

**Board Report**

File #: 2024-0481, **File Type:** Contract**Agenda Number:** 23.

**OPERATIONS, SAFETY, AND CUSTOMER SERVICE COMMITTEE
SEPTEMBER 19, 2024****SUBJECT: VANPOOL VEHICLE SUPPLIER BENCH CONTRACT****ACTION: APPROVE CONTRACT MODIFICATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 7 to the Vanpool Vehicle Supplier Bench Contract Nos. PS1074300051491, PS1074400051491, and PS1074500051491 with Green Commuter, Airport Van Rental, and Enterprise Rideshare (a division of Enterprise Holdings) respectively, to increase the total not-to-exceed (NTE) contract amount by \$3.7 million from \$36,000,000 to \$39,700,000 and extend the period of performance from December 31, 2024 to June 30, 2025.

ISSUE

As of July 1, 2024, Metro has authorized 806 public vanpool service routes with vehicle leases contracted through the existing bench of vanpool vehicle suppliers. The current Metro Vanpool Program transportation contracts will expire on December 31, 2024. Staff has initiated a procurement to secure the new Vehicle Supplier Bench Contract, with the Request For Proposals (RFP) released on August 28, 2024. The additional contract authority and extended performance period are necessary to ensure continuity of service until the transition to the new Vehicle Supplier Bench Contract.

BACKGROUND

Metro launched the Metro Vanpool Program in May 2007, adding the vanpool mode of public transportation to the Metro family of services. Since then, Metro Vanpool has grown to be the largest vanpool program in the country and has become an industry leader in providing a mobility option to employers and commuters to significantly reduce traffic congestion while improving air quality throughout Southern California. This program offers long-distance and inter-county commuters, who may lack transit options or other mobility alternatives, the opportunity to use vanpools to complete their trips. As a result, this program contributes to the reduction of nearly 50 million vehicle miles traveled (VMT) annually produced by single-occupancy vehicles (SOV) commuting to and within Los Angeles County, meaning thousands of additional cars would be on the road without this highly successful program.

In July 2018, the Metro Board awarded the Vanpool Vehicle Supplier Bench Contract to three vehicle suppliers: Airport Van Rental, Green Commuter, and Enterprise Rideshare (a division of Enterprise Holdings), with Option Years 1 and 2 executed for a total of \$36 million. The Metro Vanpool Program Bench contracts were established to offer commuters multiple vendor options to secure leased vehicle services. Eligible vanpools enrolled in the program must agree to and comply with participation and reporting rules to receive subsidies amounting to a maximum of 50% of the vanpool vehicle lease costs or up to \$600 per month. In 2020, due to the COVID-19 pandemic, program enrollment dropped by 50% to 636 vans from a pre-pandemic size of 1,280. Since then, the program has steadily grown to 806 vanpools, recovering 26% of the COVID-19 attrition.

Vanpool program data is prepared and submitted to the Federal Transit Administration (FTA) through the National Transit Database (NTD) on a monthly and annual basis. Although the subsidy to vanpools is funded through Prop C 25%, submitting data to NTD generates a reimbursement annually to Metro from Sections 5307 and 5339 federal funds. While the return fluctuates every year, Metro Vanpool generated approximately \$16 million of Metro's FY24 federal apportionment from the FTA, which is used for transit planning and capital-this not only covered the operational costs of the program (approximately \$7.5 million) but also represented an additional revenue return to the agency.

DISCUSSION

Despite the negative impacts of the COVID-19 pandemic on Metro Vanpool, the Program has demonstrated that it is a valuable mobility resource to the region. Since 2022, Metro Vanpool has rebounded and shown steady growth in both the number of operational vans and overall ridership. The Metro Vanpool Program is still the largest and most active program in the nation and is the standard bearer/model for public vanpool programs. The average vanpool trip is 40.45 miles, with destinations throughout Los Angeles County. The program's value is multifaceted - Vehicle Miles Traveled (VMT) reduction, congestion mitigation, air quality benefits, and federal funding reimbursement in excess of the program's cost that supports transit operations. To ensure the uninterrupted continuation of the Metro Vanpool Program and its ongoing benefits, an extension of the current contracts and the addition of contract values are required.

A new procurement is currently underway to secure a new Vanpool Supplier Bench Contract. The extension of the current contracts should provide sufficient time to finalize the procurement and return to the Board for contract authorization. Other regional vanpool programs have recently completed procurements for new vehicle provider contracts. Each of these counties/agencies reported unanticipated delays during the negotiation and contract finalization stages due to challenges raised by prospective contractors. The contract extension incorporates potential impact should Metro experience similar complications and delays. The new procurement also addresses changes and program enhancements, such as increasing the availability and use of hybrid and/or zero-emission vehicles, improved data collection, and other related factors.

The requested extension to June 2025 and increased contract value in the amount of \$3.7 million will ensure seamless service continuity and allow for a thorough and deliberate procurement process without compromising service quality or timeliness.

DETERMINATION OF SAFETY IMPACT

The Metro Vanpool Program has effectively reduced the number of cars on the road during peak commute periods, contributing to public safety.

FINANCIAL IMPACT

The FY25 budget includes \$3.7 million in funding under cost center 4540 (Regional Rideshare/Shared Mobility), Project 405547, Task 02.07. As this is a multi-year program, the Cost Center Manager and Deputy Chief Operations Officer of Shared Mobility will be accountable for budgeting costs in future 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 increase funds available for bus and rail capital expenditures.

EQUITY PLATFORM

Metro Vanpool provides a public service to commuters and is committed to implementing an equitable, ADA-compliant program. The program has been in continuous operation since 2007 and is anticipated to continue yielding benefits for marginalized groups and Equity Focus Communities (EFCs).

Metro Vanpool provides a non-drive-alone mode option to all commuters living and/or working in Los Angeles County, including those in EFCs, and is open to all groups. Of the 2,248 commuters who board a Metro vanpool within LA County, 409 (18%) board a vanpool vehicle within an EFC. Additionally, many Metro Vanpool program participants originate outside of LA County but utilize the program to commute to their workplace within LA County. Of these 1,480 additional commuters, 419 (28%) board a vanpool vehicle from a California-designated Disadvantaged Community (DAC).

A positive impact for marginalized and vulnerable groups includes increased access to a non-drive-alone mode that reduces traffic and improves air quality in the communities where they live. The program is available to all commuters at a cost that is less than driving alone. The subsidy provided through the program decreases the overall cost and increases the program's affordability. In addition, Metro complies with ADA regulations and requires vehicle suppliers to provide vehicles that can accommodate participants with various physical abilities.

In an effort to expand the benefit of the program to marginalized communities and EFCs, Metro Vanpool is committed to prioritizing outreach and reducing barriers these communities may face (e.g., limited language proficiency, digital divide, reaching people with disabilities, etc.). Staff will continue to research, identify opportunities, and assess the feasibility of implementing these strategies. Metro Vanpool does not currently have any information on customer demographics, so in FY25, staff will be conducting a survey of existing customers to better understand the demographics

and needs of these customers for service optimization and further strategic planning.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports the following strategic plan goals:

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

ALTERNATIVES CONSIDERED

The Board may elect not to approve this recommendation. This option is not recommended as it would result in an inability to subsidize vanpool vehicles enrolled in the Metro Vanpool Program, a key initiative in reducing VMT in Los Angeles County and Southern California, and result in loss of revenue generated through NTD reporting.

NEXT STEPS

Upon approval by the Board, staff will execute Contract Modification No. 7 to Bench Contract Nos. PS1074300051491, PS1074400051491, and PS1074500051491 effective January 1, 2025.

ATTACHMENTS

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

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