



## Board Report

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### EXECUTIVE MANAGEMENT COMMITTEE JUNE 18, 2020

**SUBJECT: MOBILITY ON DEMAND EMERGENCY FOOD AND ESSENTIAL GOODS DELIVERIES**

**ACTION: APPROVE RECOMENDATIONS**

#### **RECOMMENDATION**

CONSIDER:

- A. APPROVING expansion of emergency food and essential goods delivery to First 5 LA's five Best Starts regions (which include 14 subcommunities) up to 750 deliveries a week, as further described in Attachment A and Attachment B; and
- B. AUTHORIZING the CEO or his designee to execute necessary agreements and amendments to contracts as related.

#### **ISSUE**

As part of its Mobility on Demand (MOD) contract, Metro partnered with First 5 LA, an independent non-profit public agency, to temporarily provide delivery of emergency food and essential goods to families in Central Los Angeles, in partnership with the non-profit organization Para Los Ninos. Staff have received requests from First 5 LA for additional delivery support of (up to 750 deliveries a week) to families in all Best Starts communities (14 LA County communities in 5 regions) (Attachment A and B). Such an expansion of food deliveries could be accomplished within the existing contract budget. Serving additional areas would require establishment of new dedicated food delivery zones, outside of the initially identified as the MOD service areas. Staff is requesting approval to expand this temporary delivery service to areas identified by First 5 LA 14 Best Start communities service areas.

#### **BACKGROUND**

In January of this year, Metro's Board of Directors approved an extension to Metro's contract with Via for Mobility on Demand (MOD) through July 31, 2020, with authority delegated to the CEO to extend the project further through January 30, 2021. In May, staff reported back on the costs and benefits of

the service, the changing demand for the service, and the COVID-19 crisis response.

As part of our COVID-19 response, staff established a temporary partnership with First 5 LA and Para Los Ninos utilizing existing contract resources to deliver food and essential goods to 33 families in the “Metro LA” Best Starts area. In March of 2020, the outbreak of COVID-19 decreased ridership overall for the MOD Pilot, though MOD ridership decreased less than traditional Metro services and transit services world-wide. In partnership working with First 5 LA, staff rapidly deployed a pilot-within-a-pilot test of food and essential goods delivery utilizing surplus driver hours on our existing MOD contract, within the existing contract budget allocation. The flexibility of Metro’s contract with Via was key to getting the partnership quickly up and running. These deliveries went to single-parent families with young children who are unable to go to the store safely, or families with sick or otherwise vulnerable family members, who cannot afford to order traditional home delivery groceries nor have resources currently to pay for food. First 5 LA is a state-funded early childhood education agency for the County and their Best Start network includes 14 geographic areas (including Central Long Beach, Broadway Manchester, Compton, East LA, Metro LA, Pacoima, Palmdale, Panorama City, Lancaster, South East LA, South El Monte/El Monte, West Athens and Wilmington) in LA County that have faced historic disenfranchisement and oppression through political, economic, social and environmental factors that aggravate chronic family stressors such as violence and poverty identified as identified in their strategic plan (Attachment A).

#### Other Cities / Transit Agencies Providing Emergency Food Delivery

Many other cities and transit providers have used their surplus transit vehicles and operational capacity to deliver food and essential goods to families in poverty, the disabled and elderly during the COVID-19 crisis. Locally, this includes Access Services, and the City of LA Meals on Wheels in partnership with LADOT. Throughout the US, Capital Metropolitan Transportation Authority (Cap Metro) in Austin, Texas, is working with H-E-B and the Central Texas Food Bank to provide Help-at-Home Kits to Cap Metro’s MetroAccess clients free of charge. The Regional Transportation Commission (RTC) of Southern Nevada is working with Three Square to ensure seniors will still have access to food through deliveries. Smaller transit providers are also filling in where they are needed, such as in Linn County, Iowa, where LIFTS is transporting food throughout the county to combat food insecurity. Livingston Essential Transportation Service (LETS) in Livingston County, Michigan, is working with community organizations, such as Meals on Wheels and local food pantries, to ensure meals are being delivered. In Minnesota, customers who usually book rides through the paratransit service Metro Mobility can now book “rides for supplies.” Metro Mobility customers can order groceries and other household essentials online and have a certified Metro Mobility driver pick the order up and deliver it for free.

## **DISCUSSION**

### How do the deliveries work?

Staff’s proposal would provide up to 750 deliveries a week to needy families in the First 5 LA Best Starts communities through the COVID-19 crisis. To conduct deliveries, LA Metro staff, Via, First 5 LA and partner non-profits work collaboratively to collect information about food pantry/bank distribution locations and availability and information about family residence locations. Via collects all the location data and processes it in their backend routing software to optimize the route and

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pickup/delivery schedule for efficiency. The information exchange between the partners is outlined in Attachment C - Food and Essential Goods Delivery Process Flow.

### Costs

An expanded emergency food and essential goods delivery service would be paid with surplus resources under the existing MOD contract that are not being utilized due to ridership declines associated with the COVID-19 crisis. The costs for delivering up to 750 deliveries per week would be up to \$35,750 monthly, plus a one-time setup cost of \$5,000 (Attachment D). Staff expects each food and essential goods delivery to cost on average \$12.15 (((\$35,750 monthly cost x 7 months + \$5,000 set-up cost) / 7 months / 3,000 deliveries per month) ; this delivery includes two trips; one pickup from a central location (food pantry or non-profit office) and one delivery to the family's home. The food and good are donated by local organizations.

The cost of delivering goods is less than the \$34 (\$17 Via one-way ride subsidy x 2 ) cost of taking a Via ride to a grocery store and back and comparable to the \$8.32 (\$4.16 average bus subsidy x 2) cost Metro would pay for two transit trips to the store and back.

Staff does not expect that the resources diverted to deliveries would constrain our ability to continue providing ride services due to reductions in travel demand from COVID-19. Staff estimates that the maximum expenditure on these deliveries would be up to \$255,250 if the service continues till the end of an extended contract on Jan 31, 2021. The cost for deliveries would make up approximately 14 percent of the total monthly invoice based on the April MOD service invoice.

### **DETERMINATION OF SAFETY IMPACT**

The MOD pilot-within-a-pilot emergency food and essential goods delivery will not have any adverse safety impacts on Metro employees or patrons. It may have a positive safety benefit by reducing virus transmission risk by providing social distancing options for transit users and providing essential deliveries to patrons in a time of need.

### **FINANCIAL IMPACT**

#### Impact to Budget

There is no impact to the budget, as funds are already programmed for this use and the program is expending less money than was budgeted due to less than expected ridership during COVID-19 Safer-at-Home orders limiting non-essential travel. 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. The costs for delivering up to 750 deliveries per week would be \$35,750 monthly, plus a one-time setup cost of \$5,000 (Attachment D). Staff expects that the costs estimated above are eligible for reimbursement by the CARES act and by FEMA.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Staff's recommendation supports the following goals form Metro's Strategic Plan:

*Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.*

The project increases access to Metro fixed route services with a platform that provides excellent

customer experience and shortens travel times for riders who must transfer.

*Goal 2: Deliver outstanding trip experiences for all users of the transportation system.*

The project provides seamless journeys and expands access to on-demand transportation to riders who use wheelchairs, do not have smart phones, or do not have the financial means to use private services.

Equity Platform Framework

The project is addressing inequity in new mobility options by providing access to people who would not otherwise be able to afford on-demand rideshare platforms like Uber and Lyft. The project allows people without smartphones or bank accounts, as well as people who use wheelchairs, to experience the benefits of on-demand mobility and seamless access to Metro fixed-route offerings. MOD is offered in low income areas and marketed to low income riders.

**ALTERNATIVES CONSIDERED**

The Board may choose not to extend the food and essential goods delivery to all First 5 LA communities, which would reduce projected project expenditures, but would reduce options for vulnerable families to access food and other essential goods without leaving their homes. Staff does not recommend this approach.

**NEXT STEPS**

Metro, Via and First 5 LA will evaluate the opportunities for food and essential goods delivery through surveys to the participating families and through an analysis of delivery service hours utilized per delivery. Staff will use guiding principles in the Understanding How Women Travel report to conduct an analysis and engage the Metro Women and Girls Governing Council to review and guide this pilot-within-a-pilot. Staff will look to baseline the goods delivery costs against industry standard costs (services like Instacart and Postmates) and evaluate if combining on-demand ride services with goods delivery in a public-private partnership model may improve the efficiency of the overall program.

Metro staff will continue to analyze Via service during the COVID-19 crisis, as well as the feasibility of exercising the CEO's authority to approve an extension of the current contract, which expires at the end of July, for an additional six months through January 2021. The service will continue to operate and provide transportation for essential workers and for essential trips. Metro staff is continuing to analyze the service and ridership levels and make adjustments as needed in order to ensure that the service continues to meet the needs of patrons during this unpredictable time, as well as to better understand how such on-demand models may fit into Metro's long term service offerings.

If extended, Staff will return to the Board with the quarterly Receive and File update on MOD in Fall 2020 to report back on on-demand rides and the progress of the food and essential goods deliveries.

**ATTACHMENTS**

Attachment A - First 5 LA 13 Best Start Communities

Attachment B - Best Start Emergency Food and Essential Goods Delivery Plan Letter

Attachment C - Food and Essential Goods Delivery Process Flow

Attachment D - Food and Essential Goods Delivery Budget

Prepared\_by

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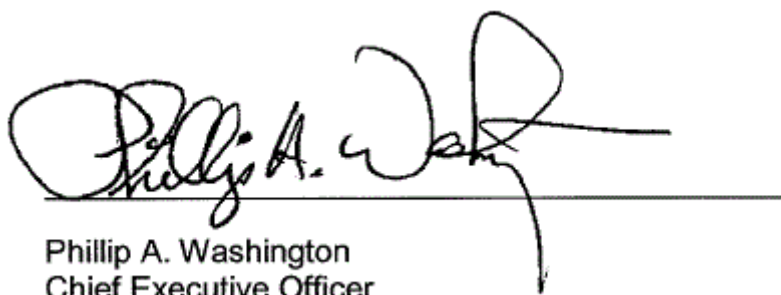
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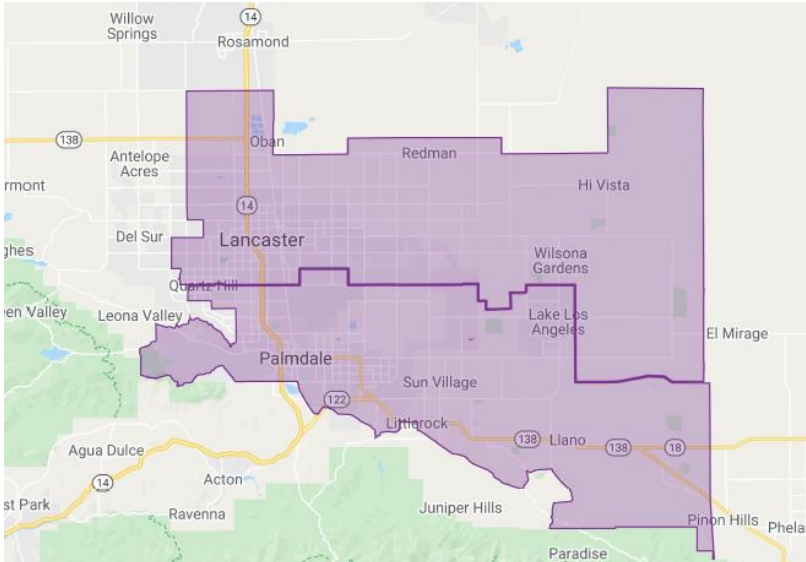
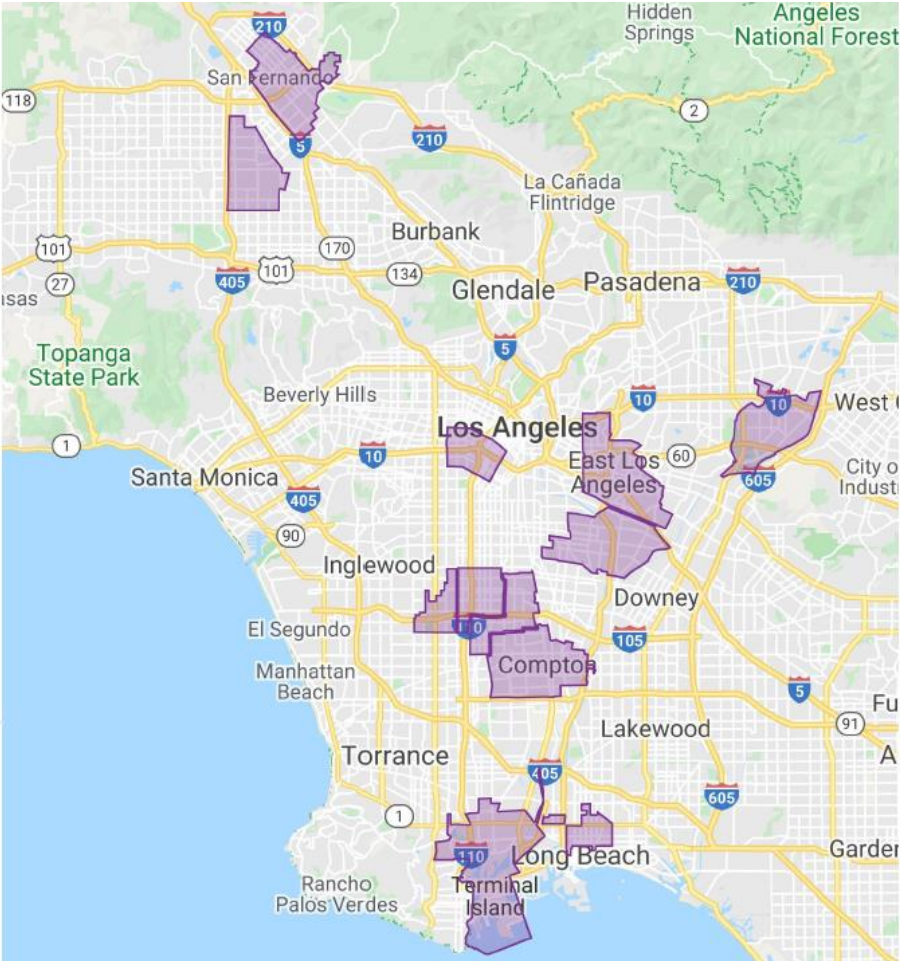


Phillip A. Washington  
Chief Executive Officer

First 5 LA 14 Best Start Communities

Best Start Communities Revised Boundaries

- Central Long Beach
- Broadway Manchester
- Compton
- East LA
- Lancaster
- Metro LA
- Pacoima
- Palmdale
- Panorama City
- SELA
- South El Monte/El Monte
- Watts Willowbrook
- West Athens
- Wilmington

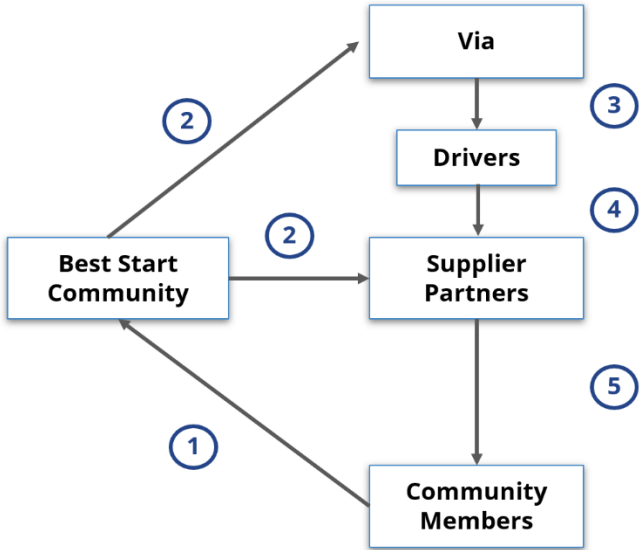


## Best Start Emergency Food and Essential Goods Delivery Plan

Best Start Region	Best Start Communities	Target delivery minimum	Max Deliveries / week	Potential growth in deliveries / week	Geographic proximity To MOD Service Area	Density
<b>Region 1</b> Central-East LA	Metro LA	50	275	Low	15 mins	High
	South-East LA		50	Low	10-15 mins	Medium
	El Monte		50	Low	0-5 mins	Medium
	East LA		50	Low	10-15 mins	Medium
<b>Region 1</b> Karsh Center	Metro LA		25	Medium	15 mins	High
<b>Region 2</b> South LA	Broadway Manchester, Watts Willowbrook, West Athens	50	15	High	5-10 mins	Medium
<b>Region 3</b> San Fernando Valley	Pacoima, Panorama City	50	40	Medium	10-15 mins	Medium
<b>Region 4</b> Long Beach	Wilmington, Long Beach	Estimated 50	Estimated 50	TBD	30 - 50 mins	Medium
<b>Region 5</b> Antelope Valley	Palmdale, Lancaster	50	40	Medium-High	80-90 mins	Low
<b>Total</b>		300	595			

Food and Essential Goods Delivery Process Flow

Delivery Flow: Phase 1



1. Community members contact the Best Start Community to make delivery requests up to 24h in advance
2. Best Start Community submits delivery requests to Via and supplier partners simultaneously via the [Request Form](#)
3. During each delivery window, Via dispatches drivers to supplier partners to fulfill each request
4. Supplier partners receive Via's drivers and provide them with required packages
5. Drivers deliver packages to community members





## Food and Essential Goods Delivery Budget

## LA Metro | Via Food Delivery Costs |

<b>Driver Hours (Pass-Through at Current Contract Rates):</b>		
	<b>Cost to Via (per driver hour)</b>	<b>Cost to LA Metro (per driver hour)</b>
Standard driver hours	\$21.00	\$21.00
Accessible vehicle driver hours	\$35.00	\$35.00
<b>One-Time Setup Costs (Discounted):</b>		
	<b>Cost to Via (one-time fee)</b>	<b>Cost to LA Metro (one-time fee)</b>
Tech set-up	\$10,000	\$5,000
<b>Ongoing Operational Costs:</b>		
	<b>Cost to Via (per week)</b>	<b>Cost to LA Metro (per week)</b>
Project management / operations support	\$850	\$850
Customer support	\$700	\$350
	<b>Cost to Via (per driver hour)</b>	<b>Cost to LA Metro (per driver hour)</b>
IT hosting	\$2.50	\$2.50
<b>Monthly Cost Simulation: 750 deliveries</b>		
<i>Excludes tech-set up fees</i>		<b>Cost to LA Metro</b>
Utilization assumption		2.5
Number of packages		750
Number of driver hours / week		300
Driver hour costs		\$27,300
Driver hour costs (IT hosting)		\$3,250
Project management / operations support		\$3,683
Customer support		\$1,517
<b>Total</b>		<b>\$35,750</b>
<b>Month</b>	<b>Monthly Invoice for deliveries</b>	<b>Deliveries</b>
July	\$40,750	3000
August	\$35,750	3000
September	\$35,750	3000
Oct	\$35,750	3000
Nov	\$35,750	3000
Dec	\$35,750	3000
Jan	\$35,750	3000
Total	\$255,250	21000
Cost per delivery	\$12.15	
April Total Invoice (not including food delivery from May)	227,408.34	
Average Monthly Cost for deliveries	\$31,906	
% of monthly invoice	14%	