

# Metro Micro™



**OPERATIONS, SAFETY, AND  
CUSTOMER EXPERIENCE COMMITTEE**

SEPTEMBER 2023

# Recommendations



- A. AUTHORIZE the extension of the MicroTransit Pilot Program to allow the project team to move forward with a new operational business model to improve overall performance and support a more sustainable on-demand transit service program as outlined in Attachment G.
- B. AUTHORIZE the Chief Executive Officer (CEO) to execute Modification No. 11 to Contract No. PS46292001 with RideCo., Inc., for the MicroTransit Pilot Project to extend the period of performance from October 1, 2023, through September 30, 2024, in an amount not to exceed \$14,120,992, increasing the Total Contract Value from \$43,225,766 to \$57,346,758; and
- C. AUTHORIZE the CEO to negotiate and execute a contract modification to extend Contract No. PS46292001 with RideCo, Inc., for an additional six months, if necessary, from October 1, 2024 through March 31, 2025, for demobilization, mobilization and deployment efforts utilizing funds to be requested during future fiscal year's budget process.

# Background



- Microtransit zone planning and NextGen bus network redesign were done in parallel
- NextGen and Microtransit service plans were compared and coordinated to ensure consistency in service priorities between MTP and fixed route bus network
- As a result, some of the MTP zones were adjusted to replace discontinued unproductive fixed route service



# Cost Analysis



- The annual cost of the MicroTransit program is \$31 million inclusive of \$16 million in Contract costs and \$15 million in Metro labor and overhead
- NextGen service reductions save \$20.5 million in annual operating costs
- Net costs for Microtransit is \$10.5 million (\$2 million considered as capital costs)



# Progress to Date

**Since the March 2023 Board approved 6-month contract extension, the Microtransit team have been optimizing the program as follows:**

- Rightsizing vehicles to minimize lease/maintenance cost
- Rewriting operator schedules to increase deployment to times/locations with greater demand and reduce down time
- Limiting bookings for customers with high cancellation rates to increase resources and coverage
- Adjusting the software algorithm to increase shared rides
- Researching other Microtransit deployments to understand key factors in developing a new business model that minimizes cost per passenger, and maximizes passengers per vehicle hour
- Evaluating service zones (e.g. stop spacing, ridership, duplication, productivity by time, day of week, and area)
- Reducing contract costs from \$16 million on the Mod-10 contract to \$14 million on the Mod-11 contract



# Microtransit Benefits

**Metro Micro Trip Variations from September 9 to 17, 2023**

Zones	First/Last Connection	No Fixed Route	One Fixed Route	Fixed Routes (2 plus)
Altadena/Pasadena/Sierra Madre	47.6%	13.6%	11.5%	27.4%
El Monte	42.4%	45.1%	1.3%	11.2%
Highland Park/Eagle Rock/Glendale	56.6%	17.5%	5.9%	20.1%
LAX-Inglewood	57.1%	10.0%	5.7%	27.2%
NoHo-Burbank	39.6%	7.4%	19.9%	33.1%
Northwest San Fernando Valley	45.4%	4.4%	14.5%	35.7%
UCLA/Westwood/VA Medical Center	54.5%	29.5%	2.3%	13.6%
Watt/Compton	43.7%	9.1%	11.2%	36.0%
<b>All Zones</b>	<b>48.4%</b>	<b>14.8%</b>	<b>9.9%</b>	<b>27.0%</b>

- 48% of trips provide first/last mile connections to fixed route service
- 15% of trips provide service where no fixed route exists
- 11% of Microtransit riders are new to Metro services



# Next Steps



## **Board approval of this 12-month extension will allow Microtransit to accomplish the following:**

- Continue internal optimization by developing a new business model to achieve performance/cost goals
- Anticipate a new RFP issued on Fall-Winter 2023
- Streamline operating hours (e.g. reduce span of service) and discontinue or reduce service coverage in low performing zones by June 2024
- Discontinue the introductory fare of \$1 and returning to the originally planned fare of \$2.50 per ride by January 2024



# Ridership



## Total Week Ridership

