



Board Report

File #: 2025-0473, File Type: Oral Report / Presentation

Agenda Number: 42.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE JULY 17, 2025

SUBJECT: METRO MICRO PILOT PROGRAM UPDATE REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on Metro Micro pilot service operations.

ISSUE

On March 16, 2025, Metro Micro pilot service operations transitioned to new Micro contractors: Crosby Street Transit LLC (aka Via) as the operations contractor, and to Spare Labs, Inc. as the software provider under a new operating model. 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. This report provides an update on the effectiveness of the new operating model, including the transition to new contractors, service performance, improvements to the service, and future enhancements.

BACKGROUND

Metro Micro combines technology and service operations to provide a flexible, on-demand transit service. Customers using Metro Micro rideshare services enjoy flexible pick-up and drop-off locations and times. Instead of adhering to a fixed schedule and route for each driver and vehicle, customers seeking to travel with Metro Micro are matched with drivers using a smartphone software application, phone dispatch service, and/or website.

Under these new contracts, Metro developed a new business model for optimizing the pilot of Metro Micro with the goal of reducing costs per revenue hour for an efficient operation. Under the new model, the software services portion of the Microtransit pilot project was separated into its own contract, while the vehicle operations services were awarded under separate contracts. In contrast, the previous business model under the MicroTransit Pilot included both the operation of service and the on-demand software services, while Metro provided the drivers/operators.

For the operations services portion of the Micro pilot program, the Metro Board awarded two

separate Indefinite Delivery/Indefinite Quantity (IDIQ) contracts for the Metro Micro Contracted Services on December 5, 2024. Contract No. OP122943001 (North Region) and Contract No. OP122943002 (South Region) were awarded to Crosby Street Transit, LLC (previously known as Nomad Transit LLC) to provide operation services for the existing eight Micro Zones, including vehicle fleet, fueling, vehicle maintenance/repair, vehicle storage, facility security, and fleet operators. In addition, the Contractor has on-site, dedicated management personnel providing oversight of the operations and reporting to Metro staff.

For the software portion of the Metro Micro pilot service, Metro Staff awarded Contract No. PS124278(2)000 for Metro Micro Software Services to Spare Labs, Inc. on March 4, 2025. The software Contractor provides a customized and configurable software platform for on-demand routing and dispatch of Micro revenue service vehicles that are deployed using the software platform. Customers are able to book rides, make electronic payments in real-time, and provide customer information. The software platform consists of: (1) a customer-facing mobile application; (2) an Operator mobile application; (3) a customer-facing web portal; and (4) a web-based dashboard with real-time and historical information for program management.

Due to Spare Labs' award date of March 4, 2025, the software contractors had an extremely short lead-time to configure and customized the Micro software platform by the launch date of March 16, 2025. Spare Labs traveled onsite to Metro and worked every day until launch, and continued configuring the software post-launch. Spare was able to meet this challenge and configured essential software features to meet the launch date for service, fully able to upload software into Apple/Android stores for customers and schedule and dispatch rides. However, there is more work to be done with customizations, as lessons were learned while operating the service.

DISCUSSION

Metro Micro service is an on-demand shared transit service pilot utilizing a smartphone app, web-based software platform, and vehicles smaller than traditional transit buses to pick up and drop off customers based on customer demand rather than a fixed schedule and fixed routes. This service provides on-call transit service for short, shared trips approximately 1-6 miles long, within defined Micro Service Zones and is based on customers' customized travel requests. The on-demand operations and software services contracts provide shared rides that utilize software algorithm to schedule and dispatch ride requests within North and South Regions, consisting of the existing eight (8) Metro Micro Service Zones.

Under the new operating model, the operations and software contractors were able to successfully launch their respective contracts for the Metro Micro service on March 16, 2025. Launching service also included the transition of 145 Metro's Micro Operators to the new contractor or part-time bus operators, with 16 supervisors transferring to bus operations.

Additionally, the existing Micro registered riders (10,000) under the previous Contract successfully migrated to the new software, ensuring a smooth and continuous user experience with minimal

impact.

Transition KPI's

The KPI's listed below are considered transitional KPI's under the new business model for the initial months of Micro service. Although the launch was successful, as with any new service, there were operational nuances and software bugs requiring adjustments during initial months of service. Therefore, the KPI's shown in *Table 1 - Transitional KPI's* are an indication of Micro's service at launch, depicting steady growth and improvement since launch.

Table 1 - Transitional KPI's

CATEGORY KPIs		KPI TARGET	Prior Service Mar 23-Mar 30	New Service Mar 30-Mar 6	Mar 13-Mar 20	Mar 27-Apr 3	Apr 10-Apr 17	Apr 24-May 1	May 8-May 15	May 22-May 29	Jun 5-Jun 12	
Efficiency	PVH (Average)	4	3.16	2.88	3.02	3.05	3.17	3.12	3.19	3.32	3.34	3.39
	Cost per Ride**	≤\$25	~\$29	~\$25	~\$25	~\$25	~\$25	~\$25	~\$25	~\$25	~\$25	~\$25
Quality	Combined OTP	85%	82%	85%	87%	88%	82%	85%	84%	78%	77%	78%
	Positive Reviews	95%	98%	94.00%	94.50%	95.40%	96.50%	95.60%	96.10%	95.80%	95.70%	95.20%
Ridership	Boardings**	15,000	11,076	12,020	12,743	13,166	13,652	13,208	13,762	14,447	14,755	14,600
	No Shows %**	10%	14.30%	9.60%	5.50%	4.60%	3.60%	3.10%	1.40%	0.90%	0.40%	0.00%
	ADA %**	1%	Not Available	0.64%	0.61%	0.67%	0.48%	0.60%	0.56%	0.50%	0.37%	0.50%

* Estimated

* Estimated

weekly Cost per Ride. Invoices pending.

**Provided as comparison. Not a contractual KPI.

Ridership

Micro service transition was successful as Micro did not lose any ridership within the first week and realized growth of 18.4%, achieving the KPI target. Micro service received an all-time high in ridership of 16,800 boardings during the week of June 22-28, 2025.

On-Time-Performance

On Time Performance at the time of initial launch was impressively strong, but decreased as ridership increased. This was due to software routing navigation and parameters requiring customizations. With added software customizations and adjustments for optimization recently implemented, Micro's OTP improved with recent reports of OTP at 85.42% during the week of June 22-28, 2025.

Passengers Per Vehicle per Hour (PVH)

Micro's PVH started at 2.88 during the first week of launch due to initial low ridership and software algorithms requiring optimization adjustments. Since the software optimization adjustments, PVH

currently ranges between 3.4 to 4.0 in the recent weeks.

Cost Per Ride

The Cost Per Ride is estimated to be between \$25-\$27 for the initial months of the transition period. Based on the contract proposal, the blended cost per revenue service hour is \$82.40. With an assumption of 3.3 passengers per vehicle revenue hour (PVH), the estimated Cost per Trip is \$24.90. The estimated Cost per Trip decreased by 14% from \$29.06 in Q2FY24.

Metro, along with contractors Crosby and Spare, continue to collaborate on optimizing system efficiency. The goal is to increase ridership which will ultimately lower the cost per ride over time.

Positive Reviews Percentage

Metro Micro service has consistently achieved positive rating scores of 95.41% (average) by customers who submit their reviews on the software app at the end of their ride. Although ride ratings have achieved KPI target of 95%, Micro staff is looking to improve higher ratings than KPI target.

KPI's by Zone

The below table represents a detailed break down of KPI's by each zone, providing metrics on the performance during the transition period. As mentioned above, Micro experienced a decrease in OTP as ridership increased and software related customizations that were needed. However, ridership and PVH remained relatively consistent for the months of April and May.

Table 2 - Transitional KPI's by Zone

Zone	APRIL			MAY		
	Ridership	PVH	OTP	Ridership	PVH	OTP
Watts/Compton	12,013	3.14	83.59%	12,047	3.24	76.57%
El Monte	4,897	2.92	80.92%	4,973	2.97	75.27%
LAX/Inglewood	3,544	2.78	82.6%	3,672	2.93	73.77%
Highland Park / Eagle Rock / Glendale	13,671	3.07	82.54%	14,573	3.31	76.15%
North Hollywood / Burbank	5,439	3.24	81.26%	5,670	3.41	73.14%
Altadena / Pasadena / Sierra Madre	11,118	3.26	83.67%	12,028	3.56	74.90%
UCLA / Westwood / VA Medical Center	3,073	4.09	78.29%	3,596	4.68	76.31%
Northwest San Fernando Valley	5,576	3.70	80.56%	5,823	3.76	77.40%
Total Ridership	59,331			62,382		

Customer Feedback

Based upon customers' feedback received through the software app, customers identified the

following areas for improvement:

- *Lost and Found* - Passengers didn't know who to contact for retrieving items
- *No-Show Complaints* - Complaints were received from passengers that Drivers prematurely "no-show" a customer when not visible without proper attempts to locate the passenger.
- *Drop-Off/Pick-Up Locations* - Complaints were received related to wrong pick-up/drop-off locations or inconvenient locations.

Improvements

Upon Micro staff receiving customers' feedback, procedures were implemented to address complaints with the following improvements:

- *Lost and Found* - Operations Contractor installed a Lost & Found phone number within the software app as a point of contact; and the Lost and Found Policy was updated with the operations Contractor for returning lost items to the passenger quicker.
- *No-Show Complaints* - A New Policy was implemented for all Drivers to call the passenger if not visible before placing a "No-Show" on the ride.
- *Drop-Off/Pick-Up Locations* - Customer app was updated with clear descriptions of the drop-off/pick-off locations; in addition to software customizations for virtual stop optimizations for navigating to the correct side of the street.

Phase II Enhancements

As specified in the Scope of Services in the Contract, the software contractor will develop features for Phase II (90 days post launch) to enhance the software. The customer's software app will have the ability to search frequently searched locations for quick entry. Additionally, the customer will have the ability to select multiple days within a 7-day period to book recurring trips with identical parameters. These features were scheduled 90-days post launch to allow for the most essential customizations to be prioritized.

EQUITY PLATFORM

The Metro Micro pilot service is a dynamically routed shared transit service utilizing vehicles to pick up and drop off patrons based on customer demand rather than a fixed schedule and fixed routes. This on-demand shared ride service is an on-call service, customized to customers' requests for

when and where they want service, connecting more people to our existing transportation system. This new public transportation pilot is designed for short, shared trips approximately 1-6 miles within Metro Micro's defined zones, utilizing vehicles that are smaller than traditional core transit rail cars and buses.

For our patrons utilizing the service, Metro Micro is committed to ensuring equitable access to Metro's shared ride service. Metro Micro's daily operations aim to increase overall ridership and provide access to important needs such as employment, education, health care, and basic necessities. Micro provides ADA accommodations for Metro customers with disabilities for shared ride pick-ups and drop-offs across all zones. The project covers a variety of zones, all of which serve Equity Focus Communities (EFCs), and some of which are mostly made up of identified EFCs.

Metro staff sought to address inequities in the availability and affordability of on-demand ride-hailing offered by private companies, which are often less available in areas with lower median household incomes. All Micro Zones contain EFCs and the following chart shows a range of EFC coverage between zones:

Zone	% of Land Area in EFC	% of Population in EFC
Watts/Compton	68.0%	69.8%
El Monte	50.6%	73.3%
LAX/Inglewood	33.2%	40.3%
Highland Park / Eagle Rock / Glendale	19.3%	31.7%
North Hollywood / Burbank	19.2%	29.5%
Altadena / Pasadena / Sierra Madre	9.9%	23.7%
UCLA / Westwood / VA Medical Center	5.5%	10.6%
Northwest San Fernando Valley	3.9%	7.2%

For context, 31% of the land area of the eight Metro Micro Zones is in EFCs.

The data does acknowledge some unevenness across Micro Zones. For a long time, Altadena/Pasadena/Sierra Madre has had the highest ridership volume. However, in recent months, Highland Park/Eagle Rock/Glendale has seen steady growth and is increasing in ridership. Watts/Compton remains in third place. As a result, when looking at the proportion of our target population that resides in EFCs and combining that with our ridership proportion in each Micro Zone, we can estimate that 38.4% of Metro Micro ridership comes from EFCs.

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. Micro supports Metro's systemwide strategy to reduce VMT through planning and operational activities that will benefit and further encourage transit ridership, ridesharing, and active transportation. Approximately, 70% of Metro Micro rides are shared, with an average travel distance of 4 miles. Without this service, these trips would likely occur as single-occupancy vehicle trips or solo rides on a Transportation Network Companies (TNCs) platform, resulting in increased overall vehicle miles traveled. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

*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

IMPLEMENTATION OF STRATEGIC PLAN GOALS

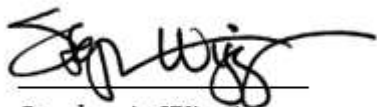
Metro Micro pilot supports strategic plan goals #1.2 and 2.3: Metro Micro is an investment in a world-class transportation system that is reliable, convenient, and attractive to more customers for more trips. Metro Micro continues to improve customer satisfaction at customer touchpoints by offering an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

NEXT STEPS

Metro staff will return to the Board in December 2025 to provide further updates to KPIs on the transition of the Micro pilot service. This report will also include trends and insights on the new business model, with additional information on OTP trends.

Prepared by: Roxane Marquez, Director, Finance & Administration, (213) 922-4147
Dan Nguyen, Senior Executive Officer, Strategic Initiatives (213) 418-3233

Reviewed by: Conan Cheung, Chief Operations Officer, (213) 418-3034

A handwritten signature in black ink, appearing to read 'Step Wiggins', written over a horizontal line.

Stephanie Wiggins
Chief Executive Officer

Metro Micro™

Operation Transition Update

Operations, Safety, & Customer Experience Committee Meeting

July 17 2025



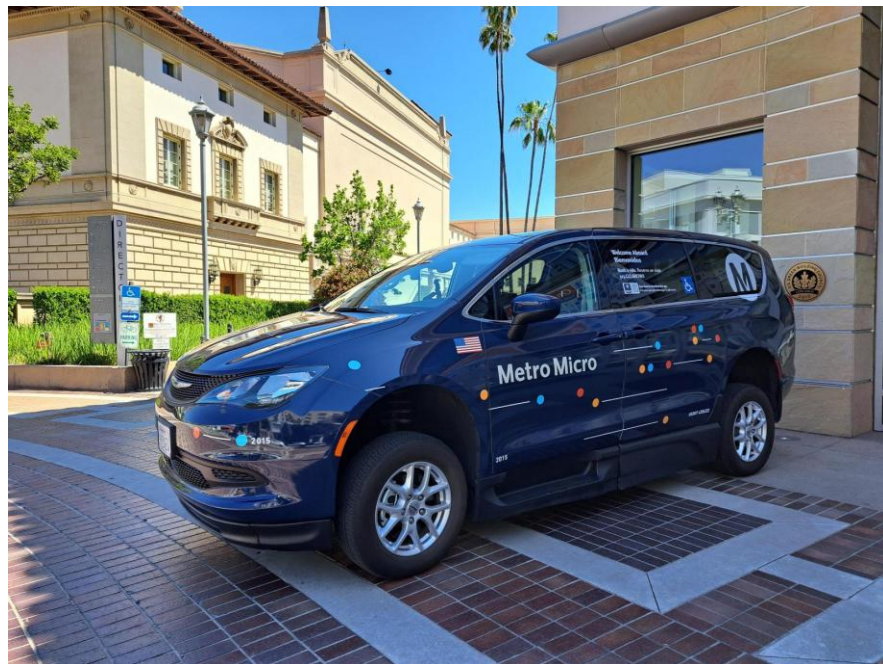
Metro®

INTRODUCTION



Metro Micro Program Update

- New Contractors
- Transition Summary
- Transition KPI Performance
- Cost Per Ride
- Customer Reviews
- Improvements
- Phase II Enhancements
- Public Awareness





ISSUE

The previous MicroTransit Pilot Program – Part B was awarded in 2020 and expired on March 31, 2025.

On March 16, 2025, Metro Micro (*formerly* MicroTransit) service operations transitioned to new contractors; **Crosby Street Transit LLC** (aka Via) as the operations contractor and **Spare Labs, Inc.** as the software provider under a new operating model.

TRANSITION SUMMARY



Employee Impacts:

- All 145 Metro Micro Operators successfully transitioned to the new Contractor or became Part-Time Bus Operators.
- All 16 Supervisors were transferred to Bus operations.

Rider Impacts – No Disruption

- Seamless service transition with no disruption.
- Over 10,000 registered riders were migrated to the new software, ensuring a smooth and continuous user experience.

TRANSITION KPI PERFORMANCE



CATEGORY	KPIs	KPI TARGETS	Prior Service 9-Mar	New Service 16-Mar	23-Mar	30-Mar	6-Apr	13-Apr	20-Apr	27-Apr	4-May	11-May
Efficiency	PVH (Average)	4	3.16	2.88	3.02	3.05	3.17	3.12	3.19	3.32	3.34	3.39
	Cost per Ride*	≤\$25	~\$29	~\$25	~\$25	~\$25	~\$25	~\$25	~\$25	~\$25	~\$25	~\$25
Quality	Combined OTP	≥85%	82%	85%	87%	88%	82%	85%	84%	78%	77%	78%
	Positive Reviews	≥95%	98%	94.00%	94.50%	95.40%	96.50%	95.60%	96.10%	95.80%	95.70%	95.20%
Ridership	Boardings**	15,000	11,076	12,020	12,743	13,166	13,652	13,208	13,762	14,447	14,755	14,685
	No Shows % **	10%	14.30%	19.60%	15.50%	14.60%	13.60%	13.10%	11.40%	10.90%	10.40%	10.00%
	ADA % **	1%	Not Avail.	0.64%	0.61%	0.67%	0.48%	0.60%	0.56%	0.50%	0.37%	0.50%



Metro

* Estimated weekly ridership. Invoices pending.

**Provided as comparison. Not a contractual KPI.

COST EFFICIENCIES



Cost Per Trip

- Based on the contract proposal, the blended cost per revenue service hour is \$82.40. With an assumption of 3.3 passengers per vehicle revenue hour (PVH), the estimated Cost per Trip is \$24.90. The estimated Cost per Trip decreased by 14% from \$29.06 in Q2FY24
- Metro, along with contractors Crosby and Spare, continue to collaborate on optimizing system efficiency. The goal is to increase ridership, which will ultimately lower the cost per ride over time.

CUSTOMER FEEDBACK



95.41% Positive	4.59% Negative
"This service is incredible... getting more cars off the road by carpooling."	Lost Items: Passengers report not knowing who to contact for items left in vehicle.
"I love Metro Micro. Love the upgrades, drivers and convenience!"	Issues related to wrong pick-up/drop-off locations or inconvenient locations
"Both trips were super... I am on a walker and they get out of their vans to help me."	No Shows/Cancellations: Drivers marking passengers as "no-shows" prematurely or canceling rides without proper attempts to locate the passenger.

IMPROVEMENTS



Improvements Based on Information Received:

- Lost and Found Complaints: New Policy to address returning items quicker
- No Shows: Policy Implemented for Drivers to call Riders
- Drop-Off/Pick-Up Locations: Virtual Stop Optimizations
- Drop-Off/Pick-Up OTP: Google Traffic Data to be implemented

PHASE II ENHANCEMENTS



Phase II Enhancements – 90 Days After Launch:

- History of Booked Rides – Customer will have ability to search frequently searched locations for quick entry.
- Multiple Days Booked – Customer will have ability to select multiple days within 7 days to book recurring trips with identical parameters.

PUBLIC AWARENESS – New Metro Micro in the Media!



CBS KCAL highlights how simple it is to book a ride with the Metro Micro program.



TikTok: Viral Metro Micro clip racked up over 73K views in 5 days, leading to 10K+ app downloads and 3,793 new user sign-ups on Sunday, May 11 alone.



QUESTIONS?

