



Ride Well Contract, Fare and Service Strategy Review

Dennis Kar, Partner

September 19, 2023

Goals



Review the RideCo proposal to confirm:

- Recommendations from the February 2023 report are reflected in the proposal
- Rationale for proposed cost increase
- The best option for service delivery
- Further short-term modifications for inclusion in contract
- Key Performance Indicators that should be included in the revised contract

Option 1 Rate Assessment

- Cost and labour continue to increase from original contract
- Average take-home pay of \$25/hr is considered to be competitive
- At the proposed \$42/hr contract, operator needs to drive less than 27.7km per hour

	2019	2022 Low Kilometers	2022 High Kilometers	2023 Low Kilometers	2023 High Kilometers	Ideal Kilometres
Total Kilometers per Driver per Hour	13.3	20.2	23.5	6.3	55.0	27.7
<i>Management/Software/Insurance Estimate</i>	\$3.60	\$4.08	\$4.08	\$5.04	\$5.04	\$5.04
<i>Fuel</i>	\$1.56	\$3.56	\$4.14	\$1.05	\$9.34	\$4.71
<i>Maintenance</i>	\$1.08	\$1.64	\$1.91	\$0.50	\$4.40	\$2.22
<i>Vehicle Depreciation</i>	\$2.21	\$3.35	\$3.89	\$1.03	\$9.12	\$4.60
Total Cost	\$8.45	\$12.63	\$14.02	\$7.62	\$27.90	\$16.57
County Rate	\$30.00	\$34.00	\$34.00	\$42.00	\$42.00	\$42.00
Estimated Operator Wage	\$21.55	\$21.36	\$19.99	\$34.38	\$14.10	\$25.43

Option 1 Rate Assessment - Recommendation

- Assessed potential to move a variable rate, which could save County if operators drive less than 27.7km/hour
- Would save County operating costs if efficiencies introduced, but would be offset by any ridership growth
- Adds cost uncertainty to the system

Recommendation

- The proposed \$42.00 / hour flat fee is reasonable and reflects increasing costs and service kilometres
- Revisit variable rate during the contract extension if a new service model is introduced

	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

February 2023 Dillon Report Recommendations



- Improve Reliability and Effectiveness of the Service
- Improve the Quality of Service for Residents without a Smartphone
- Reduce Time Required for County Staff to Manage the Service
- Improve Quality of Service for Residents without a Credit Card

Proposal Options

Option 1 (Status quo) \$42 per hour

- RideCo:
 - provide all hardware and software
 - perform logistics (e.g. dispatching, scheduling, training, fare collection and reporting)
 - managing a contract of independent drivers and vehicles
- Wellington County:
 - Provide call centre support and manage customer feedback

Option 2 \$70 per hour

- RideCo:
 - provide all hardware and software
 - perform logistics (e.g. dispatching, scheduling, training, fare collection and reporting)
- Voyago (transportation operator):
 - Provide drivers, vehicles, maintenance
 - Provide call centre support
- Wellington County:
 - Address escalated passenger concerns only

Previous Recommendations

Recommendation	Option 1	Option 2
Hourly cost identified in proposal	\$42	\$70
Include in Base Submission and Pricing		
Increase daily service hours	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	Already Included
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

**Integration with
Fixed-Route GOST
Services**

**Integration with
Transportation
Network
Companies**

**Alternate Service
Models – Flex
Routes and Zones**

Recommendation - Integration with GOST Service



- Owen Sound operates a fixed-route on the Hwy 6 corridor twice daily (fare of \$10 within Wellington County)
- Service is underutilized and could free availability of Ride Well vehicles

Recommendation

- Improve the marketing of the GOST service as a complimentary service to Ride Well
- Add the GOST route map and schedule to the Ride Well app to indicate that it is an available option within the service area
- Add the GOST route map, schedule and fares to the Ride Well website, along with the coupon code to connect to the service
- Work with RideCo to make use of the time-snap functionality for GOST stops
- Consider increasing the frequency of service along the corridor between Mount Fergus and Guelph using a Ride Well vehicle

Recommendation - Integration with Transportation Network Companies



- Current service has limited spare drivers to address unexpected driver absenteeism
- Resulted in RideCo cancelling trips that could not be fulfilled
- Recent RideCo partnership with Uber provides an opportunity to improve reliability and trip options

Recommendation - Revise contract to include:

- Option 1 - Use of Uber to fulfil cancelled rides by RideCo (at Ride Well fare)
- Make Uber options visible on the Ride Well app to increase options (no discount provided for Uber trips)
- Allow Coupon Codes for Uber trips to also be purchased by partner agencies (increase options)

Recommendation – Explore Alternate Service Models (Flex Routes and Zones)

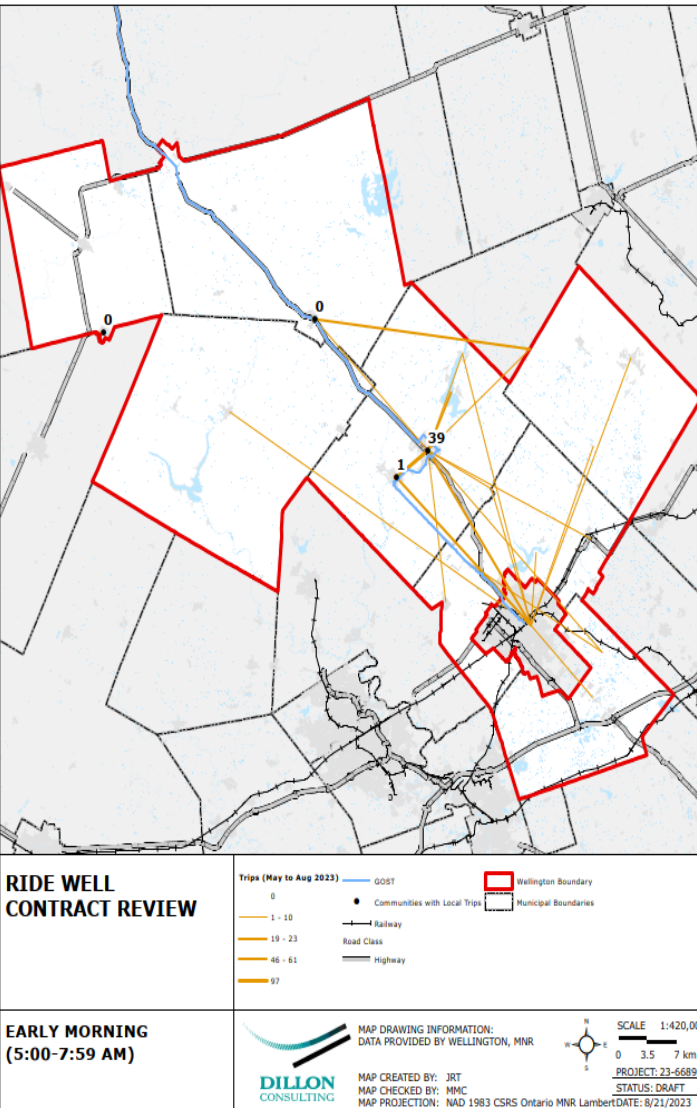
- Service kilometres have been increasing with ridership growth
- Large single-zone area results in increasing deadheading
- Reduces trip availability and reliability and can contribute to future cost increases

Service Models – Travel Zones

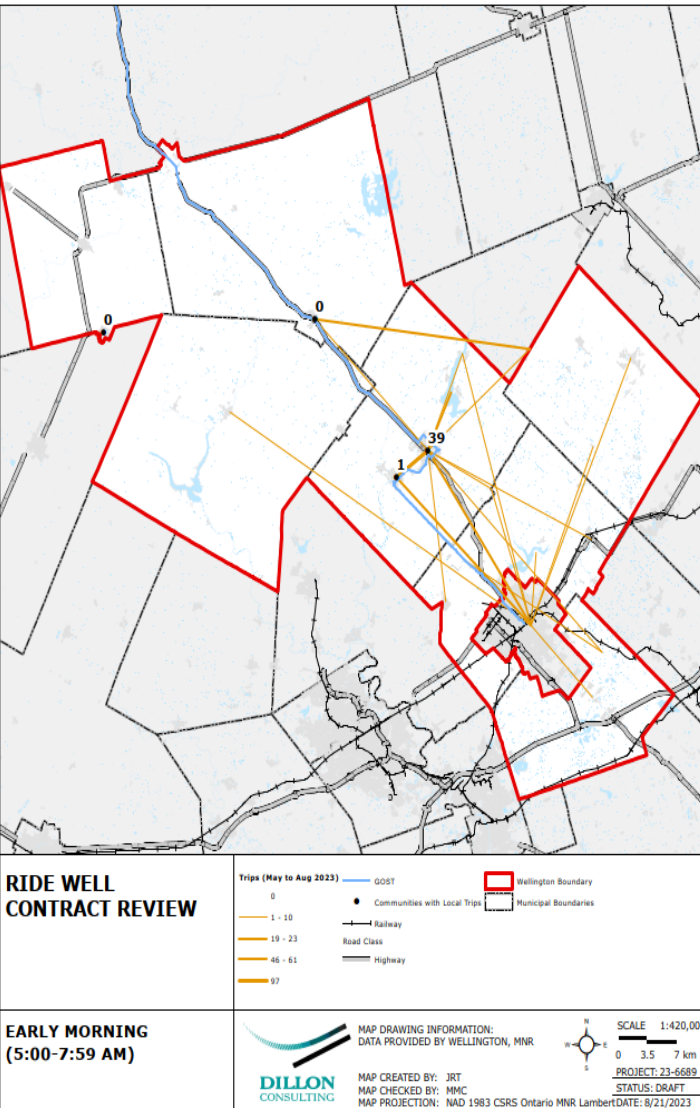
- Break down a large service area into smaller zones and assign vehicles that do not leave the zone
- Can add a transfer for trips between zones (less than 7%)

Service Models - Flex Routes

- Replicate the GOST route to provide additional travel times and group long-distance trips to key times of the day



Recommendation Alternate Service Models – Flex Routes and Zones



- Alternate service models provided to RideCo to simulate impact on:
 - number of trips which can be operated;
 - wait time for passengers; and,
 - number of kilometers operated per driver (efficiency)
 - Transfers required

Recommendation:

- Once results are in, select a preferred model and include in the contract
- Requires a degree of customer education if there are transfers included

Option 2 Assessment

- Potential to improve customer perception of the service (e.g. branded vehicles)
- Enable shift of some County administrative functions to Voyago (e.g. customer service)
- Includes spare drivers to provide a reliable service
- With inclusions to Option 1, this option adds less value in the short term

Recommendation

- While this Option does offer significant benefit, it is not recommended
- The additional costs do not outweigh the benefits at this time



Recommendation - Fares

Fare	Average Trip 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%

- Fares are higher than the peer average, particularly for long-distance trips
- Fares appear to be a barrier for long-distance trips
- Raising fares will not significantly add to revenue, but may reduce ridership
- Revenue to cost ratio with increased rate is in line with peer average

Recommendation:

- Maintain existing fare structure during contract extension
- County to identify organizations that are willing to purchase discounted fares for clients as a way to increase ridership and revenue

Recommendation - Key Performance Indicators

Revise contract to identify statistics RideCo is responsible to report on, including key targets and actions to take when targets are not met:

- Ridership (Total Completed Trips)
- Ridership per Service Hour
- On-time Performance
- No Show Trips
- Late Cancellations
- Abandoned Trips
- Scheduled Service Hours Completed
- Driver Utilization
- Availability of Requested Rides (average search delay for all trips)
- Passenger Wait Time
- Customer Satisfaction

Summary of Recommendations and Next Steps

Contract

- Proceed with Option 1, with:
 - Integration with GOST service
 - Integration with Uber
 - KPIs included in the contract
- Identify additional inclusions in contract and assess based on cost:
 - Automatic Call-back solution
 - Added customer support
 - Improved Technical support
 - Potential cash fare payment collection
- Work with RideCo to modify service model to increase availability and efficiency

Ongoing Operations

- Monitor KPIs and identify ongoing improvements
- Identify opportunities to increase partnerships
- Assess need for accessible and zero emission vehicles
- Monitor future funding opportunities from federal / provincial government
- Conduct future passenger / community engagement and value and support for service