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An Evaluation of Metro Mobility with Proposals for Improvements

by

Gerald K. Miller

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THE URBAN INSTITUTE 2100 M Street, N.W., Washington, D. C. 20037



















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BACKGROUND AND PURPOSE

Metro Mobility, like numerous specialized transportation systems around the country that began during the late 1970s, grew out of local and national policy concerns for making public transportation facilities and services accessible to handicapped persons. Rather than providing lift-equipped fixedroute bus service to metropolitan area residents, state and local decision makers chose to establish a door-to-door specialized transportation system. The system has evolved and now has several components, all of which are funded under contracts with the Minnesota Department of Transportation (MnDOT). The system components include:

- the Transportation Center and Project Mobility, both of which are operated by the Metropolitan Transit Commission (MTC);
- shared-ride taxicab vehicles operated by six companies in Minneapolis and St. Paul; and
- wheelchair accessible vehicles operated by a private, nonprofit organization and a private bus company in several suburban communities.

In mandating the development of Metro Mobility in 1979, the Minnesota Legislature specified the following objectives for the system:

> To provide greater access to transportation for the elderly, handicapped and others with special transportation needs in the Minneapolis-St. Paul metropolitan area;

To develop an integrated system of special transportation service, providing transportation tailored to meet special individiual needs in the most cost-efficient manner; and

To use existing public and private providers of service wherever possible, to supplement rather than replace existing service, and to increase the productivity of all special transportation vehicles available in the area. From the beginning, the MnDOT, the MTC, the Metropolitan Council of the Twin Cities Area, various taxicab companies and other priviate providers, as well as the Advisory Task Force made up of individual users and social service agency representatives, have worked to expand and improve Metro Mobility services. Since 1979, Metro Mobility has grown dramatically in terms of ridership, service area, and total state subsidy cost. Today the system carries about 40,000 trips per month, over 12,000 of which are made by wheelchair users. This compares to about 20,000 <u>total</u> monthly trips in 1979. Over the same period, however, the annual subsidy costs rose from about \$1.6 million to about \$5 million.

To increase service levels and expand the service area beyond Minneapolis to St. Paul and to the first ring of suburbs, more private (for-profit and non-profit) providers have been added to the system. In 1983, the Transportation Center began implementing a computer-aided information processing and dispatching system. While changes since 1979 have resulted in more available vehicles, better vehicle utilization, and improved Center operations, the overall system is approaching its capacity. As capacity is reached by the Center, Project Mobility, or the other providers, users will face longer waits on the telephone, longer waits for vehicles, and longer riding times. More requests for occasional service will continue to be denied, and virtually all requests for regular service will continue to be denied. Without more system capacity the outer suburban communities within the Metropolitan area cannot be served without degrading the existing service quality.

In early 1984, the MnDOT initiated an evaluation of Metro Mobility to identify possible improvements and cost-effective ways to increase its future capacity. The Transportation Studies Program of The Urban Institute was selected to assist MnDOT in this assessment and to help develop worthwhile

alternatives for improving and expanding the current system. MnDOT wished to answer the following broad questions:

- Do the current provider mix and methods of operation deliver need-specific service in the most cost-efficient manner?
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- Are current arrangements providing the maximum service that \$5 million per year could possibly provide? If not, why not, and what can be done about it?
- Is there a better way of matching needs with service so that the service provided is no more and no less than required?
 - Is optimal use being made of existing public and private providers of service?

The challenge facing handicapped persons, MnDOT, and decision makers within the Metropolitan Area is how to continue to <u>increase</u> the travel <u>benefits</u> (the total amount and quality of trips) generated by Metro Mobility while simultaneously gaining greater control over its costs. The results of The Urban Institute evaluation address this challenge.

The evaluation involved four primary tasks: a review of the current system; the formulation of potential improvements to the current system as well as promising alternative systems; an assessment of the future impacts of each alternative; and the development of recommendations. The activities conducted under each of these tasks are summarized in the following sections.

SERVICE COMPONENT REVIEW

To identify and assess the strong points and the areas of concern for Metro Mobility, the evaluation team examined specific aspects affecting its current and future ridership, service quality, and cost. Team members assembled and reviewed all available current and historical operating data and descriptions for each system component; they interviewed, separately and indepth, the key individuals responsible for managing or operating each component, and they conducted an on-site review of the Center's main

functions. Each person was asked to describe how his component was performing in terms of ridership, service quality, and costs, his current (or past) problems; and any expected future changes. Each person also was asked to assess how the other components and the overall system had been performing. Finally, each was asked for his comments and reactions to new ways of organizing Metro's components and to new ways of improving service quality.

To obtain the users' perspectives about Metro Mobility, the evaluation team and MnDOT staff conducted a consumer forum in April with 26 participants from the Advisory Task Force, together with other users and social service agency representatives. The purpose of this meeting was to obtain consumer and agency assessments of Metro's current strong and weak aspects, as well as thoughts and recommendations for future improvements. A summary of the comments and recommendations expressed at this forum is provided in Appendix A. The major results of this task are found in Section 2.

ALTERNATIVES DEVELOPMENT

Metro Mobility represents one general way of organizing and operating a specialized system for handicapped persons. However, other systems in large cities have adopted different ways of providing these services. These systems differ along the following primary dimensions:

- the level of service (fares, reliability, user control, responsiveness, and trip request procedures);
- • how the subsidies pass to the providers;
 - the level and type of transit agency and private provider involvement;
- the degree of centralized dispatching and control; and
 - social service agency involvement as providers or sources of subsidy funds.

Working with MnDOT, the team identified four exemplary specialized

systems (Pittsburgh, Portland (Oregon), Lancaster (Pennsylvania) and Milwaukee), and convened a one-day workship in St. Paul at which the developers of the systems described and discussed their systems with members of the Metro Mobility Management Policy Committee. This workshop allowed for a free exchange of questions and ideas about how to improve transportation services for handicapped persons. The workshop helped provide MnDOT and the committee members with a practical orientation to a range of different user policies, administrative options, and service components. A summary of the proceedings is provided in Appendix B, together with descriptions of the four systems.

To develop major alternative approaches that could improve Metro Mobility's performance in the future, the evaluation team drew upon its knowledge of research and demonstration results, and the experience of exemplary specialized systems across the country. Adapting the major aspects of proven systems in other metropolitan areas to the conditions in the Twin Cities area was considered the best way to develop viable and practical improvements to Metro Mobility. The review and assessment of how Metro Mobility has evolved and operated also suggested several changes offering real future improvements.

Draft descriptions of three alternative systems (labeled A, B and C) were prepared. All three options would make significant changes in service access and quality for users, and would involve more competitive participation by private providers. <u>Alternative A</u> would make the least change in the arrangement of the existing providers and the Transportation Center's control and administrative functions. <u>Alternative B</u> would move further with private providers, eliminate the center's control functions, and eliminate MTC operation of transportation services. <u>Alternative C</u> would establish a quite different, decentralized system which would allow existing and new private

(for-profit and non-profit) providers to compete for users rather than to receive payments for established levels of service. Variations of options B and C would have a private organization rather than the MTC administer the new systems. MnDOT and the evaluation team discussed, modified, refined and finalized the alternative system descriptions. The complete descriptions are presented in Section 3.

ALTERNATIVES ASSESSMENT

For the existing system (the base case) and the three alternatives, the team estimated total ridership and revenues, system performance, and cost information for one year in the future (1985). All of these forecasts were based upon system data available for 1980 through the first half of 1984. A projection of the potential new ridership in the outer suburban areas was made for all of the options based upon current user trip rates applied to 1980 Census figures for eligible handicapped users. Similarly, the 1984 cost information available for Metro Mobility's various components was used to forecast the 1985 costs for the different arrangements and functions in each option. The key assumptions and the detailed estimating procedures for ridership, revenues, and costs are presented in Appendix C.

The initial versions of these procedures and assumptions were reviewed by MnDOT and MTC staff, and their comments were addressed in the final versions. Our intention when making these estimates was to make comparable and realistic assumptions for the base case and each option. We believe that these forecasts are reasonable, consistent with experience from other similar systems' performance, and reflect our best judgments. Forecasting how a major specialized system will perform, however, is difficult, complex and by no means a science. Thus, when readers compare and assess the ridership and cost

figures and the performance measures for the 1985 base case and each of the options some uncertainty should be recognized.

In addition to the one-year quantative measures of cost-effectiveness, we also considered how the alternatives would perform in future years. How service quality for users would be maintained and how provider costs will be controlled in the next two, three, four years and beyond, are concerns that are difficult to quantify. These aspects, however, are vital when considering future system improvements. The alternative impacts are compared in Section 4.

SYSTEM RECOMMENDATIONS

After completing the three main evaluation tasks described above, we presented of our assessments to Metro Mobility's current policy and advisory groups: the Management Policy Committee (MPC) (comprising of nine representatives from MnDOT, the Metropolitan Council, the providers, and the handicapped community); and the Advisory Task Force (comprising of twenty-six handicapped users and social service agency representatives). All of the comments and concerns raised by these committee members were incorporated in the team's consideration of the alternatives. The team developed a set of recommendations that apply generally to all of the potential alternatives and presented its conclusion on which system alternative offers handicapped persons in the Metropolitan Area the most future travel benefits in the most cost-efficient manner.

METRO MOBILITY CONCERNS

This section presents the major areas of concern regarding Metro Mobility's current and future performance. These issues were identified during the evaluation team's on-site reviews and discussions with representatives of the users, providers, managers, administrators, and funders of the system, and from experience in other major specialized systems.

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OVERALL STRENGTHS

Over the past few years, Metro Mobility has continually sought new ways to serve its client group and to improve its cost-effectiveness. It is a necessary service for thousands of people. Raising and addressing the concerns presented in this section, we believe will help identify ways to continue to improve it.

Metro Mobility provides vital mobility for disabled residents in the Twin Cities Metropolitan Area and makes many of the area's activities accessible to persons who cannot use the regular public bus system. Currently, it provides about 40,000 trips each month, over 12,000 of which are made by wheelchair users. These ridership characteristics make Metro Mobility one of the largest specialized systems in the country and an essential service to the handicapped community.

The eligibility criteria are not restrictive. Almost 10,000 persons within the transit system's primary service area who are unable to use regular transit services have been certified. No distinctions among different types of handicapped persons are imposed. Also, no explicit trip purpose restrictions

exist.

The service availability, 17 hours during weekdays and 15 hours weekends, is comparable to the regular transit system's. The fares are the same as for MTC's transit service in Zone 1. For door-to-door (in some cases, doorthrough-door) service, however, the fares are relatively low when compared to regular taxicab or other driver assisted services.

In terms of other aspects of service quality, driver or vehicle safety has not been a concern. With certain variations between providers, the drivers seem to be courteous, friendly and have an interest in serving the needs of handicapped users.

RIDERSHIP-RELATED CONCERNS

Ridership Growth Potential

The monthly trip totals have increased during 1984 as the certification process, telephone access for users, deployment of private providers, and computerized functions have changed. The numbers of new persons being certified each month has not dropped-off. Rough comparisons with systems in other cities suggest that the demand for Metro service could be more than at present. Indeed, the overall system seems to be approaching capacity which will limit future growth. Unfortunately, we cannot determine if this new growth has been due to more new certified persons taking trips or to more tripmaking by the existing users. Whatever the reasons for the past growth, new ridership growth is a concern.

While the monthly trip totals indicate the overall mobility benefits of the system, the <u>distribution of benefits between different groups</u> of eligible users have not been examined due to the limited information on users. What

are the impacts of providing over 40,000 trips¹ per month? Are the benefits being enjoyed by relatively small subgroups of the eligible users? Are significant numbers of infrequent users or other specific subgroups being denied service? Are relatively small groups traveling very frequently or for very long distances? What proportion of the trips would not have been made without the system? Is the system serving a sufficient amount of new tripmaking or is it simply providing a cheaper or more convenient mode of travel than that which otherwise would have been used?

To address these concerns, well-designed user surveys should be conducted in the future to sample the users' tripmaking and examine which subgroups are traveling more or less than others. With more information about the actual distribution of travel benefits, policies could be developed to moderate "over" consumption by certain user groups, and specific outreach efforts could be made to encourage more use by the most needy subgroups.

The Service Area Restrictions

The curent system does not cover the entire MTC transit service area. Eligible persons and agency clients traveling or living in the outer suburban jurisdictions are not served,

Level of Service Restrictions

While there are no explicit trip restrictions, there are implicit ones. Since 1981 new users have been excluded from obtaining standing orders. (Some persons have obtained "stand-by" standing orders. These entail more uncer-

¹ Because transfers are included in the trip totals, these figures slightly overstate the travel benefits. For example, if Metro transfers a traveler from a taxicab to a Project Mobility bus to complete a longer trip, two trips are recorded, when in fact the user made only one.

tainty than "pure" standing orders, however, and may make travel planning more difficult than having a regular standing order.) Under the current trip dispatching procedures, standing order travelers get top priority daily and unlike the daily call-in users or, occasionally, the "stand-by" travelers, hardly ever are denied a trip.

Depending upon which provider or providers serve their area, users can experience very different levels of service. For example, in the Morely suburban St. Paul service areas, the hours of service are slightly less than elsewhere. Travelers going to or from all suburban areas experience more transfers, waiting time and unreliability than travelers who stay within the Twin Cities. This is due to different providers trip length restrictions and the current service area boundaries. Twin City travelers assigned to taxicabs rather than Project Mobility vehicles may have to transfer to complete their trips due to the six-mile trip length restrictions.

Fare Sensitivity

Fares do not reflect the fact that trips of different lengths or with different service quality cost very different amounts to provide. Users traveling 15 miles pay the same as those riding only 2 miles. Peak hour travelers pay only 15 cents more. Travelers who receive "express", nontransfer service, however, are not charged more than those who are required to transfer. Standing orders, which receive top dispatching priority, do not cost users more. Group "character-like" service fares are identical to individual service fares.

Currently, fares account for only 6 percent of the total system costs. Charging higher fares to reflect higher costs of longer trips and to account for the different quality of service compared to regular fixed route bus

service should be considered.

Future Demand Rationing

Metro Mobility, like all publicly supported services, has to operate within an established budget. Over the years, it has had to ration services directly or indirectly to influence demand. It has changed to a day in advance trip scheduling, changed user eligibility, changed service hours slightly, expanded into new service areas gradually, limited the amount of new standing orders, let the telephone access discourage callers, and ultimately denied trips because of capacity or new budget constraints.

The basic concern is how to manage future demand fairly. It does not seem very equitable to restrict the types of trips for new users, or to limit services in certain areas or at specific times. Fare policy should be considered to minimize any future tripmaking restrictions. The use of higher fares to influence when, where or how often all persons travel, at least, allows equal system access rather than imposing an infinite price for some.

SUPPLY-RELATED CONCERNS

Social Service Agency Financial Involvement

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As in most other cities, social service agencies have realized that their clients can travel much more cheaply by paying only the fares on the public system than if the agencies must pay to transport them. Currently, over one in two of Metro's standing order trips are for travel to day or work activity centers. About one in three of all trips are for persons being transported directly to agency sites. Given this significant use, new efforts should be made to obtain financial commitments by social service agencies for their

client-related travel. Particularly, if Metro's state subsidy comes under pressure in the future and demand must be rationed, then agency funding (from other state and federal programs) may be a vital new source of income for the entire system.

If agencies fund part of each client trip, then they also will will try to minimize their costs. Agencies could establish new user training programs to help some clients use regular transit services. They could help their Metro riders use it better by minimizing "no loads" excessive cancellations and minor trip time changes, and other pick-up problems.

Non-Profit Provider Involvement

Currently, only one non-profit private provider, Suburban Paratransit Inc., is part of Metro Mobility. Suburban Paratransit has been a provider since 1980 and has been supported almost entirely by Metro funding through annual contracts with MnDOT. It serves several Western suburban communities and is the only provider that does its own dispatching.

Several other non-profit organizations, however, provide transportation services for elderly and handicapped persons within the Metropolitan Area. Within the cities of Minneapolis and St. Paul, two coordination programs exist that delivered over 200,000 trips in 1983. In the outer suburban areas of Dakota, Anoka, Carver, Scott, and Washington counties over 200,000 trips were provided. These county programs, although they receive substantial subsidies from MnDOT and MTC, are not involved with Metro Mobility in any way. One reason why these providers have not become part of Metro is that they do not wish to adhere to Metro's service levels. They wish to maintain local community and county government involvement and are concerned about Metro's centrailized dispatching and control of its users.

These existing providers respresent potential resources that could be used to expand and complement Metro's existing services. Efforts should be made to accommodate their concerns. They should be able to become involved with Metro if it will result in more cost-effective services for handicapped persons.

Provider Involvement and Cost/Productivity Incentives

The "input" costs for Project Mobility service on a per vehicle mile or hour basis are significantly higher compared to private providers generally. The "output" costs per passenger and per passenger mile also are substantilly greater reflecting both the higher input costs and the higher proportion of non-ambulatory riders. Between 1981 and 1984, Project Mobility's annual total costs have increased about 10 percent each year, primarily due to MTC driver and mechanic wage increases. During the same period, however, taxicab input costs as measured by the taxi meter rates have not changed significantly.

These differences suggest that major cost improvements could be made by constraining or eliminating Project Mobility and by creating more involvement by the current and new private (for-profit and non-profit) providers. As has been experienced in numerous cities, the relative high transit labor and benefit costs, together with inflexible work rules, result in high costs and no real incentives to improve productivity.

Until Morely Bus Co. was selected in 1982, no cost-based competitive process had been used to choose any of the providers or the control center operator. Under the current annual "fixed-price" contracting procedures, the providers do not have direct financial incentives to carry more riders, provide better service, or improve productivity. Since the control center allocates all trip requests, the providers' performance depend a great deal

upon how well the center functions each day. Once the service providers have been selected each year, the operators have little incentive to reduce total cost or improve service quality. For example, a taxi operator who provides higher quality service with better drivers or vehicles receives the same renumeration as those companies which may provide poorer service. If costs begin to exceed budget totals, no procedures exist to shift demand to lower cost providers. In fact, when total costs have begun to exceed the annual budget in the past, more requests for trips have simply been denied during the last few months.

The general assumption has been that in order to expand system capacity and serve more users or expand the service area, more funding is required. Without real competitive pressures to both increase provider and control center productivity and reduce costs, this assumption is realistic. As long as annual contracts guarantee payments, regardless of the actual performance, then managers, driver, and other employees will have no true incentives to serve more travelers at less cost.

Service Quality Incentives

MnDOT establishes general service levels and quality guidelines in the annual contract management plans it negotiates with each provider. The management plan for the Transportation Center also establishes general service levels and productivity objectives but does not set specific service quality goals. Because the center receives trip request, allocates users to providers, and creates vehicle tours, many important quality aspects are more dependent upon how the center performs than how the individual providers perform. Such aspects include: service access, on-time pick-up reliability, total time in vehicle and directness of travel, and transfer waiting time.

While user complaints about service quality are monitored by the center, no data has been collected either to quantify overall system service quality or to monitor specific provider's or the center's performance. A new monitoring program could be established to periodically survey a valid sample of users to obtain data on major service quality characteristics. In addition, providers could be given more direct control over service quality and competitive pressures from other providers could be allowed to encourage more provider attention to service quality.

Centralized Dispatching Effectiveness

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The basic rationale for the centralized dispatching and scheduling functions at the center is to increase the productivity of each taxi or Project Mobililty vehicle tour. If three persons can be carried in one taxi vehicle trip rather than two or three vehicles, then the direct transportation cost of each person's trip will be reduced significantly. Of course, resources are required to receive and process all of the trip requests and place them into efficient shared-ride taxi tours. Also, each person sharing rides with others experience more trip time due to the extra travel distances and waiting time involved.

Early 1984 data indicate that the direct transportation costs per sharedride taxi passenger is between \$1.35 and \$1.80 less than an exclusive ride fare. In 1983, the MTC estimated that about \$373,000 was required to process requests and share the taxi trips. This cost was about \$2.00 per passenger carried. Thus, it would have been more cost-effectiveness to have paid every taxi rider's exclusive fare than expend the center resources setting up taxi tours. In addition, given the huge volume of taxi trips to be subsidized, MnDOT probably could have obtained discounts on the exclusive fare and

developed real incentives for the providers themselves to group or share rides when feasible.

Some taxi providers, with competitive pressures and the proper incentives, could prepare shared-ride tours, dispatch vehicles, and be directly responsible for service quality. Even if the center's dispatching improves considerably when the computer-assisted process is fully operational, it appears decentralized dispatching promises to be more cost-effective.

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INTRODUCTION

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Specialized transportation systems for disabled persons can be organized and operated in a variety of ways. In this section we describe in detail the major characteristics of Metro Mobility as it exists currently and then describe three alternative approaches, labled A, B, and C, to improving its future performance.

For the current and alternative systems, each description first presents a general picture of the system's main features and rationale for how it works. The description then details the program charteristics indicating how it works. The program characteristics for each system include:

- service access and quality aspects, such a fares, service area, and time availability;
- administrative futures, such as user registration, provider selection, and subsidization;
- operational characteristics, such as dispatching and driver training; and
- roles for the participants, such as the Regional Transit Board, MnDOT, the MTC, users, and providers, and social service agencies.

To help the reader better comprehend the three proposed alternatives we have compared them across the chateristics that highligh their essential differences. (See Exhibit 1). After looking at these broad differences, the reader can then examine and compare the detailed characteristics of the current system and the alternatives to fully understand how each option will work.

Exhibit 1: ESSENTIAL DIFFERENCES BETWEEN PROPOSED ALTERNATIVES

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	Alternative A	Alternative B	Alternative C
Characteristic	Improvements to Current System	Centralized Management System	User-Side Subsidy System
User Effects	 Users call Center 1 pm day before Agency clients need tickets Fare increases 50 cents if over 6 mile trip 	 Users call assigned provider 3 pm day before All users need tickets Fare increases 20 cents per mile if over 6 mile trip 	 Users call provider of choice in area, how far in advance may vary Agency clients need tickets Fare increases \$1.00 per mile if over 8 mile trip
Provider Involvement	Project Mobility_serves only non-ambulatory users in Twin Cities. Private (for-profit or non-profit) provider is competively selected for each service area.	Private (for-profit and non-profit) Providers only. A provider is competitively selected for each service area.	All qualified providers (for-profit and non-profit) can participate. Users can selected provider for each trip.
Management/Administration	 The Center will certify users, market service, and monitor service quality; collect registration fees, process agency client tickets and bill agencies. 	 An organization (the MTC or private) will certify users, market services, and monitor service quality; select, monitor and pay providers; distribute and process tickets for all users. 	 An organization (the MTC or private) will certify and issue IDs to users, market services and assist users; maintain service agreements with all qualified providers, and monitor performance to detect fraud; distribute and process vouchers and tickets, and reimburse providers.
Dispatching	Center receives all trip requests, but only dis- patches Project Mobility trips. Forwards other trip requests to provider in each service area.	Provider in each service area receives requests for trips in area and dispatches them.	Providers receive requests for trips in service areas and dispatch them.
Computer Facilities	Used by Center to process all trip requests and as aid to dispatch Project Mobility trips. Private providers could use to assist them, if desired. Will maintain current list of eligible users.	Some providers could buy into facilities to assist them. Will maintain current list of eligible users. Facilities could be used to process account- ing and monitoring data.	Some providers could buy into facilities to assist them. Will maintain current list of eligible users. Could be used to process accounting and monitoring data.

CURRENT SYSTEM

GENERAL DESCRIPTION

The system is highly centralized with all user trip requests, provider assignments, and trip grouping and vehicle tour scheduling controlled by the Transportation Center. The center, in addition, certifies eligibility, provides information to users and potential users, receives user complaints, and assembles system operating statistics. During the past two years, a computer-assisted information and dispatching system has been implemented gradually to improve the center's various function.

Eligible residents in Minneapolis and St. Paul and several suburban communities are served in 34 special vehicles operated by the MTC (a service called Project Mobility) and in a variety of vehicles operated by six taxicab companies, a non-profit organization, and a private bus operator. Most of the non-ambulatory and some ambulatory residents traveling within the Twin Cities and some adjacent suburban areas are assigned to Project Mobility. Most of the ambulatory travelers within the Twin Cities, however, are assigned to the taxicab companies in each city. All residents in certain Western Minneapolis suburban areas are assigned to a non-profit organization, while residents in several St. Paul suburbs are transported by a private provider.

Each year MnDOT negotiates non-competitive contracts with the MTC to operate both the center and Project Mobility. MnDOT also negotiates similar contracts with the taxi and non-profit providers to serve specific geographic areas. In 1982 MnDOT selected the private operator through a competitive process to serve suburban St. Paul areas.

PROGRAM CHARACTERISTICS

A. Service Access and Quality
1. service area

Twin Cities and adjacent suburbs
2. time availability
weekdays: 6 a.m. - 11 p.m.
weekends: 8 a.m. - 11 p.m.
exception: parts of St. Paul suburbs to 7 p.m.

3. directness of travel and on-time reliability. These service aspects are primarily under the control of the Transportation Center.

4. fares

same as transit (within Zone 1)

peak periods:75 centsother:60 centspayment mechanisms:cash or commuter tickets

5. trip restrictions

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a. purpose: none

Priority given to standing orders, however.

b. length: none

However, users living in suburban areas and ambulatory travelers in taxis may be required to transfer to other providers to complete trips.

c. number per person: None.

6. advance reservation requirement

Must call by 1 p.m. the day before.

7. standing order policy

Permanent requests for service not allowed new users since 1981. "Stand-by" standing orders accepted, however.

B. Administrative Characteristics

1. user certification and registration

No registration fee. Physician's certification required. Eligibility information distribution and screening performed by Transportation Center.

2. provider selection/contracts

MnDoT selects providers and negotiates annual contracts. One provider has been selected competitively. Providers are assigned to specific service areas. Taxis and Morley have trip length limits. Suburban Paratransit has various transfer requirements.

3. subsidization

Transportation Center, Project Mobility, and Suburban Paratransit costs are covered regardless of ridership or performance. Taxis are paid on a per trip basis, but cannot influence the number of trips served. Morley is paid only for revenue hours of service but cannot influence the number of trips served.

4. marketing

Transportation Center responsibility.

5. monitoring

Transportation Center maintains monthly records by provider. No user-oriented quality of service information collected.

- C. Operational Characteristics
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Primarily Transportation Center function. The process is highly centralized and computer-assisted. Steps include: receiving trip requests, assigning trips to providers, scheduling trip tours (including transfers), transmitting tours to providers, and for taxis calculating tour costs. Also calling users and providers with trip changes.

2. driver training, vehicle maintenance/procurement

Each provider's responsibility.

- D. Participant Roles
 - 1. MnDOT

Funds and administers contracts with MTC, six taxicab companies, one nonprofit provider, and one for-profit operator. Establishes user eligibility.

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2. MTC

Operates the Transportation Center and provides Project Mobility Service with 34 accessible vehicles.

3. Policy Management Group

Establishes service quality characteristics for system.

4. providers

Negotiate annual contracts with MnDoT. Receive trip tours from Center, dispatch vehicles, and deliver trips.

5. social service agencies

State Medical Assistance program subsidizes some trips. No

6. users

Request trips by calling Center. Pay fare and take trips.

ALTERNATIVE A: IMPROVEMENTS TO THE CURRENT SYSTEM

GENERAL DESCRIPTION OF THE APPROACH

This alternative consists of changes to the service quality, administration, and operating characteristics of the existing system. This option limits Project Mobility service to non-ambulatory persons traveling within the cities of St. Paul and Minneapolis. Private providers will serve all other persons and will be competitively selected to serve specific geographic areas. The Transportation Center will receive all trip requests but only dispatch Project Mobility trips. It will forward all other trip requests to the providers for dispatching in each service area.

PROGRAM CHARACTERISTICS

A. Service Access and Quality

1. service area

Expand to entire MTC service area, include outer suburbs.

2. time availability

Remove Morley area exception. Extend these evening hours 4 hours per day.

3. directness of travel and on-time reliability

For trips by private providers, these serivce aspects will be primarily under the control of each provider. For trips by nonambulatory on Project Mobility, these aspects are under control of Transportation Center.

- 4. fares
 - a. Trips less than 6 miles (12 grids) will cost \$1.00. Charge for trips more than 6 miles will \$1.50. If for operational reasons users are required to transfer to make longer trips, then they would not be charged the additional 50 cents.

b. Agency clients regularly using the system (standing or stand-by orders) would have to pay fares with tickets or coupons distributed by agencies. Each agency could set different user payments.

c. Payment mechanism: cash or tickets

5. trip restrictions

a. purpose: no change for non-agency sponsored trips.

Trips eligible for funding under either a federal or a non-MnDOT state program, will not be provided unless those programs subsidize a negotiated portion of the actual costs.

b. length: none

- c. number per person: none
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6. advance reservation requirement: no change

No change from current system; must call by 1 p.m. the day before.

7. standing order policy

Allow new requests for individuals. For regular agency clients, however, agencies must pay negotiated costs (based upon actual costs) for the client trips.

- B. Administrative Characteristics
 - 1. user certification and registration
 - a. No change in basic eligibility requirements. Eligibility standards will have to be redefined, however, to require users eligible for transportation subsidization under other state or federal programs to be subsidized (to some degree) by that program.
 - b. No change in registration procedures. An annual registration fee will cover administrative costs associated with registering users and enable a current list of those using the system to be maintained. A simple hardship policy to waive fee would be adopted.
 - 2. provider selection/contracts
 - a. All private (profit and non-profit) providers will be selected competitively each year. In the Twin Cities, one provider will be selected for one or more specific service areas in each city. In the suburbs, one private provider will be selected in each service area.
 - b. The providers can bid either a grid based cost per passenger for ambulatory and non-ambulatory users or revenue hour or mile based cost per vehicle for ambulatory and nonambulatory users. Providers will be selected based upon expected total cost.

Private providers will provide detailed records on passengers carried, revenues collected, trips cancelled, and no loads. If payment is based upon revenue miles or hours, then details on these will be required. The Center will make random spot checks on provider data to minimize major reporting errors.

- c. Project Mobility will serve only non-ambulatory living in Minneapolis and St. Paul.
- 3. subsidization

Private providers generally paid only for trips served. Annual contract competition and manipulation of service areas and market share will encourage providers to minimize costs per trip.

4. marketing

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MTC will initiate major agency and medical facility-oriented effort to inform community about Metro Mobility procedures and costs. It will work with agencies to obtain funding for client trips. New user information on new distance-based fare and standing order procedures will be prepared and distributed.

5. monitoring

MTC will conduct a small-scale user survey in the Spring and Fall to monitor service quality.

- C. Operational Characteristics
 - 1. dispatching

The Center will take all daily trip requests for service and send lists of demand orders to each private provider. Each provider also will have standing order tours. Each provider could have a computer terminal to access the computer-assisted dispatching capabilities, if desired. Center will continue to dispatch non-ambulatory trips served by Project Mobility.

2. driver training, vehicle maintenance/procurement

New provider drivers will be trained by Center.

D. Participant Roles

1. MnDOT/Regional Transit Board (TRB)

Will establish service and management policies and plan future system changes.

.Will contract with the MTC and several private providers.

All private provider contracts based upon competitive bids. Project Mobility MTC contract based upon serving non-ambulatory and major agency clients and reduced service area. Center MTC contract will reflect labor savings due to computer functions and private providers dispatching their trips. 2. MTC

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Project Mobility will serve non-ambulatory users only and operate fewer vehicles. Center will certify users, process agency client tickets and bill agencies. It will also make random spot checks on private provider data to detect errors or major fraud. Monitors user service quality.

3. Consumer Advisory Group:

Will recommend system policy and service level changes to the RTB.

4. providers

Private providers will compete for annual contracts and dispatch trips. Private providers will receive calls from standing order customers directly if trip changes.

5. social service agencies

Will assist in registering users.

Agencies will distribute tickets to clients and pay Center the agreed upon reimbursement costs for each trip provided.

6. users

Users must obtain tickets from agencies for agency sponsored travel. Trip changes will be called to providers directly.

ALTERNATIVE B: CENTRALIZED MANAGEMENT SYSTEM

GENERAL DESCRIPTION OF THE APPROACH

With the same philosophy as the LIFT System in Portland, this option establishes the MTC as a manager or broker organization to certify eligibility, administer service delivery, coordinate some agency client travel monitor service quality, and market services to agencies and users. The management organization does not provide any transportation service or dispatch vehicles. It selects and contracts with the most cost-effective providers and assigns them to service areas.

Another version of this alternative, with the same philosophy as the Access System in Pittsburgh, establishes a private company as the manager or broker organization. This privately administered system will be designated Alternative B1.

PROGRAM CHARACTERISTICS

- A. Service Access and Quality
 - 1. service area

Expand to entire MTC service area; include outer suburbs.

2. time availability

6 a.m. to 11 p.m. seven days a week.

3. directness of travel and on-time reliability.

These service aspects will be primarily under the control of the private provider in each service area.

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4. fares

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- a. Trips less than 6 miles cost \$1.00. Over 6 miles, 10 cents more per grid (grids are one half mile square). Use existing grid system to determine fares.
- b. If a trip is subsidized by a social service agency program, the user payment will be established by that funder.
 Special considerations could be given to current users who have very long distance medical or other necessary travel.
- c. Payment mechanism: tickets or scrip, no cash
- 5. trip restrictions

a. purpose: no change for non-agency sponsored trips.

Trips eligible for funding under either a federal or a non-MnDOT state program, will not be provided unless those programs subsidize a negotiated portion of the actual costs.

b. length: none

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- c. number per person: no change
- 6. advance reservation requirement

Slight change from current requirement; must call by 3 p.m.

7. standing order policy

Users arrange with providers directly. Management organization can help schedule agency and large group trips.

- B. Administrative Characteristics
 - 1. user certification and registration
 - a. No change in basic eligibility, requirements. Eligibility standards will have to be redefined, however, to require users eligible for transportation subsidization under other state or federal programs to be subsidized (to some degree by that program).
 - b. No change in registration procedures. An annual registration fee will cover administrative costs associated with registering users and enable a current list of those using the system to be maintained. A simple hardship policy to waive fee would be adopted.

(For Alternative Bl--manager selection/contracting)

MnDOT will issue a national solicitation for a private (profit or non-profit) organization to manage the system. The initial contract will be a 2-3 year period to allow a new organization sufficient time to implement and refine the system. A cost plus fixed fee type contract will be negotiated.

2. provider selection/contracts

a. All private providers will be selected competitively each year. In the Twin Cities, one provider will be selected for one or more specific service areas in each city. In the suburbs, one private provider will be selected for each different service area.

b. The providers can bid either a flat cost per trip or a grid based cost per passenger for ambulatory and nonambulatory users. Some providers might bid a revenue hour or mile based cost per vehicle for ambulatory or

non-ambulatory users. Providers will be selected based upon expected total cost and expected level of service.

Providers will provide detailed records on passengers carried, revenues collected, trips cancelled, and no loads. If payment is based upon revenue miles or hours, then details on these will be required. The management organization will make random spot checks on provided data to minimize major reporting errors.

3. subsidization

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Provider's generally will be paid only for trips served. Annual contract competition and manipulation of service areas and market share will encourage providers to minimize costs.

4. marketing

The management organization will market the service to social service agencies, the service providers, and the users.

- a. For social service agencies, it will provide strategies for their participation as script buyers. An option for some agencies might be to lease underutilized vehicles to the system in exchange for a transportation credit in the form of ride script. It also will show social service agencies how to group client trips.
- b. For service providers, it will encourage participation by a wide array of provider types to increase competitive pressures. It also will show providers the advantages to multi-loading users.
- c. For users, the management organization will prepare and distribute a brochure on how to use the service. This brochure will also show how users can get benefits through group riding.

5. monitoring

The management organization receives consumer complaints, resolves service-related problems, and advocates on behalf of users. It also spot checks provider records and monitors service quality of each provider. Also conduct periodic smallscale user surveys.

C. Operational Characteristics

1. dispatching

Provider's responsibility. Providers also could buy into existing computer facilities to assist in dispatching and calculate fares for users when they call. The management

organization may assist agency clients and schedule some trips with providers.

2. driver training, vehicle maintenance/procurement

The management organization conducts driver sensitivity training courses. The MTC will lease its accessible vehicles to providers will to meet various service and operating conditions.

D. Participant Roles

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. • 1. MnDoT/Regional Transit Board (RTB)

Will establish service and management policies and plan future system changes.

Contracts with either the MTC or a private organization (Alt. B1) for central management function and provides subsidy funds.

2. MTC or a private organization (Alt. Bl)

Operates the Center as the managen. Certifies users. Selects, monitors, and pays providers. Markets service and distributes scrip. Could lease accessible vehicles to private (profit or non-profit) providers. Monitors user service quality.

(For Alt. B1 - MTC)

Could lease accessible vehicles to private (profit or nonprofit) provideers

3. Consumer Advisory Group:

Will recommend system policy and service level changes to the RTB.

4. providers

All providers submit annual proposals for service to the management organization. Providers receive calls, dispatch trips, and deliver trips.

5. social service agencies

Will assist in registering users.

For clients to use system, agencies will distribute scrip and pay agreed upon costs for trips. Scrip could be color-coded to identify agencies.

6. users

All users must obtain and pay fare with scrip. Users (or agency personnel) must call carrier(s) in their service area for trips.
ALTERNATIVE C: A USER-SIDE SUBSIDY SYSTEM

GENERAL DESCRIPTION OF THE APPROACH

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This system is highly decentralized with users and providers directly in control of each trip.

Like the Milwaukee system, it provides eligible persons charge slips or tickets at reduced rates which they can use to purchase transportation services. Each user, with guidance from social service agencies if necessary, patronizes the provider of his or her choice. The provider then redeems used tickets or charge slips for their full value from the program administrator. Providers thus receive subsidies only for the trips they serve rather than for maintaining a specified level of service. All qualified providers (for-profit and non-profit) may participate and new carriers may enter the market and compete for each trip.

The program administrator will be either the MTC or a private organization. A privately administered version will be designated Alternative Cl. The program administrator will certify eligiblity and issue ID cards, distribute user charge slips and tickets, administer service agreements and reimburse providers, monitor performance, and market the services to agencies and users.

PROGRAM CHARACTERISTICS

- A. Service Access and Quality
 - 1. service area

Expand to entire MTC service area.

2. time availability

Depends on the provider: probably 24 hours a day, seven days a week for taxi-based services. Chair car carriers and nonprofit providers probably will establish different hours, but minimums could be required.

3. directness of travel and on-time reliability.

These service aspects will be primarily under the control of each private provider. Users, however, will be able to select other providers if performance is unsatifactory.

- 4. fares
 - a. Users pay the first \$1.50 of each trip and the program pays up to \$12.00 more for wheelchair users and up to \$6.50 more

for other users. Thus users will have to pay the full amount per grid mile for trips longer than about 8 miles.

- b. If the trip is sponsored (subsidized) by a social service agency, the user payment will be established by that funder. Special considerations could be given to current users who have very long distance medical or other necessary travel.
- c. Payment mechanism: cash or tickets.
- 5. trip restrictions

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a. purpose: no change for non-agency sponsored trips.

Trips eligible for funding under either a federal or a non-MnDOT state program will not be provided unless those programs subsidize a negotiated portion of the actual costs.

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- b. length: none
- c. number per person: none
- 6. advance reservation requirement

Depends on the provider: probably none for taxi-based services; a maximum of 24 hours for chair car carriers and nonprofit providers.

7. standing orders

Can be arranged with the provider.

- B. Administrative Characteristics
 - 1. user certification and registration
 - a. No change in basic eligibility requirements. Eligibility standards will have to be redefined, however, to require users eligible for transportation subsidization under other state or federal programs to be subsidized (to some degree) by that program.
 - b. No change in registration procedures. An annual registration fee will cover administrative costs associated with registering users and enable a current list of those using the system to be maintained. A simple hardship policy to waive fee would be adopted. Registered users will be issued an ID card.

(For Alt. C1--program administrator selection/contracting)

MnDOT will issue a national solicitation for a private (profit or non-profit) organization to administer the system. The initial contract will be for a 2-3 year period

to allow a new organization sufficient time to implement and refine the system. A cost plus fixed fee type contract will be negotiated.

2. provider selection/contracts

a. The program administrator will issue a general solicitation for taxi and paratransit vehicle operators to provide service at specified costs per grid for ambulatory and non-ambulatory passengers. Operators will be allowed to provide service in any part of the service area for which they have a valid permit authorizing operation and for which they have applicable insurance.

b. Operators must agree to complete furnished vouchers or charge slips for each trip and to accept tickets in payment for social service agency-sponsored trips. An agreement between the program administrator and each operator will include termination and fraud clauses. Agreements will reflect Policy Management Group service quality recommendations.

3. subsidization

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a. All providers will compete each day for the trips they serve. If users or social service agencies do not like the service of a particular provider, they can call another. Other providers will be encouraged to enter the market and offer better service.

4. marketing

The program administrator will market the service to social service agencies, the service providers, and the users.

- a. For social service agencies, it will provide strategies for their participation as ticket buyers. An option for some agencies might be to lease underutilized vehicles to the system in exchange for a transportation credit in the form of ride tickets. It also will show social service agencies how to group client trips.
- b. For service providers, it will encourage participation by a wide array of provider types to increase competitive pressures. It also will show providers the advantages to multi-loading users.
- c. For users, the program administrator will prepare and distribute a brochure on how to use the service that includes a list of telephone numbers and fares for participating providers. This brochure will also show how users can get benefits through group riding.

5. monitoring

The program administration will review vouchers for completeness and pay carriers 90 percent of the billing within 2-4 weeks and 10 percent after an audit. Periodically, the administrator will sample a random number of vouchers and telephone users to inquire about their trips to detect any significant fraud and to monitor service quality.

C. Operational Characteristics

1. dispatching

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. • Users will call the provider of their choice directly. (Social service agencies may specify a particular carrier for the trips they sponsor.) Providers will be responsible for dispatching their own trips. Some providers could buy into the MTC computer dispatching facilities.

2. driver training, vehicle maintenance/procurement

Driving training will be the responsibility of the provider. The MTC will lease its accessible vehicles to the providers willing to meet various service and operating conditions.

D. Participant Roles

1. MNDOT/Regional Transit Board (RTB)

Will establish service and management policies and plan future system changes.

Will contract with either the MTC or a private organization (Alt. Cl) for the management of the system and provide the subsidy funds.

2. MTC or a private organization (Alt. Cl)

Will verify certification forms, collect annual registration fees, and issue IDs.

Will issue a general solicitation for service providers and draw up service agreements.

Will design and distribute vouchers and tickets, bill agencies for used tickets, and reimburse providers for vouchers.

Could lease accessible vehicles to providers.

Will market the service to social service agencies, the service providers, and users.

Will monitor provider performance.

(For Alt. C1--MTC)

Could lease accessible vehicles to providers.

3. Consumer Advisory Group

Will recommend system policy and service level changes to the RTB.

4. providers

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Will compete for trips each day in areas they have permits to serve.

Will set competitive time availability, user charges, advance reservation requirements, and standing order availability. Must meet minimum established levels, however.

Will be responsible for dispatching, driver training, vehicle maintenance and procurement, and insurance.

5. social service agencies

Will assist in registering users.

The program administrator will distribute numbered tickets to agencies. Tickets will be available in denominations from 50 cents to \$5.00 and will be printed in books with total values from \$20.00 to \$100.00. The agencies will sell the tickets to their clients for the face value of the tickets minus a subsidy amount established by the agency. The tickets could have spaces so that an agency can, if desired, specify such things as trip purpose, trip length, or trip destination. Clients will pay for their trips using the tickets. Service providers will compete a voucher for the full cost of the trip and turn it in along with the tickets for reimbursement. The program administrator will bill the responsible agency for an agreed amount of the value of the tickets.

6. users

Will arrange for service directly with the provider of their choice. (Social service agencies, hospitals, etc., may help with this effort and direct the user to a particular carrier.)

COMPARISONS OF ALTERNATIVES

This section presents a series of qualatitive and quantative comparisons between the proposed alternatives and the current system. An exhibit lists the results, descriptions, or discussions in a column format for the Alternatives A, B, and C and the current system. For each characteristic or measure of interest the reader can simply move from one column to another to compare the four systems. We will comment on the germane aspects of the information in the exhibits.

The first set of comparisons shows how each of the proposed alternatives deals with the major areas of concern about Metro Mobility that were discussed in Section 2. The next comparison contrasts how the alternatives impact the users of each system. Projections of assessment measures for the first year (1985) for the current and proposed alternatives are compared next. These measures include estimates of trips served per year, subsidy costs, number of active users, as well as performance figures such as cost per trip. The next comparison addresses what major influences will affect the impacts and performance in future years. Finally, the important transition or implementation issues for the alternatives are discussed.

CONCERNS ADDRESSED BY PROPOSED ALTERNATIVES

The <u>ridership</u> or <u>demand-related</u> concerns regarding Metro's current and future performance are listed in the first column of Exhibit 2. The next four columns indicate how the current and proposed systems address each concern.

Exhibit 2: DEMAND-RELATED CONCERNS ADDRESSED BY PROPOSED ALTERNATIVES

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Concerns	Current System	Alternative A Improvements to Current System	Alternative A	د ک Alternative C User-Side Subsidy System
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Ridership Growth Potential	Limited by subsidy growth and center's and providers' and cost increases.	Limited by subsidy growth and how the MTC provider and center costs escalate.	Limited by subsidy growth and how private providers compete to limit cost escalation.	Limited by subsidy growth and how private provider compete to limit cost escalation.
Service Area Restrictions	Outer suburbs not served	None, entire MTC service area	None, entire MTC service area	None, entire MTC service area
Level of Service Restrictions	New standing orders limited Some trip transfers forced	None	None	None
Fare Sensitivity	Fares do not reflect trip costs or quality differences	Fare increased for trips over 6 miles	Grid-Based Fare increases with trip lengths over 6 miles	Grid-Based Fare increases greatly for trips over 8 miles
Future Demand Rationing	Limit types of trips and reduce service levels, or deny trips.	Raise fares to discourage non- essential travel; limit trips or service levels.	Raise fares; limit trips or service levels or negotiate lower Provider costs.	Raise fares or reduce allow- ∽ able subsidy per trip.

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The concerns about service area and level of service restrictions are removed by all alternatives. All of the alternatives introduce fare policies that are sensitive to the cost of trips raising with travel distance. The main differences relate to how much the fares continue to increase beyond a 6-8 mile trip length.

Alternative A addresses the concern about ridership growth potential by constraining the involvement of the transit agency and increasing system capacity with private providers who will be selected competitively. Alternatives B and C rely entirely on increasing system capacity with private providers. They differs, however, in how the providers will be allowed to compete for this subsidies.

Alternatives A, B, and C address the concern about how to ration ridership in the future if subsidy funds are cut or if demand exceeds available funds. All of the alternatives suggest raising fares to discourage non-essential travel. Alternatives A and B would also directly limit service levels or reduce trips. In addition, Alternative B could try to negotiate lower costs from its providers. Alternative C would reduce the allowable subsidy costs per trip that it would reimburse all providers. This would cause the providers to either reduce service levels and perhaps lose customers to other providers or fund other ways to serve more trips at less cost per trip.

The <u>supply-related concerns</u> about Metro are listed in the first column of Exhibit 3 and the next columns indicate how they are addressed by each system. All of the options address social service agency financial involvement by proposing that client-related trips eligible for funding under either a federal or non-MnDOT state program be restricted unless those agency programs subsidize a negotiated portion of the actual costs.

Exhibit 3: SUPPLY-RELATED CONCERNS ADDRESSED BY PROPOSED ALTERNATIVES

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Concerns	Current System	Alternative A Improvements to Current System	Alternative B Centralized Management System	Alternative C User-Side Subsidy System
H.S. Agency Involvement	Agency clients regularly use no financiaľ involvement	Will negotiate with agencies to obtain new payments for clients	Will negotiate with agencies to obtain new payments for clients	ی Will negotiate with agencies to obtain new payments for clients
Non-Profit Provider Involvement	One non-profit organization has annual provider contract.	Non-profit providers can compete with private providers for a service area contract.	Non-profit providers can compete with private providers for a service area contract.	All qualified providers can compete for users at estab- lished subsidy per trip.
Provider Competition	Mostly non-competitive negotia- tions yearly.	Private Providers selected competively by service area each year. Negotiate with Project Mobility.	Private Providers selected competively by service area each year.	All qualified Providers can participate. New Providers encouraged to join.
Transit Provider Cost/Productivity Incentives	Project Mobility has relatively high labor/benefit costs. No productivity incentives.	Project Mobility serves only non- ambulatory within Twin Cities. No productivity incentives.	No transit Provider	No transit Provider
Private Providers Cost/Productivity Incentives	Mostly non-competitive negotia- tions used to establish costs. Performance standards in contracts.	Provider in each service area selected competitively based upon costs. Lower costs and higher productivity mean more business.	Provider in each service area selected competitively based upon costs. Lower costs and higher productivity mean more business.	Providers compete for subsidy at established cost per trip. Lower costs and higher produc- tivity mean more business.
Service Quality Incentives	Contracts set minimum standards, but not regularly monitored. Many service aspects controlled by Center.	Center exerts competitive pres- sures on Private Providers to maintain service quality. No change in incentives for Project Mobility trips. New program to monitor service quality.	Center exerts competitive pressures on all Providers to maintain service quality. New program to monitor service quality.	Users choose Providers and can select others if quality detoriates. Program also monitors user complaints.
Dispatching Effectiveness	Center receives all trip requests,and dispatches all taxi and Project Mobility trips. Taxi trip dispatching is not cost-effective.	Center receives all trip requests. Taxi trip dispatching is Provider's responsibility. Center disptaches Project Mobility trips.	Users call Provider in their area. All dispatching is Providers' responsibility. Center assists agencies.	Users call Provider of choice. All dispatching is Providers' responsibility. Center can assist agencies.

Alternatives A and B allow non-profit providers to compete with other private providers for annual contracts for specific service areas. Alternative C, on the other hand, allows <u>all</u> qualified providers to participate and compete for users at established subsidies per trip.

The concern about provider competition is addressed in varying degrees by the alternatives. In Alternatives A and B the private providers will be selected competitively by specific service areas each year. For Alternative C, however, all qualified providers can participate and new providers are encouraged to enter the market. The competition takes place daily rather than each year.

The concerns about cost and productivity incentives for the transit and private providers are addressed very differently. In Alternative A the transit provider is limited to serving on the non-ambulatory in the densert part of the Metropolitan Area. In the other alternatives no transit provider exists. Private providers in Alternatives A and B will compete each year for a contract in each service area. In Alternative C, all qualified providers can participate in the program but they must compete for users at established subisdies per trip.

Regarding service quality concerns, all alternatives include a new program to monitor service periodically with users surveys. For Alternatives A and B, the center exerts competitive pressures on the private providers to monitor service quality. In option A the center and MTC are responsible for service quality for the non-ambulatory users on Project Mobility. For Alternative C, the providers have direct responsibility for service quality and users can select others if quality deteriorates. The center also assists agencies or users deal with providers if service problems arise.

The final concern, dispatching effectiveness, is addressed in very different ways by the options. In Alternative A, the center receives all trip requests, dispatches Project Mobility trips, and sends the trip requests to the appropriate private providers. In Alternative B, the users call the providers in their respective service area. All dispatching is the individual providers responsibility. The center assists agencies and users with special requests or problems. In Alternative C, the users call the providers of their choice that operate in the area they wish to travel. All dispatching is the individual providers responsibility. The center assists agencies and users with special requests or problems.

IMPACTS ON USERS OF PROPOSED ALTERNATIVES

The effects on users of the proposed optionis are compared in Exhibit'4. Two general types of effects are compared: those affecting <u>service availability</u>, such as area served, choice of providers, and hours of service, and <u>level of</u> <u>service</u> such as how far in advance to request trips, directness of ride, and reliability.

All of the alternatives allow standing order and serve the entire 980 square.mile transit service area. Users contact providers directly in Alternatives B and C. In Alternative C, however, users chose among participating providers in their areas. Hours of service may vary depending upon which provider is choosen. Minimums could be established for certain providers, if necessary.

The effects of each alternative on how much users pay, how long before a trip they must call, and who they must notify with trip changes are described and easily compared with the current system. The effect of each alternative

Exhibit 4: IMPACTS OF	CURRENT AND PROPOSED ALTERNATIV	ES ON USERS	نورون رون معنا معنی		
	Current System	Alternative A Improvements to Current System	Alternative B Centralized Management System	Alternative C User-Side Subsidy System	
				<u></u>	
Area Served	280 square miles	980 square miles	980 square miles	980 square miles	
Standing Orders	New ones not allowed	Yes	Yes	уев	
llow Request Trips	Call Center	Call Center	Call Provider directly	Call Providers directly	
Choice of Providers	No	No	No	yes	
Hours of Service	6 am to ll pm weekdays 8 am to ll pm weekends	6 am to 11 pm weekdays 8 am to 11 pm weekends	6 am to 11 pm every day	May vary by Provider chosen	
Level of Service					
Fares	All users pay cash or use commuter tickets. 65 cents off-peak 75 cents peak.	Agency client must use tickets. Charge increased to \$1.00 under 6 miles; \$1.50 over 6 miles.	All users must have tickets or scrip. Charge increased to \$1.00 under 6 miles; plus about 20 cents per mile over 6 miles.	Agency cleints must use tickets. Charge increased to \$1.50 under 8 miles, plus approximately \$1.00 per mile over 8 miles.	+
Advance Reservations	l pm day before	l pm day before 🖓	3 pm day before	l-2 hours for ambulatory. Day before or less for non- ambulatory.	
Directness of Ride	Depends upon how well Center routes vehicles.	For non-ambulatory in Twin Cities will depend upon how well Center routes Project Mobility vehicles. For others will vary by service area and depend upon how well providers dispatch vehicles.	Will vary by service area and depend upon how well providers dispatch vehicles.	Will vary by service area and depend upon provider chosen.	
Pick-up/On-time Reliability	Depends upon performance and capacity of Center, Project Mobility, and other providers.	For non-ambulatory in Twin Cities will depend upon performance and capacity of Center and Project Mobility. For others will vary by service area and depend upon performance and capacity of each provider.	Will vary by service area and depend upon performance and capacity of each provider.	Will vary by service area and depend upon provider chosen.	
Trip Changes	Call Center	Non-ambulatory on Project Mobility call Center. Others call Provider.	Call Provider directly.	Call Providers directly.	

on the quality aspects of service are more difficult to compare. The directness of ride (time spent in the vehicle), pick-up reliability, and ontime arrival at the destination are very important service features affecting every user.

For the current system these quality aspects depend mainly on how well the center functions and secondarily on how well the providers perform. For Alternative A, the center and Project Mobility still are responsible for these aspects for the non-ambulatory in the Twin Cities. For other users, these aspects may vary by service areas and will depend upon how well various private providers perform. In Alternative B, the service quality will depend entirely on how well private providers function and this will vary by each provider's service area. The center will periodically monitor service quality in options A and B, and poorly performing providers could be repremainded or, ultimately, replaced. How well the private providers in Alternative C perform in terms of service quality will be key in whether users select them. As long as other providers exist or new providers decide to begin serving an area, users will be able to shop for better on-time pick-up and delivery, and other aspects of quality service such driver courteousness. The center also will periodically monitor service quality and can help users or agencies find other providers if problems occur.

FIRST YEAR ASSESSMENT MEASURES FOR PROPOSED ALTERNATIVES

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A variety of cost-effectiveness measures for the current and proposed options are compared in Exhibit 5. These measures are projections of what would occur in the first full year if the alternatives would have been fully implemented in January 1985.

A	Current	Alternative				
	System	A	В	B1	C	C1
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Demographic Characteristics						
eligible handicapped users (1980 Census)	26,600	31,600	31,600		31,600	
registered users	11,000	12,100	12,100		12,100	
active users	5,550	6,050	6,050		6,050	
service area in square miles	280	980	980 }		980	
Program Characteristics						
annual trips served	485,000	558,000	558,000		570,000	
percent non-ambulatory	28%	24%	24%		24%	
annual program costs (millions)	\$5.09	5.58	5.14	4.94	4.91	4.82
Performance Measures						
total cost per trip	\$11.27	11.46	10.66	10.30	10.47	10.31
revenue per trip from users/agencies	.77	1.46	1.45	1.45	1.86	1.86
program cost per trip	10.50	10.00	9.21	8.85	8.61	8.45
program cost per trip mile	1.91	1.82	1.67	1.61	1.57	1.54

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Exhibit 5: FIRST YEAR ASSESSMENT MEASURES FOR CURRENT SYSTEM AND PROPOSED ALTERNATIVES

In terms of demographic characteristics, all alternatives compare similarly to the current system. All of them serve a much larger service area and have more registered and active¹ users. Alternatives A and B are projected to serve about 15 percent more trips than the current system, while Alternative C is projected to service slightly more than either A and B in the first year.

In the projected first year the annual program or subsidy costs for the alternatives differ by a range of about \$750,000. Alternative A costs the most while Alternative Cl costs the least. Only Alternatives Bl, C and Cl, however, are projected to cost less than the current system in the first year.

Turning to the performance measures, we see that the total cost per trip for Alternative A is slightly higher than the current system's. This measure, however, is 5 to 9 percent lower for the other alternatives. After removing projected user and agency revenues, however, the net program or subsidy cost per trip for the options is from 5 to 20 percent below the current system's.

FUTURE IMPACTS OF PROPOSED ALTERNATIVES

As can be seen in the first year assessment measures, the total cost and ridership projections for the alternatives are not vastly different. Given the size, history, and nature of Metro mobility, it is unrealistic to forecase major changes in one year. We believe, however, that unless improvements are made to maintain user service quality, expand capacity, and control provider costs in the next two, three, four years, and beyond, the current system will deteriorate. While the resources available for this evaluation were not

¹ Persons who register and travel on the system at least once. Currently, about half of all registrants are active.

sufficient to make multiple year projections, the key considerations that will influence the future performance can be discussed and compared. The main impacts in future years are listed for the current and proposed systems in Exhibit 6.

The <u>potential for more trip making</u>, either by the existing users or by new handicapped individuals, is a key issue for the future. Particularly if the avdilable subsidy funds do not increase each year, the current system capacity will be pressed by more demand and service quality will decline. Alternative A will have more potential to accommodate ridership growth than the current system because Project Mobility, will be focused and better utilized to control cost increases and private providers will be competing to control their cost escalations. Alternatives B and C will have greater ability to accommodate ridership growth than option A because private providers will be competing to attract new users by maintaining service quality and controlling their costs.

To illustrate the potential future differences regarding <u>provider cost</u> <u>control</u> between the current system and the alternatives, we can project the effects of different annual cost increases. For the current system and Alternative A, if the total costs of Project Mobility service increase about 10 percent per year for the next five years (about the same as the past four years), then those costs in 1989 will grow to over 60 percent higher than currently. If the increases average only 7 percent per year, then the costs will go up about 40 percent. For Alternatives B and C, if the private provider competition results in annual increase of 3 or 4 percent, then the 1989 total costs will be between only 16-22 percent higher than currently. If the subsidy funds each year do not keep pace with providers cost escalations, then the system capacity and service quality will drop and additional trip making cannot be accommodated.

EXHIBIT C. THEACIS IN FOLDRE LEARS OF CORRENT AND INCLOSED ADJERMATIVES			0, 0, 0 .m 1	· 2"	
		Alternative A	Alternative B	Alternative C	
Future Effects on	Current System	Improvements to Current System	Centralized Management System	User-Side Subsidy System	
Ridership Growth (with same subsidy available)	Will depend upon service quality and system capacity. Lack of provider cost control will reduce capacity and threaten quality and growth.	Will depend upon service quality and system capacity. Lack of MTC cost control will reduce capacity and threaten quality and growth.	Will depend upon service quality and system capacity. Provider cost control will expand capacity and promote quality and growth.	Will depend upon service quality and system capacity. Provider cost control will expand capacity and promote quality and growth.	
User Service Quality	Depends upon capacity and performance of Center, Project Mobility and other providers.	For non-ambulatory trips within Twin Cities depends on how Center and Project Mobility perform. For other trips, depends more on how private Providers in each service area perform.	For all trips, depends on how private Providers in each service area perform and how well Center monitors performance.	For all trips, depends on how existing and new Providers compete for business so users have choice.	
Provider Cost Control	Project Mobility costs will rise annually as MTC's labor costs rise (during 1981-84 total costs rose about 10% per year). Other provider costs will depend upon annual negotiations.	Costs for non-ambulatory trips within Twin Cities will rise annually as MTC's labor costs rise. Competition/selection of private Providers will help minimize cost escalation for all ambulatory and suburban trips.	Competition/selection of all Providers will help minimize cost escalation for all trips.	Allowing all (existing and new) qualified Providers compete each day for subsidy will minimize cost escalation for all trips.	
Administrative Cost Control	Costs will rise annually as MTC's labor cost rise (during 1981-84 Center costs rose about 7% per year). Order taking and dispatching costs may rise somewhat less if computer automation reaches full potential.	Costs will generally rise annually as MTC's labor costs escalate. Order taking and Project Nobility dispatching costs may rise somewhat less if computer automation reaches full potential.	Costs will rise annually as MTC's administrative and clerical costs escalate. For Alternative Bl, competi- tive selection every 2-3 years of private organiza- tion will help minimize costs.	Costs will rise annually as MTC's administrative and clerical costs escalate. For Alternative Cl, competi- tive selection every 2-3 years of private organiza- tion will help minimize costs.	
Proposed "504" Accessibility Service Criteria	 Day in advance trip request. Fares will be same as MTC buse fares. 	 Day in advance trip requests will be necessary. Fares will be distance-based and higher than current MTC bus fares. 	 Day in advance trip requests will be necessary. Fares will be distance- based and higher than current MTC bus fares. 	 Ambulatory trip requests will be 1-2 hours. Non- ambulatory requests will be a day or less. Fares will be distance- based and, for long trips, much higher than current. 	

MTC bus fares.

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Exhibit 6: IMPACTS IN FUTURE YEARS OF CURRENT AND PROPOSED ALTERNATIVES

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Similar concerns exist about the future <u>cost pressures</u> on <u>administration</u>. The center currently accounts for about 20 percent of Metro's total costs. These costs have increased about 7 percent per year during the past four years. In Alternative A, the center costs have been reduced somewhat because the private providers will dispatch their own trips. The future cost increases may moderate also when the computer automation reaches full operations. For Alternatives B and C, because the level and type of administrative activities will change, the costs will be less in the future than Alternative A. For Alternatives B1 and C1, the competitive selection every 2-3 years of a private organization rather than the MTC will result in less cost escalation each year than either B or C.

The potential effects of <u>new federal rulemaking</u> about public transportation services for the handicapped (so called "504 Accessibility Rules) is very difficult to foresee. The latest proposed regulations (September 1983) have not been finalized. Once such rules are set they may still be challenged in legal actions as has happened in the past. Whatever the future federal regulations, the proposed options offer considerable flexibility and can be modified rather easily. Of the six proposed service criteria put forth in the latest rules, the exhibit shows how two criteria, "fares" and "waiting time" will compare in the future. All of the options will meet the other four proposed service criteria.

IMPLEMENTATION AND TRANSITION ISSUES OF THE ALTERNATIVES

Each of the proposed alternatives involves considerable changes in the ways Metro Mobility currently operates. These changes affect the beneficiaries of the service: handicapped persons who use Metro currently or who

may begin to use it, and social service agencies concerned about their clients' travel needs. The service providers -- administrators, managers, center personnel, transit agency drivers and mechanics, and operators and employees of private transportation providers -- are affected. While most persons and organizations are reluctant to change the status quo, Metro has already demonstrated the ability to plan and implement major system changes.

Any of these options will require good, detailed planning, including realistic phasing and adequate consultation with all affected parties before they can be implemented. Actual implementation will require careful attention to key transition concerns and dealing with the inevitable unforeseen problems that major system modifications entail. We firmly believe that with proper planning and follow-through that the essential features of each alternative can be implemented successfully. No major changes are made without risks, however. We will discuss the main implementation issues and point out the differences among the proposed alternatives.

While good <u>transition planning</u> is necessary for all options, Alternative C will require more time and effort than Alternative B which in turn will require more than A. The first year cost projections include preliminary dollar estimates for such planning. The cost estimates for Alternatives A, B, and C are \$10,000; \$20,000; and \$30,000, respectively. The planning effort will not only address the general tasks of defining major activities and scheduling them but also try to anticipate potential sources of problems and delay. Each major activity such as involving providers, administration, marketing, or system monitoring contains a variety of detailed steps that must be considered.

For Alternatives B and C, which involve the most radical changes to the current system, an implementation strategy is to develop ways to stage the

transition over several months. The new service areas can be phased-in. Competition among the private providers can be introduced in certain areas or certain users can be served first. After a few months new service areas can be added and more types of users can be served. The level of service changes such as new fares and service hours also can be made at different points in time to facilitate both users acceptance and adequate provider responses.

Afl of the alternatives envision new financial and other types of <u>social</u> <u>service agency involvement</u> with Metro. We are preparing a detailed memorandum discussing strategies and steps to be taken by MnDOT and system administrators to encourage agencies to provide some financial support for client travel and to take more responsibility in helping their clients use Metro or the fixedroute system more effectively.

Effective <u>marketing</u> strategies and <u>community liaison</u> approaches are necessary to minimize confusion by users and maintain their access to' essential services. The regular users of the existing system need to be adequately informed with sufficient time to question and understand changes that will affect their trip planning and behavior. Potential new users, either in the current service area or in the expansion areas, also need to be informed about how to try the new service.

The marketing program must have several channels of communication tailored to the various types of users and social service agencies. In addition to clear written material explaining the procedures and restrictions, telephone compaigns and "hot lines," posters, public service announcements, special group meetings, and other targeted techniques can be planned and implemented to inform as well as listen to all of the affected individuals. Another essential feature to facilitate these types of change involves informing and training the new provider personnel. Drivers and dispatchers

who are in contact everyday with users, in particular, must be well-informed and able to communicate with callers and riders.

Planning for the <u>involvement of service providers</u> will vary among the proposed alternatives. While all of the options involve the introduction of competition among private providers, the amount and type of competition vary. Alternative A requires the least change to the current selection and contracting procedures because Project Mobility will continue to serve most of the non-ambulatory riders. Alternative B, which involves only private providers, requires more consideration and planning than A. Alternative C not only involves only private providers but requires a different approach to competition that does not limit the number or types of providers. Thus option C requires more planning time and effort.

Since these alternatives rely mainly on the already existing private providers, the first implementation activities involve current providers in the Twin Cities area. All of the potential providers need to be identified, informed about the new service opportunities, and consulted with to obtain reactions. To maximize the benefits of competition, as many qualified providers should be involved as possible. In addition to taxi operators, school bus companies, and non-profit organizations, other providers such as chair-car operators, private bus companies, limousine operators and other transportation firms can be contacted. In addition, some of these providers could combine resources change or their character such as a taxi or limousine firm buying or leasing lift-equipped vehicles. In addition to the local transportation firms, the competition can involve a nationwide announcement. Several different types of firms from major transit management companies such as National Transit Services to transportation consulting firms and major school bus firms have become interested in new business opportunities.

For the competitive approach envisioned in Alternatives A and B, MnDOT has already gone through the main activities successfully when selecting the provider for the suburban areas of St. Paul. These activities include defining the service area, consulting with potential providers, preparing a request for proposal, preparing a service contract, and developing administrative procedures for invoicing, payments, and auditing. This experience provides a base which can be used and modified to involve all of the private providers in either option.

For the user-side subsidy competitive model in Alternative C, MnDOT does not have any direct previous experience. Thus more time and effort will be necessary to plan and involve the private providers. The planning task can be facilitated by a recent UMTA publication which synthesizes the experience of many user-side subsidy programs and then provides planning and implementation guidance. By building upon this guidance, all of the existing and, perhpas some new, private providers who are qualified can participate.

RECOMMENDATIONS



An annual (or biannual) fee should be charged all eligible users to cover the costs of registration and to help keep a more current list of active users.

Implement a New Monitoring Program

On a regular basis (every six to twelve months), a statistically valid sample of users should be surveyed to obtain objective information on service quality and travel characteristics.

Have the RTB Make Policy With Consumer Advisory Input

The RTB should establish all policies related to service access and quality, set system management objectives, and plan future changes. Consumer groups, users, social service agency representatives, and other concerned citizens should have meaningful input to the RTB through an advisory group mechanism.

Involve Social Service Agencies More Directly

Metro and agencies should seek to set up new user training programs to help clients use Metro and fixed route bus services better. To encourage real cooperation between Metro and the numerous agencies who need or provide client transportation, Metro should seek to make maximum use of all funds available for handicapped transportation. Agencies with funding available from federal or state programs should be required to subsidize a negotiated portion of the actual costs of Metro trips.

Revise User Fares

Metro's door-to-door service provides a different quality of travel at a much higher cost per trip than regular MTC bus service. Metro fares should be changed to reflect the increasing costs with trip distance and the overall fare should be raised to reflect the total costs of providing the trip. The cost of competitive modes such as taxicabs and chair car carriers also should be considered. Future fare increases should be considered every one or two years as part of the system planning and budgeting process.

RECOMMENDED SYSTEM ALTERNATIVE

The evaluation team believes that each of the proposed system alternatives would result in substantial improvements to the current system. In our judgment, however, a user-side subsidy system as described in Alternative C should be implemented. We believe this basic system alternative offers the most future travel benefits for all handicapped persons in the most cost-efficient way.

We believe that all of the features of this recommended system are desirable and required for maximum effectiveness. Certain detailed aspects of the system features, however, must be tailored and refined as it is implemented to reflect evolving RTC policies. Some characteristics, such as the exact fare levels, eligibility, service areas, registration procedures, or future demand rationing, can be different from those specified or assumed in Alternative C.

As discussed in the previous section, a user-side subsidy approach involves the most departures from the current, highly centralized, system. Because major system changes will be necessary to implement Alternative C, sound transition planning as well as dedicated and flexible management will be crucial if the disruptions are to be minimal. We believe that the current Metro Mobility management personnel are capable, perhaps with some additional transition planning assistance, of implementing a user-side subsidy system. After the new system is in place, these personnel could then continue to administer it effectively.

APPENDIX A Summary of Metro Mobility Evaluation Forum



SUMMARY OF METRO MOBILITY EVALUATION FORUM

The following summarizes comments made by social service agency representatives and users at a Metro Mobility evaluation forum on April 12. This summary attempts to convey the numerous comments without synthesizing or prioritizing them. Attendees at the forum included 26 participants; Robert Works and Dana Allan from MnDOT; and Gerald Miller, Carol Everett and Sandra Rosenbloom from The Urban Institute.

The purpose of the forum was to obtain consumer and agency assessments of Metro Mobility's current strong and weak aspects, as well as recommendations for future improvments. This information will be considered by The Urban Institute and MnDOT in the overall evaluation of Metro Mobility. Any clarifications to this summary or additional comments by participants at this forum are welcome and should be sent to Dana Allen.

STRENGTHS AND WEAKNESSES

Strengths

- Driver friendliness, especially on Metro Mobility (MM) and Suburban Paratransit.
- Number of people served.
- Effort made to listen to users.
- Creative use of providers.
- Fares and hours of service comparable to main line service.
- Computerization of certification and common trip information.
- Door-through-door service.
- Can count on the system to always get you there and back (even if late).
- Transfers allow longer trips.

Weaknesses

• Poor communication between users, MTC, and MM.

- Unclear lines of responsibility and accountability between MTC, MnDOT, and MM.
- Questionable balance between quantity (number of rides) and quality of service (on-board wait time, for example).
- Advisory Committee's advice not heeded.

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- Certification process discriminates against the blind.
- MM can't/doesn't coordinate well the transportation providers outside the system or outside the service area.
 - Lacks the ability to handle emergency rides.
 - Service area boundaries too limited; some major trip attractors not served.
- Lacks shelters and seats at waiting places.
 - Control Center staff occasionally rude or confused on late pick-ups.
 - Problem of late pick-ups by all providers.
 - Unable to get standing orders unless "grandfathered", lengthy certification appeal process.
 - Sensitivity training for order takers could be improved.
 - Lifts and other mechanical problems, especially in cold weather (Project Mobility and Morley in particular).
 - Taxi contracts not explicit enough in terms of specifying service standards and driver attitudes.
 - Lengthy waits on the phone to access service and to report late pickups.
 - Doesn't coordinate trips with common origins and destinations well.
 - Union influence on Project Mobility service quality too great.
 - MTC upper management lacks commitment to MM.

RECOMMENDATIONS FOR METRO MOBILITY IN THE FUTURE

- Expand service into the 7-county region where needed (perhaps at a lower level of service than for the current service).
- Match best provider to the particular service offered (including dispatcher services).
- Provide financial incentives to taxis for better on-time service.

- Add a separate telephone line for late pick-up questions.
- Add a shuttle bus between Minneapolis and St. Paul.
- Improve sensitivity training for phone staff.
- Provide better information to potential users on certification procedures.
 - Provide memoranda to users on changes in certification.
 - Instruct order takers to repeat the order (especially when the user has a speech impairment).
- • Certify all the blind.

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- Investigate raising fares if it would improve service quality.
- Coordinate better with existing services.
- Eliminate fragmentation in the system.
- Have supervisors monitor order takers for politeness, etc.
- Add a separate phone-in line for Suburban Paratransit, Inc.
- Rotate music for on-hold telephone recording.
- Prepare a booklet which tells the user the best time to call in for service, the information he should have ready for the order taker, etc.
- Look at funding to the out state regions.
- Look at the desirability of a mixed (accessible main line and paratransit) system.

APPENDIX B Summary of the Peer-to-Péer Workshop on Alternative Approaches to Providing Specialized Transportation



SUMMARY OF THE PEER-TO-PEER WORKSHOP ON ALTERNATIVE APPROACHES TO PROVIDING SPECIALIZED TRANSPORTATION

Introduction

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On May 22, 1984, the Office of Transit, Minnesota Department of Transportation (MnDOT), with the help of UMTA's new Public Transportation Network, sponsored a one-day workshop for persons associated with policy making and operating Metro Mobility to hear about the experiences of four managers and developers of specialized systems from other states. A total of 18 people participated (see list of attendees). Since the entire proceedings were videotaped by MnDOT, those interested persons who could not attend may be able to view some of the presentations and discussions.

The Urban Institute prepared brief system descriptions for Metro Mobility (MM) and the four other innovative systems, which were distributed to all the participants ahead of the workshop. Each of the five system managers gave a 30-minute presentation which covered a standarized outline. These were followed by lively question and answer exchanges. (See the attached workshop agenda.)

The primary objective of the peer-to-peer workshop was to provide MnDOT staff, the MM Management Policy Committee members, and current MM providers with a practical orientation to a range of specialized transportation user policies, administrative options, and service alternatives. Overall, I believe that the workshop met its objective. The participants now have-a good understanding of the different ways that others provide service for handicapped persons, and this knowledge should be helpful as MnDOT seeks to improve both the service quality and cost-effectiveness of Metro Mobility. The rest of this memorandum summarizes the major issues that were discussed and highlights the key themes that emerged during the workshops.

Major Issues

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While all five systems have similar general types of goals for serving handicapped or elderly persons, considerable diversity exists. For example, user eligibility, ridership mix, the impetus for starting the system, state and local financial involvement, administrative arrangements, provider selection, fare and travel restrictions, overall service quality, and total cost per trip all vary from system to system. Each system has evolved over several years. Each manager acknowledged the need to continue to find improvements and to try new ways to reduce costs while serving more persons. All of the systems recognize and are responding to greater fiscal pressures at the state or local levels.

The continuing uncertainty of the proposed federal 504 regulations regarding nondiscrimination on the basis of handicap has created real dilemmas between lift-equipped, fixed-route and specialized services for some of the systems. Until the federal rules are finalized (perhaps after the November election), the implications for MM or any of the systems are unclear. Whatever the federal rules prescribe, however, local governments will still have to address the challenge of how to involve the handicapped community effectively in developing acceptable, "common sense" systems.

Another common thread in the presentations was the increasing trend towards diversified funding. The Portland, Pittsburgh, and Lancaster systems, for example, have been quite successful in obtaining social service agency financial involvement. Their experience may be applicable to future MM efforts to obtain more non-state funding. Both of the Pennsylvania systems carry substantial numbers of elderly travelers who are heavily subsidized by state lottery funds.

All of the systems have had positive experiences with the various ways

they have worked out to select service providers competitively. Particularly interesting was Portland's 1980 experience which involved a switch from transit agency provision of special bus service to contract with non-profit organizations and taxi operators. While the drivers' union reacted strongly and some users were upset about losing their familiar drivers, the transition to a less costly service did take place.

The systems varied in terms of user access to providers and degree of centralized dispatching and provider control. These differences in turn affected the service quality (user ride and wait times, need for transfers, etc.) and overall cost per trip.

A final major difference involved the various approaches to "rationing" trip demand. As with most publicly-provided services, the administrators of the specialized door-to-door services have had to ration services to control demand and meet annual budgets. The rationing approaches varied greatly across the systems resulting in different fare levels, eligibility restrictions, and service qualities. At one end of the spectrum is Milwaukee which offers a very high level of service at a relatively high fare, but to a more restricted eligibility group. At the other end is Portland which offers a comparatively low level of service at an inexpensive fare to any person who cannot use the regular bus system.

Group Problem Solving

During the last hour of the workshop, Robert Works led the participants through a group exercise to begin the process of identifying potential improvements for Metro Mobility. The initial discussion centered on the need for clearer statements of MM's general purpose and more specific objectives as well as delineations of responsibility and accountability between MnDOT, the management policy community, the advisory task force, and the providers.

The participants then identified (1) improvements that would retain the current basic operating set-up, (2) improvements that would produce major conceptual changes in the current system. For each proposed improvement, the four system managers identified potential benefits as well as the possible concerns, costs and barriers. The suggested improvements identified included:

Existing System Improvements

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- obtain funding from social service agencies for transporting their clients;
- contract with social service agencies or hospitals to perform eligibility screening;
 - improve MTC intra-agency communication;
 - maintain clean MTC vehicles;
 - provide sensitivity training for all drivers;
 - create an independent ombudsman to help users with complaints; and
 - consider higher-fares or different fares for different types of services.

Conceptual System Changes

- allow users to select/access providers directly;
- select providers competitively based upon bids for services;
- eliminate existing service boundaries for providers;
- develop an effective mix of accessible fixed-route bus services and specialized door-to-door service; and
- create a broader-based policy board-involving city and countyrepresentatives (obtain city/county funding also).

The system managers ended the workshop with a summary of Metro Mobility's overall strengths. These included:

- high ridership, particularly for the wheelchair users;
- broad eligibility and relatively low fares;
- the system's apparent attractiveness to new registrants; and
- high interest in funding new ways to improve the system.



AGENDA Peer to Peer Workshop Alternative Approaches to Providing Specialized Transportation

May 22, 1984 8 a.m. to 4:30 p.m. State Capitol Building - Room 120 St. Paul, Minnesota

8:00 [°] a	a.m. 🧠	Coffee	
8:30		Introducti	ons
8:45		Public Tra	ansportation Network (PTN)
9:00		504 Regula	ations
9:30		Metro Mobi	lity Description
•्* रू हु	•		David Naiditch Twin Cities, Minnesota
10:00		Break	
10:15		Social Ser	vice Agency Involvement
			Park Woodworth Portland, Oregon
10:45	-	Questions	
11:00	· •.	User Side	Subsidy
			Thomas Knight Milwaukee, Wisconsin
11:30		Questions	•
11:45	• •	Lunch	•
1:00 p	o.m.	Centralize	ed Management
			Thomas Letky Pittsburgh, Pennsylvania
1:30		Questions	
1:45		Brokerage	System
			David Griffiths Lancaster, Pennsylvania
2:15	ч.,	Questions	-
2:30	,	Break	
2:45		Group Prob	olem Solving
4:15		Wrap up	•
4:30		Adjourn	

METRO MOBILITY -- MINNEAPOLIS AND ST. PAUL

Vital Statistics for CY 1983

Monthly Trips: 33,450

Eligible Users: 70,000

Enrolled: 7,800

User Pays per Trip: \$0.60 off peak, \$0.75 peak

Average Cost per Trip: \$11.72

Average Subsidy per Trip: \$11.06

Number of Wheelchair Trips: 12,400

Client Restrictions: Residents unable to use regular transit services

Trip Restrictions: None

Advance Notice Required: by 1:00 p.m. the day prior to service

Service Hours: 6:00 a.m. to 11:00 p.m. weekdays, 8:00 a.m. to 11:00 p.m. weekends

Service Area: 292 sq. miles

Service Providers: Nine carriers: the transit agency, six taxi operators, one not-for-profit, one private operator

SERVICE MECHANISM

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Metro Mobility is a coordinated transportation system for the disabled in Minneapolis, St. Paul and some suburban communities. It is funded and administered by the Minnesota DOT which contracts with the Metropolitan Transit Commission (MTC) to operate the Transportation Center to coordinate all services and to provide direct service for non-ambulatory users in the Twin Cities. In addition, MnDOT contracts, largely on a non-competitive basis, with eight other providers for service in distinct geographic areas or for certain types of trips.

Ambulatory users in St. Paul and Minneapolis are generally apportioned among the taxi operators; non-ambulatory users in the two cities are generally served by the MTC. The two remaining operators receive riders from their
respective geographic service area. MTC operates 34 accessible vehicles and accounts for 39 percent of all Metro Mobility trips. Taxis currently account for approximately 44 percent of all trips. A not-for-profit suburban paratransit serves the outer Minneapolis suburbs and accounts for eight percent of all trips. A private operator receives a competitive contract to serve the outer St. Paul suburbs and now accounts for eight percent of all trips. All carriers, except MTC, fit these trips into their regular operation. All cargiers may <u>drop off</u> users in the same service area, but users making long trips (more than six miles) between the service areas of different carriers may be required to transfer between carriers.

Users become certified through Metro Mobility and, once certified, call Metro Mobility for service. The Transportation Center groups and schedules all trips and gives each carrier already routed trips for the subsequent day.

ELIGIBILITY SCREENING PROCESS

Metro Mobility does all eligibility screening.

DISPATCHING

The Transportation Center receives all calls for service and routes and schedules the route of all carriers except suburban paratransit. The center takes requests for service from all certified users before 1:00 p.m., and then groups and routes trips in the afternoon. Users who cannot be accommodated at all or at the time requested are recalled in the afternoon or evening. The Transportation Center gives each carrier a list of all tours and routes by 11:45 p.m. of the day before service. Most carriers use these routes and groupings exactly as given integrating the Metro Mobility trips into regular taxi or bus operations. Suburban paratransit has a dispatcher present at the Transportation Center to schedule requests in its service area.

INVOLVEMENT OF OTHER AGENCIES

Metro Mobility provides some trips for which other agency funding is available. Currently, Metro Mobility receives approximately \$50,000 a year for carrying Medical Assistance Trips. No reimbursements from any other agency, however, are received for client travel.

POINT TO NOTE

Metro Mobility is administered by MnDOT and MTC personnel. Thus, the administrative costs have not been isolated.

FEDERAL 504 CONCERNS

Because the state does not contract with the MTC for all of Metro Mobility service, it is unclear how much of the \$4.3 1983 annual expenditures can be attributed to MTC for 504 purposes.

Contact: David Naiditch, Manager, Metro Mobility

PORTLAND: THE LIFT

Vital Statistics As of January 1984

C.		
i i i	Monthly Trips: 32,000	
:	Eligible Users: 22,100	
<u></u>	Enrolled: 5,900 (active)	
े. • • ए:्:	User Pays per Trip: \$.25 for off-peak and \$.75 to \$1.25 for peak for general user	'S
m.)- 	Average Cost per Trip: Approximately \$5.80	
	Average Subsidy per Trip: \$5.40	
	Number of Wheelchair Trips: NA	
	Client Restrictions: Residents who are physically of mentally unable to use regular transit, <u>and</u> , clients of parti pating agencies	r ci-c
	Trip Restrictions: All trip purposes allowed; priority is given to regular medical and rider income- producing trips thus severely reducing the capacity for soci or recreational trips	al
	Advance Notice Required: 48 hours	
 	Service Hours: Eleven hours per day, five days per	week
:	Service Area: 1,000 sq. miles (mostly rural), population l million	
ar e	Service Providers: Three not-for-profit providers	

SERVICE MECHANISM

Tri-Met, the transit agency, contracts with three not-for-profit or government agency carriers to provide service in the three counties in the service area. Service is provided in dedicated vehicles with dedicated drivers. Certified users call the carrier in their area. Carriers are selected through a competitive bid process; taxi operators who lost the bid for FY 1984 are now suing the transit agency.

Each carrier owns some of its own vehicles as well as operating some Tri-Met

vehicles; all are radio equipped and 80 percent have wheelchair lifts. Ultimately all vehicles will be purchased and owned by Tri-Met. Tri-Met now provides no service itself. During 1976-80, however, it provided service and contracted special services.

Ten percent of all trips are characterized as group trips, with riders having the same origin and destination.

FINANCIAL ARRANGEMENTS

Tri-Met pays two carriers on a cost-reimbursement basis and the third is paid a fee for service. Tri-Met monthly determines the allowable charges of the first two carriers and pays those amounts. The third carrier is paid the hourly rate which it bid. All carriers lease some vehicles from Tri-Met and own some of their own. Through March of 1984, all three contractors were averaging between \$15.00 and \$25.20 per vehicle hour, with the not-for-profits on the lower end. The average <u>carrier</u> cost per trip, for all kinds of trips, falls between \$3.94 and \$6.73.

LIFT service is also sold to participating agencies who are billed at cost for trips of varying lengths and occupancy. Currently the Program estimates that individual trips of one to four miles cost \$3.00; trips of four to ten miles cost \$10.00 and trips over ten miles cost \$24.00. Group trips average <u>one-</u> <u>half</u> those amounts. Therefore agencies pay from \$1.50 to \$24.00 per trip depending on trip length and number of persons traveling together.

ELIGIBILITY SCREENING PROCESS

Users are allowed to certify themselves as eligible.

DISPATCHING

Users call the appropriate carrier. Each carrier dispatches its own vehicles. Because each carrier's service area is at least one county there is little need for coordination or transfers.

INVOLVEMENT OF OTHER AGENCIES

The Portland system is noted for the early and continued involvement of social service agencies. Agency clients account for roughly one-half of total monthly ridership. Almost all of the agencies group trips. The lift currently has a \$2.0 million budget; approximately 1/4 comes from participating agencies.

RIDERSHIP AND COST TRENDS

In 1977, when Tri-Met provided much of the LIFT service with union drivers in its own vehicles, it carried approximately 7,000 one-way trips per month at an average cost per passenger of \$7.31 with a subsidy of \$6.17 (1977 dollars).

POINTS TO NOTE

Administrative costs are low. Total administrative and vehicle acquisition costs are \$100,000 per year, five percent of the total operating budget or

roughly \$.50 per trip.

FEDERAL 504 CONCERNS

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Tri-Met spends over three percent of its total operating budget on the LIFT and accessible bus service, including the \$500,000 payments from contracting agencies. Ten percent of all Tri-Met bus routes provide lift-equipped service.

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Contact: G. P. Woodworth, Manager, Special Needs Transportation, Tri-Met

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MILWAUKEE COUNTY SPECIAL TRANSIT SERVICES: USER-SIDE SUBSIDY PROGRAM

Vital Statistics as of mid-1983

Monthly Trips: 21,000 Eligible Users: 12,000 Enrolled: 5,500 User Pays per Trip: \$1.66 (plus yearly registration fee, \$7.00) \$9.24 Average Cost per Trip: Average Subsidy per Trip: \$7.58 Number of Wheelchair Trips: 13,000 monthly Only County residents who are Client Restrictions: blind, confined to wheelchairs or who use a walker or crutch Trip Restrictions: None Advance Notice Required: Regular taxi service Service Hours: 7 a.m. to Midnight Service Area: 242 sq. miles, population 1.0 million Service Providers: Twelve; six taxicab companies and six chaircar carriers

SERVICE MECHANISM

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Begun in January 1978, this user-side subsidy program is designed to give the user control over the subsidy rather than the providers. Providers must compete each day for the users' subsidy funds. The County contracts with operators licensed by the City of Milwaukee as taxis or liveries, requiring only that operators provide <u>curb-to-curb</u> service and accept taxi vouchers as partial payment. In fact operators have become competitive and provide <u>door-to-door</u> service to most clients.

The user contacts the preferred carrier; when the vehicle arrives the user shows a Program identification card. When the trip is completed the user gives the carrier the first \$1.50 and any amount over the ceiling set by the program, and signs the voucher for the remaining subsidy. Fares are based on either the meter for taxis or the maximum rate schedule filed with the city by chaircarriers. There are some financial incentives for operators to group trips but they rarely do so; most operators mix user-side subsidy trips with their other regular trips.

FINANCIAL ARRANGEMENTS

Users pay the first \$1.50 of any trip; the program pays up to \$9.50 in addition for wheelcahirs users and up to \$6.50 more for other users. The user then pays the full amount above these ceilings for longer trips. There is a small number of users who do take longer trips and who pay above these limits. This raises the <u>average</u> direct user cost to \$1.66. There is a hardship policy which allows payment for those who consistently have longer medical trips, but this feature has not been used very much.

Carriers collect the user fare and submit the signed vouchers for payment, usually bi-weekly. The program pays 90 percent within ten days withholding the remainder pending audit.

The Program was funded at \$2.046 million in 1982. It has three sources of funds; the State of Wisconsin (\$478k), the Community Development Bloc Grant (\$283k) and the County itself.

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ELIGIBILITY SCREENING PROCESS

Eligible persons must be certified by a physician or health professional and meet the basic requirements.

DISPATCHING

Users call their preferred carrier. The carriers do their own dispatching, often mixing Program trips with other riders.

INVOLVEMENT OF OTHER AGENCIES:

Prior to 1983 the Program had no official arrangements with other agencies. In 1983 the County worked out arrangements with the Wisconsin Department of Vocational Rehabilitation and the Medicaid Program to reimburse the Program the full subsidy costs for appropriate trips taken by user-side subsidy users.

RIDERSHIP AND COST TRENDS

The Program carried 7,605 users per month at the end of their first year, 1978; this had doubled to 14,436 per month at the end of the second year. Ridership has increased another 50 percent since then.

POINTS TO NOTE

The Program administrative costs are roughly 12 percent of the total budget.

FEDERAL 504 CONSIDERATIONS

The County has committed itself to spending 2.2 percent of the Transit system's operating budget for the user-side subsidy program. This action was the result of a 1982 out-of-court settlement of a 1976 lawsuit. The Transit system also announced that it would not operate its 250 lift-equipped buses.

PITTSBURGH: ACCESS

Vital Statistics As of April, 1984

Monthly Trips: 45.000 Eligible Users: 66,300 Enrolled: 15,100 (for fare subsidy only) User Pays per Trip: \$1.35 (average) for transit agency subsidized riders; \$2.00 (average) for PennDOT subsidized riders; nothing for social service agency sponsored riders Average Cost per Trip: \$10.75 Average Subsidy per Trip: \$10.65 for transit agency sponsored users; \$6.00 for PennDOT; \$10.75 for agency clients Number of Wheelchair User Trips: 3,400 monthly Client Restrictions: Users sponsored by the transit agency must be seriously physically disabled. Users sponsored by PennDOT must be 65 or over. Social service agency restrictions vary. Trip Restrictions: None; no formal trip priorities Advance Notice Required: By 3:00 p.m. the weekday before travel Service Hours: 6:00 a.m. to Midnight, seven days per week Service Area: 729 sq. miles, population 1.5 million -Service Providers: Twelve; eight for-profit including five regular taxi operators and three group carriers, and four not-for-profits

SERVICE MECHANISM

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The Port Authority of Allegheny County, the transit agency, contracts with ACCESS Transportation Systems, Inc. a private, third-part management organization or broker to operate the system. Service is provided to three relatively distinct groups of users; (1) residents of the County unable, by virtue of serious physical handicap, to use regular transit services, whose fares are subsidized by the transit agency; (2) County residents over 65 not included in the previous group, whose fares are subsidized by PennDOT; and (3) clients of sponsoring agencies contracting directly with ACCESS. Transit agency users account for one-third of the trips; PennDOT users for 17 percent; agency clients make up half of the trips. Service is available to all county residents but since full fares are higher than comparable taxi fares, there are few unsubsidized riders.

ACCESS_in turn contracts with the carriers to provide service. Contracts are awarded competitively in specific geographic areas within the service area. ACCESS pays each carrier on either a cost-reimbursement or negotiated fee basis; reimbursements range from \$12 to \$18 per vehicle hour, and average \$16. Taxi operators providing individual rides are paid on a meter basis; 25 percent of all trips are served in regular non-dedicated taxis.

FINANCIAL ARRANGEMENTS

Transit agency or PennDOT-sponsored clients are charged a distance-based fare calculated on the number of geographic zones through which they cross; current fares are \$4.00 for the first zone or part of a zone and \$3.00 per airline mile for trips between zones. The zone fares are standardized and a user is told the exact fare prior to traveling. Riders sponsored by these two agencies buy <u>scrip</u> with full fare face-value at either an 88.75 percent discount (Port Authority) or a 75 percent (DOT) discount; they pay the carrier the fare with the discounted scrip. ACCESS is reimbursed by the two agencies for the remaining portion. Since the transit agency-sponsored users are handicapped, their trips tend to be the more expensive to serve; the average cost per trip is \$12.00. Most of the PennDOT riders are ambulatory elderly, who can travel in regular taxis, and their average trip cost is \$8.00.

Users sponsored by a social service agency generally pay the carrier nothing. The agencies sponsoring their trips are charged a fare equal to the average cost of providing that kind of trip. Sometimes the zone-based fares are used for convenience, but more often ACCESS actually estimates the cost and bills the agency accordingly.

ELIGIBILITY SCREENING

Users receiving the transit agency subsidy must go through a rigorous screening process which is performed by the Easter Seals Society under contract to ACCESS. Easter Seals uses a mock-up of the front end of a bus to determine whether potential users are able to board regular buses.

DISPATCHING

Users sponsored by the transit agency or PennDOT purchase their scrip and then call the carrier in their geographic area to arrange their own trips. Each carrier does its own dispatching. ACCESS schedules group and social service agency trips and handles difficult-to-dispatch trips. Recurring agency trips are generally handled directly by the carrier.

INVOLVEMENT OF OTHER AGENCIES

Currently 45 agencies have formal or informal arrangements with ACCESS for service. ACCESS, until recently, did not provide group trips for social agencies. In October, 1983, however, over 14,000 Medicaid trips were added to the system and over 40 percent are group trips. The addition of these cheaper-to-serve trips has significantly increased ridership (33 percent) while effectively decreasing per-trip costs.

RIDERSHIP AND COST TRENDS

In 1979, the first year of operation, ACCESS carried 45,000 trips per year at an average cost of \$9.38 (1979 dollars); direct transportation costs were \$430,500 and administrative costs were \$310,000! In 1983, the ridership had grown to over 33,000 per month; transportation costs were \$4.1 million and administrative costs were \$445,000.

POINTS TO NOTE

ACCESS began as an UMTA demonstration to test the effectiveness of the "broker" or centralized management concept. As a private entity separate from the transit system, ACCESS must, in theory, break-even from the fares it charges, although most of those fares are substantially subsidized by the transit authority and DOT. All directly-subsidized users and all agency contracted clients are charged roughly the same fare, which is intended to represent the average cost of service, including the administrative costs.

In 1983 administrative costs per trip were \$1.13 and represented less than ten percent of all operating costs. Staff expect per-trip administrative costs to drop sharply with the addition of the Medicaid clients.

FEDERAL 504 CONCERNS

ACCESS expenditures are approximately two percent of the Port Authority's operating budget. The Port Authority has no lift-equipped standard transit coaches.

Contact: Ervin Roszner, ACCESS Manager

LANCASTER, PENNSYLVANIA: LISTS

Vital Statistics as of April 1984

Monthly Trips: 22,700

Eligible Users: 52,300

Enrolled: 4,000

User Pays per Trip: Most pay nothing, those who do pay 75 cents average

Average Cost per Trip: \$2.10

Number of Wheelchair Trips: 700

User Restrictions: None. To be eligible for subsidy: over 65, or handicapped, or clients of participating agencies

Trip Restrictions: None

Advance Notice Required: 24 hours, 48 for liftequipped service

Service Hours: Six days, 8:00 a.m. to 5:00 p.m.

Service Area: 946 sq. miles (predominantly rural), population 360,000

Service Providers: Five for-profit, and the transit authority

SERVICE MECHANISM

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Formed in October 1977, LISTS is a private non-profit corporation which acts as a coordinator of transportation services. LISTS contracts with providers who successfully bid on the various kinds of services needed by County residents and clients of participating social service agencies. LISTS provides no direct services. LISTS has divided the county into six sectors and has designated 11 different kinds of transportation services. LISTS then seeks bids for services in each sector. Services include local rural service, wheelchair service, local AAA center service, etc. All service is door-todoor, but several services, particularly in rural areas, are only provided a few days a week.

All citizens of Lancaster County are eligible for service. However, only those receiving medical assistance, the handicapped, and those over 65 are eligible for subsidies, so there is little general public ridership. People who are 65 or older are eligible for a 75 percent fare discount through the PennDOT state lottery program. This discount will increase to 90 percent in July. Handicapped citizens of the urbanized area of Lancaster are subsidized by the local transit authority (the Red Rose Transit Authority). For service within the urbanized area only, however, handicapped users pay 80 cents for each trip.

Users first become certified as eligible for subsidy, then obtain tickets from LISTS or from a sponsoring agency. They call LISTS to request transportation service, and then pay the carrier with these tickets when the service is provided. The user also pays the carrier any portion of the fare which is unsubsidized. The carrier turns in tickets and money and is paid by LISTS. The tickets are color-coded so that LISTS knows which agency is subsidizing the user and for how much. LISTS then bills participating agency for the trip costs.

FINANCIAL ARRANGEMENTS

LISTS must cover all of its operating expenses from the charges it assesses participating agencies. LISTS pays carriers between \$0.40 and \$22.00 per trip, varying with the sector and type of service; congregate meal trips are on the low end. LISTS adds an additional four percent to these charges. It adds 24 percent for the PennDOT-sponsored elderly trips. The participating agencies are billed for the trips taken by their client, and are expected to pay LISTS within 30 days.

ELIGIBILITY SCREENING

Several local agencies have the authority to certify the elderly and handicapped as eligible for subsidy.

DISPATCHING

LISTS receives all county calls for service and prepares a list, by carrier, of those needing services. Nightly, each contract carrier is given a list of those users in its service sector who have requested service; each carrier then does its own scheduling and dispatching. City residences call the carrier directly.

INVOLVEMENT OF OTHER AGENCIES

LISTS has always had the active involvement of many organizations and it grew out of the cooperation among public and social service agencies. LISTS currently arranges transportation for more than 40 human service agencies, many of whom previously provided direct transportation services. All participating agencies pay the full cost of providing service to their client. PennDOT pays for a substantial portion. The average cost per trip for subsidized seniors is \$1.50; the average cost for other users is \$3.25. Some agencies, such as public welfare, do not technically contract with LISTS by the trip, giving LISTS a block grant instead. But LISTS does try to base service on a real trip cost.

In 1983, seven percent of all LISTS trips were subsidized by the transit authority, 36 percent were subsidized entirely by social service agencies, and 57 percent by PennDOT. Social service agencies, acting as a third party, pay the user portions for most of the elderly trips subsidized by PennDOT.

RIDERSHIP AND COST TRENDS

In the first full year of operation (1978) LISTS provided 67,400 one-way trips to 15 agencies. In 1983, about 204,000 trips were provided, and 40 agencies participated.

POINTS TO NOTE

The 1984-85 budget will be \$500,000, and 19 percent will be administrative costs.

Most users are elderly and few users pay even a small fare.

The existence of competition is one of the key features of the system. As many as eight carriers have been contractors, and new carriers do enter the process, under bidding existing providers. Contractors are paid on a per-trip basis so they have an incentive to group trips. The existence of competitors encourages contractors to pass on to LISTS some of the cost savings generated by ridesharing. FEDERAL 504 CONCERNS

The Red Rose Transit Authority spends approximately one percent of its operating budget for the special services provided through LISTS in the urbanized area of the county.

Contact: David Griffiths, Executive Director, LISTS

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APPENDIX C Demand, Revenue and Cost Estimates for Current System and Proposed Alternatives



Demand Estimate for Current System

Base 1984 estimate 490,000 trips or 475,000 linked trips

Center Manager estimates that 1985 will be about the same (490-500) because of supply constraints.

- Base 1985 linked trip total is 485,000 (.97 x 500)

I estimate 11,000 registered by end of 1984 and then steady state unless expand service area. If registration does not stablize by then more persons may face being denied trips and more persons will not become regular users.

* At 5/84 about 9,000 persons registered and 4570 active users. Each

by 5/85 est. 5500 active user (+930 new active users) if new active users travel about half as much as current (4.5 trips/month) then potential new travel is 930 x 4.5 x 12 = 50,000 trips or 10% more

Estimate of Persons Denied Trips on Unchanged Current System

Due to 930 new active users potential demand is

930 x 4.5 trips/month = 4185 trips/month

or about 2000 new requests for trips

If these new daily call in requestors represent the current proportion of all requests (55%), then a potential of 1100 requests for trips each month may not be able to be served or the requestors will not be able to become regular users each month. For comparison, in 1984, from 100-250 persons per month have been denied trips.

In addition, new permanent requests for service could not be accepted.

Cost Estimate

Based upon available MnDOT budget 1984 - July 85 \$2.5 m 7/85 - 12/85 2.5 x 1.035 = 2.5875 5,087,500 or \$5.09 million program cost

User Revenues,

66 cents x 485,000 = 320.1kAgency Revenue55k\$375 total revenues for current system

Demand Estimate Option A Current System Base = 485,000 trips 930 persons new active users result in 50,000 trips 535,000 trips total : C() - . i -"1 (1) Expand service area In current area 5500 active users 26,600 eligible (1980 census) or 21% of eligible are active "In new area 4700 eligible (1980 census) assume new 5000 with pop. growth \sim first year assume only half will be as active as in current system $1/2 \ge 21\% \ge 5000 = 525$ active users 525 users x 8 (current avg is 9) trips/months or 50,400 trips/year (2) 4 more PM hours in St. Paul Suburbs--negigible effect on demand. (3) Fare less than 6 miles increase from current ave 66 cents to \$1.00 (increase 34 cents or 51%) Over 6 miles to go up 50 cents to discourage very long trips About 33% of all trips over 6 miles Assume most agency related trips will not be influenced by fare increases (currently 41% of PM standing w/c orders 6 miles) Overall, we assume that the effect of the base fare increase to \$1.00 and the distance-based charge of 50 cents will result in a 10 percent decline in total tripmaking in the first year. Thus 10% x 535,000 = 54,000 fewer trips. To estimate new user payment, assume that 1/2 of the 6-8 mile travelers (10% of total) will just take less than 6 mile trips because it will cost more. Assume all of the rest (24% of total) will pay 50 cents more. 76% pay \$1.00 24% pay \$1.50 new user payment average = \$1.12 (3) For agencies assume that most insulate users from any fare effects. In cases where user payments go up significantly, could reduce longer trips significantly. Wheelchair trips less likely to be affected. Now 1/3 of all trips are agency related. (4) New standing orders for individuals will stimulate some new, more regular, travel--assumed 5% overall increase of current area 535,000 or 27,000 trips.

Demand Summary
Base 535,000 1st year fare effect - 54,000 New Service Area 50,000 27,000
Total 558,000
Estimate Revenue Option A
(1) user revenue \$1.12 x 558,000 = \$625,000
(2) Agency clients represent about 1/3 of all orders We estimate agencies will contribute about 10% of total cost/trip in first year or \$1.00 per trip on average.
The ave user fares will go up from 66 cents to \$1.12 or 46 cents. The agencies' contributions will cover this fare increase for their clients and provide an additional 54 cents of new revenues for the program.
1/3 x 558,000 = 186,000 trips x 54 cents or \$100,000
get \$55k from state medical
total \$155,000 new revenue
(3) Registration fee
Assume a total of <u>\$36,000</u> from fees.
Cost Estimate Option A
(1) Taxi Providers (serving specific areas of Minneapolis and specific
areas of St. Faul) assume bids are 10% more per pass (have to dispatch trips) than 1984 (4.50 x 1.10 = \$4.95)
Ambulatory
$\begin{array}{r} \text{currently 750/day 60\%} \\ \text{PMs} & \underline{260} & \underline{21} \\ \hline 1010 & \underline{81\%} \end{array}$
$81\% \times 70\% \times 508,000 = 288,000 \times 4.95 $\pm 1,426,000$

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(2) Project Mobility (Twin Cities only) Wheelchair $(73 + 10)\% \times 30\% \times 508,000 = 126,500/trip$: c(i Cost from Center Manager 1984 = \$2,684,000Project 1985 costs will be 10% over 84 or \$2.95 mil now wheelchair 57% ambulatory 43% estimate save 16% by serving only w/c users 5, * PM new cost = 84% x \$2.95 = \$2.48m ç New cost = \$19.60/pass - w/c only (3) Near suburbs (Morley, SPI Areas) assume Morley 1984 cost (5.40 pass) plus 20 percent $$5.40 \times 1.20 = $6.48/pass$ Ambulatory 67,600 $19\% \times 70\% \times 508,000$ Ξ x 6.48 \$438,000 Wheelchair (w/c) $17\% \times 30 \times 508,000 =$ 25,900 (twice the ambulatory) or \$13.00/pass = 337,000 Total near suburbs = \$775,000 (4) Expansion Area (far suburban) • 50,400 trips 80% ambulatory 40,300 20% w/c 10,100 assume cost for ambulatory is about 2 times near or \$13.00/pass $13.00 \times 40,300 = 523,900$ assume cost for w/c is about 2 times more than near suburbs or \$25/pass This cost per passenger probably will decline significantly in subsequent years as demand grows and provider competition increases. Existing nonprofit providers in the outer suburban counties currently transport

elderly and some handicapped persons for \$5-10 per person with somewhat

restricted service levels.

 $$25.00 \times 10,100 = 252,500$

new area total = \$776,400

(5) New Marketing Expenses \$65,000 (will decline significantly in following years) + driver training

(6) Center Costs

New Costs

new terminals for providers	\$40k (first year only)
start-up/transition planning	<pre>\$10k (first year only)</pre>
Process Agency tickets	\$10k
annual registration costs	\$20k
monitoring	\$20
new costs	\$100k

Based upon Center Manager 1983 estimates

savings in taxi touring staff 1983 (\$)
save all order filling \$109

fringe + allocated costs
 109 x 1.66 = \$181

1983 to 1984 plus 10% = \$199 x 1.07 = 213 in 1985

Save some PM order filling for ambulatory who went to taxis say 1 order filler on about \$40k in 85 $\,$

Project 1984 cent	ter costs to l	1985 \$960 plus 7% = new costs	1,027k 100
	· · ·	less savings	253 8874k
			9074K
Total	Costs	Reven	ue
taxis	1,426	155	Agencies
near suburbs	2,480	36	Registration
far suburbs Marketing	65	625	User Payments
Center total Cost	874 \$ 6,396	816	

Option A program cost \$5,580,000

Demand Estimate Option B

current system 1985 base 485,000 trips 50,000 trips 930 new active users 535,000 . C(- 1 1.1 (1) Expand service area In current area 5500 active users 26,600 eligible (1980 census) or 21% of eligible are active In new area 4700 eligible (1980 census) assume new 5000 with pop. growth "first year assume only half will be as active as in current system $\sqrt{1}/2 \ge 21\% \ge 5000 = 525$ active users 525 users x 8 (current avg is 9) trips/month or 50,400 trips/year (2) time availability 2 more AM hours has per weekend day negligible demand (3) Fares less than 6 miles increase from ave 66 cents to \$1.00 (increase 34 cents or 51%) Over 6 miles go up about 20 cents/mile to discourage very long trips 66% of total trips less than 6 miles Overall, we assume a 10 percent decline in total tripmaking in first year due to fare policy. 10% x 535,000 - 54,000 fewer trips To estimate new user payment, assume 1/2 of the 6-8 mile travelers (10% of total) will just take less than 6 mile trips and 1/2 (10%) will continue to go 7 miles assume 1/2 of all over 8 miles (7% of total) will take only 8 mile trips and the other 1/2 (7%) will travel an average of 10 miles/trip 66% pay \$1.00 10% pay 1.00 10% pay 1.20 7% pay 1.40 7% pay 1.80 New user payment \$1.10

(4) Assume that most agencies insulate users from most fare increase. Now 1/3 of all trips are agency-related. Agency w/c trips less likely to be reduced. If use payments go up significantly, then longer trips would be reduced.

(5) Advance reservation, 2 more hours each day to request trips --Improves quality and may reduce slightly trip cancellations. Negligible effect on total trips.

(6) Standing Orders -- more available for users and agencies will stimulate some new regular traveler assume 5% overall increase in current area 5% x 535,000 = 27,000 trips

Demand Summary

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Dase 5351st year fare effect - 54,000new service area 50.4** standing order 27** standing order 558,000

Revenue Estimates Option B

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(1) User Revenues

 $558,000 \times \$1.10 = \$614,000$

(2) Agency Clients

(1/3 of all orders)

estimate will contribute about \$1.00/trip total in first year. Ave use fare will go from 66 cents to \$1.10 or 44 cents. Agencies' contributions will cover fare increase for their clients and provide an additional 56 cents of new revenue for program.

1/3	x 558,000 x 56 cents	=	\$104,000
get	55k from state medic	al =	\$159,000 Total

(3) Registration fee

same as Option A <u>\$36,000</u> from fees Cost Estimat

Cost Estimate Option B

(1) Twin Cities

a) Ambulatory

assume cost 10% more than taxis in Option A or \$5.45/pass

base 535 + 27 - 54 = 508 trips 81% x 70% x 508 = 288,000 x 5.45

\$1,570,000

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b) w/c
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assume costs 25-30% less per pass than PM in Option A or about $15.00/\mbox{trip}$

 $\sim 83\% \times 30\% \times 508 = 126,000 \text{ trips}$

 $126,000 \times $15.00 = $1,890,000$

total Twin Cities = \$3,460,000

(2) Near suburbs

assume Option A cost/pass plus 10% or about \$7.00/pass

a) Ambulatory

 $19\% \times 70\% \times 508 = 68,000 \text{ trips} \\ \underline{\times 7.00}_{\$476,000}$

b) wheelchair (w/c)

17% x 30 x 508= 26,000 trips

assume Option A cost/pass plus 25% or $16.00/pass 26 \times 16 = 416,000$

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total near suburbs = <u>\$892</u>

(3) Expansion Area (far suburban)

50,400 trips 80% ambulatory 49,300 20% w/c 10,100

assumed cost for ambulatory is about 2 times near or \$14.00/pass

 $14.00 \times 40,300 = $564,200$

assumed cost for w/c is about 2 times more than near suburbs or 30/pass

This cost per passenger probably will decline significantly in subsequent years as demand grows and provider competition increases. Existing nonprofit providers in the outer suburban counties currently transport elderly and some handicapped persons for \$5-10 per person with somewhat restricted levels of service.

\$30.00 x 10,100 = 303,000 new area total = \$867,000

(4)	Marketing	<u>\$65,000</u> (w	ill declin	e in f	ollowing years)
(5)	Control Center				
< <i>c</i> -∜	New Costs				
́, а	Start-up/trans	ition plann	ing \$20k (first	year only)
~	Terminals - pr	oviders	\$40k (first	year only)
:	Script (5 cent	s/trip)	27k		
	Agencies	ation	20k		
	Monitoring	ation	30k		
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No or	der fillers				
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	more li	.ke 8 am - 6	pm		
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9.20/hr					
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45 III	2-3 clerks	to process	v = 18k/	-/	
83 ne	ed manager, ma	ly be 2 supe	rvisors 35	k and	24k
tota	L 218 say 225 x	1.66	\$374	k	
post	100		25k		
phone	2		40k		
rent	-		20k		
comp	iter software/m	naintenance	18k		
			125		
	NT) N	157		
. ۲ .	New Costs		157		
*			125		
TC t	otal		656	say	\$660,000
Totals		Costs		Reven	16
110		00000			
•	28	3,460		4011	
Twin Citi				Ş614	users payment
Twin Citi Near subu	rbs	892		\$614 159	users payment agencies
Twin Citi Near subù Far subur	rbs bs	892 867		\$614 159 36	users payment agencies registration fee
Twin Citi Near subu Far subur marketing	rbs bs	892 867 65		\$614 159 36	users payment agencies registration fee
Twin Citi Near subu Far subur marketing center	rbs bs	892 867 65 <u>660</u>	·	\$614 159 36	users payment agencies registration fee

Option B program cost = 5,135,000

ALTERNATIVE B1 - PRIVATELY MANAGED

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direct cost/yr

Demand Estimates

Same as Option B

Cost Estimates

Management Center

New Costs

· · · ·		
	start-up/transition planning	25k (lst year only)
	terminals for providers	40k (1st year only)
o', *	script 5 cents/trip	25
с Щ.	agencies-outreach	20
	annual registration	20
ົ	monitoring/surveys	30
		160

Administrative Labor/Management

40 Manager 36 Telephone Info (2) Clerks to process scrip (2) 36 Secretary/certification 20 132 Assume indirect 10% less than MTC or 1.5 198 labor 1.5 x \$132 = 30 postage 20 phone 20 rent computer software/maintenance 35 . 303 ۰ م Center total 160 + 303 = 453say 460k or \$200,000 less than Option B

(Pittsburgh's 1983 costs are \$445k)

Demand Estimate Option C

1) Same base ridership as Option B 535,000

2) Same service area expansion effect + 50,400 trips

3) Time availability 24 hours for taxis assume +2% or 10,000 new trips

4) Fares

If taxis and other providers bid about \$1.00 for pick-up plus 90 cent per mile for ambulatory, and if chair car carriers and other providers bid \$9 for pick-up plus \$1.20 per mile for w/c, then:

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w/c users who go 8 miles for \$1.50 will cost the program \$17.10 and ambulatory users who go 8 miles will cost it \$8.20.

now only 14% travel more than 8 miles and 9% over 10 miles

To estimate new user payment:

w/c

ambulatory

	88%	pay 1	1.50			86%	pay 1.50	
	12%	pay 3	3.00			14%	pay 3.00	
w/c	ave		1.68			pay	\$1.71	
			27%				77%	
		new	ave	fare	=	\$1.70		

fares less than 8 miles increase from 66 cents to \$1.50

Travelers over 8 miles pay avg \$2.85 (from 66 cents to \$2.85) which will discourage very long trips.

a) also providers (like in Milwaukee) to attract customers may allow much longer trips before charging users

b) because overall service quality (direct travel, on-time, no advance reservation, etc.) due to provider competition should improve considerably, fare will not be important to most users. Still assume 10% decline in first year in current area $-10\% \times 535,000 = 54,000$. (same assumption as Option B.)

5) assume that most agencies will insulate users from most fare increase. Now 1/3 of all trips are agency related.

6) advance reservations will be reduced altogether for ambulatory, agency clients and w/c users may still have day in advance or less. Assume overall stimulus to travel offsetting real fare reduction effects.

7) Standing orders - more available for user and agencies - providers could even discount user fares to attract customers. Assume 5% overall increase in total area $5\% \times 585,000 = 29,000$

Demand Summary - . : -74 535,000 Base lst year fare effect - 54,000 50,400 new service ave 10,000 time availabilíty 29,000 standing order total 5, * Total 570,000 trips ० ऱ्: Revenue Estimate Option C 1) User revenue $570,000 \times \$1.50 = \$855,000$ Users traveling over max (8 miles) pay to providers directly, \$115,000. 2) Agency clients (1/3 ofall orders) estimate will contribute \$1/trip total in first year. Avg use fare 66 cents to 1.70 or plus 1.04 cents so no net contribution. r get \$55k from state medical 55,000 3) Registration fees same as Option B \$36,000 Cost Estimate 1) wheelchair (w/c) 24% of 570 = 136,800

ambulatory 76% = 433,200 w/c ave trip length currently 5.3 miles

Assume w/c providers (taxis, chair car, others) average bids are \$9 pickup or drop plus \$1.20 per mile and ave trip lengths goes to 6 miles average cost/pass = \$16.20

136,800 trips x \$16.20 = \$2,216,200

Assume ambulatory providers (taxis, other) average bids are \$1 drop 90 cents/mile and average trip goes to 6.5 miles so ave cost/pass = \$6.85

433,200 trips x \$8.00 = \$2,967,400

12% of w/c trips over 8 miles cost provider \$1.50 or \$28,000

14% of ambulatory trips over 8 miles cost provider \$1.50 or 87,000

total \$112,000

2) Marketing \$70,000 (will decline in following years)

Administrative Costs

-7

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New Costs

start-up/transition planning ID cards terminals to providers youchers 5 cents each agencies annual registration monitoring/surveys	\$30k (first year only) 20k 40k (first year only) 27k 20 20 30 187k
see Option B Direct Costs	Y
certification 1 sec/clerk telephones 2 telephones process vouchers 3 clerks manager supervisor	20k 36k 45 40 24 165 x 1.66 = 274
postage phone rent computer	60k 20 20 40 140
administrative total 187 274 <u>140</u> 601	
Costs	Revenues
<pre>w/c transportation \$2,216 users over 8 miles 28 ambulatory transport 2,967 users over 8 miles 87 marketing 70 administrative 601 Total 5,969</pre>	855 users payment 28 users over 8 miles 87 users over 8 miles 55 agencies 36 registration 1,061

Option C 4,908,000 program costs

Demand Estimates

Same as Option B

-74

Cost Estimates

Administrative costs

New	Costs	
		6301 (1.)
	start-up/transition planning	\$30k (1st year only)
	ID cards	20k
o,* •	terminals for providers	40k (1st year only)
० मुः -	script 5 cents/trip	27
-	agencies-outreach	20
9 	annual registration	20
	monitoring/surveys	30
		187

Labor/Management

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Direct cost/yr

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manager	40
telephone Info (2)	36
process voucher (2)	36
secretary/certification	20
	132

Assume indirect 10% less than MTC or 1.5

\$ 50 postage phone rent computer software/maintenance

\$130

20

20

40

administrative total 187 $1.5 \times 132 =$ 198 130 1 - 6

\$515 say \$520k or about \$90,000 less than Option C

(Milwaukee's County Govt. Agency 1984 cost are about \$300K)



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