

# The RIDE

## Low Income Fares & RIDE Flex Contracts

April Board Meeting  
Ryan Coholan, Chief Operating Officer  
Michele Stiehler, Chief of Paratransit Services  
April 25, 2024



# About The RIDE

An introduction to the service

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- **ADA-mandated mode of transit for people with disabilities**
  - Door-to-Door service
  - Shared rides
  - Reservation-based trips
- **Statistics**
  - 30,000 customers
  - 1.5 million trips in 2023
  - \$130 million budget
  - Serves 58 communities
- **Exceeds ADA requirements**
  - Premium expanded service area
  - The RIDE Flex on-demand service



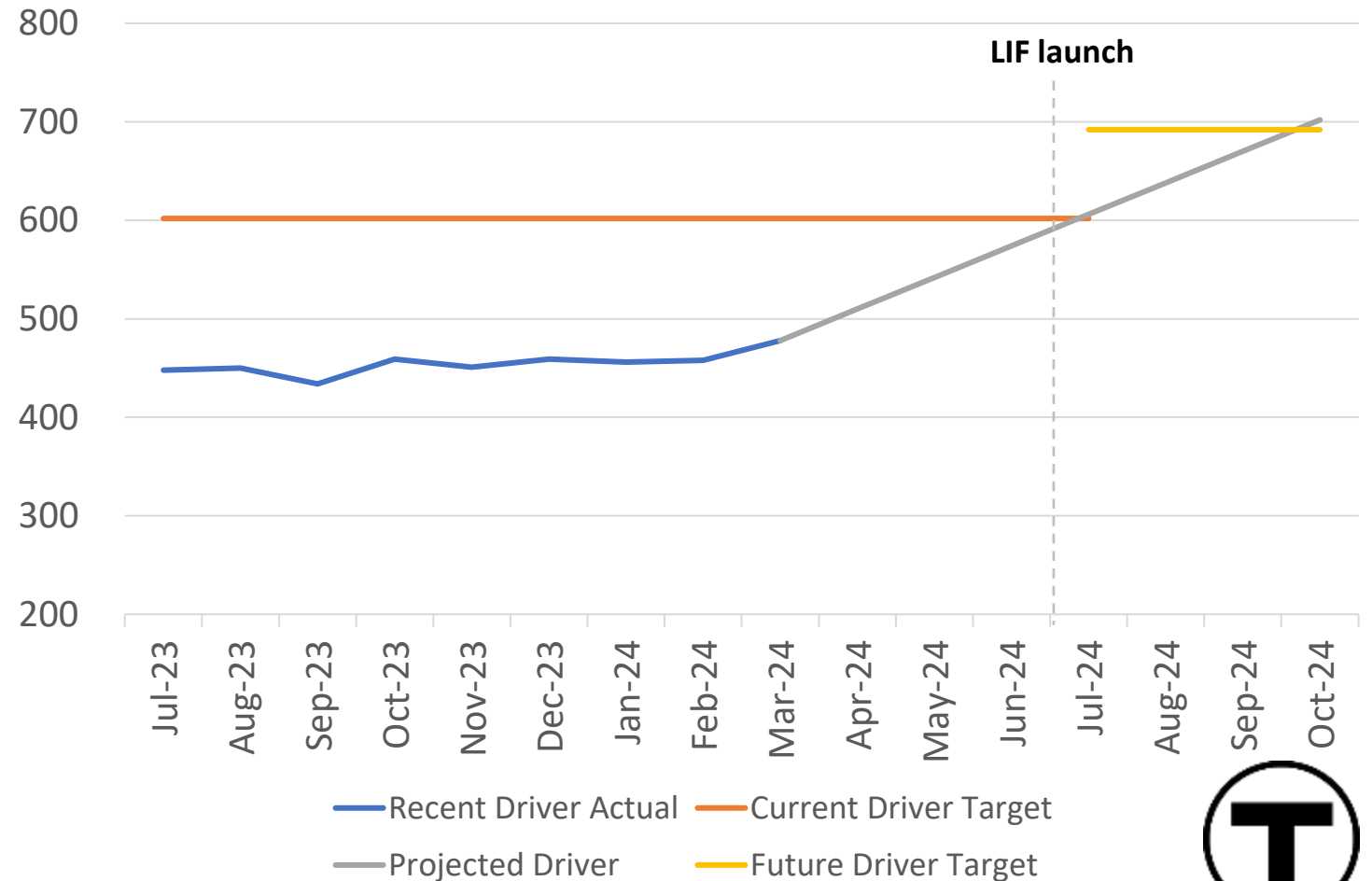
# Low-Income Fares

# Low Income Fares and The RIDE

## Capacity Improvements

- The RIDE is increasing the driver goal from 602 to 692 to address the impact of low-income fares
- Driver wage increase was implemented on March 31 and providers are already seeing a positive impact
  - First Two weeks of April
    - 2024 392 Applicants
    - 2023 85 Applicants
- Preliminary driver projections indicate The RIDE may meet the driver staffing target by **October 2024**.

RIDE Recent and Projected Driver Hiring

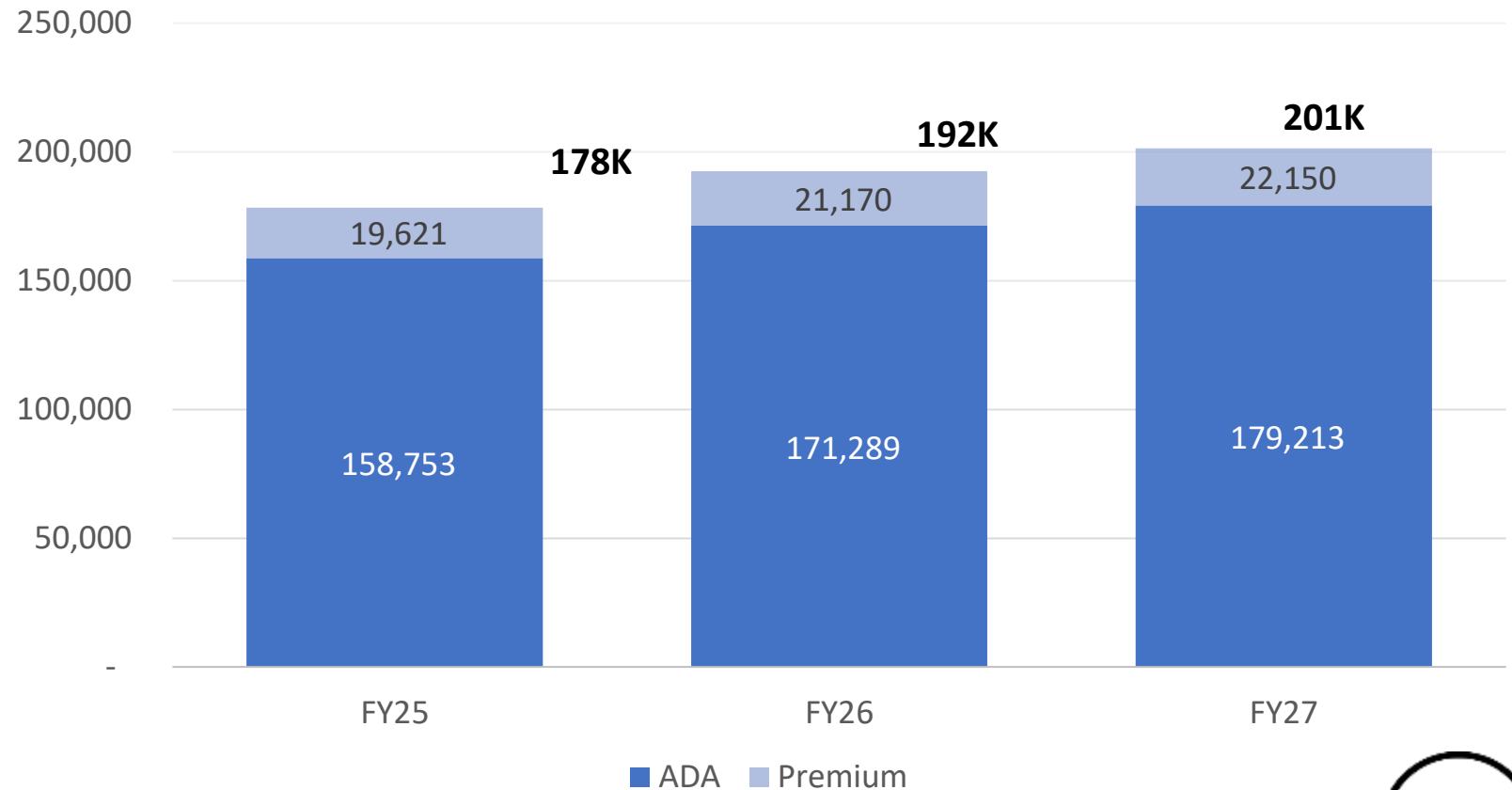


# Low Income Fares and The RIDE

Anticipated Impact to Service

- In FY25, The RIDE anticipates a total of 178,000 additional trips stemming from low income fare induced demand
- Beyond the additional trips, including premium trips will have an outsized impact on service
  - Premium trips require 34% more service hours than ADA trips

## ANNUAL LIF-DRIVEN INDUCED DEMAND



# Budget

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- The RIDE had already budgeted for implementation of ADA trips:
  - \$13.1 million in operating costs
  - \$1.5 million in loss of revenue
- Additional costs from including premium trips:
  - \$3.4 million in operating costs
  - \$290,000 in loss of revenue
- FY25 budget has been updated to reflect the inclusion of premium trips totaling \$16.5 in operating costs



# Low Income Fares and The RIDE

## Preparatory Activities

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### **RIDE Preparation**

- Driver hiring efforts, including marketing increased wages
- TRAC (The RIDE Access Center) continued increased staffing
- Mobility Center staff training to assist customers with new application process
- Standard Non-Dedicated Service Providers working toward increasing capacity

### **MBTA-wide Preparation**

- Technology Team is developing application process that includes RIDE customers
- Customer Experience is working on messaging content that includes The RIDE



# The RIDE Flex



# The RIDE Flex

## Summary

- MBTA partnered with Uber and Lyft
  - 2016 Pilot
  - 2021 relaunch added trip shifting
- Optional supplement for RIDE customers to take same day Non-ADA trips with Flex
- Offered in standard and premium service area
- Customers book directly with Uber and Lyft
- TRAC can shift trips to non-dedicated providers as needed



**On-demand trips**  
booked by  
customers  
directly with Uber  
or Lyft via app or  
phone

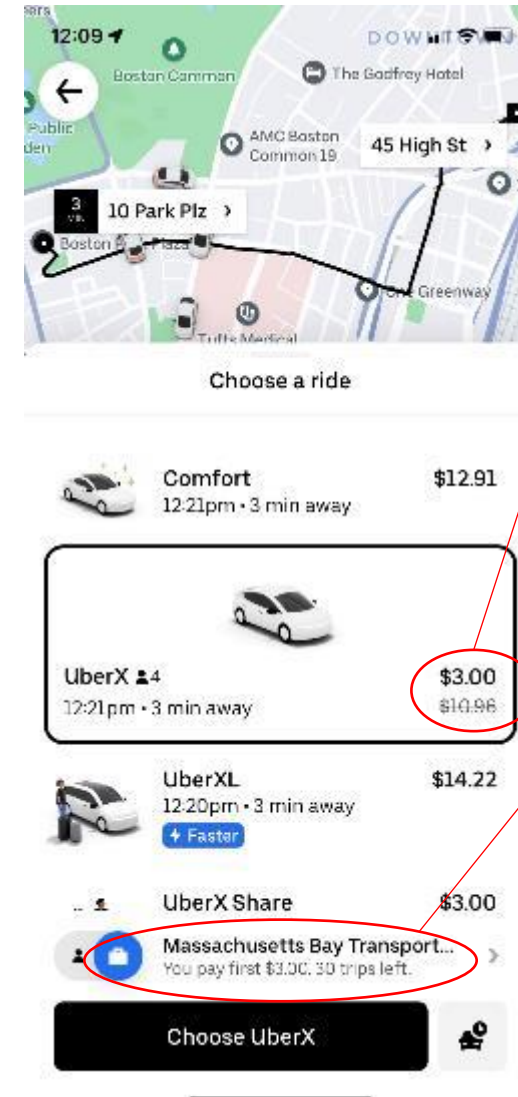
**Integrated trips**  
shifted from  
dedicated  
providers to Uber  
or Lyft for opted-  
in customers



# How the Program Works

On-demand logistics and payment

- **Customer books On-Demand trips directly with Uber or Lyft**
  - MBTA covers the payment for the vouchers used each month
- **Payment is a co-pay and voucher system**
  - Customer pays the first \$3
  - Voucher up to \$40 from the MBTA
  - Above \$43 is paid by the customer
- **Voucher can be used for a set number of trips per month**



Original price crossed out to show final price with voucher applied

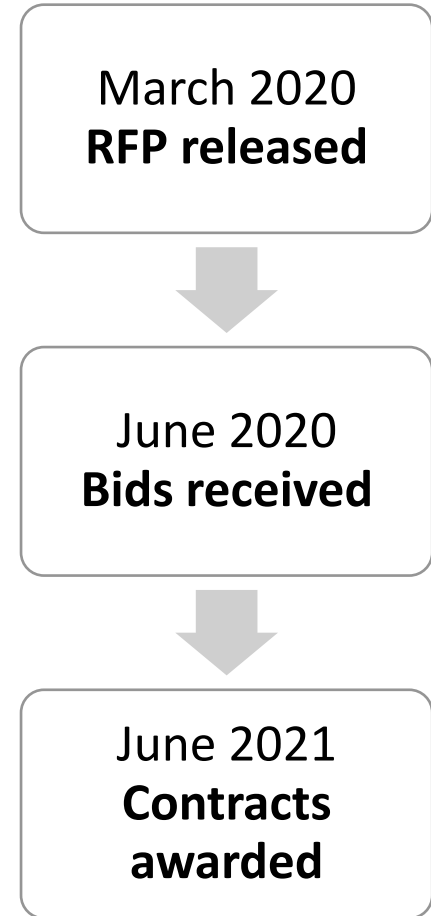
Payment method shows MBTA voucher option & number of monthly trips remaining



# The RIDE Flex

## Procurement and Contracts

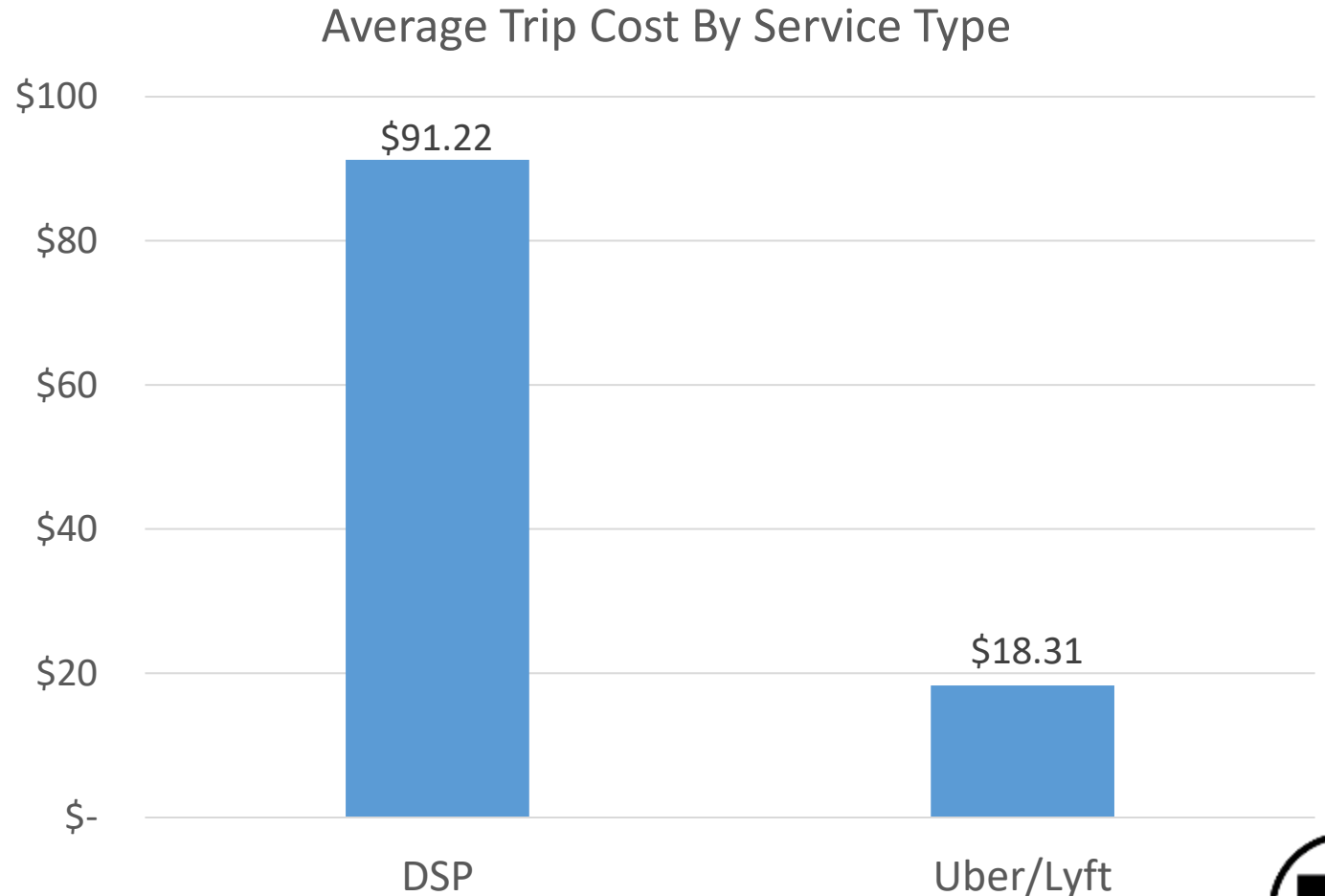
- Flex provider contracts were awarded through competitive procurement
- Contract value was set as \$5 million per vendor
- Bidders provided average trip costs for a sample of 100 RIDE trips
  - Cost structure of contracts allows for trip pricing at providers' variable rates



# The RIDE Flex

## Program Cost Structure

- Per trip costs on Uber and Lyft are less than the cost of providing dedicated RIDE service
- Customers trip taking behavior is much higher once they sign up for Flex
- Program has been cost-neutral to cost saving
- Induced demand is controlled with trip caps

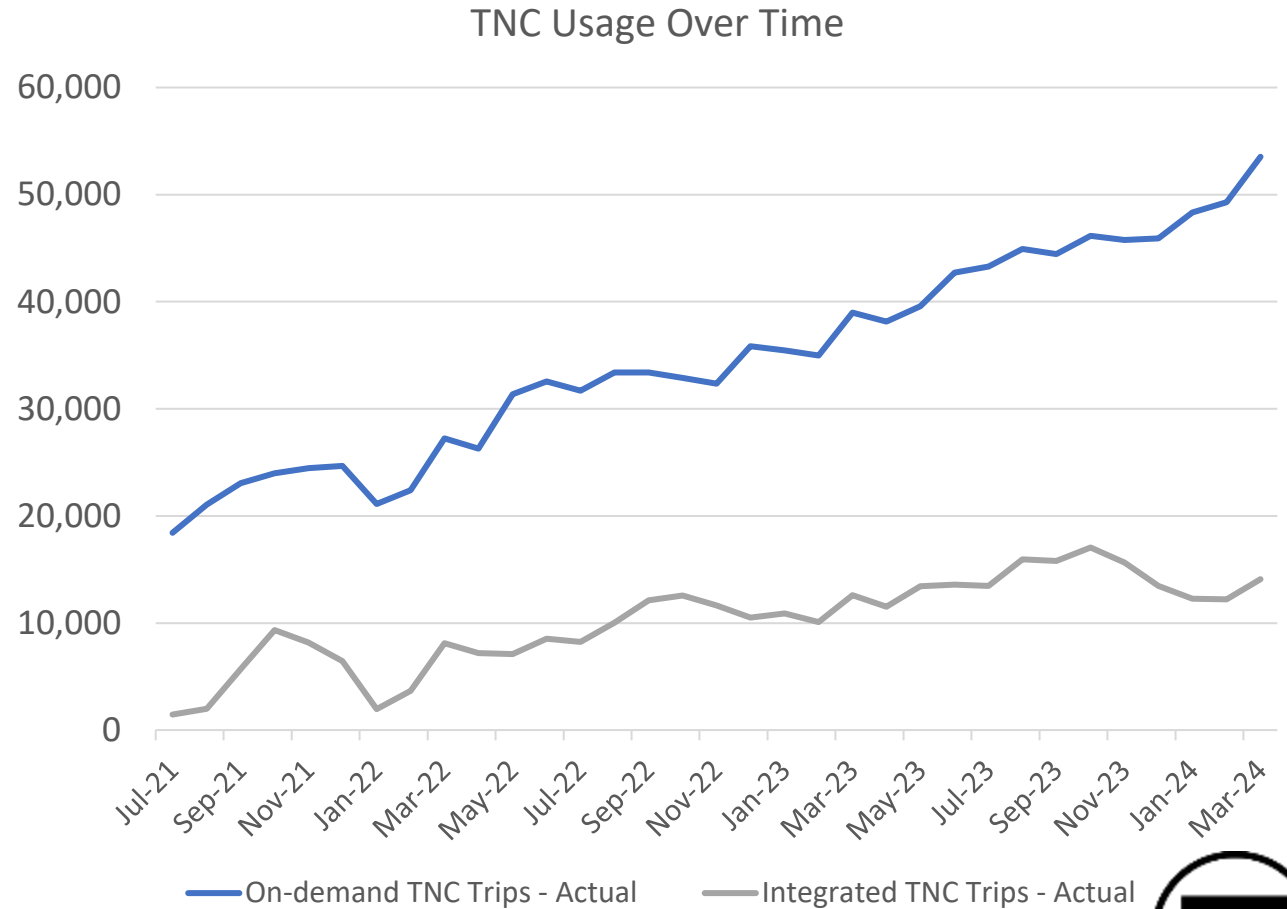


# Demand for The RIDE Flex

- **RIDE Flex exceeded the original usage and contract value**

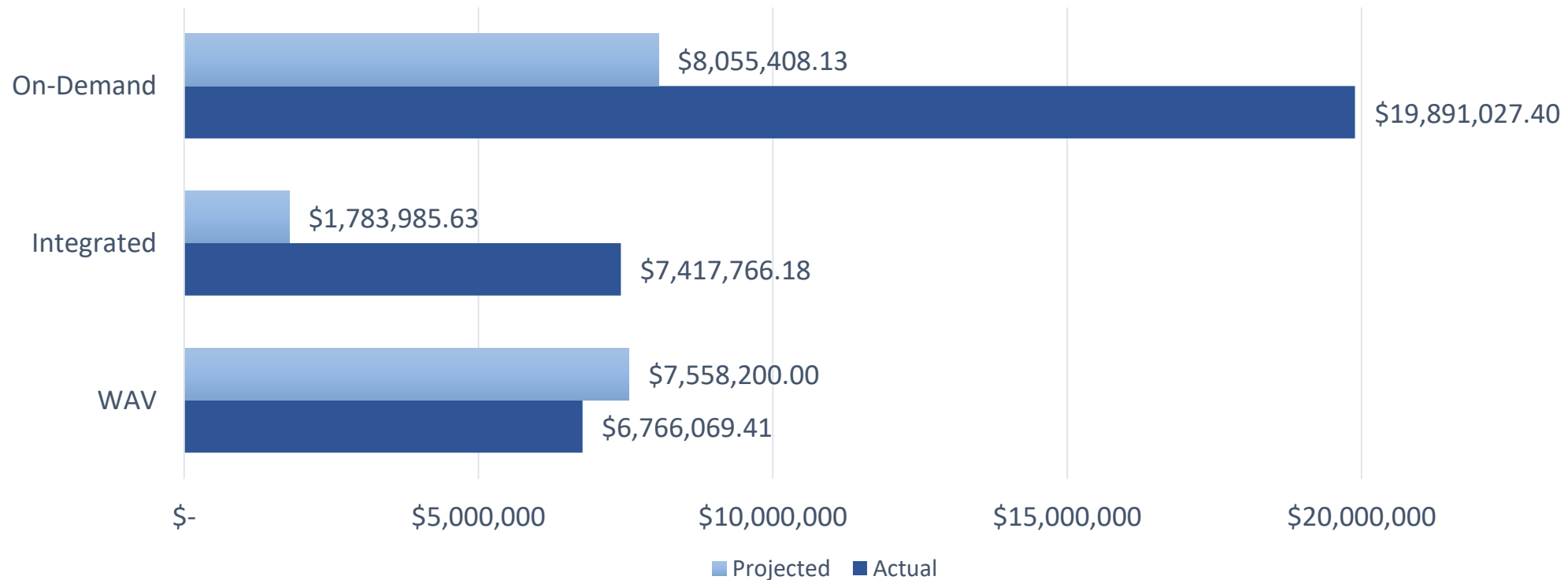
- Take up rate of new customers is 63% higher than projected
- Integrated trip shifting option used more
- Ridership growth outpaced RIDE driver supply

- **Both agreements have been extended to account for actual usage**



# RIDE Flex Costs: Initial Projection vs. Actual

## Projected and Actual Costs (Through March 31, 2024)



- Actuals have exceeded projections due to higher-than-anticipated interest among RIDE customers and the need for supply for integrated trips
- The RIDE is utilizing cost control measures including trip caps for On-Demand trips and restricting unnecessary shifting of Integrated trips



# Amendment History

## Lyft

Event	Purpose	Date	Amount	Contract Total Value
Original Agreement		June 2021	\$5,000,000	\$5,000,000
Amendment 1	Non-financial change	July 2021		\$5,000,000
Amendment 2	Add funds to base period	November 2022	\$9,986,879	\$14,986,879
Amendment 3	Add funds to base period	September 2023	\$4,991,934	\$19,978,813
Amendment 4	Add funds to beginning of option year one (through May 15)	April 2024	\$1,117,500	\$21,096,314

## Uber

Event	Purpose	Date	Amount	Contract Total Value
Original Agreement		June 2021	\$5,000,000	\$5,000,000
Amendment 1	Non-financial change	July 2021		\$5,000,000
Amendment 2	Add funds to base period	February 2023	\$8,614,091	\$13,614,091
Amendment 3	Add funds to beginning of option year one (through May 15)	April 2024	\$1,890,778	\$15,504,869



# Exercising Option Year One

- The RIDE is requesting an extension to both Uber and Lyft agreements
- Funding included in Budget
  - FY24
  - FY25
- This will fully fund the exercising of option year one
- We will return in a year for option year two

	Lyft	Uber
Current Contract Value	\$21,096,314	\$15,504,869
Requested Increase	\$9,843,269	\$7,729,002
New Total Contract Value	\$30,939,583	\$23,233,871





# Voting Language

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This is a true and accurate copy of the action taken by the Board of Directors of the Massachusetts Bay Transportation Authority on April 25, 2024

## **IT IS VOTED:**

To authorize the General Manager/CEO of the Massachusetts Bay Transportation Authority to execute a contract amendment with Lyft, Inc. in the amount of not-to exceed \$9,843,269 to provide Non-Dedicated Paratransit Services and to execute any necessary or ancillary documents in the name and on behalf of the Massachusetts Bay Transportation Authority to effectuate this Agreement.

To authorize the General Manager/CEO of the Massachusetts Bay Transportation Authority to execute a contract amendment with Uber, Inc. in the amount of not-to exceed \$7,729,002 to provide Non-Dedicated Paratransit Services and to execute any necessary or ancillary documents in the name and on behalf of the Massachusetts Bay Transportation Authority to effectuate this Agreement.



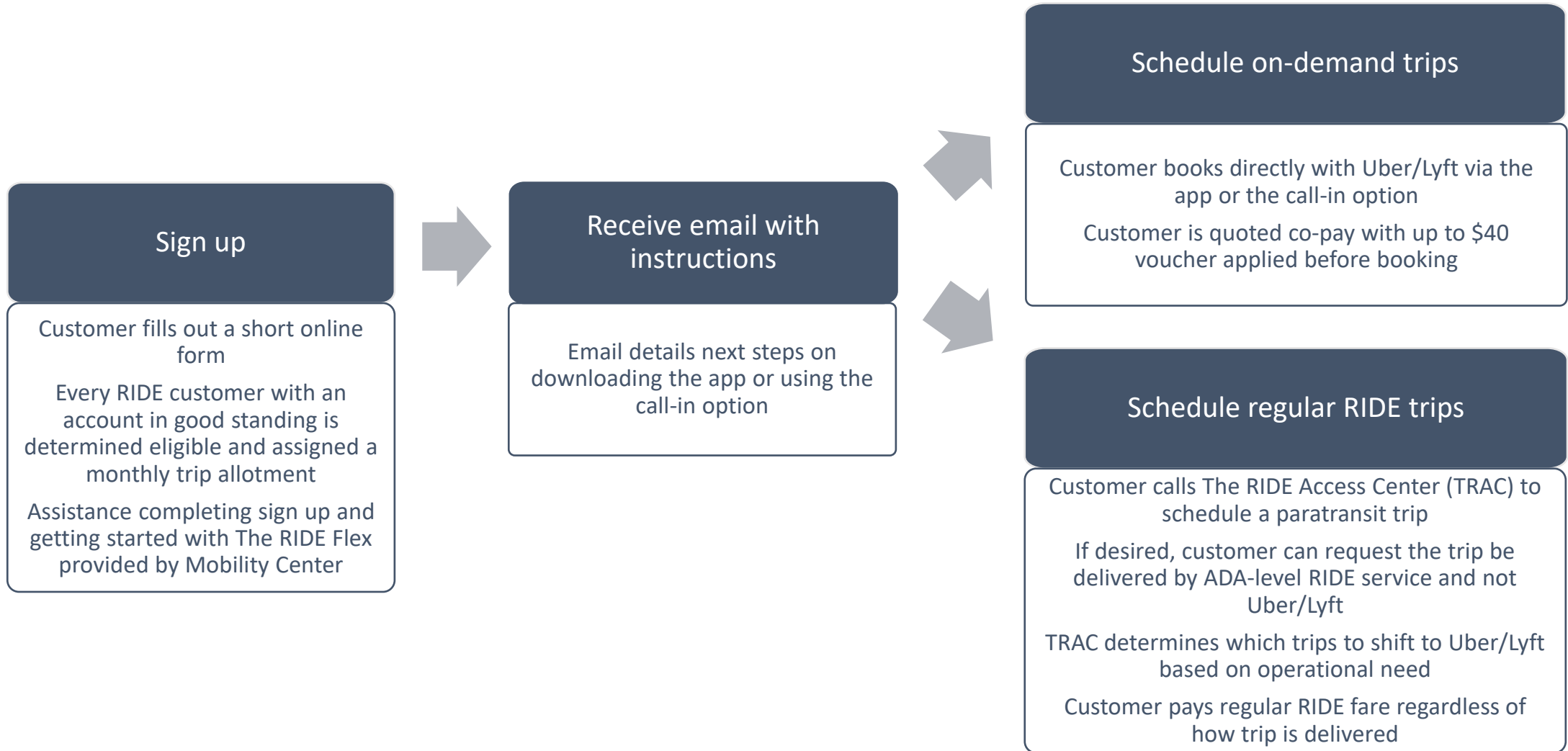
Thank You



# Appendix

# How the Program Works

Details on the process



## Integrated

- Participating customers opt into having their trips delivered by Uber and Lyft at TRAC's discretion
- TRAC pulls from full fleet according to need and availability
- Customers can opt out on a per-trip basis at any time
- Lyft and Uber are fleet partners that serve only to improve overall capacity

## On-Demand

- Customers are booking their own trips, pulling from a bank of subsidized trips provided by the MBTA
- This relies solely on Uber and Lyft's respective fleets, leading to measurable discrepancy to performance between WAV and non-WAV vehicles



## Integrated

- Customers pay fare as they would for any RIDE trip booked through TRAC – their account is debited the \$3.35 or \$5.60
- MBTA invoiced monthly for the total trip cost

## On-Demand

- Customers book their own trips within the Lyft/Uber environment, paying their co-pay directly to the TNCs via payment method of their choice
- MBTA is invoiced monthly for all trip costs (up to \$40) after customer co-pay is applied
- Customer then pays anything in excess of \$43



# Accessibility Considerations in Program Design

Technical guidance and opt out ability

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- **Technical guidance**
  - Some customers require assistance signing up for the program and learning to use the Uber and Lyft apps
    - Customers are able to take advantage of Mobility Center assistance
    - The RIDE is developing how-to videos
- **Per-trip opt outs**
  - On occasion, trips taken by customers who have opted into The RIDE Flex will still require full ADA paratransit support
    - Customers can opt out of having their RIDE trips shifted on a per-trip basis



# Accessibility Considerations in Program Design

## Wheelchair Accessible Vehicles

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- The original small-scale pilot demonstrated that wheelchair-accessible vehicles (WAVs) were scarce on Uber and Lyft, which made the program functionally inaccessible to non-ambulatory customers.
- In response, The RIDE worked with MassDOT to establish a subsidy covering and guaranteeing WAV availability on the platforms beginning in 2019.
  - The subsidy pays an hourly rate for WAV drivers to be available to accept trips
  - The impact was a 4X increase in availability of accessible vehicles
  - Beginning in 2020, MassDOT funding was no longer available and the subsidy has since been covered by The RIDE
- Presently The RIDE funds service hours to ensure Lyft and Uber have WAVs on their platforms
  - This investment benefits all wheelchair and powerchair users – not just RIDE customers





# The RIDE Flex

## Program Popularity

- Over 8,000 users have taken
  - 1.1 million on-demand trips
  - 350,000 integrated trips
  - 47% of RIDE trips are On-demand and Integrated trips
- RIDE Flex customers report improved flexibility, independence, and timeliness

“It has given me the chance to get out and do things I couldn’t before.”  
– RIDE Flex user

“I feel less isolated with [The RIDE Flex]. I can come and go as I feel I need to. If my anxiety is high and I need to leave, I can just leave.”  
– RIDE Flex user



# Program Cost Structure

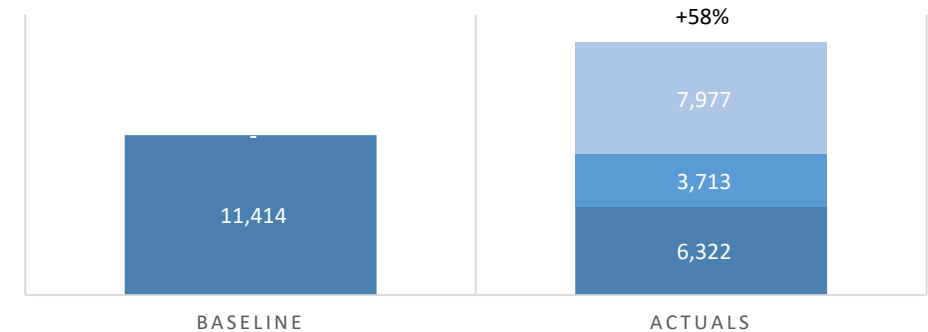
Detailed view

- The RIDE can offer this supplemental program for customers because of the cost model, which maintains marginal cost savings to cost neutrality while increasing the mobility of customers.
- There are two financial drivers that make the cost model work:
  - The relative cost of providing an Uber/Lyft trip (\$18.31 on average) is significantly less than a regular RIDE trip (\$91.22 on average)
  - The monthly trip allotments are critical as an inherent risk of this popular program is that it increases trip taking and draws more customers who otherwise would not have signed up for The RIDE
- Some induced demand is expected and allowed by the structure of the program
  - Currently, RIDE Flex customers take 58% more total trips with The RIDE as a result of the program

## INDUCED TRIP DEMAND

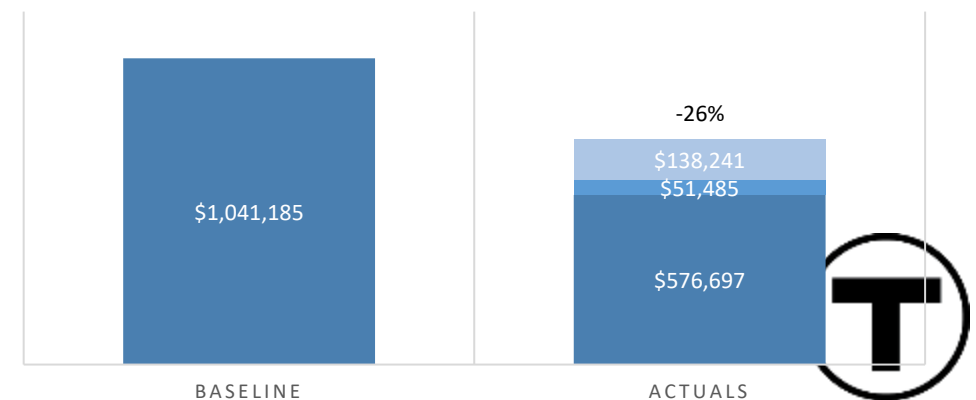
March 2024 Activity for post-COVID signups

■ DSP ■ Uber/Lyft Integrated ■ Uber/Lyft On Demand



## OVERALL SERVICE DELIVERY COST

■ DSP ■ Uber/Lyft Integrated ■ Uber/Lyft On Demand



# Financial Drivers

Projected vs actuals

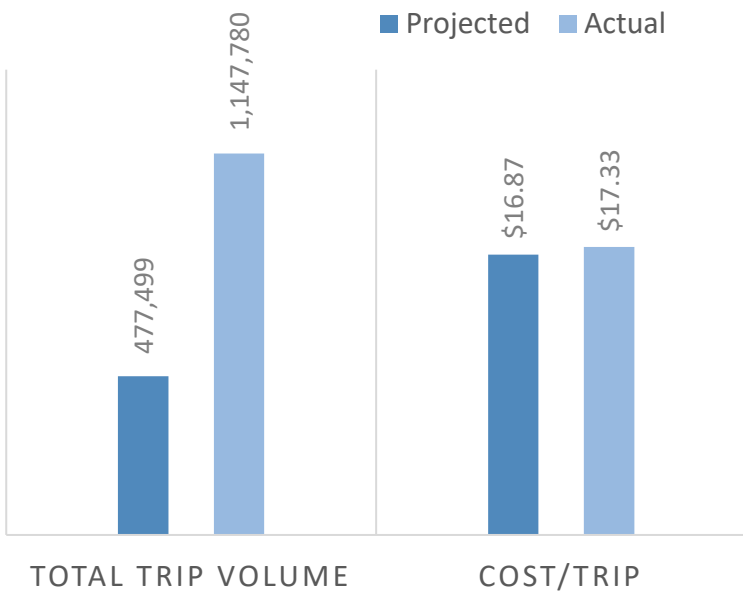
- Average on-demand cost per trip and number of trips per active customer have been in line with initial bid and projections
- Total Flex users and the number of trips shifted by The RIDE has been significantly higher than projected

Service	Metric	Projected	Actual	% Increase
On-Demand	% of Active RIDE Users	20%	40%	100%
	Total Trips	477,499	1,147,780	140%
	Cost/Trip	\$16.87	\$17.33	3%
Integrated	Total Trips	105,749	337,018	219%
	Cost/Trip*	\$16.87	\$22.01	30%
WAV	Service Hours	265,200	212,169	-52%
	Cost/Hour	\$28.50	\$31.89	12%

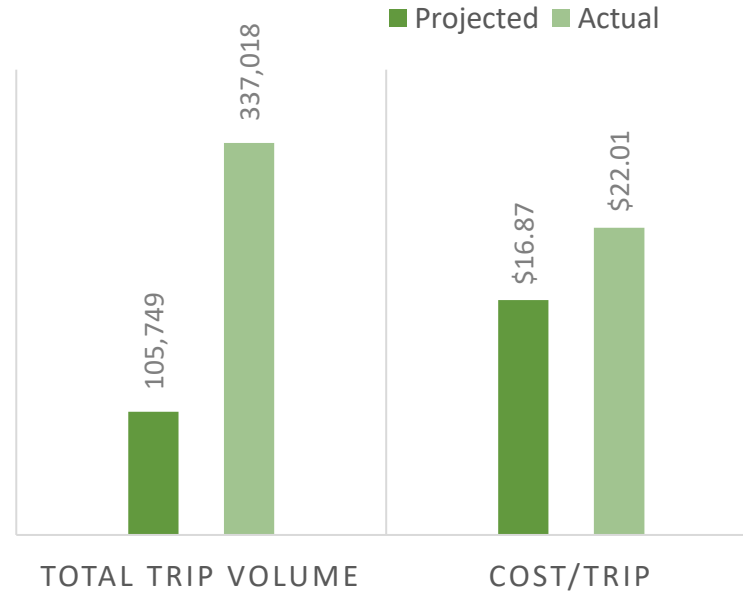


# Financial Projections vs. Actual

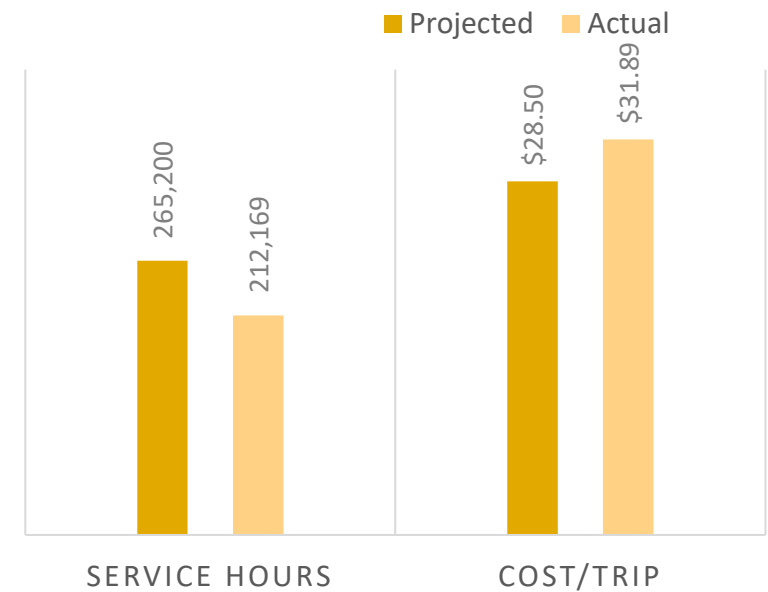
## ON-DEMAND



## INTEGRATED



## WAV



- Actual volumes have exceeded projections due to higher-than-anticipated interest among RIDE customers and the need for supply for integrated trips
- The RIDE is utilizing cost control measures including trip caps for On-Demand trips and restricting unnecessary shifting of Integrated trips



# The RIDE

## Service Requirements

	ADA	Non-ADA (Premium)
FTA Regulations	<ul style="list-style-type: none"> <li>• Must compare to fixed route in terms of:               <ul style="list-style-type: none"> <li>• Hours and days of service</li> <li>• Service area (within 3/4 mile)</li> <li>• Fares (within 2x of same trip cost)</li> <li>• Duration of trip</li> </ul> </li> <li>• Must accept reservations for the following day of service</li> <li>• Must not restrict or prioritize based on trip purpose</li> <li>• Must not set any restriction on number of trips</li> </ul>	<ul style="list-style-type: none"> <li>• Not required to provide by FTA</li> <li>• If provided, may charge higher fares</li> </ul>
MTBA RIDE Service	<ul style="list-style-type: none"> <li>• Adheres to all ADA/FTA requirements</li> <li>• Exceeds requirements:               <ul style="list-style-type: none"> <li>• Provides door-to-door service</li> <li>• Subscription service</li> <li>• Free PCA travel</li> </ul> </li> <li>• Fare: \$3.35</li> </ul>	<ul style="list-style-type: none"> <li>• Serves 44 communities not served by MBTA bus and subway</li> <li>• Provides ADA-level service for higher fare of \$5.60</li> </ul>

## Dedicated Service Providers

- **National Express/Veterans**
  - ADA level service
  - MBTA vehicles
  - Dedicated drivers

## Non-Dedicated Service Providers

- **Uber/Lyft**
  - Opt-in supplemental service via The RIDE Flex
  - Non-ADA service
  - Operator owned vehicles
- **Uzurv/Curb**
  - ADA level service
  - Meets all DSP requirements
  - Operator owned vehicles

