



Metro MicroTM

Software Services Contract Award

Operations, Safety, & Customer Experience Committee Meeting

January 16, 2024



Metro

Background



- This Board Action – Receive and File report on the Contract Award for Metro Micro Software Services
- Metro issued RFP No. PS124278(2) Metro Micro Software Services under revised operating model
- **Current** Model - Combines On-Demand Software Services and Operation Services
- **New** Model – Separates Software Services and Operation Services into 2 Individual Contracts for improved Operational Control and Financial Sustainability
- Operations Services - Contract Award Approved at the December 2024 Board Meeting & advised Board that Staff would return in January with Software Contract
- Software Services Contract – Notice of Intent to Award issued January 6, 2025; Contract Award approx. January 23, 2025. Board Approval is not required due to the contract value of \$.01
- Recommended Awardee – **Spare** (a microtransit technology firm)



SPARE

- Spare specializes in microtransit on-demand software technology with transit agencies
- Spare's Experience with Transit Agencies
 - ✓ Implemented microtransit service at Dallas Area Rapid Transit (DART)
 - Expanded 4 to 30 Zones in 2022 with various improvements to the software
 - ✓ New Contract with North County Transit District (NCTD) in San Diego, California
- Spare Scored as Top-Rank Proposer Demonstrating Various On-Demand Software Features
 - ✓ Integrating multiple modes into a single-trip
 - ✓ Automatic scheduling for a replacement vehicle to transport passengers if original vehicle breaks down
- Spare is able to Accommodate Metro's Technology as one of the Largest and most Complex Service Areas (Bus and Rail services)
 - ✓ Metro requires various sources of transit data feeds and robust algorithms to determine the best trip options for customers

Discussion (continued)



SPARE'S PROPOSAL

- Spare's BAFO \$0.01 for Full Scope of Services
 - ✓ 3 Year Base \$0.01
 - ✓ 3 Year Option \$0.00
- The \$0.01 BAFO Proposal was based on 1) Spare's Motivation to Partnership with Metro as it provides Spare Opportunity to Accelerate Product Innovation, 2) Strengthen their Market Presence, and 3) Position Spare as Leader in microtransit industry
- Spare's BAFO also highlighted recently securing \$42 Million in Series B investments to expand their business, indicating they are financially secure in offering the \$0.01 Proposal
- In Response to the \$0.01 Proposal
 - Metro verified the company's financial resources through Pre-Qualification Review
 - Spare will provide a \$700,000 Letter of Credit as Performance Guarantee
 - Lastly, contract terms and conditions allows Metro to exercise progressive actions for lack of performance

New Contracts Cost Efficiencies



New Contracts Achieve Cost Per Trip Target \$20-\$25		
	Existing Model	Total New Model
Software RSH Rate*	\$3.67	\$0.00
Operations RSH Rate*	\$98.13	\$82.35
Total RSH Rate*	\$101.80	\$82.35
Cost/Passenger**	\$29.94	\$24.22

*Annual Revenue Service Hours of 253,003 remain the same for new contract. 1st Year RSH Rate.

**Based on current Passenger Per Vehicle (PVH) Load 3.4



THANK YOU