



Board Report

File #: 2023-0118, File Type: Contract

Agenda Number: 31.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MARCH 16, 2023

SUBJECT: MICROTRANSIT PILOT PROJECT - PART B

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE:

- A. the Chief Executive Officer to execute Modification No. 10 to Contract No. PS46292001 with RideCo., Inc., for the MicroTransit Pilot Project, to extend the period of performance from April 1, 2023, through September 30, 2023, in an amount not to exceed \$8,292,453, increasing the Total Contract Value from \$35,131,602 to \$43,424,055; and
- B. an increase in the Contract Modification Authority (CMA) in the amount of \$829,245, or 10% of the total Contract Modification No. 10 value, increasing the total authorized CMA amount from \$100,000 to a new CMA amount of \$929,245 and execute individual Contract Modifications within the Board approved CMA.

ISSUE

The existing MicroTransit Pilot Project (MTP) Part B contract expires on March 31, 2023. Through this report, staff is seeking approval to extend the contract by 6 months to implement enhancements and lessons learned for the program. Additionally, as the project was launched in 2020 during the COVID-19 Pandemic, the additional time will allow for continued service in normal operating conditions as opposed to the limitations imposed by the pandemic.

BACKGROUND

The initial Request for Proposals (RFP) for this project was issued on October 25, 2017, solicited and awarded to be executed in two parts: Part A, the "Planning and Design" phase and Part B, the "Implementation and Evaluation" phase. On February 27, 2020, the Metro Board of Directors approved the MTP Part B with RideCo, Inc. under the Pre-Development Agreement Public Private Partnership (PDA/P3) Contract No. PS46292001.

The services under this executed pilot project contract were deployed on December 13, 2020, for the

implementation of on-demand rideshare, designed to test the delivery of a new on-demand service model, including real world learning pertaining to the following five guiding questions:

- How can a large public agency operate an on-demand transit service that prioritizes customer experience and equity;
- How can new management models (e.g., positive discipline) improve workforce retention, advance career pathways, and establish workplace happiness;
- How an innovative Pre-Development Agreement / Public-Private Partnership (PDA-P3) procurement tool can be leveraged and improved upon to support testing emerging technology, risk sharing, and rapid iteration in service delivery models;
- Whether positive customer experiences on MTP will translate to increased ridership on the fixed-route services for both current riders as well as and non-riders;
- And whether MTP can perform as a cost-effective alternative to underperforming fixed-route service.

These questions require further exploration under the MTP to properly assess the efficacy of the service in meeting the stated objectives.

DISCUSSION

Since launching Revenue Service Operations on December 13, 2020, MTP has serviced over 32,000 unique riders taking over 930,000 rides. Of these rides, 52.1% have been rides shared with another passenger. The program operates a mixed fleet of 82 vehicles, including eight (8) electric vehicles.

Since the service deployment, staff identified opportunities for enhancements requiring finetuning of the algorithm, zone boundary adjustments and delivery method improvements. The Board approval of Modification No. 10 will provide staff the opportunity to make further adjustments toward addressing service availability and the ability to group trips to contain costs, instituting parameter changes to optimize the service, improve the cost per trip and on-time performance, further refining optimization methods to address challenges associated with maximum wait time and percentage of excess demand and adding vehicles to meet the demand reaching its peak in ridership.

With MTP on track to achieve 1 million boardings in the first quarter of calendar year 2023 clearly demonstrating demand, and with the optimization plans, extending the current contract for 6 months will allow for a steady operating state.

The requested CMA will enable quick response to unforeseen issues as well as system enhancements as the service is optimized.

DETERMINATION OF SAFETY IMPACT

Ongoing operations of MTP through the extension is not anticipated to adversely impact safety.

FINANCIAL IMPACT

Funding for Contract No. PS46292001 in the NTE amount of \$4,146,226 for the remainder of FY23 is allocated under Cost Center 3595 - MTP Operations, Project 309001, Department Strategic Initiatives.

Since this is a multi-year contract, the Interim Executive Officer, Transit Operations - Strategic Initiatives will be accountable for budgeting the cost in future years.

Impact to Budget

Continued services will be funded with Operating-eligible funds.

EQUITY PLATFORM

MTP is intended to improve equity by bringing on-demand ride services to locations where private ride-hailing companies are less likely to operate. Today, Metro operates eight zones, of which three (3) zones include a sizeable representation of EFCs: Watts/Compton, El Monte, and LAX/Inglewood. Based on results of the 2022 On-Board rider survey, data indicate that MTP ridership is comprised of a higher percentage of females than fixed route service, and while the program riders are higher income than fixed route riders, on average, they are lower income than the County's population. Based on survey responses, approximately 57% of the ridership identified as Latinx/Hispanic, followed by 15%, 14%, and 11% who identified as White/Caucasian, Asian/Pacific Islander and Black/African American, respectively.

The Diversity and Economic Opportunity Department (DEOD) established a 10% Small Business Enterprise (SBE) goal and a 3% Disadvantage Veteran Business Enterprise (DVBE) goal for this project. To-date, RideCo, Inc. (contractor) is exceeding their 10.23% SBE participation commitment and close to achieving their 3.20% DVBE commitment.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This aligns with Strategic Plan Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. MTP particularly supports item 1.2, Improve LA County's overall transit network by improving connectivity to provide seamless journeys. MTP was envisioned to reduce transfers and to pick up short trips that are lengthy on the fixed-route system.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the recommended action(s). This alternative would cease Revenue Service Operations for the communities and neighborhoods that utilize MTP for essential trips. Extending the current contract allows for the continuation of the service under normal operating conditions.

NEXT STEPS

Upon Board approval, staff will execute Modifications No. 10 to Contract No. PS46292001 with RideCo, Inc.

Staff will continue to provide quarterly updates on MTP Operations.

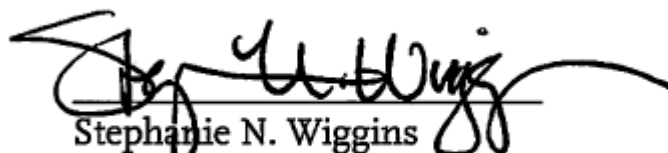
ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary

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