



Board Report

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PLANNING & PROGRAMMING COMMITTEE
FEBRUARY 19, 2020
OPERATIONS, SAFETY & CUSTOMER EXPERIENCE COMMITTEE
FEBRUARY 20, 2020

SUBJECT: THE MICROTRANSIT PILOT PROJECT - PART B (IMPLEMENTATION)

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Modification No. 5 to firm fixed price Contract No. PS46292001 with RideCo., Inc. as a private partner and technology firm for operations in conjunction with the deployment areas outlined in Attachment F (Regional Readiness Operating Plan) and Attachment G (Map), in the amount of \$28,874,747.50, increasing the total Contract value from \$285,985.13 to \$29,160,732.63.
- B. AMEND the FY20 budget for the MicroTransit pilot project implementation positions and funding listed below:
 - 1. 80 Contract positions to operate the vehicles and 7 Contract positions to supervise the service; and
 - 2. \$7,750,000 for FY20 contractual and operational expenses

ISSUE

Metro staff seeks to implement innovation to both increase ridership of Metro’s family of services and provide an improved customer experience for existing riders by expanding the agency’s network through the testing and scaling of MicroTransit within LA County.

This new mode of public transit will offer shared rides which can be ordered through our regional call center, a new mobile application, and/or an internet browser. The suite of MicroTransit software tools for customers will offer real-time trip planning, booking, payment and fare system integration. Customers will also be able to pre-schedule trips or book repeat trips, as well as monitor the real-time status of trips for others under a linked account.

MicroTransit has been developed hand-in-hand to support implementation of the NextGen Bus Plan and the aspirational goal of a 10-minute maximum wait time per our strategic plan, Vision 2028.

According to our NextGen study findings, short trips (1-5 miles), which are being driven solo or with a private car service, are among the most important opportunities for the public sector to retain current ridership and to grow utilization among non-transit customers. Short trips are often to a local market, to pick up a child from daycare, to shuttle a child to an afterschool activity or for a medical appointment. Many of these trips are taken by students, older adults and parents of youth.

To help capture the more than 50% of short trips taking place in LA County today, MicroTransit will be introduced into our existing fixed-route network and provide continued opportunities for Metro to improve on managing customer demand at times when fewer customers are riding. This mixed fleet of vehicles (Transit 150, Transit 350, Grand Caravan, Metris and Sprinter) includes electric vehicles, which is in-line with operational testing on the Orange Line. For ease of use for the customer and personal space, most vehicles will be configured to carry 7-10 passengers.

MicroTransit will not only improve reliability and allow for guaranteed transfers across our multi-modal system but will also offer riders the opportunity to customize their experience by ordering a trip and linking to the next leg of their Metro journey. Metro staff anticipates up to two-thirds of the new trips generated by this mode will include transfers to other modes within Metro's family of services.

Customer and operator safety are critical to maintaining the highest standards of security and optimal service design for MicroTransit. To offer our customers the safest on-demand environment, the entire fleet of vehicles will be operated by our exclusive operating union, SMART-TD. The recommended software/technology platform, akin to Metro's current fixed-route operations, will achieve full integration with the TAP card and account system, and be connected to our Transit Watch network and operations centers for dispatch in the case of safety incidents.

Metro employee operators will undergo eight weeks of workforce training with a focus on customer service and safety. This new innovative training series developed in partnership with Human Capital and Development, the Office of Civil Rights and Operations will be the first of its kind in the nation and is being implemented in coordination with SMART-TD.

During the pilot phase of this operation, Metro staff recommends deploying MicroTransit into six identified areas where ridership can be retained and boosted. These service zones and their deployment schedule are as follows:

- Summer 2020: Watts/Willowbrook
- Fall 2020: Northwest San Fernando Valley
- Winter 2020: LAWA/Inglewood
- Spring 2021: Highland Park/Eagle Rock/Glendale
- Summer 2021: Altadena/Pasadena/Sierra Madre
- Fall 2021: UCLA/VA Medical Center/Century City

This service is recommended to be available 7 days a week with an initial soft launch (60 days) at a 12-hour service span per day. The background section on the following page, as well as Attachment F, details the factors utilized to identify these areas for operations.

This project is term-limited with up to three years of Revenue Service Operations, up to 120 days of

pre- launch and 30 days for final pilot evaluation. This operation will be evaluated to determine whether it should be incorporated as a permanent mode of the agency.

BACKGROUND

New and emerging technology has had a profound impact on how services are delivered. Among the most noteworthy trends has been the rise and growth of on-demand and customized services. In specific, the world of public transit has experienced a meaningful jolt resulting from these new on-demand economies. In California, this has amounted to the rise of Transportation Network Companies initially focused on replacing single-occupancy vehicles. However, in more recent months, this emerging sector has showcased a clear and intentional desire to replace trips traditionally served by public transit agencies.

Metro has continually monitored these changes and trends to better understand the strengths of these models, as well as the challenges in delivering equity. Metro's Office of Extraordinary Innovation (OEI) has engaged in this space by receiving and evaluating unsolicited proposals (including a proposal received in 2016 to test trip pooling technology), interviewing project managers and issuing findings. In partnership with the Eno Center for Transportation, Metro staff published the white paper, UpRouted, a compilation of findings on the early challenges to MicroTransit. Best practices as highlighted in the white paper were sourced from peers at Alameda-Contra Costa Transit District, Santa Clara Valley Transportation Authority and Kansas City Area Transportation Authority. More recently, Metro has funded a TNC partnership through OEI and managed directly by the private sector.

In 2017, under the direction of the Chief Executive Officer, Metro staff assembled an agency-wide team which to-date has drawn insights and expertise from more than 450 staff from all departments to design the new transit offering. This service has been built as a hybrid, merging the best of private technology with the experience of public operations to identify and respond to untapped mobility opportunities within LA County.

The concept was to set-up a multi-year pilot, which would test how an on-demand operation run by Metro employees using private sector technology and vehicles could integrate within Metro's family of services. This service would encourage current Metro customers to ride the system more regularly for a safe, comfortable, reliable, single-direction or round-trip ride.

By introducing and testing a new service focused on short trips in smaller vehicles, Metro would be able to flex its' operations to match the mode/vehicle to the customer. This new operation would tap into the growing momentum and expectation around new technology and tools to encourage ridesharing with Metro for short trips. This was the genesis of the agency's first Pre-Development Agreement Public Private Partnerships (PDA-P3s), which supports a two-part contract similar to a design-build contracting model.

In October 2017, the competitive Request for Proposal (RFP) was issued to procure services from qualified firms or Contractor Team(s) to partner with Metro for planning, designing, testing and evaluating a technology-based service for traveling short distances. The PDA-P3 was divided into two parts, Part A ("Planning and Design,) and Part B ("Implementation and Evaluation").

In April 2018, three PDA-P3 contracts were awarded for service feasibility studies to tech teams with transit planning firms (RideCo/Iteris, Via/Nelson/Nygaard and Transdev/AECOM). The Part A findings were set to serve as the foundation for implementation in Part B.

During the service design period, the three competitors worked with all departments at Metro to craft operations and identify service areas to support equity, network connectivity, economic mobility, congestion reduction and environmental goals. Findings were used to inform the Regional Reading Operating Plan (Attachment F). In September 2019, the three companies completed Part A (“Planning and Design”).

To best maximize efficiencies and utilize the vast in-house expertise available, implementation of this new MicroTransit service was shifted to Metro Operations for Part B (“Implementation and Evaluation”). Under the direction of Metro’s Chief Operations Officer, the agency has entered pre-revenue service operations as based upon the service feasibility studies (PDA-P3, Part A), the operational road map of the agency under the build outs identified in Measures R and M and the NextGen Bus Plan.

Metro staff recommends the MicroTransit Regional Readiness Operating Plan (Attachment F), in line with Proposed MicroTransit Service Zones displayed in the corresponding map (Attachment G).

DISCUSSION

Metro staff recommends the workforce outlined below to deliver a functional and successful operation:

Operators (SMART)

Metro employees will operate the MicroTransit vehicles under the signed side letter with our exclusive operating Union, SMART-TD, representing all new 80 employee operators for FY20.

Supervisors (AFSCME)

Metro employees will supervise the daily operations of MicroTransit Operators. Seven (7) transit operations supervisors (TOS) will provide on-street operations supervision, coordination, service monitoring and training for MicroTransit operators for FY20.

MicroTransit Project Team (Non-Contract)

The MicroTransit project oversight team will be responsible for, but not limited to, management of daily operations and contract administration; development of MicroTransit training specific to on-demand technology and operations; establishment of safety protocols and procedures for incident training, reporting and resolution; development and management of partnerships and coordination with local cities, municipal operators, local organizations and businesses; direct customer acquisition strategies (includes financial agreements with public and private funders); and analysis to optimize service delivery in order to compete in the marketplace. The five (5) non-contract project positions necessary for pre-launch, revenue service operations and evaluation of the pilot are listed as follows (see attachment D for details):

- 1 Director, Transportation Operations

- 2 Manager, Transportation Operations
- 1 Principal Transportation Planner
- 1 Sr. Administrative Analyst

These positions will report to the Sr. Director, Special Projects for MicroTransit. If MicroTransit becomes a permanent operation, Metro will retain the above positions (operators and project team) as permanent employees of the agency. The Non-Contract positions required to support this project will be allocated from agency-wide vacancies in FY20. Non-Contract positions required to support the project will be allocated from approved agency FY20 staffing levels. All Contract, Non-Contract positions, and all other resources needed in future fiscal years will be included in fiscal year annual budget requests.

Private Partner

Metro will partner with RideCo, Inc. who will be responsible for, but not limited to, the following:

- Create and maintain a software platform (includes multi-modal trip planning, booking, payment tools, etc.)
- Lease, maintain, clean, and fuel/electrify the mixed fleet
- Secure and manage the Reporting Locations (remote vehicle storage and office space for the operations)
- Conduct targeted communications campaigns within deployment areas

DETERMINATION OF SAFETY IMPACT

Customer and operator safety are core to maintaining the highest standards of security and the optimal service design for MicroTransit. Real-time information on vehicles and tools for customers will enhance communications for incident prevention as well as incident reporting. The MicroTransit technology platform will integrate with TransitWatch and related digital tools managed or used by local law enforcement, community health and homelessness advocates, community-based social networking and our transit operations control. The mission is to keep our drivers and customers safe by monitoring emergency, and security incidents, assessing risk, and identifying threats. The project team will work hand-in-hand with System Security and Law Enforcement (SSLE) to address issues such as sexual harassment and homelessness, resulting in enhanced safety on Metro's core transit system and building public trust. Close coordination with SSLE, law enforcement departments, civil rights and other internal Metro departments will ensure the best possible safety and security program for our system.

FINANCIAL IMPACT

Adoption of this pilot program has a FY20 total budget impact of \$7,750,000 (see MicroTransit Expenditure Plan in Attachment E). Therefore, a FY20 budget amendment in the amount of \$7,750,000 is required for pre-revenue and operational expenses. In addition, a FY20 budget amendment for 87 Contract positions is required. The five (5) Non-Contract project positions required to support the project will be allocated from approved agency FY20 staffing levels. Positions and all other resources required for this project will be reassessed and included in fiscal year annual budget requests.

Since this is a multi-year project, the program manager, cost center manager, and chief operations officer will ensure all project resources are budgeted in future fiscal years.

Impact to Budget

Funding for current and future years of the operations, will be included within Metro's annual Operations budget. Metro staff will continue to prioritize grant funding at local, state and federal levels as well as private financing opportunities as they become available.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation supports the following goals of the Metro Strategic Plan:

Goal 1: Provide high quality mobility options.

MicroTransit will provide a robust and high-quality mobility option for customers, particularly in communities where privately-funded technology is lacking and will allow customers to request on-demand service and connect to transit and destinations they would not otherwise be able to easily reach.

Goal 2: Deliver outstanding trip experiences for all users of the transportation system.

MicroTransit will vastly improve the customer experience for existing customers by reimagining the current trip planning tools and integrating with TransitWatch for smoother and safer trips. This service will increase the number of customers to the Metro system by offering more entry points to Metro's family of services.

Goal 3: Enhance communities and lives through mobility and access to opportunity.

In coordination with the NextGen restructure, MicroTransit will supplement the agency's bus service and ensure our customers maintain mobility and access to major trip generators including employment centers, health services, parks and schools across the County. Alignment and interoperability with the NextGen restructure will be critical to pilot success.

Goal 4: Transform LA County through collaboration and leadership.

Metro is a regional leader on New Mobility through MicroTransit. Metro staff is actively engaging and coordinating with stakeholders across the County to explore how technology can be used to harness transit benefits for all community members. Metro chairs the countywide On-Demand technology working group.

Equity Platform Framework

The agency's Equity Platform remains critical to the design and implementation of the MicroTransit operation. MicroTransit is being designed to address equity concerns head-on by accommodating customers that are not yet served well by core transit services or other on-demand transportation services operated by the private sector. Service areas including hours of operation and pick-up and drop-off locations are being designed with geographic and socio-economic equity in mind. Initiatives, policies, practices, and principles are being applied to the service design and implementation and will be iterated upon once the service is live on the street.

MicroTransit operations will also support Metro's commitment to protecting and preserving the natural environment by utilizing clean emissions vehicles (Transit 350s electric) as part of the mixed fleet of vehicles for this service.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the recommended action. This alternative would eliminate programming developed to supplement the Next Gen Bus Plan, void the negotiated side letter for our represented workforce with SMART-TD and purge one of the twenty-eight by 2028 projects as identified and approved by the Board of Directors.

NEXT STEPS

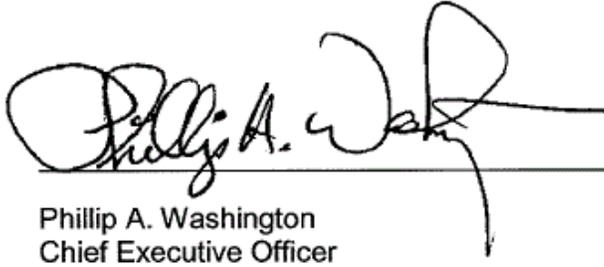
Per Attachment D, the MicroTransit Team Staffing Plan, Metro will launch recruitment of operators, management and support staff and provide training in policies and procedures unique to the MicroTransit operation. Metro staff will secure agreements with local partners/jurisdictions for pre-revenue service operations as per Attachment C, the Regional Readiness Operational Plan. The newly assembled project team will finalize trainings, policies, procedures and protocols including standard operating procedures, security protocols, the MicroTransit Operator Rulebook and Customer Code of Conduct. Outreach, marketing, and customer education on the new mode and connectivity to the Metro network will be critical to service adoption among transit customers new and existing. The private sector partner will support these efforts and finalize arrangements for reporting locations, vehicles and related hardware and software programming and retrofits.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary
- Attachment D - MicroTransit Pilot Project Team Staffing Plan
- Attachment E - MicroTransit Pilot Project Expenditure Plan
- Attachment F - Regional Readiness Operating Plan
- Attachment G - Proposed Service Zones Map

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