



Approval to Increase Funding for Supplemental On-Demand Services with Uber Technologies, Inc.

DART Board of Directors
Development Subcommittee

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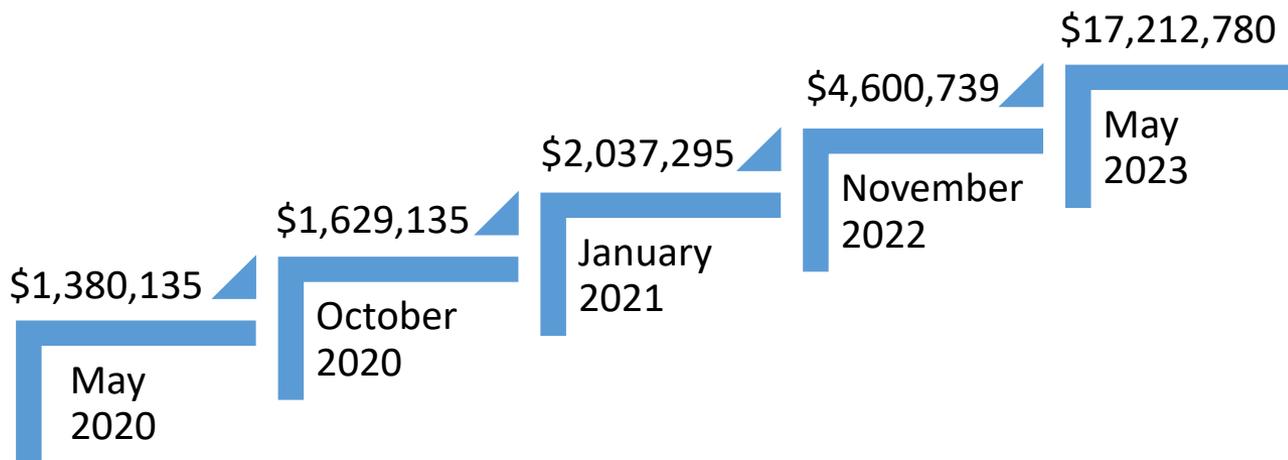


Today's Consideration

- Approval of a resolution authorizing the President & Chief Executive Officer or her designee to execute a contract modification for supplemental on-demand services with Uber Technologies, Inc., [Contract No. C-2053719-01], to increase the not-to-exceed amount by \$4,500,000 for a new total authorized amount not to exceed \$21,712,780.

Background of Current Contract

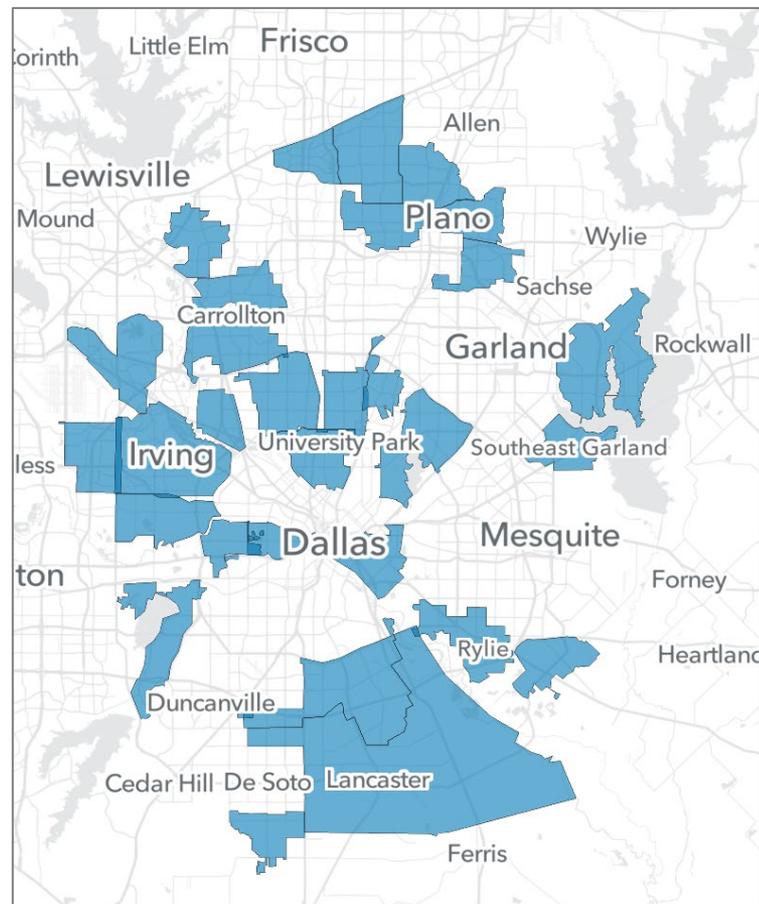
- On May 26, 2020 (Resolution No. 200048), the Board awarded a three-year contract with two one-year options through June 11, 2025 to Uber Technologies, Inc., to supplement DART's GoLink microtransit service in an amount not to exceed \$1,380,135
- The contract has been modified four times in subsequent years to increase contract value due to continued dramatic growth of DART's GoLink microtransit service and other on-demand services
- The latest contract value increase approved in May 2023 was originally projected to support through end of the contract in May 2025



Factors Affecting Accelerated GoLink Growth

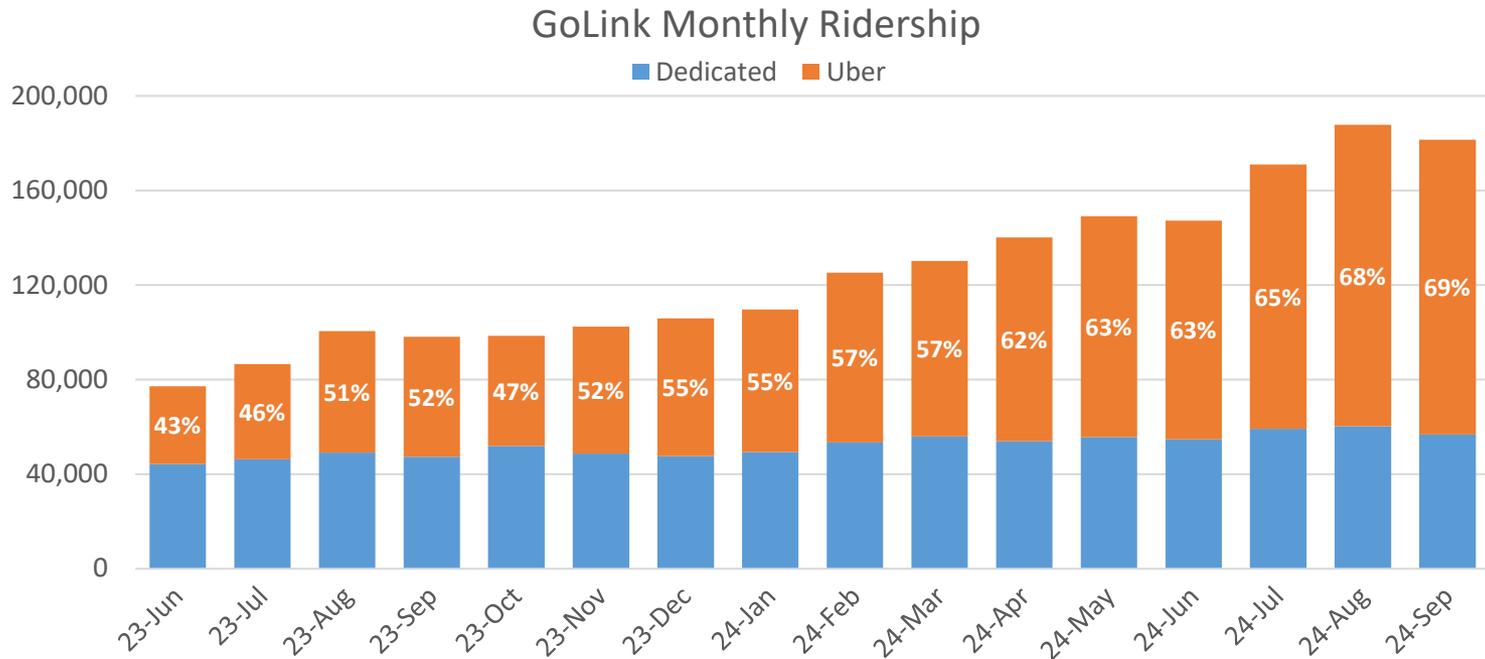
Since May 2023...

- GoLink program coverage has increased by 47.4 sq miles
 - 26 out of the 30 zones have been expanded through ongoing service maintenance based on community and stakeholder feedback
 - Biggest expansion in Irving, Carrollton, Farmers Branch, Preston Hollow, and Plano
- New services added
 - 3 new zone-to-zone pilots in Dallas, Garland, and Rowlett added since January 2024
- Elevated rider awareness
 - Active users of GoLink tripled (nearly 8,900 new active users added to the program)



Ridership Outcome

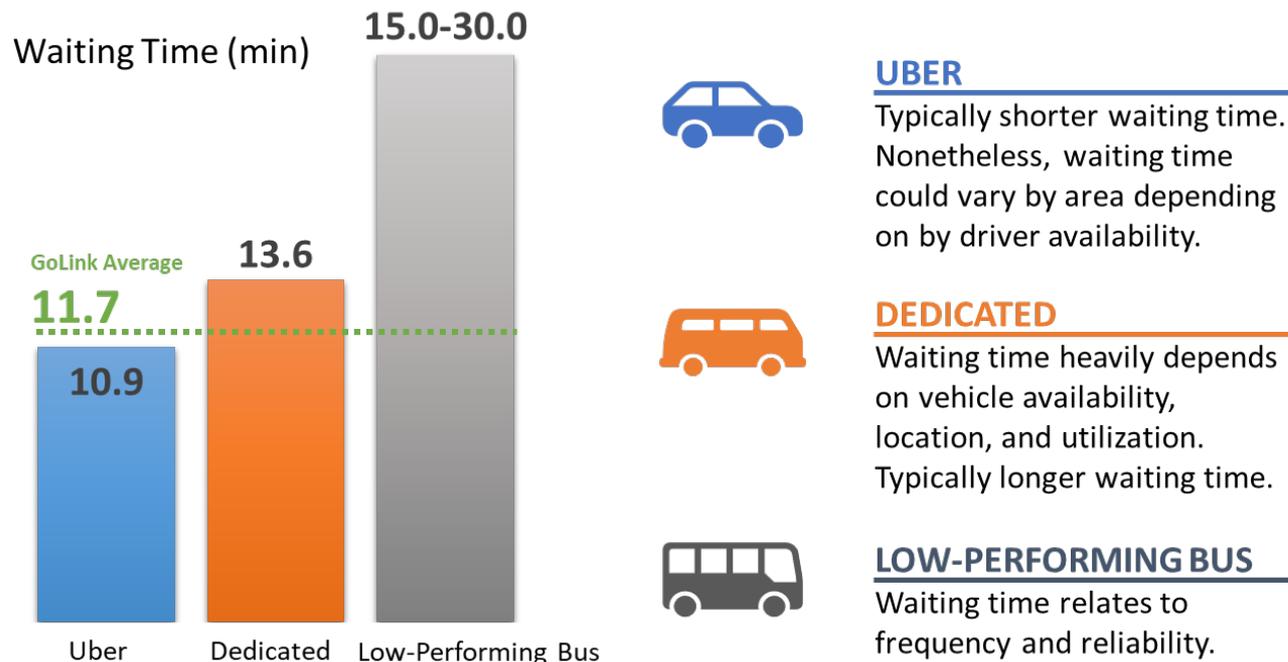
- GoLink Ridership has more than doubled compared to last year
- GoLink expenditures have grown faster than originally projected, especially on the Uber side
- Reimbursement from Uber for invalid trips, UberX Share pooling credits, and potential NTD reporting-generated formula funds help manage costs, but not sufficient to balance the dramatic ridership increase



Why Customers Like Uber?

Customer Experience

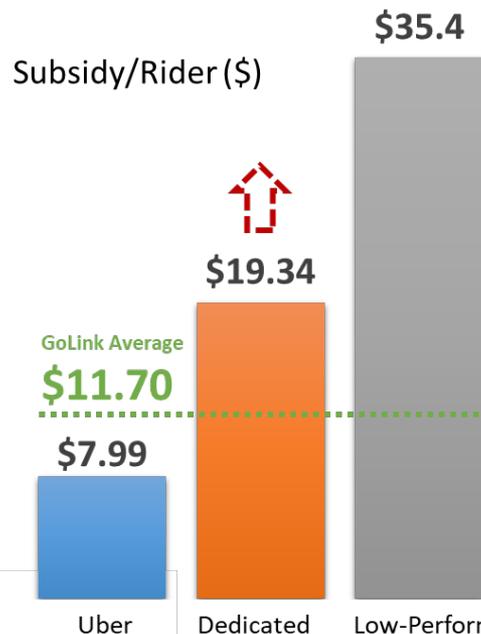
- Over 94% active GoLink users have opted into using Uber
- Uber's waiting time is usually shorter than the dedicated fleet



Appeal of TNC Service for Transit

Cost Effectiveness

- The partnership with Uber has supported DART's ability to manage North America's largest microtransit program in a cost-effective way
- The dedicated fleet's cost per rider is approximately 2.5 times of the Uber's cost per rider (the ratio raises to approximately 3.4 under the new dedicated fleet contract beginning Oct 1, 2024)



UBER

Trip cost based on travel distance, time, and fee. Pay only when used.



DEDICATED

Trip cost based on revenue hours and admin cost. Right sizing to maximize cost effectiveness.



LOW-PERFORMING BUS

Productivity did not warrant fixed route operation thus was converted to demand responsive service.

Current TNC Contract Timing Issues

- Due to the acceleration of GoLink ridership growth beyond original projections, we now believe DART will reach the current TNC contract maximum value by early 2025
- We do not expect to complete the new TNC procurement that quickly, so additional contract value will be needed to sustain the current contract
- Reprocurement of the TNC contract is underway:
 - RFP issued on September 10, 2024
 - Board action expected in January 2025
 - Notice to proceed expected by mid February 2025
 - New contract start expected on April 1, 2025
- Estimated additional funding needed through March 31, 2025, is \$4.5 million



If DART Continues with Status Quo

If do not Add \$4.5M Fund to Current TNC Contract

- The current contract with Uber will automatically end when the maximum contract value is reached
- All GoLink trips will be pushed to the dedicated fleet before the new TNC contractor(s) on board
- To handle the same level of projected ridership with higher dedicated program costs would require an additional \$2.9M monthly
- The waiting time and customer experience will be heavily comprised due to the restricted capacity on the dedicated fleet



Demand Management Strategies

- An internal Ad Hoc GoLink/Paratransit Committee was formed in Summer 2024 to address GoLink-related issues
- We have developed a series of strategies to optimize GoLink service efficiency and better manage demand and cost
 - Administrative Changes
 - GoLink Rider Policy
 - Service Changes
 - Fare Changes
- Implementation has started as early as October 1, 2024
- GoLink Rider Policy will be presented to Board in December



Recommendation

- Approval of a resolution authorizing the President & Chief Executive Officer or her designee to execute a contract modification for supplemental on-demand services with Uber Technologies, Inc., [Contract No. C-2053719-01], to increase the not-to-exceed amount by \$4,500,000 for a new total authorized amount not to exceed \$21,712,780.

Thank You!



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