



January 9, 2020

To: Transit Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: OC Flex Microtransit Pilot Project: 12-Month 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 a review of the performance of the OC Flex microtransit pilot during the first year of operation and strategies to improve performance, including modifications to the existing zones and operational adjustments.

Recommendation

Direct staff to extend the Board of Directors-approved one-year pilot of the OC Flex pilot project to October 2020.

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 would 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 project and discusses the strategies considered to continue to improve performance. This report covers the performance during the first twelve months of operation, from October 15, 2018 through October 31, 2019.

OC Flex service performance continues to trend favorably. 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 36,789 total boardings. For the month of October 2019, the average weekly ridership within both zones combined was over 870. Though below the performance target of six boardings per revenue vehicle hour (B/RVH), productivity was 2.3, up from the 1.7 B/RVH reported during the six-month update.
- 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 continued to increase, this amount has decreased. As of October 31, 2019, the subsidy per boarding was \$20.14. This level of subsidy represents a reduction of 51 percent

from the \$ 41.12 during the six-month update, but is still greater than the target of \$9 per boarding.

- Shared Rides – Shared rides are the number of trip bookings that share a vehicle, including group trips. The performance target is 25 percent. Through the 12-month review period, the percent of shared rides on OC Flex gradually increased to more than 37 percent, an increase of 14 percentage points from the 23 percent rate for shared rides reported for the six-month update.
- 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 32 percent, three percentage points better than the 29 percent reported during the six-month update and 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 a second survey, and the results indicate that 91 percent the respondents were “likely” or “extremely likely” to recommend OC Flex to a friend or colleague. This was a two percent improvement from the 89 percent customer satisfaction rate reported during the six-month update.

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 12-month review period, the wait times, overall, were greater than targeted wait time, averaging 17.6 minutes. Though there is no target trip time, the average trip times are lower than the wait times overall and by zone. Survey results indicate that customers are satisfied with trip times.

Next Steps

Through 12 months of service, the OC Flex microtransit pilot performance has been positive, exceeding three of the five performance targets and trending favorably in the remaining two. Given these trends, staff is recommending an extension of the OC Flex microtransit pilot program to October 2020. The intent of the extension is to implement strategies to improve performance and allow for

greater service establishment and awareness. Proposed changes are outlined below:

- Zone Changes – Based on an analysis of trip activity in and around the existing zones, areas adjacent to both zones were added while areas with low activity were removed.
- Operational Adjustments – To improve productivity while maintaining service quality, the span of service hours will be adjusted based on utilization, and the number of virtual stops, or predetermined pick-up points, will be increased to improve service response time.
- Pass Considerations – Changes to fare media allowed on OC Flex include the expansion of the current “50 Percent Off” promotion to all days, allowing free transfers to OC Flex with OC Bus 30-day, OC Express, and Express passes, and the introduction of a “Train Buddies” program for Metrolink passengers. The intent of these changes is to encourage group rides and increase overall ridership.
- Promotions – To create awareness of the new enhancements of OC Flex and increase ridership, promotional campaigns will target residents and businesses in the areas where service is added and continue to position OC Flex as a viable, convenient connection from OC Bus and Metrolink services.

The complete set of the proposed changes is scheduled for implementation by mid-February. Staff will continue to provide quarterly updates on the performance of the OC Flex microtransit pilot and the changes as implemented.

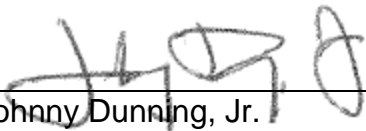
Summary

Through 12 months of operation, the OC Flex microtransit pilot project has been well received and customer satisfaction is high. Of the five Board-approved performance metrics, three have reached the respective targets, and the remaining two, though below their respective targets, are trending in the right direction. With the staff recommendation to extend the pilot through October 2020, several strategies are proposed for implementation during the extended period. These strategies include slightly expanding the existing zones along with more OC pass options to increase ridership, implementing operational adjustments to improve productivity, and conducting marketing activities to create awareness of the OC Flex options available under the proposed changes. Additionally, as the current operating contract expires in October 2020, staff will initiate necessary procurement activities for a new contractor for the OC Flex service.

Attachments

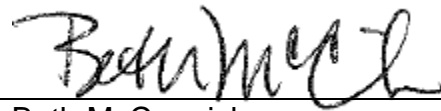
- A. OC Flex – Pilot Program Zones
- B. OC Flex Microtransit Pilot Project: 12 Month Update, October 2018 – October 2019

Prepared by:



Johnny Dunning, Jr.
Manager, Scheduling and Bus
Operations Support
(714) 560-5710

Approved by:



Beth McCormick
General Manager, Operations
(714) 560-5964



Jennifer L. Bergener
Chief Operating Officer, Operations
(714) 560-5462