

**Board Report**

File #: 2018-0117, **File Type:** Contract**Agenda Number:** 38.

**EXECUTIVE MANAGEMENT COMMITTEE
APRIL 12, 2018****SUBJECT: MICROTRANSIT PILOT PROJECT (MTP)****ACTION: AWARD CONTRACTS FOR MICROTRANSIT PILOT PROJECT (MTP)****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award the following firm fixed price contracts to firms to partner with Metro for planning, designing, testing and evaluating a new transportation technology-based service for traveling short distances, subject to resolution of protest(s), if any:

- A. Contract No. PS46292001 to RideCo in the amount of \$219,650.26 for 6 months;
- B. Contract No. PS46292002 to NoMad Transit LLC in the amount of \$348,684.69 for 6 months;
and
- C. Contract No. PS46292003 to Transdev in the amount of \$316,912.31 for 6 months.

ISSUE

To drive the best value in pilot design, Metro is using a pre-development agreement contracting model that will allow the agency to maximize integration of privately developed technologies and approaches, promote shared risk and reward with private partners, and drive attainment of project performance goals. The pre-development agreement consists of two parts, Part A (“planning and design”) and Part B (“implementation and evaluation”).

The recommendation of multiple awards for Part A, the planning and design of a financially and technically feasible on-demand MicroTransit service ensures the agency will receive the most effective solution and increases the likelihood of success for what is a very new and untested technology. These three contracts will serve as the agency’s first pre-development P3s.

Upon delivery of Part A, Metro, in its sole discretion, will determine if the proposed services meet established feasibility criteria. If achieved, Metro will offer the right of first negotiation for Part B, implementation and evaluation of the MicroTransit service.

DISCUSSION

Metro's desire is to improve the customer experience and service level for existing Metro riders and drive new customer acquisition. We will do this by operating a new demand-responsive service that offers reservation, payment, and real-time customer information available through a mobile application.

The goal of the project is to determine whether a Metro-provided on-demand service can provide a convenient new travel option in a primarily fixed-route transit network for current customers while also encouraging new customers to use transit.

On October 25, 2017, Metro issued a Request for Proposal (RFP) to procure services from qualified firms or Contractor Team(s) to partner with Metro for planning, designing, testing and evaluating a new transportation technology-based service for traveling short distances.

New Award Contracts

The up-front investment in Part A will increase the likelihood that Metro will receive solutions that can achieve the agency's policy and project performance goals within existing project constraints. Awarding contracts to multiple Contractor Teams is reflected within and supported by the language included in the RFP.

The three Contractor Teams that are awarded Part A will be responsible for the delivery of three feasibility studies. Each study will consist of 7 tasks:

- Task 1: Transportation Planning and Analysis
- Task 2: Software/Technology Solution Plan
- Task 3: Performance Plan
- Task 4: Cost Structure, Payment & Recovery
- Task 5: Capital Programming
- Task 6: Communications Plan
- Task 7: Innovation

Metro will own the resulting deliverables and work product for Part A, including any associated intellectual property rights.

DETERMINATION OF SAFETY IMPACT

Metro's on-demand service offering is intended to improve safety and security for current and future Metro customers. Meeting or exceeding Metro's safety standards will be a core consideration in service design and delivery.

FINANCIAL IMPACT

The funding for Part A is included in FY18 and FY19 budgets in Project 100002, Cost center 2031

and Account 50316.

Impact to Budget

State and local funds (Prop A, C, and TDA Administrative funds) are being utilized to fund Part A. These funds are not eligible for bus and rail operations. There is no impact to existing federal funding.

ALTERNATIVES CONSIDERED

The Board may decide not to authorize the execution of these Contracts. This alternative is not recommended as this project is included in the Board approved Twenty-Eight by '28 projects.

NEXT STEPS

Upon Board approval, Metro staff will execute the new Contracts with all three firms. The feasibility studies will be completed by the end of 2018. If Metro selects to move forward to Part B, Metro staff will then bring the life of project budget to the Board for consideration. Upon Board approval, MicroTransit service will begin operations in 2019.

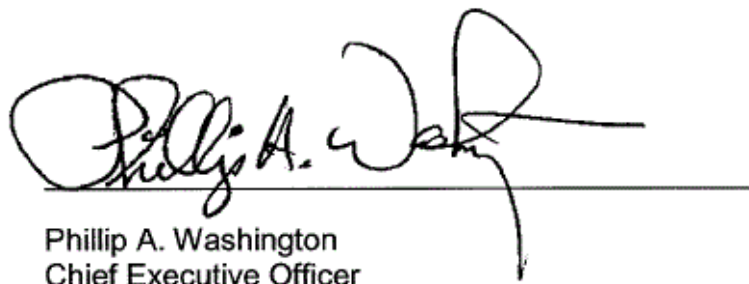
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

MICROTRANSIT PILOT PROJECT/PS46292001, PS46292002, PS46292003

1.	Contract Numbers: PS46292001, PS46292002, PS46292003	
2.	Recommended Vendors: RideCo, NoMad Transit LLC, and Transdev	
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: October 25, 2017	
	B. Advertised/Publicized: October 25, 2017	
	C. Pre-Proposal Conference: November 14, 2017	
	D. Proposals Due: December 22, 2017	
	E. Pre-Qualification Completed: February 27, 2018	
	F. Conflict of Interest Form Submitted to Ethics: January 25, 2018	
	G. Protest Period End Date: April 16, 2018	
5.	Solicitations Picked up/Downloaded: 203	Bids/Proposals Received: 8
6.	Contract Administrator: Roxane Marquez	Telephone Number: 213-922-4147
7.	Project Manager: Rani Narula-Woods	Telephone Number: 213-922-7414

A. Procurement Background

This Board Action is to approve Contract Nos. PS46292001, PS46292002, PS46292003, respectively, issued to RideCo, NoMad Transit LLC, and Transdev (referred to individually as “Contractor” and collectively as “Contractors”), in support of the planning, design and development of MicroTransit, a new transportation service to complement Metro’s existing system. Board approval of contract awards are subject to resolution of any properly submitted protest.

Prior to the release of the Request for Proposal (RFP), an Industry Forum was convened at Metro on August 29, 2017 to provide a project overview of the MicroTransit Pilot Project and offer SBEs and DVBEs an opportunity to meet with potential Metro prime contractors to help create partnering opportunities for the MicroTransit Pilot Project. Participants included technology firms, marketing and outreach specialists and transportation planners. The Industry Forum included a presentation of the Scope of Work, as well as a speed-networking opportunity to encourage the assembly of Contractor Teams for the delivery of this project. Over 300 participants attended the event, including large business primes, small businesses and Metro staff.

The RFP was issued in accordance with Metro’s Acquisition Policy and the contract type is a firm fixed price. The RFP was issued with a SBE/DVBE goal of 15% (SBE 12% and DVBE 3%). The RFP was solicited using a pre-development agreement contracting model that consists of two parts: Part A (planning and design of a financially and technically feasible on-demand MicroTransit service) and Part B

(implementation and evaluation). This Board Action is to approve Part A, Planning and Design only. Part B will be a future Board action, at Metro's sole discretion, depending on the feasibility of Part A. A pre-proposal conference was held on November 14, 2017, and was attended by 74 participants representing 49 companies. There were 81 questions asked and responses were released prior to the proposal due date.

One amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on November 29, 2017, clarified instructions to Proposers – Submittal Requirements and extended the proposal due date to December 22, 2017.

A total of 203 firms downloaded the RFP and were included in the planholders' list. A total of eight proposals were received on December 22, 2017.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from the Office of Extraordinary Innovation, Operations, Countywide Planning and Development, Communications and Information Technology was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- | | |
|--|------------|
| • Qualifications and Partnerships | 30 percent |
| • Effectiveness of Plan for Delivery of Part A | 20 percent |
| • Effectiveness of Plan for Delivery of Part B | 10 percent |
| • Innovation and User Experience | 20 percent |
| • Price Proposal | 20 percent |

Several factors were considered when developing these weights, giving the greatest importance to qualifications and partnerships of the team with public agencies and private sector companies.

On January 25, 2018, the Proposal Evaluation Team (PET) completed its independent evaluation of proposals. The PET determined that two firms were outside the competitive range and were not included for further consideration.

The six firms within the competitive range are listed below in alphabetical order:

1. Datamatics
2. DemandTrans Solutions, Inc.
3. NoMad Transit LLC
4. RideCo

5. Siemens
6. Transdev

All teams within the competitive range were invited to interview and to conduct an in-vehicle demonstration of their proposed software/technology platform with the PET. On January 31, 2018, DemandTrans Solutions, Inc. notified Metro of their decision to decline the invitation to interview.

During the weeks of February 5, 2018 and February 12, 2018, the PET met with the remaining five firms where they participated in pre-demonstration interviews, in-vehicle demonstrations testing firms' software/ technology platform and post-demonstration interviews. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's specific questions regarding Part A and Part B of the Statement of Work. Each team also had an opportunity to present real-time analytics of their in-vehicle demonstration in a post-demonstration interview and respond to the PET's questions regarding the in-vehicle demonstration. In general, each team's presentation addressed the requirements of the RFP, experience with the eight required tasks, and stressed their commitment to partner with Metro for the success of the project. Also highlighted were staffing plans, work plans, and anticipated project opportunities and constraints.

Qualifications Summary of Firms within the Competitive Range:

RIDECO

RideCo is a full-service organization with experience performing on-demand planning, service design, technology customization, white labelling, payment integration, technology platform deployment and maintenance, operational training, launch support, and performance optimization. RideCo's demonstrated expertise in emerging on-demand technologies, experience with launching on-demand services, effective project management, quality control and risk, and a skilled team of project personnel demonstrating in-depth emerging technology.

The proposal and oral presentation demonstrated experience in all required tasks including planning, service design, and technology customization across a wide range of disciplines. RideCo identified projects that involved the unique challenges in service planning for both the private and public sector, understanding risk and reward opportunities. In addition, RideCo demonstrated that its key personnel have expertise in the planning and design of mobility services for the public and private sector alike. RideCo's team consists of a transportation consulting company, a leading communications firm, communications specialists, on-demand project manager with direct public agency expertise, and a Los-Angeles based partner with direct experience with community outreach for Metro.

RideCo presented impressive real-time analytics from their in-vehicle demonstration that covered key performance indicators such as average wait time, average ride-rating, on-time pickup (percentages) and on-time drop-off (percentages). RideCo also presented efficiency and cost recovery KPI's, performance targets and several other measurements which drew the attention of the evaluation team to be useful for Metro. Most notably unique to RideCo's expertise is the advance knowledge of on-demand and emerging technology and the ability to leverage data and analytics to model opportunities for new deployments.

The project manager is a founding team member with RideCo since 2014 and has experience in building and managing operational teams for deploying new mobility services. The project manager led on-demand deployment with Metrolinx (public agency) in Canada and continues to with Grab in Singapore. The principal in-charge has experience in planning and launching on-demand services, and has expertise in software engineering where he co-invented the technology platform.

Currently, RideCo technology is being used for on-demand services in Canada and Singapore.

NOMAD TRANSIT LLC (Via)

NoMad Transit LLC ("Via"), is a wholly-owned subsidiary of Via Transportation, Inc. Via is a ridesharing company focused on servicing on-demand mobility through the use of a customized software technology platform. Via is headquartered in New York City.

The proposal and oral presentation demonstrated a clear understanding of the Statement of Work as they presented a focus on achieving specific agency-wide goals in designing a service to complement and optimize Metro's existing service. Via noted the need for Metro to upgrade their existing service for the customer experience of current and future riders.

Via demonstrated expertise in emerging technologies, effective project management, quality control and an experienced team of project personnel. The proposal and oral presentation provided a detailed management plan, addressing transportation analysis and modeling, software/technology solutions, a performance plan, capital programming and a cost structure, payment and recovery plan. Notably, the management team identified schedule constraints and provided solutions in meeting these constraints.

Via displayed experience in all required tasks including a deep working knowledge of on-demand transportation planning and implementation and expertise in emerging technology with an experienced team of project personnel. The proposal identified projects involving coordination with the public sector, vehicle procurement and branding, wayfinding, signage and the use of user-experience (UX) and user-interface (UI) principles.

Via created a team that combines industry-leading new mobility expertise and familiarity with Los Angeles and Metro. Their team consists of a transportation consulting company, a leading marketing and advertising firm focused on transportation based in Los Angeles, and a marketing, branding and outreach firm located in Fresno. The project manager joined Via in 2017 and has direct experience in the management of Via's deployments, including the launch and optimization of the company's software/technology platform. During the interview, the project team demonstrated a strong knowledge of multimodal transit planning and outreach capabilities, citing social and digital strategies as well as private sector partnership opportunities.

Currently, Via technology is being used for on-demand services in Chicago, New York, and Washington DC.

TRANSDEV

Transdev, formerly Veolia Transdev, is a French-based international transport operator, with operations in 19 countries and a Maryland-based corporation.

Transdev's showed expertise in a broad range of disciplines, including a strong working knowledge of bus rapid transit, shuttles, fleet maintenance and multimodal services, and experience in planning, designing, deploying and operating numerous modes of transportation. The proposal and presentation demonstrated expertise in cost-effective fixed route operations, effective project management, quality control and risk management plans, and an experienced team of project personnel.

Transdev's proposal and oral presentation outlined the delivery of a software/technology platform built to meet transit regulations, including Title VI, ADA, etc. It demonstrated substantial experience in delivering projects to the public sector; notably, their experience with paratransit, airport, employee commuter services and operations for over 50 years.

Transdev's key personnel have direct experience across a breadth of disciplines, design, and a range of specific project experience applicable to the Project. Their team consists of a transportation consulting company, a leading marketing firm, and communications specialists. The project manager has over 10 years of experience and has direct experience in leading the deployment of on-demand service with the HART Hyperlink pilot in Tampa, Florida. Other key personnel average over 41 years of experience.

Currently, Transdev technology is being used for on-demand services in Florida, Australia, and the Netherlands.

DATAMATICS

Datamatics Global Services Inc. has been in business for 40 years and currently has over 8,000 employees worldwide. Datamatics provides comprehensive engineering, mobility and analytics solutions to the mass transit industry. Datamatics has experience working with private sector and public agencies such as Dubai Metro and Airport, Transportation for London, Swedish Rail, and Lucknow Metro. Their mobility division specializes in designing and building mobile applications with more than 400 developed to-date.

Datamatics demonstrated experience in technology customization and UX and UI design and presented key mobile application projects including an Online Cab Booking App, Spireon, Azuga-Danlaw and Veolia Water maintenance application. The firm provided a management plan that included a project organization chart, communication plan, quality control methodology, change management plan, and methodology for selecting pilot locations. During the oral presentation the team elaborated upon Datamatics' expertise in technology and their ability to build custom software to Metro's specific needs.

The evaluation team participated in Datamatics' in-vehicle demonstration and noted the app experience to be user-friendly. However, the PET determined the software/technology platform had a few features which could be added for on-demand mobility service.

SIEMENS

Siemens is a Fortune 50 infrastructure and technology company with 350,000 employees in 200 countries that has been in business since 1847. Siemens has strong experience in road and rail projects for over 170 years. The Intelligent Traffic Solutions (ITS) division was created 60 years ago for developing and testing technology for traffic management.

Siemens' proposal and oral presentation showcased expertise in a broad range of disciplines, expertise in emerging technologies, effective project management, quality control and featured an experienced team of project personnel. The firm demonstrated substantial experience in traffic management, mobility, energy saving services and project management. Siemens also highlighted transportation technologies experience with Seattle Department of Transportation and a new mobility project in Tampa, Florida.

Siemens proposal and in-vehicle demonstration of their technology platform identified additional information was needed in their software app for UX and UI.

After the PET evaluated the proposals and conducted the interviews and in-vehicle demonstrations, the firms earned the following scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	RideCo				
3	Qualifications & Partnerships	82.02	30.00%	24.61	
4	Effectiveness of Plan for Delivery of Part A	81.50	20.00%	16.30	
5	Effectiveness of Plan for Delivery of Part B	80.00	10.00%	8.00	
6	Innovation and User Experience	76.00	20.00%	15.20	
7	Cost Proposal	82.44	20.00%	16.49	
8	Total		100.00%	80.60	
9	NoMad Transit LLC				
10	Qualifications & Partnerships	88.01	30.00%	26.40	
11	Effectiveness of Plan for Delivery of Part A	85.13	20.00%	17.03	
12	Effectiveness of Plan for Delivery of Part B	83.50	10.00%	8.35	
13	Innovation and User Experience	80.67	20.00%	16.13	
14	Cost Proposal	41.25	20.00%	8.25	
15	Total		100.00%	76.16	
16	Transdev				
17	Qualifications & Partnerships	87.10	30.00%	26.13	
18	Effectiveness of Plan for Delivery of Part A	82.67	20.00%	16.53	
19	Effectiveness of Plan for Delivery of Part B	83.00	10.00%	8.30	
20	Innovation and User Experience	74.34	20.00%	14.87	
21	Cost Proposal	40.35	20.00%	8.07	
22	Total		100.00%	73.90	
23	Datamatics				
24	Qualifications & Partnerships	68.00	30.00%	20.40	
25	Effectiveness of Plan for Delivery of Part A	71.57	20.00%	14.31	
26	Effectiveness of Plan for Delivery of Part B	73.50	10.00%	7.35	
27	Innovation and User Experience	70.33	20.00%	14.07	4

28	Cost Proposal	65.29	20.00%	13.06	
29	Total		100.00%	69.19	
30	Siemens				
31	Qualifications & Partnerships	69.77	30.00%	20.93	
32	Effectiveness of Plan for Delivery of Part A	68.76	20.00%	13.75	
33	Effectiveness of Plan for Delivery of Part B	58.00	10.00%	5.80	
34	Innovation and User Experience	61.96	20.00%	12.39	
35	Cost Proposal	22.57	20.00%	4.51	
36	Total		100.00%	57.38	5

The PET completed its evaluation of the above mentioned proposals on February 15, 2018 after oral presentations and in-vehicle demonstrations were held. The three firms ranked the highest to perform Part A, the planning and design phase of a MicroTransit service, were also ranked competent to perform Part B, project implementation. The PET determined it was in the best interest of Metro to award to multiple Contractor Teams to produce the most cost effective solution and increase the likelihood of success for this pilot project. Awarding to multiple firms is reflected within the RFP should Metro determine that this is in the best interest. Therefore, based on the unique offerings of the top three Contractor Teams, the PET recommends multiple awards for Part A as follows:

1. RideCo
2. NoMad Transit LLC
3. Transdev

C. Price Analysis

The recommended pricing has been determined to be fair and reasonable based upon an independent cost estimate, price analysis, technical evaluation, clarifications and negotiations.

	Proposer Name	Proposal Amount	Metro Independent Cost Estimate	Negotiated Amount
1.	RideCo	\$246,488.28	\$615,274	\$219,650.26
2.	NoMad Transit LLC	\$504,648.52	\$615,274	\$348,684.69
3.	Transdev	\$554,252.31	\$615,274	\$316,912.31
4.	Datamatics	\$458,792.05	\$615,274	
5.	Siemens	\$1,177,738.52	\$615,274	

The total recommended award amount for Part A for all three Contractor Teams totals \$885,247.26.

D. Background on Recommended Contractors

RideCo

The first recommended firm, RideCo, is located in Waterloo, Canada and has been in business since 2014 as a fast-emerging on-demand technology company that has already launched and operated dynamic on-demand services in multiple cities, spanning both public and private sectors. RideCo is a full-service organization with experience in planning, service design, technology customization, payment integration, technology platform deployment and maintenance, and ongoing performance optimization. The firm possesses experience in a diverse range of on-demand projects with multi-facet offerings of services. RideCo technology is used on-street in Canada and Singapore today. Ridership of services using the technology amount to more 900 million users.

NoMad Transit LLC

The second recommended firm, NoMad Transit LLC (“Via”), is a wholly-owned subsidiary of Via Transportation, Inc. Via is a ridesharing company based in New York City. The company was founded in 2012 and operates in all five boroughs of New York City, areas of Chicago, and Washington DC. The company’s technology is used in ridesharing projects in Paris, United Kingdom and Austin, Texas. Via has delivered more than 25 million rides. The company has partnerships with Mercedes-Benz (a major Via investor and joint venture partner), Arriva, Keolis, the Capital Metropolitan Transportation Authority in Austin, Texas, the City of Arlington, Texas, and the City of West Sacramento. In March 2016, Via submitted an unsolicited proposal to the Office of Extraordinary Innovation proposing testing on-demand technology for shared rides.

Transdev

The third recommended firm, Transdev, a Maryland-based corporation, is a provider of multi-modal transportation operations and maintenance with over a 100 years of history and experience. Transdev operates and maintains over 12,000 vehicles and manages more than 18,000 employees in North America. The firm is well-noted for their transportation experience in the public sector offering ADA-compliant vehicles, and fixed-route bus service. Transdev has partnered with a transit agency in Tampa, Florida to operate on-demand service. Recently, Transdev launched an on-demand pilot in Sydney, Australia.

DEOD SUMMARY

MICROTRANSIT PILOT PROJECT/PS46292001, PS46292002, PS46292003

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 12% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. All proposed awardees exceeded the goal as listed in the following table:

Prime: Rideco (PS46292001)

	Name of Subcontractors	% SBE Commitment	% DVBE Commitment
1.	Civic Projects Incorporated (SBE)	9.40%	
2.	Arellano Associates (SBE)	19.19%	
3.	DVE Global Marketing, Inc. (DVBE)		3.64%
	Total Commitment	28.59%	3.64%

Prime: NoMad Transit LLC (PS46292002)

	Name of Subcontractors	% SBE Commitment	% DVBE Commitment
1.	Pulsar Advertising (SBE)	13.16%	
2.	Flagship Marketing (DVBE)		5.45%
	Total Commitment	13.16%	5.45%

Prime: Transdev Services Inc. (PS46292003)

	Name of Subcontractors	% SBE Commitment	% DVBE Commitment
1.	Arellano Associates (SBE)	13.05%	
2.	Wilson, Sparling & Associates (SBE)	4.43%	
3.	Virtek Company (DVBE)		5.71%
	Total Commitment	17.48%	5.71%

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is not applicable to this Contract.

C. Prevailing Wage Applicability

Prevailing Wage is not applicable to this Contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract.