



Feasibility Analysis



STEPS TO CARRYING OUT FEASIBILITY ANALYSES

This assumes that the feasibility analysis is for a specific agency looking at creating or expanding a seniors' transportation program.

Feasibility Analysis -- Data from Needs Assessments:

- Determine the area to be served (municipal boundaries, city neighbourhoods...)
- Determine what transportation options are already available in the service area
- Do the statistical analysis to determine how many seniors are likely to use a rides service

Apply Transportation Service Modelling to:

- Design the rides service, or evaluate/modify the design the agency has in mind
- Determine the cost per ride
- Determine affordability of service within the service area
- Prepare the financial profile for 3-5 years
- Generate information about the agency, outline its capacity to operate such a program (financial, managerial, experience)

Feasibility Analysis Outline:

- Introduction – profile seniors transportation etc., what are the issues
- Profile the agency
- Describe the area to be served
- Statistical analysis of seniors population for the area
- Conclusions re need for transportation



- Describe the service the agency proposes
- Profile the “market”
 - How many seniors are likely to use transportation services (affordability, other options...)
 - Who is currently providing rides (the competition)
 - How will the agency get in touch with seniors (marketing plan)
- Profile the agency
 - Financial capacity
 - Managerial capacity
 - Experience
- Describe the operation
 - Include a description and potential of STAR intervention
- Create financials (operating budget, cash flow forecast, 3-5 years, cost per ride)
- Lay out financing plan

FINANCIAL ASPECTS OF FEASIBILITY ANALYSIS

Potential Use will be determined by

- Numbers of Seniors in the catchment area
- Alternatives available
- Income profile of seniors
- Amount of subsidy dollars available to subsidise rides
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Operating Cost Profile will be determined by

Type of Service:

- Volunteer Driver Using own Car
 - What costs will be borne by agency
- Agency Shuttle driving fixed route
 - Drivers paid salary
 - Maintenance
 - Fuel
 - Vehicle rental?
 - Insurance
 - Operating costs per kilometre?
- On Demand Shuttle
 - Drivers paid salary
 - Maintenance
 - Fuel
 - Vehicle rental?
 - Insurance



- Car Share
 - Driver is paid, or volunteer?
 - Agency owns cars? Or are cars owned co-operatively/jointly
- Custom (contracted) Rides
 - Contractor paid by route
 - Based on sample quotes

In house Requirements

- Signing Seniors up for service
- Scheduling Rides
- Reporting required
- Training
- Other Admin costs

Other

- Additional Insurance requirements
- Promotion, dissemination
- Legal costs
- STAR Fees
- Additional premises costs (People? Vehicles?)
- Other

Cost per Ride will be determined by

- Number of seniors anticipated using the service
- Number of Rides being taken
- Total Operating Costs

Feasibility will be determined by

- Is the Cost per ride affordable to the seniors in the area? - or -
- Is there sufficient subsidy to apply to reduce rides cost to a point where it is affordable?
- Will the number of riders reach the break-even point at the determined cost per ride? Within a time the agency can afford?
- Can the Agency support the operating costs up to break-even?
- Can the Agency support the capital needed for the model chosen?



Needed

- 3-5 years operating income/expenses (depending on when break-even point is reached)
- Schedule of anticipated capital costs
- Cash Flow forecast by month up to break-even year, by quarter after that
- Projected Balance Sheets, Opening and for each year-end included