



Date: July 20, 2017 QL

To: Patrick H. West, City Manager

From: Craig A. Beck, Director of Public Works CB

For: Mayor and Members of the City Council

Subject: **Bike Share Program Update**

In March 2017, Long Beach celebrated the Bike Share program's one-year anniversary. Since the program's launch, a network of 400 bikes and 60 hubs have been deployed throughout the City including Downtown, Belmont Shore, beach areas, five of eight light rail stations, and CSULB. Bike Share has become a popular component of Long Beach's multi-modal transportation system with a total of 13,629 members, and it is used by residents, employees, and tourists alike. A strong operations team is crucial to the continued success of Bike Share as we expand citywide in the future.

The City contracted with a private company named Cyclehop to manage the Bike Share program. The scope of Cyclehop's services include: ordering bikes, installing hubs and signage, securing sponsorships and memberships, and maintenance of bikes. While Bike Share has been well received by the community, Cyclehop has not been able to fulfill the requirements in the contract. As a result of insufficient efforts by Cyclehop, there have been several examples of contract default, such as:

- Failure to deliver the final 100 bikes of the 500 bike system. The contract requires 500 bikes be deployed within the first 90 days of operation.
- Failure to secure sponsorship for the program.
- Failure to increase membership. Membership increase due largely to City efforts.
- Failure to install program signage and infrastructure.
- Failure to provide revenue and membership reporting as required.

The City has worked with Cyclehop for the past seven months to try to correct the deficiencies. Ultimately, the lack of timely communication and a clear plan to achieve success has resulted in a loss of confidence that Cyclehop can successfully manage the completion of Phase 1 and further expand the Long Beach Bike Share system. Accordingly, staff is in the process of transitioning the program to a City-managed effort. This transition will not impact Bike Share users, and riders can continue using bikes and memberships as they do now.

Staff is developing an appropriate management plan and will notify the City Council once the contract with Cyclehop has been terminated.

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If you have any questions regarding this matter, please call Eric Widstrand at (562) 570-6537.

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