

**Board Report**

File #: 2023-0638, **File Type:** Motion / Motion Response**Agenda Number:**

**REGULAR BOARD MEETING
SEPTEMBER 28, 2023****Motion by:****DIRECTORS NAJARIAN, BUTTS, DUTRA, HAHN, AND BARGER**

Related to Item 42: MicroTransit Pilot Project - Part B

Launched in 2020, the Micro Transit Pilot Program provides flexible, on-demand transit service in 8 Micro Transit Zones throughout Los Angeles County. The goal of the program includes focusing on the customer experience and ease of use, improving connections to the larger Metro system and local and regional operators by providing improved 1st mile/last mile connections, providing better service where fixed routes performed poorly, as well as addressing inequities in the availability and affordability of on-demand ride-hailing services in communities of color and areas with lower median incomes. The program is a quality option that is safe, clean, and comfortable in areas with more limited transit options, especially in Equity Focused Communities (EFCs).

When initially proposed, the goal for the cost per ride was \$20.00-25.00. The current cost is an average of \$42.00 per ride - more than 4 times the cost per rider on our fixed-route bus lines. At \$42.00 per ride, the program's sustainability becomes a challenge. Ridership performance by zone ranges from a high of just over 500 per day to a low of 115 per day. If the goal is to continue this service, the program must be sustainable and operational changes are necessary.

A driving factor in the cost per ride is Passengers per Vehicle per Hour (PVH). The PVH is based on demand which impacts performance and cost. The PVH program goal is 5-7 riders per vehicle per hour to meet the cost goals of \$20.00-\$25.00 per ride. The current average PVH for the program is 2.5-3.9.

The current request is for a one-year contract extension with an additional 6-month extension, if necessary. Staff is recommending making several operational changes to improve performance and address costs including streamlining operating hours, raising fares to \$2.50, (currently at \$1.00 - lower than Metro's base fare) shifting operating costs to capital costs and discontinuing or curtailing service in low performing zones in June 2024. Factors that need to be considered when discontinuing or curtailing a line should be based on data driven metrics and Key Performance Indicators (KPI) such as: PVH, average daily trips per week, maximum wait time, on-time performance, first/last mile connection rates, vehicle no-shows/excess demand, length of trips, percentage of stand-alone trips, and trips transferring to/from fixed-route services. Additionally, between now and June, information is needed on the characteristics of those zones which perform well and those that do not.

SUBJECT: MICROTRANSIT PILOT PROJECT MOTION

RECOMMENDATION

APPROVE Motion by Directors Najarian, Butts, Dutra, Hahn, and Barger that the Board direct the CEO to:

- A. Return to the Board by June 2024 with the recommendation of which zones are proposed to be discontinued or curtailed and to request the additional 6-month extension. The recommendation should include a thorough analysis of all zones with data driven metrics and KPIs outlined above, including data on demographics, as well as a plan of action that would address how service would be provided in discontinued zones where fixed bus routes were discontinued, and how the cost savings would be reinvested in operations including improving Micro Transit service in the remaining zones. Additionally, a review of the program should be presented which includes key characteristics of high performing and poorly performing zones, and how to increase the number of passengers linking Micro Transit and fixed route service.
- B. Implement those operational changes that could improve performance in low performing zones as soon as possible and increase marketing efforts to bolster community awareness of the program.
- C. Prior to raising fare to \$2.50, report back on the feasibility of incorporating Micro Transit services into the existing discount programs, including but not limited to Low Income Fare is Easy (LIFE), GoPass, Seniors, etc.

HORVATH AMENDMENT:

- A. Report back at six-month intervals with an update on the MicroTransit program, including but not limited to the effectiveness of the proposed cost and performance enhancements and the status of the new solicitation package.
- B. Report back on the feasibility of establishing a \$1.75 rate for riders connecting to other fixed-route Metro services.