

Bikeshare Market Sounding

Information Document and Response Format

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Caltrans, on behalf of Cal-ITP (California Integrated Travel Project)

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1. Introduction

Cal-ITP (the California Integrated Travel Project) is playing a major role in transforming how the State of California supports multimodal, sustainable mobility. The mission of Cal-ITP is to make travel simpler and more cost effective for everyone, including to increase the integration of shared mobility services. To date, Cal-ITP has employed an effective model of change-making that begins with basic research, market soundings like this one, followed by feasibility studies, and where necessary, procurement and implementation support to make our vision a reality. Cal-ITP has already started to transform the transit payments landscape in California using this methodology, creating a bench of procurement options for local agencies to install contactless, open payments, and by developing new ways to verify customer eligibility for discounted fares or benefits that are seamlessly integrated with contactless payment systems. Bikeshare systems are one of the next areas where Cal-ITP would like to make a difference: bicycles are a key part of the vision for a low-carbon, multi-modal transportation ecosystem.

Despite astounding growth in the availability of bikeshare in California, with around 15 providers currently active in 10 different cities, we believe that there is still untapped value in bikeshare systems, and that government can be doing more to catalyze success for the customer, the companies, and the agencies seeking to bring bikeshare to their locality. Both existing and new systems can be further optimized to offer more equitable and affordable services that are easier for bikeshare providers and cities to implement and manage together in the public interest. To better define what role the State of California can play in this market, Cal-ITP is conducting this Market Sounding through April and May of 2023.

This document sets the stage for the Market Sounding. The following sections provide the necessary background information, and include key information related to bikeshare. In addition, the document also outlines the specific goals and purpose of the Market Sounding. Finally, a detailed description of the timeline, including key dates and how responses to the Market Sounding can be submitted, is outlined below. The attached appendix includes questions for participants.

1.1 Background information

Integration of shared mobility services is needed if we want to offer multimodal, door-to-door travel options. Biking is a healthy and environmentally friendly solution, whether part of a multimodal trip in combination with public transit, or as a mode by itself. Although we see different implementations across diverse Californian cities, as in the rest of the world, the market is very volatile, and systems are failing. Several bikeshare providers are pulling out of the market, leaving a gap in service behind. This is an undesirable development, and Cal-ITP seeks to explore state-level functions initiatives that could help the successful rollout and long-term operations of bikeshare systems that also support public policy goals. The purpose of this Market Sounding is to provide answers to these questions from the perspective of private operators in the bikeshare industry.

How can California help local bikesharing systems?

Currently, each city has its own rules and regulations for nearly every aspect of shared bikes - reflected in custom-developed permits and/or procurements. This can be inefficient as policymakers in each city need to figure out for themselves how to organize bikeshare systems and manage diverse public and private stakeholders to ensure alignment with public goals.

For bikeshare providers, this means that every city might have different requests, making it hard to standardize and optimize the services offered. As a result, costs are added to operations, and more importantly, successful rollouts in every city are not guaranteed. Having

statewide tools might overcome some or many of these issues and lead to better operating bikeshare systems that better fit everyone's needs.

For **city policymakers**, state-level support could lead to:

- **System procurement with best practices.** This saves cities the trial-and-error that often leads to misalignment between public and private partners in contracting phases – making the procurement process more efficient for everyone involved.

For **bikeshare operators**, state-level actions could lead to bikeshare systems that are:

- **Consistent and stable.** More standardized expectations from local government partners, in addition to clearly defined bikeshare system models, could allow providers to scale operations more easily with longer-term operating agreements that encourage operators to make more meaningful investments in their systems.
- **Financially viable and profitable.** If California is involved, this could potentially help bikeshare operators with regard to profitability - whether through subsidy, purchasing hardware (i.e. bikes/stations), providing scale (i.e. multiple cities) or other interventions. This might also open access to markets that are currently not served.

For **riders of bikeshare** systems, we believe we can support bikeshare systems that are:

- **Reliable.** Bikeshare systems should be a reliable, legible and convenient mode that can consistently complement other public transportation modes.
- **Accessible.** Bikeshare systems should be available to all of California's inhabitants in all the cities around the state that want them, regardless of the neighborhood they live in.
- **Affordable.** Bikeshare can be a cost-competitive option for all Californians, regardless of income.

1.2 Transportation Sustainability in California

California is home to over 40 million people, spread out across some of our nation's largest cities and most productive agricultural regions, small university towns and oceanside getaways. No matter where they live, Californians deserve access to affordable, safe, convenient, and sustainable transportation options. In California, transportation accounts for the largest portion of our carbon footprint, representing 38% of total GHG emissions over the past 20 years,¹ and at the same time holds great potential for a green transition. California already leads the nation with ambitious plans for how to revitalize our transportation sector, banning all internal combustion engine car sales by 2035,² and passing the Climate Action Plan for Transportation Infrastructure (CAPTI) in 2021, guiding investment over the next 20 years to bolster public health, safety, and equity while dramatically reducing transportation-related environmental harm.³ Improving bikesharing and related active mobility infrastructure not only improves the health and quality of life for all Californians, but also magnifies investments in other sustainable transportation modes like transit which are fed by trip on

¹ [California Air Resources Board](#), California Greenhouse Gas Emissions

² [Office of California Governor Gavin Newsom](#), Executive Order N-79-20

³ [California State Transportation Agency](#), Climate Action Plan for Transportation Infrastructure

bikes. Also, bikesharing can help support the resilience of our neighborhoods through planning that is focused on people and not cars.

1.3 Market description

Bikeshare is now a significant part of the transport mix in cities across the US, complementing public transit and helping municipalities achieve their policy goals. This is reflected in the high number of active and new systems in the country. As of mid-2022, more than 160 systems operated in the US, of which nearly 20 were launched in the last two years.⁴ In California, around 15 providers operate in 10 different cities.⁵ Their operations and fleet size may vary, but most fall into one or more of the following categories: “Dock-based” (bikes are parked in a docking station), “Dockless hubs/bays” (parking in designated areas without a physical station), or “Free-floating” (bikes can be parked anywhere). Some providers operate in just one city (e.g., Santa Barbara B-cycle) others have operations in multiple cities (e.g., Bay Wheels, Metro Bikeshare). Beyond operations, other aspects diversify the collaboration models between cities and providers, such as who owns the bikeshare assets (public or private), how the systems are funded (publicly, through sponsors, or through ridership revenues), the length of the operating agreement (shorter term permits vs. multi-year contracts) and competition among operators (exclusive agreement between cities and providers, multiple providers) and whether and how e-bike share is offered.

2. Market Sounding and Purpose

The general purpose of this Market Sounding is to collect written information about the knowledge and capabilities of diverse market players and industry professionals. Part of this may include in-depth interviews with parties who respond to the questions in Appendix A. Interviews will be requested depending on the responses and if respondents indicate whether they are open to an interview (remotely). This Market Sounding will conclude with a market response summary written using feedback from the participating parties. The target release date of the summary will be in May 2023. The outcomes of the Market Sounding will shape the direction and potential next steps undertaken by Cal-ITP.

The Market Sounding may offer clearer insight on complex questions including, but not limited to;

- Which bikeshare systems (and business models) have succeeded regionally and globally, and which have failed?
- Which criteria can be used to ensure success? And under which conditions?
- What are the main pain points (e.g., procurement, regulatory, education) faced by bikeshare providers in operating bikeshare systems?
- What kind of regulations, incentives, or requirements can help or hinder bikeshare providers be successful?
- What are relevant case studies

The responses to these questions are relevant to the bikeshare industry broadly, so we encourage all applicable parties to respond to this Market Sounding, regardless of whether they currently operate in California.

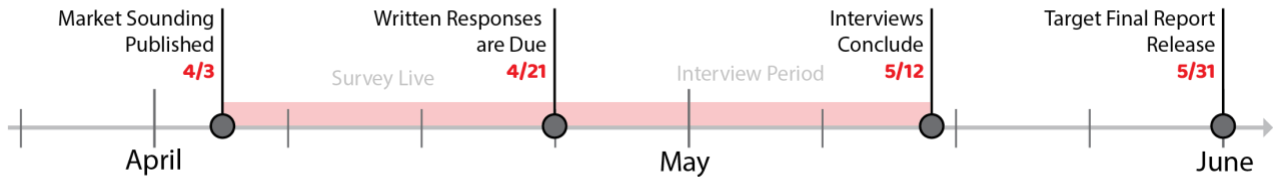
⁴ [PBSC Urban Solutions](#), The Meddin Bike-sharing World Map Report 2022

⁵ [General Bikeshare Feed Specification](#) (March 2023)

2.1 Responding to the market sounding questions

The following section outlines the process for this Market Sounding, including important timelines, the submission of answers, and the overall follow-up process. Terms and conditions of participation may be found in Appendix II.

2.2 Procedure and timing



Unless otherwise agreed, **all information in the final report will be anonymized**. We will ensure that no information can be traced back to individual companies and will employ **Chatham House Rules** for all of our interviews and responses. For any questions on this process, you can reach out to us via hello@calitp.org.

2.2.1 Steps taken after the Market Sounding

Cal-ITP is currently assessing the path towards state-level technical assistance in bikeshare. This Market Sounding is a critical step in this process to define what the State of California can do to create a better marketplace for successful bikeshare systems and speed project implementation. The results of this Market Sounding will directly inform Cal-ITP's next steps.

2.2.2 Submission of response

We ask interested parties to submit their answers in a predetermined response format (Appendix 1) before 0:00 PCT (midnight) on Friday, April 14th, 2023. You can submit your response by emailing it to hello@calitp.org.

2.2.3 Important dates

Activity	Date
Publication of this Market Sounding	April 3 rd 2023
Closing of Market Sounding Survey	April 21 st 2023
Beginning of selection process for interviews	At the latest April 21 st 2023
Last interviews held	May 12 th 2023
Report on the Market Sounding is shared with CAL-ITP and participating organizations	May 24 th 2023

Appendix 1 Response format – Market Sounding questions

Circle YES or NO if the description below applies to your company or organization:

Dock-based system	Free-floating system
YES or NO	YES or NO
Permit based	Contract / Operating Agreement based
YES or NO	YES or NO

Short Answer Question 1:

What distinguishes your bikeshare systems from other systems/solutions (e.g., regarding operations, technology, software, low-income programming, equity features, community engagement, etc)?

Answer:

Short Answer Question 2:

In your opinion, what is critical to creating a successful bikeshare system on both the private and public side? Can you describe what that success looks like? Could you share one or two examples of cities where you have achieved a significant level of success in your operations?

Answer:

Short Answer Question 3:

What challenges have you faced during rollout and/or operation of your bikeshare system(s) that hampered your success (e.g., regarding operations, regulatory, technological challenges, etc)? What was the impact of this on your customers?

Answer:

Short Answer Question 4:

How were you able to mitigate these difficulties? If you couldn't solve these issues, what would you have changed to enable that, given the chance? Which best practices would you take into consideration?

Answer:

We want to thank you for your contribution to this Market Sounding. Would you be interested in having a follow-up in-depth interview to discuss these questions further?

YES or NO

Appendix 2 **Market Sounding Terms and Conditions**

Participation

Participation by parties in this Market Sounding process is strictly voluntary and is neither a pre-requisite nor a pre-qualification requirement for participation in any future opportunities related to bikeshare services. Information provided by any participant as part of this Market Sounding shall not be construed in any way as part of a competitive solicitation. Caltrans does not guarantee that all parties requesting an interview will be interviewed.

Rights of Cal-ITP

This Market Sounding is not an agreement to solicit or purchase goods or services. Caltrans is not bound to enter into any contract with any participant that submits a response to this Market Sounding. Caltrans shall be under no obligation to receive further information, whether written or oral, from any participant or provide any feedback.

At its sole discretion, Cal-ITP will decide if procurement is warranted. In the event that Cal-ITP decides to proceed with procurement, procurement will be conducted through an open/public competitive procurement process in accordance with State of California procurement policies and procedures.

Submissions property of Cal-ITP

Cal-ITP will not return the submission or accompanying documentation submitted by the participant.

Participants shall bear their own costs

Neither Caltrans nor Cal-ITP will be liable for any expenses incurred, including the expenses associated with the cost of preparing responses to this Market Sounding. Participants will bear their own costs associated with or incurred through this Market Sounding process, including any costs arising out of or incurred in: (a) the preparation and issuance of this Market Sounding; (b) the preparation and making of a submission; or (c) any other activities related to this Market Sounding process.

Disclosure of information

The participants hereby agree that information provided in submissions may be disclosed by Caltrans where required by law, order of a court, or tribunal. Caltrans intends to publicize a relevant summary of the results of the Market Sounding. The participants are advised that the Caltrans may be required to disclose all, a part, or parts of a participant's submission pursuant to the California Public Records Act.

Confidentiality

Cal-ITP may share summarized results of this Market Sounding with state, joint powers, and federal funding partners, and may use the results to create a future Request for Proposals (RFP) to procure assets and services. We reserve the right to make public summarized versions of any information provided in response to this Market Sounding without identifying the Respondent(s) involved (Chatham House rules).

