



Board Report

File #: 2022-0127, **File Type:** Contract

Agenda Number: 40.

**EXECUTIVE MANAGEMENT COMMITTEE
APRIL 21, 2022**

SUBJECT: LOW INCOME FARE IS EASY (LIFE) PROGRAM ADMINISTRATOR SERVICES

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION:

AUTHORIZE the Chief Executive Officer to:

A. EXECUTE Modification No. 1 to Contract No. PS6056400A with FAME Assistance Corporation (FAME) for Administration of Metro’s LIFE program for the Southwest and Northwest Service Regions in the amount of \$965,932, increasing the total contract value from \$2,991,965.01 to \$3,957,897.01, for the remaining two years of the contract; and

B. EXECUTE Modification No. 1 to Contract No. PS6056400B with the International Institute of Los Angeles (IILA) for Administration of Metro’s LIFE program for the Southeast Service Region in the amount of \$467,085, increasing the total contract value from \$1,605,248 to \$2,072,333, for the remaining two years of the contract.

ISSUE

At its meeting of September 25, 2019, the Metro Board of Directors approved the award of competitively procured contracts PS6056400A and PS6056400B, effective January 1, 2020, with FAME and IILA respectively, to provide program administration and oversight activities of the countywide LIFE program. Each organization has specific responsibility over Metro designated geographic regions within the county.

At its meeting of September 23, 2021, the Metro Board adopted Motion 40 (Attachment C) to, among other things, promote a doubling of enrollment in Metro’s LIFE program. To achieve this goal, program administrators have significantly increased current resources towards this objective. While remaining within the scope of the original contract, this increase in the required level of effort to comply with the goal of the Board is consuming personnel and other resources at a rate greater than originally planned or anticipated.

DISCUSSION

In response to the Board motion, staff has worked to support the doubling of LIFE program enrollment through a number of supportive vehicles that increased access to the program, ease of application to the patron, and provided among the largest incentive to enrollment in the program's history. These improvements included:

- The development of an on-line portal that allows potential enrollees to submit applications through any internet connected device. These applications are routed to the administrators for review, and, if approved, LIFE database entry.
- The revision of program guidelines to allow an individual to "self-certify" with respect to qualifying level of income.
- The elimination of the requirement that an individual applying for the program present a currently valid TAP card. Under the new guidelines, if a potential enrollee does not have a TAP card, they may indicate so on the application and one is provided.
- The development of a 90-day, region wide pass, good for unlimited trips on any one of the 13 LIFE program participating transit operators for all new program enrollees.
- The application of the full LIFE discount to Metro's 50% promotional fare reduction beginning January 10, 2022.
- Metro directed and administrator staffed in person, pop up events at major transit centers, community events, and other locations.
- Marketing, outreach and promotional activities designed to increase program awareness and attract new enrollees.
- Significant improvements to the LIFE program website to ease access to information.
- The expansion of locations that an individual may submit a program application including Metro Customer Service Centers among others.
- Exploring opportunities with Los Angeles County social service agencies to connect and highlight the LIFE program with their respective constituencies.

Combined, the efforts above have led to:

- an increase of over 38,471 enrollees in the program since mid-October, representing 42.2% towards attainment of the Board's goal of doubling enrollment and brings the total LIFE program participants to 128,136.
- Average LIFE enrollments per week are currently 2,187 that is an 37% increase in weekly enrollments compared to average enrollments before COVID
 - 55% of new enrollments submitted through the new online application/portal
 - 38% of applications submitted via self-certification; and
- More than 55% of new applicants issued a TAP card.

The contract modification will increase the staffing level at FAME by eight and at IILA by three full-time staff. The new full-time staff will collectively work to assist in delivering expanded services, reviewing, evaluating, and processing applications through in-person enrollment and online portal applications that require the same level of processing support as paper applications. Staff will also be attending outreach events, providing bilingual/multi-lingual support as well as responding to an increase in community inquiries. On average, administrators now receive over 100 -150 phone or email inquiries per day, a 60% increase from the previous level of inquiries. Staff further expects

recent increases in the program to continue as awareness of the program by individuals continues to expand, and riders seek to take advantage of the incentives of program enrollment.

As an example, an enrollee in the LIFE program, upon expiration of their 90-day new enrollee incentive pass, can apply the full LIFE discount to a 50%-off regular 30-day Metro pass for a final discounted pass price of \$26 - Less than \$1 a day for unlimited trips on Metro Bus and Rail transit through the end of June.

CONTRACT MODIFICATION

Staff is seeking approval for contract modifications to reflect increased administrator levels-of-effort to accommodate:

- Significant current and expected future program enrollment activities by FAME and IILA, through both in person enrollments and the greatly expanded on-line portal applications. At the time of initial contract award, the on-line portal was not envisioned.
- Administrator attendance at Metro directed outreach, or pop-up events that require additional administrator staff including interpreters.
- Mailing and postage requirements for those individuals requesting a TAP card
- Future income verification for enrollees using the self-certification process of income levels.

DETERMINATION OF SAFETY IMPACT

Metro Board adoption of staff recommendation would have no adverse impact on Metro or the regional transit system's safety

FINANCIAL IMPACT

The approval of the staff recommendation will have a modest financial impact over the life of the contract as a result of seeking double the number of LIFE program enrollees in a 15 month period.

Impact to Budget

As a result of decreased activity due to the COVID-19 pandemic, there is sufficient FY22 budget within the LIFE Program to absorb expenses generated by these two contracts prior to June 30, 2022. Upon Board approval of the recommendation, staff will ensure FY23 budget is sufficient to cover for these contract expenses within the LIFE Program.

EQUITY PLATFORM

The proposed action would provide needed capacity for the contracted LIFE program administrators that have significantly advanced progress towards the Board's goal to double enrollment in the LIFE program. Community outreach from trusted service providers is critical to informing lower income riders of the program's benefits and facilitating access to these benefits. As the median annual

income of Metro's bus riders is less than \$18,000, reducing barriers to the LIFE program will alleviate significant transportation cost burdens for many system riders.

Adoption of the staff recommendation and the work of our program directly support increased access and mobility for low income individuals throughout Los Angeles County.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Adoption of staff recommendation supports Strategic Plan Goal 3 to: Enhance communities and lives through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

The Board could choose to not approve to increase resources for LIFE program administration. Staff does not recommend such an action. In order to achieve the Board directed goal of doubling enrollment in the LIFE program, program administrators are the key community partner in the achievement of this goal. As non-profit, community based organizations, neither FAME nor IILA has the capital resources to sustain this increased level of effort without appropriate commitment from Metro.

NEXT STEPS

Upon Board approval, staff will execute the contract modifications and continue to work with our administrator partners to achieve the Board directed goal of doubling enrollment in the LIFE Program.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary
- Attachment D - Board Motion #40

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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

**LOW INCOME FARE IS EASY (LIFE) PROGRAM ADMINISTRATOR SUPPORT
SERVICES / PS6056400A, PS6056400B**

| | | | |
|----|---|----------|--|
| 1. | Contract Numbers: A: PS6056400A B) PS6056400B | | |
| 2. | Contractors: A: FAME Assistance Corporations (Southwest Region and Northwest Region) B) International Institute of Los Angeles (Southeast Region) | | |
| 3. | Mod. Work Description: Increase contract value to expand enrollment and participation in LACMTA's Low Income Fare is Easy (LIFE) Program. | | |
| 4. | Contract Work Description: LIFE Program Administrator Services | | |
| 5. | The following data is current as of: 3/4/22 | | |
| 6. | Contract Completion Status | | Financial Status |
| | Contract Awarded: | 09/18/19 | Contract Award Amounts: A: \$2,991,965.01 B: \$1,605,248 |
| | Notice to Proceed (NTP): | 09/26/19 | Total of Modifications Approved: \$0 |
| | Original Complete Date: | 06/30/22 | Pending Modifications (including this action): A: \$965,932 B: \$467,085 |
| | Current Est. Complete Date: | 06/30/22 | Current Contract Value (with this action): A: \$3,957,897.01 B: \$2,072,333 |
| 7. | Contract Administrator: Ernesto N. De Guzman | | Telephone Number: (213) 922-7267 |
| 8. | Project Manager: Armineh Saint | | Telephone Number: (213) 922-2369 |

A. Procurement Background

This Board Action is to approve Contract Modification No. 1 for Contract Nos. PS6056400A and PS6056400B to allow both contractors to increase their levels of effort to expand participation in the LACMTA LIFE Program as directed by Board Motion 40 approved on September 23, 2021.

No modifications have been previously issued for either Contract.

B. Cost/Price Analysis

The recommended price(s) have been determined to be fair and reasonable based upon technical evaluation, cost analysis, and negotiations.

Contract No. PS6056400A

| Proposal Amount | Metro ICE | Negotiated Amount |
|------------------------|------------------|--------------------------|
| \$965,932 | \$965,932 | \$965,932 |

Contract No. PS6056400B

| Proposal Amount | Metro ICE | Negotiated Amount |
|------------------------|------------------|--------------------------|
| \$467,085 | \$467,085 | \$467,085 |

CONTRACT MODIFICATION/CHANGE ORDER LOG

LOW INCOME FARE IS EASY (LIFE) PROGRAM ADMINISTRATOR SUPPORT
SERVICES

PS6056400A

| Mod. No. | Description | Status (approved or pending) | Date | \$ Amount |
|-----------------|----------------------------|-------------------------------------|-------------|------------------|
| 1 | Additional level of effort | Pending | Pending | \$965,932 |
| | Modification Total: | | | \$965,932 |
| | Original Contract: | Approved | 2/28/19 | \$2,991,965.01 |
| | Total: | | | \$3,957,897.01 |

PS6056400B

| Mod. No. | Description | Status (approved or pending) | Date | \$ Amount |
|-----------------|----------------------------|-------------------------------------|-------------|------------------|
| 1 | Additional level of effort | Pending | Pending | \$467,085 |
| | Modification Total: | | | \$467,085 |
| | Original Contract: | Approved | 2/28/19 | \$1,605,248 |
| | Total: | | | \$2,072,333 |

DEOD SUMMARY

**LOW INCOME FARE IS EASY (LIFE) PROGRAM ADMINISTRATOR SUPPORT
SERVICES / PS6056400A, PS6056400B**

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) goal for this solicitation due to the lack of subcontracting opportunities available for small businesses as the community-based organizations will perform the work with their own workforces.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy 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. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.

**Board Report**

File #: 2021-0627, **File Type:** Motion / Motion Response**Agenda Number:** 40.

REVISED
REGULAR BOARD MEETING
SEPTEMBER 23, 2021**Motion by:****DIRECTORS MITCHELL, SOLIS, GARCETTI, SANDOVAL, BONIN, AND DUPONT-WALKER**

Related to Item 35: Fareless System Initiative (FSI)

Effective March 23, 2020, former LA Metro CEO Phil Washington ordered that all passengers shall board the rear door when entering an LA Metro bus and, accordingly, removed the requirement for bus passengers to use the fare box. This practice was established to reduce the risk of COVID-19 transmissions on transit and to protect transit operators at the front of the bus from potential exposure to COVID-19. While put in place as a health pandemic response, this practice has been one of the most effective strategies in our region to respond to the economic pandemic our communities face.

Riders and community advocates quickly embraced LA Metro's fare free bus service and in August 2020, CEO Washington announced the formation of the Fareless System Initiative (FSI) Task Force to study the potential for continuing fare-free service as a recovery strategy to continue after the pandemic. The Task Force's research confirmed what riders already know; that LA Metro's riders are overwhelmingly low-income people of color for whom transit fares are an economic burden and for whom fare enforcement perpetuates racial disparities. Furthermore, the Task Force found that a fareless system would grow ridership and help the region meet its mobility, congestion reduction, and sustainability goals more effectively than almost any other LA Metro initiative. Buoyed by these findings, on May 27, 2021, the Board directed staff to proceed with FSI, subject to a final financial plan, which is before the Board for consideration today.

The financial plan identifies funding for free student passes as Phase 1 of FSI. Staff has moved quickly to build on the previously existing U-Pass program to expand free student passes to students in every participating school district throughout the county. However, the financial plan does not identify the funding needed to move forward and launch Phase 2 of FSI, which would serve all low-income riders. In the interim, staff proposes to build on the existing LIFE Program as a first step toward FSI Phase 2, until additional funding can be secured.

Increasing enrollment in the LIFE Program is an important interim step for an expansion of FSI. If implemented, it will create a pre-qualified pool of applicants for FSI Phase 2. While enrollment has grown since its launch in 2019, the LIFE Program still falls far short of its intended impact, largely due

to intimidating, restrictive, and tedious enrollment barriers. The current LIFE Program design will require an overhaul to meet the needs of eligible low-income riders. Namely, the LIFE Program must be far easier to enroll in, more accessible, easier to pay for, and truly affordable for low-income riders.

Our communities are still faced with a dual economic and health pandemic that racial and economic inequalities have further exacerbated. Programs across this region-created to support families in need-will be expiring later this year, despite evidence that these programs have collectively spurred a record drop in poverty (as much as half according to the Urban Institute). Costs will quickly escalate for families, many of whom are still unemployed, taking care of children and loved ones at home, and paying off rental debt. LA Metro must do more to prevent the resumption of fares from exacerbating economic distress among economically vulnerable people in our communities. Removing financial barriers for those who cannot afford transportation creates a lifeline for those who need access to essential travel.

Revamping the LIFE Program will alleviate the impact of fares on low-income riders while preparing LA Metro to implement FSI Phase 2.

SUBJECT: AMENDMENT TO FARELESS SYSTEM INITIATIVE (FSI)

RECOMMENDATION

APPROVE Motion by Mitchell, Solis, Garcetti, Sandoval, Bonin, and Dupont-Walker that the Board direct the Chief Executive Officer to:

- A. Develop a plan to double the number of LIFE Program enrollees by the end of 2022.
- B. Expedite a streamlined application system that enables on-the-spot enrollment and the immediate issuance of LIFE Program benefits through a process that allows applicants to self-certify qualification in the program. Applicants should attest that their information and eligibility in the program is accurate under penalty of fine.
- C. Ensure the fare capping pilot approved by the Board in March 2021 applies to LIFE Program participants.
- D. Expand partnerships with local, state, and federal public benefit programs to automatically enroll members in LIFE upon qualification.
- E. Partner with community-based organizations to canvass LA Metro buses and trains to enroll qualifying riders.
- F. Provide three months of fareless transit to new enrollees as an incentive to enrollment, beginning upon the resumption of fare collection.
- G. Evaluate whether qualified applicants can enroll in the LIFE Program with the next generation of touch screen TAP Vending Machines.

WE, FURTHER MOVE, that the Board direct the Chief Executive Officer to:

- H. Continue the current boarding practices until prospective participants can enroll-on-the spot and self-certify their eligibility, with no less than 90 days for promotion and 45 days for enrollment before fare collection resumes. The resumption of fare collection should also be subject to a 45-day awareness-building period that fares collection will resume as detailed in Attachment I of the September 2021 FSI report (Board File 2021-0574).
- I. Return to the Board in January 2022 with an update on LIFE Program changes.
- J. Conduct a LIFE Program evaluation - in partnership with community-based organizations -- to:
 - 1. Develop additional strategies that support the enrollment of new participants in the LIFE Program.
 - 2. Survey and convene current and prospective LIFE Program enrollees on how well the current program meets the needs of eligible applicants.
 - 3. Review current benefit levels and recommend changes, as appropriate.

BONIN AMENDMENT:

I would like Metro staff to come back to us in your next report with a more reasonable evaluation of the benefits and costs of going truly fareless. This analysis needs to consider:

- A. A phased approach that winds down contracts rather than breaching them.
- B. The cost of anticipated upgrades and maintenance of our fare collection system that could be avoided.
- C. Realistic ridership and fare revenue forecasts that take into account actual ridership trends, use today's ridership as a baseline, and factor in already Board-approved discounts, including today's actions.
- D. Operational savings from reduced bus dwell times and reduced staff needs for fare collection and enforcement.
- E. Validating cost assumptions from munis.
- F. Looking more holistically at Access Services, including potential savings from Federal waivers and coordination with Microtransit; and
- G. Look at universal \$26 pass proposal from Bus Riders Union.

KUEHL AMENDMENT:

Report back on the communication plan.