




**July 8, 2021**

**To:** Transit Committee

**From:** Darrell E. Johnson, Chief Executive Officer 

**Subject:** OC Flex Microtransit Service Pilot Program Update

### **Overview**

In October 2018, the Orange County Transportation Authority initiated a microtransit service pilot program, branded as OC Flex, operating in two areas of Orange County where transit demand does not support traditional fixed-route service. The pilot program is intended to match resources with changing demand, increasing the efficiency and effectiveness of the Orange County transit system. This report provides an overview of the OC Flex demand and performance during the third year of operation and highlights challenges faced due to the coronavirus pandemic.

### **Recommendation**

Receive and file as an information item.

### **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 program to explore the merits of a microtransit service in select areas that historically have not supported productive fixed-route bus service. OCTA's version of microtransit service, branded as OC Flex, provides on-demand service that uses technology for flexible, real-time scheduling and dispatching of accessible transit vans. The OC Flex pilot program began with two zones, which included parts of the cities of Huntington Beach and Westminster to the southwest core of Orange County, and parts of the cities of Aliso Viejo, Laguna Niguel, and Mission Viejo in south Orange County. 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. 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 ride-hailing services. OC Flex is a turnkey service, with operations and maintenance provided by a contractor.

The Board approved five primary goals and performance metrics to evaluate the pilot program:

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

### ***Discussion***

In the initial year of the pilot program, OC Flex performance was positive, exceeding three of the five performance targets and trending favorably in the remaining two. Given the trends, in January 2020, staff recommended an extension of the pilot program to October 2020. The intent of the extension was to implement strategies to improve performance and allow for greater service establishment and awareness. These strategies included an adjustment of the two zones to add adjacent areas and remove areas with low activity, an adjustment to the span of service hours, and the increase of the number of virtual stops, or hubs, to improve service response time. A promotional campaign was also proposed to offer discounted group rides and offer free rides for referrals.

After Board approval, the strategies were implemented in February 2020. However, staff was unable to adequately measure the effectiveness of the improvement strategies due to the impacts of the coronavirus (COVID-19) pandemic, including the State's stay-at-home order and requirements related to vehicle occupancy and social distancing. Service demand dropped by 70 percent, leading to the need to make service adjustments, including the temporary suspension of the Blue Zone, which includes parts of the cities of Huntington Beach and Westminster. The number of vehicles operating in the Orange Zone, which includes parts of the cities of Aliso Viejo, Laguna Niguel, and Mission Viejo, was reduced from four to two due to decreased demand.

In November 2020, staff sought Board approval for an extension of the pilot program period for an additional 14 months beyond October 2020 and the elimination of the Blue Zone. The 14-month extension would provide staff with the opportunity to make necessary service adjustments and to evaluate the performance of the OC Flex pilot program service through and beyond the COVID-19 pandemic.

In December 2020, the Board approved the release of the OC ACCESS paratransit service request for proposals, which included the OC Flex service. The intent of this procurement strategy is to ensure continuity of the program while the long-term planning process for the service continues. Staff's assessment of the budget need for the new OC Flex agreement focused on service recovery in the first year of operation. Subsequent years account for the addition of a new zone and overall service growth that may come with future marketing campaigns.

A recent assessment of service trends during the months of December 2020 and January 2021 identified unserved demand in the afternoons and longer than normal wait times during peak hours. As a result, staff opted to add a third vehicle into service on April 1, 2021, which has led to an increase in boardings and a reduction in peak hour wait times.

#### Key Performance Metrics

Below is a summary of each of the established performance metrics as related to the program goals.

- **Productivity** – As of April 2021, OC Flex ridership has steadily increased to 1,620 monthly boardings. While this is a 15 percent increase from the mid-COVID-19 pandemic plateau of 1,380, ridership is still 50 percent less than peak monthly ridership in February 2020. April 2021 productivity was 1.6 boardings per revenue vehicle hour (B/RVH), down from the 2.5 B/RVH reported in February 2020.
- **Cost Effectiveness** – Cost effectiveness is measured by subsidy per boarding, calculated as the ratio of actual direct costs of the service less fare revenue and divided by total boardings. In February 2020, the subsidy per boarding had reached the lowest point throughout the pilot program duration, at \$19.35. Due to the COVID-19 pandemic, service adjustments, and decreased demand, subsidy per boarding as of April 2021 was \$35.75.
- **Shared Rides** – Shared rides are the number of trip bookings that share a vehicle, including group trips. The performance target is 25 percent. In April 2021, the shared rides accounted for 11 percent of trip bookings

due to the constraints placed on vehicle occupancy in compliance with social distancing guidelines.

- **Connecting Transit Trips** – This measure is represented by the percentage of trips to or from transit hubs, specifically the Laguna Niguel-Mission Viejo Metrolink Station. In April 2021, the percentage of total trips transferring to or from the OC Bus or Metrolink services was 22 percent, three percentage points less than the target of 25 percent.
- **Customer Satisfaction** – This metric is tracked by measuring the percentage of passengers satisfied with the service. The targeted level for customer satisfaction is 85 percent. Staff did not conduct a customer satisfaction survey during the COVID-19 pandemic but found that customers rated the service at five out of five stars when using the in-app rating system.


### ***Summary***

Throughout the COVID-19 pandemic, productivity, shared rides, and subsequently, the cost effectiveness of the OC Flex microtransit pilot program were hindered due to capacity constraints on vehicles in compliance with social distancing guidelines and reduced demand. While the performance metrics are skewed, staff finds the recent increase in demand and the stability of the connecting transit trips metric to be encouraging trends. This indicates that service recovery of the program is likely, and that the service continues to be a resource for the key demographic of essential workers throughout the COVID-19 pandemic.

**Attachment**

None.

**Prepared by:**



Jack Garate  
Manager, Paratransit Services  
714-560-5387

**Approved by:**



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



Jennifer L. Bergener  
Deputy Chief Executive Officer/  
Chief Operating Officer, Operations  
714-560-5462