

METRO BIKE SHARE

PATH FORWARD – UPDATED OPERATIONAL MODEL

Operations, Safety, and Customer Experience Committee

October 20, 2022



METRO BIKE SHARE PROGRAM OVERVIEW & MOTION 41 UPDATE

Program

- Initiated program in 2015 and deployed bikes in 2016
- Past funding includes partner funding share, fares and Prop C 25% to fill the gap
- Measure M 2% ATP funds have been used to support capital costs
- Staff will ensure that operating-eligible funding will be used for non-capital expenses
- Service Area: Downtown/Central Los Angeles, Westside and North Hollywood
- Established Fleet Size: 1,800
- Ridership: Over 1.5M to date; FY22 = 228,000; FY23 (Projection) = 300,000
- Costs Shared with Partner(s):
 - ✓ Capital: Metro (50%) and City of Los Angeles (50%)
 - ✓ Operations & Maintenance: Metro (35%) and City of Los Angeles (65%)
- Firm-fixed price milestone-based contract – expires July 2023
- Fare: \$1.75/30 minutes (classic and e-bikes)
- Reduced fares available through:
 - ✓ Monthly Pass (regular \$17; reduced \$5)
 - ✓ Annual Pass (regular \$150; reduced \$50)

Motion 41	Directive	Status
A	Stabilize the fleet	❖ Ongoing
B	Address equitable access in current program and future form of program	❖ Ongoing
C	Uninterrupted service as next iteration of the program is determined	✓ Completed
D	Convene industry forum to provide recommendations to advance MBS	✓ Completed
E	Perform market survey to identify best practices and business models	✓ Completed

BIKE SHARE MARKET SURVEY/FORUM SUMMARY

Findings:

- Four main operational models in use
- Metro has one of the most affordable bike share systems nationally
- System owners are mostly responsible for lost/missing bikes
- Annual bike loss fluctuates between 2% to 16%
- Unbanked and digital divide concerns are prevalent, and no system has a tested solution
- Depending upon the model, equity and expansion can be problematic
- System sponsorships are varied with some, like New York, have a title sponsor
- Reported annual sponsorship revenue ranges from \$3.5M to \$7.5M
- E-bikes are popular and generate the most trips but having a mixed fleet is important for trip purposes
- Reduced fares are common for domestic systems and are provided through a monthly or annual pass
- MBS fleet size, ridership and fares are in the lower ranges compared to peer agencies
- Local interested partners exist but there is a concern regarding overall cost and the cost sharing percentages
- Some locals have implemented their own programs (Long Beach, Santa Monica) and others have recently deployed bike library programs

BIKE SHARE MARKET SURVEY/FORUM SUMMARY

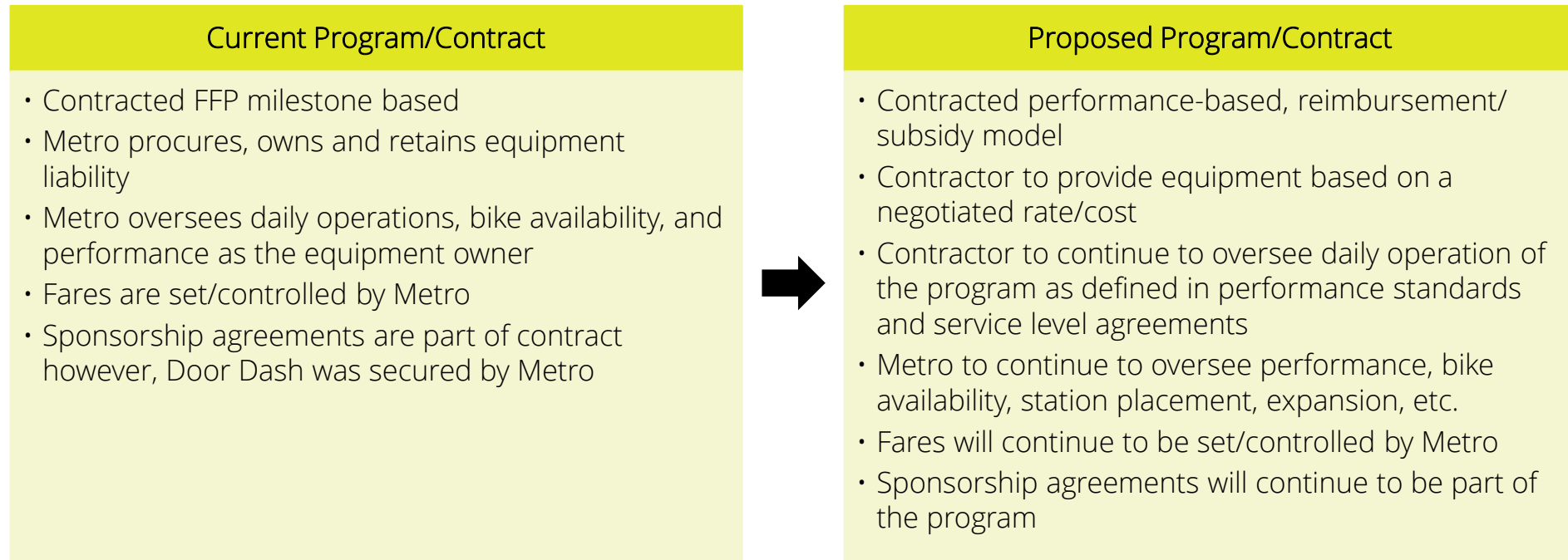
Program Models:

	Privately Owned & Operated (Privatized)	Non-Profit Operator	Publicly Owned - Privately Operated (Contracted)	Privately Owned - Publicly Managed (Contracted)
<i>Equipment</i>	Equipment owned by operator	Potential mixed public/non-profit/for-profit operator ownership	Equipment owned by agency	Equipment owned and provided by contractor
<i>Program Cost</i>	Limited to no agency costs	Non-profit manages and/or operates program – may require an agreement and/or initial public agency funding support	Agency covers all equipment and operating costs – generally highest agency cost model	Agency pays only operating costs – per the market survey, this model, with the exception of the fully privatized model, generally resulted in a lower overall cost to the agency
<i>Program Management</i>	Stations sited and Fares set by operator. Fares were generally higher than publicly funded systems.	Non-profit with City support responsible for station siting. Non-profit sets fares. Fares were generally higher than the other models.	Stations sited by and Fares set by agency. Fares were lower than privatized or non-profit models.	Stations sited by and Fares set by agency. Fares were lower than privatized or non-profit models.
<i>Equity</i>	Equity focused expansion concerns	Expansion is challenging due to funding limitations	Expansion is more challenging due to need to purchase equipment	Expansion is more streamlined
<i>Agency Control</i>	Less agency control	Less agency control	Greater agency control	Greater agency control

DIRECTIVE F: RECOMMENDATION TO EVOLVE THE METRO BIKE SHARE PROGRAM *OPERATIONAL MODEL*

Factors Examined to Support for a Greater Opportunity for Sustainable Success:

Equity, Scalability, Expansion, Affordability/Cost & Efficiency



NEXT STEPS

- Initiate procurement activities to secure a Contractor with the goal of enabling a customer centric seamless transition
 - Deploy multi-year performance/service level agreement contract with fixed unit rate/reimbursement elements
 - Contractor to provide and be responsible for equipment and contracted Operations and Maintenance
 - Metro to retain certain management rights/controls
- Pursue new sponsorship opportunities
- Continue investigation and implementation of equitable access solutions – Mobility Wallet, Pay-Near-Me, TAP integration, etc.
- Investigation of possible new tiered fare structures – expansion of reduced fare solutions
- Continue engagement with partners, stakeholders and internal Metro resources to identify new funding sources and/or legislative opportunities
- Continue engagement with interest-based jurisdictions as the details of the new model are identified