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**EXECUTIVE MANAGEMENT & AUDIT COMMITTEE
JANUARY 17, 2008**

SUBJECT: METRO VANPOOL PROGRAM UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file the following report on the Metro Vanpool Program.

ISSUE

At the January 2007 Executive Management and Audit Committee meeting, Director Yaroslavsky requested that staff develop an outreach plan that targets a minimum of two major employment centers in each of the five Service Sectors. The plan is to identify key stakeholders and potential liaisons with Metro staff that will help implementation of the program. In addition, staff was directed to provide an update on the program. This report provides both a status update on outreach plan development as well as on the overall program.

BACKGROUND

The Metro Vanpool Program

The Metro Vanpool Program was launched May 2007 providing lease and fare incentives to new and existing vanpools. Eligible vanpools enrolled in the program receive Metro fare incentive amounting to 25–50% of the vanpool's lease cost or up to \$400 per month. In order to be eligible for the program, vanpools must operate their service with vehicles leased from Metro contracted service providers, commute to Los Angeles County employer worksites, be open to any fare paying commuter regardless of employer affiliation (i.e. public), and report specific operating data to Metro. All vanpool operating and expense data are reported to the Federal Transit Authority as part of Metro's annual National Transit Database (NTD) report. The data reported will generate additional federal funding to the region.

The program is being implemented under contract with three vanpool leasing companies: Enterprise Rent-A-Car (dba Enterprise Rideshare), Midway Rideshare and VPSI, Inc. A

procurement bench was established offering commuters multiple options for vanpool services. The Board approved creation of the bench in January 2007. In order to enroll in the program, a participant must hold an executed lease agreement with one of the partner leasing companies and complete a Metro Vanpool Program application. The program participants submit the applications to the leasing companies for review and they then forward the completed applications to Metro for further review and enrollment.

Initial Marketing Efforts

In April, invitations to apply to the Metro Vanpool Program were distributed to nearly 400 identified vanpool operators from the three Metro contracted leasing companies. During the same month, a workshop for employers was conducted at the Metro Headquarters building presenting the Metro Vanpool Program to businesses. Approximately 150 employers attended the workshop and received information and enrollment materials to promote the program at their worksites. Metro staff have been included in several national, sub-regional and local forums comprised of employers and/or local jurisdictions promoting the program and its benefits. On August 7, Metro hosted a media event to bolster public awareness of the program, the associated cost savings and potential impact on traffic congestion. Chair O'Connor, Huell Howser and the CEO spoke at the event. The event was picked up by several television, print and radio news organizations. Additionally, a section of metro.net has been dedicated to the Metro Vanpool Program at metro.net/vanpool. The pages introduce, educate and inform commuters about the vanpool program and provide cost savings information and support to existing program participants.

Response

Staff has received strong positive feedback from commuters, employers and public agencies interested in vanpooling. As the table below summarizes, beginning November 1, the program has enrolled 505 vanpools (72% of projection), delivered an estimated 1,038,400 miles of revenue service (80% of projection) and subsidized at a calculated rate of \$0.19/revenue mile.

7-Month Performance Table

	May-07	June-07	July-07	August-07	September-07	October-07	November-07
Vanpools Enrolled							
Actual	143	325	395	425	445	486	505
Projected	209	417	487	556	626	695	700
%	68%	78%	81%	76%	71%	70%	72%
Metro Subsidy	\$56,862.50	\$130,072.28	\$157,837.04	\$170,833.31	\$177,895.50	\$194,400.00 *	\$202,000.00 *
Revenue Miles							
Actual	338,745	727,412	885,087	1,030,403	885,113 *	1,009,500 *	1,038,400 *
Projected	389,367	776,871	907,281	1,035,828	1,166,238	1,294,785	1,304,100
%	87%	94%	98%	99%	76%	78%	80%
Subsidy/Rev Mi	\$0.17	\$0.18	\$0.18	\$0.17	\$0.20	\$0.19	\$0.19

*estimated; final verification pending

Outreach & Plan

In response to Director Yaroslavsky's motion, staff has begun development of a comprehensive outreach plan for the Metro Vanpool Program. Based on input provided by Board staff, several areas have been identified including:

Burbank	Carson	Century City
Cerritos	Compton	Downey
Glendale	Industry	LAX/El Segundo
Long Beach	Pasadena	Santa Monica
Torrance		

A multi-pronged outreach strategy will be developed to market the program to employment centers, cities, chambers, building owners, etc. The marketing and outreach efforts will be tailored to each group. A midterm assessment will be conducted to determine effectiveness of the strategy and recommend modifications as necessary. The effort will guide Metro Commute Services staff responsible for working with businesses to raise awareness and inform commuters about the Metro Vanpool Program. The plan will identify the different stakeholders for each area and recommend the best method for creating an outreach network for each area. In developing the outreach plan, the above listed areas will be reviewed further and assessed as to whether they are all good candidates for receiving Metro Vanpool Program outreach. The outreach effort is estimated to take about six months.

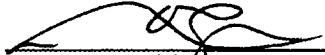
NEXT STEPS

Staff has begun developing the outreach plan and will continue those efforts. In addition, further marketing tactics will be implemented to promote the program such as installing wraps on vans traveling down key congested corridors. Decals are currently being installed on all the Metro Vanpool Program vans to call attention to participating vans and as a result raise interest among other commuters stuck in traffic next to them. Staff will provide a progress report to the Board of Directors in six months.

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