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MEMORANDUM

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To: Russ Fuhrman
From: Larry Anderson
Date: November 9, 2004
Subject: *Bridge Bucks* Program Recommendations

In response to your tasking on July 2, 2004, I reviewed the *Bridge Bucks* program in a systematic way from my perspective as a manager not invested in the program's genesis. Here are my answers to the questions you raised:

Should Bridge Bucks be continued? Yes. It is a reasonable way to portray the Project as affirmatively addressing congestion management. Adverse publicity would ensue if *Bridge Bucks* were canceled during construction.

Are Bridge Bucks costs well managed? The *Bridge Bucks* transit subsidies themselves are managed very well, with a clear audit trail. Attachment 1 is an example of the purchase order system that has been developed. The contract with STI is firm fixed price, which greatly limits the sponsors' risks.

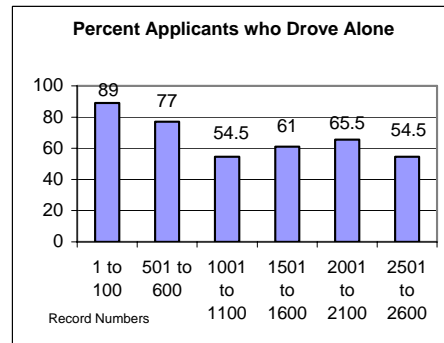
Is the Advertising effective, or not? Yes. It has been effective, but the advertising should change as the program matures. My recommendations concerning advertising budget and content are below. The proponents claim a definite correlation between advertising placements and *Bridge Bucks* application hits. Even if this correlation were not strong, advertising is essential to the real purpose of *Bridge Bucks* as stated above: reinforcing a positive reputation for addressing congestion management. Newsworthy "earned media" coverage, of course, is even more valuable. The tele-working aspects of our advertising may be considered gratuitous by some, since we give no concrete suggestions for implementation. This is an area for additional consideration in the near future.

Who at PCC should run Bridge Bucks? An administrator in Project Controls should oversee both the STI and the Pathways contracts and certify their invoices. To divide functions for internal control, a different individual within Project Controls should process payments for these subcontractors. Jeff Arch and John Undeland should remain affiliated with the effort to be called on when their subject matter expertise is required. Michelle Holland should not field public inquiries—with a toll free number (described below), inquiries should go directly to the *Bridge Bucks* administrator, STI.

Address the Dropout rate. Whether the dropout rate is a problem is not knowable without expending significant additional resources. Based on their experience, STI is sanguine about it. Some turnover is inevitable due to job and residence changes. The existence of turnover allows new people to enter the program: this is key in Maryland where there is presently a waiting list. Even if some people leave the program because it is not convenient for them, the program is still succeeding to a degree by its simple existence.

What Successes can we point to? We have received many notes of thanks from *Bridge Bucks* participants, both independently and in the on-line renewal comments section. Attachment 2 contains some examples. STI identifies four new vanpools and a subscription bus that were created from southern Maryland, prompted by *Bridge Bucks*. The self-identifications in on-line applications say that a majority of

participants are moving from single occupant vehicles. The percentage who drove alone was higher to start but seems to be stabilizing at about 60 percent, as shown in the following chart. Keeping a good audit trail on disbursements is also a success in itself.



RECOMMENDATIONS

1. Revise the budget allocation for AWP8 to reflect the program's changing nature. The following table compares the AWP 7 budget, projected AWP7 actual costs, and proposed AWP8 budget.

Category	AWP7 Budget	Task No.	AWP 7 Expended thru July (Actual)	AWP7 End of Year (Projected)	AWP8 Budget (Proposed)
Transit Passes	\$600,000	PW7201-2	\$124,725	\$410,000	\$550,000
Smart Card fee	2,500	PW7201-2	1,050	2,520	2,500
Bank admin charges	540	PW7201-2	150	360	500
STI program admin	124,725	PW7201-2	51,710	125,685	145,100
STI "800" number	0	(new)	0	833	2,500
STI Outreach budget	0	(new)	0	333	1,000
RK&K website refinement	0	(new)	0	1,000	2,000
Strat@Comm role*	60,982	PW7202-1	77,201	90,000	41,704
PCC management	0	(new)	0	0	2,000
PCC photocopying	500	PW7202-1	3,830	9,240	500
PCC newsletters	500	PW7202-1	12,440	29,856	500
PCC postage (mass)	55,100	PW7202-1	3,260	7,824	78,100
Pathways travel*	1,667	PW7202-1	199	199	1,667
Pathways services*	155,723	PW7202-1	35,938	86,250	100,000
Pathways postage*	15,333	PW7202-1	267	641	500
Media Buys*	396,915	PW7202-1	258,543	396,915	396,518
Promotions/Advertising*	26,083	PW7202-1	9,868	10,000	10,000
Media Vision fee*	23,348	PW7202-1	15,209	23,348	23,348
Pathways miscellaneous*	4,200	PW7202-1	0	0	0
Total	\$1,468,116		\$594,397	\$1,195,004	\$1,358,437
*Bridge Bucks portion only: budget and expenditure are both arbitrarily taken to be 2/3 of total; remainder is understood to be other CMS					

2. Renew the STI subconsultant agreement when it expires on Nov. 26, 2004, with the following changes:
 - Make the time period coincide with the AWP calendar; i.e., renew for 15 months this time, then annually thereafter.
 - Continue the firm fixed-price nature of the contract, but hold a quarterly review to assess postage, communications, and toll free number actual costs. STI proposes a price of \$184,500 for the 15-month period reflecting the changes to requirements. This represents a 16 percent increase per month compared to the pilot year.
 - Identify a project administrator in Project Controls as the PCC point of contact instead of Jeff Arch.
 - Articulate that no fiduciary bank account is required; in practice PCC acts as the banker.
 - Articulate that the initial purchase of SmarTrip cards is not paid from STI's billings but is paid from the *Bridge Bucks* subsidy resources. This is consistent with what is being done.
 - Revise the content of STI's periodic reporting to PCC and emphasize that reports are required only monthly, not weekly. Require that quarterly progress briefings be made in person.
 - Establish a reimbursable direct cost line item for Outreach events, not chargeable against STI's fixed price, up to \$1,000 per year.
 - Require STI to maintain a toll free telephone number as a direct cost included in the contract renewal. STI has been able to obtain 1-866-WBBucks as their number. Coordinate rollout of this phone number with revised advertising and a website edit.
 - Require STI to update their operations manual each quarter to document process improvements.
 - *Do not* create a separate website for *Bridge Bucks*: we want the hits on wilsonbridge.com to encourage users to become familiar with the project as a whole. Explore with RK&K whether the *Bridge Bucks* pages can be reached with fewer clicks and e-mail forwarded to STI more quickly and reliably.
 - Incorporate the following assumptions into the contract renewal:
 - Relocation of STI's office to 1800 Diagonal Road
 - Toll-free telephone number
 - Quarterly (instead of monthly) mailings of fare media
 - Eliminating source tracking from reports
 - Eliminating report on comments, which are available at the BBadm website. (Do not eliminate comment field from renewal form.)
 - Revise website generated response to avoid creating incorrect sense by applicant that automated approval has been granted
3. Make the following changes to the advertising program managed by Pathways Strategic Communications.
 - Renew the Pathways contract for another 12 months from its current expiration date of March 1, 2005.
 - Consider reducing the media purchase budget by \$100,000 compared to AWP7. This tactic was volunteered by Sheila Lewin of Pathways to add \$100,000 to the *Bridge Bucks* corpus in the interest of maintaining its vitality. However, until *Bridge Bucks* is fully subscribed this would seem premature. I recommend deferring this change until there is a waiting list in both states.
 - As appropriate, weave the following messages into the new advertising:
 - ✓ How to become a telecommuter
 - ✓ Publicize the new toll free number
 - ✓ Pilot is finished; *Bridge Bucks* is operational; waiting list but keep applying
 - ✓ Who is sponsoring *Bridge Bucks* moneys
 - ✓ Be sure WWB Project branding is communicated
 - ✓ How to set up a van pool
 - ✓ It's not just a bridge, it's a 7.5 mile corridor

- Use new media including *Washington Post* outer wrap and broadcast e-mail to employer HR departments
 - Look for ways to educate local media and obtain more earned coverage [use “exclusive” as before?]
 - Produce no new television ad this year.
 - Continue target audience of drive-alone commuters (but no Metro Traffic radio buys)
 - Until a telecommuting fulfillment strategy is defined, continue the current split of ad content of 2/3 *Bridge Bucks* and 1/3 ridesharing.
4. Other:
- Consider making a 2006 TRB presentation on *Bridge Bucks*. Support STI’s interest in other forums, such as APTA.
 - Do not belabor the retention rate concern, but keep alert to comments on renewal forms which may suggest process improvement opportunities.
 - Do not fret whether *Bridge Bucks* should be need-based or forcibly be spread more widely, as long as access remains open and there continues to be turnover.
 - Consider submitting *Bridge Bucks* as an MdQI award candidate per Valerie Burnett-Edgar (according to Norine)
 - As originally proposed, require people to “graduate” from the *Bridge Bucks* program after 12-months’ participation. Allow them to reapply without prejudice. If there is no waiting list, graduates can be re-enrolled for continuous participation; if there is a waiting list, they should go to the end of that list.

Attachments

1. Sample Transit Media purchase order
2. Examples of Thank-you Notes
3. Program Overview Charts