



RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

September 22, 2005

TO: BOARD OF DIRECTORS
THRU: Larry Rubio, Chief Executive Officer 
FROM: Vince Rouzaud, Director of Purchasing and Materials Management 
SUBJECT: Update on the Agency's Buddy Fare Program

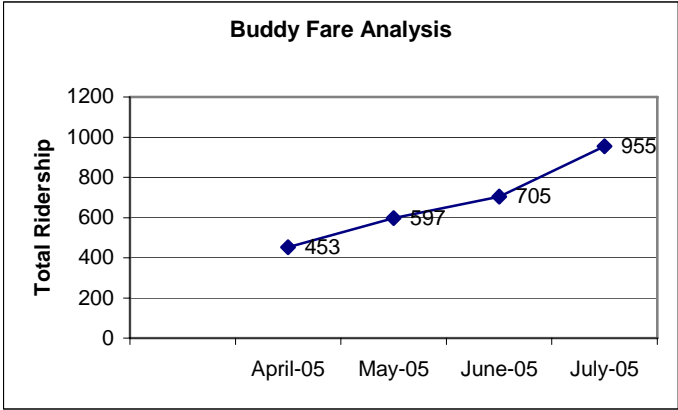
Summary: In April, the Agency implemented a system-wide fare increase. The fare structure adopted by the Board increased the general fare for fixed-route services from \$1 to \$1.25 per-trip. The cost for complimentary paratransit services for seniors and the disabled increased more dramatically from a standard fare of \$1 to \$2.50 per-trip.

In order to help mitigate the increase in fare for seniors and the disabled, the new fare structure included a "Buddy Fare" program that was designed to "pair-up" riders that lived within a ½ mile radius of one another and were traveling to a common destination. Those riders traveling together under the Buddy Fare program would pay one fare between them for up to ten (10) passengers traveling together. For example, if five passengers were picked-up within a ½ mile radius of one another in Moreno Valley and were traveling to a common destination such as the Moreno Valley Senior Center, the total fare between them would be \$2.50 or \$.50 per-person.

The concept behind the Buddy Fare program was that by combining similar trips the Agency would save money and in-turn would be able to extend the savings on to the passenger through the group-based fare. In the above example, the reduction in the total fares collected from \$12.50 to \$2.50, (fares that would have been collected absent the Buddy Fare program) [5 passengers X \$2.50 = \$12.50] is offset by the savings in the additional revenue hours that would have been necessary if those same five (5) passengers traveled independently.

Since its implementation in April, the Buddy Fare program has seen a steady increase in the number of passengers taking advantage of the reduced fares, with a more than a 100 percent increase during the April to July time period.

The chart below shows the actual number of passengers that have participated in the Buddy Fare program:



CONTINUING EFFORTS

Staff continues to work closely with the Agency’s contractor to identify other opportunities to increase participation in the program, including reviewing manifests on a daily basis to determine travel patterns, such as, travel times, destinations, frequency, etc. By reaching out to clients who may be unaware of the program, we are able to improve its utilization in situations that are mutually beneficial. In many cases, clients can be paired up, even if they do not know one another, to combine trips for savings both to the client and to the Agency.

Staff meets on a regular basis with representatives from local senior centers and coordinators of groups for disabled clients to ensure the program’s continued success. One idea that is being explored is to contact local seniors who are in need of transportation to congregate meal programs. If groups could be developed, better utilization of these programs would provide a much-needed service to seniors on very fixed incomes.

One specific group of riders that have benefited greatly from the Buddy Fare program is individual seniors that travel with an escort. Prior to the new fare implementation, these seniors would have paid \$1 each or \$2 total per roundtrip. When the fare increased to \$2.50 per person, the actual cost to these seniors became \$5 per roundtrip. By utilizing the Buddy Fare program, they are able to share the cost, and have experienced only a \$.50 increase in total fare. Many seniors have commented that this is the only way they are able to continue to use RTA as frequently as they do.

LARGE GROUP TRIPS – MORENO VALLEY AND LAKE ELSINORE

While coordination with these groups got off to a rocky start, by dedicating additional resources and by changing the way the reservations are entered into the scheduling system, things have smoothed out considerably. Staff will

continue to monitor both groups on a weekly basis to ensure their needs are being met and that these trips are handled with priority.

MORENO VALLEY BUDDY FARE GROUP

This group consists of 11 clients that travel together to the Moreno Valley Senior Center. While they do not all travel on all days, the group consistently has 4 - 7 people traveling at any given time. Following is a recent example of the success of this group-based fare:

July 27 - a.m. scheduled pickup of four customers with a total trip time of 15 minutes.

Costs Without the Buddy Fare

Revenue Service Hours (RSH) - 2.76
Cost per RSH - \$39.11
Total Trip Costs - \$107.94
Less Fares Collected - \$10.00
Net Cost to RTA - \$97.94
Net Cost per Customer - \$2.50

Buddy Fare

Revenue Service Hours (RSH) - .25
Cost per RSH - \$39.11
Total Trip Costs - \$9.77
Less Fares Collected - \$2.50
Net Cost to RTA - \$7.27
Net Cost per Customer - \$.62

LAKE ELSINORE BUDDY FARE GROUP

This group consists of 9 customers that travel together to the Lake Elsinore Senior Center. Again, while they do not all travel on all days, the group consistently has 4 - 6 people traveling at any given time. Following is a recent example of the success of this group-based fare:

July 26 - a.m. scheduled pickup of five customers with a total trip time 1 hour 26 minutes.

Costs Without the Buddy Fare

Revenue Service Hours (RSH) - 3.45
Cost per RSH - \$39.11
Total Trip Costs - \$134.92
Less Fares Collected - \$12.50
Net Cost to RTA - \$122.42
Net Cost per Customer - \$2.50

Buddy Fare

Revenue Service Hours (RSH) - 1.43
Cost per RSH - \$39.11
Total Trip Costs - \$55.92
Less Fares Collected - \$2.50
Net Cost to RTA - \$53.42
Net Cost per Customer - \$.50

Fiscal Impact:

With the Buddy Fare program both the Agency and the client realize a cost benefit by combining trips and increasing the number of passengers per-revenue hour. While the overall fiscal impact is difficult to calculate given the limited data, the fact that we are able to offset the reduction in fares-collected by increased efficiencies (reduction in revenue hours that would otherwise be expended), staff estimates the net impact will be favorable.

Committee Recommendation:

This item was discussed at the Board Operations Committee meeting of September 7, 2005. The Committee members unanimously approved recommending this item to the full Board of Directors for their consideration:

Recommendation:

Receive and file.