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**JUNE 30, 2016**

**TO: BOARD OF DIRECTORS**

**THROUGH: PHILLIP A. WASHINGTON** PAW  
**CHIEF EXECUTIVE OFFICER**

**FROM: JOSHUA L. SCHANK** JS  
**CHIEF INNOVATION OFFICER**

**SUBJECT: OFFICE OF EXTRAORDINARY INNOVATION (OEI) JUNE  
PROGRESS REPORT**

## **ISSUE**

The OEI was created to develop and implement best practices from around the world to improve mobility in Los Angeles County. This Board Box provides an update to the progress report received and filed at the May Regular Board Meeting. This Board Box speaks to comments made by Board Members in May, updates the Board on current activities, and highlights specific OEI initiatives in greater detail, including updates on Unsolicited Proposals related to accelerating capital projects and integrating on demand services into our system.

## **DISCUSSION**

### **Board Requested Information (from May Board meeting)**

*Below, please find a summary of a question or issue and a brief comment or answer:*

- Capitalize on local investment by requiring proposers to set up store fronts in LA County if they win construction jobs.

For the major P3 capital infrastructure projects, we anticipate that the winning bidders will have to set up local offices and employ local workers to a large degree. This is typical for most major P3 projects, and bidders often find it most economical to hire local staff to support the projects.

- GoLA app is envisioned as the ultimate payment platform and trip planning tool

OEI shares the vision of a single platform to be used as a trip planning and payment tool to simplify the user touch points and make Metro more accessible to our customers. We are in discussions with several innovative companies and working with our Information Technology Services and TAP departments to develop a solution.

- Don't bypass current (Measure R) activities.

Metro is committed to completing the Measure R projects as planned. OEI activities are intended to supplement or accelerate Measure R activities.

- Would like to expedite the Airport Connector project through the Unsolicited Proposal process

We have already heard some interest from the private sector in finding a way to accelerate this project. To the extent that any firms communicate with your office ideas for completing the Airport Connector project, please highlight Metro's Unsolicited Proposal Process and suggest they reach out to OEI directly.

- Report on feasibility of Hyperloop. Metro needs to stay ahead of the curve on concepts like Hyperloop.

OEI is developing a brief white paper on the viability of Hyperloop technology investment and deployment in California for the Board. The report will explore technical capability, economic benefits, costs, and the political and policy based feasibility of the Hyperloop concept. The report will analyze the potential for both passenger and freight transport. The report will be disseminated via Board Box upon completion.

- Find ways to expand opportunities for women and minority-owned businesses with the P3 program

This is a priority for OEI and will become more actionable as we prepare bid documents for each P3 project, and conduct private sector outreach. However, in the meantime our Unsolicited Proposals policy has served as an effective avenue for small businesses to engage with LA Metro directly. OEI has had countless meetings with women and minority owned businesses that are expected to submit unsolicited proposals. Goals for SBE/DBE participation may also be included as part of a request for detailed information for a Phase II project review under this process.

- Is there adequate staffing to support major P3 project pursuits?

OEI is the first point of contact for potential P3 bidders. As the project concepts are developed and advanced, OEI will engage other Metro staff as well as services of

P3 advisors to assist with the development of a Request for Proposals. The P3 advisors will include both financial and legal advisors.

#### Unsolicited Proposals Update

To date, OEI has received 20 Unsolicited Proposals. A list of the proposals received to date with a short description and status is available in Attachment A.

#### Motion Update: Partnering with Ridesource Companies

OEI is taking the lead role in responding to an April 2016 Motion titled [Metro Partnerships with Rideshare/Ridesourcing Services](#) authored by Directors Antonovich and Kuehl directing the CEO to “return to the Board within 120 days with a comprehensive plan that identifies strategies to develop effective partnerships with ridesource companies,” and also identify obstacles in partnering with these companies.

In late May, OEI identified a strategy to develop an effective partnership and tested it through the UberPOOL + Expo partnership. A Board Box released on that subject provides the specifics of the agreement and its intended benefits to Metro. While the preliminary reports are extremely positive, additional information on lessons learned will be detailed in the motion response, which is scheduled for August.

The lessons learned from UberPOOL + Expo, Metro’s grant application for the Mobility On Demand Sandbox, the Uber and Via Phase II proposals currently in process, and the RideAmigos Phase II proposal provide significant and diverse opportunities for Metro to be a leader in integrating on-demand services into our transportation system. This motion provides an opportunity to critically tie those efforts together to ensure that OEI is deliberate and strategic in its intended objectives for such partnerships.

To date, the OEI has identified several key opportunities and obstacles. OEI is crafting strategies to overcome the obstacles, and has benchmarked and interviewed the efforts of other transportation agencies.

#### Progress Report: Ongoing OEI Initiatives

##### *Light Rail Signal Preemption*

With the recent opening of the Expo line extension, there has been renewed interest in decreasing the travel times on our light rail system. OEI has been working internally with Metro staff and the City of LA to explore opportunities for increased use of signal preemption and other potential strategies for shortening the trip time. OEI is currently developing a report that will explore the best practices of the use of the light rail preemption and prioritization across the country, which will be made publicly available this summer.

##### *Wireless Internet Research*

OEI is currently developing research exploring the potential uses of wireless internet on our transit vehicles and on our properties. This research identifies potential benefits to the wide deployment of wireless services, investigates practices in other regions, and

makes a set of recommendations. Preliminary research indicates that many Metro customers do not have data plans and thus could benefit greatly from Wi-Fi access while on our system.

#### *Lessons Learned White Paper Series*

OEI will be developing a “Lessons Learned” white paper series that records case studies of the successes and challenges faced within our office. This series will be designed to highlight the processes and institutional vehicles that have enabled success in deploying certain initiatives and well as explore challenges that were faced, defining lessons learned.

#### *Podcast / Metro Storytelling*

OEI and Communications are teaming up with The Glue, a women-owned communications agency, to create a pilot podcast mini-series that amplifies the histories and stories that form the Metro and Los Angeles transportation experience. These archetypal stories will create a sense of shared ownership and common experience and build a rider culture and mythology. The podcast will not only host an important conversation about our past and present, but present a dialogue and vision for our collective mobility future.

#### *Publishing an Innovation Newsletter*

In July, OEI will publish its first monthly newsletter, which will provide Metro employees and public and private stakeholders information on OEI/Metro initiatives, best practices, lessons learned, innovation spotlights and shout outs. Also envisioned as a part of this newsletter is a guest column offering the perspective of industry experts, Metro staff, subject matter experts and elected officials. An important role of this newsletter is to articulate issue areas that the private sector is well positioned to improve, invest and innovate.

#### *Innovation Advisory Council*

This coming fall, OEI will establish an advisory panel to convene and provide thought leadership in areas including but not limited to the future of transportation, autonomous vehicles, next generation fare payments, emerging modes and technologies, best practices in innovation project delivery and financing, and attracting quality unsolicited proposals.

#### *Innovative Transit Operator Working Group*

OEI is tasked with identifying and learning from best practices in transportation from around the world. Part of this process is constantly benchmarking and interacting with peers. Further, because most issues and needs are not exclusive to Metro, OEI and other similar offices can be seen as incubators and thought leaders for the entire industry.

To provide a space for Metro to learn from our peers and our peers to learn from us, OEI is teaming up with the Eno Center for Transportation (Eno) to convene an Innovative Transit Operator Working Group. Eno is a national level neutral, non-

partisan transportation think tank specializing in convening stakeholders to define industry best practices. This partnership is based on an existing Eno project and does not involve any exchange of funds or services.

OEI is also specifically exploring opportunities to increase its leadership capacity for autonomous and connected vehicles and alternative project delivery methods.

#### *University Transportation Center (UTC) UCLA Partnership*

OEI has been working with UCLA in developing their Federal Transit Administration (FTA) UTC grant and has been supportive of UCLA's efforts to build experiential learning and practitioners' perspectives into the fabric of their application.

#### *OEI Specific Branding*

In the midst of the Expo Phase II opening, Crenshaw Halfway There celebration, budget season and educating the public about the potential ballot measure, Metro's Marketing team is designing OEI a poignant brand concept that conveys our openness to the world of opportunity and ideas.

This branding will be helpful in making our efforts stand out with consistency, boldness and familiarity. Our thanks go out to the Marketing department for their help.

#### *Implementing Innovation Provisions of the FAST Act*

On June 9, 2016, Chief Innovation Officer Joshua Schank traveled to Washington, D.C. to join Chairman Graves (R-MO) and Ranking Member Norton (D-DC) of the House Subcommittee on Highways and Transit to participate in a roundtable policy discussion on implementation of Title VI of the FAST Act. Chairman Bill Shuster (R-PA) and Ranking Member Peter DeFazio (D-OR), of the full committee, were in attendance along with many other committee members including Janice Hahn (D-CA) and Grace Napolitano (D-CA). The conversation ran the gamut from the latest innovations in wayfinding and fare payment to concepts surrounding autonomous vehicles. Thanks to Michael Davies of Metro and Art Guzzetti of APTA who helped make sure OEI was included in this discussion.

#### *Ride Along with OEI*

Riding the system is crucial to understanding it. Understanding the system is crucial to improving it. Metro is creating an internal program providing opportunities for Metro Employees and the Senior Leadership Team to get out around the system on a monthly basis with the idea that these experiences will help bring insight and innovation to their work. If Board Members are interested in riding along, please contact Nolan Borgman at [borgmann@metro.net](mailto:borgmann@metro.net).

#### *Academic Research Fellow*

To generate greater understanding between the perspectives of academics and practitioners, external part-time fellowships which coincide with the school year were created. For the Spring Semester, that fellow was Cat Callaghan, a graduate student at UCLA. For the summer, Emma Huang also a graduate student at UCLA, was selected

and began in early June.

### Development of Strategic Plan

The above sections describe various efforts seeking to create alignment and focus between new and existing initiatives to improve mobility, environment and safety. These efforts work within existing efforts at Metro and new, smaller initiatives at Metro to capture innovation from around the industry. The strategic plan is a more comprehensive effort that will more formally define the long term vision, mission, goals and objectives, creating a road map for Metro to achieve its goals over the next 10 years.

The work plan for the strategic plan process will be presented to the Board in August 2016.

### **NEXT STEPS**

- OEI will continue building a culture of innovation by building participatory and communicative channels for idea generation, evaluation and sharing.
- OEI will continue evaluating unsolicited proposals with the help of internal departments.
- OEI will continue to follow its work plan towards developing a strategic plan.
- OEI will respond to Motion #45 by Directors Antonovich and Kuehl in August 2016.
- OEI will provide updates to the Board periodically.

Attachment A – Unsolicited Proposal Status Log

**ATTACHMENT A – Unsolicited Proposal Status Log (as of June 30, 2016)**

No.	Originator	Summary	Decision
1	TransitVUE	Dynamic plexiglass illuminator signage that lets you know where you are on the Orange Line	Phase II NOT REQUESTED – Suggested to revise and resubmit
2	BYD	Buy back 8 electric buses; supply 8 new ones with option to extend	Considered a contract renegotiation
3	Southern AM	Retrofit of bus fareboxes with 4G LTE Cellular Link	Phase II NOT REQUESTED
4	VIA	Utilize dynamic vehicle routing software to provide more demand responsive transportation	<b>Will move to Phase II</b>
5	Uber	Metro partnership with Uber to provide first last mile service and service in underserved/ low income areas.	<b>Will move to Phase II</b>
6	CanAM Enterprises	Innovative Capital Financing proposal	Under review by Treasury
7	TranspoGroupAV	Metro to co-host an autonomous vehicles working group with TranspoGroup to develop policy recommendations	Evaluation underway
8	RideAmigos	Proposed partnership for pilot program to test TAP card incentives that could induce mode shift from SOV use	<b>Will move to Phase II</b>
9	Optibus	Address bus delays before they impact customers by alerting control room operators about buses that might be late for their next trips.	Phase II NOT REQUESTED
10	Skybus	Pilot vanpool to a suburban business park to prove concept and technology	Evaluation underway
11	Green Commuter	Use electric Tesla vans for Metro employee vanpool, with the option to use the buses for other things during the day	Evaluation underway
12	aUniform	Demo of self-illuminating safety vests	Evaluation pending
13	Steiny & Company	LED upgrades for Metro Blue Line parking lots	Evaluation pending
14	Tubular Rail	Preliminary design and engineering assessment for tubular rail	Evaluation pending
15	Parker	Proposal to finance mega projects using an alternative finance approach.	Evaluation underway
16	Cambridge Systematics	Develop and deploy a shared mobility trip planning platform	Evaluation pending
17	Covington & Associates	Assess exposure to unplanned outages and develop mitigation measures.	Evaluation pending
18	Accela	Right of Way Management software for Purple Line Extension.	Evaluation pending
19	Swiftly #1 - GPS	Low cost solution to supplement existing GPS tracking system to improve real time data accuracy.	Evaluation pending
20	Swiftly #2	Integrated transit app that leverages real time information from multiple mobility options to help riders determine best mode of travel their trip.	Evaluation pending