



May 9, 2019

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: OC Flex Microtransit Pilot Project: Six-Month Project Update

Overview

In October 2018, the Orange County Transportation Authority initiated a microtransit pilot service, branded as OC Flex, in two areas of the county where transit demand does not support traditional fixed-route service. The pilot is intended to match resources with changing demand, increasing the efficiency and effectiveness of the Orange County transit system. This report provides an update on the performance of the OC Flex microtransit pilot during the first six months of operation, including information on ridership, system connectivity, and customer satisfaction.

Recommendation

Direct staff to complete the Board of Directors-approved one-year pilot of the OC Flex project and report back to the Board of Directors.

Background

In 2015, the Orange County Transportation Authority (OCTA) Board of Directors (Board) endorsed a comprehensive action plan known as OC Bus 360° to match resources with changing demand for public transportation. One of the strategies identified in this plan was the potential role that microtransit could play in Orange County. On October 15, 2018, OCTA launched a one-year pilot to explore the merits of a microtransit service in select areas that historically have not supported productive fixed-route bus service.

Provided in two zones, OC Flex is characterized as microtransit, providing on-demand service that uses technology for flexible, real-time scheduling and dispatching of accessible transit vans. The two zones include parts of Huntington Beach and Westminster to the southwest of the core of Orange County, and parts of Aliso Viejo, Laguna Niguel, and Mission Viejo in south Orange County. These areas are shown on Attachment A. OC Flex is a

curb-to-curb service with in-app virtual hubs to direct customers to board or alight at operationally safe and efficient locations. This is a turnkey service, with operations and maintenance provided by a contractor. The technology supporting the operation to schedule and dispatch trips, as well as collect pertinent data, provides customers with the use of a mobile app to schedule rides and pay fares, similar to other ride-hailing services.

The Board approved five primary goals and performance metrics to evaluate the pilot program following the initial six months of operation and after a full year of operation. These goals and metrics include:

- Provide public transit mobility in lower-demand areas: to be measured by ridership and productivity
- Reduce total operating and capital costs: to be measured by subsidy per boarding
- Reduce vehicle miles traveled: to be measured by shared rides occurring
- Extend the reach of OC Bus and Metrolink services: to be measured by connecting transit trips
- Meet customer needs: to be measured by customer satisfaction

Discussion

This report provides an update on the performance of the OC Flex microtransit pilot service by presenting the current performance trends and comparisons with the established targets related to productivity, cost-effectiveness, shared rides, connecting transit trips, and customer satisfaction. The report covers the performance during the first six months of operation, from October 15, 2018 through March 31, 2019.

The OC Flex service performance is trending positively. Below is a summary of each of the established performance metrics as related to the project goals.

- Productivity – Through the review period, OC Flex ridership has steadily increased month over month, with 12,226 total boardings. In March 2019, the average weekly ridership was over 700. Though well below the performance target of six boardings per revenue vehicle hour (b/rvh), productivity is trending positively at 1.69, up from the 0.74 b/rvh for November 2018, the first full month of service.
- Cost Effectiveness – Cost effectiveness is measured by subsidy per boarding, the ratio of actual direct costs of the service less fare revenue and divided by total boardings. In the first full month of operation, the subsidy per boarding was \$54.19. As ridership has continued to increase,

this amount has decreased. In March 2019, the subsidy per boarding was \$30.30, down almost 44 percent, but still greater than the target of \$9. Overall, the six-month average subsidy per boarding was \$41.12.

- Shared Rides – Shared rides are the number of trip bookings that share a vehicle, including group trips. Through the review period, the percent of shared rides on OC Flex gradually increased to more than 23 percent, just shy of the 25 percent performance target.
- Connecting Transit Trips – This measure is represented by the percentage of trips to or from transit hubs, specifically the Goldenwest Transportation Center and the Laguna Niguel-Mission Viejo Metrolink Station. During the review period, the percentage of total trips transferring to/from the OC Bus or Metrolink services was 29 percent, exceeding the established year-end target of 25 percent.
- Customer Satisfaction – This key metric is tracked by measuring the percentage of passengers satisfied with the service. The targeted level for customer satisfaction is 85 percent. Customers reported their satisfaction via survey, and the results indicate that 89 percent the respondents were “likely” or “extremely likely” to recommend OC Flex to a friend or colleague.

Other Measures - Customer Experience

Other measures tracked include the average wait time and the average trip time. To be comparable to other ride-hailing services, the targeted average wait time was 15 minutes. Through the review period, the average wait times, overall and by zone, are within the target. Though there is no target trip time, the average trip times are lower than the wait times, overall and by zone. Survey indicates that customers are satisfied with trip times.

Next Steps

Since pilot initiation, OCTA staff, in cooperation with the contractor and technology vendor, have made a number of adjustments related to operation, software service parameters, and marketing promotions. Staff will continue to make such adjustments to allow for the comprehensive evaluation of this service concept while testing new and existing rider markets. Staff will administer another customer survey in June 2019.

After the conclusion of the pilot period in late October 2019, staff will evaluate the performance data and return to the Board with the results, including lessons learned. Based on the performance results and analysis, staff will develop

recommendations for the Board to consider, which may include maintaining the existing service, increasing the level of service provided, modifying the existing service, testing the service in a different area, expanding the service, or discontinuing the use of microtransit. In addition, staff will review the performance metrics used to evaluate the pilot and may recommend some adjustments based on the experience gained in evaluating that data from the pilot.

Staff has also contacted other agencies with microtransit programs in an effort to develop a body of information on the various applications of microtransit. This information sharing will help OCTA in the overall evaluation of the OC Flex microtransit pilot after the one-year pilot period and the development of recommendations for future implementation. Some of the elements that are being discussed include the technologies used and its functionality, operating parameters, performance standards, and selected vehicle types. As a result of OCTA staff requesting assistance from American Public Transportation Association (APTA) with this information-sharing effort, a roundtable discussion has been scheduled at APTA's Mobility Conference in May 2019 to provide a forum for agencies with microtransit projects to come together and share their experiences.


Summary

Through the first six months of operation, October 15, 2018 through March 31, 2019, the OC Flex microtransit pilot performance is favorable. Of the five Board-approved performance metrics, two have reached the respective targets, another is close to meeting the target, and the remaining two, though below their respective targets, are trending favorably. The OC Flex team remains flexible to adjust the service as needed to meet the established performance targets, comprehensively evaluate the service concept along with meeting customer needs for the development of feasible recommendations as appropriate, and look to attract new and existing transit riders.

Attachments

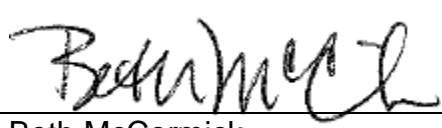
- A. OC Flex – Pilot Program Zones
- B. OC Flex Microtransit Pilot Project: Six Month Project Update, October 2018 – March 2019
- C. OC Flex Customer Information Survey Report – April 2019

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