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

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

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

MICROTRANSIT PILOT PROJECT / CONTRACT NO. PS46292001

1.	**Contract Number**: PS46292001			
2.	**Contractor**: RideCo, Inc.			
3.	**Mod. Work Description**: Expand MicroTransit Operations to three additional Service Zones (North Hollywood/Burbank, El Monte and Compton/Artesia) for 2 years			
4.	**Contract Work Description**: To assist in the day-to-day performance of a new transit mode in areas of the County of Los Angeles as approved by Metro			
5.	**The following data is current as of**: December 9, 2020			
6.	**Contract Completion Status**		**Financial Status**	
	Contract Awarded:	04/26/2018	**Contract Award Amount:**	$219,650.26
	Notice to Proceed (NTP):	05/22/2018	**Total of Modifications Approved:**	$28,941,082.37
	Original Complete Date:	09/06/2019 (PART A)	**Pending Modifications (including this action):**	$5,970,870
	Current Est. Complete Date:	09/01/2022 (PART B)	**Current Contract Value (with this action):**	$35,131,602.63
7.	**Contract Administrator**: Lily Lopez		**Telephone Number**: 213-922-4639	
8.	**Project Manager**: Rani Narula-Woods		**Telephone Number**: 213-922-7414	

A. Procurement Background

This Board Action is to approve Modification No. 7 to Contract No. PS46292001 to expand MicroTransit Operations to three additional Service Zones (North Hollywood/Burbank, El Monte and Compton/Artesia). The same business model as directed under the current contract will be utilized; however, the revenue service operation under this contract modification is 2 years.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

The initial Request for Proposals (RFP) for this project was issued on October 25, 2017 and was solicited and awarded to be executed in two parts; Part A, the "Planning and Design" phase and Part B, the "Implementation and Evaluation" phase. This procurement tool served as the agency's first Pre-Development Agreement Public Private Partnership (PDA-P3) procurement model.

On April 26, 2018, the Board awarded contracts to three (3) firms to perform Part A (Planning and Design) of the MicroTransit Pilot Project. The period of performance for

Part A was 6 months. Part B was awarded by the Board on February 27, 2020 to RideCo, Inc. for the implementation and evaluation phase.

A total of six modifications have been issued to date.

Refer to Attachment B - Contract Modification/Change Order Log.

B. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), technical analysis, cost analysis, fact finding and negotiations.

Proposal Amount	Metro ICE	Negotiated Amount
$6,388,969	$2,877,800	$5,970,870

The primary difference between the negotiated price and proposal amount is due to the contractor overestimating the costs for vehicle wraps and reporting locations.

The ICE did not account for:

- increased level of effort required to launch additional services areas;
- increased insurance premiums;
- enhanced COVID cleaning;
- additional hardware (tablets and data) required per vehicle;
- greater digital spend online and physical collateral;
- increased printed media; and
- increased installation costs for TAP Mobile Validators

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE ORDER LOG

MICROTRANSIT PILOT PROJECT / CONTRACT NO. PS46292001

Mod. No.	Description	Status (approved or pending)	Date	$ Amount
1	Extended period of performance	Approved	09/04/18	$0.00
2	Extended period of performance	Approved	12/19/18	$0.00
3	Revised Statement of Work to increase Work to be Performed	Approved	05/23/19	$66,334.87
4	Extended period of performance	Approved	10/31/19	$0.00
5	Part B (Implementation) of MicroTransit Pilot Project	Approved	07/30/20	$28,874,747.50
6	Added new subcontractor	Approved	09/22/20	$0.00
7	**Expand MicroTransit Operations to three additional service zones (North Hollywood/Burbank, El Monte and Compton/Artesia) for 24 months**	**Pending**	**Pending**	**$5,970,870.00**
	Modification Total:			**$34,911,952.37**
	Original Contract:		04/26/18	**$219,650.26**
	Total:			**$35,131,602.63**

DEOD SUMMARY

MICROTRANSIT PILOT PROJECT / CONTRACT NO. PS46292001

A. Small Business Participation – Part B (Implementation)

RideCo, Inc. made a 10.23% SBE and 3.20% DVBE commitment for Part B. This portion of the contract is 10% complete, and the current small business participation is 1.97% SBE and 0% DVBE, representing shortfalls of 8.26% and 3.20% respectively. RideCo indicated that the proposed Modification 7 does include SBE/DVBE participation that is commensurate with the Contractor's commitment levels. This project is in the early stages of work and will be tracked to request a shortfall mitigation plan, if warranted, at 50% completion.

Project Managers and Contract Administrators will work in conjunction with DEOD to ensure that maximum SBE/DVBE participation is achieved by RideCo. Accordingly, these teams have been provided access to Metro's web-based monitoring system to ensure that all parties are actively tracking Small Business progress.

SMALL BUSINESS GOAL	10.23% SBE 3.20% DVBE	SMALL BUSINESS PARTICIPATION	1.97% SBE 0.00% DVBE

	SBE Subcontractors	% SBE Commitment	% Current Participation
1.	Disign Studios, Inc.	8.04%	1.21%
2.	Arellano Associates	2.19%	0.26%
3.	Sandbox Production, LLC (added)	-	0.50%
	Total	**10.23%**	**1.97%**

	DVBE Subcontractor	% DVBE Commitment	% Current Participation
1.	DVE Global Marketing, Inc.	3.20%	0.00%
	Total	**3.20%**	**0.00%**

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy 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. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of $2.5 million.

Metro Micro Service Zones

metro.net/micro

Metro Micro is the region's new app-based shared ride service. Zones are subject to change. Visit *metro.net/micro* for more information.

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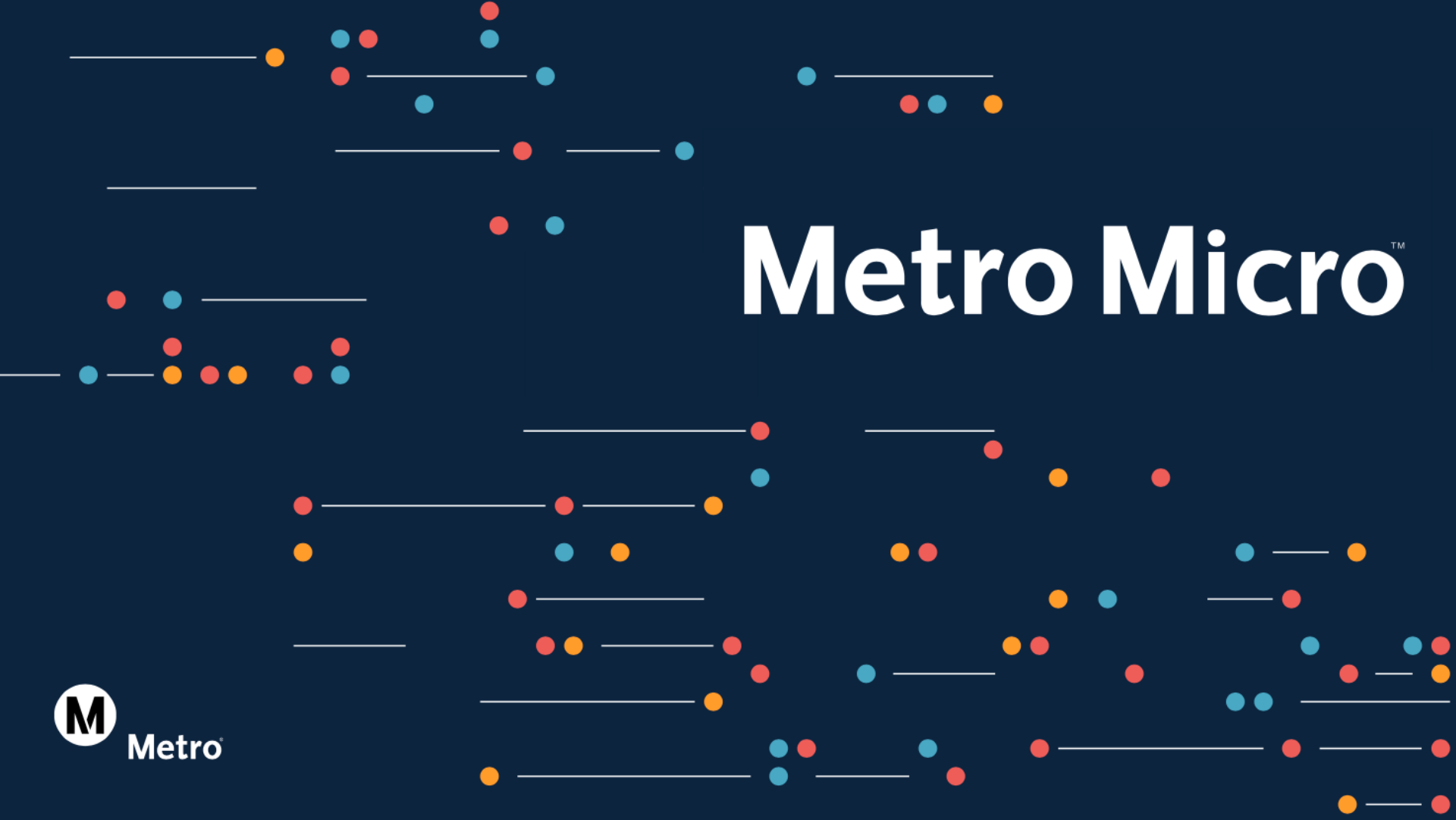
ITEM 26

MicroTransit Pilot Update

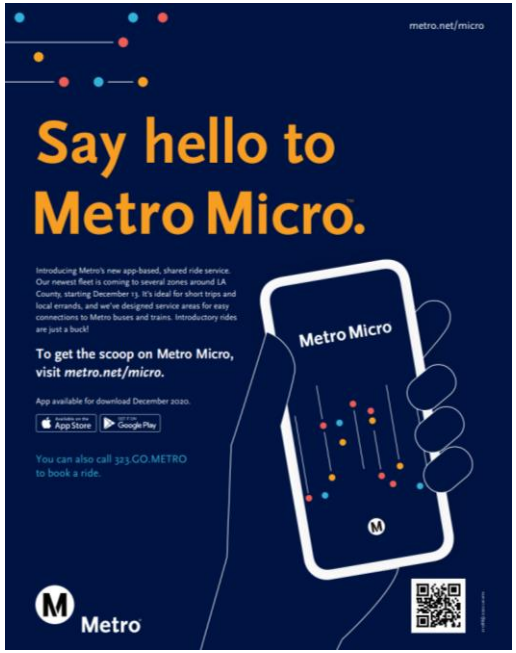

Metro Micro™
Metro

The Innovation: P3 Ridesharing

Design, implement and iterate to deliver a ridesharing service which improves customer experience, regional connectivity and local mobility

Customer Experience	**Workforce Investment**	**Equity**
Safety	**Connectivity**	**Congestion Reduction**
Vision 2028 Strategic Plan	**Technical Innovation**	**Resourcefulness**

Essential Trip Service Model



Initial Zones:

- Watts/Willowbrook: Daily 5am-11pm (18 hours)
- LAX/Inglewood: M-F 5am-10am and 2pm-7pm (10 hours)

Launched on 12/13/20 with first NextGen shake-up

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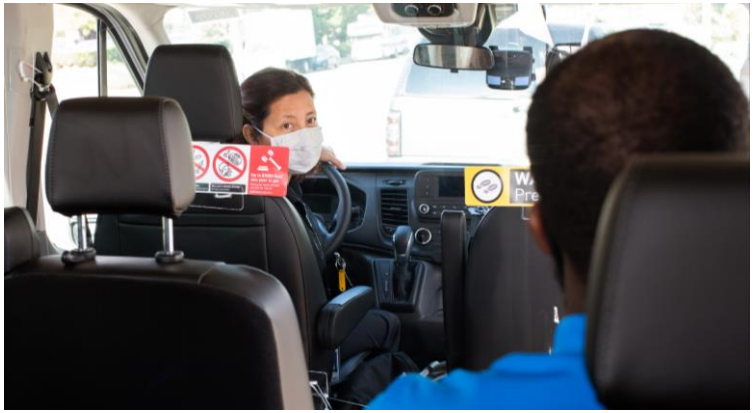
Customer Experience

- ✓ +1,800 downloads of Metro Micro Mobile App (Google and Apple Stores)
- ✓ +600 rides since launch
- ✓ Average rating from customer is 4.8 of 5
- ✓ Average wait time for pick-up is 8 mins
- ✓ Average walk distance is 300ft to virtual stop
- ✓ On time performance is +95%

Direct comments from the Community:

- ✓ “On time. Efficient ride”
- ✓ “Id tip if i could”
- ✓ “Dear Metro, This (Metro Micro) was a fabulous idea and a great ride! The van was clean, safe and comfortable. I love the entrepreneur spirit!! I lm like what you are doing in the community and look forward to the new partnership with the school(s). Keep up the greatwork.”

Getting out the word



- ✓ Bus cards on lines impacted by NextGen
- ✓ Community outreach at key destinations
- ✓ Marketing materials at +30 essential trip destinations
- ✓ Direct communications, breifings with key partners
- ✓ Targeted digital advertising campaign
- ✓ Tailored promotional codes
- ✓ Channel 35 Special
- ✓ Early look with Spectrum News
- ✓ How to Video (www.metro.net/micro)
- ✓ Virtual media briefing
- ✓ Virtual kick-off event with NextGen launch
- ✓ Vehicle as advertisement in the community
- ✓ Direct emails & in-app ads to existing Mobility on Demand Customers for retention

Expansion with MOD

- ✓ In two years, + 250,000 on-demand trips were provided under the Mobility on Demand research pilot
- ✓ Project provided key insights to inform service delivery model for Metro Micro
- ✓ Service zones are: El Monte, Compton/Artesia and North Hollywood/Burbank
- ✓ Contract modification at $5,970,870 to RideCo will allow seemless transition to Metro Micro
- ✓ 2 years at a 12 hour service span aligns with soft launch of Micro zones

Launch Schedule

December 2020:

- ✓ Zone 1: Watts/Willowbrook
- ✓ Zone 2: LAX/Inglewood

January 2021:

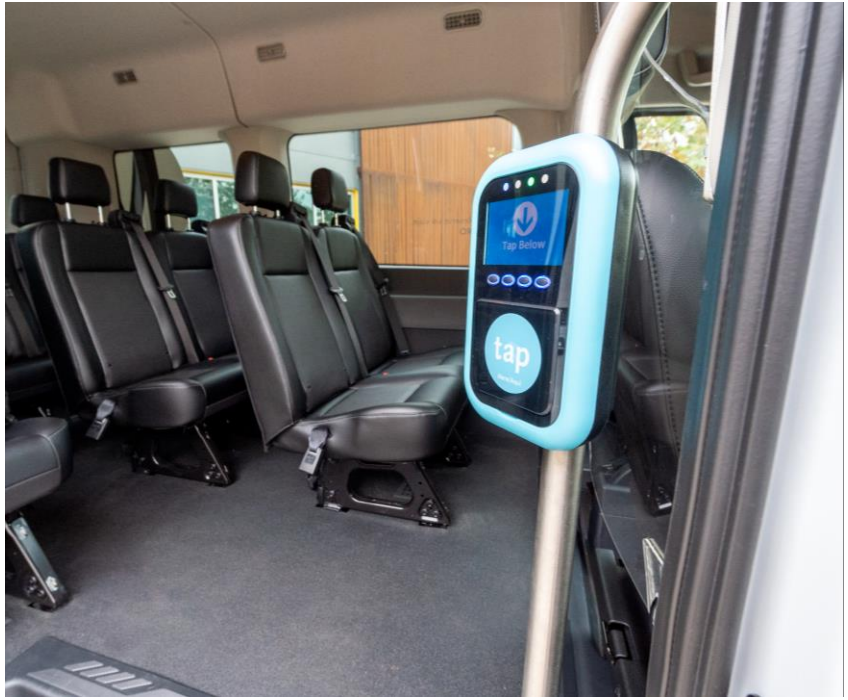
- ✓ Zone 3: El Monte
- ✓ Zone 4: North Hollywood/Burbank
- ✓ Zone 5: Compton/Artesia

June 2021:

- ✓ Zone 6: Northwest San Fernando Valley
- ✓ Zone 7: Highland Park/Eagle Rock/Glendale
- ✓ Zone 8: Altadena/Pasadena/Sierra Madre
- ✓ Zone 9: UCLA/Westwood/Century City

September 2021:

- ✓ Zone 9: UCLA/Westwood/Century City



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