



Board Report

File #: 2025-0142, File Type: Contract

Agenda Number: 25.

OPERATIONS, SAFETY, AND CUSTOMER SERVICE COMMITTEE APRIL 17, 2025

SUBJECT: VANPOOL VEHICLE SUPPLIER BENCH CONTRACT

ACTION: AWARD CONTRACTS

RECOMMENDATIONS

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to award firm-fixed unit price Vanpool Vehicle Supplier Bench Contract Nos. PS125899000 to Airport Van Rental, Inc. (AVR) and PS125899001 to Enterprise Rent-a-Car Company of Los Angeles (Enterprise), in the Not-to-Exceed (NTE) amount of \$57,188,760 for the six-year base period and \$27,234,168 for the first, two-year option, and \$30,741,000 for the second, two-year option, for a combined NTE amount of \$115,163,928, effective July 1, 2025, subject to the resolution of properly submitted protest(s) if any; and
- B. EXECUTING individual contract modifications within the Board approved contract modification authority.

ISSUE

The current Metro Vanpool Program vehicle supplier bench contracts will expire on June 30, 2025. There are approximately 800 Metro vanpools currently in operation serving over 4,500 users/participants. To ensure the continued operation of these vanpools, new bench contracts are needed.

BACKGROUND

Metro launched the Metro Vanpool Program in May 2007, adding vanpools as a mode of public transportation to the Metro family of services. Since then, Metro Vanpool has grown to be the largest vanpool program in the country and has become an industry leader in providing a mobility option to employers and commuters to significantly reduce traffic congestion and Vehicle Miles Traveled (VMT) while improving air quality throughout Southern California. This program allows riders to commute long distances for work using vanpools, such as inter-county commuters who may lack transit options or other mobility alternatives. As a result, this program produces an annual VMT reduction of over 50

million miles based on the number of participants and the length of their collective vanpool miles traveled.

The current bench contract was awarded in 2018 for a base of two years and three one-year options. In September 2024, the Board authorized the modification of the contracts to allow for the completion of this procurement. This resulted in extending the contracts to June 30, 2025, and the addition of funds to support the extension.

DISCUSSION

The Metro Vanpool bench contracts were established to offer commuters multiple options to secure leased vehicle services. These contracts are established as firm-fixed rate contracts with a not-to-exceed contract value that is based on anticipated program growth estimates over the life of the contract. Contract funds will only be used to pay the subsidies of eligible participating vanpools.

Individuals interested in starting a Metro Vanpool can work with a bench contractor to identify and secure a vehicle. Eligible vanpools enrolled in the program can receive subsidies amounting to 50% of the vanpool vehicle lease costs up to a maximum base subsidy of \$600 per month. New vanpools are eligible to receive an additional \$200 “new-start bonus” for their first month, and any vanpool that has a reported occupancy of 70% or more qualifies for an additional \$100 bonus. The total monthly lease cost of a vanpool vehicle covers the vehicle cost, any financing costs, maintenance, insurance, and contractor support labor, with Metro’s subsidies reducing the monthly lease cost of each qualified vanpool and being paid directly to the bench contractors. Individual qualified vanpools that join Metro Vanpool and execute agreements with Metro must (1) use vehicles that are leased from Metro-contracted vehicle suppliers, (2) commute to Los Angeles County worksites, (3) be open to any fare-paying commuter regardless of employer affiliation, and (4) provide a monthly ridership report with specific operating data to Metro.

The program continues to recover from the COVID pandemic of 2020. At the height of the pandemic, the number of vanpools decreased by 50% from 1,280 to 636. Since then, the program has grown to approximately 800 vanpools (an increase of 26%), offering a long-distance commute option to work sites within Los Angeles County, resulting in a VMT reduction of 56 million miles in FY24. The average one-way commute for Metro Vanpool is 49 miles, with the longest one-way commute measuring 144 miles (288 miles round trip). Of the ridership that boards a vanpool within the County of Los Angeles, 20% of them board within an Equity Focus Community (EFC). Additionally, since Metro Vanpool operates for long-distance commutes, nearly half of Metro Vanpool participants originate in other counties, with 28.5% boarding a vanpool vehicle within a California-designated Disadvantaged Community. Metro Vanpool is expected to continue to grow as more commuters return to in-person work schedules and choose more convenient and economical transportation options. Additionally, with the award of these new contracts, staff will be launching a robust marketing and outreach effort to promote and secure new vanpools in an attempt to grow the program to pre-pandemic levels and beyond. The goal is to reach pre-pandemic participation numbers by the end of FY29 and sustain steady growth in the years to follow.

As vanpools are recognized and identified as a public transit service by the Federal Transit Administration (FTA), all vanpool operating and expense data are collected, validated, recorded, and

reported to the FTA as part of Metro's agency-wide annual National Transit Database (NTD) report. The NTD is the system through which FTA collects uniform data to administer department programs. The data reported is used in formula calculations which apportion federal transit funds to the region.

As a mode within Metro's family of services, Metro Vanpool data contributes to the Sections 5307 and 5339 federal formula funding distributed to the region. Metro Vanpool has consistently produced more federal funding returns than the actual operating cost. For example, program expenditures in FY24 totaled \$6 million, while program reporting generated an estimated \$16 million in federal formula revenues. The funds returned to the agency are eligible to support Metro transit operations.

The new Bench contracts will allow Metro to continue subsidizing Metro Vanpool participants. Both firms selected are current bench contractors, have extensive experience supporting the program/participants, and represent over 98% of the currently authorized vanpools, which will ensure a seamless transition for these participants. One current firm that supports 14 vanpools did not participate in this procurement, and staff will ensure that the impacted vanpools are properly notified and given the opportunity to transition to one of the new contractors. The contractors will continue to be responsible for leasing the vehicle to participants, providing maintenance, and providing Metro with required data about the vehicles and participants, including lease costs.

DETERMINATION OF SAFETY IMPACT

The Metro Vanpool Program has effectively reduced the number of cars on the road during the peak commute period, contributing to public safety.

FINANCIAL IMPACT

The cost of this contract is included in the FY26 proposed Budget in Project 405547 and Cost Center 4540. Since activities related to this action are provided through multi-year contracts, the Cost Center manager and the Deputy Chief Operations Officer, Shared Mobility will be accountable for budgeting costs in future years.

Impact to Budget

Funding sources for this expense consist of Proposition C 25% Streets & Highways and are not eligible to fund bus and rail operating and capital expenditures. However, 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 FY24, the Metro Vanpool Program generated approximately \$16 million in FTA Section 5307 and 5339 grant funds.

EQUITY PLATFORM

Metro Vanpool provides a public service to commuters and is committed to implementing an equitable, ADA-compliant program. The program has been in continuous operation since 2007 and is anticipated to continue yielding benefits for marginalized groups and EFCs.

Metro Vanpool provides a non-drive-alone mode option to all commuters living and/or working in Los

Angeles County, including those in EFCs, and is open to all groups. Of the 2,673 commuters who board a Metro vanpool within LA County, 539 (20%) board a vanpool vehicle within an EFC. Additionally, many Metro Vanpool program participants originate outside of LA County but utilize the program to commute to their workplace within LA County. Of these additional commuters, 28.5% board a vanpool vehicle from a California-designated Disadvantaged Community (DAC).

The program increases access to a non-drive-alone mode that reduces traffic and improves air quality in EFCs via reductions in VMTs. The program is available to all commuters at a cost that is less than driving alone. The subsidy provided through the program decreases the overall cost and increases the program's affordability for participants. In addition, Metro complies with ADA regulations and requires vehicle suppliers to provide vehicles that can accommodate participants with various physical abilities.

The program has been stabilized post-pandemic and is now poised for growth. To expand the program's benefit to marginalized communities and EFCs, Metro Vanpool is committed to prioritizing outreach and reducing barriers these communities may face (e.g., limited language proficiency, digital divide, reaching people with disabilities, etc.). Staff will continue to research, identify opportunities, and assess the feasibility of implementing these strategies. In the coming year, Metro Vanpool will begin to collect data from existing customers to better understand the demographics and needs of these customers for service optimization and further strategic planning.

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) goal for this procurement due to a lack of subcontracting opportunities. Metro will encourage contractors to conduct outreach and utilize DBE firms if potential subcontract opportunities become available.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT through investment activities that will maintain and further encourage transit ridership, ridesharing, and active transportation. This item ensures the availability of vehicles for one of the critical programs in Metro's portfolio of services that reduces dependence on single-occupancy vehicles for commuting to and from LA County workplaces. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

Metro conducted a preliminary analysis to show that the net effect of this multi-modal item is to decrease VMT. In FY24, the Metro Vanpool Program demonstrated VMT reductions of 56,431,733

miles based on collective ridership numbers and total vanpool miles traveled.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports the following strategic plan goals:

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

ALTERNATIVES CONSIDERED

The alternative is to allow the current contracts to expire and discontinue the operation of the Metro Vanpool Program. Staff does not recommend this because the Metro Vanpool Program provides an important commute option for the county's long-distance commuters-a market not readily serviced by other transit options. 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 for the agency annually through the NTD reporting process. If the new bench contracts are not awarded and the program is discontinued, these revenues would no longer be allocated to Metro.

NEXT STEPS

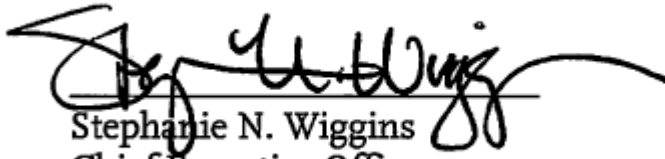
Upon Board approval, staff will execute the Bench contracts and continue to implement the program, focusing on long-term growth.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

METRO VANPOOL VEHICLE SUPPLIER BENCH / PS125899000; PS125899001

1.	Contract Numbers: PS125899000; PS125899001	
2.	Recommended Vendors: Airport Van Rental, Inc. Enterprise Rent-a-Car Company of Los Angeles, LLC	
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: August 28, 2024	
	B. Advertised/Publicized: August 28, 2024	
	C. Pre-Proposal Conference: September 18, 2024	
	D. Proposals Due: November 4, 2024	
	E. Pre-Qualification Completed: February 21, 2025	
	F. Ethics Declaration Forms submitted to Ethics: November 7, 2024	
	G. Protest Period End Date: April 22, 2025	
5.	Solicitations Downloaded: 14	Proposals Received: 2
6.	Contract Administrator: Andrew Coppolo	Telephone Number: (213) 922 1067
7.	Project Manager: Melissa Park	Telephone Number: (213) 418 3318

A. Procurement Background

This Board Action is to approve the award of multiple Contracts for the Metro Vanpool Vehicle Supplier Bench, to establish a bench of qualified vanpool vehicle suppliers to provide leased vehicles to new and existing vanpool customers within Metro's Vanpool Program. Board approval of contract awards is subject to the resolution of any properly submitted protest(s), if any.

Request for Proposal (RFP) No. PS125899 was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit rate contract that will provide a subsidy reimbursement (not-to-exceed \$600 per month paid to vehicle suppliers to support each authorized vanpool lease). The Diversity & Economic Opportunity Department did not recommend a goal for this project.

Three (3) amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on September 20, 2024, extended the due date for questions;
- Amendment No. 2, issued on October 25, 2024, extended the proposal due date and amended the critical dates;
- Amendment No. 3, issued on October 30, 2024, clarified DBE Forms.

A total of 14 firms downloaded the RFP and were included in the planholders' list. A virtual pre-proposal conference was held on September 18, 2024, and was attended

by two (2) participants representing two (2) firms. There were two (2) questions received for this RFP and responses were provided prior to the proposal due date.

A total of two (2) proposals were received on November 4, 2024, from the following firms listed in alphabetical order:

1. Airport Van Rental, Inc.
2. Enterprise Rent-a Car Company of Los Angeles

Staff conducted a market survey to request information from prospective proposers to determine why no additional proposals were submitted. Two firms responded that the scope of services was not aligned with their line of work, and two firms responded that they had not retrieved the solicitation. The results of the market survey indicated that factors beyond LACMTA's control caused the potential sources not to submit bids and that there were no restrictive elements in the solicitation documents that prevented competition.

B. Evaluation of Proposals

A diverse Proposal Evaluation Team (PET) consisting of staff from LACMTA Shared Mobility & Transportation Planning, Countywide Planning and Development, and San Diego Association of Governments (SANDAG) 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).
- Description of proposed fleet vehicles makes and models.
- 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.
- Samples of month-to-month lease and driver agreement submitted.
- Sample monthly billing statement for lessees.
- Supplier's Annual Lease Price Sheet 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.
- Vanpool driver safety and training program in place sufficient to ensure driver proficiency in safe vehicle operations and a plan to monitor and enforce participant safety.
- Documented vanpool route and/or rider recruitment advertising plan.

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

The PET began their evaluation of the technical proposals on November 14, 2024. There were several clarifications requested by Metro. Upon receipt of the additional information provided by the Proposers, the PET team continued their evaluations and concluded their evaluation of proposals on January 10, 2025. Both proposals received were determined to be qualified.

Qualifications Summary of Qualified Firms:

Airport Van Rental (AVR)

AVR, a local Los Angeles based van rental company, is an incumbent to the Metro Vanpool Program. They have experience in several large metropolitan markets including Victor Valley, Orange County, Houston, and Los Angeles. AVR provided a thorough proposal which demonstrated both recent and long-term van rental experience, an affordable and comprehensive vanpool program, and that they have a fleet of vanpool vehicles with the maintenance and customer service representatives to support them.

Enterprise Rent-a-Car Company of Los Angeles, LLC

Enterprise, a locally based vanpool company, is an incumbent to the Metro Vanpool Program. They have experience in several large metropolitan markets including Reno, Michigan, San Diego, San Francisco, Austin, San Antonio, Miami, Atlanta, Washington D.C., and Los Angeles. Enterprise provided a thorough proposal which demonstrated both recent and long-term van rental experience, their strong financial base, and that they have 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)/ Allied Van Rental, LLC	Pass
2	Enterprise Rent-a-Car Company of Los Angeles, LLC	Pass

C. Price Analysis

LACMTA has established a baseline for monthly vanpool subsidy payments of up to 50% of total monthly pro-rated lease, not-to-exceed \$600 per month, per approved vanpool. LACMTA will pay this monthly amount directly to the vanpool vehicle suppliers.

LACMTA requested a detailed cost breakdown of the vehicle lease rates, a vehicle amortization schedule, and additional information for vehicle swap outs for vanpool participants from the Contractors to ensure the vehicle lease prices that will be charged to the vanpool program participants are fair, and to ensure Metro's subsidy will cover up to 50% of the ceiling rate for each leased vehicle.

D. Background on Recommended Contractors

AVR is Metro's incumbent vanpool service provider, located in Los Angeles, California, and has been in business for 17 years and is a leader in the vanpool industry. AVR has 10 locations nationwide with over 1,800 vanpool vehicles. AVR's Project Manager has over 20 years of project management experience. AVR has provided services for LACMTA, and performance has been satisfactory.

Enterprise is Metro's incumbent vanpool service provider, located in Orange, California, and has been in business for 31 years and is a leader in the vanpool industry. Enterprise has over 400 locations nationwide with over 10,000 vanpool vehicles. Enterprise's Project Manager has over 16 years of project management experience. Enterprise has provided services for LACMTA, and performance has been satisfactory.

DEOD SUMMARY

METRO VANPOOL VEHICLE SUPPLIER BENCH / PS125899000; PS125899001

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a DBE goal for this procurement due to lack of subcontracting opportunities. It is expected that Airport Van Rental, Inc. (AVR) and Enterprise Rent-a-Car Company of Los Angeles (Enterprise) will perform the services of this contract with their own workforce.

B. 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.

C. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

D. Prevailing Wage Applicability

Prevailing Wage is not applicable to this contract.

E. Project Labor Agreement/Construction Careers Policy

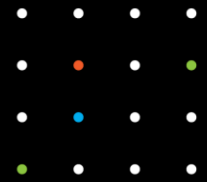
Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

SHARED MOBILITY

VANPOOL VEHICLE SUPPLIER BENCH CONTRACT



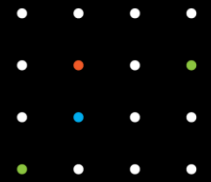
RECOMMENDATION



- A. AUTHORIZE the Chief Executive Officer to award firm-fixed unit price Vanpool Vehicle Supplier Bench Contract Nos. PS125899000 to Airport Van Rental, Inc. (AVR) and PS125899001 to Enterprise Rent-a-Car Company of Los Angeles (Enterprise), in the Not-to-Exceed (NTE) amount of \$57,188,760 for the six-year base period and \$27,234,168 for the first, two-year option, and \$30,741,000 for the second, two-year option, for a combined NTE amount of \$115,163,928, effective July 1, 2025, subject to the resolution of properly submitted protest(s) if any; and

- B. EXECUTE individual contract modifications within the Board approved contract modification authority.

ISSUE & DISCUSSION



AWARDEE(S)

Airport Van Rental (AVR) and Enterprise Rent-a-Car Company of Los Angeles (Enterprise)

NUMBER OF BIDS/PROPOSALS

Two (2) proposals received from the awardees which were deemed responsive. Contract amounts are based on estimated annual subsidies and program growth.

DEOD COMMITMENT

DEOD did not establish a DBE goal due to lack of subcontracting opportunities.

ISSUE

The current contract expires June 30, 2025. To ensure the continued operation of these vanpools, new bench contracts are needed.

DISCUSSION

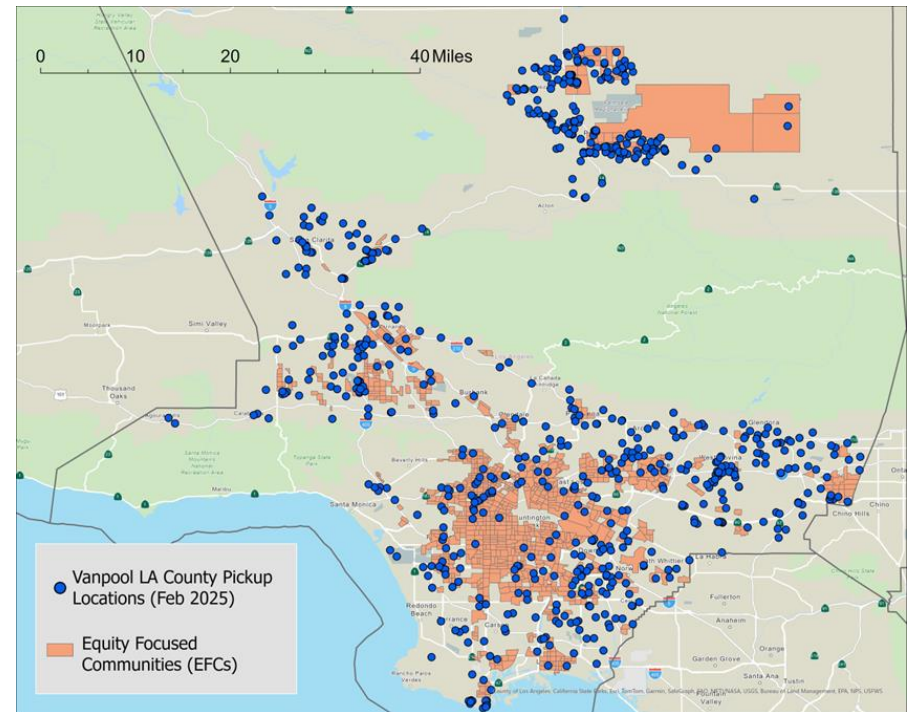
The new Bench contracts will allow Metro to continue subsidizing eligible Vanpool participants, and in return generate federal formula revenues for the agency.



PROGRAM OVERVIEW

- Metro Vanpool provides a subsidy of up to \$600 per month to offset vehicle lease costs
- Program launched May 2007 and is the largest vanpool program in the country
 - Over 800 vanpools
 - Over 4,500 participants
- Over 56 million VMT reduced in FY24
- 20% of LA County riders are from EFCs
- 28.5% of riders from outside LA County are from a state designated Disadvantaged Community
- ADA regulations are adhered to by Metro and vehicle suppliers

LA County Vanpool Pick Up Locations



PROGRAM OVERVIEW

- Metro Vanpools are a recognized public transit service by the FTA
- Participants are required to provide monthly data which is submitted to the FTA
- The data is used for formula calculations and results in federal transit funds to the region
- In FY24, Metro Vanpool expenditures amounted to \$6M and resulted in a return of \$15.9M in federal formula funding

