ZAGSTER
PROPOSAL FOR
AURORA BIKE SHARE

ZAGSTER, INC
24 THORNDIKE ST CAMBRIDGE, MA 02141

April 2016

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STATEMENT OF QUALIFICATIONS

1. Name of Vendor/Contractor
Zagster, Inc.

2. Permanent Main Office Address
Zagster, Inc.
24 Thorndike Street
Cambridge, MA 02141

3. Contact Information
Phone: 844.924.7837
Fax: 617.841.7667
Email: dreed@zagster.com
Website: **www.zagster.com**

4. When organized
The company was founded in 2007 as CityRyde LLC.

5. Legal form of ownership. If a corporation, where incorporated.
Zagster, Inc. is a for-profit Delaware Corporation.

6. How many years have you been engaged in services, under your present name?
CityRyde LLC was converted from an LLC to a C-Corporation and renamed Zagster in 2012.

7. Experience in work similar in scope of services and in importance to this solicitation opportunity.
Historically, in the bike share industry there have been two kinds of companies: 1) those that have experience selling bike share hardware and 2) those that have experience providing bike share operations. Zagster is the only company in the bike share industry that provides a full-service bike share system -- including hardware, software, operations, marketing, and more -- which allows us to launch faster, innovate on everything, keep overall costs lower, make operations more efficient, and remove the financial barriers that have historically prevented local sponsors from being able to afford to host stations for their communities. Across the board, Zagster has the most comprehensive experience launching systems with partners of different sizes.

Most similar in nature to Aurora are the city-wide systems we have launched that have revolutionized the way bike share can connect a community. With Zagster, city systems like Albuquerque, NM and Carmel, IN, have introduced the industry to an all-inclusive community model where municipal and federal funding can be used to launch initial stations in the urban-core, and private sector businesses can help sustain and grow the system from there.

These unique city systems launched with initial funding from the city, state, or private entities, and then were grown by corporate donors, developers, universities, grocery stores, libraries, hospitals, and banks. If the goal of Aurora's proposal for bike share is to build a financially and environmentally sustainable bike share program that is guaranteed to work from day one and improve over time, Zagster is the City's best chance for success.

Please see Section 2 of this proposal for details of similar projects, qualifications, and references.

8. Have you ever failed to complete any work awarded to you? If so, where and why?
No

9. Have you ever defaulted on a contract? If so, where and why?
No

10. Describe any pending litigation or other factors, which could affect your organization's ability to perform this agreement
Not applicable

11. Names, titles, reporting relationships, and background and experience of the principal members of your organization, including the officers. Indicate which individuals are authorized to bind the

organization in negotiations with the City of Aurora

Primary Contact
Michael Sheppard, Midwest Sales Consultant
Mike is a member of the sales team covering customers in the Central Region. His role involves working directly with customers to design customized bike share programs and generating sponsor engagement. Mike brings over 10 years of sales, consulting and business development experience at large software companies Compuware, dynaTrace and Everbridge. He has worked within Chamber of Commerce and Transportation Planning roles while in college in Western Michigan and is interested in urban development to spur social, economic and health benefits. He graduated with a B.A. in Finance from Western Michigan University. Mike is authorized to bind Zagster in negotiations with the City of Aurora.

Executive Team
Timothy Ericson - CEO and Co-Founder
Timothy co-founded Zagster in 2007, after being inspired by the launch of the Velib' bike sharing service in Paris. He merged his background in corporate IT at a Fortune 500 company with his passion for biking to create a company that now leverages technology to make bikes accessible to hundreds of thousands of Americans. As CEO, to execute this vision, Tim has raised more than $6 million in funding from leading venture capitalists. He holds an undergraduate degree from Drexel University where he received the Young Alumni Entrepreneur Award. He has volunteered for organizations such as the Network for Teaching Entrepreneurship as well as many educational institutions. Tim is authorized to bind Zagster in negotiations with the City of Aurora.

Daniel Sewell - Vice President of Operations
Dan applies his knowledge and experience from eight years at Zipcar, the world's top car sharing service, to Zagster, the leader in the bike sharing industry. As a member of Zagster's executive team, he contributes to innovation and continuous improvement. Dan's Zipcar experience translates directly to Zagster's focus on quality control and member-based performance enhancements. At Zipcar, Dan developed the first operational model, which became the flagship operation for the company, and the basis for Zipcar partners across the country. Dan leads the customer-facing teams responsible for logistics, maintenance and customer support. Dan's operational skill is also used in Zagster's internal business operations, including billing, tech support, operation center improvements and metrics for measuring success. Dan has a B.A. from Suffolk University.

Ted Bronstein - Vice President of Sales
Ted leads Zagster's sales team in working with potential customer to establish new bike share systems. Ted brings a constant focus on the value of bike sharing to members, customers and sponsors, establishing each system for success and growth. Ted brings years of experience in complex sales leadership positions with venture-backed technology startup companies, such as Yesware and Brightcove (NAS:BCOV), where he led the company in new client partnerships prior to its initial public offering. Ted is both a US and Netherlands citizen, where he studied in Utrecht and Amsterdam and cultivated his love for biking. He experienced first hand how biking can be the best transportation option in congested communities. Ted graduated with a B.A. from Bates College. Ted is authorized to bind Zagster in negotiations with the City of Aurora.

Nate Taber - Head of Marketing
Nate leads Zagster's marketing department in designing and executing promotional and engagement programs for both Zagster's corporate business and its partner bike sharing systems. His team includes dedicated graphic designers, program managers and communications professionals that work to ensure the marketability and success of Zagster's bike sharing partners. Nate brings deep experience executing complex physical and digital marketing programs for both startups and Ultra Electronics, an established global technology manufacturer. He cut his teeth on biking and municipal transportation riding the Burke Gilman trail in Seattle and being exposed to campaigning and development work with SDOT and WSDOT from a young age. Nate graduated from Western Washington University with a B.A. in Economics and a minor in Mathematics.

John Williams - Public Relations
A senior communications executive, John has more than 20 years of experience in every facet of marketing and public relations. His publicity strategies and execution continue to result in features on clients in nearly every respected and influential media outlet, including the Wall Street Journal, Forbes, Time Magazine, CNN, NPR, USA Today, Washington Post, NY Times, Fortune Small Business, Discovery Channel, PBS, ABC World News Tonight – even the Jay Leno Show. John has been one of the most influential people in driving awareness of shared use mobility systems in the United States over the past 12 years. At Zagster, John's efforts have driven broad national

awareness for the company's novel approach to bike sharing. John has also worked at the executive levels inside and as a consultant to Zipcar, where he played a formative role in the success of car sharing, taking it from a niche idea, to a public company and leader in the global car sharing industry.

Ross Druckenmiller - Controller
Ross oversees the accounting and finance functions at Zagster, maintaining accurate financial information and providing support to all parts of the business. Prior to joining Zagster, Ross held various accounting positions at Enernoc (NAS: ENOC) and Enterprise Rent-A-Car and graduated with a B.C. from the University of Wollongong, Australia. Ross developed a love for biking when he started bike commuting 3 years ago.

Jeremy Jo - Fleet Manager
Jeremy started his experience in the cycling industry at the age of 15, working in the service and sales department of a large local bike shop. He gained valuable experience interacting with retail customers and service mechanics and now has a deep understanding of maintenance protocols. After graduating from college with degrees in Mechanical Engineering, Jeremy worked for NASA and for a medical devices company where he was responsible for product development, supply chain management, and operations.
Jeremy brings valuable experience from the tightly government regulated medical industry and applies it to drive maintenance and operational excellence for Zagster. He stays close to the beat of the cycling culture and industry, with over 15 years of part-time bike shop experience. Jeremy is now able to combine his love for cycling, technology, and sustainability, at Zagster. Jeremy holds a Masters in Mechanical Engineering and a M.S in Engineering Management, both from Tufts University.

Travis Reik, Senior Account Manager
Travis is responsible for managing all aspects of client relationships for Zagster bike share programs around the country. Travis' core functions include: evaluating customer success using data and comparative analysis; implementing reporting methods and custom reporting for customer goals; building additional relationship channels for program growth; and creating and releasing regular marketing plans. Prior to joining Zagster, Travis held several positions over a five year career at Zipcar. As an Account Manager for Zipcar in its University and Secondary Market segment, Travis managed college, university, and city programs around the country. In this role, Travis launched 23 car share programs, handling partner relationships, fleet location and implementation oversight and providing ongoing marketing and customer support. Travis volunteers on an annual three day bike ride to benefit ALS research. Travis graduated with a B.F.A. from Carnegie Mellon.

12. Name, title, address and telephone number of the individual to whom all inquiries about this Proposal should be addressed.
Michael Sheppard
Midwest Sales Consultant
24 Thorndike Street
Cambridge, MA 02141
Phone: 617.658.4536
Fax: 617.841.7667
Email: mike@zagster.com

13. Will you upon request, fill out a detailed financial statement and furnish any other information or sign a release that may be required by the City of Aurora?
Yes, upon review of the information needed

14. Tax Identification number(s)
45-5413401

15. As a Vendor are you able to receive electronic payment by P Card? Please explain your answer.
Yes

16. Addendum acknowledgement Indicate Yes or None. In the event that you indicate "none" and there have been addendum issued, you are still responsible for the addendum content.
Yes

1. PROJECT UNDERSTANDING AND APPROACH

1.A.I) CAPITAL ELEMENTS - INFRASTRUCTURE

The Bike
The Zagster8, our new flagship custom bike, is built for accessibility and comfort. This bike is over 30% lighter and has more than twice as many gears as others in the bike share market, making it a great solution for a citywide program. The Zagster8 is the bike share bike that members want to actually own.

The Zagster8 is custom built on the Fuji Breezer Uptown platform, winner of *Bicycling Magazine's* Editors' Choice for Best Commuter bike for an unprecedented four years in a row. In addition to its light aluminum frame, it has improved rust resistance and the 26-inch wheels are strong, durable and perfectly suited for the stop-and-go nature of constant, shared use. The Zagster8 comes with a low-step frame style and includes puncture-resistant tires, integrated automatic front and back lighting, and a variety of safety and comfort features that keep riders happy.

Adjustable seat fits adult riders

Smart lockbox holds U-lock key

Fenders and a chain guard keep riders clean

8 gears

Bell

Convenient front basket

Automatic front and rear lights

The Docking Station
Zagster offers a proprietary docking station that is heavy duty, modular and intuitive for riders. And, in contrast to the typical citywide program kiosk, Zagster has moved all of the access management services to the cloud. This saves our customers an expensive hardware investment and provides a cutting-edge member experience. Zagster's signage on the dock is simple and clear, providing key information on program's website, mobile app and customer support phone number. Zagster customizes signage to each program's brand, fostering a sense of place and community and welcoming people to become bike share members and frequent riders.

Next Generation Locking Mechanism (Coming Soon; Some Details May Change)

Zagster's next generation bike share locking system allows users to unlock bikes instantly using their mobile phone. This technology, developed by AXA, a unit of Allegion (the world's largest lock manufacturer) is a proven system that is in use within some of the largest European bike sharing systems. Zagster's locking technology system combines the security and presence of traditional kiosk docking systems, with the enhanced usability and flexibility of newer station-less systems.

Each Zagster bicycle is outfitted with an electronic Ring Lock mounted on the frame underneath the seat stays and rear brakes. The Zagster Ring Lock contains two security mechanisms: (1) a sliding steel shackle that immobilizes the rear wheel, and (2) a plug-in port for tethering the bike to a fixed object with a docking cable. Zagster combines these mechanisms with our mobile app and bike-mounted electronics to enable both temporary mid-trip stops and secure docking at Zagster stations for all users.

Station Locking and Unlocking Process

Each Zagster dock is equipped with a heavy pin-end steel locking cable permanently attached to the docking unit. To secure a bicycle to a Zagster station, a user first wheels the bike into any available docking unit. The docking unit's wheel well and vertical support post naturally keep the bike stationary and upright. The user then grabs the docking unit's locking cable and inserts the cable's pin-end into the plug-in port of the Ring Lock. To finish securing the bike, the user transmits a locking command to the Ring Lock via the Zagster mobile app or bike-mounted keypad. The Ring Lock latch engages, preventing the cable from being removed until it is released again for another user.

Mid-Trip Locking Process
Each Zagster bicycle is equipped with a steel locking cable, similar to the locking cables at Zagster docking stations. Combined with the Ring Lock, this system allows a user to temporarily lock their bike to a physical object anywhere, such as an ordinary bike rack or fence post, without needing to carry additional hardware.

Software and Related Technology
There are several technological components included in a Zagster program. First, Zagster sets up a custom website for each program. The website features a list of sponsors of the program and includes a map of station locations, instructions for becoming a member, pricing details, instructions for how to check out a bike, an overview of the bike itself and a series of FAQ. Second, the Zagster mobile application for iOS or Android Zagster's technology enables everyone in Aurora with an internet connection or a mobile phone to learn about and join the Aurora Bike Share program.

1.A.II) CAPITAL ELEMENTS - SCOPE

Scope of a System that Will Benefit Aurora and General Concept for Placing Stations + Location Requirements
The scope of Zagster's program in Aurora would allow the area to better access and use the Fox River Trail and give residents and visitors better access to Downtown Aurora. Adding bikes into the city will allow for more connectivity to shops, businesses, and trails for all residents. Having a bike share system in place will cut down on some of the barriers people have of riding, maintaining, and procuring bikes. With investment already being made into trails and bike lanes, we see bikes as being the medium to access and also to better connect all residents with the core of the City.

Zagster understands that the City has a limited initial budget to launch the program, but we believe the best approach to launching a bike share system for Aurora is to identify the core locations that will make residents and visitors aware of the program and make sure there are enough bikes to ride in the short term. As the program is launched and benefits are seen, we typically see many sponsors step forward to ensure the sustainability of the program.

Zagster recommends a Year 1 bike share program with 20-bikes and 4-stations that are located along the trail and just into Downtown. From the start we think the best placement for bike stations with be in North Aurora along the trail, South Aurora on the trail and two placed Downtown with easy access to the trails.

Zagster will work with Aurora to strategically choose sites for docking stations. Operationally, we look for sites that are visible at street level; located in areas that are considered desirable and safe for biking; readily accessible by foot or public transportation; close to local bike routes, tourist attractions, popular restaurants, easy connection to trails, and other points of interest, make for the best locations. But since certain sponsors will require a station at their place of business, Zagster recommends that the City sponsors stations in the most central public locations. Zagster has found this strategy to be successful in maximizing the City's investment.

Zagster's Operations team works closely with local stakeholders to evaluate each site for these factors and provide options before station installation occurs, such as sizes of docking stations, whether they should be freestanding or fixed, the best options for power, and how to best obtain permitting, when necessary.

# Potential Locations for Aurora's Bike Share Program
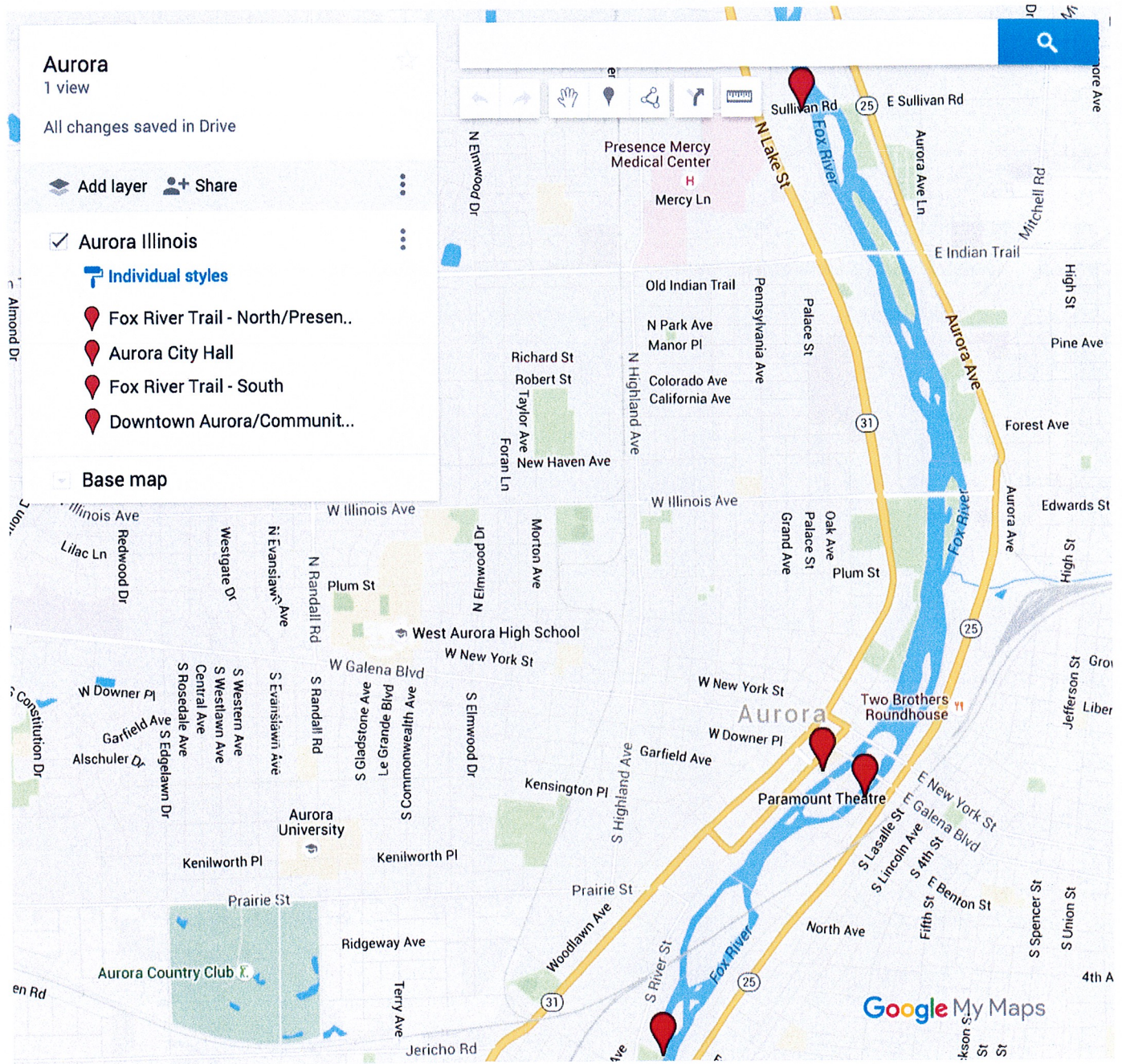
1.B.I) OPERATIONS - SYSTEM FUNCTIONALITY FROM USER'S PERSPECTIVE

Joining as a Member
To join Aurora's bike share, users will go to the Aurora website hosted by Zagster (www.zagster.com/aurora), or will download the Zagster mobile app, choose the Aurora bike share, and add their name, e-mail, phone number, and credit card information, before electronically signing a waiver. For users without mobile devices, Zagster can partner with sponsors and/or public organizations to provide a "virtual kiosk" which enables checkouts for people without access to technology.

Starting or Ending a Trip (Current Locking Technology)
Members with an iPhone or Android smartphone use the Zagster app to quickly generate a code to access the bike. Members simply enter the bike number, which is displayed in various areas on the bike, into the app. The mobile app immediately verifies the eligibility of the member, and makes sure there are no reported maintenance issues on the bike. If clear, the app displays a code that the member can enter into the lockbox on the bike. The whole process takes under 15 seconds. Members can see their location and map out a destination using bike paths.
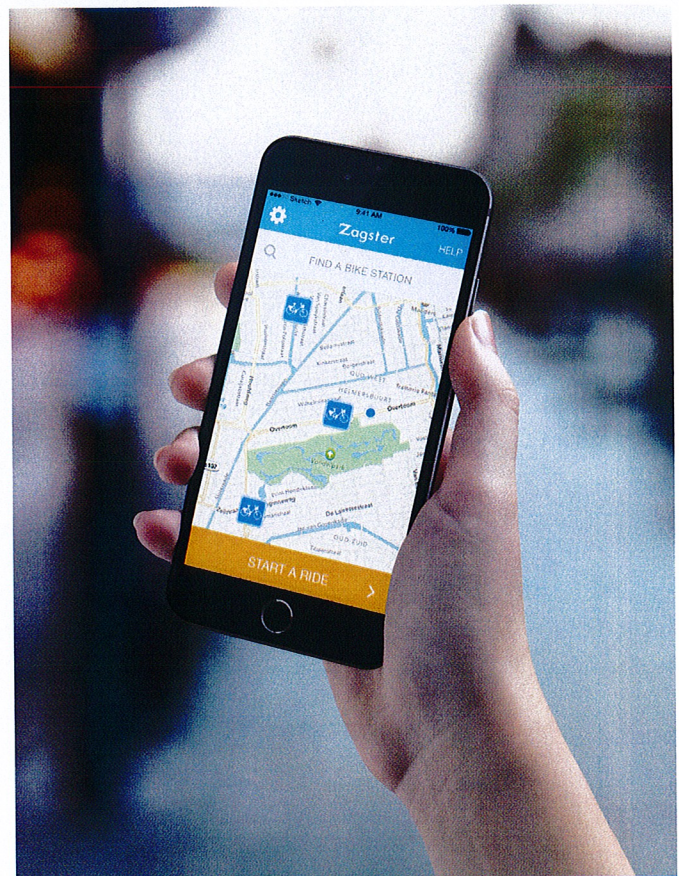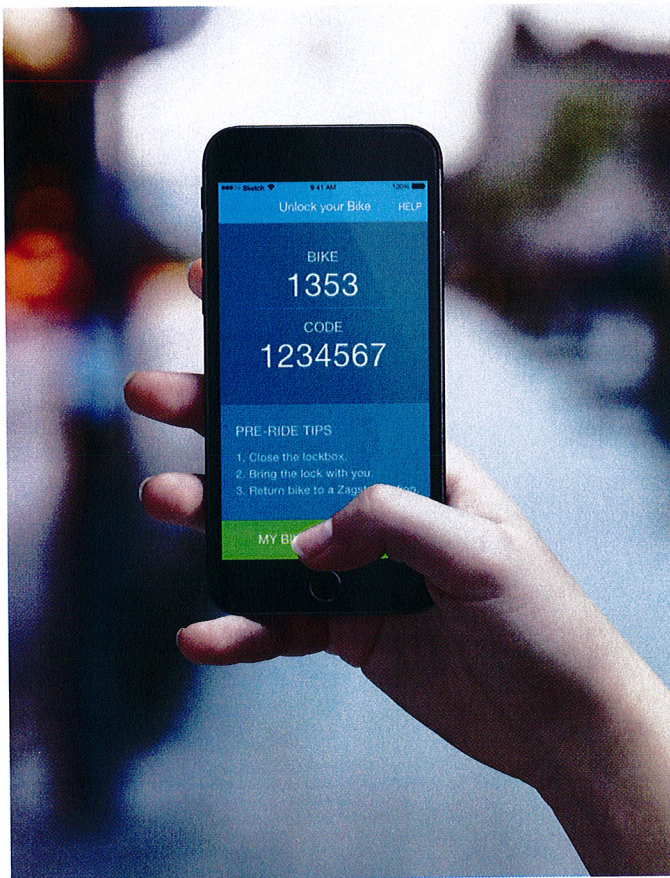
For users without a smartphone, Zagster supports text messaging for starting and ending trips.

Riding the Bike (Current Locking Technology)
Users simply enter the code onto the keypad on the bike's rear rack. After a valid code is entered, the lockbox opens, providing access to the key to the bike lock. The key is tethered into the lockbox to prevent theft or misplacement. Members then use the key in the lockbox to unlock the bike's U-Lock, and place the lock in its holster before riding away.

Parking During a Trip
One of the unique features of the Zagster service is the ability for members to securely lock up the bike at a non-Zagster station during their trip. This broadens bike usage, allowing members to stop at locations that do not have a Zagster station, and giving the program instant expandability.

Reporting Issues
Users receive 24/7 support from Zagster. Support can be contacted through the Zagster mobile app, mobile web, text message, or phone call to the Zagster call center for immediate multilingual support.

1.B.II) OPERATIONS - BUSINESS MODEL

Zagster plans to launch a bike share program with the City of Aurora with funding from the City, outstanding grants, and possible transportation and recreation funds. What we typically see is the city stepping forward with enough bikes to gain attention, ridership, and interest. But then we typically see other cities along the trails or sponsors step forward with interest and we begin to expand. Lots of times we use the ridership to marketing to phase two funding partners.

Zagster has successfully implemented this "growth via sponsorship" model before, specifically in Albuquerque, where Zagster worked with City government initially and then opened up the opportunity for local businesses to get involved to aid expansion. After launching in 2015 with 25 bikes, the ABQ program is now over 75 bikes and has received a federal grant supporting expansion to 200+ bikes in order to cover more of Albuquerque as well as regional communities like Santa Fe. This has also taken place in Carmel and Fort Collins.

Based on our experience operating bike share programs for cities similar to Aurora, we suggest member fees similar to the following:
- 24-hour pass: $6
- Monthly membership: $15
- Annual membership: $60, $30 with valid student email address, $10 for low-income residents
- Sponsor membership: Free in limited quantities

Regardless of the plan a member chooses, Zagster recommends the following per ride fees:
- First 30 minutes: Free
- Additional 30 minutes: $3
- Per trip maximum: $30

1.B.III) OPERATIONS - SYSTEM MANAGEMENT AND OPERATION {PROPRIETARY}

Zagster Certified Mechanics
The Zagster Certified Mechanic (ZCM) program hires local bike maintenance professionals. Applicants are required to have at least two years of professional bike maintenance experience to be considered. Zagster holds multiple interviews and conducts knowledge tests and background checks on qualified applicants. Zagster provides selected ZCMs with training on its leading internal mobile app maintenance technology. Zagster already has maintenance relationships in Aurora and will continue to hire locally as the program scales over time. If the City has any suggestions or recommendations for specific disadvantaged business enterprises, Zagster would be open to working with them, if appropriate.

Maintenance Process
From the Home Office, Zagster dispatches ZCMs to your bikes and locations on a 24/7 basis. To ensure conformance to Zagster standards, ZCMs are in constant contact with the Home Office using internal mobile applications. Zagster offers these core services:
- Proactive, comprehensive 30-point maintenance checks for every bike, every two weeks
- Immediate remote disablement of bikes flagged for maintenance.
- Full service for bikes that can be repaired on site
- Removal and off-site repair of damaged bikes
- Free replacement parts
- Replacement bikes every three years

Bike Rebalancing
During the planning stages, we attempt to design programs that minimize the need for rebalancing while

maximizing bike availability. As part of this process, Zagster provides two parking spaces for each sponsored bike. But occasionally, certain stations end up full. On an ongoing basis, Zagster's mechanics will use location data generated by the mobile app technology to reset stations to their optimal bike counts using vans, trailers, sleds, or people-power (depending on the size of the program) in an effort to make the bikes available to as many potential riders as possible. If a more efficient way to position stations is determined over time, Zagster may advise moving, reallocating or adding parking.

1.B.IV) OPERATIONS - SOCIOECONOMIC CONSIDERATIONS

Zagster recognizes how important it is for people of all socioeconomic backgrounds to have easy access to bikes. As a technology-driven solution, Zagster supports mobile applications and text messaging for bike access, which supports anyone with a cell phone, and a credit or debit card. While this supports the vast majority of bike share customers, Zagster understands it does not support all.

Zagster provides free programs in several communities around the country, such as Stark County, OH, and Jackson County, OR. In these programs, Zagster is open to people without cell phones and the unbanked. Providing free access to bike sharing programs presents unique challenges, but overall there is a great opportunity for the City of Aurora to open up the program in a similar way. Zagster will seek sponsor partnerships with public organizations and banks in order to provide virtual kiosks in lower socioeconomic neighborhoods, enabling eligible riders to gain access to Zagster bikes in person without having to provide credit card information.

Zagster's technology allows the City and its partners to see real-time bike availability and start a trip for a rider. Riders will either receive a text message with the bike access information, or an access code can be written on a Zagster-supplied temporary membership card, giving the rider access to a specific available bike.

No bike share program has found the perfect solution to access equity, but Zagster is committed to working with the City of Aurora on a fair and economically viable solution.

1.B.V) OPERATIONS - SOFTWARE AND DATA OPTIONS

As highlighted in section 1.b.i, Zagster's service includes the mobile application for iOS and Android, the custom website for the bike share program, and the dashboard that provides data to our customers. The dashboard displays membership and ridership data on a daily, weekly and monthly basis. It also displays bike-specific data such as whether the bike is in use or undergoing maintenance, the bike's last location and its rental history. A comprehensive list of the data points featured in the fleet dashboard is included in section 1.f.ii.

1.C) POTENTIAL PARTNERSHIPS, SPONSORSHIPS

Zagster provides the most comprehensive marketing support in the bike share industry. Zagster has collaborated with cities, universities, hotels, real estate developers, and numerous sponsors to message impactfully around our systems.

Sponsorship development is a core strength at Zagster. The Zagster team members throughout their career, have secured multimillion dollar global sponsorships with leading brands including U.S. transit authorities, over 400 universities, 20 municipalities, Google, IKEA, and even Ford Motor Company ($40MM+ sponsorship with Zipcar). Zagster is the leader in University bike share systems, with over 15 University customers in the United States and growing. Just this past Fall, Zagster launched the country's first and only fully-sponsored public University bike share system, for Purdue University, sponsored by the Alcoa Foundation. In Princeton, NJ, Zagster launched a program that started with 10 bikes at a single University transit center, and recently expanded to 60 bikes in partnership with the University; NRG Energy has launched its own bike sharing station at its Princeton office, several additional large businesses have lined up, and the City expects to expand the program this summer with its own financial contribution.

Zagster is also the undisputed leader in the corporate bike share market, wherein companies find value and

fund shared transportation, because it improves employee talent/retention, corporate responsibility, health/wellness, community development, and brand marketing. Zagster has proven its ability to work with private corporations and fundraise for bike sharing. National and global companies include General Motors, Quicken Loans, US Bank, Samsung, and Novartis.

Zagster offers a sponsorship package that includes mentions in the press and social media; logo rights for the program's website; logos emblazoned on each sponsored bike and station; and logos positioned within the mobile app. Zagster understands that the City places restrictions on advertising in the public right-of-way and is willing to engage with the City's legal department to understand these restrictions and their impact on creating branding options for the program.

As with other city partners, Zagster will contact potential sponsors in Aurora directly and with guidance from the City. A few directions we would look for sponsorships and long term sustainability of the program would be local and regional health care providers, B2C business - banks, beverage companies, grocery stores, restaurants, hotels, and large local employers. Other areas we see investment from is with organizations who's missions align with more of the community on bikes, downtown commerce, health & well-being, and visiting more of the community.

1.D) POTENTIAL SCHEDULE FOR PROGRAM DEVELOPMENT {PROPRIETARY}

The estimated implementation/timeline below represents general launch categories broken down by Zagster's functional departments:

	April	May	June
Branding and Marketing			
On Bike		X	X
Location Collateral		X	X
Print Materials		X	
Digital Materials		X	
Marketing Plan		X	
Ridership Promotions		X	X
Call Center			
Scale Call Center		X	X
Fleet Management			
Hire and Train Mechanics/Rebalancers		X	X
Complete Site Selection and Permitting		X	X
Locate Staging Facility to Support Launch		X	
Warehouse			
Build Bikes		X	
Ship to Staging Area		X	
Unpack and QA		X	
Launch at Locations		X	X
Technology			
Update Website		X	X
Update Mobile App		X	X
Install and QA Stations		X	X
Sponsor Development			
Sponsor Outreach		X	X

Sponsors Signed	x	x
Phase 1 Launch		x

1.E) POTENTIAL CHALLENGES IN AURORA

Zagster's service is a leasing model, providing the City with the necessary hardware, software, real time data applications, proactive and ongoing maintenance, 24/7 rider support, replacement services, customized marketing campaigns and general liability coverage required to offer a successful citywide bike share program. It takes serious resources to manage, maintain and market a citywide bike share program. Cities who purchase hardware and manage it themselves also suffer from stale hardware, while Zagster's service model allows continuous upgrades.

Nationally there have been challenges in the bike share industry in spreading bike share usage to a more diverse population. We would welcome a discussion with the City to discuss bike share equity across lower income residents. Other similar cities plan to address with low-income memberships, promotions and pop-up bike stations for residents without a cell phone or debit/credit card, and placement of stations in neighborhoods that are not currently accessible by transit. We would be happy to discuss this further for Aurora.

The only other item I would point to that is not a concern, but something we plan to get working on once we start in contract negotiations is to identify a team of mechanics that we will work with locally to manage the fleet. In some of our smallest programs we have had to be creative in the search, but we don't suspect issues in Aurora, but it will be a focus point to ensure the long term viability of the program.

1.F.I) DATA AND PERFORMANCE TRACKING - DATA COLLECTION

Zagster uses two main sources of data to track bike share activity: trip data collected when members start and end trips, and the location of bikes during trips. Any time a member starts or ends a trip, Zagster records the trip information, such as the member name, membership plan, bike number and start and end time. Then, Zagster tracks the site of bikes in real time using its mobile app and geofence technology. Zagster shares its data with customers for usage, planning and safety purposes. An overview of the reports that Zagster provides and what is included in each can be found in Section 1.f.ii.

1.F.II) DATA AND PERFORMANCE TRACKING - MEASURING, EVALUATING, TRACKING

Based on decades of experience in the transportation sharing economy, Zagster has built dashboards that clearly display the important data needed to evaluate the success of the program. Reports include member reporting (new and total memberships by plan), trip reporting (number of trips, trip length, and distance), location reporting (trip type, heat mapping, and direction requests), issue reporting (call center inquiries or incidents), and financial reporting (membership and usage revenue).

On a proactive basis, Zagster measures rider satisfaction by surveying our riders (first time riders, anyone who has contacted the Call Center, and anyone who has not completed a survey in the last three months) with the Net Promoter System (NPS), a nationally recognized measure of customer loyalty. NPS is used by many well-known global brands including Apple, Jetblue, Lego and Zipcar. The system asks the simple question, "Would you recommend the Aurora Bike Share (in this instance) to a friend or colleague?" The scale is 0-10 and the respondents are put into three categories: Promoters, Passives, and Detractors. The scores are then calculated to produce a Net Promoter Score. This score serves as a baseline measurement of loyalty and satisfaction.

The power of this data is measured over time. Incorporating these loyalty and satisfaction metrics into our quality control systems will enable us to measure and manage the system with feedback that propels continuous process improvement. Below is an example of some of our analytics for Purdue University to show ridership, where bikes traveled, stations, memberships, and bikes in circulation.
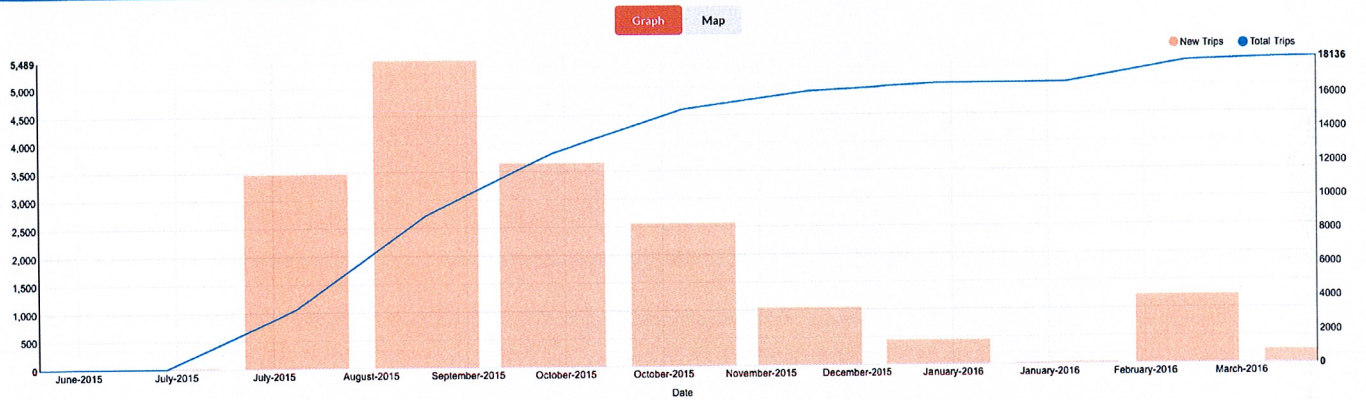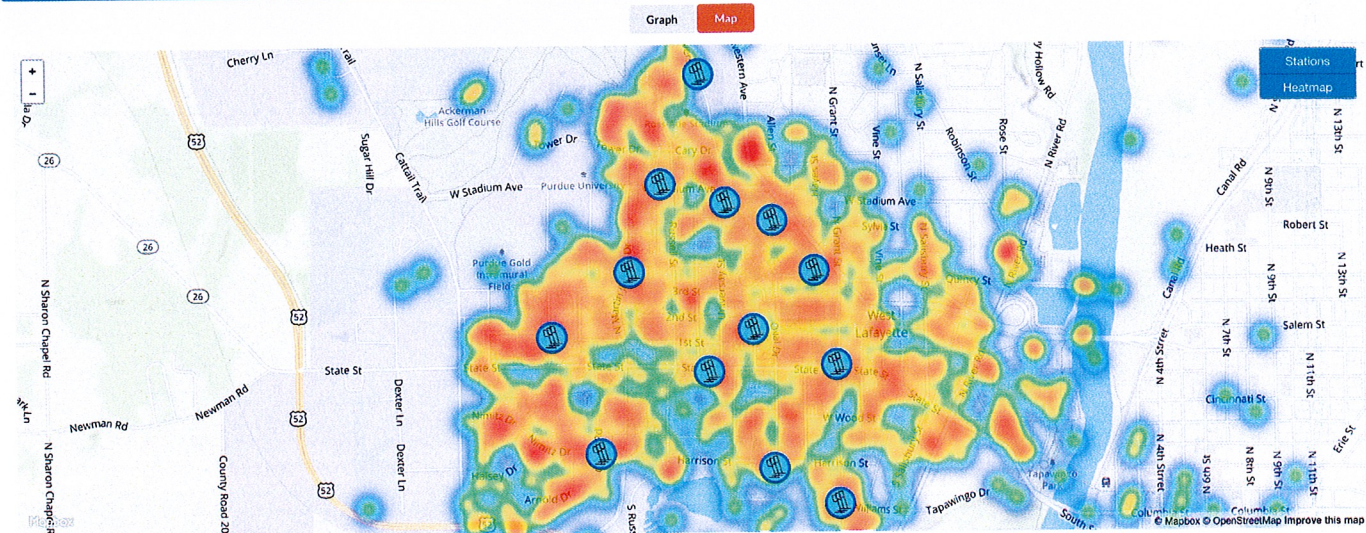
1.G) BRANDING AND MARKETING

Zagster provides complete bike share marketing services to engage and excite the community about the bike share. Proven marketing strategies include:

Press Support
Zagster will employ its public relations partner and internal communications resources to get media attention before, during and after launch. Zagster has made national headlines in magazines such as Forbes, Fortune, Wall Street Journal, and USA Today. For public bike share launches, our programs typically make large area newspapers and all local television networks. Zagster will make the most of the press opportunity at the program launch and for subsequent expansions.

Event Marketing
Zagster is there. For larger programs, Zagster provides event marketing through its community management team and brand ambassador program. Zagster attends community events and sets up shop to educate people on the program, pass out swag, and offer program promotions.

Location Marketing
Location signage identifies your stations to members, provides information on how to join for nonmembers and presents instructions for taking trips. At 12" x 48", it includes plenty of space to promote the program and sponsor logos.

Co-Branded Bike Baskets/Bikes
Co-branded bike baskets are printed on weatherproof aluminum, mounted on the front of the bike basket and measure 8" x 4.38". Baskets can be used to locally market the program and drive awareness to support a local sponsor.

Email and Social Media Marketing
Zagster regularly communicates with members and potential members via email and social outlets. Example email and social efforts include: membership benefits, announcements regarding new bikes and locations and member surveys. Zagster promotes your program on social networks like Instagram and Facebook, so you don't have to (although let's face it, you'll want to).
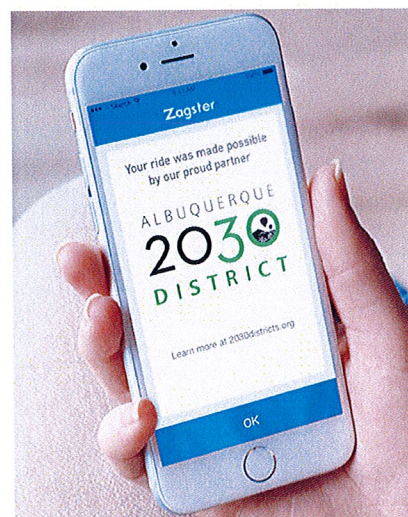
1.H) SPECIFIC NEEDS OF AURORA

Launch Expectations
Understand visions and goals for Aurora's Zagster Bike Share program
Confirming launch deliverables (marketing, logo, stations) in an agreed upon timeline

Expectations after Launch
Be able to communicate out how to access the bike share program
Bike share program advocate
Understand how to use and access Zagster's fleet management and analytic reports
Occasional logistical, marketing, and usage check-in calls
Provide feedback on a regular basis

1.I) SUSTAINABILITY

Green Fleet Vehicles
Rebalancing vans are the largest single ongoing emissions source in bike sharing operations. Zagster operates a distributed maintenance network of primarily bicycle-based field mechanics. Depending on the eventual size of the program, Zagster will also employ large cargo bikes and bike trailers to carry equipment, which will increase rebalancing performance, especially during rush hour periods, and reduce emissions.

Material Reuse
Although we aim to keep all bicycles in operation for a full three-year service life, eventually all Zagster bikes are taken out of duty. Zagster has a national partnership with the YMCA to refurbish and donate retired fleet bicycles for use by underprivileged youth across the country.

Purchasing Environmentally Responsible Products
The Zagster fleet operations team uses environmentally friendly products wherever possible, including biodegradable bike lubricants, degreasers, and washes. Zagster uses no hazardous chemicals in the course of bicycle fleet operations.

Year-Round Operations
If mutually desirable, Zagster can provide year-round bike share operations. Our ability to leave stations in place through the winter can eliminate the substantial impact from vehicles required for annual station installation and removal. During winter operations, if applicable, Zagster will employ eco-friendly magnesium chloride ice melt and sand to keep stations safe and accessible.

Corporate Office Practices
The Zagster corporate office provides single stream recycling through a local services provider. Our goal is to divert 75% of all waste output away from landfill. Zagster uses reusable dishware, cups, mugs, and utensils in our office kitchen. Climate control is automatically managed by Nest thermostats to optimize energy use throughout the year. The office is lit by a combination of efficient fluorescent and LED fixtures attached to motion detector switches, so lights automatically shut off when a room is empty. Zagster encourages its employees to commute sustainably. Over 85% of Zagster employees walk, ride a bike or take public transportation as part of their daily commute.

Corporate Responsibility Assessment
As a rapidly-growing organization, Zagster is dedicated to the Triple Bottom Line framework and is a three-star GIIRS rated corporation for our strength in responsible governance, fair treatment of workers and positive impacts on both our human community and the ecological environment. Additional assessment details are available upon request.

2. QUALIFICATIONS AND EXPERIENCE

Years in Business / Overview of Services Offered and Qualifications
Zagster, Inc. was founded in 2007 as CityRyde LLC and was converted from an LLC to a C-Corporation and renamed Zagster in 2012. Zagster provides industry-leading, full-service bike sharing solutions to cities, universities, businesses, residential campuses and hotels. Zagster's team includes multiple Zipcar veterans and a total of over 50 years of fleet operations experience. Zagster's qualifications include having launched the majority of all US bike sharing programs over the last 18 months, including programs for cities like Smyrna, GA, Fort Collins, and Carmel, IN; businesses like General Motors, Samsung, Novartis; and Universities like Duke, Purdue and Ohio State. Zagster is the choice for its service model, software offerings, operational expertise and track record of success.

NAMES AND LOCATIONS OF SIMILAR PROJECTS {PROPRIETARY}

Name: Bici Bike Share
Location: Albuquerque, New Mexico
Service Provided: Zagster operates the City of Albuquerque (ABQ) Bike Share, which launched in downtown ABQ in summer of 2015. The ABQ Bike Share is organized by a non-profit in partnership with the regional council of governments and the city. The program is funded by grants from PNM, ABQ's largest energy company, local private sponsors, the Mayor and the City Councilor. The program launched with 25 bikes, has since expanded to 75, and is continuing to grow. The region recently secured a large grant for expansion into greater ABQ and Santa Fe.
Date of Service: May 2015 to present
Client Organization: City of Albuquerque. Sponsors include PNM, Historic District Improvement Company, BikeABQ, FatPipe ABQ, SilverMoon Lodge, Albuquerque 2030 District, Albuquerque Convention Center and National Hispanic Cultural Center.

Client Contact: Valerie Hermanson, Transportation Planner (Mid-Region Council of Governments)
Client Phone Number: 505.724.3611
Client E-mail: vhermanson@mrcog-nm.gov

Name: Carmel Bike Share
Bike Share Location: Carmel, IN
Service Provided: Zagster was selected by the City of Carmel, Indiana, to run its public bike share system in February, 2015. The system has grown to 75 bikes in the region this year. This is the first public bike sharing system to include accessible bicycles (adult trikes).
Date of Service: February 2015 - present
Client Organization: City of Carmel, IN
Client Contact: David Littlejohn, Alternative Transportation Coordinator for the City of Carmel
Client Phone Number: 317.571.2306
Client E-mail: dlittlejohn@carmel.in.gov

Name: Irvine Company Bike Share
Location: Irvine, CA
Service Provided: In May of 2015, Zagster launched bike sharing in the City of Irvine, CA in partnership with The Irvine Company, which master-planned the City of Irvine. The Irvine Company is known for staying on the cutting edge of community design and sustainability, and its efforts have led to the City of Irvine being named the 2014 Best-Run City in the U.S. The Irvine Company approached Zagster after discovering that the bike share system they operated themselves was more costly than projected, and unable to keep up with innovation in the industry. Zagster originally launched at three apartment communities and an office project in Irvine, eventually growting to over 200 bikes, with additional expansions in planning.
Date of Service: May 2015 to present
Client Organization: Irvine Company currently has 10 different Zagster programs.
Client Contact: Sally Fowler, Director of Operations at The Irvine Company
Client Phone Number: 949.398.8921
Client E-mail: sfowler@irvinecompany.com

Sample Projects:
Sample: Zagster in Albuquerque (zagster.com/ABQ)
Sample: Zagster at Irvine Company (zagster.com/universityresearchpark)
Sample: Zagster in Carmel (zagster.com/carmel)

3. LIST OF PROJECT PERSONNEL

Please see Section 2 for contact information for personnel references. See Appendix A for Resumes for Project Personnel.

Primary Responsibility for Contract
Michael Sheppard, Midwest Sales Consultant
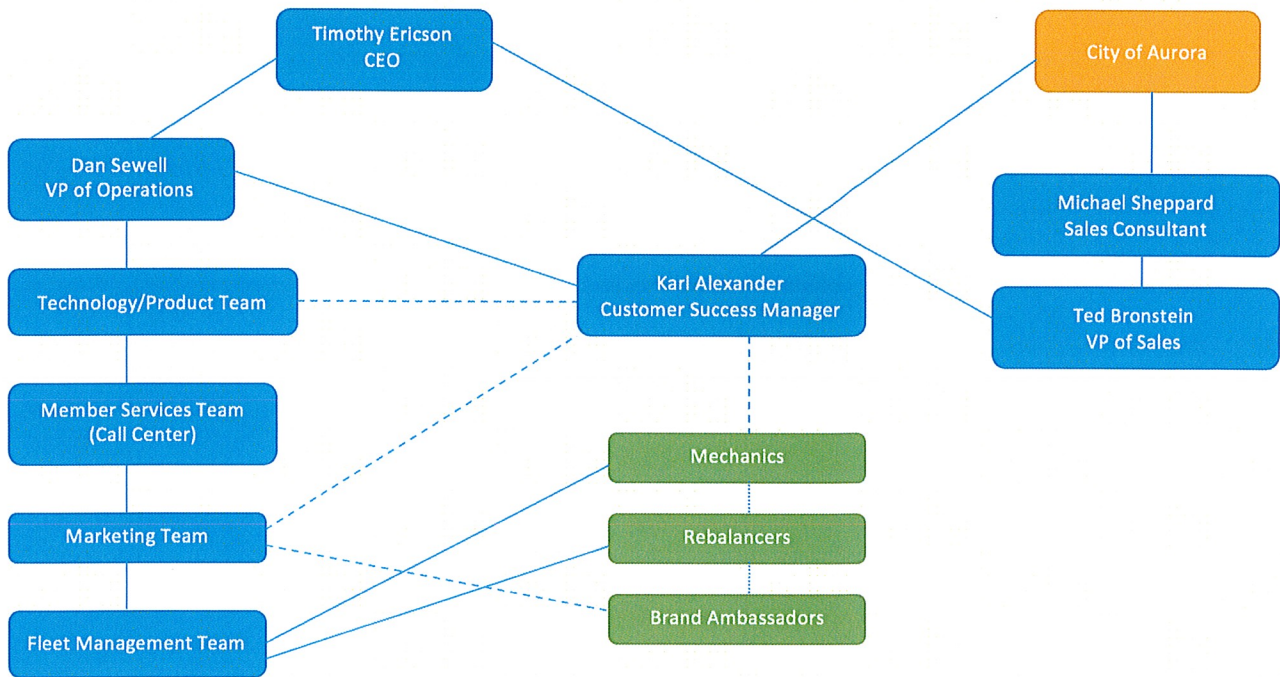
Proposed Personnel for Contract
Tim Ericson, Founder & CEO
Ted Bronstein, VP of Sales
Dan Sewell, VP of Operations
Travis Reik, Customer Success Manager

4. ORGANIZATION CHART/PROPOSED PROJECT TEAM {PROPRIETARY}

5. COST SCHEDULE

Below are per bike annual costs which will be built into sponsorship packages, such as the Station Sponsor package, below. These costs include installation, setup, operation, maintenance and all other aspects of the program. Note: Zagster does not make property improvements which may be desired by sponsors.

ZAGSTER SPONSORSHIP PRICING

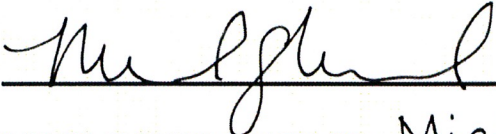| Item	Annual Cost Per Bike	# Bikes	Subtotal
Bikes (includes stations and implementation)	$1,800.00	20	$36,000.00
Annual expense, cruiser bike with sharing technology			

Annual Cost $36,000.00
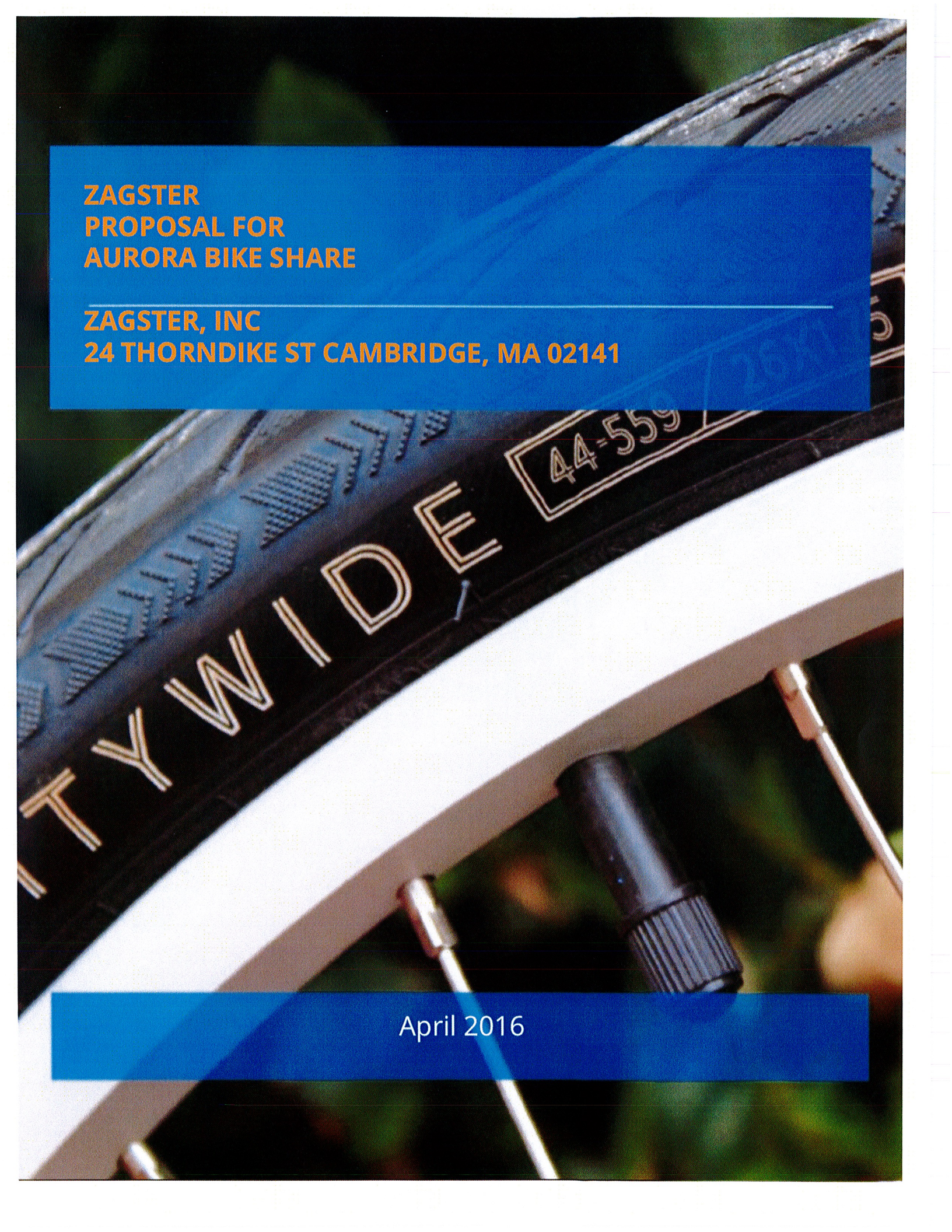
This price includes:
- Dedicated launch team & success manager
- System planning consultation
- Marketing consultation & material production
- Bike delivery, setup & installation
- Station sign production & station installation
- Ongoing bike maintenance & parts replacement
- Ongoing marketing & account support
- Staffed phone & email support for riders
- Access to analytic dashboards
- Liability coverage for bikes & stations

6. VENDOR STATEMENT

I have read and understand the specifications and requirements for this Request for
Proposal and I agree to comply with such specifications and requirements. I further agree that
the method of award is acceptable to my company. I also agree to complete a
SERVICES AGREEMENT with the City of Aurora within 30 days of notice of award. If contract
is not completed and signed within 30 days, City reserves the right to cancel and award to the
next highest rated firm.

FIRM NAME: Zagster

ADDRESS: 24 Thorndike, 1st Floor, Cambridge, MA

EMAIL ADDRESS: mike@zagster.com PHONE: 617-658-4536

BIDDER'S NAME: Michael Sheppard

SIGNATURE: _Michael Sheppard_

PRIMARY SERVICES ISSUES CONTACT: Michael Sheppard

TELEPHONE: 617-658-4536   CELL: 313-743-7040

EMAIL: mike@zagster.com

ZAGSTER PROPOSAL FOR AURORA BIKE SHARE

ZAGSTER, INC
24 THORNDIKE ST CAMBRIDGE, MA 02141

April 2016

BIKE SHARE PROGRAM FOR CITY OF AURORA

Cost Estimate

Number of Bike Stations	Number of Bicycles	Slots (Docks) per Bike Station	Cost Per Bike	Equipment and Installation	Annual Operating Costs	Recurring Annual Cost
1	6	8	$1800	$0	$0	$10,800
		10	$1800	$0	$0	$10,800
2	6	8	$1800	$0	$0	$21,600
		10	$1800	$0	$0	$21,600
3	6	8	$1800	$0	$0	$32,400
		10	$1800	$0	$0	$32,400
4	6	8	$1800	$0	$0	$43,200
		10	$1800	$0	$0	$43,200
5	6	8	$1800	$0	$0	$54,000
		10	$1800	$0	$0	$54,000
6	6	8	$1800	$0	$0	$64,800
		10	$1800	$0	$0	$64,800