



Board Report

File #: 2024-0071, File Type: Agreement

Agenda Number: 23.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
JUNE 20, 2024

SUBJECT: TRANSIT SERVICE OPERATION AGREEMENTS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

- A. EXTENDING the Transit Service Operation Agreement between Metro and the City of Glendale for the Glendale Beeline Route 3, for a period of three years through June 30, 2027, for an amount up to \$2,396,912.85, which is inclusive of FY24 estimated CPI Index cost adjustment;
- B. EXTENDING the Transit Service Operation Agreement between Metro and the City of Los Angeles Department of Transportation (LADOT) for Dash Pico Union/Echo Park 601, Dash El Sereno/City Terrace 602, and Commuter Express 422 (Downtown LA - Van Nuys, Warner Center, Agoura Hills, Thousand Oaks), for a period of three years through June 30, 2027, for an amount up to \$13,171,708.44;
- C. EXTENDING the Transit Service Operation Agreement between Metro and the Palos Verdes Peninsula Transportation Authority (PVPTA) for operation of the Line 225/226, for a period of three years through June 30, 2027, for an amount up to \$731,970.00; and
- D. AUTHORIZING the Chief Executive Officer, or their designee, to negotiate and execute all necessary agreements for funding approval in accordance with recommendations A, B, and C.

ISSUE

Three Consent Decree-related transit service agreements for former Metro bus services require renewal to ensure riders' continuity of service.

The current agreement between Metro and the City of Glendale to fund a portion of Glendale Beeline Route 3 and former Metro Line 177 will expire on June 30, 2024. The service replaced the former western portion of Metro Line 177.

The current agreement between Metro and LADOT to fund a portion of former Metro, now LADOT Dash Pico Union/Echo Park 601, Dash El Sereno/City Terrace 602, and Commuter Express 422 (Downtown LA - Van Nuys, Warner Center, Agoura Hills, Thousand Oaks) lines, will expire on June 30, 2024.

The current agreement between Metro and PVPTA funds a portion of former Metro Lines 225/226 serving the Palos Verdes Peninsula and will expire on June 30, 2024.

BACKGROUND

In FY98, Metro implemented a Consent Decree Pilot Program to improve mobility for our patrons. In July 1999, the Board of Directors approved the service modifications based on the Consent Decree Pilot Program and Public Hearing results. This included new bus lines and existing Metro lines now covered under these three contracted operations. The original term of each agreement was one year from the initial date of operations, with yearly renewal to include changes to service levels as needed.

DISCUSSION

Staff met with the three transit agencies to evaluate potential areas where service reductions could be made. The primary objective was to identify ways to improve the productivity of these services while retaining relevant services for the communities involved. After discussions, all parties agreed to reduce their service levels, as documented below. Ridership is also improving on many of these services. The changes agreed to form the basis for the new agreements moving forward for FY25 and two additional years through FY26 and FY27 for a total of three years. Attachment D provides the details of the service agreement costs.

City of Glendale

In February 2000, the Metro Board approved a ten-year agreement in which Metro would discontinue operating service on the western portion of Metro Line 177 between the Jet Propulsion Laboratory (JPL) and Downtown Glendale. This service is considered a key local community transit service for the community of La Cañada Flintridge, and it is more suited to be integrated into the Beeline service as their Route 3.

The service is operated by a contractor for the City of Glendale at a lower cost than Metro. Subsequent extensions have been made to this agreement, the most recent covering fiscal year FY24.

Metro's rate paid to the City of Glendale under this agreement is indexed each year according to the CPI based on the prior year's rate for the Los Angeles-Long Beach-Anaheim Urbanized Area (not seasonally adjusted).

Please see Attachment A for additional Glendale performance data.

- In FY23, the City of Glendale's Beeline operation of the Western Portion of Route 177 had an average of 5.32 passenger boardings per hour. This is below Metro's lowest-performing route average of approximately eight passenger boardings per hour.

- In FY24, following concerns raised by Metro regarding the relatively low productivity of the service, Metro and City of Glendale staff met to explore efficiencies for this operating agreement. Efficiencies were identified, resulting in a 6% reduction in overall service hours by removing eight supplementary trips that are no longer warranted for current ridership at Glendale College. The City of Glendale states that the Beeline ridership is steadily increasing post-pandemic in FY24, and even with the proposed reduction in service, there is capacity to absorb more ridership on the remaining trips to improve productivity. The city is installing up to 400 new bus shelters, including real-time information, for the busiest stops. The City is also purchasing new zero-emission battery electric buses together with a new Integrated Bus Technology system with Wi-Fi, bus tracking, stop announcements, security cameras, and new real-time information on bus service operations available through an App and website. These initiatives are designed to enhance the customer experience and support growth in ridership. Metro staff will continue to monitor ridership trends on this service. Depending on the CPI rate, the cost of the agreement could increase by .58%.

City of Los Angeles Department of Transportation

The Transit Service Operations Agreement between Metro and the City of Los Angeles has been effective since its implementation as part of the Consent Decree. The service has enabled both agencies to focus on operating services that are more appropriate to each agency's core mission. The Metro funding covers between 38 and 62 percent of the service hours operated on these routes. In FY23, Lines 422, 601, and 602 scheduled 73,937 RSH and reported approximately 2,521,225 annual passenger trips. Please see Attachment B for additional LADOT performance data.

- LADOT's operation of Routes 602 and 422 had 21.8 and 8.8 average passenger boardings per hour, respectively. Route 601 had an average of 52.4 passenger boardings per hour, which is the highest performer within these agreements and similar to Metro's highest-performing line of 59.8 passenger boardings per hour.
- In FY24, Metro and LADOT staff met to explore efficiencies for this operating agreement. LADOT staff advised that Route 601 Pico Union DASH is their system's best-performing Community DASH service. Route 602 El Sereno DASH is also one of their better-performing DASH services. Ridership continues to recover post-pandemic. Route 422 is a reverse commute express line for domestic workers traveling between Downtown LA and households in western San Fernando Valley/Ventura County. Data shown in Attachment B indicates significant ridership growth, especially for Routes 601 and 602. Although ridership has been increasing, staff worked with LADOT to evaluate areas for improvement and agreed to consolidate their services from Route 422, resulting in a proposed reduction of four lower usage trips from the overall Route 422 schedule. This typically reduces the service frequency from 10-15 minute to 15-30 minute service in several time periods while still providing capacity for all intending riders. This represents a 19.4% decrease in the revenue service hour (RSH) for Route 422 and an overall decrease in agreement cost by 1.34%

Palos Verdes Peninsula Transportation Authority (PVPTA)

PVPTA began providing service to the Palos Verdes Peninsula in 1995. At the time of the Consent

Decree, Metro Lines 225/226 were the only local bus lines operated in this part of the County. In 2006, it was determined that Lines 225/226 would be best and most cost-effectively operated by PVPTA via subsidy from Metro. In FY23, PVPTA Routes 225/226 scheduled 5,786 RSH and reported approximately 22,711 annual passenger trips, an increase of 25% over the previous year's totals. Please refer to Attachments A, B, and C for additional ridership and service information relating to the City of Glendale, LADOT, and PVPTA service.

- PVPTA operation of Routes 225 and 226 had an average of 3.9 passenger boardings per hour. This is less than half of Metro's lowest-performing route average of approximately eight passenger boardings per hour.

In FY24, Metro staff and PVPTA worked together to identify ways to improve the operating agreement's efficiency. As a result, PVPTA agreed to reduce their daily service levels by two trips (7.7% reduction in RSH). The staff analyzed the ridership on a trip-by-trip basis and identified specific trips with very low ridership that could be discontinued with minimal impact on riders. The proposed service modification would adjust the PVPTA annual Transit Service Operation Agreement cost from \$262,354.39 to \$243,990.00 resulting in a 7% reduction.

While some of the above services covered by these three agreements have relatively low ridership and productivity, they provide the only fixed-route transit service coverage in the various communities they serve. Their operation through these agreements is at a lower cost than Metro's ability to provide these same services. Staff is recommending three-year terms for these three agreements, rather than the previous one-year terms, recognizing the efficiencies gained and the administrative costs for renewal of such small agreements. They would be subject to reauthorization at the end of the three years. Performance will continue to be tracked by Metro staff throughout the three years.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not impact the safety of our customers and employees.

FINANCIAL IMPACT

The proposed FY25 budget will include funding of \$5,380,123.21 to extend the agreements and provide the FY25 service levels. All funds for these transit service agreements are/will be included in cost center 3590 (Contract Services), accounts 54001 and 54002 (Subsidies) under project number 306001 (Operations Transportation). Since these are multi-year contracts, the cost center/project manager will be responsible for budgeting these costs in future fiscal years.

Impact to Budget

The current source of funds for this action is State and Local funds such as Fares, Advertising, Propositions A and C, Measures R and M, and the Transportation Development Act. These funding sources currently maximize the intent of project funding allocations given approved funding provisions and guidelines. This funding is eligible for Capital and Operating Projects.

EQUITY PLATFORM

Glendale Beeline Route 3

The Glendale Beeline functions primarily as a community circulator between Glendale and JPL. The beginning of the route in Downtown Glendale is designated as an equity-focus community. This service is also unique in providing transit for the County unincorporated community of La Cañada Flintridge. The line provides access for these communities to the many job opportunities in retail and other industries, as well as services in Glendale and Glendale Community College.

City of Los Angeles Department of Transportation

The transit service agreement with LADOT includes three lines, two of which (Route 601 and Route 602) are 100% operated in equity focus communities. Route 422 operates a portion of the service through Downtown Los Angeles' equity focus communities and connects workers residing in these areas to jobs in the western San Fernando Valley as well as far eastern Ventura County. These routes connect residential areas with activity centers and other regional services.

City of Palos Verdes Peninsula Transportation Authority

PVPTA Route 225-226 services link the Palos Verdes Peninsula to equity focus communities in parts of San Pedro, enhancing access to jobs, education, health care, and personal mobility for residents throughout the region. Most riders are either connecting to and from Metro's Silver Line or are local students and residents of San Pedro who take the bus to the Palos Verdes Peninsula for work, school, and other social activities.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this recommendation supports the following Metro Strategic Plan Goal: 3) Enhance communities and lives through mobility and access to opportunity. Metro will continue to work towards making Los Angeles County's transportation system more accessible, inclusive, and responsive to the needs of the diverse communities it serves.

ALTERNATIVES CONSIDERED

Metro considered fully eliminating these services but does not recommend ending these agreements. These agencies provide essential services at lower costs than Metro can, and each service has become part of their networks of services.

NEXT STEPS

Upon board approval, staff will execute a renewal of the current Transit Service Operation Agreements between Metro and the City of Glendale for the Glendale Beeline Route 3; will execute an agreement between Metro and the City of Los Angeles for Dash Pico Union/Echo Park Line 601, Dash El Sereno/City Terrace Line 602, and Commuter Express Route 422; will execute an agreement between Metro and PVPTA for Line 225/226. During the agreement period, Metro staff will continue to evaluate the performance of the lines, findings, and recommendations to ensure that the service provided aligns with Metro's transit service policies and efficiency standards and meets the needs of our diverse customers and stakeholders.

ATTACHMENTS

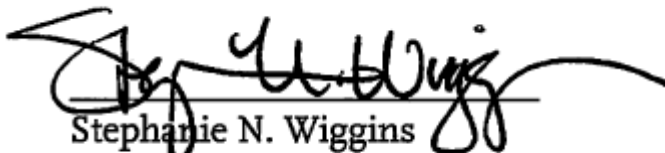
Attachment A - Map of Glendale Service Area

Attachment B - Map of LADOT Service Area

Attachment C - Map of PVPTA Service Area

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