

[logo:] Municipality of Milan

**EXECUTIVE DECISION
FOR THE LOCAL JURISDICTION**

[MUNICIPALITY OF MILAN
DEPT. OF PUBLIC TRANSPORTATION\
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DEPT. OF PUBLIC TRANSPORTATION
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**CENTRAL OFFICE OF TRANSPORTATION, MOBILITY, ENVIRONMENT, AND ENERGY
DEPARTMENT OF LOCAL PUBLIC TRANSPORTATION AND ECONOMIC AND FINANCIAL
SUPPORT**

**APPROVAL OF THE FRAMEWORK FOR THE PUBLIC REQUEST FOR PROPOSALS (RFP) TO
IMPLEMENT A CAR SHARING SERVICE WITHIN THE MUNICIPALITY OF MILAN**

THE DEPARTMENT DIRECTOR

IN VIEW OF:

- Art. 107 paragraphs 2 and 3 of Legislative Decree 267/2000, as subsequently amended;
- Art. 4 para. 2 of Legislative Decree 165/2001, as subsequently amended;
- Art. 71 of the Statutes of the Municipality of Milan;
- The General Development Plan of the Municipality of Milan for 2011-2016 approved by City Council Decision No. 9 of 03/12/2012;
- In view of Executive City Council Decision No. 726 of 04/20/2016, effective immediately, regarding “Approval of guidelines for implementing a pilot project for car sharing services within the Municipality of Milan”;
- the attached framework for the RFP, an integral part of this decision.

WHEREAS

- The General Development Plan for 2011-2016, approved by Executive City Council Decision No. 9 of 03/12/2012, specifies environmental sustainability and the improvement of urban mobility systems as one of its primary policy objectives;
- The Planning and Program Report for 2011-2013, approved by Executive City Council Decision No. 11 of 03/28/2011, defines “the planning and implementation of initiatives to support mobility by bicycle, on foot, innovative means of transportation (on-call buses, neighborhood buses, car sharing, and bike sharing)” as “a strategic choice strongly emphasizing development of more sustainable mobility systems in terms of their environmental impact”;
- The Planning and Program Report for 2012-2014, approved by Executive City Council Decision No. 23 of 06/29/2012, within the “Sustainable Mobility and Transport” program, has indicated that the various courses of action, in accordance with the provisions of the General Development Plan, should include the improvement of the urban mobility system by strengthening, rendering more efficient, and supplementing the public transportation system;
- “Car sharing” is a service of great public interest, as its purpose is to prevent and limit emission of pollutants by allowing decreased usage of private motor vehicles, as well as to improve the quality of public transportation and incentivize its use by making more flexible transportation available, thereby decreasing the number of vehicles on the road;
- The Municipality of Milan, considering the positive effects from reducing atmospheric pollution and vehicle traffic observed after the first car sharing services were introduced in Milan, as well as in implementation of the initiatives in the aforementioned municipal plans, action plans, by Executive City Council Decision No. 1148 of 06/10/2013 ordered an increase in the availability of this service by introducing the following additional features:
 - one-way/free parking services that ensure a broader geographic distribution of the system;
 - on-demand use without reservations;
 - increasing the number of vehicles to meet the needs of the population and potential users;
 - establishing attractive user payment amounts to encourage the use of car sharing;

- The Municipal Administration's primary goal was the reduction of the number of vehicles on the road and the subsequent containment of emissions of pollutants from those vehicles. This goal was pursued also by increasing the availability of the service, identifying on the market – in addition to the two entities already in operation using a station-based system – other suitable entities (who meet the subjective and objective requirements) to provide the service, and featuring different characteristics, in the municipality as per the specific procedures identified by the Municipality in a specific RFP;
- Consequently, by Executive City Council Decision No. 1148 of 06/10/2013, the guidelines were approved to identify, by way of an RFP, those entities interested in implementing car sharing schemes on a pilot basis for three years in the Municipality of Milan;

Given that:

- The above-referenced Executive City Council Decision specified among other things for car sharing service providers to pay an annual flat fee of €1,100.00 per vehicle to the Municipality to use municipal land and public services, including maintenance services. To incentivize electric mobility, all-electric vehicles are exempt from this fee;
- The RFP approved based on the guidelines indicated in Executive City Council Decision No. 1148/2013 included the indication of the subjective requirements of the interested car sharing company, the objective needs of the vehicle fleet, and the minimum service standards to identify those entities interested in implementing a car sharing service in accordance with the aforementioned characteristics;
- After publication of the aforementioned RFP, three entities were identified as capable of implementing the service in accordance with the conditions established by the Municipality;
- During 2015, in response to frequent requests by the citizenry of Milan for more service over a broader area that would also include the towns bordering Milan – by Executive City Council Decision No. 338/2015, the following amendments to the previously defined guidelines were approved:
 - the car sharing service had to guarantee coverage of no less than 96% of the residential downtown area, as defined under Art. 4 of Legislative Decree No. 285 of April 30, 1992, instead of the total residential area coverage then specified. The assessment and approval of proposals to recalculate geographical coverage were referred to subsequent official provisions in consideration of certain parameters, in particular the low residential density of the areas excluded from coverage. In fact, service provision in these areas to the extent it serves a very low potential demand, would not be in line with the aforementioned service's goal of "exchange";
 - with the annual fee as per City Executive Council Decision No. 1148/2013 remaining unchanged for cars already in use and authorized, for each new authorized vehicle following the launch of expanded service across areas outside Milan – and without this necessitating a reduction in the number of already authorized vehicles in circulation – a lump-sum discount in the annual fee was ordered equal to 4% for each urban municipality where the service is to be launched (this discount being applied to a maximum of nine municipalities). This discount was calculated as a lump sum given that the experimental increase in the service to cover the greater metropolitan area could result in reduced use of municipal land and public services. The provision specifying that all-electric vehicles would be exempt from payment of the fee instead remained unchanged;

Having noted that:

- The Single Planning Document accompanying the Estimated Budget for 2014-2016, approved with City Council Decision No. 25/2014 and regarding the aforementioned service – reiterating that “expanding service fulfills the objective of incentivizing freedom of movement of citizens and ensuring an efficient alternative to the private motor vehicle, in line with the objective of bringing the number of vehicles per inhabitant in the city of Milan to the standards of other similarly-sized EU cities” – also specifies that such initiatives would be subject to careful monitoring carried out in collaboration with the various service providers;
- The car sharing service provided according to a “free-floating” model, starting with its launch in August 2013, was monitored constantly by AMAT srl with the objective of checking (at the end of the three-year pilot period) the service’s development, also in relation to the more general and comprehensive mobility policies implemented by the Municipality during this period;

Having verified that:

- Based on the results of the aforementioned monitoring presented by AMAT in document 160360026_00 “Analysis of the free-floating car sharing experience in Milan”, it turns out that:
 - during all of 2015, each day an average 9,000 rentals were completed, with each vehicle used on average 6 times;
 - each rental lasted a total of 30 minutes (for 20 of which, the vehicle was moving and for 10, while standing still), within which time more than 6 km were traveled;
 - more than 300,000 users have subscribed to the service, 60% of whom reside in Milan;
 - the number of rentals has exceeded 6,200,000 for an average of 9,300 per day and average daily total mileage of 55,000 km;
- The results achieved have helped, as a consequence:
 - reduce the fleet of vehicles on the road
 - reduce the vehicle ownership rate
 - limit emissions by existing fleet of vehicles
 - increase use of local public transport;

Having shown that:

- based on the results of the car sharing pilot program, the Municipality has decided to continue the service, though with the introduction of organizational improvements to align the service more closely with its objectives;
- to this end, with Executive City Council Decision No. 726 of April 20, 2016, the “Approval of the guidelines for the experimental provision of car sharing services within the Municipality of Milan” was extended for another three years with the following goals:
 - to incentivize use of electric vehicles in the car sharing fleets and identify points of leverage to encourage their implementation;
 - identify incentives to encourage choices that better meet the interests of the public and users;
- The aforementioned provision also specified – with regard to the deployment of car sharing services across the metropolitan area and in line with the objective of their broader distribution – identifying and setting up Areas of Mobility across the metropolitan area to host car-sharing vehicles to make their use more practical under otherwise difficult circumstances, also for the service providers

(for example, in the city outskirts, where there is more frequent vandalism of the vehicles);

- The above-cited Executive City Council Decision No. 726/2016 also specifies the following guidelines for announcing the new RFP:
 1. increasing the minimum mandatory fleet size from 80 to 400 cars;
 2. setting a fee (which will be paid on a monthly basis in order to simplify accounting) equal to €100.00 (one hundred euros) per month for each internal combustion motor vehicle belonging to the car sharing fleet, to be paid to the Municipality of Milan as a lump sum to use municipal land and services, including maintenance services;
 3. a provision – similar to the policies already expressed by the Executive City Council in Executive City Council Decision No. 338/2015 – in favor of those service providers who expand their service to municipalities within the greater metropolitan area of Milan to reduce the annual fee as follows:
 - i. 10% discount for launching the service in 5 municipalities;
 - ii. 20% discount for launching the service in 10 municipalities;
 - iii. 30% for launching the service in 15 or more municipalities;
 4. appropriate fee discounts for service providers if they grant users preferential treatment for:
 - √ leaving the vehicle inside one of the aforementioned “Mobility Areas” to be created shortly;
 - √ using the service during nighttime or non-peak traffic times;
 - √ demonstrating their disposal of a vehicle registered in their name without a new vehicle purchase within their immediate family;
 - √ demonstrating possession of an annual subscription to local public transportation;
 5. appropriate fee reductions to service providers who:
 - √ organize initiatives approved by the Municipality of Milan to promote road safety through courses in safe driving and driver education;
 - √ equip all vehicles in their car sharing fleets with environmental monitoring systems linked to the driving style and providing annual rewards to the most virtuous users;
 6. further functional features to improve minimum service standards based on the following guidelines:
 - √ introducing an incentive-based system vis-à-vis car sharing service providers to promote the use of plug-in electric or extended-range vehicles by appropriately discounting the monthly fee for the number of internal combustion vehicles similarly to the discounts for the number of electric vehicles in the car sharing fleet;
 - √ improving the call center service, the service provider offers users so that they can contact the service both over the phone as well as through the vehicle itself;
 - √ redefining the minimum requirements for users subscribing to a car sharing service, giving the service provider the option to limit the subscription of new drivers for up to a maximum of one year from the date indicated on their driver’s licenses;
 - √ implementing an online service to better monitor service providers’ activities within the Municipality of Milan;
 - √ introducing reasons for suspending benefits to service providers if they fail to comply with the provisions specified in the RFP;
 - √ confirming the subjective requirements already defined in Executive City Council No. 1148/2013 except for the requirement for qualified experience of at least two years, as this limits competition;
 - √ maintaining the objective requirements for the vehicle fleet specified under Executive City Council Decision No. 1148/2013, with the fleet being updated to the most advanced Euro category for the model on the market at the time of its entry into service;

Having also shown that:

- The Executive City Council Decision 726/2016 specified for the new Request for Proposal to introduce new functional features to improve minimum service standards as defined in Executive City Council Decision No. 1148/2013 and confirmed herein based on the following guidelines:
 - √ introducing an incentive-based system vis-à-vis car sharing service providers to promote the use of plug-in electric or extended-range vehicles by appropriately discounting the monthly fee for the number of internal combustion vehicles similarly to the discounts for the number of electric vehicles in the car sharing fleet;
 - √ improving the call center service, the service provider provides to users so that they can contact the service both over the phone as well as through the vehicle itself;
 - √ redefining the required minimum for users subscribing to a car sharing service, giving the service provider the option to limit the subscription by new drivers for up to a maximum of one year from the date indicated on their driver's licenses;
 - √ implementing an online service to better monitor service providers' activities within the Municipality of Milan;
 - √ introducing reasons for suspending benefits to service providers if they fail to comply with the provisions specified in the RFP;
 - √ confirming the RFP requirements already defined in Executive City Council No. 1148/2013 except for the requirement for qualified experience of at least two years, as this limits competition;
 - √ maintaining the objective requirements for the vehicle fleet specified under Executive City Council Decision No. 1148/2013, with the fleet being updated to the most advanced Euro category for the model on the market at the time of its entry into service;

Having specifically noted that:

- The aforementioned Executive City Council Decision No. 726/2016 requires the competent officials (based on an appropriate technical inquiry conducted in collaboration with AMAT) to determine the extent of the fee discount as described above. This discount will be granted only following the precise verification and monitoring of compliance with the aforementioned parameters that seek the greater public good of decreasing polluting emissions;
- as per the foregoing, in recognition of the positive effects both in terms of the environment and transportation shown by AMAT's monitoring and the document they compiled and submitted to the Municipality, and for the sake of expanding car sharing services, it is hereby established that those service providers with a minimum car sharing fleet of 400 vehicles are hereby granted a maximum 60% discount for the year from the time that one or more of the following options have been achieved:

- 1) 50% discount in the monthly fee for the number of internal combustion vehicles similarly to the number of electrical vehicles added to the car sharing fleet;
- 2) up to a maximum 60% discount, for the year from the time that one or more of the following options have been achieved, for the portion a car sharing fleet of internal combustion vehicles above the minimum number of 400:

- for expanding service within the greater metropolitan area, discounts of up to 30% have been calculated as follows:
 - a) 10% for launching service in 5 municipalities;
 - b) 20% for launching service in 10 municipalities;
 - c) 30% for launching service in 15 or more municipalities;

- a 10% discount will be granted to service providers charging a lower amount than specified for city driving, reduced by at least 10% for the user leaving the vehicle within one of the “Mobility Areas”;

- a 10% discount will be granted to service providers for launching initiatives approved by the Municipality of Milan to promote road safety through courses in safe driving and driver education;

- a discount shall be granted to service providers for offering discounts of at least 30% on the service provider’s lowest specified charge during the following hours:

- from 10:00 P.M. Monday to 6:59 A.M. Tuesday;
- from 10:00 P.M. Tuesday to 6:59 A.M. Wednesday;
- from 10:00 P.M. Wednesday to 6:59 A.M. Thursday;
- from 10:00 P.M. Thursday to 6:59 A.M. Friday;
- from 2:00 A.M. to 6:59 A.M. Saturday;
- from 2:00 A.M. to 6:59 A.M. Sunday;
- from 10:00 P.M. Sunday to 6:59 A.M. Monday;

A 10% discount will be granted for this [sic]. For holidays during the week, the Saturday and Sunday hours shall apply.

- a 10% discount shall be granted to service providers for reimbursing car sharing usage during a period of at least three months, for a minimum of €500.00 and a minimum of 100 users per year who demonstrate that they have disposed of a vehicle registered in their name without making a new vehicle purchase within their immediate family in the following two years;

- a 10% discount shall be granted to service providers who provide a discount of at least 10% to those users who have an annual local public transportation subscription;

- a 10% discount shall be granted to service providers who equip all vehicles in their car sharing fleets with environmental monitoring systems linked to the driving style and providing annual rewards to virtuous users;

If a Service Provider should add electric vehicles to their car sharing fleet that are subject to the discount as specified under paragraph (1) above, the discount described under paragraph (2) is only granted for the number of internal combustion vehicles exceeding the minimum fleet number of 400.

For the sole purpose of determining the discount as described under paragraph (2) above, the figure of 400 vehicles must be based only on the number of internal combustion vehicles according to the following regulation:

- i) – Internal combustion vehicles for which a discount is granted as per paragraph (1);
- ii) – Internal combustion vehicles for which no discount yet applies.

Given that:

- With regard to all the aforementioned the Request for Proposals has been drawn up and attached to this measure as an integral and substantial part thereof;
- The proposals received shall be reviewed by a Technical Commission convened for that purpose, which will verify the applicants’ fulfillment of the requirements to determine the acceptability of their proposal submitted

In light of the foregoing

**[THE DEPARTMENT DIRECTOR]
HEREBY RULES**

1. to approve – for the reasons indicated in the recitals and recalled here in full – the attached framework for the Request for Proposals from entities interested in providing car sharing services within the Municipality of Milan;
2. to approve the immediate publication of the Request for Proposals on the Municipal Administration’s institutional web portal for up to one year from the date of publication;
3. to acknowledge that all subsequent matters pertaining to management shall fall under the jurisdiction of the Department of Local Public Transportation and Economic and Financial Support.

**THE DIRECTOR,
DEPARTMENT OF LOCAL PUBLIC TRANSPORTATION
AND ECONOMIC AND FINANCIAL SUPPORT**

[signature]
Mr. Angelo Pascale

Office Director:
[signature]
Ms. Mara Pala