

SOUTHERN FLORIDA

VAN POOL PROGRAM

TRANSITION REPORT



Executive Summary

South Florida Vanpool Program (SFVP) has served commuters for nearly eight years. The service offers a high quality, shared-travel option for groups of up to 15 commuters interested in an alternative to driving to work alone. The service also improves access for commuters to areas not currently served by public transit. The concept is that commuters who live and work near one another can share a van for traveling to and from work. Participants are charged a monthly fare that covers the cost of the van, insurance, maintenance, and other administration. One or two members of the vanpool drive the van on a daily basis and park the van at their home overnight. To reduce operating costs and encourage participation in the program, each van is provided with a monthly subsidy of \$400.

In 2005, increasing demand for vanpool services, coupled with stakeholder interest in evaluating operational and funding options, led to a study of SFVP and subsequent recommendations for enhancing the program. This report documents the process, analyses, and recommendations of the SFVP Transition Study.

Background

A study by the Miami-Dade Metropolitan Planning Organization (MPO) entitled, *Congestion Mitigation: Public-Private Partnership Study*, recommended the implementation of a vanpool program to combat congestion. In January 1998, the Miami-Dade MPO initiated the recommended vanpool program as a three-year demonstration project. Congestion Mitigation and Air Quality (CMAQ) Improvement Program funding, through the Florida Department of Transportation (FDOT) District 6, was used to launch the vanpool service. After a competitive open process, a contract was awarded to VPSI, Inc. for the operation of the program. Through its contract, VPSI provides vans, insurance, scheduled and non-scheduled maintenance, formation of the groups, marketing, and other administrative tasks. Additionally, South Florida Commuter Services (SFCS) assists the program with outreach efforts and a close coordination in promoting the program through employers and individuals.

Since its launch, the program has been well managed and highly successful, with an average annual growth of 30 percent during the past five years. As it grew it began serving commuters outside of the Miami-Dade area, with vanpool users starting their commutes in Broward County and ending them in Miami-Dade County. As a result, Broward County became an active partner in the vanpool program and the continued expansion of the program's service area eventually led Palm Beach County to become an active partner. Today, all three counties' MPOs provide funding and direction to the program.

As of July 2006, the program had 161 active vanpools and more than 1,000 participants traveling in Miami-Dade, Broward, and Palm Beach Counties. The fleet is diverse with van models ranging in size from 7 to 15 passengers, with the majority being minivans.

The successful service has been continued under the dedicated management of the Miami-Dade MPO, as well as the support and effort provided by Broward and Palm Beach MPOs, and Districts 4 and 6 of the Florida Department of Transportation. The current operations contract with VPSI will end in June 2007.

Program Analysis

A series of analyses were performed and associated documents created to develop recommendations for the SFVP program. The first step in the process involved the development of a peer review of vanpool programs throughout the country to define operational characteristics and program successes and challenges. The peer review information allowed project stakeholders to identify and understand a variety of operational models and their relevance to the South Florida vanpool market for future growth and expansion.

Based on the peer review, the stakeholders developed a series of alternatives for vanpool management and operations. These alternatives considered various operational models that housed the program at

metropolitan planning organizations (MPOs), county or regional transit agencies, or with FDOT. The alternatives also considered hiring a third-party vendor to handle day-to-day operations and reporting vanpool revenue miles to the National Transit Database (NTD) in order to access federal Section 5307 funding.

The alternatives were analyzed based on several primary issues of importance that were identified and agreed on by the stakeholders. The issues considered items such as regional partnerships, financial stability, coordination with transit services and the organizational capacity of proposed hosting agencies. Additionally, ease of transition was considered should the program be transferred to another agency.

Financial Assessment

A financial analysis was performed to understand the historical evolution of the program, its current operational capacity, and the consequences and costs of the different operational models. The financial analysis considered ridership trends, revenues, cost factors, and potential Section 5307 funding.

The following table offers operational and funding estimates based on current trends. A growth rate of approximately 15 percent was selected by program stakeholders during the period of 2007 to 2011. These estimates do not include potential Section 5307 revenue.

| SFVP Revenue Needs Projections | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Vanpool Ridership | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| 7 passenger | 124 | 142 | 164 | 188 | 217 | 249 |
| 9 passenger | 23 | 26 | 30 | 34 | 39 | 45 |
| 15 passenger | 14 | 16 | 18 | 22 | 25 | 29 |
| Total Number of Vans | 161 | 184 | 212 | 244 | 281 | 323 |
| Total Number of Riders | 1127 | 1288 | 1484 | 1708 | 1967 | 2261 |
| Average Monthly Operational Lease Costs Per Vehicle¹ | | | | | | |
| 7 passenger | \$1,025 | \$1,076 | \$1,130 | \$1,187 | \$1,246 | \$1,308 |
| 9 passenger | \$1,165 | \$1,223 | \$1,284 | \$1,349 | \$1,416 | \$1,487 |
| 15 passenger | \$1,280 | \$1,344 | \$1,411 | \$1,482 | \$1,556 | \$1,634 |
| Average Annual Operational Lease Costs for the Fleet | | | | | | |
| 7passenger | \$1,525,200 | \$1,833,930 | \$2,223,963 | \$2,676,892 | \$3,244,308 | \$3,908,868 |
| 9 passenger | \$321,540 | \$381,654 | \$462,389 | \$550,242 | \$662,718 | \$802,909 |
| 15 passenger | \$215,040 | \$258,048 | \$304,819 | \$391,185 | \$466,754 | \$568,507 |
| Total Annual Operational Lease Costs | \$2,061,780 | \$2,473,632 | \$2,991,171 | \$3,618,319 | \$4,373,780 | \$5,280,283 |
| Administration Costs² | | | | | | |
| Contract | \$225,371 | \$236,613 | \$248,444 | \$260,866 | \$273,911 | \$287,609 |
| Coordinator | \$130,998 | \$137,548 | \$255,376 | \$379,115 | \$398,070 | \$417,975 |
| Total Administrative Costs | \$356,369 | \$374,161 | \$503,820 | \$639,981 | \$671,981 | \$705,584 |
| Total Costs³ | | | | | | |
| Total Program Cost | \$2,418,149 | \$2,847,793 | \$3,494,991 | \$4,258,300 | \$5,045,761 | \$5,985,867 |
| Total Cost Per Van | \$15,020 | \$15,477 | \$16,486 | \$17,452 | \$17,956 | \$18,532 |
| Total Cost Per Rider | \$2,146 | \$2,211 | \$2,355 | \$2,493 | \$2,565 | \$2,647 |
| Total Cost Per Passenger Mile | \$0.136 | \$0.140 | \$0.150 | \$0.158 | \$0.163 | \$0.168 |
| Farebox Recovery⁴ | | | | | | |
| 7passenger | \$930,000 | \$1,152,330 | \$1,436,763 | \$1,774,492 | \$2,202,708 | \$2,713,668 |
| 9 passenger | \$211,140 | \$256,854 | \$318,389 | \$387,042 | \$475,518 | \$586,909 |
| 15 passenger | \$147,840 | \$181,248 | \$218,419 | \$285,585 | \$346,754 | \$429,307 |
| Total Farebox Recovery | \$1,288,980 | \$1,590,432 | \$1,973,571 | \$2,447,119 | \$3,024,980 | \$3,729,883 |
| Net Public Funding Needed⁵ | | | | | | |
| Total Net Public Funding Needed | \$1,129,169 | \$1,257,361 | \$1,521,420 | \$1,811,181 | \$2,020,781 | \$2,255,984 |
| Broward Net Revenue Needs | \$444,268 | \$520,325 | \$606,877 | \$737,635 | \$824,926 | \$926,060 |
| Miami-Dade Net Revenue Needs | \$414,641 | \$400,499 | \$506,099 | \$544,692 | \$591,456 | \$643,565 |
| Palm Beach Net Revenue Needs | \$270,261 | \$336,537 | \$408,445 | \$528,856 | \$604,400 | \$686,360 |
| Revenue by Funding Source | | | | | | |
| Farebox Revenue | 53% | 56% | 56% | 57% | 60% | 62% |
| Remaining Revenue Needs | 47% | 44% | 44% | 43% | 40% | 38% |

(1) Represents the average monthly cost charged to riders based on their mileage traveled

(2) 2006 costs are based on current data. In subsequent years costs are increased by 5% annually.

(3) Total costs = operational costs + administrative costs

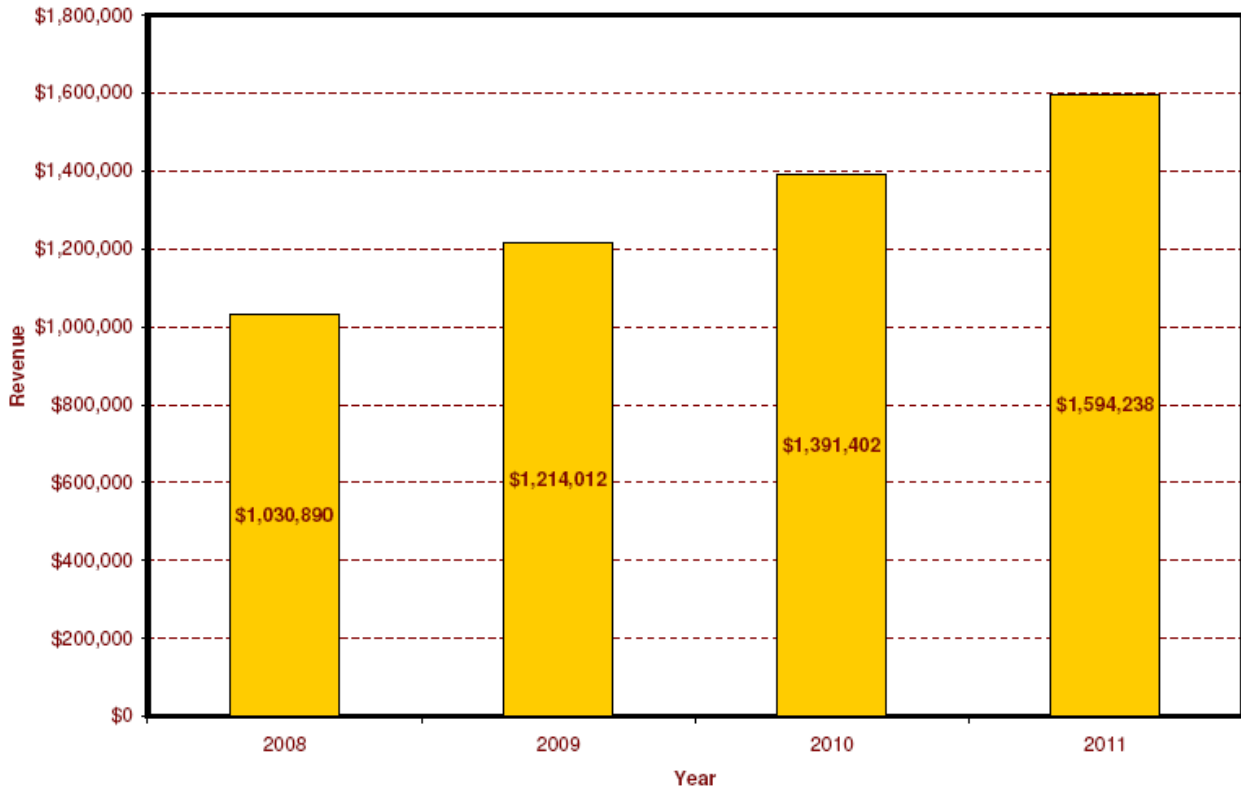
(4) Farebox recovery is equal to operational lease costs less a \$400 per month subsidy

(5) Includes operational and administrative costs less farebox recovery

Section 5307 Revenue

Section 5307 revenue will likely be generated through NTD reporting approximately two years after reporting begins. To date, SFVP mileage and costs have not been reported, but have been tracked by VPSI, Inc. and are available by county for reporting. The chart below provides estimates for potential Section 5307 revenue resulting from SFVP assuming that reporting begins with 2006 mileage (reporting retroactive to 2005 or earlier is not an option). These numbers have been adjusted down based on estimates provided by Federal Transit Administration staff on potential funding levels in 2008. Regional allocations are addressed by the four local transit agencies in South Florida before distribution so there is no guarantee that new funds generated by reporting SFVP mileage will be available to the agency housing the program in 2008.

Potential Section 5307 Revenue



The following table shows potential Section 5307 revenue and its allocation by county. The table allocates funds based on a percentage basis that considers the number of vanpools originating in each county.

| Potential Section 5307 Revenue by County | | | | | | |
|---|------------|------------|--------------------|--------------------|--------------------|--------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Broward | \$0 | \$0 | \$438,128 | \$517,275 | \$592,536 | \$681,747 |
| Miami-Dade | \$0 | \$0 | \$355,657 | \$395,873 | \$433,821 | \$477,223 |
| Palm Beach | \$0 | \$0 | \$237,105 | \$300,864 | \$365,045 | \$435,269 |
| Total Revenue | \$0 | \$0 | \$1,030,890 | \$1,214,012 | \$1,391,402 | \$1,594,238 |

Recommendations

The development of these analyses allowed the stakeholders to develop four operational models for further discussion. A strengths, weaknesses, opportunities, and threats (SWOT) analysis was developed for each alternative and considered by the stakeholders. The analysis resulted in the following recommendations:

Recommendation A: House the management and oversight of SFVP with the South Florida Regional Transit Authority (SFRTA) for the purpose of continued regional growth, coordination with transit services, and NTD reporting.

Recommendation B: Continue the existing operational lease model and release a new request for proposal that seeks responses from third-party vanpool operators.

Recommendation C: The SFVP program should remain focused on the primary product of longer distance, point-to-point travel for groups of individuals. Transit feeder and other related short-distance vanpool services may be considered in the future based on need and vehicle availability.

Recommendation D: Begin reporting the SFVP mileage and costs to the National Transit Database. All net gains in Section 5307 funding resulting directly from the SFVP NTD reporting should be invested by the SFRTA in the vanpool program. This investment may replace an equivalent amount of public funding committed by each MPO for the period in which the gain in Section 5307 funding is received. (Net gain refers to all new funding generated by the vanpool reporting and does not take away any funding from SFRTA's Section 5307 revenue generated by reporting for other services. All services will likely see a diminishing return from NTD reporting for Section 5307 revenue. Net gain does not imply that vanpool related revenue will be used to offset the decrease in revenue for other SFRTA services should the return from NTD reporting continue to decrease.)

Recommendation E: Each funding partner will provide a five-year commitment to its share of program costs based on an agreed on distribution of remaining revenue needs. Currently, these remaining revenue needs are distributed based on the county of origin or destination of all vanpools; however, this distribution methodology can be altered through future policy discussions and/or once a more accurate, on-line reporting system can efficiently track mileage by county.

Recommendation F: Maintain the stakeholder group as a vanpool working group.

Recommendation G: Establish FDOT, District 6 as a contingency location for housing the program. District 6 will go out to obtain new contractual services to avoid service interruption while all elements of the transition plan are put in place. Existing consultant resources controlled by District 6 would assist in the management of this short-term arrangement. It would end when SFRTA begins management and oversight. Each District would be responsible for programming funding for this purpose for its area.

Program recommendations should be implemented before the end of June 2007.

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Section 1: Current Vanpool Program

The public agencies serving South Florida have actively sought methods for accommodating rapid growth and its associated traffic congestion. As part of this process, the Miami-Dade Metropolitan Planning Organization (MPO) conducted a study entitled, *Congestion Mitigation: Public-Private Partnership Study*, which recommended the implementation of a vanpool program to combat congestion. Vanpool programs generally provide vans that seat 7 to 15 passengers to groups of commuters who start and end their work trips in similar locations. The passengers pay a monthly fare to use the vans, which is often less than the amount they would spend to commute on their own. One or two riders volunteer to drive the van and will generally store the van at their homes during the evening.

Administration of vanpool programs is generally handled by government agencies, non-profits, or contractors who handle outreach, van placement, van purchases, repairs, insurance coverage, and other activities. Passengers simply need to enroll in the program and pay their monthly fares. The programs generally provide service in areas where transit is not available or in situations where transit would not be a viable travel alternative due to the long distances being traveled.

Acting on the findings of the *Congestion Mitigation: Public-Private Partnership Study*, the Miami-Dade MPO initiated the recommended vanpool program in January 1998 as a three-year demonstration project. Funding was provided via Congestion Mitigation and Air Quality Improvement (CMAQ) funds through the Florida Department of Transportation (FDOT) District 6. The MPO decided to seek third party assistance to handle van acquisition, billing, insurance, basic outreach, and other administrative tasks. After a competitive open process, a contract was awarded to VPSI, Inc. for the operation of the program. Through its contract, VPSI provides vans, insurance, scheduled and non-scheduled maintenance, formation of the groups, marketing and other administrative tasks. Additionally, South Florida Commuter Services (SFCS) assists the program with outreach efforts and a close coordination in promoting the program through employers and individuals.

Since its launch, the program has been well managed and highly successful, with an average annual growth of 30 percent during the past five years. As it grew it began serving commuters outside of the Miami-Dade area, with vanpool users starting their commutes in Broward County and ending them in Miami-Dade County. As a result, Broward County became an active partner in the vanpool program, and the continued expansion of the program's service area eventually led Palm Beach County to become an active partner. Today, all three counties' MPOs provide funding and direction to the program.

As of July 2006, the program had 161 active vanpools and more than 1,000 participants. The fleet is diverse with van models ranging in size from 7 to 15 passengers, with the majority being minivans. To reduce operating costs and encourage participation, vanpool riders are provided with a subsidy of \$400 per van per month.

The program's rapid expansion and the pending expiration of VPSI's operations contract on June 30, 2007 have provided an opportunity to analyze the SFVP and determine its future direction. The program's stakeholders hired UrbanTrans Consultants to assist in the development of an operational model that builds on the program's previous success, accounts for the addition of new stakeholders, and allows the program to be successful and financially viable for the long term.

This document outlines the process through which the transition recommendations were developed, the transition recommendation themselves, and next steps for moving the SFVP program forward.

Development of the transition recommendations was sponsored by FDOT District 6 in an effort to understand the regional partners' views of the SFVP, while enabling those same partners to identify vanpooling's role as it relates to their own jurisdiction and agency. These partners, also referred to as the stakeholders, met over a period of one year to discuss the various aspects of the SFVP.

The SFVP stakeholders include:

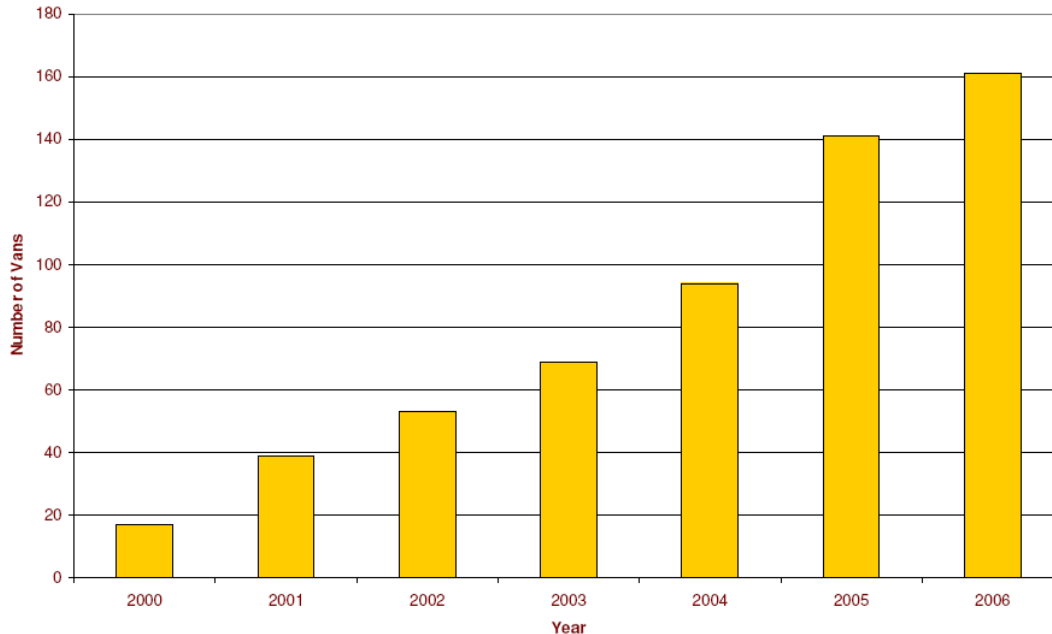
- Broward MPO
- FDOT, District 6
- FDOT, District 4
- Miami-Dade MPO
- Palm Beach MPO
- South Florida Regional Transportation Authority
- SFCS and VPSI (Stakeholder Process Participants)

SFVP partners whose input was also solicited include:

- Broward County Transit
- Miami Dade Transit
- Palm Tran
- Ft. Lauderdale Transportation Management Association
- Miami Beach Transportation Management Associations (TMA)
- South Florida Education Center Transportation Management Association

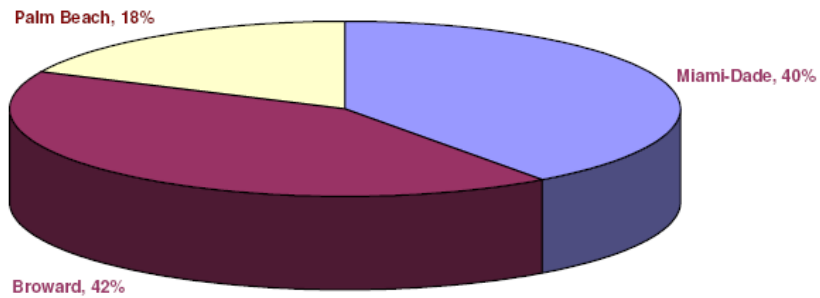
Maintaining the program and allowing it to develop is important, as commuters in South Florida have shown significant levels of interest in vanpooling. Between early 2000 and July 2006, the program increased from 17 to 161 vanpools.

Figure 1: Vanpool Growth



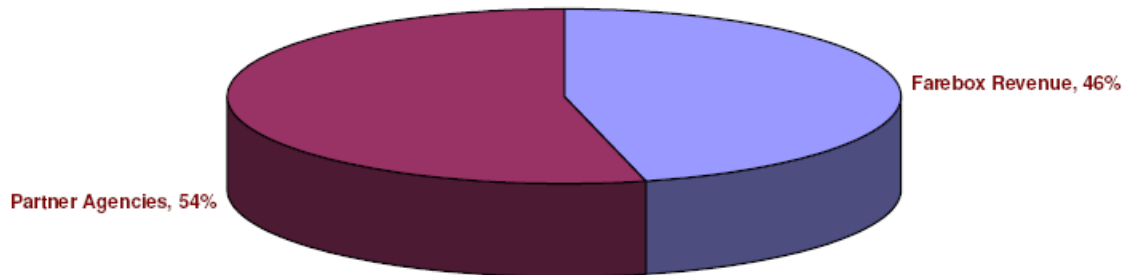
The origins of existing vanpools are dispersed throughout the region, as would be expected based on the housing development patterns in the area. Service also tends to be commensurate to the level of marketing and outreach invested in an area. Broward and Miami-Dade Counties collectively account for 82 percent of the vanpool origins, while 18 percent of the vanpools begin their routes in Palm Beach County.

Figure 2: Distribution of Vanpools by County as of December 2005



Current program funding comes from two main sources, farebox revenue and partner agencies. The distribution of those funds is shown in figure 3.

Figure 3: 2005 Funding Sources



Section 2: Fleet Recommendations

Two primary options exist for acquiring vanpool fleets. In the first option, vanpool programs can purchase their own vehicles. In the second option, vanpool programs can lease their vehicles from a third party. In both scenarios multiple vendors should generally be available to sell or lease vehicles to the vanpool program.

The following financial analysis was performed to determine the costs associated with a lease versus ownership model. The model was created based on a fleet of 200 vans, a number the SFVP should reach in the near future. Lease and purchase costs are estimated to the best of our ability at the time of the analysis. The results of the analysis show that the lease scenario has a price advantage over the purchase scenario. Additionally, the lease scenario allows for less up-front capital and quicker replacement of vans.

| Figure 4: Comparison of Lease to Own Options | | | | |
|---|--------------------|--------------------------|---------------------|--|
| Ownership Costs | | | | |
| Vehicle Costs | 7 Passenger | 9 to 11 Passenger | 15 Passenger | |
| Number of vehicles | 154 | 32 | 14 | |
| Depreciation cycle | 84 month | 84 months | 84 months | |
| Average vehicle acquisition cost ¹ | \$14,880 | \$17,200 | \$18,800 | |
| Annualized vehicle acquisition cost | \$2,126 | \$2,457 | \$2,686 | |
| Annual maintenance costs per vehicle ² | \$1,096 | \$920 | \$1,279 | |
| Annual insurance costs per vehicle | \$1,260 | \$1,260 | \$1,260 | |
| Other annual expenses per vehicle | \$529 | \$529 | \$529 | |
| Annualized cost per vehicle | \$5,011 | \$5,166 | \$5,754 | |
| Program Overhead | | | | |
| Vanpool administration | \$923,497 | | | |
| Agency overhead | \$319,068 | | | |
| Average annual cost per vehicle | \$11,300 | | | |
| Lease Costs | | | | |
| | 7 Passenger | 9 to 11 Passenger | 15 Passenger | |
| Number of vehicles | 154 | 32 | 14 | |
| Lifecycle of lease | 48 months | 48 months | 48 months | |
| Monthly lease cost per vehicle | \$840 | \$945 | \$1,075 | |
| Annual lease cost per vehicle | \$10,080 | \$11,340 | \$12,900 | |
| Average annual cost per vehicle | \$10,479 | | | |

(1) Assumes 20% of acquisition cost will be recovered

(2) Includes scheduled and unscheduled maintenance, based on data from edmunds.com

Based on the above financial information, the following recommendations are made:

A: Maintain the Current Fleet Acquisition Model - The operational lease model is cheaper in total lifetime cost while also maintaining maximum flexibility. This model will likely be sustainable through a cooperative business model using Section 5307 and State/MPO funding.

B: Ensure ease of lease-end vehicle acquisition - Under the current outsource and operational lease model, vehicles are disposed of and sold by the vendor at termination of the lease. SFVP stakeholders should be given first right of refusal for acquisition of vehicles at the financed residual value, rather than potentially higher market values. This will enable agencies to develop secondary services such as short distance, employment site - transit center link services, while minimizing capital costs.

Section 3: Recommendations Process

To create a strong foundation for the study and a point of comparison for the decision making process, the consultant team undertook a review of vanpool programs around the country. This review involved a detailed survey and interview of 26 programs of various size and operational structure as well as compilation of a theoretical average vanpool program. The peer review looked at the areas of administration and operations, funding, vehicles, value added features, marketing, fares, and vehicle miles traveled. The entire peer review can be found in Appendix E of this document. Some of the most applicable findings are included below:

Best Practices:

- Vanpool programs need to be flexible and it should not be assumed that there is one “perfect” vanpool program or model.
- Regional commute services programs, regardless of accountability structure, that assist with marketing and outreach have been shown to be helpful and are a growing trend.
- Employer subsidies increase participation and an employer’s level of commitment to the program.
- Flat-rate pricing can greatly simplify marketing and, in particular, communication. Flat-rate pricing charges a single price to riders regardless of the number of riders in a van or the type of van used; prices may be tiered based on distance traveled. Flat-rate pricing allows potential riders to more easily determine the costs of participation and allows for the simplification of marketing materials. This type of pricing helps assure that vanpool prices are stable and will not fluctuate when a new van is delivered to an existing vanpool; unstable vanpool prices can cause vanpools to fall apart. This pricing structure does have some negatives that are listed below in the Challenges section.

Challenges:

- Flat-rate pricing reduces the riders' desire to fill the seats; riders will maintain the empty seats to have more room.
- One-rate pricing can encourage shorter distance vanpools.
- Use of third party vanpool operators is common, but comes with some caveats:
 - Costs may be inflated or the vendor may be less flexible with program modifications when no competition exists.
 - Vehicle turnover is more frequent and costly.
 - Mixed messages may be sent when marketing.
 - Use of several operators and van types can cause irregular pricing.

This foundation enabled the project stakeholders to identify and understand a variety of operational models and their relevance to the South Florida vanpool market.

Standards for Decision Making

Based on findings from the peer review, knowledge of regional agencies and partners, and an understanding of the existing vanpool program, the stakeholder group created a list of potential management alternatives that they considered feasible and worthy of further discussion. The six alternatives, listed below, provided a foundation for the discussion process.

A: One MPO Non-Operator Base Alternative - This base alternative involves maintaining the SFVP management within an MPO. Management could stay at Miami-Dade MPO or move to another MPO. Regardless, the vanpool program would be hosted by the MPO in partnership with FDOT, SFCS, VPSI, Inc. and/or other third party vendors as well as the remaining two MPOs. In this alternative, the selected MPO would host the program with SFCS leading marketing, VPSI, Inc. or another third party vendor leading operations, and the remaining two partner MPOs providing financial support. In this scenario

National Transit Database (NTD) reporting would need to occur via an agreement with the designated Federal Transit Administration (FTA) recognized agency.

B: Centralized One County Transit Operator Alternative - This alternative places the vanpool program at one of the three transit agencies: Broward County Transit, Miami-Dade Transit, or Palm Tran. The selected agency could manage the third party vendor contract or consider an owner-operator arrangement. Regardless, the vanpool program would be managed by the selected transit agency on behalf of the other agencies. SFCS would maintain its current role as a marketer of vanpool services. NTD reporting would be possible through the selected transit agency, but NTD reporting may not be possible for vans outside the managing transit agency's boundaries.

C: Centralized South Florida Regional Transportation Authority (SFRTA) Operator Alternative - Implementation of this alternative would rely on SFRTA's management of the vanpool program. SFCS would continue its role as marketer of vanpool services. This alternative allows for direct NTD reporting by SFRTA.

D: Centralized FDOT/South Florida Commuter Services (SFCS) Non-Operator Alternative - As the regional commuter services program, SFCS promotes a variety of alternative transportation modes including vanpooling. As South Florida's one-stop shop for commuter information, this alternative places SFCS as the regional vanpool manager and marketer with a third-party vendor(s) such as VPSI. This alternative focuses first on the employer market versus the transit and rail market discussed in alternatives B and C. The alternative would not allow for NTD reporting unless an agreement is made with the designated FTA recognized NTD reporting agency.

E: Localized Three County Transit Agencies Operator Alternative - This alternative involves a coordinated vanpool operations approach. The three local transit agencies—Miami-Dade Transit, Broward County Transit and Palm Tran—would form a partnership and contract vanpool operations to a third-party vendor(s) such as VPSI and allow SFCS to handle marketing. This alternative allows for full NTD reporting.

F: Localized Three MPOs Non-Operator Alternative - This alternative involves a coordinated vanpool operations approach. The three local MPOs—Miami-Dade, Broward and Palm Beach—would form a partnership and contract vanpool operations to a third-party vendor(s) such as VPSI and have SFCS play a central role in marketing. NTD reporting is not part of this alternative unless an agreement is made with the designated FTA recognized NTD reporting agency.

Alternatives A through F were analyzed based on seven primary issues of importance that were identified and agreed to by the stakeholders. The seven primary issues are listed below, and a complete report detailing the analysis is located in Appendix A:

Partnerships: Does the alternative maximize existing and future partnerships? What role does each of the key partners play in each alternative? Is the expected role appropriate and/or feasible for that partner? Are key partners missing? What is the role of the third-party vendor in each alternative? Are multiple vendors desired?

Financial Stability: Does the alternative provide a financially stable model for the vanpool program? Financial stability includes continued use of existing funds, opportunities for future funding, fare structure, vanpool pricing, and the role of subsidies. Is it important to report to the NTD and access Section 5307 funds? If accelerated growth were to occur, would this alternative plan be able to manage growth?

Transit Precursor: Vanpools may provide an ability to "prove" the potential of transit ridership in a particular corridor. The vanpools can serve as a precursor for regularly scheduled transit service by establishing a base of riders traveling in a corridor. Ideally, then, vanpools would serve routes that lack transit services but have a critical mass of commuters to support eventual transit implementation. Is it

important for the vanpool program to connect vanpooling and transit in both formal and informal ways? Does this alternative support existing transit routes?

Vanshare: End-of-term vanpool vehicles are not always a fully utilized asset. By focusing on trip ends (trips less than 10 miles each way) vanpool vehicles that have been significantly depreciated can be put into a low cost service for smaller groups of commuters heading from a vanpool/transit drop-off point to a specific worksite. This program concept enables transit centers to function more efficiently for transit riders and vanpoolers alike by extending the reach of these services while minimizing costs. (See the Vanshare case study in Appendix E)

Competitive Product: The competitive product standard refers to the level of market competition the stakeholder group chooses to allow within the vanpool program. Is the alternative in line with the desired level of competition? Is market competition important?

Organizational Capacity: Organizational capacity refers to the identification of the preferred characteristics of the selected organization. Is it important to transition the vanpool program to a regional organization or is it preferred to host the program at a local organization? Is it important that the organization have the capacity to own, store, and/or maintain vanpool vehicles?

Ease of Transition: Although more difficult to measure, it is important to account for the potential level of complication associated with each transition alternative. Timeline, memorandums of agreement, data transfers, and contractual obligations should be taken into consideration.

In addition to the alternatives analysis, a financial analysis was performed to understand the historical evolution of the program, its current operational capacity, and the consequences and costs of different operational models. Key portions of this analysis considered the following options:

- Should vehicles be purchased directly from either a dealer or other provider? In many scenarios this can be the least costly option for vehicle acquisition. Upfront purchase costs can be somewhat offset by surplus value in the vehicle at the end of the depreciation period, which is usually determined by the average time until vanpool vehicles reach 100,000 miles of travel.
- Should vehicles be obtained through an operational lease? An operational lease provides for the financing and servicing of vanpools within a specified period of time (either month-to-month or multiple years). The residual value of the vehicle is set at market rate based on a specific length of time, thereby reducing overall financing costs. The operational lease's advantage is the ability to rapidly increase a fleet's size with minimal upfront or replacement capital.
- Should vehicles be obtained through a lease-purchase agreement? The lease purchase model pays part of the capital and interest costs over time and sets the residual value at \$1. At the end of the lease, the vehicle is transferred to the lessee for the residual value regardless of mileage or market value.

Also key to this analysis was developing an understanding of the magnitude of funding needs for the SFVP and those needs' potential implications for stakeholders. To accomplish this objective, revenues, detailed cost factors, and ridership trends were analyzed. The financial analysis also estimated the potential contribution from federal sources related to NTD and Section 5307. A complete copy of the financial analysis is available in Appendix C.

After analyzing all of the alternatives based on the seven primary issues, accounting for financial considerations, and discussing the results with the various stakeholders, four operational models were developed for further discussion. These models were:

- Miami-Dade Transit Agency operator with NTD reporting
- Miami-Dade MPO Operator with cooperative NTD reporting agreements
- Florida Department of Transportation (FDOT) non-operator alternative with cooperative NTD reporting and an enhanced SFCS role
- South Florida Regional Transit Authority (SFRTA) operator with NTD reporting and an enhanced SFCS role

A strengths, weaknesses, opportunities and threats (SWOT) analysis was then performed for each alternative. The goal of the SWOT was to outline the primary benefits and disadvantages of the various alternatives so that the stakeholders could make a well informed recommendation regarding the vanpool program's future. The full SWOT analysis is available in Appendix B.

The SWOT analysis represented the final step in the data collection and analysis process. Based on the SWOT findings, along with the data gathered in the earlier peer review and alternatives and financial analyses, the stakeholders created a series of recommendations for transitioning the vanpool program. Those recommendations are contained in the following section.

Section 4: Operational, Financial, and Administrative Recommendations

Before entering into the explanation of any recommendations, it is important to acknowledge the Miami-Dade MPO for its success in managing, expanding, and demonstrating the viability of the SFVP. It has collaborated well with regional partners and created an environment in which all parties feel an ownership in the program.

Utilizing all of the information listed in the Recommendations Process section of this document, significant stakeholder input, and after achieving a general consensus among the stakeholders, the following operational, financial, and administration recommendations were developed:

Recommendation A: Program Administration

House the SFVP at SFRTA to provide program management and oversight.

When making this recommendation the nature of SFVP trips was considered; the majority of vanpool trips have origins and destinations in different counties, showing that the program is regional in nature. Stakeholders identified regionalism as a key concept of the program and said that any transition choice should maintain the program's regionalism. Growth potential continues to exist, especially north of the three-county region.

SFRTA has the most appropriate jurisdiction for cross regional trips, as each of the other stakeholders has a jurisdiction that is less than the whole of the operational reach of the SFVP. SFRTA's mission and objectives are also focused on long-haul transit services. Vanpooling also serves areas where high capacity transit does not have significant impact, which further highlights the complementary nature of vanpooling to SFRTA's role.

SFRTA's operation under a contract services model for much of its operations further supports the recommendation, as this is the operational model being recommended for fleet management and growth.

This recommendation also addresses the SFVP's disparate growth rate in each county, which can raise questions about the authority or appropriateness of any single organization funding programs in an area for which it has no or a limited jurisdiction or funding base.

Recommendation B: Fleet Operations and Management

Continue the existing operational lease model and release a new request for proposals that seeks responses from agencies able to address the specifics of a regional (multi-county) program and meet local agency add-on program needs.

Financial analysis of the three acquisition and growth alternatives revealed no clear advantage to one scenario or the other, as long as third-party lease programs remain flexible at traditional termination points. Simply put, the SFVP does not have a deep investment in capital and capital management, and, based on the total costs of an owned fleet versus a leased fleet, there was no advantage to the program to move into van ownership.

The analysis of fleet alternatives also revealed an evolving fleet with growth spikes, while the financial analysis revealed capital acquisition limitations that could not keep pace with the growth spikes.

Stakeholder also expressed varying degrees of interest in add-on services that could augment or be integrated with transit services.

Recommendation C: The Role of Vanpooling

The SFVP should remain focused on the primary product of longer distance (fifteen miles or greater each way) point-to-point travel for groups of individuals.

The stakeholders individually and collectively recognized the role that vanpooling has within the local and regional transportation system, which is to provide transit-like services in areas where long-haul and/or high capacity transit is not readily available.

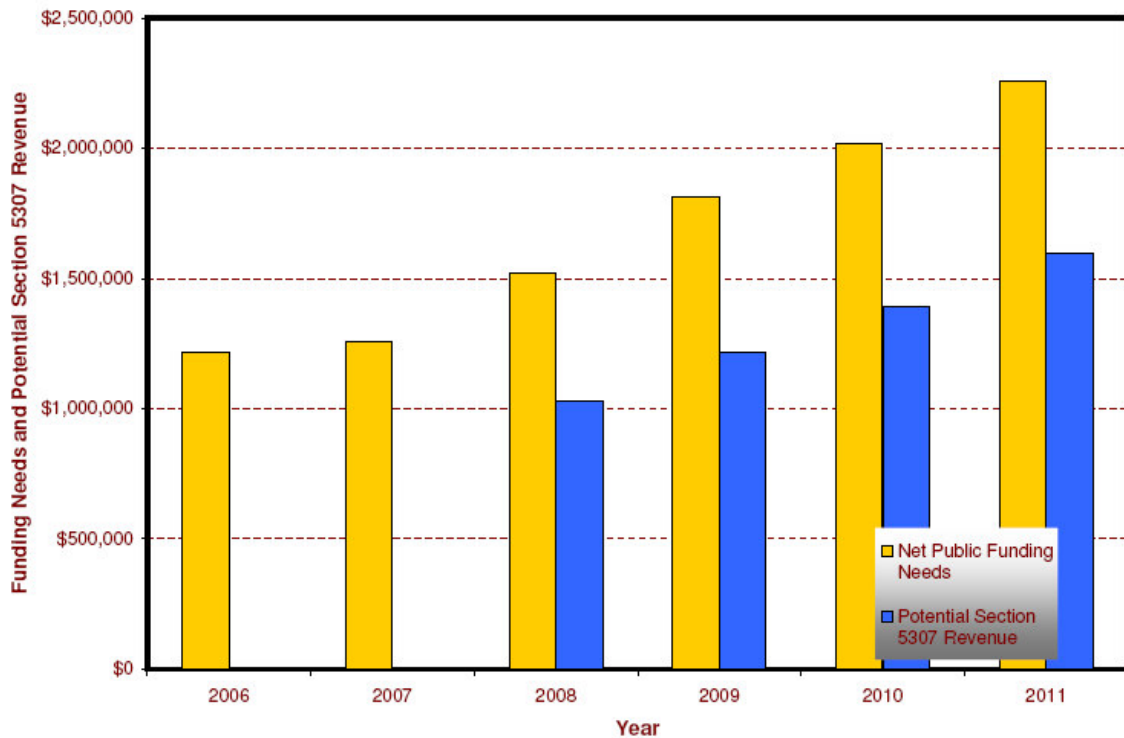
Recommendation D: NTD Financing

Begin reporting the SFVP mileage and costs to the National Transit Database. All net gains in Section 5307 funding resulting directly from the SFVP NTD reporting should be invested by the SFRTA in the vanpool program. This investment may replace an equivalent amount of public funding committed by each MPO for the period in which the gain in Section 5307 funding is received. (Net gain refers to all new funding generated by the vanpool reporting and does not take away any funding from SFRTA's Section 5307 revenue generated by reporting for other services. All services will likely see a diminishing return from NTD reporting for Section 5307 revenue. Net gain does not imply that vanpool related revenue will be used to offset the decrease in revenue for other SFRTA services should the return from NTD reporting continue to decrease.)

Section 5307 funds, as noted in Appendix C, have the potential to cover more than 25 percent of total program costs. These funds could be used to offset the amount of funds needed from partner agencies. Figure 5 shows both the funding needed from partner agencies and the potential value of Section 5307 funds. Access to 5307 funds is important as the Congestion Mitigation and Air Quality Improvement (CMAQ) funds used by FDOT during the demonstration period to cover some program costs will not be available in the future.

Note: Section 5307 revenue will likely be generated through NTD reporting approximately two years after reporting begins. To date, SFVP mileage and costs have not been reported, but have been tracked by VPSI, Inc. and are available by county for reporting. The following chart provides estimates for potential Section 5307 revenue resulting from SFVP assuming that reporting begins with 2006 mileage (reporting retroactive to 2005 or earlier is not an option). These numbers have been adjusted down based on estimates provided by Federal Transit Administration staff on potential funding levels in 2008. Regional allocations are addressed by the four local transit agencies in South Florida before distribution so there is no guarantee that new funds generated by reporting SFVP mileage will be available to the agency housing the program in 2008.

Figure 5: Funding Needs and Potential Section 5307 Funds



Recommendation E: Partner Financing

Each partner should provide a five-year commitment to its share of program costs based on an agreed upon distribution of remaining revenue needs. Currently, these remaining revenue needs are distributed based on the county of origin or destination of all vanpools; however, this distribution methodology can be altered through future policy discussions.

A five year-commitment to fund the program by each partner assures the SFVP’s financial health and demonstrates an important level of commitment by partner agencies.

Recommendation F: Stakeholder Roles

Maintain the stakeholder group as a vanpool working group.

Maintaining the stakeholder group allows the SFVP’s various partner agencies, who will continue to provide funding for the program, to provide an advisory and feedback role.

Recommendation G: Program Contingency Location

Establish FDOT, District 6 as a contingency location for housing the program. District 6 will go out to obtain new contractual services to avoid service interruption while all elements of the transition plan are put in place. Existing consultant resources controlled by District 6 will assist in the management of this short term arrangement. The arrangement will end when SFRTA begins management and oversight. Each District will be responsible for programming funding for this purpose for its area.

An analysis of the costs associated with these recommendations is contained in Appendix C. The analysis assumes a continued program growth of 15 percent annually and breaks down costs by year and stakeholder.

Section 5: Next Steps

It is important to note that these recommendations are not the recommendations of any one specific stakeholder or the consultant, but rather the result of significant collaboration and discussion among the stakeholder group. The stakeholders feel that these recommendations will help assure the SFVP is placed in an agency where it can continue to grow successfully and regionally while achieving long-term sustainability and success.

In order for the SFVP to move forward, each of the stakeholders needs to agree to the recommendations and make funding commitments. An estimation of future program funding requirements is shown in Appendix F. This process will involve discussions with stakeholders at both an individual and collective level. These discussions will include:

For each of the MPOs:

- Technical Committee
- Community Involvement/Citizen Advisory Committee
- MPO Board

For SFRTA:

- PTAC
- SFRTA Board

The discussions should achieve five-year funding commitments from the MPOs and a clear definition of the expenses to be allocated to SFRTA for administering the program. Following consensus and funding commitments by regional partners, FDOT, the consultant, and SFRTA will work together to develop an administrative business plan, supplemental program tools, and a list of areas for targeted marketing and program growth.

The current program's contract will expire in June 2007; therefore, the final study, development of an RFP for service providers, and provider selection should occur before July 2007.

Appendix A: Analysis of Transition Alternatives

Each of the six transition plan alternatives featured distinct advantages and disadvantages relevant to operations and accomplishing the region's multi-modal goals. For the purpose of the analysis, each alternative was analyzed for its respective advantages and disadvantages. **It should be noted that the advantages and disadvantages cited in this section are based on the perceptions of the stakeholder group and some individuals may reasonably disagree with certain findings.**

A: Base Alternative: One MPO Non-Operator Base Alternative

Description. The base alternative involves maintaining the South Florida Vanpool Program as is, implemented within an MPO. Management could stay at Miami-Dade MPO or move to another MPO. Regardless, the vanpool program would be hosted by the MPO in partnership with the FDOT, SFCS, VPSI, Inc. and/or other third party vendors as well as the remaining two MPOs. In this alternative, the selected MPO would host the program with SFCS leading outreach, VPSI, Inc. or another third party vendor leading operations, and the remaining two partner MPOs providing financial support. In this alternative NTD data is not reported but arrangements could be made to receive funds through an agreement with the designated FTA recognized agency.

- **Advantages. The principal advantages to this alternative include:**
 - *Established agency structure.* Miami-Dade MPO has experience managing the SFVP. The systems, staffing, processes, contracts and procedures the Miami-Dade MPO has established are productive and could be readily transferred from one MPO to another if desired.
 - *Connection to funding.* Over the past seven years, the Miami-Dade MPO has successfully accessed funding to maintain the vanpool program and increase participation.
 - *Track record of success.* Through the existing management model and efforts of staff, vanpooling has demonstrated success in the South Florida area. As demand for vanpools continually rises the existing model has responded by increasing the size of the vanpool program incrementally and in concert with market forces. This helps establish the ground work necessary for a sustainable program over time.
 - *Potential for creative application of vanpooling.* The regional partners have developed a level of trust in the existing management concept and recognized the growing role of vanpooling in the region. This level of stability can lead local transit agency partners to be more willing to support creative applications of vanpooling. This could occur through the formal development of vanpool programs to provide feeder service to park-n-rides, transit or train stations, or to utilize vanpools as transit precursors.
 - *The Majority of existing vanpools have a trip end in the Miami-Dade MPO service area.* Vanpool origins vary throughout the greater South Florida area and are dispersed throughout the four counties. Yet the Miami-Dade area is the destination for a large portion of these vanpools. As a common destination, Miami-Dade MPO may have a vested interest in continuing vanpool management.
 - *Vanpooling complements greater transportation planning objectives.* Each of the MPOs prioritizes a multi-modal transportation system within their long range transportation plans. Hosting a vanpool program at one of the MPOs could further that MPO's ability to meet internal transportation planning goals.

- **Disadvantages. The principal disadvantages to this policy include:**
 - *Program operations extend beyond boundaries of a single MPO.* As a cross-jurisdictional program, the South Florida Vanpool Program provides benefits to travelers working and living outside of a single MPO's service area. Despite funding from county partners, maintaining the program at the Miami-Dade MPO, or another single MPO, may constrain continued geographical growth of the program due to funding, jurisdiction and other limitations that could result from partners not feeling an equal ownership in the program.
 - *Single MPO management requires multi-agency agreements.* Despite the existing partnerships between jurisdictions, transit agencies, and FDOT as well as any associated working agreements, new agreements need to be designed if the vanpool program is housed at a single MPO. Developing and approving such agreements may be challenging for one or more of the partner jurisdictions.
 - *Limited applicability for current structure exists.* The Miami-Dade MPO has been highly successful at managing and overseeing the regional vanpool program, but the growing regional nature of the program has stretched it beyond its original concept of primarily serving the Miami-Dade MPO area. Each of the MPOs, including the Miami-Dade MPO, supports vanpooling in the region and is interested in promoting vanpooling within its jurisdictional boundaries. A structure overseen by a single MPO could create the perception that not all of the MPOs are equal partners.
 - *Limited capacity related to fleet ownership and management.* As an MPO, little to no capacity to own, house, maintain and store vans has been developed. Selecting an MPO to manage the South Florida Vanpool Program would require additional staff and infrastructure if the potential for an owner-operator model of vanpooling is considered.

B: Centralized One County Transit Operator Alternative

Description. This alternative places the vanpool program at one of the three transit agencies: Broward County Transit, Miami-Dade Transit or Palm Tran. The selected agency could manage the third party vendor contract or consider an owner-operator arrangement. Regardless, the vanpool program would be managed by the selected transit agency on behalf of the other agencies.

- **Advantages. The principal advantages to this alternative include:**
 - *Direct link to transit.* Operating from a local transit agency provides the opportunity to tie vanpooling directly into local transit service as well as planning efforts. This could directly benefit SFVP through enhanced coordination, market segmentation and planning for vanpool routes.
 - *Potential for vehicle fleet ownership and management exists.* Infrastructure necessary to own, manage and store a vanpool fleet exists at each of the three local transit agencies, with some additional specialization. As such, fleet ownership remains an option within this alternative.
 - *Ability to report vanpool travel to NTD.* Vanpooling is a legitimate use of Section 5307 funding, yet is often not reported in the NTD. Placing the vanpool program in an agency with the authority to track, report, and receive funds related to NTD data would be beneficial to the financial stability of the program.

- **Disadvantages. The principal disadvantages to this alternative include:**
 - *Local transit agency would manage service beyond its jurisdiction.* This alternative relies on the three local transit agencies assigning vanpool management to one agency while featuring a collaborative cross-agency component. Thus, one agency would need to manage a vanpool program that extends beyond its current jurisdiction. Garnering support for such an arrangement may be difficult for any of the three local agencies.
 - *Limited ability to integrate with transit services.* The lead transit agency responsible for managing the vanpool program will likely be able to easily integrate vanpooling and transit within its jurisdiction. Formal integration with transit beyond the managing agencies jurisdiction will likely be more challenging.
 - *Limited nature of NTD authority.* NTD authority is based on jurisdictional boundaries. This would translate into individual NTD reporting by each county agency or limiting reporting to only those vanpools with an origin or destination in the hosting county.

C: Centralized SFRTA Operator Alternative

- **Description.** Implementation of this alternative would rely on SFRTA managing the vanpool program with the option of purchasing or leasing vanpools or continuing a third-party vendor(s) operation relationship.
- **Advantages. The principal advantages to this alternative include:**
 - *Regional service provider.* As SFRTA is a regional authority tasked with providing greater mobility in South Florida, managing a regional vanpool program complements this objective. The SFRTA manager model links a regional agency to a regional program.
 - *Integration of rail and vanpools.* The centralized SFRTA management model assist in the formal integration of vanpooling and commuter rail access. Utilizing vanpools as rail station feeders complements and supports RTA's overall plans and goals.
 - *Potential for fleet ownership exists.* Infrastructure necessary to own, manage and store a vanpool fleet exists at RTA. Therefore, vehicle ownership remains an option within this alternative.
 - *Ability to report vanpools to NTD.* Vanpooling is a legitimate use of Section 5307 funding yet is often not reported in the NTD. Placing the vanpool program in an agency capable of tracking and reporting NTD data could be beneficial to the financial stability of the program. Furthermore, with regional jurisdiction, RTA could fully report program data, as well as receive and expend funds.
- **Disadvantages. The principal disadvantages to this alternative include:**
 - *Limited capacity as a relatively newer agency.* Some perception exists of the SFRTA as a relatively young agency that may not have the staffing infrastructure necessary to manage the vanpool program.
 - *Emerging agency currently focused on rail.* SFRTA currently manages and operates the Tri-Rail commuter rail and limited bus service in Broward and Palm Beach Counties. Rail service is its primary focus and it has not provided mobility services like vanpooling.

D: Centralized FDOT/South Florida Commuter Services (SFCS) Non-Operator Alternative

Description. SFCS is the regional commuter services program and promotes a variety of alternative transportation modes including vanpooling; it is South Florida's one-stop shop for commuter information. This alternative places SFCS as the regional vanpool manager with a third-party vendor(s) such as VPSI. This alternative focuses first on the employer market versus the transit and rail market and precursor discussed in alternative's B and C.

- **Advantages. The principal advantages to this alternative include:**
 - *Blend with marketing operations.* In this alternative the vanpool program leverages SFCS's experience working with a variety of markets throughout South Florida as well as established marketing and outreach operations. In addition to connecting with new riders, SFCS's employer connections may result in identification of employers willing and/or expected to contribute to the cost of service. If vanpool services were directly designed around the needs of a particular employer, an expectation of contribution would seem reasonable. This expected level of contribution would diversify the SFVP's income and stabilize revenue over time.
 - *Established experience and delivery mechanism.* As the marketing and outreach lead for the SFVP, South Florida Commuter Services has an established mechanism for outreach and services.
 - *Existing relationship with key partners.* SFCS has an established vanpool-oriented relationship with both the FDOT and the Miami-Dade MPO. These relationships are critical regardless of which agency manages the vanpool program.
 - *Existing ridematch system.* SFCS manages a regional ridematch system, which is an important element of matching vanpool riders with vanpools.
 - *Broad four-county regional coverage.* As a regional service provider, SFCS extends outreach services, programs, and resources to all four counties in the South Florida area.
 - *Integration with other regional trip reduction programs and services.* As SFCS currently provides and markets a variety of trip reduction programs and services, the vanpool program could easily link to existing support services and marketing and outreach efforts.
- **Disadvantages. The principal disadvantages to this alternative include:**
 - *Requires an NTD reporting arrangement.* When considering Section 5307 funding, vanpooling is a legitimate reporting and expenditure mechanism. SFCS could not report vanpooling in the NTD and access associated 5307 funding without a specific agreement with local or regional transit agencies.
 - *Enhances state role in regional efforts.* Currently the FDOT supports regional programs and services such as vanpooling but remains a step removed from management and operations. A contract with SFCS would result in an increased state presence in regional program and service management.
 - *Not aligned with transit services or planning efforts.* Placing the SFVP at SFCS further removes vanpooling from integration with transit services as well as transit planning and lessens the formal ability of the program to serve as a transit precursor. Although SFCS can work in partnership with area transit agencies, the focus of the organization is on employer and commuter markets.

- *Limited capacity for fleet management.* As a commuter service and program provider, SFCS may not have the capacity to store, maintain, and manage a vanpool fleet. Selecting SFCS to manage the South Florida Vanpool Program would create challenges related to the potential for an owner-operator model of vanpooling.

E: Localized Three County Transit Agencies Operator Alternative

Description. This alternative involves a coordinated vanpool operations approach. The three local transit agencies, Miami-Dade Transit, Broward County Transit and Palm Tran, would form a partnership and contract vanpool operations to a third-party vendor(s) such as VPSI.

- **Advantages. The principal advantages to this alternative include:**
 - *Good potential to connect to local transit services and planning.* Operating from a local transit agency-partnership provides the opportunity to tie in local transit service connectivity as well as integrate vanpooling with transit planning. This could directly benefit the SFVP through enhanced coordination and planning between vanpool routes and transit service.
 - *Cost effective transit experimentation.* Rather than extending transit resources without a base of existing operations, vanpools act as a transit precursor providing an experimentation base for transit operations, but without the large capital outlay and with high cost recovery. As a result, local transit operators can experiment with potential routes by sponsoring vanpools. Each of the transit agencies could utilize vanpools as a transit precursor.
 - *Potential capacity for fleet management.* Infrastructure necessary to own, manage, and store a vanpool vehicle fleet exists at each of the transit agencies; therefore, vehicle ownership remains an option within this alternative.
 - *Ability to report vanpool mileage to NTD.* Vanpooling is a legitimate use of Section 5307 funding yet is often not reported in the NTD. Placing the vanpool program in an agency capable of tracking and reporting NTD data could be beneficial to the financial stability of the program.
- **Disadvantages. The principal disadvantages to this alternative include:**
 - *Requires greater cross-agency coordination.* Developing a balanced vanpool management agreement requires a high level of detail to a variety of vanpool issues including fleet maintenance, vanpool marketing and outreach, and funding. This alternative will require an extended period of time to nurture as a concept and develop appropriate interagency agreements.
 - *Potential discrepancy with existing move towards regional cooperation.* Managing the vanpool program within and between the three local transit agencies could result in limited vanpool expansion beyond the three transit boundaries. Additionally, the nature of a joint local agency agreement may not be timely as the South Florida region considers broader, regional based efforts.
 - *Varying levels of commitment.* Internal support for an interagency agreement may be challenging at one or more of the transit agencies. Furthermore, each of the agencies differs in some of their overall regional goals and priorities. Identification and nurturing of shared goals and priorities is necessary.

F: Localized Three MPOs Non-Operator Alternative

Description. This alternative involves a coordinated vanpool operations approach. The three local MPOs; Miami-Dade, Broward County and Palm Beach County would form a partnership and contract vanpool operations to a third-party vendor(s) such as VPSI.

- **Advantages. The principal advantages to this alternative include:**
 - *Correlation to both local and regional planning objectives.* Operating from a regional partnership base provides the opportunity to tie in local and regional transportation planning. This could directly benefit the SFVP through enhanced coordination and planning for vanpool routes.
 - *Established agency structure.* Miami-Dade MPO has experience managing the SFVP. The systems, staffing, processes, contracts and procedures Miami-Dade has established are productive and could be readily transferred from one MPO to another if desired.
 - *Connection to funding.* Over the past seven years the Miami-Dade MPO has successfully accessed state funding to maintain the vanpool program and increase ridership.
 - *Track record of success.* Through the existing management model vanpooling has been successful in the South Florida area. As demand for vanpools continually rises the existing model has responded by increasing the vanpool program size incrementally and in concert with market forces. This creates the ground work necessary for a sustainable program over time.
- **Disadvantages. The principal disadvantages to this alternative include:**
 - *Requires greater cross-agency coordination.* Developing a balanced vanpool management agreement requires a high level of detail to a variety of vanpool issues including fleet maintenance, vanpool marketing and outreach, and funding. This alternative will require an extended period of time to nurture as a concept and develop appropriate interagency agreements.
 - *Varying levels of commitment.* Internal support for an interagency agreement may be challenging at one or more of the MPOs. Furthermore, each of the agencies differs in some of their overall regional goals and priorities. Identification and nurturing of shared goals and priorities is necessary.
 - *Limited capacity related to fleet ownership and management.* As an MPO, little to no capacity to own, house, maintain, and store vans has been developed. Selecting an MPO to manage the SFVP would require both staff and physical infrastructure improvements if the potential for an owner-operator model of vanpooling were a consideration.
 - *Requires an NTD reporting arrangement.* An MPO could not report vanpooling in the NTD and access associated 5307 funding without a specific agreement with local or regional transit agencies.

To guide the analysis of the advantages and disadvantages of these various alternatives, a decision making matrix was created, which is included below.

| | |
|-------------------------|--|
| Partnership | Does the alternative maximize partnerships? |
| Financial Stability | Does the alternative lend to financial stability? |
| NTD Reporting | Does the alternative allow for NTD reporting? |
| Transit Precursor | Does the alternative formally connect vanpool as a transit precursor? |
| Competitive Product | Does this alternative allow for market competition? |
| Organizational Capacity | Does the organization/agency have the capacity to manage a regional program? |
| | Is it important the organization has capacity to own and store vehicles? |
| Ease of Transition | Is transition to this alternative relatively uncomplicated? |

Appendix B: SWOT Analysis

In an effort to assist the South Florida Vanpool Program (SFVP) stakeholders with the decision making process, UrbanTrans Consultants compiled the four final transition alternatives that were determined during the first phase of the SFVP Transition Study. The alternatives include:

- Miami-Dade Transit Agency operator with National Transit Database (NTD) reporting
- Miami-Dade MPO operator with cooperative NTD reporting agreements
- Florida Department of Transportation operator with cooperative NTD reporting and an enhanced South Florida Commuter Services (SFCS) role
- South Florida Regional Transportation Authority (SFRTA) operator with NTD reporting and an enhanced SFCS role

Miami-Dade Transit Agency Operator with NTD Reporting

This alternative involves placing the SFVP at a transit agency for operations and administration. The agency would contract vanpool operations to a third-party vendor and have the option to manage or own/operate any transit precursor programs. The Miami-Dade Transit Agency is the primary NTD reporting agency in the area and would be the likely agency-operator.

Strengths

- A direct linkage with Miami-Dade transit planning may provide for more effective integration of vanpool services with other mobility services.
- Direct relationship with NTD and Section 5307 funding.
- Well established transportation provider with planning and fleet operations experience across multiple transit modes (bus, rail, paratransit).

Weaknesses

- Delineated jurisdiction less than the region for planning and funding.
- Limited agency experience managing and integrating vanpool programs.
- Level of interest/commitment at the agency is an unknown.
- Development of new partnership agreements and cross-agency coordination is necessary.

Opportunities

- Potential for new leadership in partnership formation, enhancement and multi-modal success.
- Cost effective means to evaluate new fixed-route transit and to build ridership in anticipation of future fixed-route services.
- SFVP could benefit from a direct linkage to transit planning and implementation by providing more and clearer opportunities for supplemental and precursor services.

Threats

- Planning and funding priorities and processes of other jurisdictions could leave portions of the program under-funded.
- Partnership and cross-agency relationship challenges, if manifested, could degrade overall service delivery.
- Potential for shifting priorities of program so that it is secondary to transit, thereby reducing the regional value of vanpool as a travel mode.
- Potential discrepancy with move towards regional coordination.

- Limited ability to plan and integrate directly with other transit services in other stakeholder jurisdictions, which may result in a lack of utilization of mode resources in overall system planning.

Miami-Dade MPO Operator with Cooperative NTD Reporting Agreements

This alternative involves maintaining the SFVP as is: implemented through the Miami-Dade MPO. Management could stay at Miami-Dade MPO in partnership with the FDOT, SFCS, and third party vendors as well the remaining two MPOs. In this alternative, Miami-Dade continues to host the program with SFCS leading outreach, a third party vanpool vendor leading operations, and the remaining two partner MPOs providing financial support. NTD reporting would be accomplished through an agreement with the designated FTA recognized agency.

Strengths

- Meets internal multi-modal planning and integration goals.
- MPO has previous experience managing the very successful SFVP.
- MPO has vanpool brokerage model experience.
- MPO has experience with vanpool program coordinated funding integration.

Weaknesses

- Delineated jurisdiction smaller than the region for planning and funding.
- NTD reporting and expenditure must be accomplished through interagency agreements.
- Current marketing and program tracking are separated due to differing contractual lines, which causes inefficiencies in program monitoring and growth.
- Limited capacity to meet transit precursor needs.
- The MPO has few planning responsibilities beyond its jurisdiction.
- MPO is not a direct transit service provision agency, so integration with transit remains a supplemental process.

Opportunities

- Greater potential for creative application of vanpooling due to a developed level of trust in the working system.
- Increase the complementary nature of vanpooling with multi-modal planning.

Threats

- Planning and funding priorities and processes of other jurisdictions could leave portions of the program under-funded.
- Potential discrepancy with the move toward regional coordination.
- Limited capacity related to supplemental and transit precursor services, which could lead toward diversified management and decentralization.

Florida Department of Transportation (FDOT) Non-Operator Alternative with Cooperative NTD Reporting and an Enhanced SFCS Role

As a regional authority within a State office, this alternative places SFVP operations within an FDOT district. FDOT would directly provide the contract administration for SFVP while coordinating with one or multiple NTD reporting agencies. A component of this alternative is cooperation and partnership between FDOT District 6 and FDOT District 4. In this way, each area of the region is directly represented by an operational partner. Additionally, SFCS would perform an enhanced role for data tracking and reporting to support of SFVP and FDOT.

Strengths

- Agency has state and regional transportation planning leadership.
- Agency is the lead organization for state and coordinated federal funding.
- Agency has experience leading a regional service model through SFCS, making it easier to forge an SFVP and SFCS partnership.
- Well established partnerships and relationships.

Weaknesses

- Delineated jurisdiction could be less than the greater region for planning and funding.
- NTD reporting and expenditure must be accomplished through interagency agreements.
- Limited capacity to meet local program supplemental and transit precursor needs.
- No current jurisdiction for transportation service planning or operations.
- Not a direct transit service provision agency, so integration with transit remains a supplemental process.

Opportunities

- Potential for new leadership in partnership formation, enhancement, and multi-modal success.
- SFVP could benefit from macro-level planning and oversight.
- Enhanced role for SFCS, which could increase its overall marketing and promotional effectiveness.

Threats

- Planning and funding priorities and processes of other jurisdictions could leave portions of the program under funded.
- Being neither an NTD designated reporting agency or a beneficiary could create funding obstacles.
- Limited capacity related to supplemental and transit precursor services, which could lead toward diversified management and decentralization.
- Enhanced state role in regional programs could be perceived as a threat to local control.

South Florida Regional Transportation Authority (SFRTA) Operator with NTD Reporting and an Enhanced SFCS Role

As a transit agency with regional responsibility, SFRTA would extend its jurisdiction for the SFVP in concert with its regional rail system and bus services. In partnership with all three MPOs and the two FDOT regions, SFRTA would provide contract administration for SFVP. SFRTA would report to NTD all SFVP program data and apply any incremental funds that may result to the SFVP. Supplemental services could be managed directly or transitioned to local transit agencies in support of local and regional transit objectives. Additionally, SFCS would perform an enhanced role for data tracking and reporting to support SFVP and SFRTA.

Strengths

- Linkage between SFRTA rail and the broader transit planning and service delivery.
- Designated as NTD and Section 5307 funding beneficiary with existing regional agreements for reporting purposes.
- Service operations experience.
- Designation as a regional authority complementary to SFVP role and that of SFCS.

Weaknesses

- Perceived as a relatively new agency with limited capacity and history.
- Limited agency experience managing and integrating vanpool programs.
- Primary experience operating a rail system versus a vanpool program.

Opportunities

- Linkage with rail service provision at both the local and regional levels.
- SFVP could benefit from macro-level planning.
- Cost effective means to evaluate new fixed-route transit and to build ridership in anticipation of future fixed-route services.
- Advance efforts to meet regional challenges with a regional solution through a regional agency.

Threats

- Planning and funding priorities and processes of other jurisdictions could leave portions of the program under funded.
- Working with multiple agencies and across multiple jurisdictions requires complex relationships that, if not managed well, could degrade overall service delivery.
- Enhanced role in local programs could cause local agencies to feel less ownership in the SFVP.

Issue Identification

In compiling data for this analysis, a series of recurring themes were identified as issues needing further clarification and direct input from the stakeholders. As a result of these findings, the stakeholders discussed the following issues while working toward a final recommendation:

Funding

The ability to access the NTD and its funding, provide financial stability, and blend multiple funding sources for a singular program.

Partnership

The ability to maximize local and regional partnerships in support of the SFVP and vanpool commuting due to the need for financial resource pooling.

Operations

The ability to administer and manage the SFVP under a brokerage model and support localized specialization of services

Transition

The ability to which the program can easily and seamlessly be transitioned to an alternative, as well as providing for program growth.

Transportation System

The relative alignment of the alternative in relation to potential transit precursor and supplemental vanpool services (e.g. shuttle and trip completion services).

Appendix C: Financial Analysis

Data

Financial and program impact data have been collected from a variety of sources including the Florida Department of Transportation (FDOT), Miami-Dade Metropolitan Planning Organization (MPO), VPSI, and stakeholder interviews. Analysis and data from peer programs provide supplemental data. These data portray a historical perspective of revenues and operational expenses but do not provide specifics on stakeholder overhead, marketing and other soft costs related to vanpooling and other commuter services programs.

Revenues

The look at revenues revealed a trend, primarily focused on capital expenses, including vehicle lease expenses. These revenues show declining program funding in the late 1990's and a resurgence of funds commensurate with planned program growth in the early 2000's. This program growth was heavily fueled by Congestion Mitigation and Air Quality Improvement (CMAQ) funds as allocated to the MPOs, with an emphasis on the Miami-Dade area.

These total revenues average approximately \$900,000 per year between 2002 and 2006 and fueled a program growth of 177 percent during the period of 2002 to 2004. Of these revenues, the majority, (approximately \$655,000 per year) was focused on capital expenses including the underwriting of vehicle lease expenses.

While CMAQ funds have been a resource for the vanpool program, their availability is limited to three years for any specific program. As the vanpool program ages, its eligibility for CMAQ funding ends. At the FDOT planning and budgeting level some likely funds have been identified as an alternative to CMAQ, though not yet line item approved, that would maintain funding levels in the range of 80 percent of current levels through 2010.

Additionally, it should be noted that for all previous years, program revenues have come through Miami-Dade County. In the recent biennial period of 2004-2005, however, funds have come through the other two counties to support overall program growth. Beyond 2006, no non-Miami-Dade County funds are identified.

Costs

The South Florida Vanpool Program costs are based on a leased vehicle, third-party operator model, where all operating related expenses are included in the monthly vehicle rate. An analysis was performed to compare the costs associated with a leased fleet versus an owned fleet. The full analysis is shown below in the table titled, "Comparison of Lease to Own Costs." This analysis looked at a hypothetical fleet of 200 vehicles, which the SFVP program should be able to approach shortly. The analysis was based on current costs and considers a fleet of various sized vehicles.

The comparison reveals that there is little cost difference between the lease and own options; however, it can be expected, barring significant increases in lease rates as compared to vehicle prices, that a lease option will save approximately \$800 per year per van. The cost variation can be explained by a few factors:

First, third-party operator organizations tend to be leaner on staff and related expenses due to a profit center focus and non-unionized labor.

Second, owner/operator organizations have been trending towards longer depreciation cycles as they are finding that they are not reaching 100,000 miles as early as forty eight months and have a willingness to

extend the life of the vehicle up to a total age of 84 months while still considering the 100,000 mile breakpoint.

Third, vehicle disposal differences exist. While leased fleets are financed based on a total vehicle cost less a market-based residual (an amount the vehicle is expected to be sold for at the termination of the lease) and paid for over an agreed upon number of months, owned fleets tie up significant acquisition capital up front and are depreciated (book value) over a period of time.

Fourth, owned fleets tend to be driven for longer periods of time and consequently are less valuable at the end of the depreciation period, making lease vehicles a source of revenue for the third party operator.

It is worth noting that leases are less flexible at the termination point than ownership fleets. While re-leases can be negotiated on these end-of-term vehicles, owned fleets have an asset that is fully depreciated and can be placed into innovative use, such as multi-modal, short-distance connector vehicles. While these would operate similarly to a vanpool, they would do so at a dramatically reduced cost basis, thereby making other modes of commuting more attractive and feasible.

Ultimately there is no clear cut advantage to one scenario or the other, as long as third-party lease programs remain flexible at traditional termination points. The primary benefit associated with the lease option is that it allows for expansion of the fleet without significant upfront capital.

| Comparison of Lease to Own Options | | | | |
|---|--------------------|--------------------------|---------------------|--|
| Ownership Costs | | | | |
| Vehicle Costs | 7 Passenger | 9 to 11 Passenger | 15 Passenger | |
| Number of vehicles | 154 | 32 | 14 | |
| Depreciation cycle | 84 month | 84 months | 84 months | |
| Average vehicle acquisition cost ¹ | \$14,880 | \$17,200 | \$18,800 | |
| Annualized vehicle acquisition cost | \$2,126 | \$2,457 | \$2,686 | |
| Annual maintenance costs per vehicle ² | \$1,096 | \$920 | \$1,279 | |
| Annual insurance costs per vehicle | \$1,260 | \$1,260 | \$1,260 | |
| Other annual expenses per vehicle | \$529 | \$529 | \$529 | |
| Annualized cost per vehicle | \$5,011 | \$5,166 | \$5,754 | |
| Program Overhead | | | | |
| Vanpool administration | \$923,497 | | | |
| Agency overhead | \$319,068 | | | |
| Average annual cost per vehicle | \$11,300 | | | |
| Lease Costs | | | | |
| | 7 Passenger | 9 to 11 Passenger | 15 Passenger | |
| Number of vehicles | 154 | 32 | 14 | |
| Lifecycle of lease | 48 months | 48 months | 48 months | |
| Monthly lease cost per vehicle | \$840 | \$945 | \$1,075 | |
| Annual lease cost per vehicle | \$10,080 | \$11,340 | \$12,900 | |
| Average annual cost per vehicle | \$10,479 | | | |

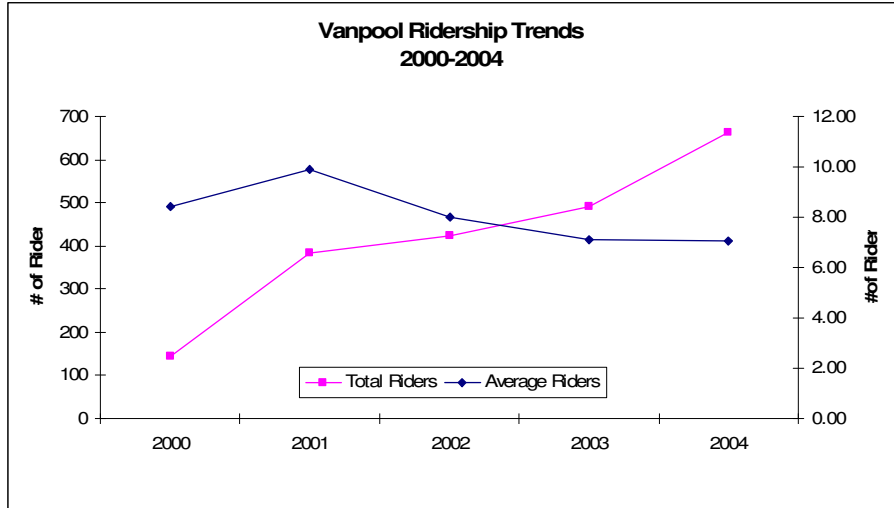
(1) Assumes 20% of acquisition cost will be recovered

(2) Includes scheduled and unscheduled maintenance, based on data from edmunds.com

Trends and Price Elasticity

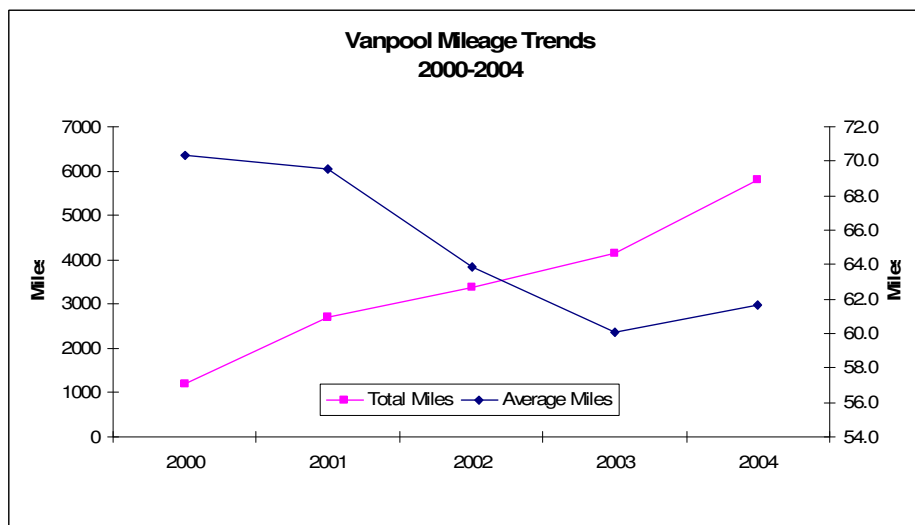
Trends were identified through cross analysis of the ridership. Mileage and financial data showed that the efficiency of the vanpool program (as measured by maximizing riders or roundtrip mileage) has decreased since the subsidy level increased.

The Vanpool Ridership Trends chart shows the total number of riders has increased while the average number of riders per vanpool has declined. This translates to vanpools operating with fewer people in them.



The Vanpool Mileage Trends chart shows the total number of vanpool miles traveled daily is increasing while the average number of miles traveled for each vanpool has declined.

This translates to vanpools, on average, traveling shorter distances, though still in excess of 60 roundtrip miles.



These data tend to show a declining efficiency of the vanpool network. When correlated to the increase in subsidy in 2002, these trends identify a possible price elasticity issue, indicating that the price of ridership is under priced based on the market reaction. Unfortunately, significant research on price elasticity as it relates to vanpools has not been conducted. There are, however, a few studies to which we can turn.

A study by Wambalaba, Concas and Chavarria¹ in the Puget Sound area looked at the price elasticity of rideshare programs. It found that vanpool riders respond to subsidies, which is the same finding

¹ Wambalaba, Francis, Sisinnion Concas, and Marlo Chavarria. 2004. *Public Transportation Research Study Price Elasticity of Rideshare: Commuter Fringe Benefits for Vanpools*. Center for Transportation Research.

experienced in South Florida. The study estimated that a 10 percent decrease in price was associated with a 6 to 13 percent increase in ridership, with the converse also being true. The study also found that the presence of subsidies made an individual 1.8 times more likely to choose vanpooling over driving alone. Still looking at the likelihood that an individual would choose vanpooling over driving alone, the study found that a one dollar decrease in vanpool price is associated with a 2.6 to 14.8 percent increase in the predicted odds that an individual will choose vanpooling over driving alone.

Winters and Cleland found that a 10 percent reduction in vanpool price is associated with a 15 percent increase in demand². This finding is similar to the Wambalaba, Concas and Chavarria study, but on the high side of their results. The Winters and Cleland study also found that the level of awareness commuters have of vanpool programs will affect demand. This finding would be expected and speaks to the importance of an effective outreach program.

A stated preference survey was developed to determine how Florida commuters in Tampa, Miami-Fort Lauderdale, and Jacksonville would react to different vanpool pricing and service combinations. The survey asked commuters about vanpool programs with prices set at \$50, \$25, and \$0. The survey assumed various distances to pick-up locations, transit fares of approximately \$50 per month and the non-availability of flextime, telework, and compressed work weeks. The survey found that a reduction in vanpool fares from \$50 to \$25 with a 2-mile pick-up area and no other incentives would increase vanpool use from zero to 5 percent of the market.

Numerous other studies have found that driving habits are price elastic. Agras and Chapman looked at US data from 1982 to 1995 and found that a 10 percent increase in fuel price is associated with a 1.5 percent decrease in short-term automobile travel and a 3.2 percent decrease in long-term automobile travel³. Other studies of parking prices to trip making found an elasticity of -0.1 to -1.2 meaning a ten percent increase in parking cost can decrease trips by 1 to 12 percent^{4,5}.

While the data do not clearly indicate what the pricing should be for vanpool services in the South Florida area, declining vanpool efficiency and elasticity studies suggest that a review of subsidy rates should be conducted to balance efficiency of the system with getting more riders and active vanpools.

Long-Term Funding Mechanism

FDOT District 6 and Miami-Dade MPO have secured funding for operation of the vanpool program via their respective Work Program and Transportation Improvement Plan (TIP). However, funding from the other MPOs has not yet been integrated into their TIPs. A mechanism needs to be identified by all parties to meet the overall program needs. Based on general projected growth, program capital resources will be insufficient to cover subsidies as soon as 2007. (Note: This projection is based on current subsidy levels, 15 percent annual program growth.)

To meet this need an untapped resource exists, the National Transit Database (NTD) and its affiliated Section 5307 funding. While Section 5307 funds tend to lag about a year behind reporting, they are based on vanpool revenue miles and an incentive tier based on passenger miles. The funds are the same formula that distributes funds to traditional transit service and as such are long-term and stable. To be qualified, a designated recipient (a designated agency representing an urbanized area with 200,000 or more residents) must submit specific data and manage the funds per federal guidelines.

² Winters, Phil, and Francis Cleland. *Vanpool Pricing and Financing Guide*. Center for Transportation Research. University of South Florida.

³ Agras, J and D. Chapman. 1999. The Kyoto Protocol, CAFE Standards, and Gasoline Taxes. *Contemporary Economic Policy*. 17:3.

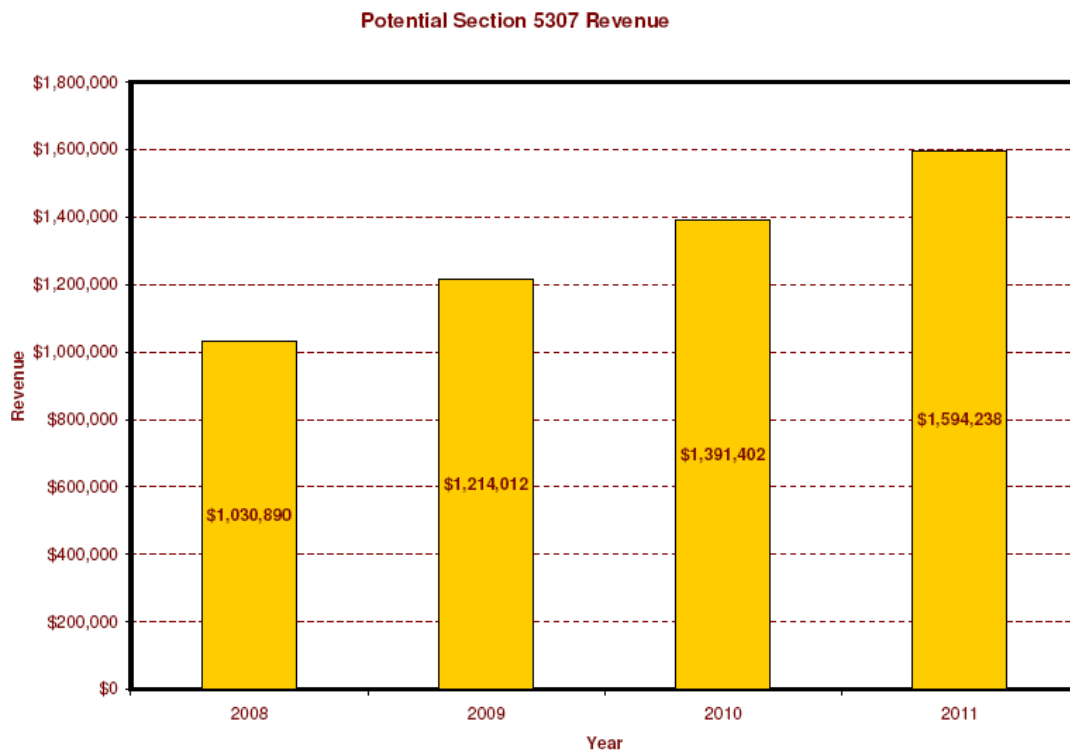
⁴ Kuzmyak, Richard J., Rachel Weinberger, and Herbert S. Levinson. 2003. Parking Management and Supply: Traveler Response to Transport System Changes, Chapter 18. *Report 95, Transit Cooperative Research Program*. Transportation Research Board.

⁵ Pratt, Richard. 1999. Traveler Response to Transportation System Changes, Interim Handbook. *TCRP Web Document 12* (http://gulliver.trb.org/publications/tcrp/tcrp_webdoc_12.pdf)

Unfortunately, because of the process through which Section 5307 funds are distributed in the region, allocation of Section 5307 funds to the vanpool program cannot be guaranteed, even if reporting is made to the NTD Database. For this reason, the funding partners must allocate sufficient funds to cover all program costs less those covered by farebox revenue.

Additionally, section 5307 funds can be used only for capital improvements. If the revenue becomes available and exceeds the vanpool program’s capital needs, some funds may be forfeited. To avoid this scenario it may be necessary to, through the MPO process, swap the Section 5307 funds with another source.

The table below shows the potential Section 5307 funds that could be made available to the vanpool program via NTD reporting.



By 2011 total net public funding needs for the vanpool program are expected to approach \$2,300,000. With a potential funding stream of \$1,594,000 in 2011, Section 5307 funds have the potential to cover approximately 69 percent of net public funding needs. The tables below show financial details for the program based on anticipated ridership levels and potential Section 5307 funds.

| SFVP Revenue Needs Projections | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Vanpool Ridership | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| 7 passenger | 124 | 142 | 164 | 188 | 217 | 249 |
| 9 passenger | 23 | 26 | 30 | 34 | 39 | 45 |
| 15 passenger | 14 | 16 | 18 | 22 | 25 | 29 |
| Total Number of Vans | 161 | 184 | 212 | 244 | 281 | 323 |
| Total Number of Riders | 1127 | 1288 | 1484 | 1708 | 1967 | 2261 |
| Average Monthly Operational Lease Costs Per Vehicle¹ | | | | | | |
| 7 passenger | \$1,025 | \$1,076 | \$1,130 | \$1,187 | \$1,246 | \$1,308 |
| 9 passenger | \$1,165 | \$1,223 | \$1,284 | \$1,349 | \$1,416 | \$1,487 |
| 15 passenger | \$1,280 | \$1,344 | \$1,411 | \$1,482 | \$1,556 | \$1,634 |
| Average Annual Operational Lease Costs for the Fleet | | | | | | |
| 7passenger | \$1,525,200 | \$1,833,930 | \$2,223,963 | \$2,676,892 | \$3,244,308 | \$3,908,868 |
| 9 passenger | \$321,540 | \$381,654 | \$462,389 | \$550,242 | \$662,718 | \$802,909 |
| 15 passenger | \$215,040 | \$258,048 | \$304,819 | \$391,185 | \$466,754 | \$568,507 |
| Total Annual Operational Lease Costs | \$2,061,780 | \$2,473,632 | \$2,991,171 | \$3,618,319 | \$4,373,780 | \$5,280,283 |
| Administration Costs² | | | | | | |
| Contract | \$225,371 | \$236,613 | \$248,444 | \$260,866 | \$273,911 | \$287,609 |
| Coordinator | \$130,998 | \$137,548 | \$255,376 | \$379,115 | \$398,070 | \$417,975 |
| Total Administrative Costs | \$356,369 | \$374,161 | \$503,820 | \$639,981 | \$671,981 | \$705,584 |
| Total Costs³ | | | | | | |
| Total Program Cost | \$2,418,149 | \$2,847,793 | \$3,494,991 | \$4,258,300 | \$5,045,761 | \$5,985,867 |
| Total Cost Per Van | \$15,020 | \$15,477 | \$16,486 | \$17,452 | \$17,956 | \$18,532 |
| Total Cost Per Rider | \$2,146 | \$2,211 | \$2,355 | \$2,493 | \$2,565 | \$2,647 |
| Total Cost Per Passenger Mile | \$0.136 | \$0.140 | \$0.150 | \$0.158 | \$0.163 | \$0.168 |
| Farebox Recovery⁴ | | | | | | |
| 7passenger | \$930,000 | \$1,152,330 | \$1,436,763 | \$1,774,492 | \$2,202,708 | \$2,713,668 |
| 9 passenger | \$211,140 | \$256,854 | \$318,389 | \$387,042 | \$475,518 | \$586,909 |
| 15 passenger | \$147,840 | \$181,248 | \$218,419 | \$285,585 | \$346,754 | \$429,307 |
| Total Farebox Recovery | \$1,288,980 | \$1,590,432 | \$1,973,571 | \$2,447,119 | \$3,024,980 | \$3,729,883 |
| Net Public Funding Needed⁵ | | | | | | |
| Total Net Public Funding Needed | \$1,129,169 | \$1,257,361 | \$1,521,420 | \$1,811,181 | \$2,020,781 | \$2,255,984 |
| Broward Net Revenue Needs | \$444,268 | \$520,325 | \$606,877 | \$737,635 | \$824,926 | \$926,060 |
| Miami-Dade Net Revenue Needs | \$414,641 | \$400,499 | \$506,099 | \$544,692 | \$591,456 | \$643,565 |
| Palm Beach Net Revenue Needs | \$270,261 | \$336,537 | \$408,445 | \$528,856 | \$604,400 | \$686,360 |
| Revenue by Funding Source | | | | | | |
| Farebox Revenue | 53% | 56% | 56% | 57% | 60% | 62% |
| Remaining Revenue Needs | 47% | 44% | 44% | 43% | 40% | 38% |

- (1) Represents the average monthly cost charged to riders based on their mileage traveled
- (2) 2006 costs are based on current data. In subsequent years costs are increased by 5% annually.
- (3) Total costs = operational costs + administrative costs
- (4) Farebox recovery is equal to operational lease costs less a \$400 per month subsidy
- (5) Includes operational and administrative costs less farebox recovery

| Potential Section 5307 Revenue by County | | | | | | |
|--|------|------|-------------|-------------|-------------|-------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Broward | \$0 | \$0 | \$438,128 | \$517,275 | \$592,536 | \$681,747 |
| Miami-Dade | \$0 | \$0 | \$355,657 | \$395,873 | \$433,821 | \$477,223 |
| Palm Beach | \$0 | \$0 | \$237,105 | \$300,864 | \$365,045 | \$435,269 |
| Total Revenue | \$0 | \$0 | \$1,030,890 | \$1,214,012 | \$1,391,402 | \$1,594,238 |

The following tables estimate the amount of funds that should be allocated to the vanpool program by each of the MPOs. The funding needs shown in the tables exclude all potential Section 5307 funds. Should Section 5307 funds become available, those funds can be returned to the SFVP funding sponsors for use on other projects or as additional funding for the vanpool program.

| Broward Revenue Needs Projections | | | | | | |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Operational Lease Costs | \$812,337 | \$993,623 | \$1,203,395 | \$1,456,308 | \$1,761,024 | \$2,132,842 |
| Contract Costs | \$56,343 | \$59,153 | \$62,111 | \$65,217 | \$68,478 | \$71,902 |
| Coordinator Costs* | \$65,499 | \$68,774 | \$91,582 | \$151,646 | \$159,228 | \$167,190 |
| Farebox Recovery | \$507,934 | \$639,172 | \$794,375 | \$984,885 | \$1,218,314 | \$1,506,789 |
| Total Cost | \$426,245 | \$482,378 | \$562,713 | \$688,286 | \$770,416 | \$865,145 |

*Beginning in mid-year 2008 costs reflect the addition of one optional coordinator. If the coordinator is not added, coordinator costs can be reduced by \$30,500 in 2008 and 50% in subsequent years.

| Miami-Dade Revenue Needs Projections | | | | | | |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Operational Lease Costs | \$760,760 | \$857,510 | \$976,874 | \$1,114,521 | \$1,289,321 | \$1,492,989 |
| Contract Costs | \$112,686 | \$118,307 | \$124,222 | \$130,433 | \$136,956 | \$143,805 |
| Coordinator Costs | \$0 | \$0 | \$72,212 | \$75,823 | \$79,614 | \$83,595 |
| Farebox Recovery | \$475,685 | \$551,615 | \$644,846 | \$753,738 | \$891,980 | \$1,054,752 |
| Total Cost | \$397,761 | \$424,203 | \$528,462 | \$567,039 | \$613,911 | \$665,637 |

| Palm Beach Revenue Needs Projections | | | | | | |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Operational Lease Costs | \$373,933 | \$503,617 | \$651,249 | \$847,036 | \$1,084,917 | \$1,361,737 |
| Contract Costs | \$56,343 | \$59,153 | \$62,111 | \$65,217 | \$68,478 | \$71,902 |
| Coordinator Costs* | \$65,499 | \$68,774 | \$91,582 | \$151,646 | \$159,228 | \$167,190 |
| Farebox Recovery | \$233,811 | \$323,964 | \$429,897 | \$572,841 | \$750,568 | \$962,027 |
| Total Cost | \$261,964 | \$307,580 | \$375,045 | \$491,058 | \$562,054 | \$638,803 |

*Beginning in mid-year 2008 costs reflect the addition of one optional coordinator. If the coordinator is not added, coordinator costs can be reduced by \$30,500 in 2008 and 50% in subsequent years.

Appendix D: Vanshare Case Study

In its fourth year of operation, King County Metro's Vanshare program is designed to provide the first and last link to and/or from high occupancy vehicle (HOV) modes such as transit, commuter rail and/or ferry. Often, commuters are unable to take transit, rail or the ferry due to the lack of direct connections from their origin or to their final destination. King County Metro's Vanshare provides a connection from the home to a Park-n-Ride, Ferry Terminal or Rail Station and/or a connection from the Park-n-Ride, Ferry Terminal or Rail Station to the place of work.

Still in a pilot program stage, the Vanshare business model utilizes high quality depreciated King County Vanpools with low mileage. Each Vanshare vehicle is limited to no more than 20 miles per day round trip travel and carries a user fee of \$50.00 per month as well as gas costs which are divided equally among up to 15 Vanshare riders. A minimum of three Vanshare riders is required and riders are matched to vehicles through www.rideshareonline.com and through employer transportation coordinators as well as general rideshare promotions.

Currently more than 110 Vanshares exist throughout the greater Puget Sound Area, most of which serve commuter rail station Park-n-Rides. Parking costs are minimized through arrangements to park the Vanshare vehicles at the Park-n-Ride station. Furthermore, most Vanshares access employer or building sponsored free parking or preferential parking at employment sites. One exception to free parking concerns parking at Downtown Seattle's rail station, King Street Station. In order to avoid passing the costs of parking down to the user, Metro received a grant to cover the costs of parking at the Station.

Why Vanshare works:

- Attractive Customer Price Point: Riders share a \$50.00 a month fee and gas costs. Parking is fully covered by the County or employer. This fee is also covered by many FlexPass agreements making it free to the majority of users.
- HOV Gap Filler: Riders who would not otherwise be able to access transit, rail or ferry system modes are able to when a Vanshare link is included.
- Depreciated Vans: Vans are vanpool vehicles that are have reached or exceeded their standard operating potential. After six years, vanpools are assessed and either retired and sold or retained for Vanshare usage.
- Low Mileage Trips: Daily roundtrip Vanshare trips must not exceed 20 miles, thus minimizing continued wear and tear on the vehicle.
- Clear Business Model: The Vanshare business model is designed to connect riders directly to and/or from transit, rail or ferry system modes and is not intended to serve as a shuttle or vanpool.
- Agency Support: Because of the critical link between transit and Vanshare, the greater agency (Metro) is supportive of the program investments due to its ability to grow transit ridership.

Appendix E: Peer Review

Data were collected and compiled regarding 26 vanpool programs across the United States, as a peer review of programs and services. The purpose was to understand the complexity of programs while identifying like and dissimilar program elements. These data were the basis for vanpool program recommendations made in this report.

A summary of the findings is provided in the following table. While this table provides information on the average vanpool program, it does not necessarily represent the direction in which a program should be moving.

Administration and Operations

| | |
|----------------|--|
| Administrator | Likely to be a transit agency or vendor that administers/operates its own program and has provided a vanpool program for about 14.5 years. |
| Competition | Markets have a high potential for competition (to direct public sector provisions of service), likely in the form of VPSI, though other competitors exist. Competition is not a negative; rather, it is seen as a boon in this travel market that is secondary or supportive to transit. |
| Total Vanpools | 153 |
| Total Riders | 1,229 and growing |

Funding

| | |
|---------|---|
| Sources | Programs are likely to be funded from multiple sources including CMAQ and other federal funds. In the event that a program decides to report vanpool ridership as part of the National Transportation Database (NTD) program, it is likely to receive only some or none of the associated 5307 funding, but will be credited with assisting the overall transit agency. |
|---------|---|

Vehicles

| | |
|-------------------|---|
| Size | Programs are likely to have all sized of vans (mini through extended); however, market and regulatory forces are putting pressure on programs to leave the 15-passenger vehicle market. |
| Make/Model | Full sized Chevrolet, GM, Ford, or Dodge vans are, in that order, the most popular. Programs with minivans are most likely to have Chevrolet Astrovan. |
| Ownership | Vans are likely owned unless a vendor is used for administration, in which case vans are typically leased |
| Maximum Fleet Age | 5.6 years |
| Insurance | Third party |

Value Added Services

The following value added features are generally provided to participants:

- Maintenance
- Fuel
- Roadside Assistance
- Guaranteed Ride Home
- Toll payments (if toll facilities exist in the service area)
- Personal use of the vehicle for drivers during off hours
- Online reporting

Marketing

| | |
|----------|---|
| Emphasis | The primary marketing emphasis sells the program as a rideshare service. However, programs are willing to try most marketing techniques. |
| Media | Typical marketing distribution channels include information packets, ridematching assistance, GRH and tax programs, events, and meetings. |

Fares and VMT

| | |
|---------------------|---|
| Fares | Fare structures are generally based on mileage ranges and attempt to recover 70 to 85 percent of total costs. This equates to an average fare of \$76 to \$100. |
| Direct Subsidies | Programs are not likely to provide direct subsidies, but if they do, the subsidies are focused on getting vans on the road and filling empty seats. |
| Average One-way VMT | 39.8 miles |

Administration and Operations

As noted in the average vanpool profile, the use of vendors for the provision of vanpool services is common. Vendors offer a degree of flexibility and are available in almost every market. Third-party vendors can handle any part or all of a vanpool program's administration and operations. Data revealed that there is no clear cut direction related to the factors involved in non-vendor versus third-party vendor choices for direct administration (or any part of the administration). It is primarily a decision driven by regional philosophy and type of funding available.

The table shown below lists information regarding the types of administration and operational models used by the various vanpool services interviewed as part of this peer review.

| Company | Who operates the PRIMARY vanpool program? | | | | | Number of Vans | Number of vanpoolers | Program age | Does the vanpool administrator... | | | Which third party vendors operate in the area | | | |
|--|---|----------|------------------|------------------|---------------------|----------------|----------------------|-------------|-----------------------------------|--------------------------|---|---|-------|------|-------------------------------------|
| | Transit agency | Employer | Local government | Rideshare Agency | Regional government | | | | Third Party Vendor | Own and operate the vans | Own and use third party vendor for operations | Use third party vendor for leasing and operations | Other | VPSI | Enterprise |
| Ada County Highway District Commuteride | | | | | | 65 vans | 650 vanpoolers | 29 Years | | | | We administrate the program; our transit company provides vehicles and VPSI maintains and insures them. | | | |
| Bay Area Commuter Services, Inc. | | | | | | 19 vans | 144 vanpoolers | 10 Years | | | | | | | |
| California State University, Northridge | | | | | | 5 vans | 35 vanpoolers | 14 Years | | | | | | | |
| Community Transit | | | | | | 276 vans | 1,800 vanpoolers | 19 Years | | | | | | | |
| Douglas County Rideshare | | | | | | 36 vans | 300 vanpoolers | 17 Years | | | | | | | GRTA |
| DRCOG | | | | | | 55 vans | 300 vanpoolers | 12 Years | | | | | | | |
| King County Metro Rideshare Operations | | | | | | 755 vans | 5,904 vanpoolers | 26 Years | | | | | | | |
| Metropolitan Washington Council of Governments | | | | | | 900 vans | 12,000 vanpoolers | 31 Years | | | | | | | ABS and Private Owner-Operators |
| Miami-Dade County MPO | | | | | | 98 vans | 830 vanpoolers | 7 Years | | | | | | | |
| Mid-Valley Rideshare | | | | | | 8 vans | 88 vanpoolers | 2 Years | | | | | | | |
| Midway Rideshare | | | | | | 4 vans | 60 vanpoolers | 4 Years | | | | | | | |
| NJ TRANSIT (New Jersey Transit Corp.) | | | | | | 160 vans | 1,400 vanpoolers | 8 Years | | | | multiple competing third party vendors | | | Vanpool of NJ and Archibald Vanpool |
| North Front Range MPO/VanGo Program | | | | | | 42 vans | 260 vanpoolers | 10 Years | | | | | | | |
| Parsons Brinckerhoff/miniPOOL | | | | | | 37 vans | 250 vanpoolers | 1 Years | | | | | | | |
| Pierce Transit | | | | | | 280 vans | 2,360 vanpoolers | 19 Years | | | | | | | |
| Regional Transp Auth | | | | | | | | 18 Years | | | | | | | |
| RideSolutions, part of Mid-Ohio Regional Planning Commission | | | | | | 26 vans | 360 vanpoolers | 25 Years | | | | | | | |
| SANDAG | | | | | | 418 vans | 3,791 vanpoolers | 9 Years | | | | | | | |
| Stakeholder-Anonymous 1 | | | | | | 15 vans | 85 vanpoolers | 7 Years | | | | | | | |
| Stakeholder-Anonymous 2 | | | | | | 12 vans | 75 vanpoolers | 12 Years | | | | | | | |
| TENNESSEE VANS | | | | | | 352 vans | | 14 Years | | | | | | | |
| UCLA (Transportation Services) | | | | | | 137 vans | 1,500 vanpoolers | 20 Years | | | | | | | |
| Utah Transit Agency | | | | | | 253 vans | 2,800 vanpoolers | 15 Years | | | | | | | |
| UTC | | | | | | 35 vans | 211 vanpoolers | 9 Years | | | | | | | |
| Valley Metro | | | | | | 228 vans | 2,000 vanpoolers | 20 Years | | | | | | | |
| Van Pool of NJ | | | | | | 200 vans | 2,000 vanpoolers | 26 Years | | | | | | | Vanpool of NJ |
| Count | 8 | 3 | 3 | 3 | 4 | 5 | | | 12 | 2 | 10 | 2 | | 18 | 4 |
| | | | | | | Minimum | 4 | 35 | 1 | | | | | | |
| | | | | | | Maximum | 900 | 12000 | 31 | | | | | | |
| | | | | | | Median | 65 | 520 | 14 | | | | | | |

Fifteen of the vanpool programs hire third party vendors to provide some level of assistance with program administration. The level of assistance provided varies significantly and indicates that vanpool operators, including SFVP, can seek flexible contracts from third party vendors. The table below shows the types of services that are sought.

| Company | If you use a third party vanpool vendor, do they... | | | | | | | Other |
|--|---|-----------------------------|------------------|---------------|-------------------|----------------|--|-------|
| | Administer program | Help with vanpool formation | Provide vehicles | Collect fares | Maintain vehicles | Market program | Report miles or other required reporting | |
| Bay Area Commuter Services, Inc. | | ✓ | | ✓ | ✓ | ✓ | ✓ | |
| California State University, Northridge | ✓ | | ✓ | | ✓ | | | |
| Metropolitan Washington Council of Governments | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Miami-Dade County MPO | | ✓ | ✓ | ✓ | ✓ | | ✓ | |
| Mid-Valley Rideshare | | | ✓ | | ✓ | | ✓ | |
| Midway Rideshare | | ✓ | ✓ | | ✓ | | | |
| NJ TRANSIT (New Jersey Transit Corp.) | | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Parsons Brinckerhoff/miniPOOL | | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Regional Transp Auth | | | | | ✓ | | | |
| RideSolutions, part of Mid-Ohio Regional Planning Commission | | | ✓ | | ✓ | | ✓ | |
| SANDAG | | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Stakeholder-Anonymous 2 | | | ✓ | | ✓ | | | |
| UTC | | ✓ | | ✓ | ✓ | ✓ | ✓ | |
| Valley Metro | | | | ✓ | ✓ | | ✓ | |
| Van Pool of NJ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | |
| Count | 4 | 9 | 12 | 9 | 15 | 6 | 7 | |

Funding

The peer review revealed no clear standard for vanpool funding. In most regional markets, vanpool costs exceed the consumer price point at which commuters are willing to purchase the service. As a result, each vanpool program seeks out funding resources to subsidize or underwrite the 15%-30% usually necessary to make vanpooling financially appealing to consumers. In those markets where no external funding is cited, employer subsidies and, at times, traffic congestion offset the higher prices.

The peer review also revealed that while vanpooling is a legitimate NTD reporting and expenditure mechanism, only half of the programs surveyed report vanpooling in the NTD database. Data suggests that because their vanpool programs receive little or no direct pass-through of the 5307 funds, the motivation may not exist to add vanpool programs to this reporting. The formulaic approach to Section 5307 funds, however, means that the relative contribution to funding appropriations is the same for a 10-passenger vanpool traveling 40 miles as a bus with 40 passengers traveling 10 miles. Ultimately, if vanpool program reporting to NTD is not added, the result is a loss of revenue opportunity for both the responsible agency and the vanpool program.

The table shown below reports on the various funding sources used by the vanpool programs interviewed during the peer review:

| Company | 9. How is the vanpool program funded? | | | | | | | 10. Do you report vanpool miles as part of your region's National Transit Database (NTD) | | |
|--|---------------------------------------|--------------|-------------|-------|------------------|----------|-------------|--|---|---------------------------------------|
| | Federal:5307 (FTA) | Federal/CMAQ | Federal:STP | State | Local government | Employer | TMA/TMO/BID | <input type="radio"/> Not Allocated | <input type="radio"/> Partially Allocated | <input type="radio"/> Fully Allocated |
| Ada County Highway District Commuteride | | < | < | | < | | | | | |
| Bay Area Commuter Services, Inc. | | | | | | | | | | |
| California State University, Northridge | | | | | | ✓ | | | | |
| Community Transit | ✓ | ✓ | | ✓ | ✓ | | | ✓ | | ○ |
| Douglas County Rideshare | ✓ | | | ✓ | ✓ | | ✓ | ✓ | | ● |
| DRCOG | | ✓ | | | | | | ✓ | | ○ |
| King County Metro Rideshare Operations | | | | | | | | ✓ | | ○ |
| Metropolitan Washington Council of Governments | | | | | | | | | | |
| Miami-Dade County MPO | | ✓ | | ✓ | | | | | | |
| Mid-Valley Rideshare | | | | ✓ | | ✓ | | ✓ | | ○ |
| Midway Rideshare | | | | | | ✓ | | | | |
| NJ TRANSIT (New Jersey Transit Corp.) | | | | ✓ | | | | ✓ | | |
| North Front Range MPO/VanGo Program | | | ✓ | | | | | ✓ | | ○ |
| Parsons Brinckerhoff/miniPOOL | | ✓ | | | | | | | | |
| Pierce Transit | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ | | ○ |
| Regional Transp Auth | | | | | ✓ | ✓ | | ✓ | | ○ |
| RideSolutions, part of Mid-Ohio Regional Planning Commission | ✓ | ✓ | | ✓ | | | | | | |
| SANDAG | ✓ | ✓ | | | ✓ | | | ✓ | | ○ |
| Stakeholder-Anonymous 1 | | ✓ | | | | | | | | |
| Stakeholder-Anonymous 2 | | | | ✓ | ✓ | ✓ | | | | |
| TENNESSEE VANS | | ✓ | | | ✓ | | | | | |
| UCLA (Transportation Services) | | | | | | ✓ | | | | |
| Utah Transit Agency | | ✓ | | | | | | ✓ | | |
| UTC | | ✓ | | | | | ✓ | ✓ | | ○ |
| Valley Metro | ✓ | ✓ | ✓ | | | | | ✓ | | |
| Van Pool of NJ | | | | | | | | ✓ | | |
| Count | 6 | 13 | 4 | 8 | 8 | 6 | 2 | 14 | | |

Vehicles

The peer review shows that significant fleet variations exist between vanpool programs and that most fleets contain vehicles of various size. The typical vanpool program owns its own vehicles, unless it is operated by a third party vendor, in which case vans are typically leased. While ownership of vehicles is the norm, the trend is toward more leased vehicles. Capital acquisition costs for agencies are typically constrained through public budget processes, which means an agency cannot purchase a new van whenever a new vanpool forms. The desire to offer vanpool services via regional approaches and through inter-agency cooperation is also driving demand for a wider range of fiscal options, which increases the demand of leased vehicles.

In terms of fleet composition, there are basically three makers of product for vanpooling. General Motors (including GMC and Chevrolet), Chrysler (including Dodge) and Ford. All three makers provide vans in extended (12-15 passenger), traditional (9-12 passenger) and mini (7-9 passenger) and for the extended and traditional sizes. Interestingly, the Chevrolet Astrovan and GMC Safari have cornered the market in minivans, though Dodge and Ford have some impact. In the large-size market there is no clear sales leader.

More recent market trends are toward the purchase of more minivans. Recent rollover accidents have sparked elected officials to call for additional restrictions on the use of extended vans. At the same time, consumers are expressing greater interest in the smaller vehicles, even though they have higher per passenger costs. The table below shows that the number of vanpool programs with minivans is significant within our sample, but that 15-passenger vans are still common.

| Company | Fare Structure | | | | | Average fare | | | | | Subsidies provided | | | | | |
|--|-------------------|---------------------|-----------|-----------------------------------|------------------------|----------------------------|----------------|-------------|--------------|---------------|--------------------|-------------------------|------------------------------|---------------------|---------------------|---|
| | By mileage ranges | By specific mileage | Flat rate | cost (less subsidy if applicable) | By amount of days used | Other | Less than \$50 | \$50 - \$75 | \$76 - \$100 | \$101 - \$125 | \$126 + | Permanent rider subsidy | Temporary empty seat subsidy | First month(s) free | No fare for drivers | Other |
| Ada County Highway District Commuteride | ✓ | | | | | | | | | | | | | | | Incentives |
| Bay Area Commuter Services, Inc. | ✓ | | | | | | ✓ | | | | | ✓ | ✓ | | | |
| California State University, Northridge | | | | ✓ | | Campus Subsidy | | | ✓ | | | ✓ | ✓ | | | |
| Community Transit | ✓ | | | | | | | | | | | | | | | |
| Douglas County Rideshare | ✓ | | | | | | ✓ | | | | | | | | | |
| DRCOG | | | ✓ | | | | | | ✓ | | | ✓ | | | | Recruiting Incentive |
| King County Metro Rideshare Operations | ✓ | | | | | | | | ✓ | | | ✓ | | | | |
| Metropolitan Washington Council of Governments | | | | | | ✓ | | | | | | | | | | Some local jurisdictions provide personal property tax relief and seat subsidies |
| Miami-Dade County MPO | ✓ | | | | | | | | ✓ | | | | | | | \$400/van/month |
| Mid-Valley Rideshare | | | | ✓ | | % of lease cost subsidized | | | | ✓ | | | | | | Percent of lease cost |
| Midway Rideshare | ✓ | | | | | | | | ✓ | | | | | | | partial sponsorship amount per month per van; TMA may provide startup, empty seat, etc. |
| NJ TRANSIT (New Jersey Transit Corp.) | | | | ✓ | | each group splits its cost | | | ✓ | | | | | | | |
| North Front Range MPO/VanGo Program | ✓ | | | | | | | | | | ✓ | ✓ | | | | |
| Parsons Brinckerhoff/miniPOOL | ✓ | | | | | | | | ✓ | | | ✓ | ✓ | | | |
| Pierce Transit | ✓ | | | | | | | | | | | | | | | |
| Regional Transp Authority | | | | | ✓ | | | | | | ✓ | ✓ | | | | 50 % w/ serv area |
| RideSolutions, part of Mid-Ohio Regional Planning Commission | | ✓ | | | | | | | | | ✓ | ✓ | ✓ | | | |
| SANDAG | | | | | ✓ | | ✓ | | | | ✓ | ✓ | | | | |
| Stakeholder-Anonymous 1 | | | ✓ | | | | | | | | ✓ | | | | | 1/2 off first 3 months |
| Stakeholder-Anonymous 2 | ✓ | | | | | | | | ✓ | | ✓ | | | | | 2 free weeks |
| TENNESSEE VANS | ✓ | | | | | | | | ✓ | | | ✓ | | | | |
| UCLA (Transportation Services) | | ✓ | | | | | | | | ✓ | | ✓ | | | | |
| Utah Transit Agency | | ✓ | | | | | | | | | | | | | | |
| UTC | | | ✓ | | | | | | | | ✓ | | ✓ | | | New rider subsidies, new driver incentives |
| Valley Metro | ✓ | | | | | | | | ✓ | | | | | | | |
| Van Pool of NJ | ✓ | | | | | | | | ✓ | | | ✓ | | | | |
| Count | 14 | 3 | 3 | 3 | 1 | 2 | 1 | 6 | 10 | 4 | 5 | 6 | 10 | 4 | 8 | |

Value-Added Services

The peer review revealed that value-added services are common among vanpool programs, with most programs including vehicle operational costs (maintenance, gas, road side assistance, etc.) to minimize inconveniences while ensuring that their fleets get proper care while in the hands of users. A full listing of the typical value-added services offered by the various peer agencies is shown in the table below.

Because many programs are mired in paper processes, consumers and subsidizing employers are pushing for online reporting. While this service is still uncommon, it has the potential to significantly reduce back office labor expenses in addition to making reporting easier for vanpool drivers and riders. Vanpool programs operated by multiple partners are likely to experience more difficulty implementing such systems due to their general need of more reporting information and the extra expectations associated with multiple partners.

| Company | Items included in the price of the vanpool seat | | | | | | | Technologies that have or are being considered | | | | |
|--|---|-----|-------|---------------------|------------------------|-------------------|----------------------|--|----------------------------|---|-------------------------------------|---------------------|
| | Maintenance | Gas | Tolls | Roadside Assistance | Driver's Use Off Hours | Drivers Ride Free | Guaranteed Ride Home | Other | On-Board SmartCard readers | Online weekly / monthly van usage / ridership reporting | Advanced "seat-reservation" systems | Other |
| Ada County Highway District Commuteride | < | < | | < | < | < | < | Insurance | | < | < | |
| Bay Area Commuter Services, Inc. | < | | | < | | | | On-campus Parking of vanpool vehicle | | | | |
| California State University, Northridge | < | < | | < | | | < | | < | < | | |
| Community Transit | < | < | | < | < | | | | < | < | | |
| Douglas County Rideshare | < | < | | | | | | van replacement | < | < | < | |
| DRCOG | < | < | | < | < | < | < | Insurance, Bike Racks, Replacement | < | < | | |
| King County Metro Rideshare Operations | < | < | | < | < | < | < | | < | < | | |
| Metropolitan Washington Council of Governments | | | | | | | | Varies by provider & private owner-operators | | | | |
| Miami-Dade County MPO | < | | | < | < | < | < | transponder | | | | |
| Mid-Valley Rideshare | < | < | | < | < | < | < | | < | | | |
| Midway Rideshare | < | < | | < | < | | | | < | | | |
| NJ TRANSIT (New Jersey Transit Corp.) | < | < | < | < | | | | | | | | |
| North Front Range MPO/VanGo Program | < | < | | < | < | | < | | < | | | |
| Parsons Brinckerhoff/miniPOOL | < | | | < | < | | | | < | < | | |
| Pierce Transit | < | < | | | | < | | 85% of all direct administrative and operating costs | | < | | |
| Regional Transp Auth | < | < | | < | | | < | | | | | |
| RideSolutions, part of Mid-Ohio Regional Planning Commission | < | < | | < | | < | < | | | | | |
| SANDAG | < | | | < | < | < | < | | | | | |
| Stakeholder-Anonymous 1 | < | < | | < | | < | < | insurance | | | | |
| Stakeholder-Anonymous 2 | < | < | | < | | < | < | | | | | |
| TENNESSEE VANS | < | < | | | | | | vehicle | | | | |
| UCLA (Transportation Services) | < | < | | < | < | < | < | parking, vehicle acquisition cost, repairs (exclusive of routine preventative maintenance, new driver road evaluations by third-party consultant, driver medical exams, empty seat subsidy | | | | GPS tracking system |
| Utah Transit Agency | < | < | | < | < | | < | | < | < | | |
| UTC | < | < | | < | < | | < | | < | < | < | |
| Valley Metro | < | < | | < | < | < | < | | | | | |
| Van Pool of NJ | < | < | < | < | < | < | < | | | | | |
| | 25 | 19 | 2 | 21 | 15 | 13 | 18 | | 3 | 12 | 3 | |

Marketing

Vanpool programs seem to be the quintessential example of maximizing minimal marketing resources. As programs, they universally understand that it takes all types of marketing angles to create consumer interest in the vanpooling product. Unfortunately, their shoestring budgets, and secondary to transit position, frequently leave programs with few alternatives.

Working within the constraints of their small marketing budgets, most vanpool programs have focused on traditional delivery tools such as their own vanpool informational packets and transit customer service agents for reactive marketing. Transportation events, such as employee transportation coordinator meetings and transportation awareness fairs and rider wanted advertisements are also used to market vanpool services. Less common marketing techniques include on-vehicle logos and contact information and referral bonuses.

The marketing table provides complete information on the types of marketing used by the various vanpool programs interviewed as part of the peer review.

| Company | How the vanpool program marketed | | | | Type of marketing used | | | | | | | | | | | | |
|--|----------------------------------|------------------------|-----------------------------|-------|------------------------|----------------|--------|--------------------|-------------------------------------|-------------------|----------------------------|-------------------------|----------------------|-----------------------------------|--|--|--|
| | As a transit program | As a rideshare program | As a unique mobility option | Other | Riders wanted ads | Van decoration | Events | Formation Meetings | Special incentive offers/promotions | Referral programs | Vanpool information packet | Tax benefit information | Guaranteed Ride Home | Ridematching/placement assistance | Other | | |
| Ada County Highway District Commuteride | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Marketing Campaigns | | |
| Bay Area Commuter Services, Inc. | | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| California State University, Northridge | | ✓ | | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Community Transit | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Douglas County Rideshare | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| DRCOG | ✓ | ✓ | | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | bus ads, radio, local newspaper, mailings | | |
| King County Metro Rideshare Operations | ✓ | | | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Metropolitan Washington Council of Governments | | ✓ | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Miami-Dade County MPO | | ✓ | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Mid-Valley Rideshare | ✓ | ✓ | | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Midway Rideshare | | ✓ | | | | | ✓ | | | ✓ | | | | | | | |
| NJ TRANSIT (New Jersey Transit Corp.) | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | TMAs promote and help administer our program | | |
| North Front Range MPO/VanGo Program | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Parsons Brinckerhoff/miniPOOL | | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Pierce Transit | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Regional Transp Auth | | ✓ | | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| RideSolutions, part of Mid-Ohio Regional Planning Commission | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| SANDAG | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Stakeholder-Anonymous 1 | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Stakeholder-Anonymous 2 | | ✓ | | | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| TENNESSEE VANS | | ✓ | ✓ | | ✓ | | | | ✓ | ✓ | | ✓ | ✓ | ✓ | | | |
| UCLA (Transportation Services) | | ✓ | | | | ✓ | ✓ | | | ✓ | | ✓ | ✓ | ✓ | New hire orientations, web site | | |
| Utah Transit Agency | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| UTC | | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Valley Metro | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Van Pool of NJ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| | 7 | 23 | 10 | 0 | 18 | 15 | 20 | 21 | 18 | 16 | 25 | 21 | 23 | 24 | | | |

Fares

The most common fare range for programs included in the peer review is \$75 to \$100 per month, with 78 percent of the respondents charging between \$50 and \$125 per month.

A large proportion of programs structure fares around mileage and aim to recover only 70 to 85 percent of total costs through fare box receipts. However, most programs did not consider this to be a subsidy and instead limited their definition of a subsidy to temporarily reduced fares and free rides for drivers.

A complete listing of the types of subsidies offered by the peer group is shown below.

| Company | Fare Structure | | | | | | Average fare | | | | | Subsidies provided | | | | |
|--|-------------------|---------------------|-----------|-------------------------------------|------------------------|----------------------------|----------------|-------------|--------------|---------------|---------|-------------------------|------------------------------|---------------------|---------------------|---|
| | By mileage ranges | By specific mileage | Flat rate | cost (less subsidy (if applicable)) | By amount of days used | Other | Less than \$50 | \$50 - \$75 | \$76 - \$100 | \$101 - \$125 | \$126 + | Permanent rider subsidy | Temporary empty seat subsidy | First month(s) free | No fare for drivers | Other |
| Ada County Highway District Commuteride | ✓ | | | | | | | | | | | | | | | Incentives |
| Bay Area Commuter Services, Inc. | ✓ | | | | | | ✓ | | | | | | | | | |
| California State University, Northridge | | | | ✓ | | Campus Subsidy | | | | | | ✓ | | | | |
| Community Transit | ✓ | | | | | | ✓ | | | | | | | | | |
| Douglas County Rideshare | ✓ | | | | | | | | | | | | | | | ✓ |
| DRCOG | | | ✓ | | | | | | | | | | ✓ | | | Recruiting Incentive |
| King County Metro Rideshare Operations | ✓ | | | | | | | | | | | | ✓ | | | ✓ |
| Metropolitan Washington Council of Governments | | | | | | ✓ | | | | | ✓ | | | | | Some local jurisdictions provide personal property tax relief and seat subsidies |
| Miami-Dade County MPO | ✓ | | | | | | | | | ✓ | | | | | | \$400/van/month |
| Mid-Valley Rideshare | | | | ✓ | | % of lease cost subsidized | | | | ✓ | | | | | | Percent of lease cost |
| Midway Rideshare | ✓ | | | | | | | | | ✓ | | | | | | |
| NJ TRANSIT (New Jersey Transit Corp.) | | | | ✓ | | each group splits its cost | | | | | | | | | | partial sponsorship amount per month per van; TMA may provide startup, empty seat, etc. |
| North Front Range MPO/VanSo Program | ✓ | | | | | | | | | | ✓ | | | | | |
| Parsons Brinckerhoff/miniPOOL | ✓ | | | | | | | | | | ✓ | | | | | |
| Pierce Transit | ✓ | | | | | | | | | | ✓ | | | | | |
| Regional Transp Authority | | | | | ✓ | | | | | | ✓ | | | | | 50 % w/ serv area |
| RideSolutions, part of Mid-Ohio Regional Planning Commission | | ✓ | | | | | | | | | ✓ | | ✓ | ✓ | ✓ | |
| SANDAG | | | | | ✓ | | ✓ | | | | | ✓ | | | | |
| Stakeholder-Anonymous 1 | | | ✓ | | | | | | | | ✓ | | | | | 1/2 off first 3 months |
| Stakeholder-Anonymous 2 | ✓ | | | | | | | | | | ✓ | | | | | 2 free weeks |
| TENNESSEE VANS | ✓ | | | | | | | | | | ✓ | | | | | |
| UCLA (Transportation Services) | | ✓ | | | | | | | | | ✓ | | | | | |
| Utah Transit Agency | | | ✓ | | | | ✓ | | | | | | | | | |
| UTC | | | ✓ | | | | | | | | ✓ | | ✓ | | | New rider subsidies, new driver incentives |
| Vailey Metro | ✓ | | | | | | | | | | | | | | | |
| Van Pool of NJ | ✓ | | | | | | | | | | | | | | | |
| Count | 14 | 3 | 3 | 3 | 1 | 2 | 1 | 6 | 10 | 4 | 5 | 6 | 10 | 4 | 8 | |