Presentation Overview

• Increasing highway efficiency

• Buying and selling avoided trips
  – Results from cycle 1 & 2

• Moving the market
Current daily vehicle hours of delay per lane mile

Source: WSDOT.
Highway efficiency projects

Increasing occupancy and reducing vehicle trips

- Vanpooling
- Commute Trip Reduction (CTR)
- CTR tax credits
- Construction mitigation
Need for a new approach?

A trip reduction ceiling

- Low hanging fruit is already picked.
- Success at managing construction delay is capped.
What could a market do?

- Stimulate new demand for existing services
- Create incentives for new, innovative, or expanded services
- Create an entrepreneurial environment
- Provide incentives for risk taking
- Broaden accountability for success

Allow organizations to bid on trip reduction
Pay for their success
2003 Legislative direction (RCW 70.94.996): Figure out how to purchase avoided trips

• Contract “based on the value to the transportation system”
• “Priority given to applications achieving the greatest reduction in trips and commute miles per public dollar requested”
Program design: Keep it simple

- $460 set as a statewide maximum per avoided trip
- At least 10% of projects from outside the Puget Sound region
- Focus on commute trips
- Share the risk
What Is the measure?

Avoided vehicle trips

- Providing the same level of access or mobility with fewer vehicle trips
- At a worksite:
  - The same number of employees work each day, but fewer commute vehicle trips are made

MEASURE:
Annualized avoided vehicle trip or one daily trip avoided for a year
First Cycle Bids—2004

SELLERS Offered:
• 50 proposals
• $3.1 million total

BUYER Accepted:
• 34 projects for $1.5 million
• 5,022 avoided trips
• Averaging $296 per avoided trip
As Bid, First Cycle Supply Curve
2003-2004

Maximum bid price $460/trip

Price per trip

Avoided Trips offered

5,022 annualized avoided trips were offered at $460 per trip or less. An average of $296 per avoided trip. If possible, providers can sell 120 percent of their contracted trips at their offered sale price.

December 8, 2006

Washington State
Department of Transportation
First Cycle Results

29 projects completed
These projects bid 3,427 trips and produced 5,150 (150% of bid)
- 14 projects exceeded their bid
- 21 projects met at least 50%
- 25 projects reduced trips
- 4 projects increased trips

- $257 per avoided trip
Examples of Projects

• Unico (property developer)
  – Purchase transit passes
  – Purchase car sharing memberships

• CommuterChallenge (non-profit)
  – Provide incentives to employees at small worksites

• Fred Hutchinson
  – Expanded incentives for employees
Second Cycle Bids—2005-2007

**SELLERS Offered:**
- 31 proposals
- $2.4 million total

**BUYER Accepted:**
- 17 projects for $1.5 million
- 4,621 avoided trips
- Averaging $325 per avoided trip
As Bid, Second Cycle Supply Curve
2005 - 2007

Maximum bid price $460/trip

Price per avoided trip

Avoided trips offered

December 8, 2006
Conclusions from second cycle

- Stimulating some new strategies
  - PAYD pilot project
  - Several construction mitigation projects
  - Vanpool incentives
  - Area-wide programs

- The price range has narrowed

- Need to continue improving the program
  - Traditional “entrepreneurs” aren’t at the table
  - The majority of the projects aren’t “Innovative”
Improvements?

• Target Chambers of Commerce.
  – Demonstrated support
  – Organized through the Association of Washington Business

• Increase frequency of pay-out
  – Monthly
  – Quarterly

• Reduce focus on CTR by increasing performance payments for CTR success
Next Applications

• Construction mitigation
  – 1,560 trips to avoid in the first phase of the I405 corridor

• Targeted capacity
  – Implementing a market to meet capacity needs
As Bid, Second Cycle Supply Curve
2005 - 2007

Maximum bid price $460/trip

at $350 per trip, can purchase 2,150 avoided trips

Avoided trips offered
What are we really trying to do?

• Recognize that we can’t keep doing the same things and expect different results.

• Push WSDOT and the suppliers to approach the problem differently.

• Prepare for pricing.
Questions?

• Commute Trip Reduction Board

www.CTRboard.org

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