Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2020-0509, **File Type:** Contract **Agenda Number:** 14.

PLANNING AND PROGRAMMING COMMITTEE
SEPTEMBER 16, 2020

SUBJECT: METRO VANPOOL VEHICLE SUPPLIER BENCH CONTRACTS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Modification No. 2 to the Vanpool Vehicle Supplier Bench Contract Nos. PS10754400051491 for Airport Van Rental, PS10754300051491 for Green Commuter, and PS10754500051491 for Enterprise Rideshare (a division of Enterprise Holdings) to exercise the first one-year option in an amount not to exceed $9 million increasing the total contract value from $18 million to $27 million, and extending the period of performance from October 1, 2020 to September 30, 2021.

ISSUE

On July 26, 2018, the Metro Board approved a Vanpool Vehicle Supplier Bench Contract for a two-year base period, with three, one-year options for a total value of $45 million (Attachment B). The two-year base contract ended July 31, 2020 and a short-term extension was executed through September 30, 2020.

BACKGROUND

The Metro Vanpool Program was launched in May 2007 and has become an industry leader in providing a mobility option to employers and commuters, significantly reducing traffic congestion while improving air quality throughout Southern California. This program contributes to the reduction of more than 100 million vehicle miles traveled (VMT) annually produced by single-occupancy vehicles (SOVs) in Los Angeles County. Thousands of additional cars would be on the road without this highly successful program. In addition, Metro Vanpool generates approximately $20 million annually of federal funding for the agency.

The Metro Vanpool Program is managed by Metro's Transportation Demand Management (TDM) team in the Countywide Planning & Development Department. The program supports Metro's vision of increasing the percent usage of transportation modes and reducing solo driving as outlined in the Metro Vision 2028 Strategic Plan.

DISCUSSION

In July 2018, the Metro Board authorized a Vanpool Vehicle Supplier Bench Contract to three Vehicle Suppliers for a two-year base period for an amount not to exceed $18,000,000, with three one-year options, each in an amount not to exceed $9,000,000, for a total value of not-to-exceed amount of $45,000,000 (Attachment B). These contracts were awarded to three suppliers, Airport Van Rental, Green Commuter, and Enterprise Rideshare (a division of Enterprise Holdings).

The Metro Vanpool Program Bench contracts were established to offer commuters multiple vendor options to secure lease vehicle services. Each contract effectively buys down the cost of eligible public vanpool leasing fares to the end user. Eligible vanpools enrolled in the program must agree to and comply with participation and reporting rules to receive fare subsidies amounting to a maximum of 50% of the vanpool vehicle lease costs or up to $500 per month. In addition, Vehicle Suppliers provide vehicles that are compliant with the Americans with Disabilities Act (ADA) upon request.

Currently, the Metro Vanpool Program provides subsidies to 1,251 registered vans. In FY19, the program recorded more than 28.6 million vehicle revenue miles and delivered over 3.2 million passenger trips for a total of $7 million in vanpool subsidies or $2.17 per passenger trip. The program greatly reduces vehicle miles traveled throughout Los Angeles County. Although COVID-19 has impacted the Metro Vanpool Program, the program is implementing a three-phased recovery plan and is expected to be back to normal operations by the third quarter of FY21.

All vanpool operating and expense data are collected, validated, recorded, and reported to the Federal Transit Administration (FTA) as part of Metro's annual National Transit Database (NTD) report. The NTD is the system through which the FTA collects uniform data required by the Secretary of Transportation to administer department programs. The data reported is used in formula calculations which apportion federal grants to the region, including through FTA Sections 5307 and 5339.

In an effort to continuously improve the Metro Vanpool Program, a new software system was launched in July 2020. This software considerably improves all processes related to operating and managing the program. The monthly reporting process by participants will be more user friendly, provide self-service options, and increase accuracy and performance. The submittal of reports by staff to the NTD will also be streamlined. In addition, the new software will include a new mobile app for the program's participants. Additional outreach and marketing activities are forthcoming.

Equity Platform

The program supports Pillar II. Listen and Learn as well as Pillar III. Focus and Deliver. Metro Vanpool provides a public service to commuters and is committed to implementing a program that is equitable in all aspects, including ADA compliance and one that stands against discrimination.

DETERMINATION OF SAFETY IMPACT

The Board's action will not have a negative impact on the safety of Metro's patrons or employees. In addition, the Metro Vanpool Program has demonstrated effectiveness in reducing the number of cars

on the road during the peak commute period which contributes to public safety.

FINANCIAL IMPACT

Approval of this recommendation will not impact the FY21 budget, since funding for this contract is already included under Project 405547, Task 02.07, Cost Center 4540 (Regional Rideshare/Shared Mobility). Due to administrative time and logistical coordination, staff anticipates the billable amount will begin to apply from the second quarter of FY21, with most of the billing occurring in the third and fourth quarters. Since this is a multi-year project, the Cost Center Manager and Chief Planning Officer will be accountable for budgeting the cost in future fiscal 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 are estimated to increase funds available for Metro departments including Operations expenditures by approximately $20 million.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

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

ALTERNATIVES CONSIDERED

The Board could choose not to modify the contract and allow the Base contract to end September 30, 2020. Staff does not recommend this because the vanpool program is an important commute option in Los Angeles County. Existing vanpools rely on receiving subsidies from the Metro Vanpool Program to offset the cost and would likely cease operation if the program ended. This would result in decreased reporting to NTD and less federal funds reimbursed to Metro. Additionally, vanpooling reduces congestion by decreasing the number of SOVs commuting to worksites during peak hours. Vanpools also allow employers to meet Average Vehicle Ridership (AVR) targets and reduce greenhouse gas emissions.

NEXT STEPS

Upon Board approval, staff will execute Contract Modification No. 2 for Option Year 1 of the Vanpool Vehicle Supplier Bench Contracts Nos. PS10754300051491 for Airport Van Rentals, PS10754400051491 for Green Commuter, and PS10754500051491 for Enterprise Rideshare (a division of Enterprise Holdings).

ATTACHMENTS

Attachment A - Procurement Summary
Attachment A-1 - Contract Modification/Change Order Log
Attachment B - July 2018 Board Report
Attachment C - DEOD Summary

Prepared by: Neha Chawla, Manager, Countywide Planning & Development, (213) 922-3984
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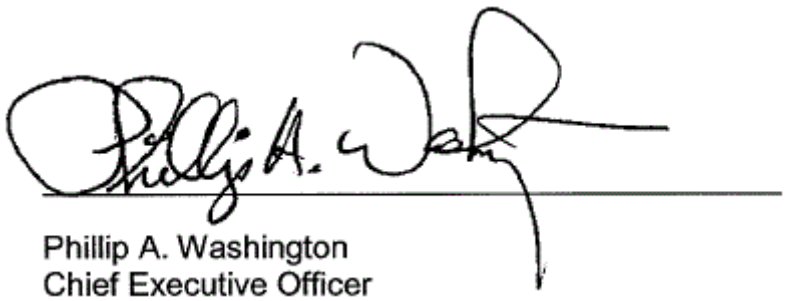
Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

CONTRACT MODIFICATION/CHANGE ORDER LOG

VANPOOL VEHICLE SUPPLIER BENCH/PS10754X00051491

Mod. No.	Description	Status (approved or pending)	Date	$ Amount
1	Period of performance extension through 9/30/20	Approved	7/30/20	$0
2	**Exercise One-Year Option**	**Pending**	**Pending**	**$9,000,000**
	Modification Total:			**$9,000,000**
	Original Contract:	**Approved**	7/26/18	**$18,000,000**
	Total:			**$27,000,000**

PROCUREMENT SUMMARY

VANPOOL VEHICLE SUPPLIER BENCH / PS10754X00051491

1.	**Contract Number**: PS10754400051491, PS10754300051491, PS10754500051491			
2.	**Contractor**: Airport Van Rental, Green Commuter and Enterprise Rideshare (a division of Enterprise Holdings)			
3.	**Mod. Work Description**: Exercise One-Year Option Term			
4.	**Contract Work Description**: Vanpool Vehicle Supplier Bench			
5.	**The following data is current as of**: 8/5/2020			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	7/26/18	**Contract Award Amount:**	$18,000,000
	Notice to Proceed (NTP):	N/A	**Total of Modifications Approved:**	$0
	Original Complete Date:	7/31/20	**Pending Modifications (including this action):**	$9,000,000
	Current Est. Complete Date:	9/30/21	**Current Contract Value (with this action):**	$27,000,000
7.	**Contract Administrator**: Gina Romo		**Telephone Number**: (213) 922-7558	
8.	**Project Manager**: Martin Buford		**Telephone Number**: (213) 922-2601	

A. Procurement Background

This Board Action is to approve Contract Modification No. 2 issued to exercise the first one-year option term of the Vanpool Vehicle Supplier Bench Contract Nos. PS10754400051491 to Airport Van Rental, PS10754300051491 to Green Commuter, and PS10754500051491 to Enterprise Rideshare (a division of Enterprise Holdings).

These Contract Modifications will be processed in accordance with Metro's Acquisition Policy and the contract type is firm fixed unit prices.

On July 26, 2018, the Board awarded firm fixed unit price Vanpool Vehicle Supplier Bench Contract Nos. PS10754300051491 to Green Commuter, PS10754400051491 to Airport Van Rental, and PS10754500051491 to Enterprise Rideshare (a division of Enterprise Holdings) for a two-year base period for an amount not exceed $18,000,000, with three, one-year options, each in an amount not to exceed $9,000,000, for a total not to exceed amount of $45,000,000 effective August 1, 2018.

Refer to Attachment A-1 - Contract Modification/Change Order Log.

B. Price Analysis

Metro has established a baseline for monthly vanpool subsidy payments of up to 50% of the total monthly lease, not-to-exceed $500 per month, per approved vanpool. Metro will continue to pay this monthly amount directly to the vanpool vehicle suppliers.

Metro

Los Angeles County
Metropolitan Transportation
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One Gateway Plaza
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Los Angeles, CA

Board Report

File #: 2018-0339, **File Type:** Contract **Agenda Number:** 25.

PLANNING AND PROGRAMMING COMMITTEE
JULY 18, 2018

SUBJECT: VANPOOL VEHICLE SUPPLIER BENCH CONTRACT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

A. AUTHORIZING the Chief Executive Officer to award firm-fixed unit price Vanpool Vehicle Supplier Bench Contract Nos. PS10754300051491 to Airport Van Rental, PS10754400051491 to Green Commuter, and PS10754500051491 to Enterprise Rideshare (a division of Enterprise Holdings) for a two-year base period for an amount not to exceed $18,000,000, with three, one-year options, each in an amount not to exceed $9,000,000, for a total not-to-exceed amount of $45,000,000 effective August 1, 2018, subject to resolution of protest(s) if any; and

B. INCREASING the maximum subsidy from $400 per month to $500 per month for Metro Vanpool Program users.

ISSUE

Through June 2018, Metro has authorized 1,291 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 October 31, 2018. Staff is requesting authorization to execute contracts with the above-named vanpool vehicle leasing suppliers to continue delivering our vanpool service.

DISCUSSION

Metro launched the Vanpool Program in May 2007, adding the vanpool mode of public transport to the Metro family of services. In May 2013, the Board of Directors authorized the CEO to execute five-year vanpool vehicle supplier bench contracts in an amount not to exceed $35,732,400 for vanpool vehicle lease services necessary to implement the Metro Vanpool Program. Staff is requesting authorization to execute new contracts with the above-named vanpool vehicle leasing suppliers to continue delivering the Metro Vanpool Program region-wide.

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The Metro Vanpool Program
Bench contracts were established to offer commuters multiple vendor options to secure lease vehicle services. Each contract effectively buys down the cost of eligible public vanpool leasing fares to the end user. Eligible vanpools enrolled in the program must agree to and comply with participation and reporting rules to receive fare subsidies amounting to a maximum of 50% of the vanpool vehicle lease costs or up to $500 per month. Staff is proposing an increase in the maximum subsidy from $400 to $500 due to inflation since the program's inception in May 2007 and the recent increases in the lease fares charged by our Vehicle Suppliers. See Attachment C for more analysis.

Individual qualified vanpools that execute agreements with Metro must operate commuter service with vehicles leased from Metro-contracted vehicle suppliers, commute to Los Angeles County worksites, be open to any fare-paying commuter regardless of employer affiliation, and report specific operating data to Metro.

All vanpool operating and expense data are collected, validated, recorded, and reported to the Federal Transit Administration (FTA) as part of Metro's annual National Transit Database (NTD) report. The NTD is the system through which FTA collects uniform data required by the Secretary of Transportation to administer department programs. The data reported is used in formula calculations which apportion federal grants to the region.

Performance and Vanpool Vehicle Budget
The Metro Vanpool Program is one of the leading public vanpool programs in the country. As of June 2018, the Metro Vanpool Program includes nearly 1,300 public vanpool routes in service.

Not only has the program added a new mode to Metro's family of services, it also has increased the Sections 5307 and 5339 federal formula funding generated to the region. While program expenditures in FY17 totaled $8 million, an estimated $20 million in new federal formula revenues will be generated to the region as a result of the service.

In FY17, Metro Vanpool services included 1,296 public vanpool routes that recorded over 30.7 million vehicle revenue miles and delivered over 3.8 million passenger trips for a total of $6.3 million in vanpool subsidies or $1.68 per passenger trip.

DETERMINATION OF SAFETY IMPACT

The Metro Vanpool Program has demonstrated effectiveness in reducing the number of cars on the road during the peak commute period which contributes to public safety. In FY17, the Program averaged 5.8 people per trip. We removed an estimated 146.3 million vehicle miles traveled. Safety is our number one priority at the Metro Vanpool Program. We have made additions to our statement of work to require additional safety training for those enrolled in the Metro Vanpool Program.

FINANCIAL IMPACT

The FY19 Budget for vanpool vehicle subsidies is $7,200,000 in Proposition C 25% Streets & Highway funding in Cost Center 4540, Regional Rideshare Research & Development, Project

405547, Task 02.07, sufficient to cover vanpool vehicle supplier costs through FY19. The Prop C 25% funds are from a Regional Rideshare grant programmed in the Transportation Improvement Program (TIP) pursuant to the Long Range Transportation Plan priorities. Since activities related to this action are provided through multi-year contracts, the Cost Center manager, project manager, and Executive Officer will be accountable for budgeting costs in future years once the final contracts are executed.

Impact to Budget

The source of funds for this action are from Proposition C 25% Streets & Highway and are not eligible to fund bus and rail operating and capital expenditures. FTA Sections 5307 and 5339 grant funds generated by the Metro Vanpool Program will increase the amount of funds available for bus and rail capital expenditures. In FY17 an estimated $20 million in FTA Section 5307 and 5339 grant funds was generated through the Metro Vanpool Program.

ALTERNATIVES CONSIDERED

The alternative is to allow the current contracts to expire and discontinue operation of the Metro Vanpool Program at that time. Staff does not recommend this because the vanpool program provides an important commute option for the county's long-distance commuters -- a market not readily served by other Metro transit modes offered to the public. Most of the existing vanpools operating today were established through the Metro Vanpool Program and would likely cease operation if the program were to end. In addition, the program generates significant additional net revenues annually.

NEXT STEPS

Upon Board approval, staff will execute the Bench contracts. Staff will continue to provide reports to the Board on program performance and progress.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary
Attachment C - Average Lease Fare Analysis and Staff Subsidy Recommendation

Prepared by: Kevin Holliday, Metro Vanpool Program Manager, (213) 922-2459
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Phillip A. Washington
Chief Executive Officer

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PROCUREMENT SUMMARY

VANPOOL VEHICLE SUPPLIER BENCH/PS10754X00051491

1.	**Contract Number**: PS10754300051491, PS10754400051491, PS10754500051491	
2.	**Recommended Vendor(s)**: Airport Van Rental Green Commuter Enterprise Rideshare (a division of Enterprise Holdings)	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: February 27, 2018	
	B. Advertised/Publicized: February 27, 2018	
	C. Pre-Proposal Conference: March 8, 2018	
	D. Proposals Due: April 2, 2018	
	E. Pre-Qualification Completed: In Process	
	F. Conflict of Interest Form Submitted to Ethics: May 1, 2018	
	G. Protest Period End Date: July 20, 2018	
5.	**Solicitations Picked up/Downloaded**: 11	**Bids/Proposals Received**: 3
6.	**Contract Administrator**: Gina Romo	**Telephone Number**: (213) 922-7558
7.	**Project Manager**: Kevin Holliday	**Telephone Number**: (213) 922-2459

A. Procurement Background

This Board Action is to approve three bench contracts for vehicle vanpool suppliers in support of Metro's Vanpool Program by offering monthly subsidy payments to provide leased vehicles to Metro's Vanpool Program volunteer participants. Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price subsidy reimbursement (not-to-exceed $500 per month paid to contractors to support each authorized vanpool lease). The total aggregated value of all contracts under the Vanpool Vehicle Supplier Bench for vanpool lease services shall not exceed $45,000,000 for five years, inclusive of three, one-year options.

One amendment was issued during the solicitation phase of this RFP:

- No. 1, issued on March 26, 2018, updated the RFP document number, the proposal validation period and provided the Annual Lease Price Worksheet document.

A pre-proposal conference was held on March 8, 2018, and was attended by five individuals, representing three firms. A total of 17 questions were asked and responses were released prior to the proposal due date.

A total of 11 firms downloaded the RFP and were included in the planholder's list. Three proposals were received on April 2, 2018.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro Shared Mobility and Implementation department and from San Bernardino County Transit Authority was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated using the following pass/fail criteria established in the RFP:

- Minimum three years of experience in public vanpool contracting, vehicle rental, car sharing, or similar function.
- Fleet availability of seven-passenger vehicles meeting the terms as outlined in the Statement of Work (SOW).
- Evidence of ability to provide vanpool vehicles that are compliant with the American with Disabilities Act of 1990.
- Provision of vehicles at delivery/in-service that shall minimally meet the vehicle specifications as stated in the SOW.
- Month-to-month driver agreement in place and sample(s) submitted.
- Supplier's Annual Lease Price Worksheet submitted in accordance with instructions included and within the SOW.
- Key personnel resumes submitted with staff allocation plan included.
- Documented plan for interface with Metro's Project Manager and staff.
- Provides a schedule and plan for regular vehicle maintenance and unscheduled emergency road and repair services.
- Provides documentation of procedures that reimburses vanpool drivers for incidental expenses or emergency repairs incurred by volunteer participant/group and/or 3rd party.
- Documented vanpool driver selection and approval process.
- Vanpool driver safety and training program in place sufficient to ensure driver proficiency in safe vehicle operations.
- Documented vanpool route and/or rider recruitment advertising plan.

The pass/fail criteria are appropriate and consistent with criteria developed for other similar vanpool vehicle supplier services.

All three proposals received were determined to be within the competitive range and are listed below in alphabetical order:

1. Airport Van Rental
2. Enterprise Rideshare, a division of Enterprise Holdings
3. Green Commuter

The PET independently evaluated the technical proposals according to the pass/fail criteria during the period of April 4 through April 17, 2018.

The PET interviewed all three firms on April 18, 2018. The firms had an opportunity to present their proposed project manager, the team's qualifications and respond to questions from the PET. In general, each team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. Each team was asked questions relative to their ramp-up protocol and ability to enroll over 1,000 vanpools and provide vehicles, each team's reporting process to capture fleet agreement participants, each team's safety processes, and how each team would handle Americans with Disabilities Act compliance.

The final evaluation, after the oral presentations, determined all three firms to be technically qualified to be included on the bench.

Qualifications Summary of Firms within the Competitive Range:

Airport Van Rental (AVR)

AVR is a local Los Angeles based van rental company. They have experience in several large metropolitan markets including San Francisco, Sacramento, San Jose, Las Vegas, Chicago, Indianapolis, Houston, as well as the southern California cities of Los Angeles, Long Beach, Costa Mesa, San Diego, and Ontario. They have an established fleet and management team and have recently added a former vRide operational manager, with over 13 years of vanpool experience, to the team to assist with the Metro contract. AVR has the manufacturer relationships to add vehicles to the fleet as necessary to ensure vehicles are always available for volunteer participants. They are continuously working to enhance their customer experience. AVR provided a strong well thought-out proposal exhibiting both recent and long term relevant van rental experience.

Green Commuter (GC)

GC is an all-electric vanpooling, car share and fleet replacement company. They initiated the nation's first all-electric vanpool service featuring the Tesla Model X in 2017. GC provides an alternative to traditional gasoline fuel vehicles. Their inclusion in the vehicle supplier bench allows Metro the opportunity to offer volunteer participants the choice of a green vehicle option. GC currently offers vanpool service to Raytheon and FedEx in the greater Los Angeles area.

Enterprise Rideshare, a division of Enterprise Holdings (ER)

ER is an incumbent to the Metro Vanpool Program with a 23-year history of leasing vehicles for public vanpools. Enterprise began their ride share program in California in 1994. They have a dedicated team for vanpool and a fleet of vanpool vehicles with the maintenance and customer service representatives to support them.

The following is a summary of the PET evaluation.

	FIRM	Pass/Fail
1	Airport Van Rental (AVR)	Pass
2	Green Commuter	Pass
3	Enterprise RideShare a division of Enterprise Holdings	Pass

C. Price Analysis

Metro has established a baseline for monthly vanpool subsidy payments of up to 50% of total monthly lease, not-to-exceed $500 per month, per approved vanpool. Metro will pay this monthly amount directly to the vanpool vehicle suppliers.

D. Background on Recommended Contractor

AVR was founded in 2007 and is located in Los Angeles specializing in providing van rentals in large cities throughout the nation. As of May 2018, AVR was fully approved by the Victor Valley Transit Authority as a supplier for vanpool services.

GC was founded in 2014 and is located in Los Angeles. Although they are relatively new to the vanpool market, they offer a niche for a green alternative that has not been previously available to the region. They initiated a car sharing programming in Chattanooga, Tennessee that further advances the innovative opportunities for alternative vehicle uses in transit.

ER is Metro's incumbent vanpool service provider and has over 60 years of experience in the vanpool industry. Enterprise has over 400 locations and nearly 5,000 rental employees in Southern California to assist Metro and volunteer participants.

DEOD SUMMARY

VANPOOL VEHICLE SUPPLIER BENCH/PS10754X00051491

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) goal for this solicitation due to lack of subcontracting opportunities. Metro's project manager confirmed that based on industry practices, it is expected that the prime contractors awarded on this bench will provide all the services, equipment, and/or materials necessary to implement the Metro Vanpool Program. The resulting product effectively creates a "co-leasing" relationship between commuters (public users) through Metro authorized vanpool vehicle suppliers, with no direct purchases for these services.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is not applicable to this Contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this Contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract.

ATTACHMENT C

Metro Vanpool Program: Average Lease Fare Analysis and Staff Subsidy Recommendation

Staff finds three reasons to review our current maximum subsidy. First, it has shrunk in value due to inflation. Had the subsidy amount increased by the Los Angeles County CPI, it would stand at $484 today. Second, our commuters are facing higher average lease fares. As of April 2018 our average monthly lease fare (the total amount charged to lease the vanpool vehicle before subsidy) was $1,048. This is the highest it has ever been and we can reasonably assume that lease fares will increase. At the current rate, we forecast an average lease fare of $1,123 by the end of Fiscal Year 2019. See below for a chart showing the recent and forecasted growth in lease fares. Third, the current maximum was set at the program's inception 11 years ago in May 2007. We have not updated our subsidy in over a decade. Therefore, staff is proposing to increase the maximum subsidy amount 25 percent from $400 to $500. We think that the change to $500 is reasonable, fair, and consistent with goals of the Metro Vanpool Program.

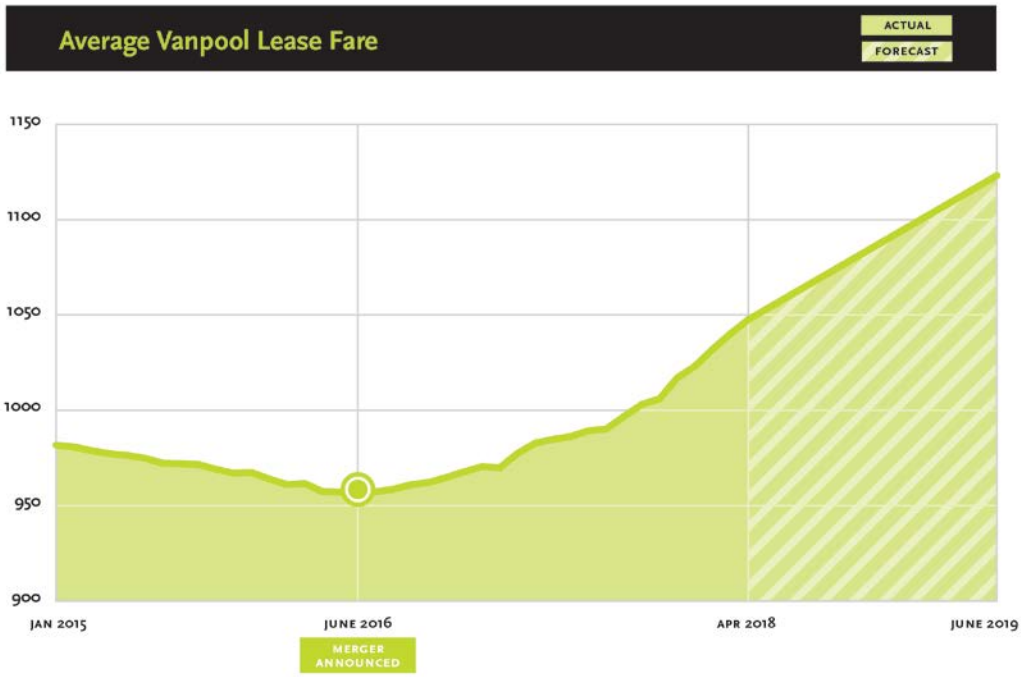

Figure 1: Average Lease Fare from January 2015 to June 2019

The graph above shows our monthly average lease fares since January 2015. We recorded our lowest average lease fare in May of 2016 at $957. The average lease fare beings to increase around the time of the merger of Enterprise and vRide in June of 2016. With two new suppliers on the bench, we are hopeful increased competition will stabilize the growth of vanpool lease fares. However, even with new Vehicle Suppliers on the bench, lease fares are unlikely to fall significantly. We based our projections for the period of May 2018 to June 2019 on the average increase in lease fares over the 12-month period of May 2017 to April 2018.

DEOD SUMMARY

VANPOOL VEHICLE SUPPLIER BENCH/PS10754X00051491

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) goal for this solicitation due to lack of subcontracting opportunities. Metro's project manager confirmed that based on industry practices, it is expected that the prime contractors awarded on this bench will provide all the services, equipment, and/or materials necessary to implement the Metro Vanpool Program. The resulting product effectively creates a "co-leasing" relationship between commuters (public users) through Metro authorized vanpool vehicle suppliers, with no direct purchases for these services.

B. Living Wage and Service Contract Worker Retention Policy Applicability

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this modification.

A. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of $2.5 million.