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Metropolitan Transportation Authority

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**July 14, 2020**

**TO: BOARD OF DIRECTORS**

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

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

**SUBJECT: MOBILITY ON DEMAND: CEO EXECUTION OF CONTRACT  
EXTENSION**

### **Issue**

On January 27<sup>th</sup>, 2020, the Board authorized a six-month extension of Metro's Mobility on Demand pilot and delegated authority to the CEO to exercise an option for an additional six-months, through January 24<sup>th</sup>, 2021.

The CEO has exercised this option, and the contract modification also memorializes several service adjustments made to improve service during the COVID-19 health crisis as well as the expansion of food and essential goods deliveries to vulnerable families in partnership with First 5 LA.

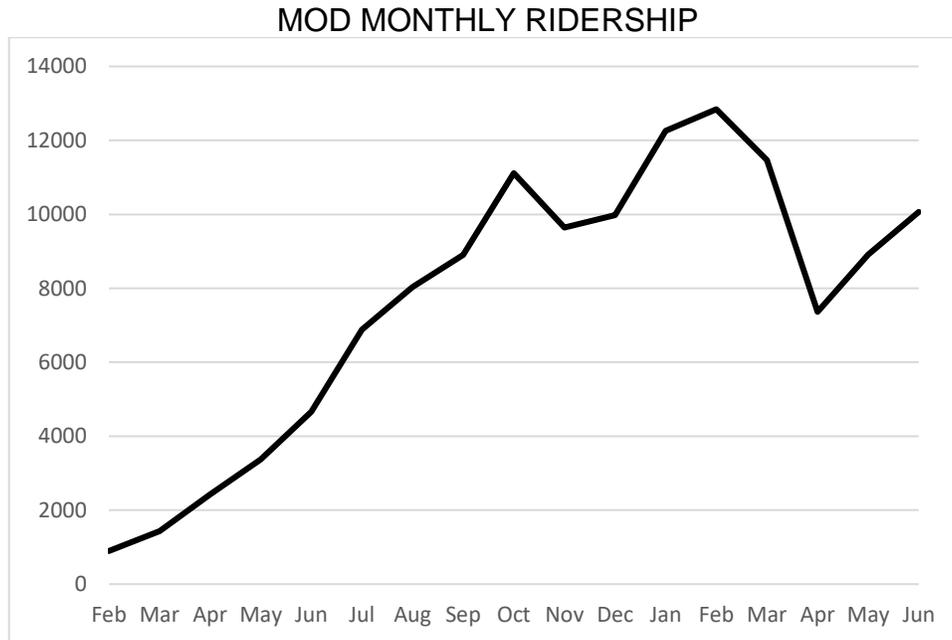
### **Discussion**

The Mobility on Demand Pilot was originally designed to enhance first- and last-mile connections to Metro's fixed guideway transit. After steady growth in ridership and achievement of identified performance metrics, COVID-19 produced a profound shock to Metro's transportation system that was already taking initiative to balance inequities and mitigate inefficiencies. The COVID-19 crisis has brought changing and exigent needs to Los Angeles County and Metro's customers.

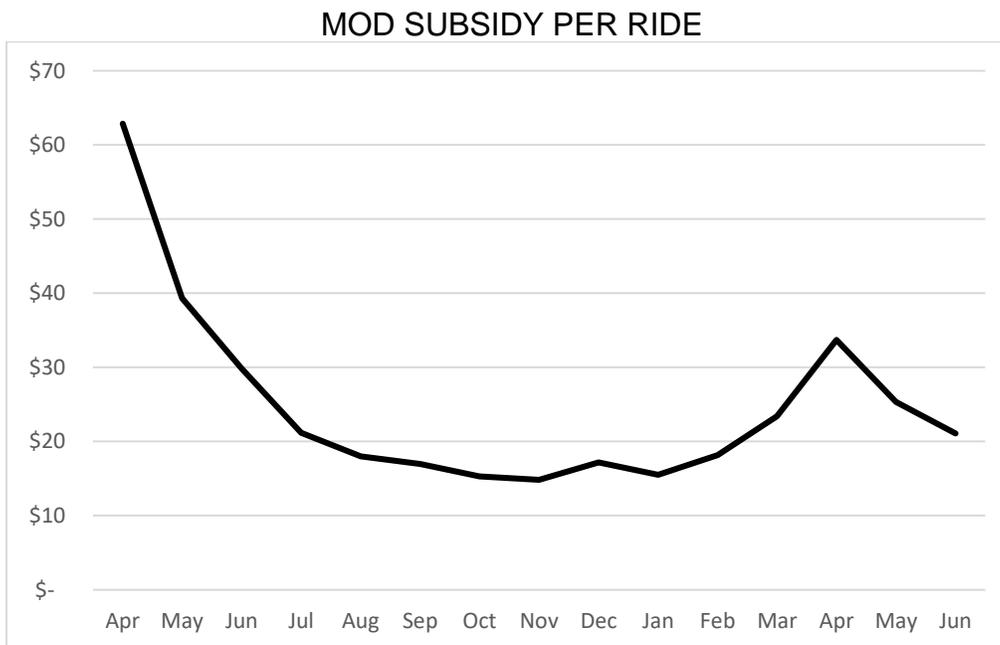
The intensity and speed with which COVID-19 spread through communities around the globe forced the need for quick and difficult adaptations. Metro and Nomad Transit, LLC (Contractor, a subsidiary of Via Transportation Inc.) have developed adjusted services that meet the needs of the communities they serve, such as point to point trips, as well as use of excess service capacity to deliver food and essential goods to low income families in partnership with Community Benefit Organizations and local non-profits.

MOD has completed more than 130,000 rides across all three service areas since service began in January 2019. Ridership is quickly rebounding from the impacts of COVID-19. From an April low of 7,326 rides (57% of the pre-COVID month of highest

ridership), MOD completed 10,062 rides in June (78% of the pre-COVID month of highest ridership). We anticipate this ridership recovery trend to continue.



The recovery in ridership has likewise substantially reduced the subsidy per ride from the April spike experienced due to the impacts to travel of COVID-19. We anticipate this subsidy per ride trend to continue.



Despite COVID-19 related challenges, MOD continues to achieve most of its Key Performance Indicators. The project remains under budget, completes more than 1,000

rides per week, maintains a wait time of less than 10 minutes, and earns an average ride rating above 4.5 stars.

Due to the flexibility of Metro's contract with Via, Metro rapidly deployed a pilot-within-a-pilot for food and essential goods delivery in partnership with First 5 LA. Since April 30, Metro has delivered 196 packages to families in need that reside in the First 5 LA "Metro LA" Best Start Community at an average cost per delivery of \$5.71. Food and essential goods delivery has proven to be an effective use of surplus driver hours especially while ridership has been reduced due to COVID-19. It has increased the MOD utilization rate and thereby improved the program's cost-effectiveness.

In addition to the Board's prior approval of the CEO's authority to extend the pilot through January 2021, on June 25, 2020 the Board also approved expansion of emergency food and essential goods delivery to First 5 LA's fourteen Best Start Communities up to 750 deliveries per week and authorized the CEO or his designee to execute necessary agreements and amendments to contracts as related.

The contract modification includes the following:

- Extend the existing contract for an additional six months;
- Expand emergency food and essential goods delivery to First 5 LA's fourteen Best Start Communities up to 750 deliveries per week (3,000 deliveries per month or 30,000 meals per month) per the June 25, 2020 the LACMTA Board of Directors approval; and
- Formally codify adjustments to the service operations to address the changing and exigent needs brought by the COVID-19 pandemic, including:
  - point-to-point trips in addition to first/last mile to transit
  - access to essential destinations (like hospitals, markets and other essential services) located just outside the service area boundaries; and
  - change from shared to single rides only to provide social distancing per industry standard for on-demand rides.

Staff expect that all expenses incurred between March 16, 2020 through January 31, 2021 will be reimbursable under FEMA and are taking the necessary steps to submit expenditures for reimbursement.

Staff is also working with the FTA Independent Evaluator to ensure that Metro meets the obligations as a grant recipient of the Mobility on Demand Sandbox Program. Via will send out the post-grant period of performance rider survey on behalf of FTA. Research and analysis of the pilot continues and the Eno Center for Transportation will publish two additional policy papers in the coming months, one on fare integration and one on ADA accessibility.

Finally, Via has reported to staff that they are currently in compliance with AB5. Staff will continue to monitor this issue closely through the remainder of the contract to ensure ongoing compliance with any current or future requirements of AB5.

## **Financial Impact**

There is no impact to the budget as funds have already been programmed for this use and the program is expending less money than was budgeted. The Board authorized \$7,434,035 for two years of MOD contract services through January 2021. More than \$4,000,000 of budgeted funds remain available. In addition, staff expects that all costs incurred during the six-month extension are eligible for reimbursement by FEMA.

## **Next Steps**

CEO has approved staff's recommendation to modify and extend the Existing Contract for an additional six months beyond the current contract expiration date, which will be processed by Vendor/Contract Management following final County Counsel review. Staff will take steps to prepare for the end of the contract, including all required FTA reporting.

Considering the number of riders who are relying on Mobility on Demand for their ongoing travel needs during the COVID-19 health crisis, the CEO has requested staff evaluate issuing a solicitation for an on-demand mobility service to ensure operational continuity when the current contract extension expires. This effort will coordinate closely with Operations to ensure that any such initiative is both complementary to and integrated with evolving NextGen and MicroTransit Pilot efforts, considers operating efficiency, equity, and other lessons learned during the pilot phase, in addition to abiding by all requirements of AB5. The solicitation would act as a bridge between current MOD service insofar as it addresses essential trips during the ongoing COVID-19 health crisis and longer-term and permanent implementation of a suite of on-demand services as part of Metro's overall mobility strategy.