

DILLON
CONSULTING

COUNTY OF WELLINGTON

Ride Well Contract, Fare and Service Strategy Review

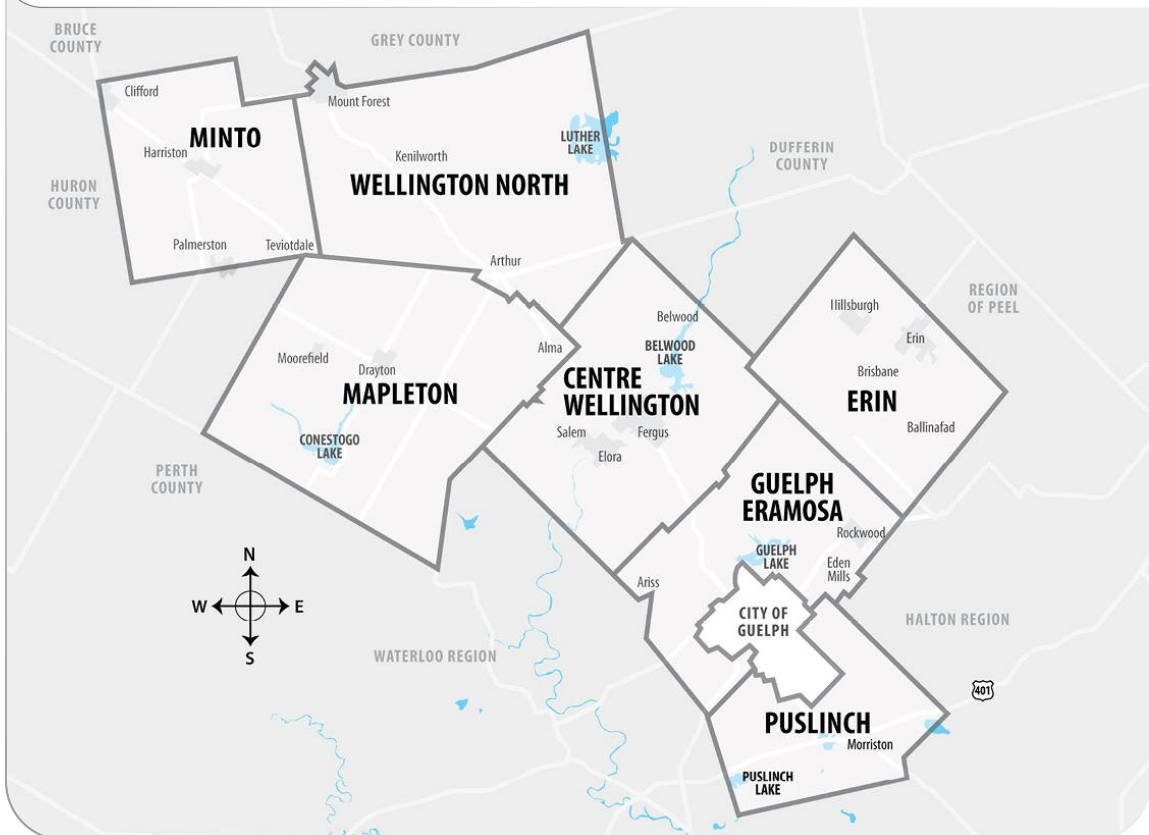


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Introduction

The existing contract for the operation of the Ride Well service between RideCo and the County of Wellington is due to expire in December 2023. The County has requested that RideCo provide an updated proposal to continue to operate services for the remainder of the pilot. The contract extension submitted by RideCo identified two service delivery options, both of which include financial implications to the County.

The first option was for RideCo to continue to operate the On Demand transit service under the existing operating model, under which RideCo provides all hardware and software to operate their dynamic transit technology, manage a contract of independent drivers and vehicles and perform logistics activities including dispatching, scheduling, training, fare collection and reporting. In this option, Wellington County will continue to provide call centre support and manage customer feedback.

The second option was for RideCo to provide a complete operations solution. This is similar to the option above in that RideCo is still responsible to provide all hardware and software to operate their dynamic transit technology and perform logistics activities including dispatching, scheduling, training, fare collection and reporting. In Option 2, RideCo will also contract drivers, vehicles, maintenance, call centre staff and more to Voyago, a multi-modal transportation operator. In this option, the County would be responsible only for escalated passenger concerns; typical call centre support would be provided through the Voyago call centre.

In February 2023, Dillon Consulting Limited (Dillon) was engaged to undertake a review of Ride Well's operation, and provide recommendations on how to improve operational efficiency and reliability. To ensure that the recent proposal submitted by RideCo provides both value to the County while also addressing the recommendations suggested in the operational review, Dillon was re-engaged by the County in August 2023. The full scope of this assignment includes:

- Confirm whether the recommendations noted in the February 2023 report are reflected in the revised contract;
- Review the factors impacting the Option 1 rate increase proposed by RideCo;
- Identify any further short-term modifications to the Option 1 service model, including revised fares, that could be included in the contract to enhance service within the proposed budget;
- Confirm the best option for service delivery: continued operation by RideCo (Option 1) or sub-contract to Voyago (Option 2); and
- Identify any Key Performance Indicators that should be included in the revised contract.

The remainder of this report is structured around the priorities noted above.

2.0 Ride Well Enhancements

The intent of this section is to provide an overview of recommended contract revisions (as per the Dillon report dated February 2023), and summarize if and how these recommendations have been reflected in the proposal.

2.1 Summary of February 2023 Dillon Recommendations

The February 2023 Dillon report identified a number of recommended changes to the proposed service. The recommendations were organized under four key themes and listed below:

Improve Reliability and Effectiveness of the Service

- Increase the daily service hours;
- Provide spare drivers either internally or through partnerships with transportation network companies such as Uber or Lyft to improve service reliability with missed operator trips;
- Integrate the Guelph Owen Sound Transportation (GOST) bus routes into the app so passengers can better understand opportunities for transfer;
- Add an accessible vehicle to the fleet and allow passengers to request an accessible vehicle; and
- Report on key performance indicators.

Improve the Quality of Service for Residents without a Smartphone

- Develop an automated callback solution;
- Implement new coupon features to reduce the need for a partner to designate a single contact person to book discounted trips for passengers; and
- Improve vehicle identification.

Reduce Time Required for County Staff to Manage the Service

- Contract out telephone support; and
- Improve the communication of technical support options.

Improve Quality of Service for Residents without a Credit Card

- Identify options to allow cash payment on board.

In addition to these recommendations, the report also outlined that County staff should continue to explore the option to hire a transportation operations company to improve the reliability of the service, which was being negatively impacted by driver availability.

2.2

RideCo Proposal Review: Recommended Enhancements

RideCo presented the County with a draft contract extension proposal in July 2023. The following summarizes each of the options considered by the proposal, and describes how they address each of the points noted above. The two options considered by the extension proposal are:

- **Option 1** – continue to operate the service using the existing service model with service contracted to independent drivers and vehicles.
- **Option 2** – RideCo to provide a full-service solution including, subcontracting operations, maintenance and support to Voyago.

Discussions with Wellington County and RideCo representatives on August 24, 2023 clarified which of the recommendations from Dillon’s 2023 report are included in each option. This is summarized below in **Table 1**.

Table 1: Recommendations in Each Option

Recommendation	Option 1 Inclusion	Option 2 Inclusion
Increase daily service hours ¹	Included	Included
Identify Spare Drivers (internally or through partnerships with TNCs)	Not Included	Included
Integrate with GOST in app	Not Included	Not Included
Accessible vehicle fleet and passenger request	Not Included	Not Included
Reporting on KPIs	Included, should be better defined in the contract	Included, should be better defined in the contract
Automated callback solution	Not Included	Not Included
New coupon features	Included	Included
Improve vehicle identification	Not Included	Included
Contract telephone support	Not Included	Included
Improved tech support communication	Not Included	Included
Cash payment on board	Not Included	Not Included

RideCo has indicated that although many of these features could be added to the contract, they would come at an additional cost to the County.

Based on the above summary, neither of the options included in the contract extension proposal all of the features recommended in the February 2023 Dillon report. Below is a list of key features that should be included as part of the Base pricing for each option, those that should be considered optional (and

¹ The proposal was based on 30 hours but indicates that additional hours could be added at the same hourly rate provided they are identified and implemented within the first year of the contract.

priced as an optional add-on) and those that do not need to be part of the contract but should continued to be reviewed. These are identified in **Table 2**.

Table 2: Modifications to Contract

Recommendation	Option 1	Option 2
Include in Base Submission and Pricing		
Increase daily service hours ²	Already Included	Already Included
Identify Spare Drivers (internally or through partnerships with TNCs)	Add to Proposal	Already Included
Integrate with GOST in app	Add to Proposal	Add to Proposal
Reporting on KPIs	Already Included, should be better defined in the contract	Already Included, should be better defined in the contract
New coupon features	Already Included	Already Included
Optional with Separate Pricing		
Automated callback solution	Add to Proposal	Add to Proposal
Contract telephone support	Add to Proposal	Already Included, identify as a separate cost
Improved tech support communication	Add to Proposal	Already Included
Cash payment on board	Add to Proposal	Add to Proposal
Exclude from Contract, Discuss with RideCo		
Accessible vehicle fleet and passenger request	Consider in future contract extensions if Ride Well is expected to continue long term	Consider in future contract extensions if Ride Well is expected to continue long term
Improve vehicle identification	Work with RideCo to identify potential solutions	Vehicles are able to be branded, County subject to branding costs

It is recommended that RideCo revisit the proposal and include and describe the base features in a revised contract, including pricing implications (if any). Optional features should also be identified as a separate fee if there are pricing implications.

This report outlines how a number of these features could be integrated into the proposed solution, their impact on the cost of the service and the level of detail which should be included in the service contract.

² The proposal was based on 30 hours but indicates that additional hours could be added at the same hourly rate provided they are identified and implemented within the first year of the contract.

2.3 RideCo Pricing Review: Option 1

The proposal indicated that continued delivery of the service under the existing service model (i.e. Option 1) would come at an increased cost, due to the increased cost of fuel and maintenance, an increased software fees and due to overall inflation.

The original contract between the County and RideCo (signed on June 13th, 2019) was based on an hourly rate of \$30/hour. Challenges finding operators resulting in the County increasing the hourly rate to \$34/hour in September 2022 to help retain and attract new drivers to ensure the service is more reliable and competitive. This represented a 13% increase in the hourly rate.

Since the rate change, RideCo has charged Wellington County \$34 per hour and has increased the number of daily service hours to 38 hours per day. This hourly rate includes all costs to operate the service including:

- An On Demand software fee;
- Driver salary;
- Fuel;
- Insurance;
- Maintenance and wear and tear on the vehicle; and
- Administration from RideCo.

Fare payments are deducted from the total invoice every month offsetting a portion of the cost.³

The proposal identifies that the cost to operate the service under this service model has increased even beyond the rate negotiated in September 2022, and RideCo has proposed operating the service at a cost of \$42 per hour. This represents a 23% increase in hourly cost (at an additional \$8 per hour, compared to the existing \$34 per hour). Note that over the same period (September 2022 and August 2023), the consumer price index increased approximately 3% and the price of gas increased by approximately 9%.⁴

Based on discussions with RideCo, the hourly rate of \$42 per hour would remain consistent regardless of the number of hours per day being operated. At the current 38 daily hours, an increase to \$42 per hour reflects an annual increase in gross costs (excluding revenue deductions) of \$76,000.

2.3.1 Analysis

The rationale for the rate increase was reviewed in more detail using the same process used by Dillon Consulting in 2022, when RideCo requested a rate increase from \$30 to \$34/hour. Since that time,

³ The County of Wellington recovered on average approximately \$7.66 per hour from fares across July 2023.

⁴ Assuming monthly high for September 2022 of \$1.56/L and daily average rate of \$1.70/L on August 30, 2023 for GTA.

market rates have continued to increase and the total number of revenue kilometers each operator drives per day has continued to increase from an average of approximately 72 kilometers per day in 2022 to 96 kilometers per day in 2023. This ultimately reduces the take-home pay of operators, as increased kilometers add to fuel, insurance, maintenance and vehicle depreciation costs. This was confirmed in a meeting with RideCo on August 24, 2023. There has also been a small increase to the cost of the RideCo software license which is impacting the overall rate.

The proposal does not consider this pricing volatility, as it is based on a total number of hours and not the operational kilometers. This means that the County is able to easily budget the expected cost over the life of the contract, however, it also means that changing conditions could lead to reduced wages for drivers and may limit their desire to operate the service. This has previously resulted in having to deny trips to passengers due to the inability to attract and retain drivers to Ride Well. It is therefore important to ensure that the rate is sufficient to account for anticipated changes to the operating conditions.

Based on available market information and Ride Well data, **Table 3** outlines the impact of the range of hourly travel distance on an operator's take-home pay (minus expenses).

Table 3: Estimated Costs of Operation

	2019	2022 Low Kilometers	2022 High Kilometers	2023 Low Kilometers	2023 High Kilometers
Total Kilometers per Driver per Hour	13.3	20.2	23.5	6.3	55.0
Management/Software/Insurance	\$3.60	\$4.08	\$4.08	\$5.04	\$5.04
Fuel	\$1.56	\$3.56	\$4.14	\$1.05	\$9.34
Maintenance	\$1.08	\$1.64	\$1.91	\$0.50	\$4.40
Vehicle Depreciation	\$2.21	\$3.35	\$3.89	\$1.03	\$9.12
Total Cost	\$8.45	\$12.63	\$14.02	\$7.62	\$27.90
County Rate	\$30.00	\$34.00	\$34.00	\$42.00	\$42.00
Estimated Operator Wage	\$21.55	\$21.36	\$19.99	\$34.38	\$14.10

Minimum wage has increased from \$14.00 in 2019 to \$15.50 per hour and is expected to continue to increase to \$16.55 per hour into 2024. This is an 18% increase since the original 2019 contract was signed. While drivers are expected to make more than minimum wage, this can be a good indicator of wage inflation. An 18% inflation on the original \$21.55 wage would be equal to \$25.43. The total number of kilometers required to have drivers wages equal to \$25.43 was calculated to be 27.7 kilometers per hour using the same calculations used to develop **Table 3**. Drivers would receive less than the inflated hourly wage when they are required to operate more than 27.7 kilometers per hour on average.

Based on data from July, 53% of driver shifts averaged more than 27.7 kilometers per hour. This suggests that at the proposed rate of \$42 per hour, these operators would have a take home pay of less than \$25 per hour. Conversely, approximately 43% of driver shifts operate less than 26.4 kilometers, which would result in an hourly take-home pay of over \$26 per hour.

The \$42 per hour is based on establishing a fair wage understanding this variability in kilometers driven by each operator per day. Establishing a fair wage will continue to help maintain the reliability of service and attract and retain quality drivers.

To test whether this is an appropriate rate, a variable contract model was developed as an alternative. This variable model established a fixed rate of \$31 per hour, which includes the RideCo administration fee, plus the operator salary of \$25/hour. On top of this, a per kilometer rate was developed based on the rates noted in **Table 3** to account for the drivers operating expenses (e.g. fuel, depreciation, etc.). This model provides fair compensation to drivers based on kilometers driven, while reducing the cost to the County when the operator does not drive a high number of kilometers.

Table 4 compares this model with the existing flat hourly rate. Two sensitivity tests are also included to test the impact a change in kilometers per hour (from improved efficiencies or ridership growth) would have on the cost to the County.

Table 4: Pricing Elasticity

	Flat Rate Model	Variable Rate Model (existing kilometers)	Variable Rate Model (10% kilometer reduction)	Variable Rate Model (10% kilometer increase)
Average Kilometers per Hour per Driver	28	28	25.2	30.8
Hours per Day	38	38	38	38
Flat Hourly Rate	\$42	\$31	\$31	\$31
Rate per Kilometer	\$0	\$0.42	\$0.42	\$0.42
Total Hourly Cost	\$42.00	\$42.76	\$41.58	\$43.94
Total Annual Cost	\$399,000	\$406,220	\$395,048	\$417,392

Using the variable pricing strategy, the overall cost to the County would be slightly higher than the cost being proposed by RideCo. If efficiencies are found in the number of kilometers driven by each operator (see **Section 3.0**), the cost would decrease slightly, however, this may be off-set by any ridership growth experienced in the system.

Based on the above, it is recommended that the County continue with the flat hourly rate, and that \$42.00 is a fair price being offered by the contractor. Opportunities to reduce non-revenue kilometers

driven by operators should continue to be explored, particularly as ridership grows, to maintain this rate in the future. As more data is collected, the variable model should continue to be explored to identify potential cost savings to the County in the future.

2.4

RideCo Proposal Review: Option 2 Voyago Contract

Ride Well has previously had difficulty maintaining a full complement of drivers, which has impacted reliability and the availability of service for passengers. The second option in the recent RideCo proposal designed to address this challenge by providing a more reliable workforce which is less vulnerable to unforeseen circumstances. This option has all of the same elements as option one, but also expands the contract for RideCo to provide a full-service solution at a rate of \$70 per hour. This additional hourly rate will include:

1. Voyago drivers, branded vehicles, and vehicle maintenance which would replace the existing independent drivers and their vehicles; and
2. Customer service support, through Voyago's call centre.

2.4.1

Analysis

This option has the potential to improve customer perception of the service and enable a shift of a number of administrative functions from the County to Voyago (via RideCo).

Contracting the staffing and operations side of service to Voyago increases the pool of spare drivers who can operate the service, reducing the likelihood of trips cancelled by the operator due to unexpected driver absenteeism. Further, as there would be dedicated fleet vehicles, the County could brand them to present a more unified service to the customer and enhance the brand's profile. Vehicle maintenance would also be the responsibility of Voyago and all vehicles are to be less than 5 years old at the start of the contract, which can guarantee a standard for vehicles providing the service.

Another benefit of Option 2 is that it includes call centre services. As this is currently a service provided by County staff, it could reduce the amount of time County staff spend answering customer questions, following up on trips, booking services, etc. The services which will be provided by the call centre and the hours of operation have not been included in the proposal.

Of note, since the hourly rate increase to Ride Well drivers in 2022, there has been no shortage of drivers in the pool of independent operators providing Ride Well services. RideCo indicated that they have been able to continue to attract drivers to this service. County staff are also able to manage the number of incoming calls and solutions such as automated call back functionality could reduce the number of calls.

The increase in rate of Option 2 from \$42 per hour to \$70 per hour would also add \$266,000 in annual costs over Option 1. This additional cost is equivalent to the cost of an additional 96 hours of weekly service under the Option 1 model. As such, while there are benefits outlined in Option 2, it is not clear that the benefits outweigh the considerable additional costs.

2.5 Recommendation

It is recommended that the County pursue Option 1 with the flat rate of \$42 per hour. In addition, it is recommended that the County work with RideCo to explore options to change the service model to reduce non-revenue kilometers driven by operators, as growth in ridership may result in continued pressure to increase the operating rate unless efficiencies are found in the system.

Option 2 is not recommended at this time. While it does offer significant benefit, and relieves the County of some administrative duties, the additional costs do not currently outweigh the benefits at this time. The integration of Uber trips should also help alleviate some of the concerns over cancelled trips due to unexpected driver absenteeism (see **Section 3.2**).

3.0 Service Model Modifications

Building on the recommendations of the previous section, this section will identify short term modifications which will enhance service delivery and improve operational efficiency of the Ride Well service.

Three options were explored that were considered feasible within the scope of the service with RideCo:

1. Identify integration opportunities with fixed-route service
2. Identify integration opportunities with Uber
3. Change how on-demand service is delivered to lead to shorter trips/increased vehicle availability

3.1 Integration with Fixed-Route Services

The low density and large geographic area that is serviced by Ride Well creates a significant challenge in grouping rides, particularly for long-distance trips. This is one of the reasons that the hourly cost to operate the service is increasing. These trips can occupy vehicles for a long period of time. Ride Well operates a limited number of vehicles, therefore, removing one vehicle from service to operate a single, long distance trip significantly reduces the availability of resources for other short-distance trips. This directly impacts the reliability of the service and the ability for passengers to book trips close to their desired departure time. One way to reduce these types of inefficient trips is to get more people making long distance trips between Mount Forest and Guelph to use the existing Guelph Owen Sound Transportation (GOST) fixed-route service.

GOST is a fixed-route, inter-community bus service providing two round trips a day. The service is operated by the City of Owen Sound, and operates primarily on the Highway 6 corridor, with stops at five locations across the County: Mount Forest, Arthur, Fergus, Elora and Guelph. The GOST service operates using a cutaway bus, which are able to transport up to 22 people, with two spaces to accommodate a wheelchair, or mobility scooter. By operating this service with a larger capacity vehicle and at specific times throughout the day, GOST is able to group passengers more efficiently onto a select number of trips to travel across Wellington County.

Passengers are able to make long-distance trips on GOST for a lower fare than taking the same trip on the Ride Well service. For trips from Mount Forest to Guelph, the GOST fare is \$10.00 compared to approximately \$40.00 on Ride Well. Shorter trips, such as those between Fergus and Elora, have the same fare to Ride Well costing \$5.00 using Ride Well and \$5.00 using GOST. This incentivizes passengers to use GOST or combine Ride Well and GOST together to complete long-distance trips. This benefits both the passenger (who will receive a lower fare), and the County (by reducing inefficient long-distance trips). To this end, the County encourages passengers to make use of the GOST service by providing a

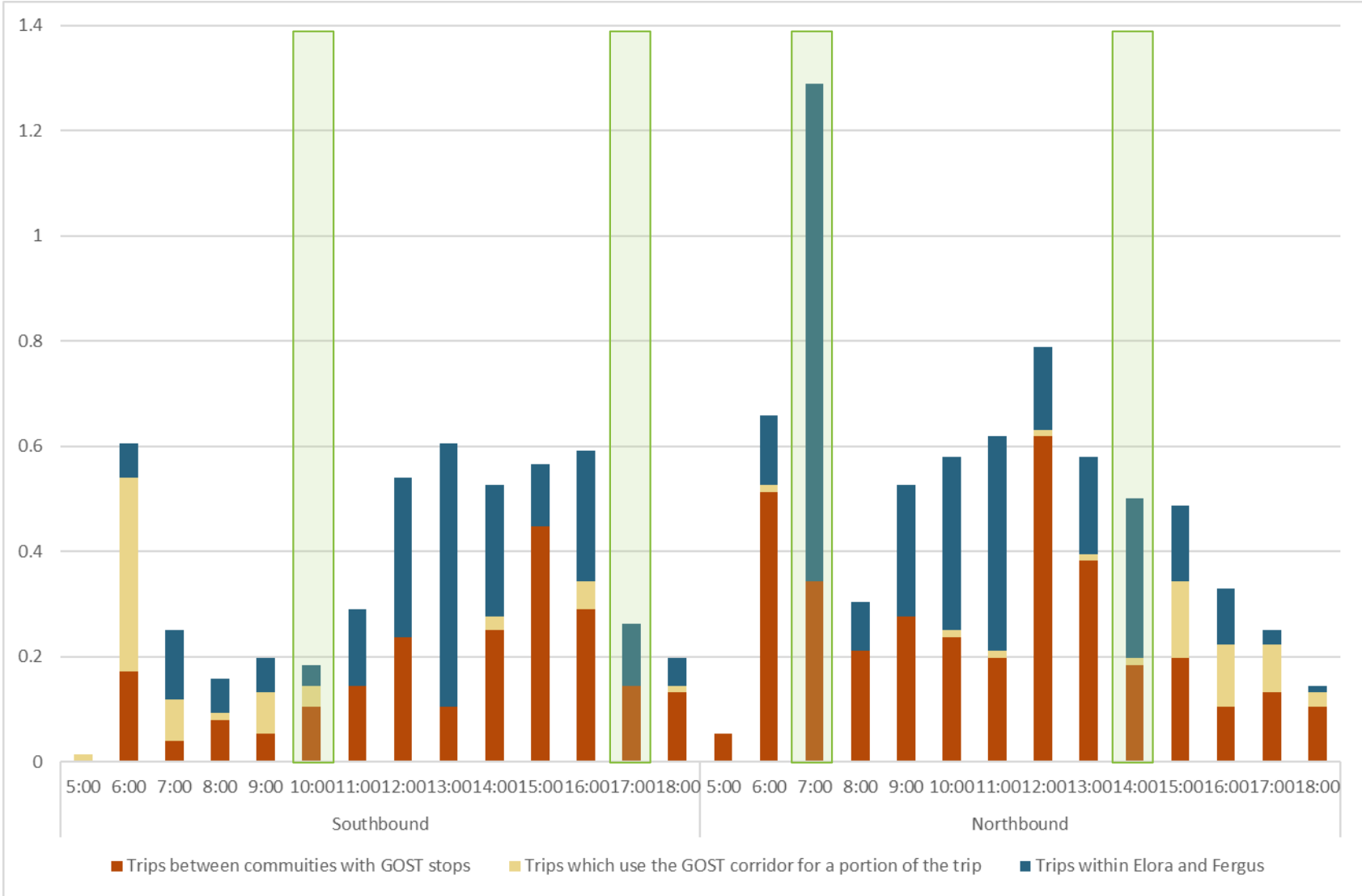
30% discount on their Ride Well trip when passengers travel to a GOST transit stop location, reducing the cost of the multi-vehicle trip.

While this partnership exists, there are very few Ride Well passengers taking advantage of it. Between May 1 and August 16, 2023, there were 236 Ride Well trips which could have used GOST for all, or a portion of their trip⁵ (3 trips per day, highlighted in the green bars in **Figure 1**). Over the same period, only 16 trips used this discounted fare by travelling to a GOST bus stop, with many of these passengers ending their trip at the transfer location and not connecting onto GOST.

There were an additional 683 trips (13% of all trips during this period, or approximately 9 daily trips) which followed the Highway 6 corridor at times when the GOST service was not operating. The trips which could be shifted to a fixed-route operating along the GOST corridor are represented in **Figure 1**. There are a small number of trips (represented by the yellow bars in the chart below) where passengers are travelling to or from a community with a GOST bus stop, but would require Ride Well for a significant portion of the trip as they are travelling to or from an area outside of the GOST bus communities. Trips between only Elora and Fergus (4 trips per day, 6% of trips) are provided separately as they reflect short trips which are unlikely to be converted to a fixed-route service as a transfer would be introduced and the cost would increase.

⁵ This is based on passengers that travelled to and from locations near a GOST stop, during the times that GOST operates

Figure 1: Total Trips Which Could be Shifted to a Fixed-route Service on the Highway 6 Corridor



As per the figure above, outside of the periods that the GOST service operates, the times that have the highest potential to group long-distance trips by increasing the availability of vehicles include:

- Northbound between 12:00 pm and 1:00 pm: 0.63 daily trips;
- Northbound between 6:00 am and 7:00 am: 0.53 daily trips (one hour before the GOST bus);
- Southbound between 6:00 am and 7:00 am: 0.54 daily trips; and
- Southbound between 3:00 pm and 4:00 pm (one hour before the GOST bus): 0.45 daily trips.

3.1.1 Recommendations

Discussions with RideCo indicated that they do not currently have multi-modal functionality within their software that would allow riders to view a Ride Well connection to, or direct trip on GOST on the Ride Well app. This option should be investigated by the County as it becomes available on the RideCo platform.

There are still improvements that can be made to better utilize the GOST bus service. These include the following recommendations:

- The County of Wellington should improve the marketing of the GOST service as a complimentary service to Ride Well for long trips.
- The GOST route should be added to the Ride Well map within the Ride Well app to indicate that it is an available option within the service area.
- The GOST route should be added to the Ride Well map on the Ride Well website along links to information regarding stop locations, schedule fares and instructions on how to use the coupon code to connect to the service.
- Work with RideCo to make use of the time-snap functionality for GOST stops. Time-snapping is a feature on the RideCo app which provides guaranteed arrival times, that should be set for Ride Well vehicles to arrive no later than 5 minutes prior to the arrival of a GOST bus (for passengers connecting to the service), or picking-up 5 minutes after the GOST bus arrives (for passengers connecting from the GOST bus to a Ride Well vehicle).
- Ride Well should consider increasing the frequency of service along the corridor between Mount Fergus and Guelph through the use of a flex route.

3.2 Integration with Transportation Network Companies (TNC)

The 2023 operations review included a recommendation that the County work with RideCo to allow a partnership with a TNC such as Uber or Lyft to fulfill trips which can not be completed by Ride Well due to unexpected driver absenteeism or where there are a higher number of trips than can be effectively fulfilled with the existing fleet. To ensure the County was able to maintain control over the cost of operating these trips, it was recommended that a monthly budget be set up for TNC trips and criteria be developed for the trips which would be appropriate to shift to a TNC within this model.

RideCo and Uber announced a partnership in July 2023 which enables Uber trips to be visible on the RideCo app and also allows this functionality. The integration of Uber into the existing Ride Well service comes at an increased cost which should be reflected in the updated service contract. The partnership is composed of several elements intended to allow improved reliability and customer service:

1. **Backup Driver Availability:** In the event that a driver can not make it into their scheduled shift, and RideCo is unable to find a replacement driver, trips that have the potential of being cancelled by RideCo can be reorganized to be operated by an Uber vehicle. In order to fulfill the maximum number of trips and maintain a low cost, the contract should indicate which trips are to be prioritized on RideCo vehicles and which can be shifted to an Uber vehicle. The cost of an Uber trip is determined by the overall trip length, as such the longest trips, inclusive of deadheading, should be prioritized on the RideCo vehicles.
2. **Alternate Service Options:** Passengers booking trips in areas where Uber service is available can be shown both a Ride Well trip and an Uber trip. A passenger can elect to take an Uber trip and pay the higher fare to have a trip which better meets their needs or take the next available Ride Well trip at the cost to the Ride Well fare.

It is recommended that both of these options be introduced into the Ride Well app. To minimize the cost of operating trips, trips which would be otherwise cancelled due to unexpected driver availability should be shifted to Uber and subsidized by the county to maintain the level of service. The contract should indicate that the cost of all Uber trips subsidized by the county must be less than or equal to the cost which would have been paid to the absent operator and will therefore not increase the overall cost of the service.

3.2.1 Recommendations

It is recommended that the proposal be revised to reflect the desired relationship between RideCo and Uber on behalf of Ride Well. This would involve three different applications:

- **Backup Driver Availability:** In the event of unexpected driver absences that cannot be fulfilled by another RideCo driver, trips that are scheduled to be cancelled by RideCo should be replaced by an Uber trip. In this scenario, the impacted passenger would be contacted to confirm if they would like to be picked up by an Uber driver at the same fare as the Ride Well trip. This would require the impacted passenger to agree to the Uber terms and conditions. If the passenger agrees, an Uber pick-up would be scheduled and the County would subsidize the difference between the Uber fare and the Ride Well fare. In this scenario, RideCo would do their best to rearrange Ride Well drivers to ensure trip being cancelled are short (under 25 total kilometers, excluding the deadhead distance) and within the Uber service area (near the City of Guelph). This will minimize the financial implications to the County and increase the reliability of the Uber trip. The proposal should indicate which party, the County or RideCo is responsible for contacting the passenger. It should also indicate that RideCo is responsible to maintain a fleet of drivers sufficient to maintain the 38 hours of service.

If all hours cannot be filled with available independent Ride Well drivers, the total cost which would have been paid to the absent drivers, based on their scheduled shift, can be applied to filling the abandoned trips using an Uber vehicle (as required).

- **Alternate Service Options:** The contract should include the integration of Uber trips within the Ride Well app, making both Ride Well and Uber trip options and fares visible to customers. This will give customers a choice to use Uber if a Ride Well option is not available at the time they want to travel. In the scenario, the County would not subsidize Uber fares and passengers that choose to use Uber would do so at the full Uber rate. This option may direct more traffic to the Ride Well app if marketed as a full mobility option, and may create more visibility for Ride Well trips. As a future integration phase, it is also recommended that taxi services which have appropriate tracking capability be included in this app.
- **Coupon Codes that Can be Used by Partners:** The County currently partners with a number of agencies to provide reduce fares for their clients/members via the use of coupon codes. This typically involves the partner paying for the fare difference when the coupon code is applied. Making these coupon codes available for Uber trips that are booked on the Ride Well app would increase the availability of rides for partner clients/employees. In this scenario, the fare difference for a subsidized Uber trip would continue to come from the partner, and the County's only involvement would be to facilitate the use of the coupon code through the Ride Well app. Based on the above, the contract should include working with RideCo to make the same coupon codes available for Uber trips booked on the Ride Well app.

With the introduction of Uber trips, the contract should also indicate RideCo's responsibility to include information about Uber operated trips in their typical reports. This includes reporting on the following for each Uber trip:

- search delay (time between the requested trip and the scheduled trip);
- trip kilometers (in service and deadhead);
- trip duration;
- service hours operating Ride Well trips;
- pick up and drop off locations;
- fare charged;
- no shows;
- booking time;
- scheduled arrival and drop off time; and
- actual arrival and drop off time.

These statistics should also be summarized with the statistics from the independent operators to form the daily and monthly KPI summary reports.

3.3 Flex Routes and Zones

Ride Well vehicles are currently able to operate anywhere within the County and to/from the City of Guelph. Since the County is large and vehicles can travel anywhere within it, vehicles may be required to deadhead long distances without any passengers if there is no vehicle nearby where a trip is requested. For example, if a short trip is requested in Mount Forest, and the closest vehicle is in Fergus, the vehicle would need to travel 43 kilometers without a passenger just to complete a short trip in Mount Forest. This results in long, inefficient travel times between trips. To reduce the travel distances, and increase ridesharing, the County has asked Dillon to explore alternative ways to deliver service. Three options were developed which utilize travel zones, and in some cases, a flex-route on the Highway 6 corridor to provide connections between the zones.

Travel zones are a tool often used when On Demand style service is being provided over a very large geographic area such as Wellington County. Travel zones break down one large service area into two or more zones, with each assigned one or more vehicle. These assigned vehicles typically do not leave the zone. This has the overall effect of reducing non-service kilometers by keeping vehicles in a relatively small area, and increases the availability of service within the zone, thus improving service availability and reliability when residents want to travel. The challenge with this model is that passengers travelling between two zones may have to transfer at a designated location in an effort to group trips and limit the number of single occupant long distance trips. To reduce the number of required transfers, zones are typically defined where there are a high number of trips within the zone boundary and where there are a limited number of trips outside of the zone.

To facilitate the connection between zones, fixed or flex routes can be introduced. These services operate at defined times and operate generally along a route connecting two or more zones. Fixed routes operate only along the defined route and passengers are required to travel to the bus stops. Flex routes allow for the pick up and drop off locations along the route to be more flexible. The route must travel between defined points within a set time, but will deviate slightly from the defined routing to pick up or drop off passengers, as long as it is able to maintain the schedule at the fixed points. In some cases, the route may pick up passengers across an entire zone prior to starting a trip along the corridor, grouping passengers and reducing the need for passengers to transfer in that zone.

By reducing the average trip distance and increasing the number of shared trips, the total number of trips which can be satisfied are expected to increase. Additionally, the average search delay (time between the requested trip and the scheduled trip) is expected to decrease as vehicles will be closer to the trip origin.

3.3.1 Analysis

Three scenarios which use zones and flex routes are currently being modelled and simulated by RideCo to identify the impacts of each on wait time, trip availability and the total number of kilometers which can be expected. RideCo will provide the following metrics for each model:

- Portion of expected trips which can be satisfied (by origin zone if possible);
- Average kilometers per Ride Well vehicle expected;
- Total revenue expected;
- Average trip distance on Ride Well vehicles;
- Portion of trips which require a transfer;
- Average search delay;
- Portion of rides which are shared (by zone if possible); and
- Projected portion of revenue time as compared to scheduled time.

These metrics will be reviewed by County staff and compared to the existing service model. If any of the models increase the number of trips which can be operated, maintain or reduce the wait time for passengers and reduce both the number of kilometers and the overall travel time operated, the scenario should be considered for use by the County.

Introducing these service models will introduce transfers for less than 7% of passengers. therefore, the trade-off between direct trips for all passengers and the availability of service for more residents must also be weighed to define the direction for the network moving forward.

4.0 Fares

The purpose of this section of the review is to assess the appropriateness of the fare structure and identify any opportunities to increase fares to off-set rising costs, while still ensuring the service is affordable for passengers.

The current fare model uses a fare-by-distance formula, based on a rate of \$0.60 per kilometer. The lowest fare is \$5, and the highest fare is capped at \$40. **Table 5** shows the range of fares before discounts and the percent of trips taken. The average fare for trips completed between May and August 2023 was \$8.37, when considering the use of coupons⁶. This is equivalent to a 14-kilometer trip, which is approximately half the distance between Fergus and Guelph. This suggests that the majority of individuals are using the service for very short local trips as opposed to trips between towns.

⁶ This excludes the use of rewards or credits as these are not discounted trips but rather are pre-paid

Table 5: Fare Breakdown

Fare	Average Distance (km)	Portion of Trips
\$5.00	4	48.9%
\$5.01 - \$10.00	12	14.8%
\$10.01 - \$15.00	21	23.6%
\$15.01- \$20.00	26	6.3%
\$20.01 - \$25.00	34	4.9%
\$25.01 - \$30.00	46	1.0%
\$30.01 - \$35.00	51	0.3%
\$35.01 - \$40.00	71	0.1%

The 2021 Ride Well Briefing Paper, developed as part of the Road Master Action Plan, included a peer average of rural systems, which had an average fare of \$6.00. A more updated peer review was completed and when compared to other nearby systems. This is illustrated in **Table 6**.

Table 6: Peer Fare Structures

Transit Service	Fare Type	Existing Adult Fare	Fare Options	Concessions
Ride Well	Fare by Distance	\$0.60 per kilometer \$5 minimum \$40 maximum	Debit/Credit	Seniors / Trips to GOST locations/ Other partner discounts (discount) First Ride (free)
PC Connect	Fare by Distance	\$6 local \$12 inter-community	Cash App	Senior 60+ / Student (discount) Veterans / Child 5 and under (free)
Strathroy-Caradoc Transit	Fare by Distance	\$5 - \$20	Online purchase	None
T:GO	Flat Fare	\$10	Cash 10 Ride Pass Day & Monthly Pass	Student / Senior 60+ (discount) Veterans / Support Person / Child 5 and under (free)
Ride Norfolk	Fare by Distance	\$6 Out-of-Town \$10 Brantford	Cash 15 Ride Pass Day & Monthly Pass	Student / Senior 55+ (discount) Child 5 and under (free)
Huron Shores	Fare by Distance	\$5 local \$10 long-distance	Cash Smart Card	Child 12 and under (free)
Grey Transit	Flat Fare	\$3 - \$5	Cash	Senior / Student (discount) Child 5 and under (free)
GOST	Fare by Location	\$5 local \$10 short-distance \$15 long-distance	Cash	None

Wellington County has some of the highest fares for long distance trips but had comparable fares for the more common short distance trips. The discounts, or concessions, are very similar to those provided by peer agencies maintaining the affordability.

Table 5 also indicates that passengers are less inclined to request a trip where their fare before discounts is more than \$15, which aligns with the maximum cost charged by many of the peer agencies for long trips.

4.1.1 Coupon Codes

Coupon codes help to support the affordability of the service and provide a revenue stream to the County. The following table identifies coupon codes available for passengers to use based on partnerships with local businesses and schools, and to provide discounted trips for first time riders, seniors and low-income community members and the frequency at which they are used.

Table 7: Coupon Code Use

Coupon Code	Completed Rides Using Coupon - May 1 to Aug 16, 2023	Unique Riders That Used Coupon - May 1 to Aug 16, 2023	Annual Contribution from Third-Party Agencies (2022)
ATTENDANT	0	0	N/A
CMHAWW	7	1	\$292
ECFTA STUDENT	0	0	N/A
FIRSTRIDE	9	8	N/A
FOOD EQUITY	0	0	N/A
GOST	16	3	N/A
THEGROVE	No longer in use	No longer in use	\$1,779
HOUSINGWITHSUPPORTS	0	0	\$386
SENIOR	211	26	N/A
SHOPLOCAL	0	0	N/A
SKILLS UPGRADING	2	1*	N/A
SOCIAL SERVICES	86	1*	\$6,945
TASTEREAL	4	1	N/A
TEST	0	0	N/A
TRANSPORT	0	0	N/A
VACCINE	0	0	N/A

*These accounts are managed by a single user and therefore do not identify unique riders.

The majority of coupon codes are not being used frequently, the coupon being used the most is the seniors discount code. This coupon resulted in seniors saving on average \$0.75 per trip, a total of \$158 across these three and a half months. Coupons reduce the average fare marginally from \$9.22 to the \$8.37 reported above.

Some coupons such as the senior’s coupon code is discounted by the County reducing the revenue received. There are other coupon codes, such as the CMHAWW discount, which is funded by the partnering agency. These partners cover the discounted portion of the fare and does not reduce the revenue to the County.

As noted above, trips which have a low fare have a higher demand, therefore, providing a coupon code has the potential to increase ridership and therefore revenue. The only partner coupon code which is currently being used frequently is the social services code. The County should seek additional partners who are willing to subsidize rides for their employees, students, or clients as this has the potential to increase ridership, maintain low prices for customers and cover the cost of operating the service.

4.1.2 Revenue to Cost Ratio

The total annual revenue collected from fares is approximately \$36,000 to date. An additional \$9,400 is collected from agency contributions through the purchase of discounted or free transit fares (using coupon codes). This represents approximately 20% of operating costs. The increase in operating costs

for Option 1 in the contract will reduce the cost recovery to just under 12%. This is in line with the cost recovery received by peer agencies that operate other rural inter-community transit services. The addition of the Community Transportation Grant adds another revenue stream, which will further reduce gross operating contributions from the County.

4.1.3 Analysis

There are several options that the County could consider to increase revenue. Moving to a flat fare across the county would require the average fare to increase to about \$10.00. This would likely increase the number of long-distance trips, and reduce the number of short-distance trips (e.g. 44% of trips occur within Fergus/Elora). While this may increase revenue, it would also increase operating costs or reduce vehicle availability, and is therefore not recommended at this time.

A second option would be to maintain a fare-by-distance formula, but to round fares to the nearest dollar. If the County were to ever move to accepting cash fares, this would make the payment of fares by customers much easier (rather than finding the correct change). There are less than 8,000 rides completed annually; if all trips were rounded up to the nearest dollar, the most the County could add in fares would be \$8,000 and increase the revenue to cost ratio by approximately 2%. This would be significantly less if the costs were rounded either up or down to the nearest dollar. This option should be considered if the County moves to cash fares, but is not recommended at this time as it would further reduce the affordability of the system.

Raising fares was also considered as a potential option. Based on the review of data, it is not recommended to raise the \$0.60 per kilometer fee as this would further increase high costs, particularly for long distance trips. In this model, any significant gain in revenue would occur for long-distance trips, but there are very few completed over 26 km, and would result in limited revenue gain. Additionally, the majority of trips being operated are short and/or are trips subsidized by the County. An increase to the per kilometer fee (e.g. from \$0.6 to \$0.75 per kilometre) would not increase the revenue received for these types of trips, as many would continue to be below the \$5.00 minimum fare.

The County could elect to increase the minimum fare as high as \$6.00, which is on par with two of their peers, however, these peers offer longer distance trips than the distance covered by Wellington County for the same proposed fare.

It is expected that this increase would result in a revenue increase of less than \$2,500 annually (or a 6.9% increase in current revenue). This would only result in a 0.6% increase in revenue to cost ratio. There is a risk that this fare increase could discourage riders from using the system, reducing the ridership and therefore reducing the potential revenue gain. Short trips, which would be most impacted by an increase in the minimum fare, take up the least resources and should be encouraged. Therefore, it is recommended that the fare structure remain the same for the term of the contract extension.

4.1.4 Recommendations

The following recommendations should be considered with respect to fares:

- The fare structure should remain the same.
- The County should identify agencies/organizations that are willing to purchase discounted fares for their clients as a way to reduce the fare for customers and as a way to increase ridership and revenue for the County.

5.0 Key Performance Indicators

There were a number of Key Performance Indicators which were identified in the service analysis as important KPIs to monitor. The revised contract should indicate that RideCo is responsible to report on these statistics. This section identifies a target or acceptable range for each, and identifies if there are associated actions which should be triggered if the service falls outside of the acceptable range. These actions should also be included in the contract.

Table 8: Key Performance Indicators

Key Performance Indicator	Definition	Current Performance	Target	Action
Ridership (Total Completed Trips)	Average trips completed per day over a one month period	33	55 completed trips per day based on 38 hours of service per day	If the total number of monthly trips is trending downward, RideCo should notify the County and identify whether the number of search requests is also trending downward or if this is related to service availability.
Ridership per Service Hour	Number of completed daily trips, divided by the number of service hours provided by drivers during the same period.	1.16	1.5	If the monthly average boardings per service hour drop below 0.8, the County should be able to reduce the number of service hours provided or increase the service area if using a zone service model (Section 3.0).
On-time Performance	Portion of trips where the driver arrives within the pick-up time window	97%	Over 98%	Work with RideCo to understand reasons for poor performance and take corrective action

Key Performance Indicator	Definition	Current Performance	Target	Action
No Show Trips	Booked trips that are not completed due to the passenger not being available at the scheduled pick-up location within the pick-up window	3%	Less than 3% of booked trips	If the number of no shows in a given month exceeds 5% of trips, the cancellation policy could be reviewed to consider whether penalties or account suspension measures may be appropriate.
Late Cancellations	Booked trips that are cancelled by the passenger within 5 minutes of being sent the “vehicle on the way” message or if the vehicle has driven more than 4 kilometers	0.2%	Less than 1% of booked trips	If the number of late cancelled trips in a given month exceeds 2% of trips, the cancellation policy could be reviewed to consider whether penalties or account suspension measures may be appropriate.
Abandoned Trips	Booked trips that are cancelled by the operator due to inability to provider a driver to complete the trip	0.5%	0%	If the number of abandoned rides in a given month exceeds 1% of trips, a meeting should be held with RideCo to identify why trips are abandoned and develop a solution.
Scheduled Service Hours Completed	The percent of scheduled service hours that are provided by in-service hours, measured monthly	94%	100% of scheduled service delivered	RideCo is responsible to maintain a fleet of drivers sufficient to maintain the scheduled hours of service (38 daily hours). If all hours cannot be filled with available independent operators, the hourly rate for the absent operator should be applied to filling the abandoned trips using

Key Performance Indicator	Definition	Current Performance	Target	Action
				an Uber vehicle.
Driver Utilization	The portion of time that drivers are providing revenue service (on fare time)	55%	60%	If under the target within four months of service model change, revisit the service area and make necessary adjustments.
Availability of Requested Rides (average search delay for all trips)	The average time between the requested trip and the scheduled trip	37 minutes	<20 minutes	If the average search delay for trips exceeds 40 minutes, the County should be able to increase the number of service hours provided.
Wait Time	Average time the customer waited to be picked up from the start of their pickup window	3.8 minutes	<4 minutes	Consider increasing the number of vehicles in areas/periods of the day when target is exceeded for a one month period.
Customer Satisfaction	Average customer rating provided on the Ride Well app at the end of a customer's trip, measured by a scale of 1-5	4.8	5	Consider conducting an on-line passenger survey if customer satisfaction decreases below 4.

6.0 Summary of Recommendations

The following presents a summary of recommendations located throughout this report:

Contract Inclusions and Pricing

- Pursue Option 1 with the flat rate of \$42 per hour.
- Request an update proposal reflecting the elements outlined in **Table 2**.

Fixed Route Integration

- Improve the marketing of the GOST service as a complimentary service to Ride Well for long trips.
- Add the GOST route to the Ride Well map within the Ride Well app to indicate that it is an available option within the service area.
- Add the GOST route to the Ride Well map on the Ride Well website along links to information regarding stop locations, schedule fares and instructions on how to use the coupon code to connect to the service.
- Work with RideCo to make use of the time-snap functionality for GOST stops.

TNC Integration

- Request that the proposal be revised to reflect the desired relationship between RideCo and Uber on behalf of Ride Well, including the three applications outlined in **Section 3.2**:
 - Backup Driver Availability
 - Alternate Service Options
 - Coupon Codes that Can be Used by Partners
- Modify the contract to indicate RideCo's responsibility to include information about Uber operated trips in their typical reports. The operating statistics should be summarized with the statistics from the independent operators to form the daily and monthly KPI summary reports.

Service Models (Flex Routes and Zones)

- Review the simulation results provided by RideCo evaluating their merit against the existing service model on the following criteria:
 - increased number of trips which can be operated;
 - maintained or reduced wait time for passengers;
 - reduced kilometers, both in-service and deadheading; and
 - reduced overall travel time operated, the scenario should be considered for use by the County.
- Work with RideCo to test the most effective model for the remainder of the contract and assess results.

Fares

- Maintain the existing fare structure.
- Identify agencies/organizations that are willing to purchase discounted fares for their clients as a way to reduce the fare for customers as a way to increase ridership and revenue.

Key Performance Indicators

- Revise the contract to outline RideCo's responsibility to report on the key performance indicators identified in **Section 5.0**.
- Include in the contract targets for these measures and actions to pursue if the service is moving away from the targets as outlined in **Section 5.0**.

Appendix A

Additional Ride Well Questions

This Appendix answers some of the questions which have been asked by Council in the past. We have included them here as they support the findings and recommendations proposed throughout this document.

Who is using the service?

In the last 3.5 months, the following groups of people used the service:

	Adult	Senior	Youth
May	607	123	45
June	538	136	47
July	604	112	77
August (1st-16th)	331	57	27
TOTAL	2,080	428	196

Based on the above statistics, the service is mainly being used by adults. There is a potential to continue to market for seniors and youth. Increasing accessibility of vehicles would likely increase use by seniors. For youth, attracting this market would likely require increasing availability of service.

The table below summarizes the top ten most used origins and destinations for the period between May 1st and August 16th.

Origin	Number of Trips	Description	Destination	Number of Trips	Description
Hillsburgh	63	Residential Home	Speedvale Ave W, Guelph	62	Commercial Plaza (Make it Sew, All About Grooming, Krella Fireplaces)
Fergus	61	County Housing	Hillsburgh	58	Residential Home
550 Belsyde Avenue East, Fergus	56	Centre Wellington Community Sportsplex (GOST Bus Stop)	550 Belsyde Avenue East, Fergus	53	Centre Wellington Community Sportsplex (GOST Bus Stop)
727 Speedvale Ave W, Guelph	56	Commercial Plaza (Make it Sew, All About Grooming, Krella Fireplaces)	150 Albert St W, Fergus	50	Victoria Park Seniors Centre
Centre Wellington	51	Residential Home	Centre Wellington	49	Residential Home
150 Albert St W, Fergus	49	Victoria Park Seniors Centre	6589 1 Line, Fergus	46	Ontario Nutrilab Inc

Origin	Number of Trips	Description	Destination	Number of Trips	Description
Fergus	47	Residential Home	79 Carden Street, Guelph	45	Guelph Central Station (GOST Bus Stop)
475 Maiden Ln, Fergus	47	Wellington Court Apartments	130 Metcalfe St, Elora	44	The Evelyn Restaurant
Fergus	45	Residential Home	58 Wellington Rd 7, Elora	43	Subway Restaurant
Fergus	44	Residential Home	474 Charles Allan Way, Fergus	40	Wellington Terrace Long Term Care Home

Should the County consider a needs based approach?

Options that target specific populations are also used both in the County and elsewhere. For example, in the County, the Community Resource Centre uses a roster of volunteer drivers to help low-income individuals get rides to medical appointments, grocery stores, and job interviews. They also use Ride Well when there is not a sufficient number of volunteer drivers. Another example of this can be found in Muskoka, where they have a specialized transportation fund that offers low-income individuals up to \$2,000 per year to spend on transportation needs.

While Ride Well is able to support these types of trips, the focus of the service should be on providing transportation to all members of the community. It is very difficult to assess how much a person “needs” a transportation service. Seniors and youth have a need for transportation for their autonomy as do persons with disabilities or those who work lower-income jobs and cannot afford alternate transportation options. Maintaining an affordable service supports these members of the community along with those who can use the service for more discretionary trips. Making a transit service accessible to all encourages the use of the service, makes it more affordable by increasing the revenue on grouped trips and makes for a more environmentally conscious community.

If there was desire to go to a needs-based approach, it would be a better fit with Social Services, who likely has some existing strategies for assessing need for social support. It may also be beneficial to leverage non-profit community care organizations, such as the Community Resource Centre of North and Centre Wellington (CRC) which has a volunteer driver programme for low-income individuals.

This could be done by providing additional discounts through coupon codes that target certain individuals in need and are paid for by the agency supporting their client’s needs.



Will there be a modal shift?

The Road Master Action Plan identified that Ride Well should not be relied on for citizens to own fewer vehicles. Rather, the value Ride Well provides is a social equity, by having a safe and affordable option available for individuals that do not have access to a vehicle when they need to travel.

There are very few alternative options for residents that either cannot afford a vehicle, or do not have access to a vehicle, and need to get around the County. With rising costs of housing and overall cost of living, providing an affordable travel option in the County is essential to maintain quality of life for residents.

Is Ride Well providing something new to the community?

Ride Well provides a service that did not previously exist. It is an affordable option that can be taken to and from any location in Wellington County. The other options which are available within the County are listed below along with their limitations.

Taxi Services

Taxi service exists in Centre Wellington through Fergus-Elora Taxi and AAA Top Taxi. In the north, there is extremely limited availability by a Listowel-based company (TJ's Taxi). This company previously held a taxi in Mount Forest to service the northern Wellington County communities, but that was retired in early 2023. Now, northern Wellington County residents will be competing with demand from Listowel, which are in nearer proximity to the company's base.

Taxis are also often expensive and not an affordable option for daily or frequent usage.

Uber

Uber is available in Centre Wellington, Guelph/Eramosa, and Puslinch from the Guelph pool of drivers. However, Uber is also costly and availability varies based on the nearest driver pool. For example, there is more availability in Guelph/Eramosa and Puslinch than in Centre Wellington. There is extremely limited availability (if any) in the northern communities, and in Erin.

Bus Services

There is the GOST transportation line that offers transportation along the Highway 6 corridor, twice daily. This is a reliable and affordable option, but it only helps individuals that live or are destined near bus stops that need to travel at the two times a day (per direction) the service is operates. Without Ride Well, customers would need to find their own way from the bus stop to their final destination, and they would be limited to accessing the transportation only twice a day with long wait times in between runs.

There is also Denny's bus line that offers routes between Erin, Guelph, and Orangeville but it only runs if there is sufficient demand. This is great when it runs, but cannot be relied on for frequent usage.

Medical Transportation

The Victorian Order of Nurses (VON) provides medical trips and has accessible vehicles. However, quite a few residents who are eligible for VON use Ride Well instead because the service is oversubscribed and wait times for rides are long and as a result, they are not always able to accommodate client appointment times.

Social Services

The Community Resource Centre of North and Centre Wellington (CRC) has a volunteer drives program that offers transportation for essential trips, such as medical appointments, job interviews, and grocery shopping. This program can become oversubscribed depending on the availability of volunteers, and as a result, they also use Ride Well to fill in their gaps every month.

East Wellington Community Services also offers transportation for adults 18 and over needing to get to appointments. These rides are only available to East Wellington residents (Town of Erin and Township of Guelph/Eramosa) who meet program eligibility requirements.

Is accessibility a concern for the service?

Accessibility is a challenge for the service, and it currently is more difficult for persons with limited mobility to take the service than an able-bodied person. This is due to the partnership with Fergus-Elora Taxi. Fergus-Elora Taxi has one accessible vehicle, and only two drivers to operate it. They also have pre-existing contracts in place that are external to Ride Well. The lack of supply and availability of the vehicle means that there are significant periods through the week where a Ride Well customer cannot book an accessible vehicle, which is not the same for the regular service.

Since Fergus-Elora Taxi has the only licensed accessible vehicle in all of Wellington County, there are no alternative or additional partnership options available.

The County could apply for a grant through the Rural Transit Solutions fund to purchase at least one accessible vehicle. This is a grant offered by the Federal Government, and it offers up to 80% capital expenditure coverage for rural transit services. The timeline for applying to the fund, receiving approval, and delivery of the vehicle can take up to 1-1.5 years. Therefore, it is recommended that the County has a clear, long-term/post-pilot vision for the service before proceeding with this.

RideCo has indicated that if they were to move to Option 2 as presented in the proposal, partnering with Voyago, this vehicle could be leased by Voyago and operated on behalf of the County as part of the Ride Well service. It is recommended that the County continue to discuss with RideCo whether this same arrangement could exist without the Voyago partnership to save costs.

Other Municipal Transportation Models

The table below compares Wellington County performance against other municipalities. Ride Well had the best cost recovery of the group, and the lowest cost per capita. Muskoka District had the next best cost recovery, but their average fare was 68% higher than Wellington County's. In addition, Muskoka has also seen quite a bit of growth and demand for their service. Muskoka's service is known as the Corridor 11 bus service; it is a fixed-route service running through each of their urban areas along Highway 11. In June 2023, the Muskoka council approved a report to introduce demand-responsive transit to their service, and they used Ride Well as a case study.

	On Demand	Fixed-Route Services			
	Wellington County (2022)	Muskoka District (2019)	Norfolk County (2019)	Grey County (2022)	Perth County (2021/2022)
Population	97,286	60,599	65,000	100,905	40,000
Service Area Size (km²)	2,657	3,890	1,607	4,498	2,218
Annual Ridership	5,776	3,312	10,698	16,193	1,694
Average Fare	\$8.74	\$14.65	\$3.83	\$3.89	\$11.60
Estimated Annual Revenue	\$49,905.40	\$48,520.80	\$40,973.34	\$62,990.77	\$19,650.40
Annual Cost	\$200,902	\$222,478	\$394,757	\$963,835	\$527,580
Cost Recovery (% of cost covered by fare revenue)	25%	22%	10%	7%	4%
Cost per capita	\$2.07	\$3.67	\$6.07	\$9.55	\$13.19

One challenge with the Ride Well service is that the annual cost is expected to be dynamic. Assuming a commitment to maintaining the current service quality level, the cost will continue to increase so long as the service continues to grow. This is a challenge with all on demand transit services. In Innisfil, they needed to put a cap on the number of rides users were taking to limit the budgetary increase that would be required to satisfy growing demand.

Ride Well should continue to find ways to partner with or create fixed-route services to group passengers onto trips to limit the number of long trips operating and maintain the low operating cost.

Funding Opportunities

A \$3 billion per year fund by the federal government for public transit is starting in 2026-27. Ride Well should monitor this fund to identify if the qualifications are met for receiving this funding.

As noted above, there is the Rural Transit Solutions fund which can be used towards capital expenditures in rural transit services. Similarly, there is a Zero Emissions Vehicle Infrastructure Program (ZEVIP) that may be an option to procure vehicles in the future to make the service more accessible and add fixed or flex routing to maintain low operating costs.

How do we know if users are attracted to the service due to fares compared to taxi/uber? What is the fare elasticity and could we increase without overly impacting customer acquisition/retention?

The partnership with Uber proposed in this contract will provide valuable data on the availability of Uber versus Ride Well rides, the fare difference between similar trips and which types of trips are booked. This should provide some additional insight near the end of this extended contract on what our residents value, and provide more insight into fares.

In 2023, Ride Well continues to be more cost-effective than Uber. The below table shows differences in cost travelling from Wellington Place to each of the Municipal Offices:

Municipal Offices	Distance (km)	RIDE WELL Cost	RIDE WELL Cost (3 passengers)	Uber Cost
Guelph/Eramosa	24.5	\$14.79	\$29.79	\$39.98
Puslinch	40.2	\$23.95	\$48.11	\$58.86
Centre Wellington	3.3	\$5.00	\$5.00	\$12.45
Erin	34.5	\$20.77	\$41.75	\$51.44
Wellington North	33.5	\$20.15	\$40.36	\$49.67
Minto	50.4	\$30.30	\$60.66	\$75.09
Mapleton	28.0	\$16.81	\$33.69	\$41.72

What happens if the service ends up costing \$500k or more in 2025? Is this something we would prioritize over another service? Or would this require an increase to property tax to continue funding?

At the current trajectory and with the current service model, the service will likely cost \$500k or more in after 2025 when this proposed contract will expire due to the loss of the Community Transportation Fund grant, population and ridership growth (which will increase supply) and inflationary pressures (which will continue to increase costs).

While moving to a permanent service would make the County eligible for Ontario Gas Tax funding, this would not be as high as the Community Transportation Grant and would likely require the County to fill in some gaps unless new funding becomes available at either the Provincial or Federal levels. The County could also explore different fare pricing or service models to mitigate the impact of this cost, but it is unlikely the current on-demand model will ever see its cost completely plateau.

The County has the opportunity to explore a different service model as part of this service extension, and it is recommended that the impact of this change to cost and ridership be assessed and reported to Council in one-year time for the start of the new contract.

