



## Board Report

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### PLANNING AND PROGRAMMING COMMITTEE SEPTEMBER 16, 2020

**SUBJECT: METRO VANPOOL VEHICLE SUPPLIER BENCH CONTRACTS**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 2 to the Vanpool Vehicle Supplier Bench Contract Nos. PS10754400051491 for Airport Van Rental, PS10754300051491 for Green Commuter, and PS10754500051491 for Enterprise Rideshare (a division of Enterprise Holdings) to exercise the first one-year option in an amount not to exceed \$9 million increasing the total contract value from \$18 million to \$27 million, and extending the period of performance from October 1, 2020 to September 30, 2021.

#### **ISSUE**

On July 26, 2018, the Metro Board approved a Vanpool Vehicle Supplier Bench Contract for a two-year base period, with three, one-year options for a total value of \$45 million (Attachment B). The two-year base contract ended July 31, 2020 and a short-term extension was executed through September 30, 2020.

#### **BACKGROUND**

The Metro Vanpool Program was launched in May 2007 and has become an industry leader in providing a mobility option to employers and commuters, significantly reducing traffic congestion while improving air quality throughout Southern California. This program contributes to the reduction of more than 100 million vehicle miles traveled (VMT) annually produced by single-occupancy vehicles (SOVs) in Los Angeles County. Thousands of additional cars would be on the road without this highly successful program. In addition, Metro Vanpool generates approximately \$20 million annually of federal funding for the agency.

The Metro Vanpool Program is managed by Metro's Transportation Demand Management (TDM) team in the Countywide Planning & Development Department. The program supports Metro's vision of increasing the percent usage of transportation modes and reducing solo driving as outlined in the Metro Vision 2028 Strategic Plan.

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## **DISCUSSION**

In July 2018, the Metro Board authorized a Vanpool Vehicle Supplier Bench Contract to three Vehicle Suppliers for a two-year base period for an amount not to exceed \$18,000,000, with three one-year options, each in an amount not to exceed \$9,000,000, for a total value of not-to-exceed amount of \$45,000,000 (Attachment B). These contracts were awarded to three suppliers, Airport Van Rental, Green Commuter, and Enterprise Rideshare (a division of Enterprise Holdings).

The Metro Vanpool Program Bench contracts were established to offer commuters multiple vendor options to secure lease vehicle services. Each contract effectively buys down the cost of eligible public vanpool leasing fares to the end user. Eligible vanpools enrolled in the program must agree to and comply with participation and reporting rules to receive fare subsidies amounting to a maximum of 50% of the vanpool vehicle lease costs or up to \$500 per month. In addition, Vehicle Suppliers provide vehicles that are compliant with the Americans with Disabilities Act (ADA) upon request.

Currently, the Metro Vanpool Program provides subsidies to 1,251 registered vans. In FY19, the program recorded more than 28.6 million vehicle revenue miles and delivered over 3.2 million passenger trips for a total of \$7 million in vanpool subsidies or \$2.17 per passenger trip. The program greatly reduces vehicle miles traveled throughout Los Angeles County. Although COVID-19 has impacted the Metro Vanpool Program, the program is implementing a three-phased recovery plan and is expected to be back to normal operations by the third quarter of FY21.

All vanpool operating and expense data are collected, validated, recorded, and reported to the Federal Transit Administration (FTA) as part of Metro's annual National Transit Database (NTD) report. The NTD is the system through which the FTA collects uniform data required by the Secretary of Transportation to administer department programs. The data reported is used in formula calculations which apportion federal grants to the region, including through FTA Sections 5307 and 5339.

In an effort to continuously improve the Metro Vanpool Program, a new software system was launched in July 2020. This software considerably improves all processes related to operating and managing the program. The monthly reporting process by participants will be more user friendly, provide self-service options, and increase accuracy and performance. The submittal of reports by staff to the NTD will also be streamlined. In addition, the new software will include a new mobile app for the program's participants. Additional outreach and marketing activities are forthcoming.

### **Equity Platform**

The program supports Pillar II. Listen and Learn as well as Pillar III. Focus and Deliver. Metro Vanpool provides a public service to commuters and is committed to implementing a program that is equitable in all aspects, including ADA compliance and one that stands against discrimination.

## **DETERMINATION OF SAFETY IMPACT**

The Board's action will not have a negative impact on the safety of Metro's patrons or employees. In addition, the Metro Vanpool Program has demonstrated effectiveness in reducing the number of cars

on the road during the peak commute period which contributes to public safety.

### **FINANCIAL IMPACT**

Approval of this recommendation will not impact the FY21 budget, since funding for this contract is already included under Project 405547, Task 02.07, Cost Center 4540 (Regional Rideshare/Shared Mobility). Due to administrative time and logistical coordination, staff anticipates the billable amount will begin to apply from the second quarter of FY21, with most of the billing occurring in the third and fourth quarters. Since this is a multi-year project, the Cost Center Manager and Chief Planning Officer will be accountable for budgeting the cost in future fiscal years.

#### **Impact to Budget**

The funding source for this action is Proposition C 25% Streets & Highway and is not eligible for bus and rail operating and capital expenditures. In addition, FTA Sections 5307 and 5339 grant funds generated by the Metro Vanpool Program are estimated to increase funds available for Metro departments including Operations expenditures by approximately \$20 million.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Recommendation supports the following strategic plan goals:

1. Provide high-quality mobility options that enable people to spend less time traveling;
2. Deliver outstanding trip experiences for all users of the transportation system; and
3. Enhance communities and lives through mobility and access to opportunity.

### **ALTERNATIVES CONSIDERED**

The Board could choose not to modify the contract and allow the Base contract to end September 30, 2020. Staff does not recommend this because the vanpool program is an important commute option in Los Angeles County. Existing vanpools rely on receiving subsidies from the Metro Vanpool Program to offset the cost and would likely cease operation if the program ended. This would result in decreased reporting to NTD and less federal funds reimbursed to Metro. Additionally, vanpooling reduces congestion by decreasing the number of SOVs commuting to worksites during peak hours. Vanpools also allow employers to meet Average Vehicle Ridership (AVR) targets and reduce greenhouse gas emissions.

### **NEXT STEPS**


Upon Board approval, staff will execute Contract Modification No. 2 for Option Year 1 of the Vanpool Vehicle Supplier Bench Contracts Nos. PS10754300051491 for Airport Van Rentals, PS10754400051491 for Green Commuter, and PS10754500051491 for Enterprise Rideshare (a division of Enterprise Holdings).

**ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment A-1 - Contract Modification/Change Order Log  
Attachment B - July 2018 Board Report  
Attachment C - DEOD Summary

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