

**Board Report**

File #: 2020-0788, **File Type:** Contract**Agenda Number:** 26.

**OPERATIONS, SAFETY & CUSTOMER EXPERIENCE COMMITTEE
JANUARY 21, 2021****SUBJECT: MICROTRANSIT PILOT PROJECT - PART B****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to Execute Amendment No. 7 to Contract No. PS46292001 with RideCo, Inc. to provide an expanded MicroTransit Operations to three additional Service Zones (North Hollywood/Burbank, El Monte and Compton/Artesia) for two years in an amount of \$5,970,870 increasing the Total Contract Value from \$29,160,732.63 to \$35,131,602.63.

ISSUE

Metro has been testing on-demand technology in advance of directly operating a ridesharing service, Metro Micro (MicroTransit Operations). As part of this initial testing, Metro received federal seed funding from the FTA to develop a first/last mile partnership with a Transportation Network Company. The two-year research pilot known as Mobility on Demand is now at its completion. Given the consistent utilization of this service under this pilot phase during recent months (in the COVID-19 pandemic), Metro staff seek to continue serving communities and customers currently supported by the pilot.

Under this contract modification with RideCo, Inc., Metro will expand operations to serve customers and communities that have benefited from the Mobility on Demand pilot. Many of these customers are low-income and use this service for essential trips.

This action would authorize a service expansion for Metro Micro in the neighborhoods of North Hollywood/Burbank, El Monte and Compton. Hours of operation and service zone boundaries would be based upon and adjusted as a result of customer utilization.

BACKGROUND

Over the past several years, Metro has prepared to set-up a directly operated ridesharing service. The project was initiated as a result of an unsolicited proposal received by the Office of Extraordinary Innovation. Metro utilized a Pre-Development Agreement Public Private Partnership to structure the new service. This project serves as the agency's first PDA-P3 and first service delivery model of its kind within the transportation industry. The procurement was in two parts, Part A for Planning and

Design, and Part B for Operations. In 2019, the business unit, MicroTransit Operations, was set up and in early 2020, Metro's Board of Directors approved and authorized Revenue Service for six zones within the County of Los Angeles. This service is a Pilot project and has been authorized for three years of Revenue Service. As a result of the COVID-19 pandemic, the service launch initially set for summer 2020 was delayed until winter 2020.

On Sunday, December 13, 2020 Metro Micro launched in the first two approved zones (Watts/Willowbrook and LAX/Inglewood). The four additional approved service zones are scheduled to begin operating in 2021.

DISCUSSION

To achieve consistency with the current service provision of MicroTransit Operations, the same tasks will be required from RideCo, Inc. as under the current contract. The period of performance is 2 years (24 months). The service model will reflect RideCo's current contract.

RideCo will be responsible for leasing, maintaining, cleaning, fueling and storing up to 16 additional vehicles. The anticipated vehicle models are Sprinters with a passenger accessibility package included. This service expansion in the neighborhoods of North Hollywood/Burbank, El Monte and Compton will build on existing programming and utilize the same reporting locations as incorporated in RideCo's initial contract.

Proposed revenue service hours for each of the additional service zones are as follows:

- Compton/Artesia: 9 am to 9 pm, Monday to Sunday
- El Monte: 9 am to 9 pm, Monday to Friday, and 10 am to 10 pm Saturday to Sunday
- North Hollywood: 10 am to 10 pm Monday to Sunday

DETERMINATION OF SAFETY IMPACT

Customer and operator safety are core to maintaining the highest standards of security and the optimal service design for MicroTransit. The mission is to keep our operators and customers safe by monitoring emergency and security incidents, assessing risk, and identifying threats. 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 project team will work collaboratively with System Security and Law Enforcement (SSLE) to address issues such as sexual harassment, human trafficking, 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 PS46292001, MicroTransit - Part B, RideCo, Inc., would have a budget impact of \$5,970,870 to the agency. Funding in the amount of \$3,000,000 in FY21 is required for pre-revenue and operational expenses. Metro will utilize existing resources to operate the expanded service.

The project manager will be responsible for monitoring performance, RSH, labor and non-labor resources in of support this effort.

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 to run FY21 service comes from Proposition C, as well as various Federal sources. Future year funding will utilize these same sources as well as pursuing grant funding at Local, State, and Federal levels. Private financing opportunities will also be used 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.

This contract modification increases the amount of service zones for the pilot project, thus providing access to MicroTransit for a larger part of the population. 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.

The expansion of the MicroTransit pilot 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 Los Angeles County.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the recommended action. This alternative would eliminate ridsharing service for the communities and neighborhoods that utilized the Mobility on Demand pilot for essential trips.

NEXT STEPS

Upon Board approval, Metro staff will execute Modification No. 7 to Contract No. PS46292001 with RideCo, Inc. Metro will work with the contractor to plan, design and implement the service as defined in the Statement of Work (Attachment D).

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - Contract Modification/Change Order Log

Attachment C - DEOD Summary

Attachment D - Microtransit Service Zones

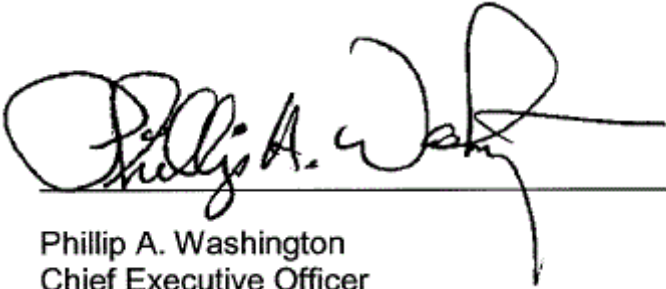
Prepared by:

Rani Narula-Woods, Sr. Dir. Special Projects, (213) 922-7414

Reviewed by:

James T. Gallagher, Chief Operations Officer, (213) 418-3108

Debra Avila, Chief Vendor Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer