



July 2003

Vanpool Market Action Plan

DRAFT

Vanpooling In The Puget Sound Region

Vanpooling has thrived as an attractive and successful travel alternative for commuters in the Puget Sound region. The Commuter Pool vanpool program, which originated at the City of Seattle, was the *first public vanpool service* in the nation. It was started in 1979 and now, as we approach the **25th anniversary of publicly sponsored vanpooling in 2004**, the region houses six separate vanpool programs – operated by public transit agencies in King, Kitsap, Pierce and Snohomish Counties in the central Puget Sound Region and in adjoining Island and Thurston Counties. Together, the programs sponsor nearly 1,300 vanpools – and the region leads the nation in vanpooling, both in the number of public vanpools and in the ratio of vanpools per capita. Significantly, the six local transit agencies set the standard for vanpooling across the nation.

During a period of rapid growth, at the end of the 1990's, the Washington State Department of Transportation (WSDOT) TDM Resource Center obtained funds to undertake the first region-wide study of the overall potential for increasing the market share of vanpools in the region. The study suggested the existence of a very large undeveloped market for vanpooling among long-distance commuters who commute by car.

Since the presentation of the **1999 Vanpool Market Study**, vanpooling has been promoted as an effective response to the dual challenges of managing congestion and improving highway performance. Vanpooling has been incorporated as an integral part of Puget Sound regional highway corridor studies and \$30 Million has been earmarked in the Washington State budget (2003 –2013) for increasing its market share. At the same time, in the face of an economic slump, the rapid growth of the 1990's has been stalled.

The **2003 Vanpool Market Action Plan** (MAP) builds on the findings and recommendations of the 1999 vanpool market assessment. It refines estimates of market potential, adding important adjustments to earlier estimates. It presents a detailed package of marketing and customer services initiatives to be used to substantially increase vanpooling in the region. It also recommends operational support needed to manage future vanpooling service expansions.

Table of Contents

Introduction	1
1999 Vanpool Market Study	3
2003 Update on Vanpooling	5
MAP Estimates	7
Regional Vanpool Coordinating Team	10
Federal Formula Funding	12
Least/Purchase Cost Benefit	14
Recommended Market Initiatives	16
Customer Markets	19
Vanpool Program Operations	29
Unresolved Issues	40
Budget and Sequencing	43

MAP Project Approach and Process

The Vanpool Market Action Plan (MAP) was conceived as a follow-up to the 1999 Vanpool Market Study. The earlier study produced important findings and recommendations which can be reviewed at www.wsdot.wa.gov/mobility/tdm/vanpoolmarket/htm on the WSDOT TDM Resource Center website.

The Vanpool MAP is the end-product of an 18 month planning effort. It was developed by a team of transportation, management and marketing firms and it encompasses their combined professional recommendations for expanding vanpooling in the Puget Sound Region. Other planning efforts, undertaken by the vanpool operators and by the Regional Vanpool Coordinating Team (RVCT) were incorporated to produce the most comprehensive plan for the region.

The MAP Project had three primary purposes:

- To refine the 1999 estimates of vanpool market potential;
- To develop and recommend marketing strategies to substantially increase vanpooling in the six-county region; and
- To estimate and plan for the operational support needed to manage significant vanpooling service expansion.

Like the earlier vanpool market assessment, this project was guided by a large stakeholder team – including program operators, employers, public sector agencies, and private sector organizations. Additionally, local vanpool program operators provided their detailed guidance through frequent, in-depth discussions.

The MAP Project was conducted by a team of five consulting firms – drawing expertise from across the continent. Like the earlier study this project was sponsored by the WSDOT TDM Resource Center and jointly administered by John Shadoff, Manager of the TDM Resource Center, in Seattle and Brian Lagerberg, Manager of the WSDOT TDM Office, in Olympia. All of the firms and individuals contributing to the MAP Project are listed on Page 3.

MAP Project Components

The Vanpool MAP effort included a large number of work tasks. These led to the production of a variety of background pieces, technical memoranda, quarterly reports – and this final report. Included among the many components of the project were:

- Analysis of existing market information, data and trends
- Data collection on local vanpool programs and their operations
- Telephone survey research of commuters in select, sub-areas
- A region-wide employer telephone survey
- A vanpool innovations search
- Analysis of data collected under Commute Trip Reduction (CTR) programs
- Development of new estimates for vanpool market potential
- A lease/purchase cost benefit analysis of procurement options

Puget Sound Area Vanpools

February 2003

Community Transit	233
Intercity Transit	70
Island Transit	43
King County Metro	661
Kitsap Transit	72
Pierce Transit	212
Regional Total	1291

- An analysis of federal funding accruing to the region as a result of vanpooling services;
- Analysis and recommendations on high priority market initiatives; and
- Analysis and recommendations on program operational enhancements.

Contributors To Vanpool MAP

Study Team

Jeff Aumell, *Safeco Insurance*
 Mary Bryson, *Island Transit*
 Cathy Cole, *Commuter Challenge*
 Peter Dewey, *U of W*
 Tommy Fernandez, *Kitsap Transit*
 John Hendricks, *Boeing*
 Charlie Howard, *WSDOT*
 Lindy Johnson, *PSRC*
 Dawn Kirsch, *Community Transit*
 KC McNeil, *Romac Industries*
 Ann Martin, *King County*
 Karen Martin, *King County Metro*
 Karen Mickley, *Costco*
 Carolyn Newsome, *Intercity Transit*
 Syd Pawlowski, *KC Metro*
 Bill Roach, *CTR Task Force*
 John Resha, *Greater Redmond TMA*
 Scott Rutherford, *U of W*
 Gina Sibley, *Island Transit*
 Cathy Silins, *WSDOT*
 Randy Steames, *Tacoma Public Utilities*
 Daphne Tackett, *Pierce Transit*
 Bob Throckmorton, *Community Transit*
 Park Woodworth, *KC Metro*

WSDOT Administrators

Brian Lagerberg, *TDM Office Program Manager*

John Shadoff, *Manager TDM Resource Center*

Consultants

2Plus, Inc.
 Transportation Collaborations
 Ilium and Associates, Inc.
 Victoria Transportation Policy Institute
 Public Partnerships

Additionally, the project consulting team was charged to “work toward practical agreements on recommended programs and actions.” This effort has had its successes and its failures – not entirely unanticipated in this complex and competitive marketplace. This document – the final report for the MAP project – includes notations about operator and employer perspectives on many of the consulting team recommendations. It concludes with the consultants’ recommendations for addressing critical, unresolved issues.

Highlights of 1999 Vanpool Market Study

The ***Puget Sound Regional Vanpool Market Study*** laid the groundwork for the MAP project and is sometimes referred to as Phase 1 of the Market Action Plan. Its goals were to assess the maximum market potential for vanpooling and to recommend future growth strategies. A consultant team – including three of the firms on the MAP project – completed the study. The Executive Summary and full report are available through WSDOT.

Like the MAP project, the 1999 study included six counties in the Puget Sound area – encompassing Island and Thurston Counties, in addition to the four counties in the central Puget Sound region, i.e. King, Kitsap, Pierce and Snohomish Counties.

The 1999 Market Study was the first of its kind – looking at vanpooling from a regional perspective and from a product merchandizing approach. It adopted techniques from private sector product marketing and used consumer-based market indicators to assess market potential.

The findings from Phase 1 of the regional vanpool study are spotlighted throughout this report. Some key conclusions were that:

- Vanpooling is an ***efficient and cost effective*** commute alternative. Public vanpools recover a large proportion of their costs through rider fares – limiting the public subsidy needed to provide the service.
- In 1999, vanpools in this region ***eliminated more than 11,000 vehicles*** and 22,000 trips every day and reduced the annual mileage traveled by single occupant vehicles (SOVs) by ***2.7 million miles annually***.
- Vanpooling in the Puget Sound region has significant ***environmental benefits*** including annual reductions in tailpipe emissions of 370 tons and annual reductions in greenhouse gases of 63,475 tons in 1999 alone.

- Each local transit agency has developed a successful vanpool program, providing **efficient, well-maintained, and reliable commuting service**.

The market study concluded that vanpooling could grow dramatically in the region. Population and employment were growing annually. Cross-county commuting and increasing reliance on ferries presented growth opportunities. Local transit operators had solid vanpool programs to respond to demand. The study concluded that:

- There was high market potential among commuters who rely on automobiles for their travel to work. The market for vanpooling generally includes commuters who travel 10 or more miles each way between home and work. On a regional basis 41% of commuters were within this target group.
- In the 1999 marketplace and without market interventions vanpooling would continue to grow at historical rates – about 120 vanpools each year.
- With aggressive marketing and outreach, to “capture” market interest, vanpooling could serve up to 14% of long-distance commuters. The vanpool market potential for the region was estimated at 90,000 commuters – or nearly 11,000 vanpools – if all interested commuters could be matched into a vanpool.
- With a combination of new strategies, including public policy, financial incentives and affinity products (referred to as a package of market enhancements), vanpooling could be attractive to 25% of long distance auto commuters resulting in a maximum possible market of 19,500 vanpools, based on 8.55 persons per van. Again, this estimate assumed that all interested commuters could be placed in vanpools

2003 Vanpool Market Action Plan

The new Vanpool MAP expands on the findings and recommendations of the 1999 Vanpool Market Study. This report highlights the key findings and the recommendations that represent the core of the Market Action Plan. It does not include all of the information, analysis and details developed during the 18 -month project. Interested readers are encouraged to review the list of available documents at the end of this report and contact the WSDOT TDM Resource Center for further information.

This report concentrates on the fundamental observations and the strategic recommendations that came out of MAP activities, including:

- An update on vanpool program services in the region and recent trends that have been identified;
- Background information on activities and plans of the Regional Vanpool Coordinating Team;
- New information derived from a fresh look at federal transit funding that is attributable to vanpooling;
- Conclusions derived from a life cycle cost benefit analysis of procurement options for fleet acquisition;

Vanpool MAP Goals

Identify ways and means to increase vanpooling, to the maximum extent possible;

Improve the region's ability to capture and manage market demand;

Develop practical strategies and mechanisms to enhance delivery of customer-oriented services and efficient operations; and

Assess new, non-traditional vanpool markets and services.

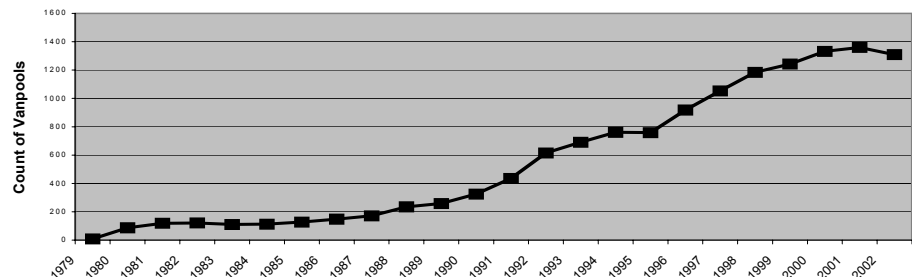
- Revised estimates of vanpool market opportunities and prospects;
- Consultants' recommendations on market initiatives needed to expand vanpool market share; and
- Consultants' advice and guidance about program operations and a partnership approach that will allow local programs to better manage increased vanpool services and market share.

To provide a more comprehensive review, and acknowledge the contributions of vanpool operators to the MAP project, their suggestions and opinions – including those that differ from the consulting team – are incorporated whenever possible.

2003 Update on Vanpooling in the Region

In these poor economic times vanpooling is experiencing some challenges but still maintains a 1.4% market share of all commutes in the region. This stability in market share is gratifying considering that this region is experiencing the highest unemployment rates in the nation and commuting in general has declined. In fact, transit ridership in the region has dropped by 7%, ferry passenger ridership is down 9.8%, and auto travel on the Lake Washington bridges has fallen by 7%. Meanwhile, in 2002, 8% of all commute trips served by transit agencies in the six counties were in vanpools.

Regional Growth In Vanpools



MAP Mission Statement

The Vanpool MAP will be a guide for expanding vanpooling in the Puget Sound region.

The MAP should be a multi-purpose arrangement – including a variety of concepts, activities and services – and it should be structured to produce a “win-win” situation for all jurisdictions and organizations involved in its development.

The Vanpool MAP will provide guidance on a regional basis – with a focus on common issues, opportunities for coordination, and prospects for promising advances in vanpooling.

Leveling off in growth. As illustrated in the chart above, vanpool growth in the Puget Sound region has leveled off from that experienced in the late 1990’s. Vanpool growth between 1995 and 1999 averaged 13% annually. Expansion in the region, since 1999, has averaged less than 2% annually. Additionally, the chart hides important changes in the vanpool programs.

Growth in smaller programs. The following table documents changes in the region since 1999. It reveals that there was in fact wide fluctuation in growth during the last few years – over time and among the six operators. The count of vanpools reached a peak in 2001 from which it has now declined. And though some agencies experienced positive growth others experienced declines that offset any significant regional gain.

Changes in Vanpooling by Transit Operator

Active Vanpools	Average 1999	Average 2001	Spring 2003	Change 1999- 2003
King Country Metro	677	702	661	- 2.4%
Community Transit	239	278	233	-2.5%
Pierce Transit	148	215	212	+ 43.2%
Kitsap Transit	95	49	72	- 24.2%
Intercity Transit	51	63	70	+ 38.0%
Island Transit	28	41	43	+ 53.6%
Region's Total	1,238	1,348	1,291	+4.3%

It is a little early to label recent market changes as "trends." There are, however, possible explanations for the fluctuation.

- First, in the aftermath of voter approval of Initiative 695, in November 1999, transit agencies took significant cuts in funding. This led to increased fares for vanpooling;
- Significant layoffs by The Boeing Company, since 2000, sharply reduced vanpools serving their worksites; and
- Transfers of vanpool groups from one program to another – in pursuit of lower fares, incentives, or convenience – appears to have caused fluctuation among vanpool program totals.

Ridership in Vanpools. Although the count of vanpools has only slightly declined, the ridership in vanpools has fallen by 12.5% -- or approximately 1200 riders. Some of this decline is attributable to lower counts of vanpools but much of it is also explained by a drop in the average count of passengers per van. During recent years larger vans, that carry 12 to 15 people, have been gradually replaced by minivans – which carry only 7 or 8 people. Between 1999 and 2002, in fact, the average ridership per van declined from 8.8 to 7.7 persons per van.

Vanpool Group Start-Ups and Retention. Another phenomenon hidden within the overall growth numbers is the number of vanpool starts and folds that actually take place. Consultants studied a 22-month history of vanpool starts and found that between 2001 and 2002 nearly 500 new vanpools were initiated in the region, averaging 22 new vanpools every month. Conversely, the number of vanpools disbanding during this period kept pace with new starts and the net gain was only 12 new vanpools. Surprisingly, 20.1% of the region's total vanpools disband each year – a seemingly high attrition rate.

Longer Commutes. Vanpooling generally serves long distance commuters. In 1999 the average daily round trip mileage in the region was 57.9 round trip miles. By 2002 the average had increased slightly to 59.4 round trip miles.

Vanpooling at Employers Affected by Commute Trip Reduction (CTR). The first study found that 93% of vanpools in 1999 served sites that are mandated to develop trip reduction programs. The proportion of vanpools serving CTR affected sites has decreased from 92.8% in 1999 to 85.7% in 2002.

Cross County Vanpooling. An important market identified in the first market study is that of commuters crossing county lines. In 1999 approximately 55% of public vanpools crossed county lines. In 2002, that proportion rose to 59%.

MAP Estimates of Vanpool Market Opportunity

The MAP project offers reassurance and optimism about the future of vanpooling in the Puget Sound region. In brief it concludes that in the current marketplace:

- There is existing vanpool interest today (among commuters with compatible origins, destinations and schedules) to allow a near doubling of current vanpool counts to approximately 2,500 vanpools;
- With aggressive promotions and outreach a prospective market of approximately 5,000 vanpools could be feasible; and
- With strategic investments in market enhancements – including financial incentives and affinity products (like free air mileage) – a prospective market of nearly 8,400 vanpools may be possible.

In addition to these estimates for the current market, the MAP project produced market estimates at five year intervals, which are presented in the next three tables.

It is important to state – emphatically – that the MAP project is not providing “projections” or “forecasts” upon which operators should plan fleet purchases. Instead the project has refined earlier estimates of the *potential vanpool market*. Consultants believe these are solid estimates of potential vanpooling, but they all assume more intensive market interventions than the region has yet undertaken. Without new initiatives, vanpool growth will probably continue at historical rates.

The MAP estimates are the second generation of the market estimating methodology developed under the 1999 market study. These offered a new, consumer based model – that measured market penetration and interest in vanpooling, and then estimated potential markets -- assuming that all existing interest could be captured by promotional campaigns, incentives and the use of a new class of value-added products called “affinity products.”

The 1999 estimates were the first in this region to break away from more traditional transportation forecasting techniques. The MAP project consultants were asked to continue working with this approach and to introduce additional refinements to the methodology.

The MAP project employed a commuter survey undertaken in target sub-areas, around the region, to estimate the feasibility of forming vanpools. The small areas were chosen with the goal of using them to represent commuters in each county. The survey findings indicated that about 36% of those interested in vanpooling could be

matched with at least 4 other commuters sharing their origins, destinations and work schedules. Additionally, survey findings were used to differentiate between commuters with a “strong” interest in vanpooling and those with “some” interest in vanpooling.

The survey findings permitted the MAP research team to develop new variables for the estimation methodology. The first is an anticipated match rate – for each county and for the region as a whole. The second is an indicator of *strong* vanpool interest. Incorporating these and other recalibrations resulted in estimates that consultants believe to be statistically reasonable and operationally achievable.

The MAP Project presents three different levels of market estimates which are described below.

Level 1. Estimates of Vanpool Market Opportunity. This first level of market estimates is defined as “Vanpool Market Opportunity”. This opportunity is equal to the possible vanpools if all automobile commuters, traveling 10 or more miles each way, with a strong interest in vanpooling and with feasible matching (with four or more commuters traveling the same commute at approximately the same times each day), are captured.

**Level 1
Vanpool Market Opportunity
Potential Vanpools through 2030**

	2002	2005	2010	2015	2020	2025	2030
Pierce	477	498	532	558	584	603	623
King	962	1,001	1,066	1,121	1,176	1,235	1,294
Snohomish	528	568	634	685	735	779	822
Kitsap	334	350	376	416	456	491	527
Island	28	30	32	34	36	38	40
Thurston	153	161	173	183	194	203	213
TOTAL	2,482	2,606	2,812	2,997	3,181	3,350	3,519

The future vanpool markets are based on local projections of population and employment. As with other estimations based on future conditions, our confidence in the reliability of future estimates decreases with each additional time increment.

Vanpool Operator Perspectives. *The Level 1 estimate of vanpool market opportunity, as the lowest market estimate, is slightly higher than the RVCT expansion plan. The RVCT Plan calls for doubling vanpools to 2,671 vanpools in the greater Puget Sound region by 2013. The MAP estimates a market opportunity of 2,923 vanpools by 2013– a difference of 252 vans (8%).*

Estimates of Prospective Vanpool Markets

The MAP project went a step farther than simply estimating existing market potential. It developed estimates of new markets that could be developed with significant marketing initiatives. Because their achievement requires successful promotions and market interventions, these estimates are termed “prospective” vanpool markets. Two additional levels of estimates were developed.

Level 2. Prospective Vanpool Market is the number of vanpools that could be formed if *all longer distance commuters with an interest* in vanpooling are converted to vanpools. The estimate is based on all interest in vanpooling and feasible matching with four or more commuters traveling the same commute at approximately the same times each day.

Level 2
Estimates of Prospective Vanpool Market
Potential Vanpools through 2030

	2002	2005	2010	2015	2020	2025	2030
Pierce	944	985	1,053	1,104	1,156	1,194	1,233
King	2,055	2,138	2,276	2,394	2,511	2,638	2,764
Snohomish	1,056	1,135	1,268	1,369	1,471	1,557	1,644
Kitsap	620	650	699	773	847	913	980
Island	47	50	54	57	61	64	67
Thurston	302	317	341	362	382	401	421
TOTAL	5,024	5,274	5,690	6,059	6,427	6,767	7,108

Level 3. Prospective Market with Enhancements is the number of vanpools that could be formed among all longer distance commuters with an interest in vanpooling, *with incentives and affinity products*, and feasible matching with four or more commuters traveling the same commute at approximately the same times each day.

Level 3
Prospective Vanpool Market with Enhancements
Potential Vanpools through 2030

	2002	2005	2010	2015	2020	2025	2030
Pierce	1,576	1,644	1,758	1,844	1,930	1,994	2,058
King	3,432	3,570	3,801	3,997	4,194	4,405	4,616
Snohomish	1,763	1,896	2,117	2,286	2,456	2,601	2,746
Kitsap	1,035	1,085	1,167	1,290	1,414	1,525	1,636
Island	79	83	89	95	101	106	111
Thurston	505	529	570	604	639	670	702
TOTAL	8,390	8,807	9,502	10,118	10,733	11,302	11,870

In their entirety, the new market estimates provide encouraging news for the future of Puget Sound vanpooling. The numbers reflect the strong interest in this service mode among today's longer distance commuters and new findings about the feasibility of forming vanpools in this region. They also provide affirmation of significant new market share that can be gained with the use of strategic new marketing and incentives.

The Regional Vanpool Coordinating Team

While Phase 1 of the regional vanpool study was being initiated, transit agencies and employers reported to the Washington State Legislature that a lack of capital funds to purchase vans was undermining efforts to expand vanpool use. As reported in the **CTR Enhancement Grant Report** in December 1999, transit agencies reported that over 100 groups were on waiting lists for vehicles. As a result, the State Legislature directed \$1 Million toward vanpool fleet expansion. The state allocation was distributed among the six Puget Sound area programs and resulted in the addition of 89 new vans to the regional fleet.

Vanpool providers that received funding for vehicle purchases were required to participate in the newly established **Regional Vanpool Coordinating Team** – also known by its acronym the RVCT. The team was directed to work with employer members to coordinate vanpool policies and address employer concerns about the barriers and administrative burdens of working with multiple vanpool providers and confusion among their employees.

Since its inception the RVCT has concentrated much of its effort on addressing issues identified by employers. Employers asked for more consistency among agencies in information, vanpool criteria and requirements, ridematching and support services. They asked for expanded coordination in marketing, reporting, and record-keeping. The following is a list of significant agreements reached by the RVCT:

- Initiated a process to establish consistent rider agreements for starting a new vanpool;
- Agreed to create "Vanpool Riders Wanted" lists on agency Internet websites;
- Implemented a process to establish an integrated system for sharing ridership statistics among agencies and employers;
- Agreed to work toward establishing a paperless Guaranteed Ride Home system;
- Agreed to work together to pursue funding for an integrated vanpool information system and improvements to the regional ridematching network; and
- Implemented efforts to more effectively coordinate vanpool operations with Washington State Ferries service.

RVCT Objectives

Define new opportunities for coordination

Remove barriers to coordination

Develop measurable and deliverable outcomes

Respond to legislative concerns

Issues Addressed By Vanpool Planning Efforts

Key Elements	1999 Vanpool Market Study	RVCT 1998- 2000	RVCT 2013 Plan	Vanpool MAP	Significant Unresolved Issues
Marketing & Promotions					
Promotional Campaigns	◆		◆	◆	
Service Image	◆		◆	◆	
Branding	◆		◆	◆	
Incentives	◆		◆	◆	
Affinity Products	◆		◆	◆	
Shared Materials		◆	◆	◆	
Market Research	◆			◆	
Electronic Signage			◆		
Targeted Customer Markets					
Smaller Employers	◆	◆		◆	
Home End Markets				◆	
Ferry Travel	◆	◆	◆		
VanShare			◆		
HOV/HERO funding			◆		
Customer Service					
Market Service Areas		◆			◆
Staffing Needs			◆	◆	
Personalized Assistance			◆	◆	
Vanpool Formation				◆	
Rider Retention				◆	
Rideshare Online.com		◆	◆		◆
Consistent Requirements	◆	◆			
Vanpool Fares and Funding					
Fare Setting Policy		◆	◆		◆
Capital Recovery			◆		◆
Capital Reinvestment			◆		◆
Subsidy Requirements		◆			
Fare Collection		◆	◆	◆	
Vanpool Fleet Expansion					
Fleet Size			◆	◆	
Fleet Acquisition			◆	◆	
Short Term Van Needs	◆		◆	◆	
Fleet and Van Storage			◆	◆	
Vanpool Operational Enhancements					
Maintenance Contracts				◆	
Common Loaner Fleet				◆	
Emergency Assistance		◆		◆	
Records Management		◆	◆	◆	◆
Consistent Procedures	◆	◆			
Wireless Communication			◆		◆
Measurement / Evaluation			◆		

The RVCT has one important issue still on its agenda -- which is to resolve the employers' request for a common fare schedule. Because of the complexity of amending fare policies at six different transit agencies, the RVCT has elected to begin by examining opportunities for simplifying fares and using common fare media. The Smart Card Regional Fare Coordination Project – which affects three of the vanpool programs – will provide the opportunity for the RVCT Operator group to evaluate the use of the Smart Card for vanpooling.

Perhaps the most significant achievement by the RVCT has been the development of a ten-year plan for vanpool expansion. That plan sketches out operator-identified needs for doubling vanpooling State region and across Washington State. It calls for the following expenditures statewide:

Fleet capital expansion	\$ 40.0 M
Operating Support Services	\$ 6.5 M
Regional Fare Equity/Simplification	\$ 2.5 M
Statewide Technology Expansion	\$ 6.0 M
Fleet Mobility Management	\$ 4.0 M
Marketing/Promotion	\$ 5.0 M
Measurement and Evaluation	\$ 5.0 M

To promote coordination among the various planning efforts, the entire membership of the RVCT was included in the advisory team for the MAP project. At the request of the RVCT, MAP consultants have tried to avoid issues that the RVCT has already resolved and to concentrate on the next steps needed in this region.

The matrix on the following page provides a checklist of vanpool issues and program areas that have been addressed within recent vanpool planning efforts. Though it is not immediately evident from the chart, the Vanpool MAP has differed significantly from other planning efforts in its consumer-oriented marketing research and recommendations and in its advocacy for a more formalized partnership approach for priority operational issues.

Throughout this document RVCT positions and plans are highlighted along with other opinions expressed by operators. To draw attention to operator perspectives they are presented in shaded boxes – as illustrated above within the discussion on market estimates.

Analysis of Federal Formula Funding

A background analysis undertaken within the MAP project explored opportunities to increase the levels of federal funding attributable to vanpooling.

Federal revenues for transit and transportation services are awarded to the Puget Sound region in several ways. One of the more important sources of money for local transit agencies – and others throughout the country -- is the FTA Urbanized Area Formula Grants program established pursuant to 49USCA5307 (a) (2) – and commonly referred to as **Section 5307 funding**. This source of funds represents about 60% of the federal funds allocated to local transit agencies for capital and operating needs. Transit agencies also receive other funding earmarked by FTA for capital needs, planning, clean fuels, elderly and disability programs, job access and over-the-road bus access.

Vanpools operated by the largest central Puget Sound transit agencies contribute significantly to the federal revenues awarded to the region under this program. The appropriation formulas are established by congress and they are complex; they are based on the size of the urbanized areas along with different combinations of population, population density, bus revenue vehicle miles, bus passenger miles, fixed guideway revenue miles, fixed guideway passenger miles, fixed guideway route miles (including HOV lanes), and all service-related operating costs.

MAP consultants analyzed the process and formulas by which funding is allocated to the Puget Sound region under FTA's Section 5307 program. Using the legislatively appropriated values and the data on file with the National Transportation Database (NTD) consultants were able to approximate the amount of revenues generated for the region by public vanpooling services. For the urbanized areas including Community Transit, King County Metro, and Pierce Transit, consultants concluded:

- Vanpooling can be attributed with earning approximately 11% of the total Section 5307 revenues appropriated to the region – **about \$8.5 Million in FY 2002;**
- Vanpools operated by the three large transit agencies generated about **\$7,250 per vanpool in FY 2002;**
- Revenues generated by vanpooling continue to be allocated annually and will increase, proportionally, as the number of vanpools increases – although the amount per van could vary.

The overall conclusion is that increased vanpooling will translate to increases in federal funding awarded to the Puget Sound region. Further analysis of funding provided by the federal formula grants programs is now being undertaken by the Puget Sound Regional Council (PSRC). Presuming that consultants' brief analysis is reasonably accurate, two recommendations are offered.

First, the region is encouraged to examine the possibility of including the vanpools which are operated within the Seattle urbanized area by Kitsap Transit, Intercity Transit and Island Transit under the umbrella of those services reported by the three larger agencies. The smaller agencies are allocated funds based only on population and density criteria. Only those agencies operating in urbanized areas of 1 million or more population (within the Seattle urbanized area) report vanpool

service mileage and receive appropriations based upon that mode. However, all contracted services can be included and since the majority of the small agency vanpools are destined for sites within the urbanized areas, it may be possible to establish an operating agreement that would increase vanpool earnings for the region and return some funds to the smaller agencies.

Secondly, transit agencies and policy makers are encouraged to include the federal funding attributable to vanpooling within discussions about the benefits and costs of this service. In particular it should be noted that any investment in expanding vanpooling may be offset by additional federal revenues generated by expanded services. Working together the transit agencies and the region could look at opportunities to invest new funds in regional, vanpool marketing or support services.

Highlights of Lease/Purchase Cost Benefit Analysis

Another background analysis undertaken within the MAP project was an analysis of the differences between outright purchase and leasing of vanpool fleets. The MAP project included an abbreviated study of these differences using a life cycle cost benefit analysis technique.

Life cycle cost benefit analysis (LCCBA) is an effective tool used to compare acquisition methods. The LCCBA accounts for the total cost of ownership, including initial capital costs and operating costs, longevity and effectiveness of service, and disposal costs. In this case the analysis didn't include peripheral costs like van storage.

Through a LCCBA comparing lease and purchase options for an 8-passenger van, outright purchase of equipment was determined to be the least costly option in total outlay of funds for the Puget Sound region (at this point in time). This LCCBA reinforces the vanpool operators' preference for purchase versus lease of vans, as it is clearly the most cost effective long-term approach. Operators acknowledged that viable lease options or "just-in-time" acquisition mechanisms are also necessary to keep pace with demand during rapid expansion of vanpools. These types of mechanisms afford an alternative to address some of the issues which are not solely cost-driven such as production cycle, storage and delivery issues.

"It is evident that partnerships, tied to vehicle acquisition and to other more broad-based jurisdictional opportunities, are a logical solution to help operators manage their pending vanpool acquisitions."
(LCCBA Analysis)

A life cycle cost benefit analysis serves as a reliable tool for making informed vehicle acquisition decisions. Frequently, there can also be other logistical and programmatic issues affecting ultimate decisions.

Because of the cash flow issues that will arise during rapid expansion, access to multiple options will be necessary. The MAP project recommends two – outright purchase for long term vehicle needs and just-in-time acquisition for short-term vehicle access. Both will be needed for growth and expansion in regional vanpooling.

The Vanpool MAP Recommendations

The remainder of this document presents the specific recommendations included within the Vanpool MAP. These recommendations are intended to provide guidance for the region as local operators, regional policy-makers and WSDOT consider commitments to expand vanpooling.

As demonstrated in the foregoing discussions, vanpooling has a very high market potential in this region. It is not difficult to imagine the current market share (1.4% of all commute trips) doubling within the next ten or fifteen years (and approaching 3% -- although MAP estimates identify much larger potential). Vanpooling services, after all, are a relatively low cost service for local transit agencies. They are much easier to increase than other transit services, they require fewer capital and operating dollars, they recover higher proportions of costs, they earn federal revenues at the same rate as buses – and a definable market exists.

Guidance on Planning for Future Growth

Several important themes are reflected in the MAP recommendations.

First, the MAP is based on the conviction that significant market expansion can be achieved. The recommendations reflect the notion that a *doubling or tripling in vanpool market share* can, and should, take place – as a cost-effective strategy for reducing congestion and managing our highways. This would bring the region's vanpool total to somewhere in the range of 2,500 to 5,000 vanpools.

Second, the MAP recommends and assumes that the region will *invest substantial amounts in a new communications campaign*, to achieve the first increment of growth in vanpooling.

Third, the region should *begin implementing other marketing initiatives*, incrementally testing the mechanisms and techniques which are not yet being utilized. The anticipated payoff from these techniques – including database marketing, targeting smaller employers and introducing affinity products – are large; these strategies should not be ignored.

Finally, the MAP recommends that the region endorse and implement *partnered operational initiatives* – that expand on existing informal coordination among vanpool operators and sanction formal, and collaborative activities. We believe that vanpool operators will need to streamline program activities to most effectively manage service growth. The MAP identifies opportunities for better managing growth while improving customer services and creating operating efficiencies.

Recommendations on Market Initiatives

The MAP project presents a series of *aggressive market initiatives* to resume growth in vanpooling and to maximize vanpool market potential. A significant promotional campaign is proposed to reinvigorate vanpool interest. A series of marketing initiatives targets specific markets with new techniques. The absolute impact of these initiatives is difficult to quantify because they involve new techniques and products that are still in the developmental stage. Consequently, consultants recommend that the region and individual operators adopt a “trial” approach that tests options in small markets then moves successful strategies into broader applications and regional use.

The MAP Market Initiatives fall into three general categories as highlighted below:

- Marketing and Promotions
- Targeted Customer Markets
- Customer Outreach

Marketing and Promotions

The MAP recommendations begin with a strong conviction that to significantly expand vanpooling in the region, the region must commit to an intensive vanpool communications initiative. In the Puget Sound area, vanpool marketing is managed by transit agencies – with some support from the statewide “Relax” marketing campaign. With limited transit marketing, in general, vanpool services have not been heavily promoted.

Instead, vanpooling is typically integrated into the overall agency image and marketing programs of the transit agencies. It is presented as one of the “mobility options” offered to the commuting public, and, none of the transit operators have adopted a unique service name for vanpooling. Marketing of vanpools is rarely undertaken directly with the exception that the word “vanpool” is prominently displayed on vehicles and vanpool brochures are available.

The market research conducted by vanpool planning efforts provides key information on the potential vanpool market for the region. Notably, it identifies important considerations for future marketing efforts. The research concludes that:

- While overall awareness of vanpooling in the region is relatively high, common perceptions of “awareness” are misleading. A significant gap exists in market knowledge about where to get assistance. In fact, nearly 65% of long distance commuters do not know the name of the agency that provides vanpooling in their area; only 30% would call a transit agency.
- There is significant confusion about vanpooling including available service, cost, the number of commuters required, and existing customer services (like a guaranteed ride home).

- Furthermore, very few potential vanpoolers know someone they can share a ride with, and many indicate this is a major barrier to joining a vanpool.

Large employers working with the RVCT have asked operators to coordinate their marketing materials and campaigns – with each other and with employers. This concern was included among their top twelve issues with a number 2 priority.

The first MAP initiative, designed to address these issues follows.

Marketing Initiative 1.

Marketing Initiative 1. Vanpool program operators, employers, the Puget Sound region and WSDOT should work collaboratively to develop and implement an intensive Regional Communications Campaign.

Currently vanpool marketing to the general commuting population is limited to the WSDOT sponsored Relax campaign, service brochures and CTR activities. Vanpooling is not advertised to the general marketplace and there is no common message to motivate consumers to consider the service. Four objectives are proposed for the regional communications campaign.

- **Increase service consideration.** The campaign must significantly raise public interest in vanpooling among commuters, particularly among those who commute 10 or more miles one-way to work.
- **Increase the appeal of the service.** Vanpooling must be clearly differentiated from both carpooling and transit. Consumers need to understand its many unique characteristics and be prompted to investigate and/or try vanpooling.
- **Change market perceptions about vanpooling.** Vanpooling is generally perceived as a group of people who know one another – riding from their neighborhood to the same employer. This makes it difficult for a prospective vanpooler to consider starting to vanpool. A second perception that needs to change is the ease of entry to the service. Forming a vanpool is a formidable barrier but personalized assistance can be made available. A third need is increasing awareness of where to go for vanpool information and support.
- **Expand media use.** King County as both an origin and destination dominates the regional vanpool potential market. A coordinated regional communications effort therefore should aim to place a significant portion of the effort toward commuters traveling to or residing in the County. Drive time radio is a viable option. Direct mail, telephone contacts and database marketing techniques should also be considered. And, as suggested by the RVCT, electronic signage on freeways and major arterials could be included.

The following elements are integral to this initiative.

- 1. Conduct consumer research to aid in developing the best message for the communications campaign.** Focus group research would assist a marketing team to better understand perceptions of vanpooling, barriers – whether perceived or real -- and benefits attributable to this mode choice. It could also be used to test alternative images, messages, spokespersons, and identities.
- 2. Develop a new consumer-oriented name for all vanpool services in the region.** Vanpooling is currently presented to the public using a name that emphasizes the type of vehicle. This presents a very utilitarian image to the public – and the service is anything but utilitarian. Other transportation modes, for example light rail and commuter rail, are given names that uniquely identify the service (“Link” and “Sounder”, respectfully). These names communicate an important benefit or positive characteristic of the service. A unique name will increase awareness, consumer appeal, and consideration. It should be used in all communications and printed materials.
- 3. Establish a regional image/identity for all vanpool service.** A common identity would present a unified look for vanpooling services throughout the region and position it as a separate commute mode. Transit agency “sponsorship” of the service could be incorporated into the identity scheme. With over a thousand vans in the region in operation each day, the van exterior is a significant marketing opportunity. The vehicles are a daily advertisement for the service that generates awareness and interest and can easily direct people to the best place to call for additional information.

Vanpool Operator Perspectives: *The RVCT 2013 Plan is reasonably consistent with consultants’ recommendations. It calls specifically for these actions:*

- *Statewide, comprehensive marketing plan;*
- *Branding of vanpooling;*
- *Use of shared marketing materials and media purchase; and*
- *Regional or statewide image.*

Operators agree that a statewide marketing/promotional campaign is needed – however they have not all endorsed the recommendations for branding and a regional image. Most operators support the idea that RideshareOnline.com should be highlighted as the main tool to recruit riders for vanpools and that individual transit agency vanpool programs be reflected.

This MAP initiative is consistent with the basic marketing elements of the RVCT plan. Consultants also agree that RideshareOnline.com and individual vanpool program identities have a place within the

campaign and new materials. However, the MAP position is that jump-starting growth in a stagnant market warrants a decidedly different approach than the passive marketing and matching tools used in the past. The new marketing initiative must go beyond simply generating awareness about services and referring interest to an on-line tool. It should emphasize the unique service provided by vanpooling, reduce consumer confusion about who provides the service, and increase the service appeal. The MAP recommends that the region begin with the activities outlined below.

Steps Toward Implementation

Project consultants anticipate a multi-million dollar cost for a long-range marketing and communications effort. We suggest that the marketing and promotion activities start with the following:

- Research to define a message specific to vanpooling that can be incorporated into all communications. **Estimated Cost: \$15,000 to \$25,000**
- Development of a consumer-oriented name for all vanpool services in the region. **Estimated Cost: \$15,000 to \$25,000**
- Development of a regional image/identity for vanpool service. Transit agency “sponsorship” of the vehicle could be incorporated into the identity scheme. **Estimated Cost: \$20,000 to \$45,000** excluding implementation such as the cost of vinyl or painting of vans
- Creation of the regional vanpool communications campaign. **Estimated Cost: \$250,000 - \$500,000**

Targeted Customer Markets

Since 1994, vanpool marketing has been largely directed at employers that are affected by Commute Trip Reduction programs. Most employers with 100 or more employees at individual worksites are required, under CTR legislation, to encourage their workers to adopt alternative commute modes. Transit agencies have concentrated their promotional efforts at these worksites because CTR funding has been available to support such activities. At the same time, 7,400 medium and large employers are not affected by CTR and three quarters of the potential vanpool audience works at non-CTR employment sites.

Puget Sound Region Employer Marketplace	
CTR affected employers	904
Non CTR affected employers	
100+ employees	990
Less than 100 employees	6,419

The Vanpool MAP recommends, in Initiative 2, significant new marketing strategies to generate interest, educate and motivate non-CTR employers. Employer research undertaken during the summer of 2002 found that 60% are interested in hearing more about commuter vanpool services – suggesting that about 4500 employers in the region can be targeted as a new employer market.

The MAP further recommends, in Initiative 3, that new techniques for home-end marketing be tested and refined for vanpool formation. Home-end marketing holds the potential for significant growth in vanpooling and incremental implementation is suggested.

Marketing Initiative 2.

Marketing Initiative 2. Marketing at employer sites should be expanded to include medium and large businesses -- that are not affected by CTR -- in a new, targeted marketing effort.

Large CTR-affected employers, working with the RVCT, have asked that vanpool agencies promote vanpooling at unaffected worksites, to increase the pool of employers who can be matched into vanpools.

Two recent examples in employer marketing have demonstrated opportunities for success in reaching non-CTR employers and in motivating their workers to rideshare.

In the Redmond Overlake area, the Greater Redmond Transportation Management Association (GRTMA) recently concluded their "Bravo" demonstration program -- in partnership with the City of Redmond and King County. It focused on small and mid-sized employers and succeeded in generating a 25 percent increase in non-SOV participation. The "Bravo" evaluation concluded that incentives and proactive commute counseling are important elements of a successful approach.

In Bothell, an intensive vanpool formation campaign was waged in 1999. This campaign led to the formation of 35 new vanpools -- using a combination of direct contact to local companies, identification of potential vanpool clusters using features of the regional ridematching system (known as Rideshare Plus), and personalized assistance in forming vanpools. This project was undertaken by a partnership that included the City of Bothell, Community Transit and King County Metro. The personal help provided through the Bothell campaign was similar to the proactive commute counseling used by Greater Redmond TMA.

With these successes in mind, the MAP project recommends the following elements for Initiative 2.

- 1. Implement a remote sales strategy targeted to the broader employer market.** The very large number of employers in this target market demands a different approach than that used for CTR affected worksites, i.e. personal contact, on-site meetings and close work with company ETC. Consultants recommend that a new strategy focus on telephone surveys, web sales, electronic consultations, e-mail messaging and on-line enrollment tools to market vanpool services and secure involvement from a large number of employers.

2. Concentrate on selective markets. Vanpooling should be most heavily promoted to select businesses in key locations and with an underlying interest in the service. An employer survey undertaken during the summer of 2002 illustrated several techniques for identifying employer attitudes and interest in vanpool services, for geo-mapping the sites by levels of interest and/or other characteristics, and for targeting employers that hold most promise for potential vanpools. Consultants recommend that the region begin by identifying interest, and then prioritize destination markets near large employers, in central business districts, and in proximity to other medium and small employers.

3. Develop and provide turn-key services to employers. Smaller employers can be expected to react more positively to advanced turn-key services that minimize demands on their business resources. The sales program should offer a “*your name here*” package of brochures, memo’s, e-mail messages, forms, which allow employers to quickly and easily participate in vanpool promotions. Other services such as surveys of vanpool interest, geo-coding of employee lists, cluster analysis of vanpool potential, remote enrollment techniques, and promotional incentives, will need to be packaged as a support service for participating employers.

4. Market directly to commuting employees. Many organizations other than those in public transportation marketing are looking to influence employee behavior. These include United Way, the Red Cross, health care plans and others that share a common sales strategy. They gain access directly to the employees – in person, through employee lists, by phone, by e-mail messaging. A key element of this initiative is establishing direct communications between employees and vanpool customer services like those addressed in Initiative 4. A second important element is the advance commitment to follow through on vanpool interest.

Both employers and operators are in need of data and information about the impacts of vanpool promotions, the effectiveness of various techniques, the customer response and participation in vanpooling. The MAP recommends that new techniques and technology be utilized to collect and share information among operators and employers through a common management tracking system. This concept is further addressed under the operating initiative 5.

Vanpool Operators’ Perspectives: Service providers are strongly interested in expanding into new employer markets. They believe that new activities should be initiated with existing employer networks and TMAs as the primary mechanism to access smaller employers.

The MAP consulting team strongly supports personalized techniques for vanpool formation and recommends that they be incorporated into a new approach to customer services – outlined in the next section. TMAs, as well as others marketing vanpools can use these techniques. However, to be effective in the target markets, employer networks and TMAs will have to substantially expand to include employers not affected by CTR.

Steps Toward Implementation

We recommend that the employer initiative begin with the following:

- Design remote sales approach to employers and criteria for identifying target markets. **Estimated cost: \$10,000**
- Develop mechanisms to utilize employee databases. **Estimated Cost: \$10,000**
- Undertake pilot program to test direct marketing techniques and cluster analysis. **Estimated Cost: \$30,000**
- Develop plan for new employer-based vanpool formation. **Estimated Cost: \$10,000**

Marketing Initiative 3.

Marketing Initiative 3. The Puget Sound region should implement a new focus on marketing directly to commuters – with promotional campaigns at the home end of commute trips.

The MAP project recommends that the region supplement employer marketing campaigns with new marketing techniques employed at the home end of commute trips. At first glance this appears to be a radical departure from the established approach used with employers. Further consideration, however, suggests that the techniques for home-end marketing are similar to those used in employer marketing and several of the needed mechanisms are already in place at local transit agencies.

As noted in the discussion about employer marketing, proactive commute counseling (as it is called by the GRTMA), or providing personalized assistance in vanpool formation, appears to be one key to capturing the next level of market interest. King County Metro has used this technique, within their Rideshare Plus programs at employment sites. We recommend that it be further tested and refined for use within a home-end marketing approach.

Database marketing techniques, like the One2One survey technique, used by MAP consultants in the summer of 2002, showed that potential vanpool groups can be identified through proactive telephone contact with individual households in a target neighborhood. That survey illustrated the rich market that exists as it identified 35 potential vanpool groups. It also demonstrated the need to immediately follow through with personalized assistance in vanpool location and new group formation.

On another front, King County Metro is currently involved in a demonstration of “community-based marketing” techniques – which are used with neighborhoods and community groups to change attitudes and behavior choices. The demonstrations by KC Metro are actually focused on non-work trips but the techniques and marketing mechanisms can also be used to bring about changes in commuting choices – and assist in forming vanpools.

King County Metro’s interest in testing a “home end” approach is not entirely unique. In recent years a large number of cities and regions have been re-evaluating their approach to promoting transportation alternatives. Portland Oregon, Perth Australia, and many European cities are involved in “individualized” marketing campaigns that focus on households in specific neighborhoods rather than employers. The targeted households are sent an invitation to participate in a transportation education campaign. After a telephone interview, those that appear to be the most promising “converts” are visited in person for individualized assistance. A 10% mode-switch is very common and this has been shown to be a lasting behavior change. (See for example <http://www.socialdata.de/index.htm>.)

Direct mail, door-to-door distributions, telephone contacts, web-based tools and database marketing can become the mainstay of home-end marketing campaigns. These techniques are already used by transit agencies to promote new transit routes and service changes. The regional ridematching system (RideshareOnline.com) has the capability of tracking neighborhood vanpool interest and it is one possible tool to identify clusters of vanpool interest for proactive vanpool formation. Three elements are included within this initiative.

- 1. Fully test home-based telemarketing techniques for vanpool formation.** The One2One campaign undertaken through the MAP project was highly encouraging, yet quick follow-up was not built into the demonstration and no vanpools were formed. It is important that a home-based campaign be completed – to test the assumptions built into the MAP estimates of “prospective” markets.
- 2. Test alternative home-end marketing approaches for vanpooling.** The region should test different techniques for home end marketing – while closely monitoring effectiveness. This is an important step to demonstrate potential and to test alternative techniques for targeting sub-areas, increasing awareness, identifying clusters of vanpool interest, securing commitments, and actually forming vanpools.
- 3. Develop a plan for implementing home-end marketing approaches throughout the region.** With successful demonstrations of impact and alternative approaches WSDOT, regional planners and vanpool operators should work together to plan for future home-end market campaigns.

Vanpool Operator Perspectives: *Local vanpool operators are skeptical about the potential effectiveness of home-end marketing techniques; however they are interested in working together to test any new marketing approach that offers a potential for success. Operators would place this effort as a lower priority behind expanding outreach efforts to all large employers.*

Steps Toward Implementation

Consultants recommend a significant testing program for home-end promotional campaigns and supportive techniques. Specifics include:

- Fully implement and evaluate a home-end telemarketing vanpool formation campaign. **Estimated Cost: \$35,000**
- Develop and test alternative home-end techniques. **Estimated Cost: \$35,000**
- Develop plan and necessary technology to support regional home-end marketing efforts. **Estimated Cost: \$10,000**

Customer Services and Market Outreach

Building on previous recommendations two customer service initiatives are presented. Initiative 4 promotes a collaborative mechanism for developing the vanpool interest generated by both employers and home-end campaigns. Initiative 5 recommends a comprehensive package of subsidies, incentives and affinity products to attract and retain vanpool ridership.

The benefits of consolidating activities related to vanpool formation affect customer satisfaction, response time, and administrative efficiency. The new system will directly respond to employer requests for additional coordination and consistency in the way vanpool operators market to their employees. It will also supplement the employer initiative and new home-end campaigns by providing coordinated follow-up and assistance.

Initiative 4 recommends a new service center for vanpooling – with staff and resources that are similar to those provided in personal banking, case management, or information and referral services. MAP consultants recommend this approach because of its potential to:

- Bridge marketing activities and operational needs with a support system that is clearly defined as customer service;
- Create a market response team to manage periods of high demand;
- Reduce duplication among six operators by providing a single and coordinated vanpool formation service;
- Eliminate customer confusion – among employers and commuters – by providing a common source of information and help;
- Manage competition among the six operators in working with employers and forming vanpools.

MAP consultants recommend a consolidated system, however, it is important to emphasize that it doesn't have to be through an independent service. One agency could take the lead or staff from each agency could be trained to utilize the common support system – just as they are for the regional ridematching system. Advantages to using a third party include avoiding staff hiring freezes and the possibility of implementing performance based payment systems.

Vanpool Formation and Startup

Putting new vanpools into service is a demanding and labor-intensive process. The MAP project defined three common steps that all agencies undertake:

Vanpool Formation involves identifying interested commuters and gaining their commitment to be part of a vanpool. Vanpool formation consists largely of sales activities and Marketing Initiative 4 recommends a consolidated approach to working with potential vanpool groups.

Vanpool Startup activities include collecting and processing agreements, approval and training of driver and bookkeeper applicants including verifying motor vehicle records and credit histories, and assisting groups with eligibility for employer subsidies and operator's financial assistance. This initiative recommends that operators work towards consolidation of these activities.

Vanpool Mobilization takes the vanpool group from approval through vehicle delivery, orientations, establishing records and the first days of travel as a vanpool. Mobilization activities are generally regarded by the vanpool operators as direct service – that can only be provided by the individual operators' staff.

With increases in vanpool start-up activities (from increased marketing) operators will want to work together to establish more consistency in their requirements and processes. Although some policies and processes cannot easily be made identical (notably fares and insurance requirements) there are many others than would require only minor changes to make them consistent. They payoff could be enormous in creating more efficient management.

The RVCT has considered several employer concerns related to differences among vanpool operators in their driver approval criteria, driver training, vanpool start-up requirements, and varying policies related to personal use, van maintenance, van refueling and driver safety. Employers would prefer to see more consistency, while operators have valid reasons for adopting different policies. Project consultants believe that a coordinated customer support center will help to resolve these issues or explain them clearly to both employers and commuters.

The region should consider the possibilities for a single agency to take the lead in startup or for a common third-party contractor to undertake vanpool formation and start-up activities throughout the region. A partnership approach to this step would pay off in efficient operations, higher levels of coordination, and better customer understanding. Understanding that operators are not yet prepared to establish a single service, project consultants recommend that an interagency team be established to work more aggressively toward coordinated activities and materials.

Marketing Initiative 4.

Marketing Initiative 4. Vanpool Operators should share resources in a consolidated vanpool support system that provides personalized assistance with vanpool formations and retention.

Key elements within this Initiative are described below:

- 1. Establish a customer response team.** This team should include representatives from each vanpool program, to prepare for growth in vanpooling and expanded demands for vanpool start-up assistance. This team will be instrumental in the following steps.
- 2. Develop and distribute common formation and startup materials.** Each vanpool operator currently produces its own start-up kit with basic vanpool information, ridematching materials, driver and rider agreements, startup requirements, and sample forms. Operators should streamline this activity and produce a common kit for all vanpool starts.
- 3. Develop aggressive and personalized vanpool formation efforts and a vanpool locator service.** New techniques to be developed or implemented throughout the region include cluster analysis, proactive commute counseling and intensive follow-up services. For efficiency and improved customer services operators should develop a consolidated system for vanpool formation and for assisting vanpools that need new riders. Project consultants recommend shared resources and common staff in a separate customer service function or a third party contract.
- 4. Consider opportunities to streamline and centralize vanpool startup activities.** Motor vehicle record checks, credit checks, driver approval processes, and other routine activities could be undertaken by a single lead agency or by a third party service.
- 5. Adopt common policies and actions for vanpools-at-risk.** The high number of vanpool disbands in the Puget Sound region warrants increased emphasis on retaining current markets. Operators should work together to produce

supporting services including an aggressive program for recruiting new riders for vanpools that experience rider loss.

- 6. Operators should work together on an emergency response plan.** Large-scale layoffs and economic declines have created a crisis atmosphere for some vanpool services. With new customer services in place operators should develop an emergency response plan to proactively offset future market declines.

Vanpool Operator Perspectives: The majority of vanpool operators prefers to retain current formation processes but would emphasize partnerships with TMAs, employers and jurisdictions.

The MAP recommendation reflects the position that consolidation should greatly benefit customers and generate larger numbers of new vanpools. As the first steps the MAP recommends the following:

Steps Toward Implementation

- Work together to define parameters of needed support services. **Estimated Cost: \$15,000**
- Develop cluster analysis techniques and technology. **Estimated Cost: \$20,000**
- Design and test personalized formation assistance including new materials, staff development. **Estimated Cost: \$50,000**
- Develop and define common start-up system including streamlining driver training, insurance, and other startup processes. **Estimated Cost: \$15,000**

Incentives, Subsidies, and Affinity Products

The final marketing initiative recommends continuing efforts to advance a package of subsidies, incentives and affinity products. This initiative is essential to moving toward the upper levels of the prospective markets identified by the Market Estimating Report.

The current vanpool market share has been achieved only with considerable investments in incentives and employers' long-term subsidies. It will be important to extend these incentive programs and to apply them to new markets. Unfortunately, MAP project consultants found that the extensive local experience with employer subsidies, time-period incentives, special offers and rebates has not been well tracked or documented.

Achieving large scale market growth is likely to occur only with the aggressive use of affinity products. Fortunately, the region has a head start on this effort in KC Metro's proposed demonstration project. Affinity products provide added value to vanpool services and are used to attract and retain customers. Concepts under local consideration include free air miles, discounts on fuel, discounted

auto insurance, free long distance telephone minutes, and gift cards.

Affinity products are on the leading edge of commercial merchandizing techniques – and they are constantly evolving. Popularity can be short-lived although some products may have an extended shelf life. The region will need a cutting edge incentives package, which is closely monitored and frequently updated, to achieve substantial growth.

Marketing Initiative 5.

Marketing Initiative 5. Vanpool operators and WSDOT should work together to test, refine and implement a comprehensive and coordinated package of incentives throughout the region.

In addition to the Metro affinity product demonstration there are other local efforts to further develop incentives. The Greater Redmond TMA has had success with a gift card. Pierce Transit and King County Metro are now testing this same concept. And, WSDOT is planning a significant investment, through the regional highway corridor projects for I-405 and SR 520 (and other highway corridors being studied), to provide vanpool incentives and affinity products. Additionally, the RVCT has expressed interest in developing common fare media that all six agencies can utilize as a common mechanism for employer subsidy. With recent approval of the regional SMART card technology for bus fare collection, though, the RVCT's efforts may take a different direction.

The Smart Card Regional Fare Coordination Project has recently agreed to rely on the RVCT Vanpool Operator group as a formal advisory team for that project. In that role, the operators will address regional, fare-related, business needs for vanpool services. The operators group will recommend policy and procedure for testing and study the implications of adopting the Smart Card for vanpooling.

In light of the need and interest in furthering these concepts, the MAP project recommends that the following elements be included in Initiative 5.

- 1. Initiate tracking systems to monitor the utilization and impact of all incentives.** For a large-scale initiative to gain and maintain significant market share and funding there must be ongoing tracking and evaluating. Operators should share in developing and using similar measurements and all results should be made available.
- 2. Develop a regional, collaborative incentives program.** Operators, employers, WSDOT and the region should partner together to build a common incentives program. This is not to limit special offerings but to produce efficiencies, provide for market research, monitor effectiveness and take advantage of economies of scale. Reducing program transfers should also

be an objective of this initiative. The collaborative program could include all of the following:

- Employer-provided financial subsidies
- Time-period incentives for new vanpools and vanpools-at-risk
- Incentives for target markets
- Program of affinity products

3. Include vanpool incentives tracking and coordination within the agenda of the Vanpool Smart Card advisory team. Initiating a common fare system among operators is a very high priority for local employers. Given the importance of this issue the MAP consultants encourage the region and the RVCT to address the needs of vanpool services early and to consider testing other alternatives or add-ons to SMART card that would work for vanpooling. A specific test is recommended in Operations Initiative 2.

4. Establish long term source of funding. KC Metro has secured significant grant funding for incentives and affinity products. WSDOT has plans to implement these concepts in target highway corridors. However, ongoing funding is a source of concern and must be resolved. An opportunity that is worth exploring is to tap into new revenues generated under Section 5307 with vanpool expansion.

Vanpool Operator Perspectives: *Vanpool operators encourage additional testing of incentives and affinity products. They are interested in extending existing partnerships and promoting a regional, collaborative program.*

Steps Toward Implementation

- Design, implement and monitor a regional test of affinity products utilizing grant funds awarded to KC Metro and already authorized for this purpose.
- Develop and test incentives to be used with new vanpool formation service described in Marketing Initiative 3.
Estimated Costs: \$75,000
- Inventory existing incentives, assess available data on utilization and effectiveness, and develop a comprehensive tracking system.

Guidance on Vanpool Program Operations

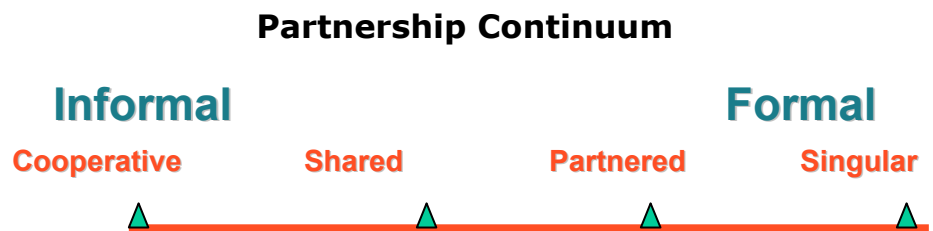
This section of the report moves away from marketing initiatives and presents recommendations on vanpool program operational needs. The MAP recommends that vanpool operators formally partner together to achieve the changes needed to manage double or triple the current count of vanpools. Vanpool operators have worked together informally for a very long time. Map consultants believe that

vanpool expansion can be most effectively managed with more formal, officially authorized collaborative relationships developed to address specific and high priority expansion needs.

The MAP recommendations toward new vanpool partnerships have caused considerable discussion. It is worth elaborating on here – to explain the concept and to clarify its purpose.

The concept of “public partnerships” is rooted in operator autonomy. The MAP does not recommend a single service or regionalization of vanpool services.

The MAP does recommend that vanpool operators share expertise and skills in some program areas and that they join together in formal partnerships for selected support services. There are both informal and formalized ways of working together. The RVCT and operators have successfully worked together, to great advantage, on cooperative, informal activities. The MAP recommends moving to the right on the continuum illustrated below – stopping well short of forming a single vanpool service. The regional rideshare Internet service (RideshareOnline.com) is a functioning example of such a partnership.



There are persuasive arguments for working together in more formalized partnerships. Among the most powerful payoffs the MAP project identifies the following benefits inherent in this approach:

- Sharing resources, especially the very high levels of expertise that have been developed by Puget Sound vanpool operators;
- Increasing leverage with combined buying power and improving pricing for purchases now made by six different agencies;
- Securing direct savings, process efficiencies and convenience through consolidated contracting for some services; and
- Maintaining a competitive edge in the fast-paced technology field.

The MAP consultants encourage the region to consider a team approach for implementing operations initiatives, with separate commodity teams for each area. The commodity teams should consider options for collaboration and develop the mechanisms needed to establish more formal partnerships. These could include interagency agreements, common purchase & contracting, sharing of some services and joint purchase and contracting options.

Operational initiatives are recommended in these areas:

- Vehicle acquisition
- Vanpool Fares and Fare Collection
- Vanpool Start-Up
- Fleet Operations
- Technology

Collaborative Fleet Acquisition

Both the RVCT 2013 plan and recently approved State legislation estimate a \$30-\$50 Million allocation for vanpool capital acquisition over the next ten years. A strategic approach to vehicle acquisition – to maximize buying power, afford flexible accessibility to vans, expand on existing jurisdictional collaborations, and optimize process efficiencies – is crucial to both fulfilling financial stewardship responsibilities and ensuring the ability to meet increased market demand.

Vehicle acquisition mechanisms must address both short-term and long-term vehicle availability for vanpool operators. Three conclusions are presented by the MAP consulting team:

“**Just-In-Time** is an approach to procurement in which supplies are ordered so that they will be received when needed, rather than stored in inventory in anticipation of need”.

- Outright purchase of vehicles, as documented by life cycle cost benefit analyses, is the most cost effective long-term acquisition approach.
- Expanding on existing cooperative purchasing mechanisms, in place today, would further strengthen the operators’ combined buying power and create opportunities for additional administrative efficiencies.
- To maximize flexibility of operations, especially crucial during rapid program expansions, operators need readily available options for short-term vehicle use. “Just-in-time” vehicle acquisition mechanisms provide a solution to these short-term needs.

The following initiative is recommended.

Operations Initiative 1.

Operations Initiative 1. Vanpool operators should adopt a collaborative, partnership approach to vehicle acquisition.

The initiative includes two key elements.

- 1. Anticipating expansion demands, a region-wide fleet expansion plan should be developed.** The region, WSDOT and operators will need to gear up for future vanpool program expansions. Working with other stakeholders, operators should develop a plan that defines agency expectations so that regional planners and WSDOT analysts can identify additional needs and opportunities. The fleet expansion plans should specify purchase and sale schedules, planned solicitations, capital availability and commitments – and any shortfalls that

might be addressed by state or regional funding decisions. It should be updated periodically and provide the basis for regional communication on fleet acquisition.

Ideally, a ten year plan would be developed to identify all operator vehicle acquisition needs, timelines, contract strategy(s), agency lead roles, and potential administrative and/or process efficiencies achievable through the collaborative approach. The plan should also identify all operators' projected short-term vehicle needs, options currently used effectively, new options to pursue, the need for any formal interagency agreements, and timelines for completion of action items

- 2. Adopt a more formalized approach to cooperative purchase for fleet acquisition.** Operating collaboratively to utilize their joint expertise and to build on existing successful partnerships, operators should expand their informally cooperative purchases by developing joint contracting strategies to meet their combined vehicle acquisition needs. Increased coordination on vehicle acquisition contracts will enable operators to collaborate on timing of solicitation processes, estimated volume, specifications, and lead roles. Proactive communication between all operators facilitates strategic planning for vehicle needs and analyses of purchase options, whether cooperative, agency-specific, or joint procurement. Shared results include improved leveraged buying power, administrative efficiencies, and preferred order and delivery options for vehicles.
- 3. Meet short term fleet needs through Just-in-Time Acquisition.** Acknowledging that consistent, short-term vehicle availability is needed to afford flexible accessibility to vans to meet market demand, operators have numerous options available to them, many of which are currently successfully being used to fulfill their just-in-time acquisition needs. Reserve fleets, retired inventory, use of local automotive dealers, interagency agreements, and use of the State DOT leasing program all address short-term vehicle access requirements. Through formalized collaboration and agreement, resources could be shared more effectively to meet the overall jurisdiction's expanded requirements. It is further recommended that the DOT leasing program consider an expanded focus on lease equipped vans for specialty needs such as ADA accommodation.

Vanpool Operator Perspectives: Operators already use some cooperative purchasing mechanisms which they find very effective. Their preference is for collaboration to develop communication plans, strategies, and continued cooperative purchasing methods. Interagency leasing is an option that is currently available and used when needed.

The MAP consultants believe that the region will benefit from more formalized joint purchase and contracting strategies. The existing informal strategies work in the present situation, but with significant growth additional collaboration will leverage buying power and provide administrative efficiencies. The MAP project additionally emphasizes that short term fleet needs will increase with larger program sizes and major marketing campaigns. Interagency leasing has not always worked in the past and the WSDOT short-term leasing program is currently overstretched. As a compromise, the MAP project suggests continued planning and recommends the following

Steps Toward Implementation

- Develop a 10-year region-wide fleet acquisition plan and contracting strategy utilizing a commodity team approach. **Estimated Cost: \$10,000**
- Develop a 10-year acquisition strategy for short-term needs and Just-In-Time vans along with supporting interagency agreements. **Estimated Cost: \$10,000**
- Reassess needs and plans for the WSDOT short term van leasing program. **Estimated Cost: \$5,000**

Vanpool Fare Policies and Payment Alternatives

Vanpool fares, reporting and accounting processes and procedures are determined by each individual operator, in concert with their governing authority. As a result there is considerable variation among operators in fares and fare structures.

At the same time, as public agencies, all operators are subject to use of “generally accepted accounting principles” and their fare collection, reporting and management processes are very similar.

The RVCT has taken on the assignment of assessing options for fare coordination and simplification throughout the region – but has been unable to resolve the key issues. This is an important effort that will help employer relations and customer understanding of vanpooling. This topic is not included here – but consultants believe that this is, in fact, a critical need and that it should be resolved before significant expansion takes place.

The MAP project has, however, taken a look at the complexity of vanpool fare collection, financial reporting and accounting – finding that each agency has adopted processes that approximate others in the region. In brief, vanpool operators are all required to:

- Recruit and train bookkeepers
- Produce and distribute paper monthly reports
- Receive monthly reports and payments – through US mail
- Undertake labor-intensive review and verification of all reports
- Communicate errors and corrections to bookkeepers

- Submit deposits
- Track and verify multiple subsidies, incentives and exceptions
- Coordinate with (or invoice) employers for their contributions
- Coordinate with agency accounting departments

Managing fare policy, collecting payments, allocating costs, and accounting for revenues and expenditures are processes over which each public agency must maintain control. The issue of operator autonomy must be kept at the forefront as the region looks to streamline processes and implement common techniques and services.

At the same time automation and shared services – such as a common clearinghouse for data management and/or fare collection – create efficiencies in management and operations. The opportunities for streamlining administration and beginning to address employer and customer confusion about fares leads to the following recommendation.

Operations Initiative 2

Operations Initiative 2. Vanpool operators should move toward fare simplification by testing alternative, electronic fare payment systems.

Moving beyond paper reporting, individual payments and reliance on the US mail system appear to be the wave of the future. Today numerous systems are in place to encourage consumers to pay bills by phone or on-line through the internet. Commercial invoices, public utility bills and even federal taxes can be paid directly – and individual consumers can monitor their credit card statements and bank accounts with “real time” access by phone and internet connections.

In short, electronic payments and accounting reduce paperwork, eliminate postal costs and delays, and create efficiencies for both service providers and consumers. Several vanpool operators in other areas have made the transition to electronic payments and electronic systems are also emerging as the best tools for implementing and tracking incentives and affinity products.

Four elements are included in this initiative.

- 1. Test electronic payment systems for bookkeepers.** Some vanpool operators want to continue to rely on a volunteer in each vanpool group to collect fares and submit reports and payments. A pilot program should be implemented to test the impact of e-payment by vanpool bookkeepers.
- 2. Test direct, electronic payment from riders.** Additional streamlining is possible if systems are in place for riders to make their payments directly to the transit agency. Individual vanpoolers can authorize their payments each month by phone or internet. These options should be tested in the Puget

Sound region.

3. Coordinate with SMART card implementation plans.

Vanpool operators must start now to work with the Smart card implementing organizations to ensure that vanpool program needs and accounting requirements are fulfilled. The RVCT Operators group has been established as a formal advisory team to the Smart Card project. Testing the use of the SMART card should parallel (but not prevent) the pilot programs recommended in the two preceding elements.

4. Implement common payment systems throughout the region.

An additional opportunity is for operators to work in partnership on a common payment system. Operators could choose to use one agency as the lead, to divide up responsibilities, or to contract – together – with a common clearinghouse and service provider.

One example of a new system is under development now through a partnership between a cell phone company and a manufacturer of products with bar codes. The system is designed to allow for easy inventory, tracking deliveries and making payments. The system could be implemented for vanpooling with minor modifications – allowing for daily monitoring of ridership, route tracking, and payment – all through a GPS enabled cell phone that is outfitted for credit card or bar code reading.

Vanpool Operator Perspectives: *The RVCT 2013 Plan acknowledges operator agreement that electronic tools are needed and appropriate. It states that "Operators should explore appropriate electronic methods and processes and work with employers to adopt the methods and processes, which will serve bookkeepers', operators', and employers' needs." The RVCT's 2013 Plan also suggests additional investment to "deliver e-commerce, e-incentive and e-payment tools to vanpool customers and employers."*

Steps Toward Implementation

The Vanpool MAP recommends that operators work together to test electronic fare payment systems and develop a plan for a regionwide integrated fare payment system.

The pilot should be designed to:

- Identify electronic fare payment options
- Select options and design pilot programs
- Secure clearinghouse, tracking, operational support
- Test electronic payment for bookkeepers and riders
- Evaluate results of pilot programs
- Develop plan for integrated fare payment system

Estimated Cost: \$60,000

Vanpool Operational Partnerships

As referenced previously, the MAP recommends that vanpool operators partner together to manage the impacts associated with double or triple the number of vanpools.

Independently, all local vanpool operators have expressed concerns that maintenance staffing, vehicle storage space, and emergency assistance would pose significant challenges for them with vanpool program expansion. Currently, most maintenance is performed in-house, and maintenance schedules vary across jurisdictions with maintenance staff being key decision makers in timing of preventative maintenance and vehicle surplus. The added number of spares that will be needed and the associated impact of their maintenance and space requirements further impact this challenge.

As noted in the RVCT 2013 Plan, to “expand the system operators must determine what needs to be done by each agency and what can be done by one agency on behalf of all agencies. Operators must spread the wealth of work so that one agency is not responsible for everything.”

Collaboration and partnerships will allow the operators to share their expertise and strengths. By working together strategically they will be better positioned to address anticipated operational impacts.

Operations Initiative 3

Operations Initiative 3. Vanpool operators should work together, in partnership, to address four common fleet management needs related to significant expansion.

Although many areas were reviewed and a number of changes were assessed, the MAP project has limited its recommendations in the operations area to a few needs. They are detailed below.

- 1. Private sector maintenance contracts.** To accommodate increased maintenance requirements, operators should supplement existing in-house maintenance with regional private sector contracts. Utilizing a cooperative procurement approach for contract solicitation will afford greater opportunities to leverage their combined buying power for optimum value added results. Award of multiple contracts will provide flexibility and availability across the multiple counties as geographic convenience of contractors is an assumed priority. It is hoped that this approach would lead to a more formal vanpool maintenance relationship across agencies, including increased consistency of maintenance requirements and schedules.
- 2. Common loaners.** With the increased vanpool growth, there is an associated need for an increased number of loaners. Although use of a common fleet of loaners would afford benefits through the sharing of resources, all operators

expressed serious concern over this approach. An alternative recommendation would be that agencies collaborate to develop a formal agreement to facilitate their use of each others loaner vehicles. In addition, supplemental contracts with private sector garages would address space needs for loaners.

3. Expanded vehicle storage. With an increased number of vehicles, all operators will face a need for additional storage space. Whether shared facilities are utilized or agency-specific plans are developed, it is recommended that operators assess available space now and anticipate future needs. Additional space will require capital resources to support operational growth, and it must be consciously and strategically planned for by all operators.

4. Emergency repairs and assistance. With an increased number of vans on the road and an increased probability of need for emergency assistance across county lines, a regional approach via formalized agreement between operators is key. Informal “gentleman’s agreements” are currently being utilized, so this is a logical extension of current practice. Such an agreement should define scope of assistance, roles, liabilities, and procedures to access assistance. The regional plan could address borrowing of vans, drop-off options, repairs, and loaners.

Vanpool Operators Perspectives: Operators agree that vanpool maintenance options should be reviewed and that private sector maintenance should be explored where needed. At the present time, King County Metro is the only operator to out-source all its maintenance to the private sector.

Based on their experience, operators believe a common fleet of loaners is not necessarily cost effective, practical or desirable.

There appears to be differing opinions regarding vehicle space options – reflecting the variety of options that are currently available to operators for receipt, conversion and surplus of vehicles. The RVCT 2013 Plan recommends use of the King County Van Distribution Center to facilitate regional fleet preparations and surplus sales. Distance, ease of operations and van conversion needs are determining factors in any decision. Operators agree that periodic assessments of space are crucial, acknowledging that each agency must determine their own timing and needs.

All operators appear to share an interest in strengthening their emergency assistance support to each other.

Respecting vanpool operator perspectives the MAP project recommends additional research and assessment in these four areas. Project consultants believe that there are significant cost efficiencies and administrative economies that can be achieved – and these will

become increasingly important as vanpool fleets double (or triple) in the region. The MAP recommends the following steps.

Steps Toward Implementation

Additional study of each issues area should take place. Formalized strategies and agreements to define roles and balance between agencies will be essential to implementation of the recommendations:

- Research to define common maintenance requirements and schedules. Development of a 10-year contracting strategy for out-sourced maintenance. **Estimated cost: \$3,000 - \$5,000.**
- Analysis of needs and alternatives for shared use of loaners and associated interagency agreements. **Estimated cost: \$3,000 - \$5,000.**
- Research to define a preferred regional storage and distribution approach. Development of agency specific vehicle storage strategies and capital needs. **Estimated cost: \$5,000 - \$10,000.**
- Development of a regional agreement for cross-county emergency assistance and an associated agreement. **Estimated cost: \$3,000 - \$5,000.**

New Technology

Five out of six vanpool operators rely, almost completely, on paper-based information and records. Each operator has adopted some automated records management but only King County Metro has incorporated extensive automation and electronic communication into their program administration.

Vanpool operators currently maintain a tremendous amount of data on vanpools and their vehicles. Vanpool operators generally maintain the following record systems – with varying degrees of detail:

- **Vanpool Groups** – including driver agreements, rider agreements, van assignments, dates, and a history of interaction with the vanpool group
- **Vanpool Accounting** – including bookkeeper agreements, monthly reports, subsidy, incentive, and exception information
- **Vehicle Fleet Management** – including acquisition records, van assignments, mileage, preventive maintenance history, repair history, and sale of vehicles
- **Risk Management** – including driver records, driver training, motor vehicle records, accident reports, accident investigation files, complaints and their investigations

A large increase in vanpools will increase individual participant agreements and records -- creating a need for paper and file storage

as well as a demand for some means of streamlining record systems. At a minimum, agencies could share the best practices that have been developed or jointly produce new databases and record systems. It may be possible – and advisable -- to dispense with the practice of requiring rider agreements. And with the likely increase in vanpool turnover and shifting of riders and drivers between vanpools and vanpool programs, it would be advisable to share some records in a common networked system.

Operations Initiative 4

Operations Initiative 4. Vanpool operators should develop and implement common records and management systems that take advantage of new technologies.

Advances in computer-based record keeping, networking, and central clearinghouses have generated enormous opportunities for improved tracking, ease of access to information, and public partnerships to share in both the costs and benefits of automation and telematics.

This initiative will assist operators to respond to employer concerns, as stated to the RVCT, in their requests for:

- Consistent information from transit agencies on the vanpool drivers and bookkeepers coming to a worksite;
- Coordination of information reporting between agencies, employers and riders;
- Frequency of use requirements to qualify for subsidy;
- Regionalized ability for vanpool bookkeepers to keep records electronically;
- Need for daily ridership reports by some employers; and
- Coordination among transit agencies and the state ferry system.

Several elements are included in this initiative.

- 1. Develop plan for a coordinated and automated records and reporting system.** It is recommended that operators and employers establish a team to initiate a formal plan for coordinated and automated records and reporting. The team should undertake an inventory of all vanpool records, assess needs for coordination, review available technologies and oversee the testing of alternatives.
- 2. Implement a Coordinated Records Service.** Operators should develop and utilize common software and establish a shared network – similar to the regional ridematching system – for sharing data, issuing needed reports to employers, and monitoring performance of various systems.
- 3. Develop an Expanded Technology Plan.** Operators and WSDOT should work together to define all needs for more advanced technical enhancements including fares, fleet records, vanpool records, van routes, formation systems,

incentives, enhancements to RideshareOnline.com, and additional technical support for operators and employers. The plan should specifically consider the costs and benefits of statewide expansion of RideshareOnline.com, implementing wireless communication technology for seat brokerage and system monitoring and expanding on e-commerce, e-incentive and e-payment tools for vanpool customers. These activities should lead to the development of a ten year plan for introducing new technology.

Vanpool Operators Perspectives: *Operators strongly support the development and implementation of new technology to ease their administrative burdens, to improve commuter access and to improve efficiency. The RVCT 2013 plan highlights their interest in regional fare coordination, expansion of RideshareOnline.com, wireless communication, new vanpool tracking technology, and electronic tools for managing customer incentives and fare payments.*

MAP project consultants are not convinced of the payoffs from large-scale investments in wireless communication and seat brokering. MAP recommends that the region immediately address the issue of maintaining basic program records and vanpool reporting processes. Consultants further recommend that decisions about investments in other technology be postponed until further study can be completed – including a comprehensive assessment of needs, a broader identification of technology options and a benefit cost analysis.

Steps Toward Implementation

- Develop short-term implementation plan for a coordinated and automated records and reporting system. **Estimated Cost: \$35,000**
- Assess program technology needs and develop long term technology plan. **Estimated Cost: \$40,000**

Unresolved Issues

Several important issues have not been addressed by this project. MAP consultants believe that resolution of these issues should be included in the implementation of MAP.

Sharing the Market. As MAP consultants looked at opportunities for streamlining vanpool startup and mobilization it became apparent that vanpool operators and the region as a whole need to address the issue of market share. The majority of vanpools today cross county lines, giving them the opportunity to choose from at least two vanpool programs. That has created problems associated with customer confusion, competition for market and costly transfers

between programs. These could increase dramatically with growth. It is recommended that operators and the region work together to better define markets and develop guidelines for assigning new vans.

The issue of market share has been noted by employers involved in the RVCT – who requested a unified policy on which agency’s van to use for trips that cross county lines. The employer concern was not resolved because the decisions must ultimately be made by elected officials and transit agency governing boards.

Market share may become a more significant issue as the region develops a better understanding of Section 5307 funding. MAP consultants concluded that every vanpool operating in King, Snohomish and Pierce Counties generates about \$7,250 each and every year it is in service. This is a substantial revenue source for local transit agencies and it is apparent that gaining market share generates significant new federal funding.

In the short term, the region may decide to maintain the current open market competition. However, as vanpool expansion heats up operators may find it easier and more efficient to develop guidelines for market response that reduce competition, ensure customer satisfaction, and provide for equitable distribution of grant funds.

Common vanpool fares. Employers in the Puget Sound region have been consistent in their long-standing request that vanpool operators establish common vanpool fare schedules and fare collection mechanisms. At the beginning of the MAP project the RVCT asked that the MAP project delay study of this area since that team was already developing alternatives. This is an extremely difficult and complex request and the RVCT has tried to develop a solution. However, after an 18 month period, no progress has been made.

The issue of vanpool fares is taking on added importance for several reasons:

1. The state legislative budget has earmarked \$30 Million for vanpool fleet expansions over the next decade. The initial authorization of \$4M is available July 1, 2003.
2. The RVCT Plan intended to serve as a general guide for how these funds are to be spent includes fare related assumptions that transit agencies have not agreed to. Specifically, it calls for:
 - 60% capital recovery through vanpool fares;
 - 40% surplus sale recovery after 6 year service life;
 - Investment of recovered capital in operational areas specified by the RVCT plan.

These initial assumptions appear reasonable. However none of the six transit agencies has yet been asked to endorse them. The process for securing approval by individual agencies is likely to involve months of deliberation and cause

considerable problems if, for example, local operators need to change their fare schedules to allow capital recovery.

3. The regional decision to implement SMART card technology could overshadow vanpool program needs and employer requests for ridership data.

WSDOT and MAP consultants agree that these issues must be moved to the top of the regional vanpool agenda. We recommend that the DOT, transit agencies and employer representatives commit to a limited-time effort to build consensus on possible solutions. The process should be professionally facilitated and include analysis of each agencies fare goals, recovery policies, and fare setting process. It must include transit agency management and advance authorization by each agency's governing body to build credibility and agreements.

New Technology. Upgrading technology is clearly an important issue. The RVCT included this topic in their 2013 plan and suggested a multi-million dollar budget (as much as \$12.5 Million) to address current needs.

The RVCT developed their technology recommendations several years ago. During the ensuing period rapid advances have taken place and MAP consultants believe that some vanpool operator needs can be met at lower costs than initially estimated. At the same time, MAP consultants question the payoffs from large-scale investments in wireless communication technology for every vanpool and for statewide expansion of the RideshareOnline.com service. Consequently Operations Initiative 4 recommends a comprehensive assessment of needs and alternatives – including a benefit/cost comparison that is based on increased ridership and customer satisfaction.

Long term funding. During the course of this project several funding sources have been identified. They include the WSDOT corridor projects, new state budget allocations, federal grant funds, FTA Section 5307 funds – and new sources, such as advertising on vans.

Consultants have not produced a detailed budget of vanpool program needs. Historically vanpool operators have used a combination of fares, agency capital funds, and grants to expand and maintain their services. Significant changes take place at individual agencies when grant funding is available or when a fare change is implemented.

Recommended Budget and Sequencing Plan

A preliminary budget for implementing the Vanpool MAP is presented on the following page. The budget proposes expenditures for a ten year period that corresponds to several steps toward implementation.

- A two-year MAP Startup Period recommended for 2004 and 2005 that would be used to develop a major marketing and promotions campaign and move towards implementation of operational recommendations.
- A four-year Phase 1 Implementation that would continue testing and development of recommended market initiatives and of electronic fare payment systems.
- A four-year Phase 2 Implementation during which major expansions in vanpooling should be anticipated.

**Vanpool MAP
PRELIMINARY
Recommended Budget and Expenditure Plan**

Strategies and Work Tasks	MAP Start-Up		Phase 1: Testing & Development	Phase 2: Aggressive Expansion	Total Budget
	2004	2005	2006-2009	2010 - 2014	2004 - 2014
Vanpool Marketing Initiatives					
Regional Communications Campaign	\$120,000	\$4,750,000	\$1,050,000	\$1,050,000	\$6,970,000
Employer Marketing	\$20,000	\$40,000	\$400,000	\$600,000	\$1,060,000
Home End Marketing	\$35,000	\$45,000	\$400,000	\$600,000	\$1,080,000
Consolidated Customer Support System	\$45,000	\$85,000	\$400,000	\$600,000	\$1,130,000
Incentives		\$75,000	\$800,000	\$1,200,000	\$2,075,000
Sub-Total	\$220,000	\$4,995,000	\$3,050,000	\$4,050,000	\$12,315,000
Operational Enhancements					
Collaborative Fleet Acquisition	\$25,000				\$25,000
Electronic Fare Payment Systems	\$5,000	\$60,000	\$150,000	\$250,000	\$465,000
Operational Partnerships	\$5,000	\$20,000			\$25,000
New Technology	\$35,000	\$40,000			\$75,000
Sub-Total	\$70,000	\$120,000	\$150,000	\$250,000	\$590,000
MAP Deployment Plan					
Funding Plan	\$25,000				\$25,000
Developing Political Support and Agreements	\$40,000				\$40,000
Other MAP Implementation Needs	\$115,000	\$65,000			\$180,000
Sub-Total	\$180,000	\$65,000			\$245,000
Proposed MAP Budget Total	\$470,000	\$5,180,000	\$3,200,000	\$4,300,000	\$13,150,000

The budget is preliminary and items will need to be incorporated as additional planning is completed and expansion needs are experienced by vanpool operators.

The preliminary budget does not include vanpool capital; the MAP project supports the initial budget of \$40 for vehicle acquisition recommended by vanpool operators – although MAP anticipates greater expansion than is currently planned. Significant future additions can be expected in the areas of fleet acquisition, new technology and new operational partnerships.

MAP Documents Available

The following documents produced by the Vanpool MAP Project are available, by request, from the WSDOT TDM Resource Center:

- First Quarter Report on Background Information
- Consumer Research One2One Survey Report
- Employer Research B2B Survey Report
- Recommendations on Promising Strategies
- Background Memo: FTA Formula Funding and Vanpooling – Section 5307
- Background Memo: Vehicle Acquisition and Contracting Mechanisms
- Background Memo: Ferry Vanpooling Market Estimations
- Third Quarter Report: Vanpool MAP Market Estimates 2002 to 2030
- Third Quarter Report: Market Initiatives Technical Memoranda
- Third Quarter Report: Vanpool Operational Enhancements
- Vanpool Market Innovations White Paper