

# Finding the Best Partner

**Creating fair evaluations for tendering or permitting micro-mobility operators**



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## Introduction

As the micro-mobility market begins to mature, cities are recognizing that finding the right partners is an important feature of a successful program. Micro-mobility companies want to be strong supporters of city objectives, and can help cities build more vibrant and sustainable communities.

The relationship between cities and operators varies greatly depending on national or local systems. In some jurisdictions, operators are required to apply for a permit or a special use permission, and any operator who meets all conditions may enter the market. In others, cities may run tendering processes and limit the system to a single operator or set of operators. And in other cities, the relationship between operators and the city is voluntary, but may be governed by some shared codes of conduct. Each city should make its own decisions about the best approach to partner with operators. A tender or a permit may not be the most appropriate process for a city's specific circumstances. In any case, it is critical that the city take the time to articulate what its expectations and objectives are, shape policies to achieve those goals, and be outcome-oriented and judicious in its regulatory approach.

In this article, we will discuss a few of the key considerations for those cities planning to set tender or permit requirements for operators, acknowledging that there will be a wide array of priorities and concerns across cities.

## The Cost of Policy: Understanding Impacts on Operator Business Models

Cities and operators have a shared interest in promoting sustainable and accessible transport. However, unlike cities, shared micro-mobility providers ultimately operate with a profit motive and need to ensure that their businesses can remain financially viable. It is important to remember that policy objectives may ultimately impose a cost on operators- one which is either passed on to users in fares, or which may ultimately affect their ability to operate in a city. As cities craft policies and rules for operators, it should be done with an acknowledgement that these rules have economic impacts on operators and can ultimately affect operations. Generally, these impacts fall into three categories:

### Operating Domain

The geographic distribution of devices required by cities impose costs to operate services. While cities may wish to see more devices available in lower density areas outside of the urban core, the logistics of servicing these devices can create challenges for operators, who would typically prefer to serve a smaller area with greater population density.

## Policy Objectives

Cities may have certain policy objectives in order to ensure that new forms of transportation support public policy goals. Whether expanding access in multiple languages, providing schemes to address issues of social inclusion, or requiring more sustainable business practices, cities may impose costs to business operations through policy requirements.

## City Cost Recovery

Shared micro-mobility ultimately creates an impact on the public realm, and many cities choose to price that impact on a per device, per trip, or per operator basis. These charges typically go to support program management and infrastructure development (such as parking hubs). But they also represent a cost of doing business to operators, ultimately affecting profitability and sustainability.

Cities should hold operators to a high standard, but should be clear about which priorities matter most to them so that operators can accommodate them within their business model. If shared mobility is to be a long-term fixture in cities, it is important that the economics are stable, especially relative to other modes. Cities may also need to consider strategies such as targeted subsidies, exclusivity arrangements with a limited number of operators, or multi-year agreements in order to create a more stable environment for operators and support sustainable, profitable operations.

## Asking the Right Questions: Setting up a Fair Evaluation

In cities planning to establish tender requirements with the goal of restricting the number of operators, it is important to articulate fair and clear requirements so that the city can identify the best partners for their circumstances. Like any procurement, the process should be transparent and where possible rely on objective criteria, or subjective criteria that can be fairly evaluated through clear rubrics. Cities should look for completeness of an operator's answer, an understanding of the local conditions, and an operator's willingness to be creative to meet the challenges that are most important to the City. Cities should balance an operator's willingness to provide new innovative solutions that may not yet be fully deployed with proven solutions the operator has implemented in other markets.

The specific evaluation criteria used will ultimately be a function of the city's priorities (and its authority). The weighting of different criteria should be clear from the outset to operators, and a diverse mix of city officials should review the proposals to ensure a fair evaluation. Cities should be clear to operators about which criteria are evaluated and scored, versus those criteria that are informational. A few categories to consider including in an evaluation include:

## Hardware

It is possible to distinguish operators based on certain device features. However, it is important that cities have a true rational basis for including a hardware feature based on its affect in achieving a public benefit. For example, certain features may be associated with a safer riding experience, or with a more comfortable ride. A few questions that the City may want to consider include:

- Does the device have features to reduce tampering, particularly on brakes?
- What is the diameter of the tires? Are they pneumatic, or is there a suspension?
- Are there features that promote safety, such as turn signals or brake lights?
- What sort of features distinguish the hardware?
- Are batteries swappable?
- Does the device include two brakes?
- What is the width of the floorboard?
- Can the device be unlocked remotely in the case of emergencies?
- Is the operator offering multiple form factors (seated, three wheeled, etc) that may appeal to a wider audience?

## Data

Data is critical to meeting city objectives for a sustainable shared micro-mobility system and for evaluating the benefit of a shared micro-mobility service. As a company specializing in the management of micro-mobility data, Vianova has [written extensively](#) on approaches to GDPR-compliant data management. The use of data should be specific and targeted to the city's regulatory, program evaluation, and transport planning needs.

- Will the operator provide the city or a third party working on the city's behalf with the city's requested or required data needs in a generally accepted format (such as GBFS or MDS) using an application programming interface (API)?
- How will the operator comply with data handling and retention procedures laid out by the city?
- Will the operator meet the city's expectations about the latency of data provision (how close to real time it will be provided)?
- How will the operator respond to issues regarding data quality or uptime?
- Will the operator agree to ingest policy rules provided by the city or a third party working on the city's behalf via API?

## Parking

One of the most important ways that a city can ensure the long-term success of shared micro-mobility is to establish policies for appropriate parking management, and hold operators accountable to meet those expectations.

- Do operators have features in the app that improve parking compliance (trip end photos, new techniques to improve GPS accuracy etc.)?
- Do devices have locks or straps that can be used to affix devices to bike racks in an upright position?
- Can the operator detect that a device is improperly parked or tipped over?
- Do providers communicate no parking zones to customers within their apps, and how does the operator validate that a device is not parked in a restricted geofence?

## Operations

Within the tendering process, cities could ask prospective operators to provide details about how they expect their operations to run within the city. Acknowledging that these plans will likely require subjective evaluation, they should nevertheless be robust and demonstrate an understanding of the local conditions. Again, cities should only include the requirements for which they feel there is an imperative public interest in understanding.

- Does the operator have a plan to comply with the City's geo-policies (no riding, no parking, low speed, etc)?
- What is the operator's approach to pricing, and how will users have access to pay for the service?
- How many devices does the operator intend to have in the city (or how many are the operators willing to commit to)? What is the expected range of the size of the fleet?
- How frequently will operators touch devices and what is the type of inspection done each time the device is touched?
- Is there a process for members of the public to report damaged or misplaced devices directly to the operator?
- What is the service area an operator would want to work in? Will there be areas where trips are not permitted to start or end?
- What is the operator's plan for increasing helmet usage?
- How will the operator deal with issues of social inclusion, such as promoting access for low-income riders or riders speaking another language?
- How will the operator reduce improper riding behaviour?
- What sort of education will the operator provide to new riders about appropriate riding and parking behaviour?
- How will operators provide customer service and facilitate rider feedback to the city on issues in their domain (such as infrastructure condition)?
- What is the operator's level of service for dealing with an issue the city raises?
- What is the operator's approach to a sustainable lifecycle for the devices?
- Will the operators provide demographic data to the city to help it understand the user base, or will the operator disseminate surveys to their users at the city's request?

## Partnership

One of the hardest features to evaluate is the level of partnership a city will feel from an operator. Cities want to know that they will be treated fairly by operators, and that operators will be responsive to city needs. Many of these businesses are new and still developing processes for engaging with government partners, but cities still want to understand how the services have been received elsewhere in the world.

Cities should ask for references in other cities that the operators have previously launched. Some permit processes have asked for *all* cities where operators have launched, and for details about whether operators had to respond to fines or legal actions by those cities. A tendering city should give operators the opportunity to explain any issues or discrepancies that arise from this review process, as companies continue to improve their best practices.

## Keeping Score: Holding Operators Accountable

Once rules are established, it is important that cities hold operators accountable to their commitments in tender offers. It is not fair to those operators who are doing their best to comply with the city's policies if other operators are skirting the rules. All operators should want a fair operating environment where the rules are clear and every operator has the same chance to succeed. Cities should try their hardest to not change policies without discussion with operators, and give operators a window in order to achieve compliance.

The city should use the data provided by the operators to evaluate performance and progress toward targets. The city should also consider other tools to ensure compliance with program requirements such as audits, "mystery shopper" programs, and general surveys of the population. Continued engagement between operators and the city is critical as policies change and evolve - a sustained partnership involves mutual respect and understanding.

If issues arise during the course of the tender, it is important for both parties to begin with a conversation to resolve disputes. The processes of providing shared micro-mobility and regulating it are both extremely new, and both parties should endeavor to give the other the benefit of the doubt. However, continued non-compliance is unfair to those operators who are doing their best to meet the standards of the tender. There are a range of penalties the city may want to consider levying for failure to comply if the violations are serious enough. The tools available to cities may vary depending on the legal landscape, but could include warnings, reductions in the permitted fleet cap, financial penalties, or temporary or permanent revocation of the permit.



## Conclusion: Bringing it All Together

For micro-mobility to be a feature of the transport ecosystem in the future, fair rules and a collaborative approach are a necessity. Shared micro-mobility is a dynamic market, and the process to tender applicants will be iterative. Cities should learn from one another, and keep a close eye on the way in which the market matures. Cities and operators can work with planning authorities, public transport operators, and others to advance a more sustainable, accessible, and equitable transportation system for all residents.

## About the Author



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## About Vianova

[Vianova](#) is a data platform that helps cities better integrate and manage shared, connected, electric and autonomous transport solutions in the urban space, enabling better use of city infrastructure, and promoting safer and more sustainable mobility. Vianova has offices in Paris, Zürich and London.

## About this document

These guidelines are intended to share a current overview of collaboration between cities and private mobility operators. It does not constitute legal advice, nor should it be a substitute for legal advice. Practitioners should always consider existing laws in their local jurisdiction.

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