



Board Report

File #: 2023-0203, **File Type:** Contract

Agenda Number: 21.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MAY 18, 2023

SUBJECT: METRO BIKE SHARE CONTRACT EXTENSION

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to execute Contract Modification No. 12 to Contract No. PS272680011357 with Bicycle Transit Systems (BTS) for the Metro Bike Share program (MBS) to extend the contract period of performance from July 30, 2023 through December 31, 2023, in the amount of \$5,698,010, increasing the Total Contract Value from \$110,594,074 to \$116,292,084.

ISSUE

A Request for Proposals (RFP) was released in April to secure a new MBS contract. The current MBS contract expires July 30, 2023. To ensure sufficient time to complete the procurement process, while continuing to provide MBS service to the public until a new contract is awarded, an extension of the current contract is needed.

BACKGROUND

MBS was launched in July 2016 in partnership with the City of Los Angeles. Since this date, MBS has provided continuous and consistent service to Los Angeles County residents with more than 200 stations located in the Downtown Los Angeles, Central Los Angeles, Hollywood, Westside, and North Hollywood service areas. To date, over 1.6 million trips have been taken, 5.8 million miles have been traveled, and 5.5 million pounds of CO2 have been averted through the use of MBS.

While ridership decreased during the COVID pandemic, MBS did not reduce or remove service. In fact, MBS successfully transitioned the undocked smart bike system, which experienced various operational issues, including increased loss, to the traditional docked bike system for both the Westside and North Hollywood service areas to stabilize and improve service. In addition, MBS expanded to the Hollywood service area in October 2021 with eleven new stations. Overall, ridership for the entire system continues to increase. Ridership for 2022 was 290,370, representing a 43% increase from 2021, and a 38% increase from 2020. During 2023, ridership is projected to reach 325,000, representing a 12% increase from 2022 and exceeding pre-COVID ridership as well as the highest ridership ever achieved by the program, which was in 2018.

Passholders also continue to increase for all pass types. In 2022, 30-Day passes increased by 75% to 1,116 when compared to 2021. Reduced Fares offer discounts to seniors, students, people with disabilities, and low-income individuals on TAP and directly through the MBS Mobile app and MBS website. Most individuals (56%) with a Reduced Fare pass were eligible through the California EBT verification process. Reduced Fare passholders increased in 2022 by 133% to 276 and represented 19% of all 30-Day and 365-Day passholders.

..Discussion

DISCUSSION

In December 2021, the Metro Board of Directors passed Motion Item No. 41 “Improving the Effectiveness and Sustainability of Metro Bike Share” (Attachment A). The Motion directed staff to take a series of actions focused on stabilizing the current program and preparing for the next iteration of bike share in Los Angeles County. Since the passing of the Motion, several actions in support of MBS and the Motion have occurred:

- In March 2022, staff submitted a receive and file report which presented the work plan to address the directives contained in the Motion, this included fleet stabilization, equitable access, uninterrupted service, convening of a forum, a market survey, and recommendations.
- In April 2022, the Board authorized a 12-month extension of the bike share contract and the purchase of additional bikes and GPS units to restore and stabilize the fleet.
- Between April and October 2022, staff conducted the Industry Forum (August 2022) to obtain insight from the industry/vendors, peer agencies, community organizations, and other interested parties; completed the Market Survey (national and international); conducted outreach to local agencies (Councils of Governments, Joint Power Authorities); ensured ongoing coordination and collaboration with the City of Los Angeles; and continued working to improve the stability and reliability of MBS.
- In October 2022, the Board approved the updated MBS operational model of “Privately Owned - Publicly Managed (Contracted).” The model took into consideration the work conducted as directed by the Motion.

In no small part, as a result of the Motion and subsequent actions coupled with the reduced impact of COVID, MBS ridership and performance have improved. Bike loss has decreased due to improved GPS capabilities, enhanced coordination with Metro’s Safety and Security personnel, and increased monitoring and response efforts by the contractor and staff, all actions delineated in the Motion response work plan. During 2022, the total loss was 177 bikes, which represents a 55% decrease in loss compared to 2021 and a 77% decrease compared to 2020. More specifically, since the Board’s October 2022 authorization to replenish and stabilize the fleet and ensure fleet-wide GPS capabilities, the total bike loss has been 23 bikes or an average of 4.6 bikes (0.3%) lost per month from November to March. Staff will continue to monitor and coordinate with all parties with the goal of maintaining this downward trend. The bike fleet has increased, improved, and stabilized, with more electric pedal-assist bikes (e-bikes) available. E-bikes have a higher trip/bike/day rate than the standard classic bikes (2.77 vs 0.47 in 2022). Ridership, fare revenues, and passholders all increased from 2021 to 2022 and are continuing to grow in 2023. Nevertheless, there is still work to be conducted to meet the goals expressed in the Motion and subsequent responses, of which the

next action is the award and implementation of the new MBS contract.

Since October, staff has been diligently working, in coordination with the City of Los Angeles who is concurrently conducting an independent review of MBS, to complete the Statement of Work and issue the appropriate procurement package. Staff incorporated lessons learned and information obtained from the various Motion directed actions - including the Industry Forum, Market Survey, and local agency outreach. While staff anticipated releasing the Request for Proposal (RFP) earlier, the level of coordination, collaboration, and review resulted in the need for additional time. This included the coordination with the City of Los Angeles, conferring with the MBS Advisory Committee, securing and engaging industry expertise to support and review the Statement of Work, and internal collaboration to ensure the appropriate procurement method and contract structure was selected to position MBS to meet the goals as identified in the Motion. With the release of the RFP in April 2023, staff is requesting an extension of 5 months, for a new end date of December 31, 2023. Staff will return to the Board with the award recommendation pending the completion of the procurement process.

The recommended modification will ensure that MBS remains stable and consistent during the extension. The contractor will continue to operate and maintain the existing MBS service to ensure no degradation of service to the public, including bike availability. During the extension period, staff will continue evaluating the MBS system to ensure that station locations are optimal and performing at their highest potential. Staff will evaluate criteria such as ridership, trip/bike/day ratios, location in an Equity Focus Community (EFC), changes to the surrounding area (i.e., business closures or new apartment buildings), industry best practices as well as community needs to determine if stations should remain or if they should be recommended for relocation. Staff will continue to collect demographic data relative to gender, race/ethnicity, income, and age in the next survey scheduled for June 2023. Staff will coordinate these efforts with the City of Los Angeles and implement approved changes, as time permits.

Per the MOU with the City of Los Angeles, the City will provide 65% of the funds in support of the ongoing operation and maintenance of MBS, and should there be any capital expenses, they will provide 50% of the funds. Staff has reviewed this item with the City of Los Angeles and has received their concurrence to proceed with the extension.

EQUITY PLATFORM

The approval of this contract modification and extension by a total of five months will ensure Metro's ability to continue to operate and maintain a regional bike share program that is accessible to Los Angeles County residents. MBS continues to integrate with existing Metro transit services and provides a seamless passenger experience on Metro's transportation system. Maintaining low bike share fares and ensuring that participants of the LIFE and Reduced Fare programs continue to have uninterrupted access to service with continued discounted fare media are critical components of this program. As mentioned, the number of passholders with Reduced Fare passes increased in 2022 and now represents 19% of all passholders. Participants with eligibility through California EBT represent 56% of all Reduced Fare passes, while students (16 years and over) represent 24%.

As part of the annual survey conducted by MBS, demographic data is collected. In 2022 and consistent with previous surveys, respondents to the survey were mostly male (61%), Caucasian (50%), almost half (49%) had incomes more than \$75K, and most were younger than 50 years old (76%). Past surveys have been implemented online and through social media and only in English. However, additional data collection methods will be implemented during 2023 to ensure that opportunities to respond to the survey are offered more widely. These include in-person and multi-language surveys. The current survey results demonstrate the opportunity and need to focus on further efforts to increase the diversity of MBS users. In 2023, staff will implement strategies that seek to increase ridership by females, people of color, seniors, riders with low-income, and other underrepresented groups.

Metro is committed to expanding the program and ensuring that it is implemented in a manner that leads to more equitable access and outcomes. This includes identifying and working with community-based organizations to support outreach and coordination activities with the goal of obtaining improved representation within and from EFCs and marginalized communities. Feedback specific to locating stations will also be gathered during this process. Additionally, staff will continue to analyze the best path forward toward the effective integration of adaptive and accessible bikes as the MBS program evolves to meet agency goals and customer needs. This contract extension will allow Metro to continue to provide current service in the EFC communities of Downtown/Central Los Angeles, Westside, and North Hollywood (Attachment B).

DETERMINATION OF SAFETY IMPACT

Metro's safety standards will be improved through the approval of this recommendation by ensuring the continued operation of a safe and secure bike share program.

FINANCIAL IMPACT

There is no immediate impact on the current FY 2023 budget, and no budget amendment will be required since the extension of the contract, if approved, will be implemented in FY 2024. Funding for MBS is included in the FY 2024 Proposed Budget and consists of City of Los Angeles subsidy, fares, and operating-eligible funds. Staff will continue to seek new and/or alternative funding, including grants and sponsorship opportunities, to support future MBS capital and operational costs.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

MBS program supports the following Vision 2028 Strategic Plan Goals:

1. Provide a high-quality mobility option that enables people to spend less time traveling.
2. Deliver an outstanding trip experience for all users of the transportation system.
3. Enhance communities and lives through mobility and access to opportunity.
4. Transform LA County through regional collaboration and national leadership.
5. Provide responsive, accountable, and trustworthy governance within the organization.

ALTERNATIVES CONSIDERED

The Board may choose to not authorize the requested action. This alternative is not recommended

as this would not be supportive of the Board motion, would impact the stability of the program, and Metro's ability to provide uninterrupted MBS service. If the contract with BTS is not extended, MBS operations would end July 30, 2023.

NEXT STEPS

Upon Board approval, staff will execute Modification No. 12 to Contract No. PS272680011357 with BTS to extend the contract through December 31, 2023. Staff will continue working on the procurement of the next contract.

ATTACHMENTS

Attachment A - Board Motion Item No. 41 (November/December 2021)

Attachment B - Metro EFC Map October 2022

Attachment C - Procurement Summary

Attachment D - Contract Modification/Change Order Log

Attachment E - DEOD Summary

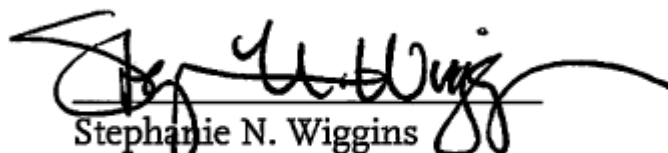
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