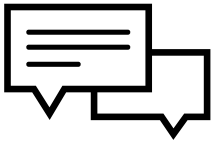


TRANSPORTATION
CIRCULATOR SERVICE

PROJECT PROPOSAL



SWOOP



BY ERIC WILLIAMS
(361) 658-5044
APR, 26 - 2018

THE PROJECT

INTRODUCTION

When we first heard about the City's plans to implement a service similar to ours, we were exhilarated. It's about time we take Miami Beach's best ride to another city, we thought. The service requested is very similar to what we've been offering for the past 9 years: Reduce traffic, increase mobility, take people to/from their doorsteps and parking garages, integrate the community, reduce drinking and driving numbers, give the tourists a great experience to talk about when they go back home, and help save the planet with our zero emission carts. Nothing we're not used to. Hollywood provides a rich environment for such a service with its bars, hotels, the boardwalk, and the beach. The City's initial planning was very fortuitous as to deciding on the range which the service should be offered, since we found it's similar to what we have in Miami Beach.

Of course, all of this needs a lot of planning, for one city is not the same as another. Our team has years and years of experience on the industry (after all, we were the pioneers), and we go the extra mile to provide a great customer experience.



Our key staff to pursue this project starts with Eric Williams, our General Manager, who will be our point of contact for everything Swoop related and will conduct all negotiations with the City. He will constantly overview all operations and make sure everything is running smoothly. Right next to him will be Alexia Evans, our Operations Manager, who has been with the company for over 3 years and will assist initial operation implementation on site, as well as oversee driver training and a new manager hiring exclusively for Hollywood. Patrick Fonseca, company owner, will be constantly overseeing all operations and strategic planning and make this project a great success.



WHO IS SWOOP?

COMPANY PROFILE

In 2009 Swoop was born as a free and fun way to get around Miami Beach. As popularity of the service went mainstream, **Swoop organically grew into the favorite ride service of all locals and tourists alike.** In these 9 years of existence, we've reached millions of potential customers with our ads and provided many thousands of them with a unique way to experience South Beach.

Before Uber even became popular, locals and tourists alike already knew how different it felt to get a ride with Swoop. The carts are clean, the driver is friendly, you're having a good time with friends or family, and you're feeling the wind blow your hair, while going to your favorite beach. What's not to love? Plus, you may even get a sample or two from the cart advertiser. Oh, and did we mention the ride was free?

From the hassle of getting a cab – and the usually bad experience associated with it – to a joyful, unforgettable, pleasant ride. This is what Swoop strives for: a fantastic experience for everyone.

KEY CONTACTS

Eric Williams
General Manager
(361)658-5044

Patrick Fonseca
Owner
(954)248-8770

REIMAGINE TRANSPORTATION

Swoop's office is located in Miami Beach, at 350 Lincoln Rd, 2nd Floor. This is our main mailing address, although we will obviously have a garage located somewhere close to the designated area in Hollywood. Currently Swoop has two managers, who were previously introduced, who oversee our sales, maintenance and operations at the beach, as well as 10 drivers who work as brand ambassadors for the companies we advertise. As a pioneer of the industry in South Florida, Swoop has seen and done things no other competitor has. We have taken old ladies to the supermarket and helped them carry the groceries to their doorstep; sick people to the hospital; lovers to their favorite restaurant. **Swoop excels in one thing: giving every rider the best experience possible.**

The same goes for our advertisers: we believe creativity has no limits and neither should our work. From wrapping our cart in pink from top to bottom, to shaping it as a boat, we strive to deliver what our client wants.

And no, we have not been involved in any litigation ever.

WHAT HAVE YOU DONE?

EVALUATION FACTORS

Evaluation Factor 1: Vendor Relevant Work Experience (15 points):

When it comes to experience, no one competes with us. Swoop is the **first** company to pioneer the street legal, golf-cart transportation industry in South Florida. Since our launch, we've given over 500,000+ rides all across the Miami Beach area. As for projects similar in scope to the proposed Hollywood circulator, we've been hired to provide transportation throughout the years for a wide variety of clients for a wide variety of reasons. Some examples are:





- Miami Beach Botanical Garden's guests to/from parking garages
- Marriott hotel guests to the beach
- Edition Hotel employees between the parking garage and jobsite
- 600+ pool hopping guests from The Standard to The Delano during its one month long renovation.
- Miami Auto Show exclusive shuttle
- Dozens of weddings

Length of contracts have ranged from one day (weddings), to annually ongoing (Marriott for one year, and Edition hotel has been with us every day since Feb 2016). For the value of work done, rates have ranged between \$30-\$50+ an hour, anywhere from 3-10+ hours a day, based on the amount of drivers needed and length of service.

HOW WILL YOU DO IT?

EVALUATION FACTORS

Evaluation Factor 2: Vendor Methodology (15 points)

The timeline on page 15 sums up the steps we will take when the deal is secured, but we'd like to add a little more information here.

- We plan on sending a few drivers from Miami for the first month to make sure that the new drivers understand company culture and the rules are followed. This will be in addition to bringing new drivers to Miami for a training period before starting.
- Our Operations Manager will closely overview Hollywood manager's work, and we also plan on having him as a driver for a few days so he can have the experience necessary.
- Our head mechanic can attend and perform maintenance to our carts at Hollywood as well
- We already have all necessary vendors experienced to make this happen (fabrications, electrician, designer and printers)
- Our 2-day training process comes **attached** to this proposal. Please review it carefully. It consists of one day of theoretical processes and rules and the second day of hands-on training with manager alongside him/her.

TIMELINE

Event	Date	Remarks
Proposal delivery	4/30/2018	
Winner announcement	5/28/2018	Estimated
Garage search	5/28/2018	Since our carts are tall, they only fit in garages with over 6"10" clearance, which at least in Miami Beach, these are hard to find.
Drivers and manager hiring process start	5/28/2018	Post ads on main websites/newspapers. Ads will be posted on the two next weeks as well.
App development start	5/28/2018	App functionalities, pricing and conditions have already been outlined and are waiting for a green light only
Completion with executed agreement	5/30/2018	Estimated
Cart purchase	5/30/2018	New cart purchase that will secure the right amount of carts for Hollywood. Initially we plan on ordering 5-10 new carts. It is always possible to supply some from Miami Beach
Hiring process: First round of interviews	6/4/2018	
Garage selection conclusion	6/11/2018	Contract execution
Electrical installation permit process start	6/11/2018	Our carts need special electrical installation for safety reasons
Hiring process: Second round of interviews	6/11/2018	
Design proposal	6/11/2018	First draft for the "standard" cart, without any advertising
Hiring process: Winner announcement	6/18/2018	Ask insurance to add them to our policy. It usually takes 2-3 days
Hiring process: In-house training	6/22/2018	Drivers will be submitted to our standard 2-day training and will keep driving in Miami Beach for 2-3 weeks until operations start in Hollywood
Electrical installation start	6/25/2018	
Cart delivery	6/29/2018	We will ask for vehicles with faster charging optionals, which not always are available immediately at the dealership.
Cart modification start	7/2/2018	All carts will be sent for our expert to put the topper on them.
Design submission	7/2/2018	Design approved and submission for production
App beta testing	7/2/2018	We should be able to beta test the app in Miami Beach before launching it in Hollywood
Electrical installation end	7/9/2018	
Cart modification end	7/13/2018	
Cart wrapping	7/14/2018	Wrap the carts with the design approved by City
App conclusion	7/14/2018	App will be in constant development and maintenance, adding new features on the go, but all the essential features will be ready by service launch.
Operation start	7/16/2018	

(continued from page 5)

- Our selection process is also **attached** to this proposal. The main questions we ask each driver are there and all of them are required to be over 25, with a clean driving record. We also request drug tests and background searches. Even if our selection process fails, our company culture is that of a family: our staff has a close bond, and it's usually easy to spot someone who doesn't belong with us very soon. We value team work, excellent service, and friendship.
- App will have all the functionalities required by City and more, including, but not limited to: GPS navigation; automatic driver assignment and dispatch; total and average ridership per ride/day/week/month; driver performance metrics such as average wait time and ride time; different interfaces for driver / passenger/admins; exclusive discount system which could be offered to users by local restaurants; iOS and Android support;
- Out of all carts we will have, there should always be one designed as standard (not with ads) that must be available in case one of the carts has to go under maintenance.
- As for the ADA compliance cart, we believe it would be a better use of our resources if we add this feature 6 months to 1 year after the service has started, although this is negotiable.



AFTER SERVICE STARTS

We expect that after service starts, we should see an increase on demand, and more carts should be added on a proportional rate. There's no telling for sure how much this rate will be, but by experience, we believe that for the first 3 months we should **start with 6 carts out at a time**, to give the program some traction. After 3 months we expect to scale them to **10 carts** out at a time, and after 6 months **12-15 carts** out at a time. These carts can be divided into 2 zones: beach and inland, each one with half the number of carts. Although individually they will transition from one zone to another, the key here is to always have 3 drivers on each zone. If

this plan proves inefficient (long waiting times), dividing the area in 3 zones, is our next option. There should be one zone that covers the whole beach area, another one that covers the inland area and US-1 hotels, and a "transition zone" that covers the Hollywood Blvd corridor. The drivers that are assigned the transition zone are responsible for rides that would require crossing the bridge and therefore the ones that take more time. We may need to assign more drivers to the transition zone than to the other zones at certain times, or

vice-versa, but this is something that the app can automatically calibrate and assign drivers to the desired position. We will also map the area beforehand and define strategic locations where drivers should be around the most.

The carts are all 100% electric, and we will order them with extended long-range batteries which should give them an autonomy of around 6h. They will also have integrated devices that will allow us to recharge them at 3x the speed of normal charging (around 2h).

It's important to note that the number of carts running at a time is not the same as the total number of carts. The proportion of carts owned vs. carts out should be approximately 1.5:1. So for every 10 carts that are out, we should have approximately 15 in total, so we are able to switch between them whenever their batteries are low.

We plan on spending around \$2000 per month for the first 6 months on local marketing to increase the number of rides exponentially. Ads would be placed on bus shelters, posters on public parking, direct mail, cards on partner hotels' welcome packets, for example. We want to target residents and tourists, and repetition of the same campaign in different medias has proven to be efficient many times.

Since the area and farthest route possible are similar to what we already have in South Beach, if the city decides to expand on the area, we should be





able to safely give an estimate of how many carts to add. Additionally, as this business is so dynamic, we may be able to adjust the number of carts out according to the demand we have each day of the week..

ADVERTISING

The best way to offset the costs of this project, would be through branding & advertisement revenue. This is the same exact model we've utilized over the last 9 years. Being a mobile billboard transportation service, this type of media is a great way to reach large numbers. Clients local, national & international are able to gain constant visibility throughout the busiest areas and generate a better ROI compared to traditional platforms. In addition, each vehicle's driver is also a brand ambassador for the client, allowing the capability to engage directly with consumers through giveaways, samples and contests. Prices vary depending on season & number of carts hired. Standard pricing range is between \$3500 - \$5000+ per 4 weeks. Generally, there's (1) advertiser per entire vehicle as this provides a more efficient ROI, compared to multiple clients advertising on the same vehicle. Various customization options are available from our standard full vehicle wraps, to our premium deluxe package including full vehicle wrap PLUS custom fabrication of the vehicle. We plan on

offering more affordable rates when the app is ready, where the client could advertise in the app only, instead of having a full cart for himself.

ARE YOU SURE YOU CAN DO IT?

EVALUATION FACTORS

Evaluation Factor 3: Vendor Capabilities (10 points):

Swoop has been in the transportation business for 9 years and has proven it's here to stay. Last year (2017) alone, the company has doubled its fleet and increased its annual revenue by over 200%, where it reached the \$420,000 mark. The company has an already approved \$100,000 line of credit, which we can use to the purchase of vehicles, facilities, staff or anything company-related.

As mentioned before, our offices are at 350 Lincoln Rd, 2nd floor, Miami Beach, FL 33139 and we currently have two managers, one GM and one Operations Manager, who are full-time employees, along with 10 independent contractors

who are our drivers. The independent contractors report to the Operations Manager, who reports to the General Manager herself. The GM reports to the owner alone. All this structure is better shown on the Organizational Chart (attached). The Operations Manager also oversees our head mechanic (who is not an employee) and is personally responsible for the training of new drivers. Replacement parts and highly technical maintenance needed for the carts are provided by the GEM dealership in Miami.

After settling our base in South Beach, we are now looking to expand Swoop's reach and this is a great opportunity to do so while helping Hollywood's community at the same time. Our average response time is 5-8 minutes. We are constantly monitoring Events and activities in the area ahead of time to accommodate anticipated volumes of ridership.

For quality control, we have a monthly "secret shopper" method, who assures all drivers are doing their jobs correctly.

Guests are also contacted randomly for feedback of their experience, and we constantly encourage them to leave a review at Yelp or Google, so we know what we're doing right and what we can improve on.

Product capabilities include full branding of the vehicles, digital in-cart advertising, sampling, promo contests, and more. This gives local and national companies a complete platform of advertisement that engages directly with consumers. This topic is better discussed on Evaluation Factor 2.

RIDES FOR ALL!

EVALUATION FACTORS

Evaluation Factor 4: ADA Compliance (5 points):

GEM carts do not have the option to come ADA compliant from its factory, but we have already contacted a company in Ft. Lauderdale called InMotion, who has experience on converting these carts. This cart will





obviously require a little higher investment, something between \$3,000 and \$4,000 extra.

LET'S SAVE THE PLANET!

EVALUATION FACTORS

Evaluation Factor 5: Greening initiatives (5 points):

All of our carts are 100% electric-powered and therefore are Zero Emissions and environmentally friendly.

I JUST GOT THE BEST DRIVER!

EVALUATION PROCESS

Evaluation Factor 6: Drivers' Qualifications (10 points)

All drivers are placed through a 3-step screening & interview process, ensuring we continue to pick the best of the best. The detailed process can be found **attached** to this document. Minimum driver requirements are: 25+ years old, clean driving record, clean drug tests and background searches. Even if our selection process fails, our company culture is that of a family: our staff has a close bond, and it's usually easy to spot someone who doesn't belong with us very soon. We value team work, excellent service, and friendship.

KEEPING IT RUNNING

EVALUATION FACTORS

Evaluation Factor 7: Maintenance / recovery plan (10 points)

Our process includes a weekly maintenance inspection on all carts, where we map everything that needs to be done and we tackle them in order of importance. Our head mechanic regularly comes in once a week to get the work done, but is also available on

call. As a last resource, and in very difficult cases, we send the carts over to the dealership, which has highly trained mechanics, specialized on our vehicles.

In addition to our scheduled drivers, we maintain a pool of select, on-call staff members, in case we need someone to fill in. As for carts, we usually keep two or three extra vehicles available in the event one becomes inoperable, but the bare minimum is one cart.

Scenario: A vehicle breaks down in the middle of the afternoon (week day) temperature is 95 degrees and the vehicle has a mixture of passengers; elderly, middle aged, children, and infants—explain the course of action that would be taken?

Drivers are trained to keep customer service as their priority at all times. The first action is to remain calm and defuse the situation as much as possible, by being extremely apologetic of the situation and then assuring the guests that a solution is being provided promptly.

Step 1 - The driver is to pull the vehicle over, out of the way of traffic & call a fellow driver on the road to come transfer the group to their destination immediately.

Step 2 - Contact management immediately after organizing the group's transfer, to report and document the situation.

Step 3 - Return or tow the vehicle back to home base for repairs and maintenance.

EVALUATING RISKS

RISK MITIGATION PLAN

Evaluation Factor 8: Risk Mitigation Plan (10 points): No project, no investment, no aspect in life is risk-free. There are only higher or lower levels of risk, but most importantly, we must know how to reduce the probability of such event to happen. Below you will find our approach on keeping our rides safe:



1) Safety of Riders.

Vehicles are only driven by qualified staff members of the Swoop team, who go through an extensive on-going training that covers standards, policies and procedures. Including in this training are safety procedures, which covers everything from making sure the guest's doors are fully closed and

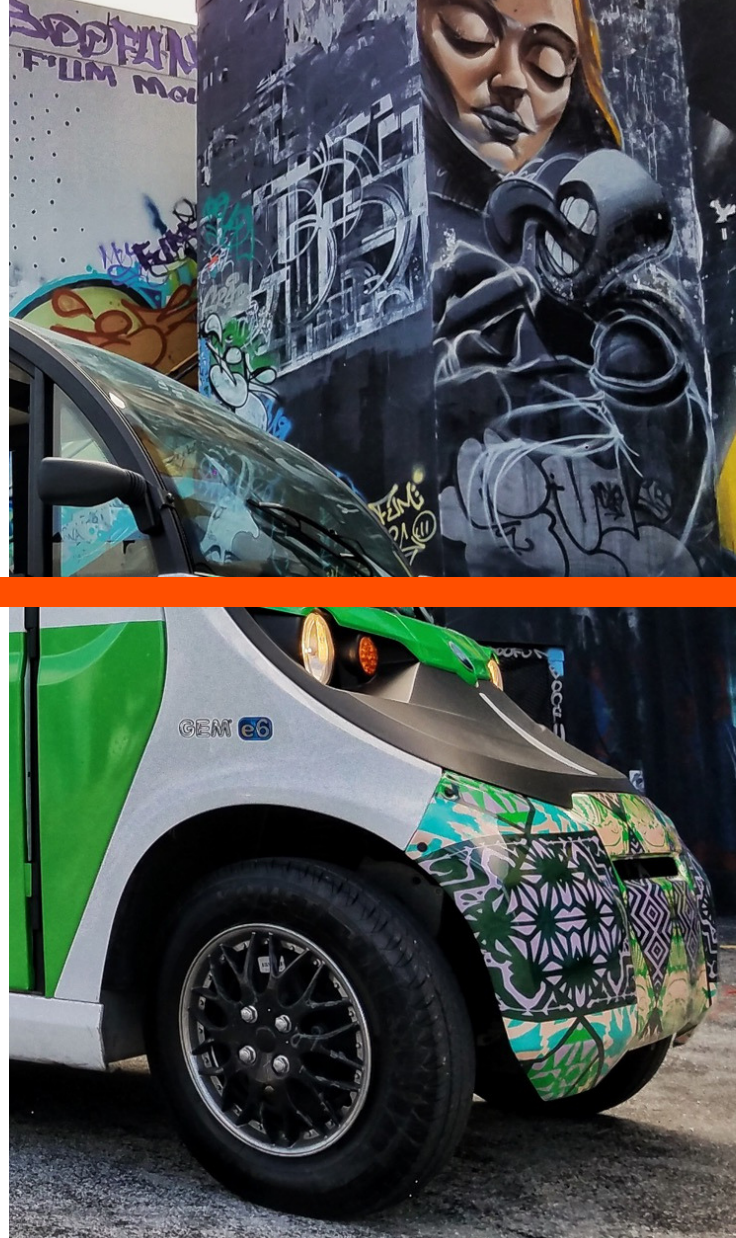
locked, to assuring seatbelt functionality, to first aid kit procedures & more. Besides that, our carts have a top speed of 25mph, which obligates drivers to drive slow and therefore gives them a greater reaction time, should any unforeseen event occur.

2) Safety and Security of personal belongings of riders and driver

In our vehicles, drivers will have access to the lockbox/glove compartment (which can be locked) on the dashboard where they can store their valuables. For the guests, they can place their items on the floor, in between the seats, or on their lap. The current model doors go all the way down to the floor, so there's no risk of items flying out of the carts. As standard practice, after each drop-off, our drivers check the cart fully to make sure nothing is left behind.

3) Heat, Rain, weather challenges.

Heat has never really been an issue, since the carts are open-air and provide a nice comfortable breeze. Under heavy rain, however, for safety reasons and to avoid mechanical malfunction due to the vehicles being electric, we typically return to the garage until the weather has cleared.



4) Maintaining a reliable, consistent schedule of service.

In addition to our scheduled drivers, we maintain a pool of select, on-call staff members, in case of need to fill in. As for carts, we keep 2-3 extra vehicles available in the event one becomes inoperable.

5) Maintaining qualified drivers.

We provide a stable and comfortable workplace for highly qualified individuals to flourish. Our company culture is not of a competitive one, but embracing and loving. We value team work and companionship, great customer service and flexibility. Our hiring process is a reflection of that, and our staff has such a bond that it's easy



to identify who is a good fit for the company right on their first weeks. Occasions where we have to ask someone to leave are rare.

6) Keeping vehicles operational.

Beyond the daily check in & check out procedures, we have an ongoing weekly maintenance schedule that addresses each vehicle individually. Our in-house certified mechanic completes the majority of repairs on site. If the cart needs highly technical and specialized fixing, we send it to the GEM dealership in Miami (Go Auto Electric).

7) Vandalism or theft of the vehicles.

Drivers are always instructed to avoid parking in isolated areas and keep the cart keys on their possession at all times, even for short breaks. We also install a surveillance system on all our garages and we give each driver an access card, so we have a strict control of who and when gets in and out.

8) Vehicular accidents with automobiles, cyclists, pedestrians while on route.

Although unlikely due to the speed limitations of the cart, in the event of an accident, standard procedures are as follows: The driver must contact

management immediately. During the call, management will gather information about the incident & provide instructions on how to proceed, from contacting the police, to taking pictures of the impact, to retrieval of insurance & license documents from the other individual.

CHA- CHING \$\$\$

EVALUATION FACTORS

Evaluation Factor 9: Pricing

At Swoop we strive to get the client a great service for an affordable price. We believe that giving the power to choose what you want and how you want is what truly makes a successful experience with us. So as usual, we will present on the next page some options regarding pricing which will give you the choice to choose how should we approach this deal and the available discounts.

We considered initially that our service would run for 12h per day, from 10am-10pm, but this can be reduced in order to keep ourselves on budget.

\$30/hr

PER CART

BASE RATE

This is the base rate we have to charge. On this price is included all the expenses with payroll, marketing, insurance, garage, maintenance, training, and licensing.

DISCOUNTS

ADVERTISING

As mentioned before, placing ads on the carts is the best way to offset costs. If the city wants to sell the ads themselves (and have the consequent overhead) we can provide a \$2,50 discount on the rate above and City keeps all profit. If we are to sell the ads, we pay City a commission of 40% of all profit and base price stays the same.

\$27.50/hr

CONTRACTORS

Since the beginning, all Swoop drivers have been independent contractors. This kind of relationship allows us to greatly reduce our costs in payroll, workers comp and taxes. Rides would be free, but tips would be encouraged and driver keeps 100% of it. If this scenario is a possibility, base rate is cut down by **50% (\$15/hr)**

\$15/hr

GARAGE COSTS

We estimate around \$100 per cart on monthly costs for keeping our carts in a safe place. If the city could provide such space for our carts, we would have no problem in taking this amount out of the total.

-\$1000/month

Our plan is to gradually increase the number of carts and service on the area, therefore we felt that charging a fixed hourly rate would be the best way to provide the City with fair pricing, while being able to adjust ourselves to demand. We expect to have the full fleet (12-15 carts out at a time, 20 carts total) operational in 6-8 months, but if rider adhesion doesn't reach our expectations, there wouldn't be extra costs to Swoop or to the City and the project could be continued with less carts if needed. Below, you'll find a monthly cost simulation at the standard rate:

MONTHLY SIMULATION			
	6 carts	10 carts	12 carts
8hr/day	\$43,200.00	\$72,000.00	\$86,400.00
10hr/day	\$54,000.00	\$90,000.00	\$108,000.00
12hr/day	\$64,800.00	\$108,000.00	\$129,600.00

OFFSETTING COSTS

ADVERTISING

\$40,000

PER MONTH

We sell advertising on our carts for an average of \$4,000 per cart per month. The city pays Swoop per cart on the road, but ads can be sold for the total amount of carts. We always have more carts than the total running because we swap them when battery is low. So for 6 carts at a time, we have 10 carts total, which could generate a revenue of \$40,000 per month to offset costs. Or \$60,000 for 15 carts total and \$80,000 for 20 carts total. Of course that prices and demand will be subject to seasonal changes, but we want to show the potential that this option has.

CHARGING FOR RIDES

DOLLAR RIDE

Another option to offset costs would be to charge passengers \$1 per ride. It's a small amount, which people would probably be willing to pay. It's not better than "free" but it's the second best option, and it would allow the city to recover some of the money invested.



SWOOP PASS

If we actually begin to charge \$1 per ride, it would be interesting to offer a membership pass to locals who drive with us constantly or tourists who are spending some time at the city. Prices can be discussed, but we are estimating that it would be best to offer a 3-days, 7-days and 30-days pass. Each one would be sold for \$5, \$10 and \$30 and would include unlimited rides



Here's a monthly simulation of how much each item could potentially generate as revenue to the city, depending on the route chose:

REVENUE SIMULATION (MONTHLY)			
	6 carts	10 carts	12 carts
ADVERTISING	\$40,000	\$60,000	\$80,000
DOLLAR RIDE	\$4,000	\$6,000	\$8,000
SWOOP PASS	\$1,000	\$1,500	\$2,000

THANK YOU



THE SWOOP TEAM IS
READY TO ARRIVE ON
HOLLYWOOD