



# Final Administrative Decision

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**Date: August 30, 2018**

**By:** David Martin, Director of Planning and Community Development  
**Subject:** Shared Mobility Device Pilot Program Operator Selection and Device Allocation  
Pursuant to Santa Monica Municipal Code ("SMMC") Chapter 3.21

## **Introduction**

In June 2018 the City Council directed staff to create a shared mobility device pilot program, including the selection of up to four shared mobility device operators. Since that time, staff from various city departments have worked expeditiously to establish Administrative Regulations and conduct a competitive request for application (RFA) and selection process that will facilitate the launch of the shared mobility device pilot program on or about September 17, 2018.

As prescribed by SMMC Chapter 3.21 and its implementing Administrative Regulations, the selection committee, which is granted an advisory function under Chapter 3.21, conducted its review and ranking of the operator applications and announced their rankings. The announcement of the committee ranking was followed by a one-week public comment period which closed on August 17<sup>th</sup>. As the final step in the operator selection process, I have conducted my de novo review of all submitted materials, public comments and recommendations.

After considering the rankings of the selection committee, all submitted materials and the various forms of public comment, I have selected Bird, Jump, Lime and Lyft as the four participants of the pilot program, consistent with SMMC Section 3.21.040. The initial allocation of e-bikes and e-scooters between the four operators is described later in this memorandum.

## **Background**

Shared mobility devices are proliferating in cities across the country, including the inaugural launch of Bird scooters in Santa Monica in 2017 and the introduction of Lime e-bikes and e-scooters in early 2018. These small electric or human-powered devices are new and highly visible, drawing considerable attention and controversy when they arrive in an area. In Santa Monica and elsewhere, these devices have raised community concerns about safety and enforcement, including concerns about users riding on the sidewalk, doubling up on scooters, and riding without a helmet, all of which are prohibited under state and/or local laws.

Santa Monica is a desirable market for new shared mobility options because of the diversity of people and activities, the high-quality street network and the culture of active and outdoor living. Shared mobility devices provide an option to move without a car, reduce pressure on vehicle lanes and parking spaces, and increase overall access and mobility. Low emissions options also facilitate Sustainable City goals and improved local air quality. Given the potential benefits offered by shared mobility devices as well as the inherent issues and conflicts that arise when a new mode of transportation is introduced into an existing environment, the City Council directed the establishment of a Shared Mobility Device Pilot Program. The pilot program has been designed to collaboratively and flexibly develop an effective model to regulate these new transportation options to ensure effective compliance with applicable laws and to promote the health, safety and wellbeing of everyone in the community. The pilot program will directly address the new challenges posed by the introduction of a large number of new mobility devices. This approach is consistent with the City Council's Strategic Goal of promoting a new model of mobility for Santa Monica and the Council's adoption of Vision Zero to eliminate deaths and serious injuries from roadway collisions.

## **Discussion**

The selection committee reviewed the application submittals and scored each based on the seven categories prescribed by SMMC Section 3.21.060. These include experience, operations, ability to launch, education strategies, compliance record, financial viability and safety compliance. Based on these categories, the committee recommended the

selection of the top two ranked operators in each category, which are Jump and Lyft in the bike category and Jump and Lyft in the scooter category. Because Jump and Lyft submitted applications in both categories, and in part because their applications for e-bike and e-scooters were nearly identical, Jump and Lyft were the highest ranked in both categories.

While the ranking of Jump and Lyft at the top of both device categories is understandable based on the committee's scoring method, the selection of only Jump and Lyft for the pilot program would limit the potential of the program by selecting two operators with similar focus and an emphasis on ride-share, and limited experience operating shared mobility device programs such as e-scooters. The limited diversity in experience and product type that would result in the selection of only Jump and Lyft could curtail the amount and quality of input the city receives into our shared mobility device pilot program by denying opportunity for two additional operators to participate and contribute as contemplated by SMMC Chapter 3.21.

After consideration of the selection committee's rankings, public comments and applicant materials, I ranked each application on the same criteria as that used by the selection committee.

### Experience

I credited a higher value to an operator's experience in the operation of specific shared mobility devices systems and their experience operating in Santa Monica. The experience and knowledge gained by operating in Santa Monica will bring valuable knowledge and perspective to the pilot program and to exclude such experience going forward would unnecessarily short-change the program by potentially excluding operators who have direct knowledge and experience related to the operation of a shared mobility device program in our city. Accordingly, operators who demonstrated substantial operating experience both within and outside of the City received the highest of the Experience scores.

### Operations

The operation plans submitted by the operators were similar in many ways with minor variations in the method for the calculation of fees, operating hours and a range of customer service capabilities. While operators differed in their approach to these issues, most aspects of the operation plan are prescribed by the Administrative Regulations and will adjust over time as the pilot program reveals best practices in the field of shared mobility device programs. Given the general consistency across the proposed operations, most operators received similar scores within this category.

### Ability to Launch

The ability of an operator to be ready to launch within 30 days of being selected is important to the success of the pilot program and to ensure the availability of shared mobility devices. Given that the pilot program is scheduled to begin in less than one month, it is important to select operators who are either in place or can mobilize quickly. While all applicants expressed an ability to be in operation consistent with the timeline required in the Administrative Regulations (within 30 days), having at least two of the four operators in place and guaranteed to be operational at the start of the pilot program ensures that there is no disruption in the availability of shared mobility devices that some members of our community have come to rely on for short distance errands and first mile/last mile connections. Accordingly, operators who demonstrated existing operational capacity in the City received the highest of the Ability to Launch scores.

### Public Education

In the category of public education, the proposals again identified similar components with most operators expressing a desire and willingness to work with the city to develop and distribute safety information, attend events, meet with community groups and engage in other public outreach efforts. Since efforts around user engagement and education are specifically called out as required in the Administrative Regulations and are expected to be a critical part of the pilot program outreach, it is expected that this will be a combined effort with all operators in coordination with the City. Given the general consistency across the proposed Public Education strategies, operators received similar scores within this category.

### Compliance

The determination of compliance with Federal, State and local law was based on the operator's statement in the application and other information made available or known to me for this selection process. Most operators stated that they are in full compliance with all applicable regulations. Bird stated in their application that they had pleaded no contest to a single infraction of the Santa Monica Municipal Code. I am also aware of the fact that Bird and Lime have incurred several hundred thousand dollars in fines due to the placement of their devices in the public right of way. While compliance issues have arisen since the introduction of shared mobility devices in Santa Monica, more recently, Bird and Lime have both shown a consistent and continuing willingness to work with the City to develop a practical and functional shared mobility device program. Operators were scored accordingly.

### Feasibility and Insurance

Financial feasibility and the ability to provide insurance was also considered by the selection committee. Similar to the compliance category above, the financial status and ability to provide insurance was based on the operator's statement. I have accepted all operators' statement that they have the financial wherewithal to operate their program and to provide insurance as set forth in the City's Administrative Regulations and Request for Applications.

### Parking, Helmets, and Roadway Safety

Similar to the public education category described above, parking, helmets, and roadway safety will be key components of the pilot program and all operators are expected to cooperate with each other and the city to deliver a comprehensive parking and safety program. Most operators suggested strategies such as a driver license scan requirement, geofencing, drop zones, free or discounted helmets, and photo enforcement. It is anticipated that these and other strategies will be tested during the pilot program and the proposal of an individual operator at this point is less important than a willingness to work within the pilot program to address these issues. Given the lack of significant material difference across the proposed operations, operators received similar scores within this category.

Based on the material and input received and the rationale described above, I ranked the operator’s applications as follows:

Scooters

<b>Scooters</b>	Experience	Operations	Ability to Launch	Public Education	Compliance	Financial & Insurance	Parking & Safety	Total
Bird	10	10	10	8	8	10	10	66
Lime	10	10	10	8	8	10	10	66
Jump	8	10	7	8	10	10	9	62
Lyft	6	10	8	8	10	10	10	62
Hopr	3	10	8	8	10	10	10	59
Drop	5	10	6	8	10	10	9	58
Spin	6	8	6	8	10	10	10	58
Gotcha	3	8	8	8	10	10	10	57
Scoot	3	10	6	8	10	10	10	57
Skip	6	8	6	8	10	10	9	57
Razor	3	8	8	8	10	10	9	56
Cloud	2	8	6	8	10	10	9	53

Bikes

<b>Bikes</b>	Experience	Operations	Ability to Launch	Public Education	Compliance	Financial & Insurance	Parking & Safety	Total
Lyft	10	10	10	8	10	10	10	68
Jump	10	10	10	8	10	10	9	67
Hopr	8	10	10	8	10	10	10	66
Lime	10	10	10	8	8	10	10	66
Drop	7	10	6	8	10	10	9	60
Scoot	6	10	6	8	10	10	10	60
Razor	2	8	8	8	10	10	9	55

Device Allocation

The SMMC Chapter 3.21 and the Administrative Regulations state that up to four operators will be selected, with a minimum of two e-bikes and two e-scooter service options. The regulations also state that at program launch, the total size of the City-wide device fleet shall not exceed 3,000 total devices, with up to 1,000 e-bikes and 2,000 e-scooters (and no fleet under 250 devices). Following the initial launch, the number of devices may increase or decrease based on utilization and other relevant factors. In order to provide

maximum flexibility during the pilot program and encourage a robust exchange of ideas and innovative technology, two operators in the pilot program will be allocated a combination of e-bikes and e-scooters (Jump and Lyft). Bird and Lime will be allocated exclusively e-scooters as follows:

	Bird	Jump	Lime	Lyft
e-scooters	750	250	750	250
e-bikes	0	500	0	500
Total Devices	750	750	750	750

Bird did not request any e-bike allocation. While Lime did request both e-bike and e-scooter allocations, their demonstrated experience in Santa Monica suggests that their e-bike operation is not particularly robust. Lime deployed approximately 80 e-bikes in the City beginning in April 2018, but abandoned e-bike operations only 2 months later. A distribution of devices amongst the operators resulting in some operators offering both e-bikes and e-scooters will helpfully inform the pilot program about the potential benefits of an operator with more than one device and the opportunities for integration that may result. However, having more than two operators offering both devices would unnecessarily burden City staff resources to coordinate and manage, without meaningfully increasing useful data inputs.

### **Summary**

The Director of Planning and Community Development hereby selects Bird, Jump, Lime and Lyft to participate in the City’s shared mobility device pilot program, bringing together four pioneering companies in the field of transportation innovation and shared mobility device deployment. Each operator is allocated 750 devices as detailed above. These companies bring a wide range of local, national and international experience that will allow the City to conduct a comprehensive and informative pilot program.

**Prepared By:** David Martin, Director of Planning and Community Development