

# LEARN CONTRACTING BASICS

## *Pre-Contracting Considerations*

Building relationships with community partners, operators, companies or institutions is essential to identifying who may be good partners for your project. Before engaging in this relationship-building, clearly identify internal budget, staff needs, and other obstacles so that you will be prepared to communicate your team's limitations and constraints with potential partners. The "Calculate Costs" and "Hire Locally" Toolkit Guides have resources to help identify these needs for your Mobility Project.



**TIP!**

Be sure to include the cost of seeking and using legal partners when establishing a budget

## Worksheet

A checklist of considerations has been developed to help make note of the type of line items to include in your future contracts. See if there are any line items that you need to add to your contracts or discuss with your Mobility Project Team.

- The number of vehicles or services provided.
- The project area of those services with language to address the possibility of scaling (if applicable).
- The availability of those services, with language about the hours of operation, headways, or number of vehicles.
- Employment details with language about the number of employees and who their employment is contracted with.
- Mobility Project timeline with language about the duration of the Mobility Project.
- For any reporting, the type of metrics, data, frequency of reporting, and the roles and responsibilities of each group that is involved.
- Expectations around data collection, data standards, and data sharing.

## *Lessons Learned in Forming Successful Partnerships*

Learning from other awardees is critical to the success of pilot projects. In addition to the information below, reach out to your cohort members and your Cohort Facilitator to help connect you with current and past awardees to help understand the challenges and effective strategies in forming successful partnerships. The Program Administrator reached out to a couple previous awardees to provide some real world examples. Their advice? Focus on the details, build a strong, healthy relationship and always have a contingency plan. We expand on focusing on the details and having a contingency plan below.

### *Focus on Details*

According to one awardee,<sup>2</sup> working with a mobility provider who was “an excellent partner from the beginning” meant 9 months of steady progress towards signing a contract. This long period wasn’t due to obstruction by either side, but instead came from carefully negotiating every possible detail for all likely scenarios. This process began with the government agency describing what they wanted the program to be while listening to what the mobility operator was able to provide. At every point during this 9-month period, having a healthy relationship was key.

<sup>2</sup> The Sacramento Metropolitan Air Quality Management District administers a car sharing pilot program available to low-income Sacramento residents.

## Have a Contingency Plan

Another awardee<sup>3</sup> learned an important lesson about defining the scope of a program. Despite using a single contractor for all operations and subcontracting, the scope of the agency's project evolved over time. This transformation caused problems with the relationship between the public agency and its private contractor, and the agency was forced to find a new group to take on these responsibilities. Specifically, the contractor was initially asked to manage all of the vehicles, but this scope expanded over time to include acquiring and insuring the vehicles to the contractor's name. Because this changing scope grew outside the initial agreement between the agency and the contractor, the contractor wanted to renegotiate the terms given the new scope. This meant that the agency was forced to find a new contractor to handle vehicle acquisition and insurance.

There were multiple lessons learned from this experience. Not only did future negotiations involve increased attention to detail, but the agency knew that any future contracts would need to include a Plan B. The change in roles between contractors involved months of paperwork, including the transferal of assets. This included vehicles, insurance contracts, and charging infrastructure. The agency later reflected that contingencies should be designed to predict everything that could go wrong. With that in mind, milestones should be agreed upon by both parties to ensure progress is tangible and easily monitored.

<sup>3</sup> The San Joaquin Valley Air Pollution Control District was awarded \$2.5 million for a pilot project, Ecosystem of Shared Mobility, to provide residents with new modes of transportation while reducing air pollution and GHGs emissions.