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Copenhagen's City Bike Project Will Continue

The City and Commuter Bike Foundation will continue to work with the supplier Gobike Danmark A/S with the deployment and operation of the Danish capital's public bike share system. The decision was made after Gobike Danmark A/S provided the bank guarantees required to secure payments from Copenhagen Municipality, Frederiksberg Municipality and DSB. Thus the city bike project is back on track and is scheduled to be fully rolled out by autumn 2015.

Today the City and Commuter Bike Foundation has chosen to continue working with Gobike Danmark A/S for the provision and operation of city and commuter bikes in Copenhagen and Frederiksberg.

Gobike Danmark A/S has delivered the bank guarantees to ensure payments from the City of Copenhagen, City of Frederiksberg and DSB. Gobike Danmark A/S has committed to deliver a fully deployed city and commuter bike system with 1,860 city bikes by autumn of 2015. By about the middle of July there will be 1,000 public bikes on the streets of the capital.

The desire for a good and effective city and commuter bike system is strong

The Chairman of the Board for the City and Commuter Bike Foundation, Nikolaj Bøgh, is pleased the project is now back on track after recent weeks of unrest.

"We regret the delay, but are pleased that we can offer citizens and visitors in Copenhagen and Frederiksberg a well functioning bike system over the summer and early autumn" he says.

The decision to give Gobike Danmark A/S additional time to deliver the remaining city bikes was made by the Foundation. With bank guarantees in place, the problems that have hit Gobike Danmark A/S should not stand in the way of the introduction of the new public bike system.

"It was an ultimate demand from the Foundation and our funding partners that Gobike Danmark A/S provided the bank guarantees to guarantee payments and thus taxpayers' money. Gobike Danmark A/S has now answered this demand and it means we can get on with the work to create a good and effective city bike system in the capital" says Nikolaj Bøgh.

Gobike apologize for the delay

Also in Gobike Danmark A/S there is great satisfaction that the parties have managed to find a solution.

"It is no secret that Gobike Danmark A/S has been under much pressure, and no one is more frustrated by the delay that has affected the project than us. The delay was mainly due to the insolvency of a German subcontractor, which meant that the delivery of the bikes was delayed. It is not an excuse, but a statement of fact" says the Chairman of the Board for Gobike Danmark A/S, Lars Bruhn and continues:

"The problems are now resolved and we have organized everything so we can deliver the remaining city bikes on time. We are pleased that we have managed to raise the bank guarantees to ensure the project's survival. It shows that our investors and financial partners have confidence in the project."

With the new delivery schedule the city and commuter bike project is five months delayed from the original schedule. The Foundation expects to reach a fully deployed bike system with 1,860 bicycles in October. Gobike will then be responsible for the operation of the city bike system over the next eight years. This will be done within the existing financial framework. Project financing remains based on the original agreement, so the delay will not cost the municipalities or DSB more money.

The Foundation and Gobike Danmark A/S have also been pleased with the growing interest in using the city and commuter bikes. The number of trips on bikes in April 2015 almost doubled compared to March. This suggests that citizens and visitors of the capital slowly but surely are adopting the city bikes as summer approaches.

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About the City and Commuter Bike Foundation

The City and Commuter Bike Foundation was founded in December 2014 by the City of Copenhagen and City of Frederiksberg with the aim of ensuring the management of the city and commuter bike project. The Foundation's primary tasks are to carry out the contract holder function with Gobike Danmark A/S, to promote the city and commuter bikes and to work for regional development of the city and commuter bike system.

About Gobike A/S

In 2012 Gobike won the tender for a new city bike system and has entered into an agreement with the City and Commuter Bike Foundation to launch and operate the new bike system in Copenhagen and Frederiksberg. The Gobike system features a modern smart-bike equipped with a tablet computer, GPS and electric motor. The system is inline with the demands of green mobility, sustainability and the sharing economy. Gobike's basic idea is based on the vision of being an integral part of the public transport system for commuters, tourists and other city visitors and residents.

Figure: The roll out of the city bike system in Copenhagen and Frederiksberg

| | Delivered number as of 11 May 2015 | Expected number as of 15 July 2015 | Full system as of 15 October 2015 |
|---------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| City bikes | 424 | 1000 | 1860 |
| Locations / docking stations | 27 | 54 | 105 |

Figure: Use of City and Commuter Bike system per month

| | Number of bicycle trips | Number of subscriptions |
|----------------------------------|-------------------------|-------------------------|
| December 2014 | 675 | 256 |
| January | 782 | 261 |
| February | 908 | 269 |
| March | 1853 | 357 |
| April | 5307 | 387 |
| May until and including the 10th | 2983 | |

Trips completed with city bikes in April averaged 6.6 kilometers and each trip lasted an average of one hour and 28 minutes.