the Steering Committee, MTC, and MTC contractors that address both local and regional strategies and opportunities.
- 10.6. The parties agree that if any party fails to provide the committed funding in a timely manner, the Air District, upon consultation with the Steering Committee, can reallocate CMAQ funding to pilot bike sharing in another existing host community to be determined.
- 10.7. The parties agree that if any party fails to exercise good faith efforts to obtain the necessary authorizations for bicycle kiosks or to identify alternate locations in a timely manner, the Air District, after consultation with the Steering Committee, can reallocate the MTC funding to another party to this agreement and/or to purchase equipment under the program.
- 10.8. The parties agree that if a specific bicycle location/station does not generate use, the Air District, after consultation with the local implementing party and vendor, can reallocate the equipment to a higher demand area within that host community.
- 10.9. The parties agree to begin immediately to jointly develop a plan to address and guide post-Project regional implementation issues. This post-Project implementation plan will include but not be limited to:
 - 10.9.1. A process for assigning administration responsibilities (payments, etc.), liabilities, operations and maintenance costs, and capital assets.
 - 10.9.2. A process for on-going regional coordination and marketing.
 - 10.9.3. Processes for branding and marketing the Project and a continuing post-Project bicycle share program.
 - 10.9.4. Processes for expanding the program through both public and private investments.
 - 10.9.5. Processes for changing the administrative and operational structures developed and agreed to as a part of the Project. These processes will include an option or options for each of the individual implementing agencies, at its discretion, to take physical possession, assume lease rights, or other mechanism resulting from the RFP process, with the agreement to participate in the regionally-coordinated system. Such a regionally-coordinated system would adhere to guidelines established by the Steering Committee and, at a minimum, provide a seamless experience for users.
 - 10.9.6. Each party reserves its right not to be obligated to accept program ownership after the pilot period and not be required to purchase equipment or otherwise participate in a continuing program.
- 10.10. The parties understand that possession and control of bicycles and stations during the Project could be through lease or ownership by the Air District, by the parties jointly, by the selected vendor, or through some other mechanism. The nature of this possession and control will be determined by technical specifications developed pursuant to Section 7.2, by decisions of the Steering Committee, and

by the selected vendor's proposal. Pending any evaluation and a determination by the parties that the endeavor is both worthy of pursuing and economically sustainable (whether through operating income, sponsorships, continued grant funding, or some other mechanism), the goal of the Project is for regional operations to continue and expand following the Project period. Final, post-Project ownership and operation of the program and initial components will be determined by the parties before the end of the first year, and may include the option for continued county level ownership and operation pursuant to section 10.9.5. If required, the parties will execute a written agreement regarding transfer of ownership of any property prior to end of the first year. The options for the program ownership after the pilot period should include, but not be limited to:

10.10.1. Transferring program and permits in whole or part to the local hosting jurisdictions/agencies.

10.10.2. Transferring program and permits to a third party administrator or operator.

11. Project Schedule. The parties will endeavor to meet the following schedule and Project milestones:

11.1. Submit Request For Proposals (RFP) to Caltrans for approval	August 31, 2011
11.2. Issuance of Solicitation for RFP	Pending Caltrans' approval
11.3. Agreement(s) Executed between the Air District and Selected Vendor(s)	On or around October 31, 2011
11.4. System Launch (1,000 bikes placed into service and operated)	Spring 2012 and not later than September 30, 2012
11.5. Close of Project	Minimum of 12 months from System Launch
11.6. Final Evaluation	Within 6 months following close of Project
11.7. Financial Audit	Within 12 months following close of Project

12. Other Provisions

12.1. Nothing in this agreement is intended to expand the existing authority of any signatory. No organization formed pursuant to this agreement has authority beyond that specified in this agreement.

12.2. This agreement may not be modified or the term extended except by written instrument executed by the Executive Director or the governing body for each of the respective parties, as appropriate.

12.3. The parties agree that this agreement constitutes the entire understanding between and among them.

- 12.4. Each party shall indemnify the other parties, their officers, agents and employees from and against all claims, injury, suits, demands, liability, losses, and damages (including any and all costs and expenses in connection therewith), incurred by reason of any negligent or otherwise wrongful act or omission of the indemnifying party its officers, employees, agents, and sub-grantees, or any of them, under or in connection with this agreement. The indemnifying party further agrees to defend any and all such actions, suits, or claims arising from the indemnifying party's negligence or otherwise wrongful act or omission and pay all reasonable charges of attorneys and all other costs, expenses, settlements, or judgments arising therefrom or incurred in connection therewith.
- 12.5. The contract with each vendor selected in the course of this Project will require the vendor to indemnify and defend the parties against any and all liability and loss and will also require the vendor to include in its contract with any third party implementing any portion of the Project a requirement that the third party indemnify and defend the parties against any and all liability and loss. The contract with the vendor shall further specify that the vendor's obligations to indemnify and defend the parties and to require the same of any third party shall survive expiration of the contract.
- 12.6. The contract with each vendor will also require the vendor to hold appropriate insurance policies and name each of the parties as additional insureds on such policies and will additionally require that the vendor include in its contract with any third party implementing any portion of the project a requirement that the third party hold appropriate insurance policies and name each of the parties as additional insureds on such policies.
- 12.7. No addition to or modification of any term or provision of this agreement will be effective unless set forth in writing and signed by an authorized representative of each of the parties.
- 12.8. Each party represents and warrants that it has the right, power, and authority to execute this agreement. Each party represents and warrants that it has given any and all notices, and obtained any and all consents, powers and authorities, necessary to permit it, and the persons executing this agreement for it, to enter into this agreement.
- 12.9. This agreement shall be governed by and construed in accordance with the laws of the State of California.
- 12.10. This agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This agreement shall be binding upon the receipt of facsimile or scanned signatures.
- 12.11. If any provision of this agreement is deemed invalid or unenforceable, the balance of the agreement shall remain in full force and effect.
- 12.12. This agreement is not intended for the benefit of any person or entity not a signatory to this agreement and is not enforceable by any third party.
- 12.13. Any terms of this agreement that by their nature extend beyond the term (or termination) of this agreement shall remain in effect until fulfilled, and shall apply to all parties' respective successors and assigns. Such terms include the requirements set forth in Sections 7.3.3, 12.4, and 12.5.
- 12.14. Any notice or report required or permitted to be given under this agreement shall be in writing and shall be addressed to each party as set forth below:

To SFMTA: Attention: Heath Maddox
San Francisco Municipal Transportation Agency
1 South Van Ness, 7th Floor
San Francisco, CA 94103
heath.maddox@sfmta.com

To SAMTRANS: Attention: Michael J. Scanlon
San Mateo County Transit District
1250 San Carlos Ave., P.O. Box 3006
San Carlos, CA 94070-1306

To Redwood City: Attention: Susan Wheeler
City of Redwood City
1017 Middlefield Road
Redwood City CA 94063
swheeler@redwoodcity.org

To County of San Mateo: Attention: Peggy Jensen
County of San Mateo
County Manager's Office
400 County Center
Redwood City, CA 94063
pjensen@co.sanmateo.ca.us

To VTA: Attention: Ying Smith
Santa Clara Valley Transportation Authority
3331 North First Street Bldg B2
San Jose, CA 95134
ying.smith@vta.org

To Air District: Attention: Karen Schkolnick
Bay Area Air Quality Management District
939 Ellis St.
San Francisco, CA 94109-7714
kscholnick@baaqmd.gov

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto.

<p>City and County of San Francisco Municipal Transportation Agency</p> <hr/> <p>Nathaniel P. Ford Sr. Executive Director/CEO</p> <p>Date: _____</p> <p>APPROVED AS TO FORM: Dennis J. Herrera, City Attorney</p> <p>By _____ Deputy City Attorney</p> <p>San Francisco Municipal Transportation Agency Board of Directors Resolution No. _____ Adopted: _____ Attest: _____ _____ Secretary, SFMTA Board of Directors</p>	<p>San Mateo County Transit District</p> <hr/> <p>Michael J. Scanlon General Manager/CEO</p> <p>Date: _____</p> <p>APPROVED AS TO FORM: [Name], [Title]</p> <p>By _____ David J. Miller Attorney for the District</p>
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City of Redwood City

County of San Mateo

Robert B. Bell
City Manager

David Boesch
County Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

[Name], [Title]

By _____
Pamela Thompson
City Attorney

By _____
[Name]
[Title]

Santa Clara Valley Transportation Authority

Michael Burns
General Manager

Date: _____

APPROVED AS TO FORM:

[Name], [Title]

By _____
VTA Counsel

Bay Area Air Quality Management District

Jack P. Broadbent
Executive Officer

Date: _____

APPROVED AS TO FORM:

Brian C. Bungler, District Counsel

By _____
Brian C. Bungler
District Counsel