



CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: February 5, 2020

To: The Honorable City Council
c/o City Clerk, Room 395
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From:  Seleta J. Reynolds, General Manager 
Department of Transportation

Subject: **LANOW PILOT PROGRAM EVALUATION (CF No. 0220-05517-0004)**

SUMMARY

The City Council directed the Los Angeles Department of Transportation (LADOT) to provide an evaluation of the LAnow microtransit pilot program and determine the future of the program. After 11 months of operation, LADOT is recommending extending the pilot program for an additional year until April 30, 2021.

RECOMMENDATION

- 1) Authorize the General Manager of the Department of Transportation (LADOT) to extend the LAnow pilot program for a second pilot year, from May 1, 2020 through April 30, 2021; and,
- 2) Direct the LADOT General Manager, or designee, to report back to the Mayor and Council by March 10, 2021 with an evaluation of the LAnow pilot program, including whether or not the program should be made permanent.

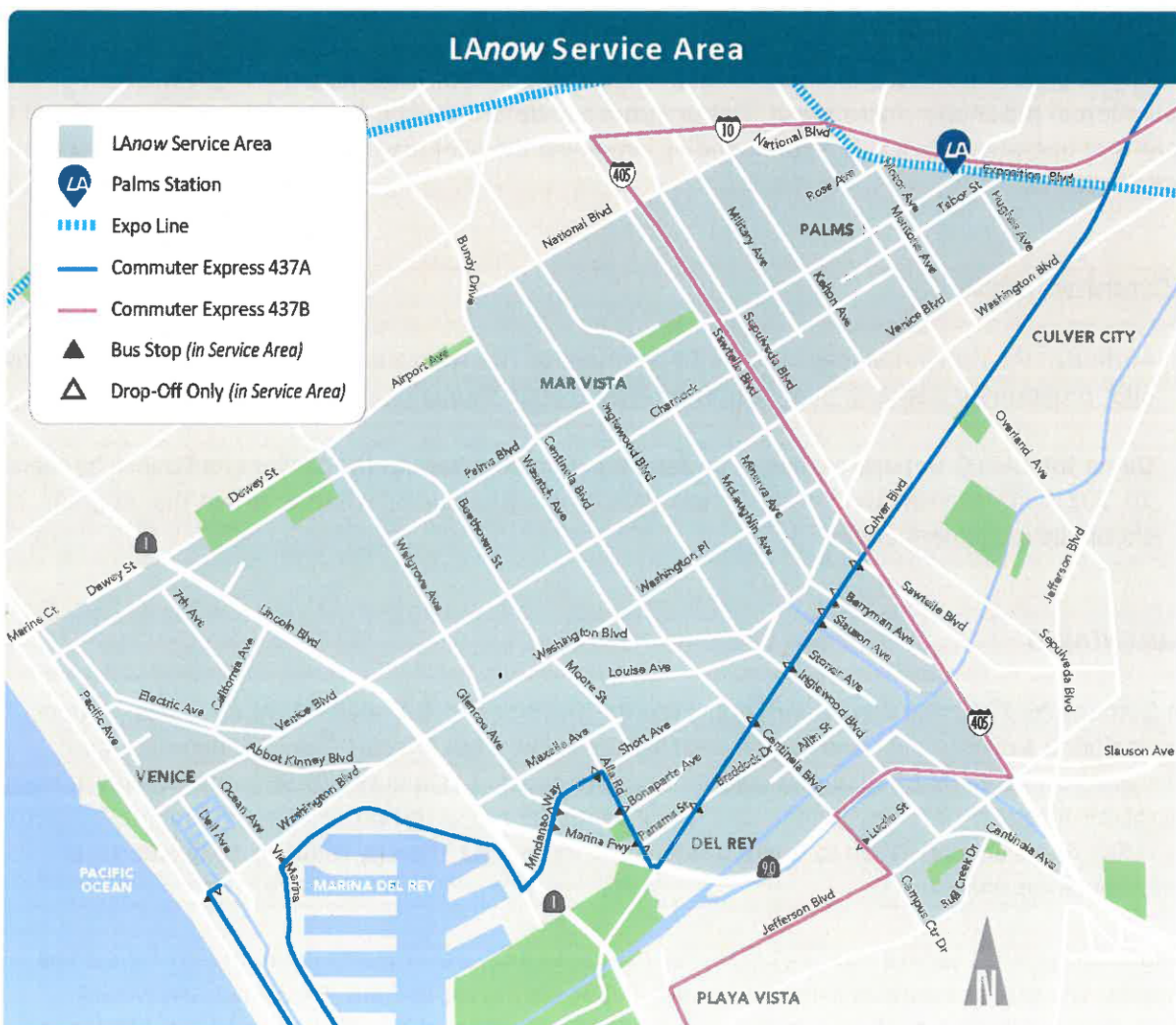
BACKGROUND

On October 26, 2018, the City Council approved the Transit Service Analysis (TSA) recommendations that included a pilot on-demand microtransit service in West Los Angeles. The TSA identified the Westside as an area that had unmet transit needs but could not support a DASH route. The on-demand microtransit service provides connections to the Palms Expo Line station and intercommunity attractors, providing riders an alternative to single-occupancy vehicle trips, thereby reducing congestion and greenhouse gas emissions.

LAnow microtransit service operates in the Mar Vista, Venice, Del Rey, and Palms areas of West Los Angeles. The service operates Monday through Friday from 6 am to 7 pm. Six 23' cut-a-way ADA accessible vehicles are deployed during peak hours (6 am – 9 am, 4 pm – 7 pm) and four vehicles are deployed during off-peak hours (9 am- 4 pm). The service is based on a ticket and booking system, in which riders purchase electronic tickets via a mobile application, and use those tickets to book a ride up

to seven days in advance. Riders can also book a ride online or over the phone. Riders are then picked up at virtual pick-up/drop-off locations. There are over 600 virtual pick-up/drop-off locations throughout the service area, ensuring a rider will not have to walk more than a quarter-mile to be picked up.

LADOT began the LAnow on-demand pilot project on March 11, 2019, with service hours that mirror a full-day DASH service. In December 2019, the City Council further approved the extension of the LAnow service from March 11, 2020 to April 30, 2020 (C.F. 19-1519). This extension was requested in order to align the end of the demonstration period with the start date that was conditionally approved as part of a five-year contract with MV Transportation to operate DASH services in Downtown, Mid-City, and Central Regions, and an option to operate LAnow services. The option to continue the operation of the LAnow service was approved contingent on the Mayor and Council's approval to extend the project beyond the initial pilot (C.F. 19-1035). The \$1,615,048 cost of the extension beyond April 30, 2020 is also included in this Council action as part of the DASH MidCity, Central and LAnow contract.



DISCUSSION

The Department established Key Performance Indicators (KPI) during the start of the LAnow project. Like all new service, including DASH and Commuter Express, it takes time for a new service to reach an average ridership profile for that mode. Below are the results of service performance of LAnow after 11 months of service.

Category	KPI	11-Month Average
Passengers Per Vehicle Trip	2.5	1.15
Cost Per Passenger Trip	\$50.00 or less	\$15.97
Average Wait Time	15 minutes or less	6.3 minutes
Average Customer Rating	4.7	4.64
New Users Per Month	200	351
Shared Rides	50%	16.7%

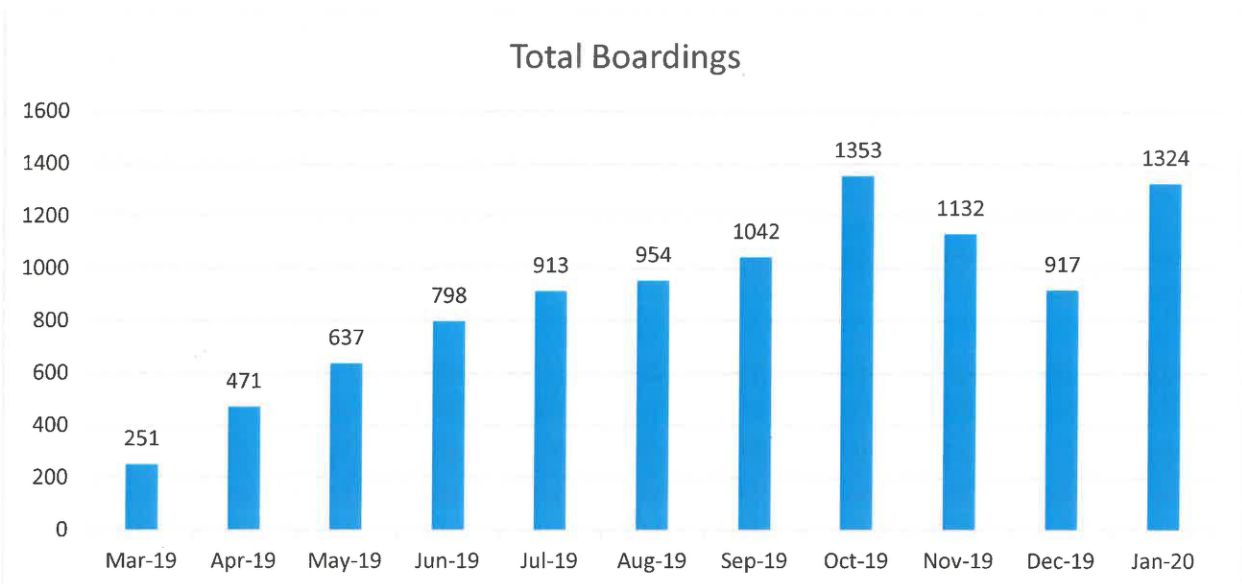
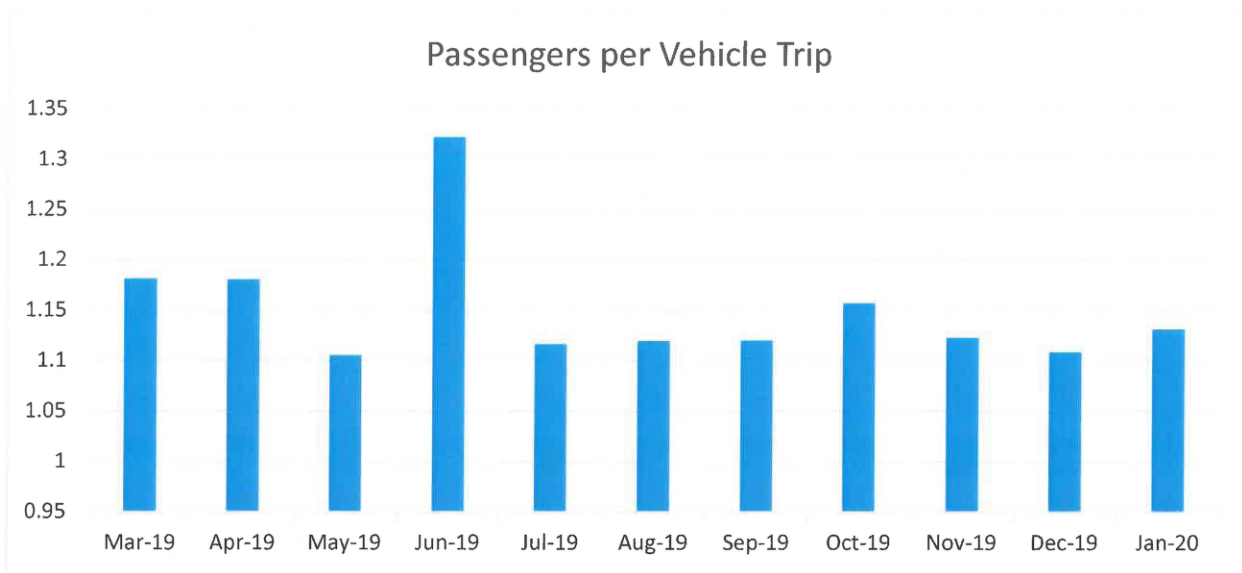
*Excludes March and December 2019 since March was a little more than ½ of a month and because of the holidays in December.

While all key performance indicators have not been met during the first 11 months of the LAnow pilot program, ridership continues to increase month over month. Additionally, staff will be implementing changes and strategies to increase ridership, as detailed in the Next Steps Section. The Department is recommending that the pilot be extended for another 12 months to ensure that there is sufficient time for the service to mature and to meet or surpass most, if not all, of the key performance indicators. This would match peer microtransit services that continue to steadily increase ridership over time. The operating cost to extend the pilot for a second year is \$1,615,048.

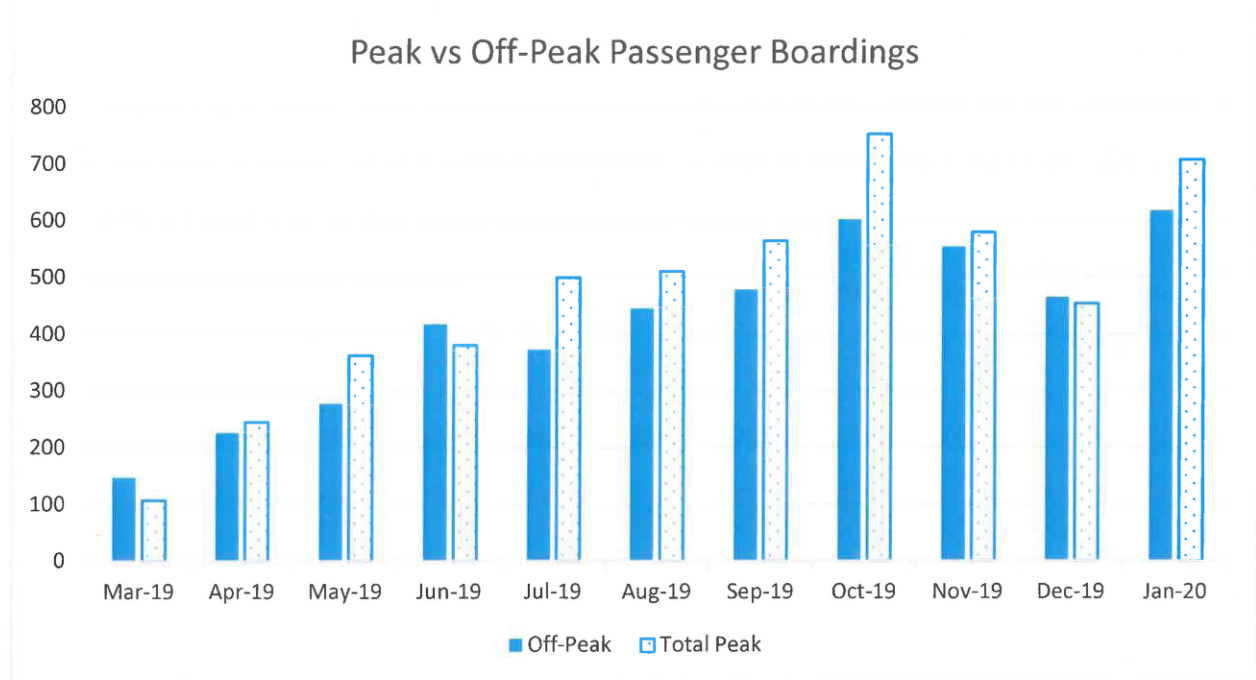
To prevent duplicating and competing services, the Department is recommending that LAnow should not be expanded to new service areas until the final LA Metro microtransit pilot service areas are finalized and made public.

Passengers Per Vehicle Trip

The average passengers per vehicle trip is 1.15. If the number is over 1.0, then on average more than one passenger is riding in a vehicle per vehicle trip. The number should increase as ridership increases.



Passenger trips occur during both peak and off-peak service in similar numbers. Off-peak service accounted for 47% of all passenger trips from March 2019 through January 2020.



Cost per passenger trip

The cost per passenger trip stayed between \$13 and \$18 since the program began. As passenger trips increase, so does the time that vehicles are operating with passengers onboard. The cost per passenger trip will only decrease significantly once vehicles are spending 100% of their time actively transporting passengers.

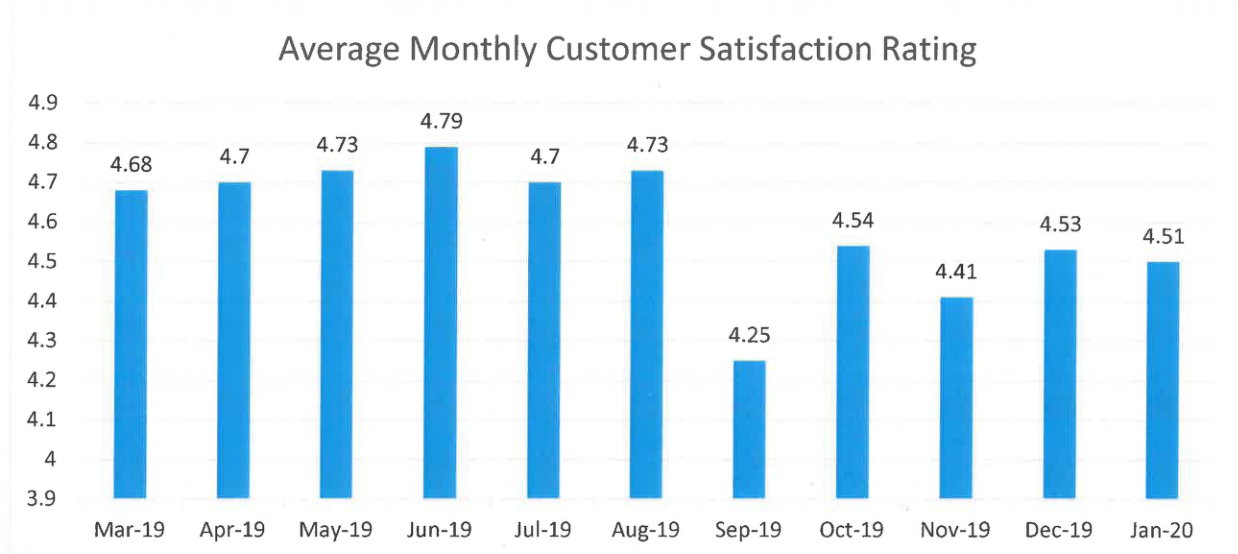


Average Wait Time

The average wait time decreased from 7.86 minutes in March 2019 to 6.12 minutes in January 2020. The average wait time remained under 15 minutes, exceeding the KPI.

Customer Rating

The average customer rating is 4.64 for the first 11 months of service. The customer rating survey is sent as a link in a text message once a ride is complete, asking the rider to rate their ride on a scale of 1 to 5, with 5 being the best.



User Growth and App Downloads

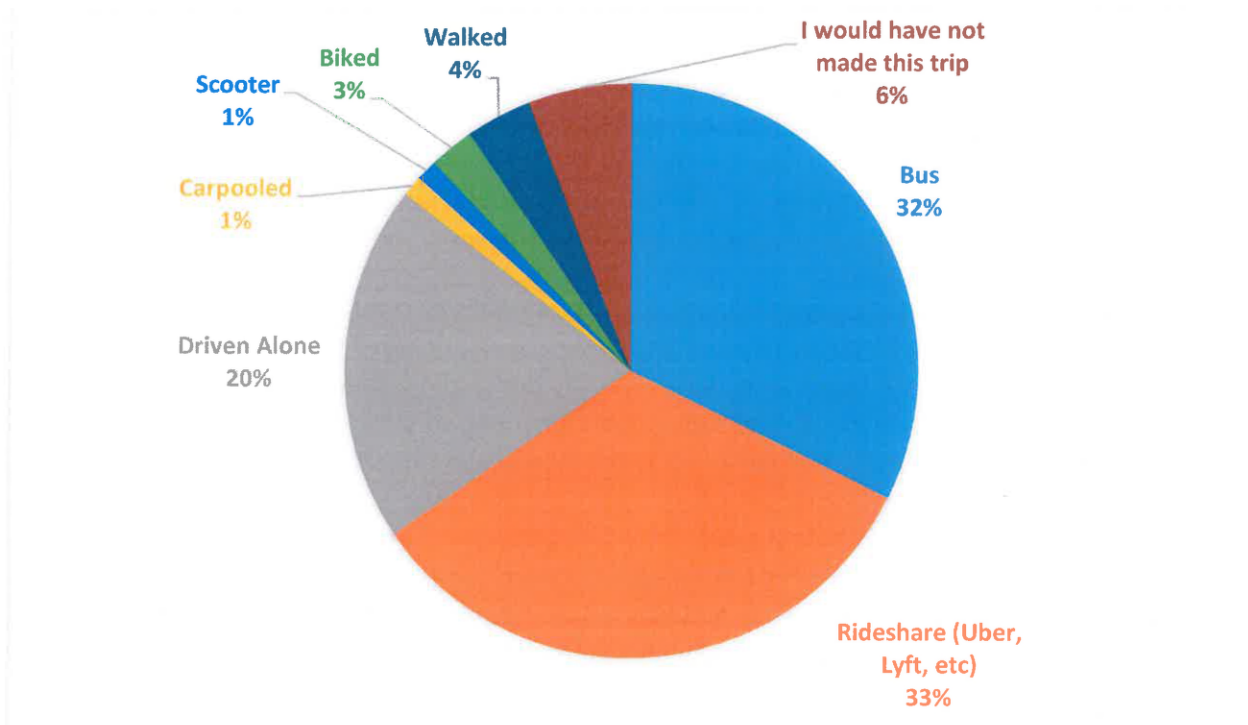
Since the launch of LAnow, the app has been downloaded 5,050 times with 3,526 user accounts. The largest increase occurred during the first week of service, with an average of 579 downloads and 413 new user accounts created per month - exceeding the KPI of 200 new users a month by a large margin. The percent of new user accounts created compared to the number of app downloads is 70%, indicating that 30% of people who download the app do not create an account.

Shared Rides

From March to January 2020, 16.7% of vehicles trips were shared rides, meaning two or more passengers were aboard at the same time. As ridership increases, the number of shared rides should increase.

Benefits of LAnow

The customer rating survey includes a question asking how the rider would have made the trip if they did not use LAnow. According to 697 that responded to the survey so far, 54% would have used an automobile for their trip if the service was not available; 33% of LAnow riders would have used a rideshare service; 20% would have driven alone,; and 1% would have carpooled.



In addition, there are a number of intangible benefits that are difficult to quantify but are nevertheless important because of the reduction in vehicular traffic for microtransit projects like LAnow. These include saving for parking costs for those driving alone as well as the reduction in parking facilities and/or spaces required to accommodate those vehicles. Additionally, there is also a cost saving associated with the the reduction in harmful (CO2) emissions that affect overall health of residents plus a lower risk of crashes for those choosing to drive. Productive hours lost while stuck in traffic, and stress associated with driving in congestion are well documented and should be considered when looking at the benefits of a service like LAnow.

Passengers with Disabilities

LAnow transported 158 people with disabilities since the program began, which is 1.9% of all total trips.

Bookings

Riders can book a ride through three methods: by mobile app, by phone, or online. For the first 11 months of operation, 95.4% of bookings have been made by mobile app, 1.1% by phone, and 3.1% online.

Next steps

The following next steps will allow the LAnow service to reach its remaining KPIs:

New Technology Provider – The technology provider is responsible for both the mobile application and the routing system. MV, Inc. plans to change its technology provider as soon as possible (City Council approved to change in funding in December 2019). The technology changes include a new user mobile application, improving usability, and rider satisfaction. The new technology provider will also upgrade the routing software to ensure passenger grouping is as efficient as possible. A better designed mobile application and a more efficient routing system will further improve ridership growth.

Continue outreach to employers, residents, and schools – LADOT will continue to meet with employers, schools, and other community groups to promote the service and receive feedback. LADOT will also implement new marketing strategies to increase ridership during the summer and off-peak hours. We will work closely with the local middle and high schools for young adults to use LAnow to get to their summer jobs, take group trips to the beach, and to the Palms Expo Line station which connects to their regional rail networks.

Adjust operating revenue hours and the service area to match demand – The new technology providers will model the existing service parameters and may adjust the service area and the number of vehicle revenue hours to optimize service. Vehicle revenue hours can be adjusted ensuring maximum utilization of vehicles.

FISCAL IMPACT

There is no General Fund impact. Funding is provided by the Proposition A Local Transit Assistance Fund. The existing contract authority for DASH Downtown, DASH Mid-City, DASH Central, and LAnow services (C.F. 19-1035) includes the additional pilot year program costs of \$1,615,048 as referenced in this report. Funding for Fiscal Year 2020-21 will be provided in that fiscal year budget. The recommendations comply with City Financial Policies in that sufficient special fund revenues are available and eligible for this purpose.

SJR:jf