



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Joseph P. Bort MetroCenter  
101 Eighth Street  
Oakland, CA 94607-4700  
TEL 510.817.5700  
TDD/TTY 510.817.5769  
FAX 510.817.5848  
E-MAIL info@mtc.ca.gov  
WEB www.mtc.ca.gov

*Memorandum*

TO: Administration Committee

DATE: April 1, 2015

FR: Executive Director

RE: Bike Share Expansion Proposal: Motivate International, Inc.

**Background**

The Bay Area’s three-county pilot bike share system is called Bay Area Bike Share. Bike share is an innovative transportation program that offers access to a fleet of bicycles at self-serve stations throughout a defined service area for a short term or on-going membership. It is meant for short trips, serving as active transportation for commutes, errands, and other trips. Bike sharing is a healthy mobility option that can also help facilitate the “last mile” of transit trips or non-auto short trips.

**Bay Area Bike Share Pilot: Background & Performance**

In May 2010, for Cycle 1 of the Climate Initiative Innovative Grants program, the Bay Area Air Quality Management District (BAAQMD) and five Bay Area jurisdictions sponsored an application to test the feasibility of a multi-city bike sharing program which, if successful, would be the precursor to a larger regional program. The originally intended investment was approximately \$11.4 million, as shown in the table below; however, only 700 of the planned 1,000 bikes were installed in the pilot, and a portion of the funding remains unspent:

Funding Source	Total Allocated (\$M)	Estimated Spent (\$M)
MTC – CMAQ Funds	\$7.1	\$5.8
BAAQMD – TFCA Funds	\$2.8	\$1.4
Other local cities/CMA	\$1.5	\$1.5
<b>Total</b>	<b>\$11.4</b>	<b>\$8.7</b>

To establish the pilot program, BAAQMD and all five local jurisdictions agreed to terms regarding financial commitment, roles and responsibilities, and implementation policies in a single Intergovernmental Agreement (IGA). BAAQMD then led a procurement on behalf of these partners, and currently holds a contract with the vendor, to supply and operate the pilot program.

Under BAAQMD’s leadership, the program launched as a pilot program in August 2013 with 700 bikes deployed across 70 stations in San Francisco, Redwood City, Palo Alto, Mountain View, and San Jose. The system has seen reasonably good usage in the pilot phase. The vast majority of rides have taken place in San Francisco, where approximately half of the

equipment is stationed. As of March 1, 2015, the system yielded a total of 485,000 trips in the five pilot cities; riders in San Francisco took 436,000 trips overall, or 90% of the total.

Since Bay Area Bike Share's launch in August 2013, San Francisco has exceeded initial usage projections, while the other cities' usage has been lower than expected. The table below shows "trips per bike per day," a measure used to compare bike share utilization among systems. The data covers August 2014 through February 2015. For comparison, Boston averages 2.6 trips/bike/day, Chicago averages 2.2 trips/bike/day, and Minneapolis averages 1.3 trips/bike/day over a full year:

City	Trips per bike per day	Bikes
Mountain View	0.48	54
Palo Alto	0.21	37
Redwood City	0.07	52
San Francisco	2.60	328
San Jose	0.39	129

In a draft evaluation report for MTC's Climate Initiatives Program, ICF International consultants calculated the quantifiable impacts of the program's first year. Survey results show that 12% of all bike share trips would otherwise have been drive-alone trips; therefore, Bay Area Bike Share members reduced GHG emissions by approximately 79 tons from September 2013 through August 2014.

### **Plans for Expansion**

In April 2014, MTC and BAAQMD staffs recommended that each agency assume a different role for the next phase of regional implementation of both the bike share pilot program and the Electric Vehicle (EV) Infrastructure program (initially managed by MTC). Under this proposal, BAAQMD would take the lead role in delivering the expansion of EV charging infrastructure and accelerate the market for EVs, while MTC would take the lead to operate and expand the bike share program. The agencies would jointly oversee the implementation of both Cycle 1 Climate Initiatives Innovative Grant programs; the adjusted roles are intended to make the best use of each agency's respective skills and expertise. Following this adjustment, MTC has taken a leading role in planning for bike share expansion.

In 2014, the Commission approved an additional \$16.4 million for the continuation and expansion of Bay Area Bike Share: in April, \$8.7 million in CMAQ funds (\$2.7 million in Cycle 1 funds and \$6 million in Cycle 2 funds), and in September, \$7.7 million in ATP funds. Also in April 2014, BAAQMD set aside \$1.4 million of the pilot program's \$2.8 million in TFCA funds for expansion. Plans included expanding the pilot to its originally intended 1,000 bikes and procuring an additional 1,500 bikes, for a total of 2,500 bikes regionwide. Based on analysis of potential areas that would result in high ridership, the Cities of Oakland, Berkeley, San Mateo, and Emeryville were selected as new expansion areas for the next phase of the program.

Since fall 2014, MTC and BAAQMD have convened a working group with staff from the pilot communities, staff from communities identified for expansion, and MTC's bike share planning consultant, Toole Design Group, to create a strategic plan for bike share. The strategic plan was designed to address the immediate future of bike share in the Bay Area by evaluating several

topics, including potential governance models, bike share suitability among cities in the region, equity, and projected annual operating subsidy requirements for each city.

Two key issues that emerged from strategic plan development were community resource requirements for bike share and bike share access for disadvantaged communities. The first of these elements describes a set of criteria for a community to consider before joining the bike share program, including commitments from each city to cover ongoing costs and to dedicate staff time. Based on current costs and a planned system size of 2,500 bikes, the projected annual operating subsidy for the system was projected at up to \$1.5 million. The equity component described five priorities for a robust equity program: station siting, discount pricing, language access, program outreach, and transaction access.

### **Industry Evolution**

Since the inception of Bay Area Bike Share in 2011-2012, the bike share industry has seen significant changes to the public/private and public/public organizational structure models. The dominant model for early major U.S. bike share programs involved public ownership of equipment with a private operator. In New York, however, a private operator agreed in 2013 to provide 6,000 bikes at no public cost, in return for retaining sponsorship and advertising rights to the equipment. With major sponsorship funding from Citibank and MasterCard, New York City Bike Share demonstrated that a full-scale bike share program at no public cost is feasible.

Major change also took place within bike share's largest vendor/operator, Alta Bicycle Share (Alta). Alta launched and operated Bay Area Bike Share as BAAQMD's contractor in 2013 and 2014, adding the Bay Area to the list of Alta systems that included Boston, Chicago, New York, Seattle, and Washington, D.C. Due to a supplier bankruptcy in late 2013, Alta was unable to provide its systems with expansion equipment throughout most of 2014. However, in October 2014, Motivate International, Inc. (Motivate), a company backed by executives from The Related Companies and Equinox Holdings, Inc., purchased Alta. Motivate restructured its corporate office, took over operations for each Alta system, and created its own supply chain for producing bikes. After meeting with staff from MTC, BAAQMD, and participating cities in late 2014, Motivate made an unsolicited proposal to MTC and select Bay Area cities to be the exclusive supplier and operator of bike share in the Bay Area at no public cost, following the New York City model. The 2014 Motivate financial report will be available by the May Commission meeting for Commissioner review.

### **Proposed System Expansion and Terms**

Motivate's proposal for the Bay Area includes a ten-fold expansion of the existing system. Highlights from the term sheet found in Attachment A are outlined below.

#### *System Size and Location:*

The breakdown of bikes by city reflects Motivate's initial system planning, based on expected ridership demand. One hundred fifty of the 7,000 bikes will be placed following final planning, with at least 50 of these to be located in the East Bay.

<b>City</b>	<b>Bikes</b>
Berkeley	400
Emeryville	100
Oakland	850
San Francisco	4,500
San Jose	1,000
TBD	150
<b>Total</b>	<b>7,000</b>

*Term:*

The proposed term of 10 years could be reduced to five years if Motivate does not achieve the installation deadlines listed in the table below for each of San Francisco, the East Bay, and San Jose. Timely installation depends on Motivate having permits in hand a reasonable amount of time prior to each deadline, given the lead time associated with ordering all necessary equipment. Therefore, Motivate and the cities will share responsibility for selecting potential station sites, developing site plans, and approving permits in a timely fashion.

<b>Month</b>	<b>Share of Bikes to be Deployed</b>
June 1, 2016	25%
October 1, 2016	15%
April 1, 2017	30%
November 1, 2017	30%

*Performance Requirements:*

To ensure smooth and continued program operation, MTC has developed a series of key performance indicators (KPI) to continually evaluate Motivate’s performance, and Motivate will pay fines if it fails to meet the KPIs. In addition, Motivate will maintain a security fund of \$250,000 to act as a standby reserve for emergency payments and other incidents. Moreover, MTC will have the option to declare Motivate in default of the contract in the event of bankruptcy or persistent failure to meet KPIs. Following the initial term, MTC has the option of renewing for two additional five-year terms if Motivate is in substantial compliance with the terms of the contract.

*Advertising and Sponsorship:*

In exchange for providing a major expansion and all required operations and maintenance, Motivate will own all bike share equipment and will retain sponsorship and advertising rights on physical and digital assets, subject to local restrictions. MTC will have approval rights over title sponsorship and branding and will consult with participating cities in determining approval.

*Option to Buy In for Other Cities:*

The cities included in the currently proposed system, as well as any other municipality in the nine-county MTC region, may contribute public funding for additional bikes and stations, which will be interoperable with the existing system. Following expression of interest from a municipality within the MTC jurisdiction, Motivate will enter into good faith negotiations with MTC and the municipality to provide equipment and operations services at a to-be-negotiated, per-dock fee.

*Expanded Usage and Availability in Communities of Concern:*

Motivate has agreed to support low-income and Limited English Proficiency membership efforts through pricing and station siting. The discount pricing membership is proposed to cost \$60 annually, or \$5/month, and Motivate will offer this option to all eligible individuals at no cost to MTC. MTC staff has identified PG&E's California Alternate Rates for Energy (CARE) program, a utility discount program for households that make less than twice the federal poverty level, as a standard for establishing discounted membership eligibility. In the Bay Area, 20% of households participate in the program – 520,000 households out of 2.6 million – which equals approximately 1.4 million people. The table below displays CARE data for participating cities:

City	CARE Enrolled Households	Total Households	CARE Enrollment %
Berkeley	6,000	46,000	13%
Emeryville	850	6,000	14%
Oakland	49,000	154,000	32%
San Francisco	64,000	346,000	18%
San Jose	73,000	301,000	24%
<b>Total</b>	<b>192,850</b>	<b>853,000</b>	<b>23%</b>

Source: Pacific Gas and Electric Company; 2010 Census through [www.bayareacensus.ca.gov/](http://www.bayareacensus.ca.gov/)

Motivate has also agreed to allow discount program members to pay on a monthly basis to enhance affordability. In addition to discount pricing, Motivate will work with cities to place at least 20% of stations in MTC-designated Communities of Concern. In Oakland, Motivate will make a special effort to fulfill the city's plan for stations in West Oakland and East Oakland.

MTC staff also recommends using program funds previously set aside in 2014 (up to \$1 million, over three years) to provide alternative language access to program materials, conduct market research and outreach for hard-to-reach bike share target groups, and create an unbanked/cash access program. These additional efforts are intended to remove barriers to membership and enable everyone in participating jurisdictions to benefit from the program.

**Sole Source Justification**

MTC staff recommends entering into a sole source agreement with Motivate for a number of compelling business reasons. First, Motivate's proposed system is a much larger expansion – 6,300 bikes instead of 1,800 – than was anticipated through the public procurement process, at no public cost for initial capital or ongoing operations and maintenance cost. Second, the pre-project and ongoing administrative burden and cost of a fully private system will be significantly reduced in regards to procurement development, consultant needs, contract administration, permitting, and marketing. Finally, Motivate brings the most bike share business experience in the country while serving as equipment vendor, product installer, operations and maintenance provider, and sponsorship administrator.

Fully private funding means that public funds originally intended for bikes and stations can instead be reprogrammed, and no agency in the region will need to contribute to combined annual subsidies of up to \$1.5 million to operate the originally planned system. Moreover, bike share programs across the country have found much stronger usage with launching large systems

than with expanding in phases, and Motivate's proposed system would implement this "big bang" strategy in the near term, removing the need to capture additional grants for system expansion.

The currently proposed system also gives MTC a chance to deploy a new public-private partnership model for transportation system delivery on a mobility option that has been identified in Plan Bay Area, with only private funds. Moreover, the nature of the proposal and Motivate's business model mean that the contractor is incentivized to increase ridership while following MTC's KPIs.

The potential disadvantage of an exclusive, private bike share vendor and operator is a lack of control over the direction and execution of the system. MTC staff recommends mitigating this potential disadvantage through carefully designed contract terms and KPIs, as discussed above, developed from industry best practices.

#### **Next Steps and Current System Transition**

If the Commission authorizes the Executive Director to negotiate and enter into a contract with Motivate, it will be necessary to transition assets from the BAAQMD pilot program to MTC (subject to Air District Board approval). Staff is developing a plan for transferring all existing bike share equipment and associated operating technology, data related to current membership and program administration, and a share of any remaining system revenues from memberships and usage fees, and staff will be working with the Federal Highway Administration to satisfy any Federal requirements attaching to these assets. MTC and Air District staff will jointly present at the Air District Mobile Source Committee in late April and the Air District Board in early May to allow for the execution of this transfer.

Concurrent with completing negotiations with Motivate, staff recommends creating a new Intergovernmental Agreement with all participating cities in support of the terms in Attachment A. Key tasks and issues to be considered in the agreement include permitting processes, parking and permitting fees, possible revenue sharing, advertising and sponsorship limitations, staffing expectations, and project timing.

Staff also recommends establishing agency roles and responsibilities for each of the key tasks listed above. Staff for each participating city will have a significant role in determining bike share service areas, selecting station sites, and performing community outreach, and each city will likely need to commit dedicated staff during the planning and execution phases of this expansion.

Attachment B contains the planned schedule for the contract and the first two iterations of the site selection, permitting, and installation sequence. Motivate has indicated that its launch team prefers to plan and install approximately 80 stations at a time to most efficiently use staff time.

**Recommendation**

Staff recommends that this Committee refer this item to the May Commission meeting for authorization for the Executive Director or his designated representative to negotiate and enter into a contract with Motivate based on the summary of terms in Attachment A, to deliver, own, and operate a bike share system of 7,000 bikes at no cost to taxpayers.



---

Steve Heminger

REQUEST FOR COMMISSION APPROVAL  
Summary of Proposed Contract

Work Item No.: 1125

Consultant: Motivate International, Inc.  
New York, NY

Work Project Title: Sole Source Bike Share Expansion

Purpose of Project: Deliver, install, and operate a 7,000-bike bike share system.

Brief Scope of Work: Implement a bike share system of at least 7,000 bikes and associated stations, including purchase, delivery, and installation of bikes and stations, ongoing operations and maintenance, customer service, and program marketing, at no public cost.

Project Cost Not to Exceed: \$0  
Total approved contract amount based on this action = \$0

Funding Source: N/A

Fiscal Impact: Funds in FY 2014-15 to be reprogrammed.

Motion by Commission: That the Executive Director or his designee is authorized to negotiate and enter into a contract with Motivate International, Inc. for zero cost to deliver, implement, and operate a bike share system of at least 7,000 bikes and associated stations.

Metropolitan Transportation  
Commission:

---

Dave Cortese, Chair

Approved: Date: May 27, 2015

**Attachment A**

**Motivate-MTC Proposed Term Sheet**

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.

<b>Contract Topic</b>	<b>Contract Terms</b>
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>
System Size	<p>7000 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>● 100 to be determined during site planning</li> </ul>
Launch Dates	<p>Sites representing 25% of the total bikes for San Jose, East Bay and San Francisco should be approved and permitted by December 30, 2015. Motivate will install these bikes by June 1, 2016.</p> <p>Sites representing an additional 15% of bikes for San Jose, East Bay and SF should be approved and permitted by April 30, 2016. Motivate will install these bikes by October 1, 2016.</p> <p>Sites representing an additional 30% of bikes for San Jose, East Bay and SF should be approved and permitted by November 30, 2016. Motivate will install these bikes by April 1, 2017.</p> <p>Sites for the remaining bikes in San Jose, Easy Bay and SF should be approved and permitted by May 31, 2017. The remainder of bikes shall be installed no later than November 1, 2017.</p>

Contract Topic	Contract Terms
Launch Dates (continued)	<p>Delays in receiving permitted and approved sites by specified dates will result in extension of the installation dates in an amount equal to the delay.</p> <p>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.</p>
Term	<p>10 year term, reduced to 5 years 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 fourth 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>
Non-Motivate Sources of Funding	<p>San Jose, San Francisco, Berkeley, Emeryville, and Oakland and any other municipality in the nine-county MTC region may contribute public funding for additional bikes and stations that are interoperable with the existing system.</p> <p>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 engage in negotiations with Motivate after term sheet signing to develop a new service agreement using public funds.</p> <p>After expression of interest from a municipality within the MTC jurisdiction, Motivate will enter into good faith negotiations with the MTC and municipality to provide equipment and operations services at a to-be-negotiated per dock fee.</p> <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>

Contract Topic	Contract Terms
Pricing	<p>\$149 annual pass that can be increased no more than CPI + 2% annually.</p> <p>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 40% of the annual price. 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.</p>
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>
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>

Contract Topic	Contract Terms
Advertising	<p>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.</p>
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.</p> <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>
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>

Contract Topic	Contract Terms
Security Fund (continued)	<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>
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.
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.
Data	<p>All data owned by Motivate. Cities granted a non-exclusive, royalty free, perpetual license to use all non-personal data.</p> <p>Monthly Reports shall be provided for each of the above KPIs and other system data, to be determined.</p>
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.

Contract Topic	Contract Terms
Responsibilities of Motivate (continued)	<p>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.</p>
Site Design and Planning	<p>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.</p> <p>Motivate will hire a community relations firm to assist with organizing and hosting community meetings and to conduct outreach to local residents and businesses.</p> <p>Motivate will use commercially reasonable efforts to subcontract the work to DBEs where possible.</p> <p>Each municipality should provide a point of contact to coordinate the community engagement efforts and the permitting process.</p>
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>

Contract Topic	Contract Terms
Parking Meter Revenue	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.
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>
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.
Resolution of Terms with BAAQMD	<p>Resolution includes:</p> <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> </ul>

<b>Contract Topic</b>	<b>Contract Terms</b>
Resolution of Terms with BAAQMD (continued)	<ul style="list-style-type: none"><li data-bbox="597 260 1377 365">• This agreement will resolve prior SLA claims and any other prior potential claims that could be asserted through the date of Settlement.</li></ul>

