



Board Report

File #: 2024-0989, File Type: Contract

Agenda Number: 29.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE NOVEMBER 21, 2024

SUBJECT: METRO MICRO PILOT SERVICES

ACTION: APPROVE CONTRACT AWARDS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD an Indefinite Delivery/Indefinite Quantity (IDIQ) Contract No. OP122943001 for the Metro Micro Contracted Services - North Region to Nomad Transit, LLC, a wholly owned subsidiary of Via Transportation, Inc. to provide on-demand Microtransit operations services in the Not-to-Exceed (NTE) amount of \$45,008,012.36 for the three-year base term and \$47,058,021.47 for the three-year option term, for a total combined NTE amount of \$92,066,033.83, effective December 16, 2024, subject to the resolution of all properly submitted protest(s), if any; and
- B. AWARD an Indefinite Delivery/Indefinite Quantity (IDIQ) Contract No. OP122943002 for the Metro Micro Contracted Services - South Region to Nomad Transit, LLC, a wholly owned subsidiary of Via Transportation, Inc. to provide on-demand Microtransit operations services in the NTE amount of \$21,002,472.24 for the three-year base term and \$21,951,012.21 for the three-year option term, for a total combined NTE amount of \$42,953,484.45, effective December 16, 2024, subject to the resolution of properly submitted protest(s), if any.

ISSUE

When initially proposed, the goal for the average cost per ride was \$20-\$25. However, as of September 2023, the average cost per ride was \$42 - more than four times the average cost per ride on the Metro bus system. At \$42 per ride, the program's sustainability becomes a challenge. At its September 2023 meeting, the Board approved the extension of the current Micro Transit contract until March 2025 to allow staff time to move forward with a new operational business model to improve overall performance and support a more sustainable on-demand transit service program. As indicated in the Next Steps of the September 2023 Board report, Metro has developed a new business model for an optimized Microtransit Pilot Program (MTP), with the goal of a more cost competitive solution and efficient operation.

The current MicroTransit contract provides for both customized software services, and operation of

service, with Metro providing the drivers/operators. Under the new model, the software solution and operation of service have been separated into two individual contracts to allow for operational control and financial sustainability. In addition, Metro will no longer be providing the drivers/operators/supervisors. This Board action seeks to obtain approval for contract award for the operation of service only with the contract for the software solution anticipated for award in January 2025.

BACKGROUND

MicroTransit combines technology and operational approaches to provide flexible, on-demand transit service. Passengers using MicroTransit enjoy flexible pick-up and drop-off locations and times. Instead of using a fixed schedule and route for each driver and vehicle, customers seeking to travel within a service zone are matched with drivers using a smartphone application, phone dispatch service, and/or website.

The MTP has faced several challenges, such as an unsuited business model and the impact of COVID-19. Despite these challenges, staff recognized the program's potential benefits and recommended to the Board in September 2023, extending the pilot to more accurately assess its effectiveness. As part of the Board's approval at the same meeting, the Board passed Motion 42 for the MicroTransit Pilot Project (see Attachment A) by Directors Najarian, Butts, Dutra, Hahn, Barger, and Horvath, which highlighted the challenge of achieving the goal of \$20-25 per trip. It also directed specific actions, including optimizing zones, implementing operational changes, increasing marketing efforts, and discontinuing the introductory fare of \$1.00 and integrating existing discount programs with the \$2.50 fare, in order to improve costs towards this target to ensuring program sustainability.

Since October 2023, MTP has implemented continuous improvements through external promotion opportunities, adjustments in zone frequency, and time snapping, as well as internal operational changes to enhance operator availability and reduce overtime costs. These efforts include adjusting the fare to \$2.50 per passenger, increasing vehicle availability and utilizing enhanced software features to monitor and coach operator performance in real time. As a result, the cost per revenue hour decreased by 30%, from \$147 to \$101. Coupled with an increase in ridership, the cost per ride has dropped by 39%, from \$47.74 (June 2023) to \$29.06 as of Q2 FY24.

In order to continue reducing the cost per revenue hour and cost per ride while enhancing availability and reliability, a Side Letter of Agreement was negotiated with SMART-TD in December 2023, allowing for contracted operations of Metro Micro under the new model. In exchange, two contracted bus lines, 167 and 501, were brought in-house, which equates to 44 new full-time SMART operators. In addition, current Metro Micro operators have an expedited path to start training as part-time bus operators at Metro Operations Central Instruction and/or be offered employment opportunities with the new Contractor. Metro Micro AFSCME Supervisors will be able to bid for other positions in bus and rail operations.

Metro issued a new solicitation for the new operating model on April 23, 2024, seeking to meet the KPIs outlined in Motion 42. The current MicroTransit business model includes operation of the

service and customized software services, while Metro provides the drivers/operators. Under the new operating model, the Contractor is responsible for operation of service which includes utilizing their own drivers/operators, while the software services are being procured separately as described below.

DISCUSSION

Under this operation of service contract, the Contractor will be responsible for:

- Drivers/Operators and supervisory staff (Metro will no longer be providing these personnel)
- Vehicles, including maintenance and insurance
- Vehicle storage and operating facility

Staff revised the Metro service area zones, dividing the eight service area zones into two geographical regions, North Region and South Region (see Attachment B). The regions were developed to encourage competition from different operating firms. Under the revised operating model, each region will be serviced by a single service contract for performing vehicle operations and supplying operators to run the service.

Under this new Metro Micro business model (Metro Micro Contract Services), the Contractor will be required to provide the management, operation, supervision, vehicle fleet, fueling and vehicle maintenance/repair, vehicle storage, facility security, vehicle surveillance software and cameras, and fleet operators. The Contractor will also be required to provide recruiting, training, alcohol and drug testing, and certifications for drivers/operators to comply with state, county and federal regulations to operate Metro Micro service. In addition, the Contractor will provide on-site, dedicated management personnel providing oversight of the operations and reporting to Metro staff.

As noted above, this solicitation split Metro's Micro existing eight (8) zones into two (2) geographical regions. The North Region consists of five (5) zones, which are predominantly located in the north-east and north-west areas of Los Angeles County, which include the El Monte Zone, Altadena/Pasadena/Sierra Madre Zone, Highland Park/Eagle Rock/Glendale Zone, North Hollywood/Burbank Zone, and Northwest San Fernando Valley Zone. The South Region consists of three (3) zones that are predominantly located in the southwest area of Los Angeles County, which include: Watts/Compton Zone, LAX/Inglewood Zone and UCLA/Westwood/VA Medical Center Zone. Each region has a contract term of a three-year base term and a three-year option.

In this revised operating model, Metro's direct labor costs for the recruiting and hiring of new drivers/operators and supervisory personnel for the eight microtransit zones have shifted to the Contractor. This results in the first-year combined average (North and South Region) Revenue Service Hour (RSH) rate of \$82.35 as proposed by the recommended proposer for the operations of all eight Metro Micro zones. This represents a savings of \$15.78 (or 16%) compared to the current operating RSH rate of \$98.13 (which excludes the cost for the current software license and support), resulting in an estimated savings of \$3,992,437 in the first year.

As Table 1 - Cost Comparison outlines below, the six other proposals received for this solicitation proposed RSH Rates ranging from \$101.44 to \$147.88, which would be 3% to 50% higher than the

current Micro RSH Rate. Additionally, based on the current Passenger Per Vehicle Hour (PVH) of 3.4 under the new operating model, the combined cost per trip is \$24.77 with this successful proposer, achieving our goal of \$20.00-25.00 per RSH. Based on other proposals received, the range of cost per trip resulted in \$29.84 to \$43.49 which is significantly higher than successful proposer.

Table 1- Cost Comparison

NORTH

| | Existing Contract | Nomad | MV | MV (Alternate) | Southland |
|---------------------------------------|-------------------|-----------------|------------------|------------------|------------------|
| Best and Final Offers (Base + Option) | N/A | \$92,066,033.83 | \$141,758,111.80 | \$142,551,286.47 | \$112,596,202.34 |
| Revenue Service Hour (RSH) Rate | \$98.13 | \$81.62 | \$115.30 | \$118.34 | \$101.44 |
| Cost per Trip | \$29.00 | \$24.01 | \$33.91 | \$34.81 | \$29.84 |

SOUTH

| | Existing Contract | Nomad | MV | MV (Alternate) |
|---------------------------------------|-------------------|-----------------|-----------------|-----------------|
| Best and Final Offers (Base + Option) | N/A | \$42,953,484.45 | \$82,911,703.10 | \$77,499,048.32 |
| Revenue Service Hour (RSH) Rate | \$98.13 | \$83.95 | \$147.88 | \$137.61 |
| Cost per Trip | \$29.00 | \$24.69 | \$43.49 | \$40.47 |

RSH Rate based on 1st Year and current Passenger Per Vehicle (PVH) Load 3.4)

*Target Cost per Trip = \$20.00 - \$25.00

DETERMINATION OF SAFETY IMPACT

The approval of this item will ensure service continuity and meeting Metro’s standards by providing as-needed, on-call transit service while providing a proactive approach to maintenance needs to ensure delivery of safe, clean, on-time, and reliable services systemwide.

FINANCIAL IMPACT

Initial funding for these new contracts in the combined amount of \$11,948,563 for the remainder of FY25 is allocated under Cost Center 3595 - Microtransit Operations, Project 309001, Operations Department Strategic Initiatives.

Since these are multi-year contracts, the Executive Officer, Transit Operations - Strategic Initiatives will be accountable for budgeting the cost in future years.

Impact to Budget

The current source of funds for this action includes Proposition C 40%. This funding source is eligible for bus operations.

EQUITY PLATFORM

Metro Micro's daily operations aim to increase overall ridership and access to important needs such as employment, education, health care, and basic necessities. The project covers a variety of zones, all of which serve EFCs, and some of which are mostly made up of identified EFCs. Even in zones without a high proportion of EFCs, an evaluation done in 2023 found that the proportion of Metro Micro trips that occur in EFCs is higher in every zone than the proportion of transit trips or overall person-trips. One of the goals of the project was to provide an on-demand service in lower-income areas where the market forces driving for-profit transportation network companies (TNCs) make them less likely to pick up rides despite relatively low car ownership and other indicators of high transit propensity; the high uptake of Metro Micro in EFCs suggests that this aim has somewhat succeeded.

Staff will develop appropriate equity program goals for Metro Micro once results are available from the 2024 On-Board Customer Experience Survey. Staff will compare the results of the 2024 survey with previous surveys and identify any additional program modifications to further Metro's Equity Platform.

The Diversity and Economic Opportunity Department (DEOD) established a 20% Disadvantaged Business Enterprise (DBE) goal for the North and South Regions for this solicitation. Six of the seven proposals submitted failed to meet the goal, including the recommended proposer Nomad Transit, LLC (Nomad) who made a 0.73% DBE commitment for the North Region and a 0.77% DBE commitment for the South Region.

On August 9, 2024, DEOD notified Circuit Transit and Nomad Transit, LLC that they were determined to be non-responsive for failure to meet the 20% DBE goal, and failure to demonstrate adequate Good Faith Efforts (GFE). Under federal regulations and Metro Administrative Code, proposers that fail GFE evaluations are afforded the opportunity of an administrative reconsideration conducted by Metro's Ethics Department. Both Circuit Transit and Nomad Transit, LLC requested Reconsideration Hearings and the hearings were held on August 21, 2024, and August 26, 2024, respectively.

During their hearings, both Circuit Transit and Nomad Transit, LLC presented evidence to support their position that adequate GFE had been made. Evidence submitted in support of adequate GFE is governed by specific criteria and a process which does not consider, for example, an individual proposer's previously achieved goal (i.e., whether they achieved 1% or 19%) or a proposer's cost estimate. Metro's Ethics Department provided a Reconsideration Officer (RO) to review the requirements of each category, DEOD's initial evaluation, and all forms and evidence submitted by the Proposers.

On September 5, 2024, Metro's RO issued the Reconsideration Hearing Opinions for both Proposers.

In the case of Circuit Transit, the RO determined that Circuit Transit did not demonstrate sufficient

GFE and as such on September 13, 2024, they were notified that they were determined to be non-responsive for failing to meet the DBE goal and not demonstrating that they made sufficient GFE. Circuit Transit was therefore eliminated from further consideration.

In the case of Nomad Transit, LLC, the RO determined that Nomad demonstrated GFE and was deemed to have passed GFE. The Living Wage/Service Contract Worker Retention Policy (LW/SCWRP) is applicable in this contract. Nomad Transit, LLC's proposed hourly rate for Drivers/Operators is \$28.28 and the proposed hourly rate for Mechanics / Maintenance is \$28.00 for the first year with escalating rates for remaining years. The proposed hourly rates exceed Metro's applicable Living Wage rate of \$24.73 by \$3.55 per hour for Drivers/Operators; and exceeds by \$3.27 per hour for Mechanics/ Maintenance. DEOD staff will monitor the overall compliance with the policy.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Metro Micro supports strategic plan goals #1.2 and 2.3: Metro Micro is an investment in a world-class transportation system that is reliable, convenient, and attractive to more customers for more trips. Metro Micro continues to improve customer satisfaction at customer touchpoints by offering an accessible, flexible service that better adapts to customer demand and needs.

ALTERNATIVES CONSIDERED

The Board may elect not to approve the recommendations. This alternative would cease revenue service operations for the communities and neighborhoods that utilize Metro Micro service for essential trips, including:

- Loss of access to transit for nearly 350,000 residents, including in EFCs and first/last mile connections, as currently 19% of Metro Micro customers connect to fixed route transit using the program
- Loss of potential new customers, as 11% of Metro Micro customers are new to Metro
- Loss of a well-liked transit service with a 4.8 out of 5 customer rating

NEXT STEPS

Upon approval by the Board, staff will execute the contracts for the North Region and South Regions, respectively, with Nomad Transit, LLC, a wholly owned subsidiary of Via Transportation, Inc.

The software services portion of the contract was issued under a separate solicitation, RFP No. PS124278(2) Metro Micro Software Services on September 30, 2024, and expected to go to the Board for approval in January 2025. The software services will provide passengers the ability to book rides and the operator to receive the driving instructions for picking up passengers.

ATTACHMENTS

Attachment A - Motion 42

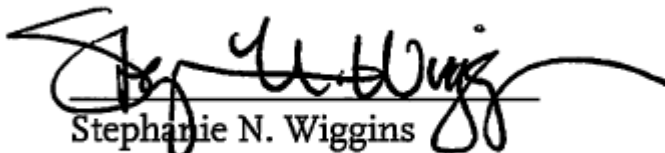
Attachment B - Metro Micro Service Area Zones

Attachment C - Procurement Summary

Attachment D - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer



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.

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

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.

Metro Micro Service Zones

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



PROCUREMENT SUMMARY

METRO MICRO CONTRACTED SERVICES/OP122943001 & OP122943002

| | | |
|----|---|--|
| 1. | Contract Number: OP122943001 & OP122943002 | |
| 2. | Recommended Vendor: Nomad Transit, LLC, a wholly owned subsidiary of Via Transportation, Inc. (North and South Region) | |
| 3. | Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order | |
| 4. | Procurement Dates: | |
| | A. Issued: 4/19/2024 | |
| | B. Advertised/Publicized: 4/19/2024 | |
| | C. Pre-Proposal Conference: 5/6/2024 | |
| | D. Proposals Due: 6/17/2024 | |
| | E. Pre-Qualification Completed: 10/23/24 | |
| | F. Ethics Declaration Forms submitted to Ethics: 6/18/2024 | |
| | G. Protest Period End Date: 11/25/2024 | |
| 5. | Solicitations Picked up/Downloaded: 98 | Bids/Proposals Received: 7 |
| 6. | Contract Administrator: Ana Rodriguez | Telephone Number: (213) 922-1076 |
| 7. | Project Manager: Dan Nguyen | Telephone Number: (213) 418-3233 |

A. Procurement Background

This Board Action is to approve the award of Contract No. OP122943001 and Contract No. OP122943002 to Nomad Transit, LLC (a wholly owned subsidiary of Via Transportation, Inc.) for the North and South Regions of the Metro Micro Contracted Services program which will provide the coordination, management, supervision, vehicle fleet, maintenance, fueling, storage, labor and equipment related to the operation of microtransit for LA Metro. Board approval of contract awards are subject to the resolution of properly submitted protest(s), if any.

On April 19, 2024, Request for Proposals (RFP) No. OP122943 was issued as a competitive procurement in accordance with Metro's Acquisition Policy. The proposed contract type is indefinite delivery/indefinite quantity. Proposers were allowed to submit proposals for either one or both regions.

The RFP was issued with a Disadvantaged Business Enterprise (DBE) goal of 20% and required a DBE Contracting Outreach and Mentoring Plan (COMP), which requires the selected Contractor(s) to mentor a total of two (2) DBE firms for protégé development.

Three amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on May 20, 2024, extended the proposal due date and updated critical dates table;
- Amendment No. 2, issued on May 24, 2024, extended the date for providing answers to questions submitted;
- Amendment No. 3, issued on May 29, 2024, clarified insurance requirements, provided an updated link to the Living Wage Policy/Service Contract Worker Retention

Policy, updated Exhibit 2, Schedule of Quantities and Prices for the North and the South regions, revised the Exhibit A, Scope of Services, and updated Exhibit H, Liquidated Damages

A hybrid pre-proposal conference was held on May 1, 2024. There were three in-person participants and 20 virtual participants for a total of 23 participants representing a total of 10 firms. There were 112 questions received, and responses were provided prior to the proposal due date.

A total of 98 firms downloaded the RFP and were included on the planholders list.

The following proposals were received on June 17, 2024, and are listed below in alphabetical order by region.

North Region:

1. MV Transportation, Inc.
2. Nomad Transit, LLC, a wholly owned subsidiary of Via Transportation, Inc.
3. Southland Transit, Inc.

South Region:

1. MV Transportation, Inc.
2. Nomad Transit, LLC, a wholly owned subsidiary of Via Transportation, Inc.
3. Circuit Transit Inc.

Alternate (North and South Region Combined):

1. MV Transportation, Inc.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro's MicroTransit Operations, Maintenance, and Bus Operations groups was convened and conducted a comprehensive technical evaluation of the proposals received.

On June 18, 2024, the PET met to discuss the evaluation process, confidentiality requirements, review information regarding conflicts of interest and receive the evaluation documents.

The RFP required that all proposals would be evaluated first on the minimum qualifications on a pass/fail basis. Any proposer that received a single rating of "fail" for any of the minimum qualifications would be eliminated from further consideration. The minimum qualifications were as follows:

1. Proposer shall have experience on at least three projects providing on-demand rideshare microtransit services, or commercial transit services. At least one of the projects must be for a transit agency with on-demand rideshare or microtransit services.
2. Proposer shall demonstrate that they have at least three years of experience leading an on-demand microtransit project of similar scope utilizing software platform technology.
3. Proposer was the lead on the successful implementation of an on-demand rideshare program that is similar in scope within the last five years.

All proposals met the minimum qualification requirements and were further evaluated according to the following evaluation criteria:

- Experience and Qualifications of Proposed Team, Organization, and Past Performance 20 percent
- Experience and Qualification of Proposed Key Personnel 15 percent
- Approach to Work and Implementation of the Services 31 percent
- Contractor's Facility 10 percent
- Contracting Outreach and Mentoring Plan 4 percent
- Price Proposal 20 percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar operations procurements. Several factors were considered when developing these weights, giving the greatest importance to the approach to work and implementation of the services.

During the week of July 22, 2024, the evaluation committee conducted virtual interviews with the firms. The firms' key personnel had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. In general, each team's presentation addressed each firm's technical proposal with a focus on the day-to-day operations and how the Proposer planned to manage the program. Each team was asked questions regarding key operations roles, driver schedules, flexibility to adjust schedules, and resolution of unexpected challenges.

On August 9, 2024, DEOD notified Circuit Transit and Nomad Transit, LLC that they were determined to be non-responsive for failure to meet the 20% DBE goal, and failure to demonstrate adequate Good Faith Efforts (GFE). Under Metro Administrative Code, proposers that fail GFE evaluations are afforded the opportunity of an administrative reconsideration conducted by Metro's Ethics Department. Both Circuit Transit and Nomad Transit, LLC requested Reconsideration Hearings and the hearings were held on August 21, 2024, and August 26, 2024, respectively.

During their hearings, both Circuit Transit and Nomad Transit, LLC presented evidence to support their position that adequate GFE had been made. Evidence submitted in support of adequate GFE is governed by specific criteria and a process which does not consider, for example, an individual proposer's previously achieved goal (i.e., whether they achieved 1% or 19%) or a proposer's cost estimate. Metro's Reconsideration Officer (RO) reviewed the requirements of each category, DEOD's initial evaluation, and all forms and evidence submitted by the Proposers.

On September 5, 2024, Metro's RO issued the Reconsideration Hearing Opinions for both Proposers.

In the case of Circuit Transit, the RO determined that Circuit Transit did not demonstrate sufficient GFE and as such on September 13, 2024, they were notified that they were determined to be non-responsive for failing to meet the DBE goal and not demonstrating that they made sufficient GFE. Circuit Transit was therefore eliminated from further consideration.

In the case of Nomad Transit, LLC, the RO determined that Nomad demonstrated GFE and was deemed to have passed GFE.

The PET Team was notified of the determination that Circuit Transit had been determined to be non-responsive and the evaluations continued for the remaining proposals, which were all determined to be within the competitive range, and are listed below in alphabetical order:

North Region:

1. MV Transportation, Inc.
2. Nomad Transit, LLC, a wholly owned subsidiary of Via Transportation, Inc.
3. Southland Transit, Inc.

South Region:

1. MV Transportation, Inc.
2. Nomad Transit, LLC, a wholly owned subsidiary of Via Transportation, Inc.

Alternate (North and South Region Combined):

1. MV Transportation, Inc.

Qualifications Summary of Firms within the Competitive Range:

MV Transportation, Inc. (MV)

MV is one of the largest contracted transportation providers in Los Angeles County. In addition, to four fixed routes that they currently operate for LA Metro, they also operate all of Los Angeles Department of Transportation's (LADOT) system, including microtransit, paratransit, fixed route, and commuter service. Their experience in microtransit specifically includes programs such as Dallas Area Rapid Transit's (DART) GoLink, LADOT's LANow, Go! Santa Clarita, and ReadiRide in Jacksonville, Florida.

Nomad Transit, LLC, a wholly owned subsidiary of Via Transportation, Inc. (Via)

Via has over 12 years of experience operating microtransit services and operates over 50 services across the United States. Some of Via's services include some of the world's largest microtransit services including Arlington On-Demand (100+ vehicles), Hannover's *sprinti* (100+ vehicles), Miami-Dade County's MetroConnect (45 vehicles), and King County Metro's MetroFlex (30 vehicles). Via currently delivers over 1.1 million microtransit rides per month.

Southland Transit, Inc. (Southland)

Southland has provided fixed route service to Metro since 2005 and operates services like Metro Micro such as dial-a-ride and ADA paratransit services. Services provided by Southland Transit include ADA/Dial-a-Ride Transportation and Call Center Services for the Riverside Transit Agency (RTA), and Specialized ADA Paratransit Services for Access Services.

Metro began discussions with all firms in the competitive range on September 23, 2024. Meetings were held to discuss firms' technical proposals, clarifications, contract exceptions, and price proposals. These discussions were held to give all proposers, within the competitive range, an opportunity to fully address and meet all of Metro's requirements.

Upon conclusion of the discussions, Metro issued two requests for Best and Final Offers (BAFO) which were then provided to the PET for technical scoring and were reviewed in accordance with the evaluation criteria. The PET reviewed all submitted changes and provided final scoring on October 21, 2024.

At the conclusion of the evaluation process, Via's North and South proposals were determined to be the top ranked proposals for the North and South Regions.

The following is a summary of the PET scores.

North Region

| 1 | Firm | Average Score | Factor Weight | Weighted Average Score | Rank |
|----|--|---------------|----------------|------------------------|----------|
| 2 | Nomad Transit, LLC (Via) - North Region | | | | |
| 3 | Experience and Qualifications of Proposed Team, Organization, and Past Performance | 84.50 | 20.00% | 16.90 | |
| 4 | Experience and Qualification of Proposed Key Personnel | 80.33 | 15.00% | 12.05 | |
| 5 | Approach to Work and Implementation of the Services | 77.21 | 31.00% | 23.94 | |
| 6 | Contractor's Facility | 91.60 | 10.00% | 9.16 | |
| 7 | Contracting Outreach and Mentoring Plan | 25.00 | 4.00% | 1.00 | |
| 8 | Price | 100.00 | 20.00% | 20.00 | |
| 9 | Total | | 100.00% | 83.05 | 1 |
| 10 | MV Transportation, Inc. - North Region | | | | |
| 11 | Experience and Qualifications of Proposed Team, Organization, and Past Performance | 85.70 | 20.00% | 17.14 | |
| 12 | Experience and Qualification of Proposed Key Personnel | 90.53 | 15.00% | 13.58 | |
| 13 | Approach to Work and Implementation of the Services | 84.21 | 31.00% | 26.11 | |
| 14 | Contractor's Facility | 90.40 | 10.00% | 9.04 | |
| 15 | Contracting Outreach and Mentoring Plan | 100.00 | 4.00% | 4.00 | |
| 16 | Price | 57.25 | 20.00% | 11.45 | |
| 17 | Total | | 100.00% | 81.32 | 2 |
| 18 | MV Transportation, Inc. - Alternate (North and South Region Combined) | | | | |
| 19 | Experience and Qualifications of Proposed Team, Organization, and Past Performance | 85.60 | 20.00% | 17.12 | |
| 20 | Experience and Qualification of Proposed Key Personnel | 85.73 | 15.00% | 12.86 | |
| 21 | Approach to Work and Implementation of the Services | 85.95 | 31.00% | 26.64 | |
| 22 | Contractor's Facility | 91.20 | 10.00% | 9.12 | |
| 23 | Contracting Outreach and Mentoring Plan | 100.00 | 4.00% | 4.00 | |
| 24 | Price | 53.85 | 20.00% | 10.77 | |
| 25 | Total | | 100.00% | 80.51 | 3 |

| | | | | | |
|-----------|--|-------|----------------|--------------|----------|
| 26 | Southland Transit, Inc. - North Region | | | | |
| 27 | Experience and Qualifications of Proposed Team, Organization, and Past Performance | 88.80 | 20.00% | 17.76 | |
| 28 | Experience and Qualification of Proposed Key Personnel | 79.33 | 15.00% | 11.90 | |
| 29 | Approach to Work and Implementation of the Services | 82.56 | 31.00% | 25.59 | |
| 30 | Contractor's Facility | 95.60 | 10.00% | 9.56 | |
| 31 | Contracting Outreach and Mentoring Plan | 50.00 | 4.00% | 2.00 | |
| 32 | Price | 67.50 | 20.00% | 13.50 | |
| 33 | Total | | 100.00% | 80.31 | 4 |

South Region

| 1 | Firm | Average Score | Factor Weight | Weighted Average Score | Rank |
|-----------|--|----------------------|----------------------|-------------------------------|-------------|
| 2 | Nomad Transit, LLC (Via) - South Region | | | | |
| 3 | Experience and Qualifications of Proposed Team, Organization, and Past Performance | 83.90 | 20.00% | 16.78 | |
| 4 | Experience and Qualification of Proposed Key Personnel | 80.33 | 15.00% | 12.05 | |
| 5 | Approach to Work and Implementation of the Services | 77.63 | 31.00% | 24.07 | |
| 6 | Contractor's Facility | 92.40 | 10.00% | 9.24 | |
| 7 | Contracting Outreach and Mentoring Plan | 25.00 | 4.00% | 1.00 | |
| 8 | Price | 100.00 | 20.00% | 20.00 | |
| 9 | Total | | 100.00% | 83.14 | 1 |
| 10 | MV Transportation, Inc. - Alternate (North and South Region Combined) | | | | |
| 11 | Experience and Qualifications of Proposed Team, Organization, and Past Performance | 85.60 | 20.00% | 17.12 | |
| 12 | Experience and Qualification of Proposed Key Personnel | 85.73 | 15.00% | 12.86 | |
| 13 | Approach to Work and Implementation of the Services | 85.95 | 31.00% | 26.64 | |
| 14 | Contractor's Facility | 91.20 | 10.00% | 9.12 | |
| 15 | Contracting Outreach and Mentoring Plan | 100.00 | 4.00% | 4.00 | |
| 16 | Price | 53.85 | 20.00% | 10.77 | |
| 17 | Total | | 100.00% | 80.51 | 2 |
| 18 | MV Transportation Inc. - South Region | | | | |
| 19 | Experience and Qualifications of Proposed Team, Organization, and Past Performance | 86.10 | 20.00% | 17.22 | |
| 20 | Experience and Qualification of Proposed Key Personnel | 89.87 | 15.00% | 13.48 | |
| 21 | Approach to Work and Implementation of the Services | 87.11 | 31.00% | 27.00 | |
| 22 | Contractor's Facility | 86.80 | 10.00% | 8.68 | |

| | | | | | |
|----|---|--------|----------------|--------------|----------|
| 23 | Contracting Outreach and Mentoring Plan | 100.00 | 4.00% | 4.00 | |
| 24 | Price | 48.95 | 20.00% | 9.79 | |
| 25 | Total | | 100.00% | 80.17 | 3 |

C. Price Analysis

The recommended Not-to-Exceed (NTE) amounts for the North and South Regions have been determined to be fair and reasonable based upon adequate price competition, discussions, negotiations, Best and Final Offers, and Metro's Independent Cost Estimate (ICE).

North Region

| | Proposer Name | Proposal Amounts | Metro ICE | Best and Final Offers |
|----|---------------------------------|------------------|------------------|-----------------------|
| 1. | Nomad Transit, LLC (Via)(North) | \$95,931,413.77 | \$104,597,315.96 | \$92,066,033.83 |
| 2. | MV Transportation (North) | \$144,162,951.63 | \$104,597,315.96 | \$141,758,111.80 |
| 3. | MV Transportation (Alternate) | \$226,402,097.26 | \$104,597,315.96 | \$220,050,334.79 |
| 4. | Southland Transit | \$128,934,706.50 | \$104,597,315.96 | \$112,596,202.34 |

South Region

| | Proposer Name | Proposal Amount | Metro ICE | Best and Final Offers |
|----|---------------------------------|------------------|-----------------|-----------------------|
| 1. | Nomad Transit, LLC (Via)(South) | \$44,754,255.57 | \$47,482,772.14 | \$42,953,484.45 |
| 2. | MV Transportation (Alternate) | \$226,402,097.26 | \$47,482,772.14 | \$220,050,334.79 |
| 3. | MV Transportation (South) | \$88,360,335.37 | \$47,482,772.14 | \$82,911,703.10 |

The recommended NTE amount of \$92,066,033.83 proposed by Nomad Transit, LLC for the North Region is \$49,692,077.97 less than MV Transportation's North Region proposal, and \$20,530,168.51 less than Southland Transit's North Region proposal.

The recommended NTE amount of \$42,953,484.45 proposed by Nomad Transit, LLC for the South Regions is also \$39,958,218.66 less than MV Transportation's South Region proposal.

Nomad Transit, LLC's combined total proposal amount for the North and South Regions of \$135,019,518.27 is \$85,030,816.52 less than MV Transportation's Alternate Proposal combining the two regions. While the Alternate Proposal submitted by MV Transportation did provide an overall reduction of \$4,619,480.11 from their individual Region proposals, it is 63% higher than Nomad Transit, LLC's proposal and 45% higher than Metro's combined ICE of \$152,080,088.10.

D. Background on Recommended Contractor

The recommended firm, Nomad Transit, LLC, a wholly owned subsidiary of Via Transportation, Inc., is headquartered in New York, NY and has been in business for 12 years. As a leader in

the microtransit industry, Via has launched over 50 services in North America. Services currently in operation for similar transit agencies are the Metro Flex program for King County Metro in Seattle, WA, UTA On-Demand for the Utah Transit Authority, and MetroConnect for Miami-Dade County. Via previously provided LA Metro a service called Mobility-On-Demand as a pilot project beginning in 2018, and performance was satisfactory.

DEOD SUMMARY

METRO MICRO CONTRACTED SERVICES / OP122943001 & OP122943002

A. Small Business Participation – North Region

The Diversity and Economic Opportunity Department (DEOD) established a 20% Disadvantaged Business Enterprise (DBE) goal for the North region on this Indefinite Delivery / Indefinite Quantity (IDIQ) solicitation. Nomad Transit, LLC (Nomad) made a 0.73% DBE commitment. In accordance with the DBE Program Regulation, 49 Code of Federal (CFR) Part 26.53, to be considered responsive, Proposers must document enough DBE participation to meet the goal and if the commitment is less than the stated goal, submit evidence of adequate good faith efforts (GFE) to meet the goal.

DEOD evaluated Nomad’s GFE documentation based upon the GFE standards and determined that actions undertaken by Nomad were not sufficient to demonstrate adequate GFE to meet the DBE goal. In line with 49 CFR Part 26, Proposers that do not pass GFE are afforded the opportunity for due process. A Reconsideration Hearing was held with Metro’s independent Reconsideration Official (RO) who resides within Metro’s Ethics Department. The RO determined that Nomad demonstrated GFE and was deemed to have passed GFE for the North region.

| | | | |
|----------------------------|----------------|----------------------------------|--------------|
| Small Business Goal | 20% DBE | Small Business Commitment | 0.73% |
|----------------------------|----------------|----------------------------------|--------------|

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|---------------------------|-------------------|--------------------|
| 1. | Islas Tires, Inc. | Hispanic American | 0.60% |
| 2. | Modern Times, Inc. | Hispanic American | 0.13% |
| Total Commitment | | | 0.73% |

B. Small Business Participation – South Region

The Diversity and Economic Opportunity Department (DEOD) established a 20% Disadvantaged Business Enterprise (DBE) goal for the South region on this Indefinite Delivery / Indefinite Quantity (IDIQ) solicitation. Nomad Transit, LLC (Nomad) made a 0.77% DBE commitment.

DEOD evaluated Nomad’s GFE documentation based upon the GFE standards and determined that actions undertaken by Nomad were not sufficient to demonstrate adequate GFE to meet the DBE goal. In line with 49 CFR Part 26, Proposers that do not pass GFE are afforded the opportunity for due process. A Reconsideration Hearing was held with Metro’s independent Reconsideration Official (RO) who resides within Metro’s Ethics Department. The RO determined that Nomad demonstrated GFE and was deemed to have passed GFE for the South region.

| | | | |
|----------------------------|----------------|----------------------------------|--------------|
| Small Business Goal | 20% DBE | Small Business Commitment | 0.77% |
|----------------------------|----------------|----------------------------------|--------------|

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|---------------------------|-------------------|--------------------|
| 1. | Islas Tires, Inc. | Hispanic American | 0.58% |
| 2. | Modern Times, Inc. | Hispanic American | 0.19% |
| Total Commitment | | | 0.77% |

C. Contracting Outreach and Mentorship Plan (COMP)2

To be responsive, Proposers were required to submit a Contracting Outreach and Mentoring Plan (COMP) including strategies to mentor for protégé development two (2) DBE firms for Mentor-Protégé development.

Nomad submitted a COMP with its proposal for review and approval. Nomad listed (2) DBE firms for protégé development: Islas Tires, Inc. (DBE), and Modern Times, Inc. (DBE).

D. Local Small Business Enterprise (LSBE) Preference

The LSBE preference is not applicable to federally funded procurements. Federal law (49 CFR § 661.21) prohibits the use of local procurement preferences on FTA-funded projects.

E. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is applicable to this contract. For the Metro Micro Contracted Services contract, the Operators (Drivers) and Mechanics positions will be covered under the LW/SCWRP. Nomad’s proposed hourly workforce rates of \$28.28 for Operators and \$28.00 for Mechanics/Maintenance exceeds Metro’s current living wage rate.

Metro staff will monitor and enforce the policy guidelines to ensure that applicable workers are paid, at minimum, the current Living Wage rate of \$24.73 per hour (\$18.78 base + \$5.95 health benefits), including yearly increases. The increase may be up to 3% of the total wage annually. In addition, contractors will be responsible for submitting the required reports for the Living Wage and Service Contract Worker Retention Policy and other related documentation to staff to determine overall compliance with the policy.

F. Prevailing Wage Applicability

Prevailing Wage is not applicable to this contract.

G. Project Labor Agreement/Construction Careers Policy

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