

Date: 29 May 2020

Subject: GM Bike Hire – Procurement

Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Lead for Transport and Eamonn Boylan, Chief Executive Officer, GMCA & TfGM

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## **PURPOSE OF REPORT**

This paper sets out the ambition and proposals for creating a Greater Manchester public bike share scheme, for which programme entry has previously been secured through the Mayor’s Challenge Fund.

In addition, it sets out the strategy for delivery of the scheme and how such a scheme integrates with the wider GM transport offer.

The paper seeks support from the GMCA to commence the formal procurement of a GM Bike Hire scheme in accordance with the proposed delivery strategy.

## **RECOMMENDATIONS:**

The GMCA is requested to:

Endorse the proposal to move to commence the formal procurement of a GM Bike Hire scheme in accordance with the proposed delivery strategy set out in this report.



**Financial Consequences – Capital:**

The GM Bike Hire scheme has secured Programme Entry approval through the Mayor’s Challenge Fund which will enable access to capital funding subject to achievement of full business case approval. The decision to commence procurement does not have any direct Capital cost consequences as GMCA/TfGM is not obliged to award a contract once the procurement stage is completed.

**Number of attachments to the report: N/A**

Comments/recommendations from Overview & Scrutiny Committee

**BACKGROUND PAPERS:**

- 29 March 2018 – Transforming Cities Fund report to GMCA
- 25 May 2018 – Cycling & Walking Update
- 29 March 2019 – Mayor’s Cycling & Walking Challenge Fund

<b>TRACKING/PROCESS</b>		[
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
<b>EXEMPTION FROM CALL IN</b>		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		
GM Transport Committee	Overview & Scrutiny Committee	

## **1. INTRODUCTION/BACKGROUND**

- 1.1. Over the past five years, several independent studies and practical demonstrations have confirmed that there is a demand for a public bike share scheme in Greater Manchester. These include a Feasibility Study by Systra, lessons captured from the Mobike initiative by Atkins, analysis of the user data captured from the Mobike initiative by Salford University together with extensive engagement with the bike hire market/bike scheme operators. The culmination of this and other feedback has driven the decision to adopt a service-led model.
- 1.2. Greater Manchester's Vision is to have a successful public cycle hire scheme that integrates with the wider "Our Network".
- 1.3. The objectives are that the GM Bike Hire Scheme:
  - is accessible and affordable,
  - is easy to use by the target market,
  - is safe and secure,
  - is respected and valued by GM's communities,
  - promotes and supports modal shift to encourage more walking, cycling and "active" lifestyles.

## **2. AMBITION**

- 2.1. A public bike hire service can be envisaged as a hop-on / hop-off transport facility that gives flexible options for travel to users. In operation the service would support first mile / last mile journeys by fixed public transport modes, and, in successful schemes around the world, such services complement tram, bus and rail networks. GMCA's target users include residents, students, commuters and visitors, and comprehensive market engagement and demand analysis underpins the assumptions of this report.
- 2.2. The scheme would be delivered as a managed service by the successful Service Provider and would be delivered in phases; Phase 1 focusing on the Regional Centre Authorities: Manchester, Salford and Trafford. The coverage of Phase 1 was determined from studies that suggested the Regional Centre and the inner southern suburbs have the necessary socio-demographic characteristics for the successful launch of a scheme with a large student population, high numbers of visitors, several attractors and a high cycle propensity amongst residents.
- 2.3. From the outset input and oversight from the other districts is integral and the established Service Agreement will cater for expansion beyond Phase 1 as well as further development in the phase 1 areas. Around 1,500 bicycles would be necessary to support the first phase, with them all being "docked", which adds security and supply certainty for users, while enabling an element of flexibility through localised bike tethering (known as geo-fencing). These bicycles, the docks and other associated street furniture would meet or exceed UK safety and serviceability standards and the standards set by CoMoUK, the UK's accreditation body for public bike hire schemes. A proportion of that fleet would be e-bikes. E-bikes extend the range and attractiveness of public bike hire schemes and generally raise greater

revenue income than mechanical only schemes. Elderly and less able-bodied users particularly find e-bikes attractive.

- 2.4. The Service Provider will develop the detailed design and implementation of Phase 1 of the Scheme, working with TfGM / GMCA and Local Authorities. Alongside the development of the Phase 1 Scheme, the Service Provider will also work with TfGM/GMCA and Local authorities to co-develop the future expansion.
- 2.5. The proposed bike hire scheme provides the opportunity to create a first mile / last mile service that complements and supports other modes. Flexible and affordable financial and physical access to the bike hire service will be critical to the success of the scheme and the service model enables GM to play a greater role in managing the direction of the scheme than a concession model would. Using a range of associated “access to bikes” services (such as longer-term loans, and/or community based ‘giveaways’) will enable disadvantaged communities to be supported in their access to bikes.
- 2.6. A public bike hire scheme would work alongside other efforts to ensure those seeking work, or, working in key sectors can gain access to bikes through loan or longer-term hire services supporting active travel choices, e.g. non-traditional bikes such as cargo bikes and other forms of flexible transport. It would also positively contribute to post-Covid Recovery by continuing to support people making journeys by walking and cycling.
- 2.7. A joint District / TfGM management board has been formed consisting of the TfGM programme team and District Chief Transport Officers. Membership on that board from Greater Manchester Police will be sought in due course (currently this is not practical due to COVID) that will be to seek to ensure that lessons learnt from previous schemes/pilots are incorporated.
- 2.8. District Officers have expressed concerns to ensure that the scheme supports wider ambitions in the regional centre, such as pedestrianisation and should assist in getting people to work and in linking to residential areas. Careful, co-production of the scheme will be undertaken to resolve these issues by enabling Districts to work closely with a supplier through a competitive procurement process to address such matters in an agile and outcome focused manner.
- 2.9. Early discussions have also been held with major regional development partners who have expressed support for the scheme. The social value of the scheme is under-investigation and it is estimated that at least 20 local jobs (based on the Phase 1 scheme) would be created by the scheme, together with additional benefits in the skills training, bicycle maintenance, supplier, distribution and administration functions that will be necessary to support the scheme.

### **3. PROCUREMENT AND DELIVERY STRATEGY**

- 3.1. Subject to approval, it is intended to commence procurement at the end of May / early June. The service would be procured via an OJEU compliant ‘competitive procedure with

negotiation' process. This process will ensure that TfGM capture the knowledge and expertise of the bike hire market to develop the optimal solution for GM.

- 3.2. Following the issue of a 'Contract Notice' in late May / early June, it is proposed that a 'Selection Questionnaire' would be issued to create a short list of at least three bidders at the end of June. It is anticipated that following receipt of initial bidder proposals and a negotiation period, final proposals would be submitted in August/September. Following appoint of the Service Provider, TfGM and Local Authorities will work with the Service Provider during late 2020/early 2021 to develop and implement the Scheme with the first bikes currently scheduled to be 'on-street' in spring 2021.
- 3.3. Circa £10 million has been allocated for the first phase of the GM Bike Hire scheme in the prioritised allocation of the Mayor's Challenge Fund. This allocated funding is currently considered to be sufficient to deliver the infrastructure for and to manage the forecast net operating costs of Phase 1 of the Scheme Prior to commencing procurement.
- 3.4. The Outline Business Case will be submitted to TfGM's gateway review process to secure Conditional Approval and following a successful procurement outcome, full MCF funding approval will be sought through the CA.

#### **4. RECOMMENDATION**

- 4.1. It is recommended that GMCA endorse the proposal to move to commence the formal procurement of a GM Bike Hire scheme in accordance with the proposed delivery strategy set out in the report.