

# CCT Flat Fare Implementation

*Implementation Update and Board Decision on Fares*

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## Background Information and Timeline of CCT Flat Fare

- Flat fare for taxi service was approved by the MUTD board on April 15, 2020. DCTA has been working with subcontractor Irving Holdings to implement the MUTD Board directive.
- Implementation has been held up by Irving Holdings' software contractor, Cab Connect. Cab Connect states that their fare-meter software cannot accommodate CCT riders paying \$3 per trip because the software is designed to bill the full cost of the trip at the end of each ride. Cab Connect states that they can modify the fare percentage split but that they can't modify the billing software to a completely different payment system.
- DCTA floated the option to use a voucher system, akin to the system Irving Holdings uses with its Dallas and Frisco operators, to secure flat fare for CCT.
  - The voucher system is administratively antiquated, as it requires operators to submit the paper vouchers to the office nightly to receive payment. The distance from McKinney to the Irving Holdings headquarters would be an arduous nightly drive for operators and we may lose the quality operators to other regions under the voucher model.
    - We will have to expend more administrative time to categorize all the datapoints from the vouchers and will have a delay on receiving that data because the paper vouchers will need to be manually entered.
    - Ultimately this is not a recommended option because of these administrative concerns and the timeline – this would require three months to implement.



## Considerations & Ultimate Question for the Board

- Irving Holding's contractor Cab Connect will require more than three months to make any programmatic changes to their software. They can immediately accommodate modifying the fare split percentage between CCT and rider from the existing 75/25 to 90/10, 95/5, or even 99/1.
- It is important to note that with the funds in the current transit balance, we can accommodate charging 99/1, virtually no fare for rides until the end of the calendar year. Conveniently this is the end of our contract with DCTA, so the operator we sign a contract with will be able to implement a new fare pricing model starting day one.
  - Irving Holdings will be able to implement the fare-split percentage change by **Sept 1, 2020**. CCT riders would still have a \$600 maximum on rides per month.
- Financial impact: If CCT were to modify the fare split and also experienced peak taxi ridership from Sept 2020 – Dec 2020, it would not be significant impact to the total operating budget.
  - MUTD is billed per customer when customer funds are added to the CCT card. In FY20 the highest monthly taxi billing for CCT (and highest billing in program history) was \$23,980. That figure includes what was billed to CCT and customer, as well as administrative costs from Irving Holdings & DCTA. Extrapolated over four months, the highest 4 month estimate for taxi billing based on that prior usage is \$95,920. If CCT covered 99%: \$94,961, 95%: \$91,124, 90%: \$86,328.
- Policy impact: Our program services the most economically vulnerable residents in our area. This pandemic has most thoroughly impacted low-income, transit dependent, and/or unemployed residents. Providing this service at minimal cost to riders until the end of the year would allow the funds that would be spent on fares to be reinvested in the local economy.
- Question for the Board: Offer 90/10, 95/5, or 99/1 split fare for riders until end of calendar year?

