Report of the Metro Mobility Task Force

Draft for Discussion

February 1, 2018

Contents

Introduction

This report fulfills the legislative requirement in 2017 Special Session Laws Chapter 3, Section 140. The purpose of this task force as defined in Chapter 3, Section 140, Subdivision 1 is "to examine the Metro Mobility program under Minnesota Statutes, section 473.386. The goal of the task force is to identify options and methods to increase program effectiveness and efficiency, minimize program costs, and improve service including through potential partnership with taxi service providers and transportation network companies, as defined in Minnesota Statutes, section 65B.472, subdivision 1, paragraph (e)."

According to the legislative language, the task force must submit a report to the legislature by February 15, 2019. This report must:

- Describe the current Metro Mobility program
- Summarize the work of the task force and its findings
- Identify options for reducing program costs and improving efficiency
- Identify at least three potential service level approaches that involve partnering with and incorporating transportation network companies, taxi service providers, or both
- Provide any recommendations for program and legislative changes

Through the course of its work, the task force focused on ways to improve service for existing and future customers. This meant the task force considered opportunities for efficiency and future cost mitigation but did not consider reducing availability or service quality as cost cutting strategies. Overall program costs, barring any directives to reduce service in the state mandated service area, are expected to grow in the future relative to ridership growth.

This report is organized into three sections to address the legislative requirements:

Part 1: Description of the current Metro Mobility program

Part 2: Summary of the Task Force's Work and Findings, including options for improving efficiency and service level approaches, as well as proposed service level approaches that involve partnering with transportation network companies and/or taxi service providers

Part 3: Recommendations

Part 1: Description of the current Metro Mobility program

This part of the report describes the current Metro Mobility program.

Description of service

Metro Mobility Service is provided in compliance with the Americans with Disabilities Act (ADA) based on regulations of the Federal Transit Administration (FTA). Every public entity operating a fixed-route system must provide complementary transit service to individuals with disabilities who are unable to use the fixed-route system. As the public entity operating Metro Transit, the Metropolitan Council is responsible for providing complementary Metro Mobility service.

In 2016, Metro Mobility had an operating cost of $58.1 million.[1] In 2016, there were 40,000 certified riders, 530 vehicles, and 93 communities served in the seven-county metro area. In 2016, Metro Mobility provided over 2.23 million rides, which is an increase of over 120,000 rides for the third consecutive year in a row. Since 2006, Metro Mobility ridership has increased 77 percent.

The Metro Mobility Service Center (MMSC) manages the service, and contracts with private companies to deliver it. Currently, there are seven contracts held by five companies. Each contract is outlined in the Contract Structure and Services section of this report.

Metro Mobility Program History

In 1976, The Metropolitan Transit Commission (MTC) began "Project Mobility," a demonstration project that provided several hundred rides to people who otherwise could not use fixed route service in the city of Minneapolis. In 1979, Project Mobility became "Metro Mobility" and expanded from Minneapolis to Saint Paul and surrounding first ring suburbs. In 1979, Metro Mobility provided just under 200,000 rides.

In 1990, the federal government passed the Americans with Disabilities Act (ADA). When the ADA was enacted, Metro Mobility was already providing service beyond what was required by federal law.

In 1993, to ensure compliance with the newly adopted federal regulations, the Regional Transit Board (RTB) selected a for-profit company to restructure and manage the Metro Mobility Service. The service transformed from a decentralized service model with numerous small providers to three large service providers managed by a trip broker utilizing a centralized reservation and dispatch model. However, problems with the accuracy of data from the previous providers, software glitches, and unskilled drivers caused the restructured service start-up to fail. Five days after beginning operations Governor Carlson mobilized the Minnesota National Guard to assist Metro Mobility drivers. A class-action law suit followed in November 1993.

In 1994, the RTB issued a Request for Proposals to replace the trip broker and received no responses. As a result, the Regional Transit Board created the Metro Mobility Service Center (MMSC), opting to manage the service with Regional Transit Board staff using private turn-key contractors to deliver the service. Also in 1994, the Minnesota Legislature merged the Regional Transit Board into the Metropolitan Council, and thus, the Metropolitan Council took over the responsibility of managing Metro Mobility service. Metro Mobility Service was provided by two "core" turn-key contractors and four small "county" contractors. The service delivery model that was adopted in 1994 is similar to the model that continues today.

[1] Metro Mobility had a budget of $70.8 million in 2017, and $73.1 million in 2018.

Over the next decade Metro Mobility ridership increased more than 30%. In 2005 significant changes were made to the certification process. Prior to 2005 Metro Mobility used a ”self-certification” process. In 2005 Metro Mobility began enforcing the Federal guidelines that ordered state that capacity -constrained programs to strictly limit eligibility based on criteria established by the Federal Transit Administration. The new certification process includes professional verification from a Credentialed Professional and in-person assessments when eligibility cannot be determined based on the paper application.

In 2006, budget deficits and discussion of fare increases and service reductions prompted the legislature to mandate the Council to provide service to elderly people and people with disabilities within the Transit Taxing District as it existed on March 31, 2006. The service area required by the state is larger than the one mandated by the federal government.

In 2015, the Metropolitan Council restructured the Metro Mobility service areas by eliminating three small “county” contracts and realigned the service area into three large zones. This change also eliminated the need for customers to transfer at contractor service boundaries. The restructuring entailed larger contracts and resulted in better contract rates.

Federal and State Requirements

The federal government and state government have laws that govern how the Metropolitan Council delivers Metro Mobility service.

Federal Requirements

On the federal level, the American’s with Disabilities Act (or ADA) governs Metro Mobility. Passed in 1990, the ADA is civil rights legislation that mandates complementary transit service for persons with disabilities in areas where there is local all-day fixed route service. Furthermore, federal law requires this service be delivered at levels comparable to those provided by the fixed route system. This service must be provided within three-quarters of a mile of any all-day, local fixed route service in the Twin Cities.

Under the ADA there are several key provisions governing service delivery in the federally mandated service area. Some of these provisions include:

- No trip limits, restrictions or capacity constraints.
- There can be no denials of service.
- Service must be guaranteed at the time of the call.
- Service must be provided during all hours when regular-route service is available.
- Trips must be scheduled within one hour of the requested time.
- There may not be a pattern or practice of limiting availability. This includes long telephone hold times, substantial number of late pickups, missed trips, or excessively long trips.
- The fare cannot exceed twice the non-discounted fare for a trip of similar length, at a similar time on the regular-route system.
- Eligibility determinations must be made within 21 days of receiving a complete application for service.

State Requirements

Metro Mobility provides service beyond the federally mandated service area per Minnesota Statutes 473.386. The law states that “The Council shall implement a special transportation service… to provide greater access to transportation for the elderly, people with disabilities, and others with special transportation needs.” Metro Mobility provides service within the Transit Taxing District as it existed on March 1, 2006. The only other state requirement is to provide door-through-door customer assistance.

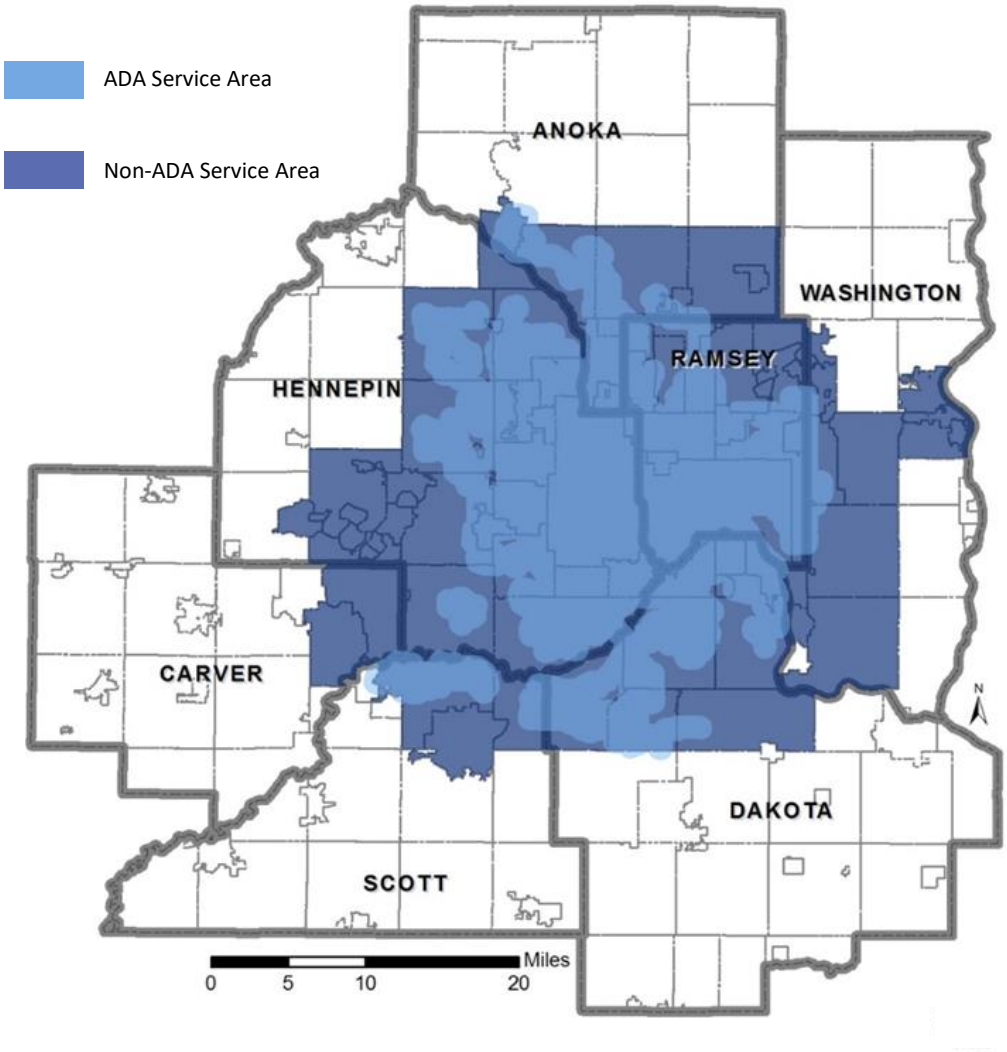
The state of Minnesota places no other stipulations on trips that fall outside of the federally mandated geographic service area. Trips that begin, end or are wholly with the state-only required service area are referred to as "Non-ADA rides." There is a considerable amount of flexibility in how Non-ADA rides are served, including service hours and days, fares, trip purpose restrictions and capacity details.

Table 1: Summary of Applicable Laws

	Federal Americans with Disabilities Act	Minnesota Statute 473.386
Goal	Comparable to regular route	"greater access"
Certification	"Unable to use regular route"	
Service Area	¾ Mile of local regular route	March 1, 2006 Transit Taxing District
Service Level	Curb to Curb and Door to Door upon individual request	Door-through-door
Hours	Comparable to regular route	
Capacity Restrictions	No denials; no pattern of untimely pickups/drop offs; no excessive on-board times or hold times	
Trip Request	1 to 14 days in advance	
Scheduling	Within one hour on either side of requested time and scheduled at time of call	
Fare	Cannot exceed two times regular route local fare	
Trip purpose	No restrictions, no prioritization	

Although Metro Mobility is not bound by federal or state regulation to do so, its long-standing practice is to apply the federal operating and performance standards to all trips. Beginning in 2015, as the result of a federal audit finding, Metro Mobility began prioritizing federally mandated trips (referred to as "ADA trips") over trips not required by federal law (referred to as "non-ADA" trips). Metro Mobility is not allowed to deny ADA trip requests and must place the ride in the scheduling system when the call is received. In late 2016, for the first time in decades, Metro Mobility began denying some non-ADA rides because of capacity constraints. Figure 1 shows the areas where Metro Mobility provides both ADA and non-ADA service.

Figure 1: ADA and Non-ADA Metro Mobility Service Areas



Customers

Customer profile

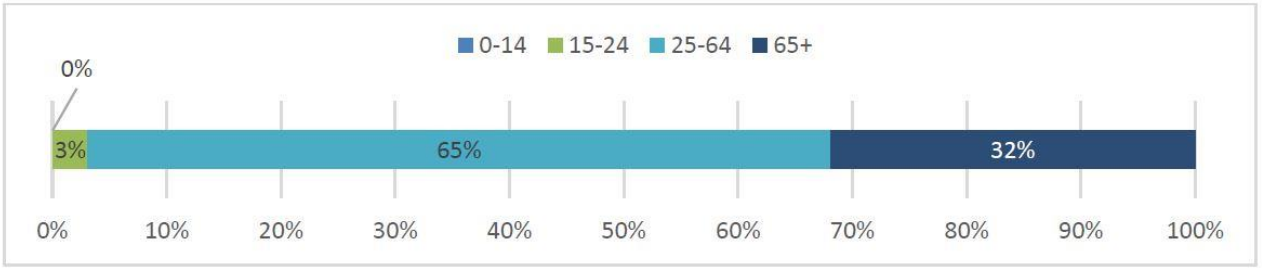
Currently, Metro Mobility has approximately 40,000 riders.

The federal Americans with Disabilities Act (ADA) guidelines determine eligibility. People are generally eligible if:

- They are physically unable to get to the fixed-route bus,
- They are unable to navigate fixed-route bus systems once they are on board, or
- They are unable to board and exit the bus at some locations.

Figure 2: Metro Mobility Ridership and Riders by Age Cohort

Figure 3: Passenger Trips by Customer Age



Source: Metropolitan Council Metro Mobility Passenger Trips, September 2015 through August 2016 (n=2,012,764).

Certification process

The Metropolitan Council determines eligibility for Metro Mobility service according to the parameters established by the Federal Transit Administration. The Council has 21 business days to approve or deny applications.

A person must complete a written ADA Paratransit Application packet for Metro Mobility to determine eligibility for service, and if additional information is needed, Metro Mobility will complete an in-person interview or assessment. The written application packet has two parts:

- An application form designed to assess a person's ability to use the regular fixed-route bus service
- A professional verification form completed by a health care provider

MMSC staff trained in testing for Functional Assessment of Cognitive Transit Skills (FACTS) and physical abilities testing conduct the in-person assessments.

Customer Service and Outreach

Metro Mobility customer service representatives work with customers to answer questions and resolve problems. In June 2017, there were 7,335 calls answered by customer service reps.

Each year, the Metropolitan Council hosts customer service forums to solicit feedback from customers on the service.

Contract Structure and Services

There are seven contracts held by five contractors to provide Metro Mobility service. The Council's contracts include provisions to minimize contractor risk resulting in favorable contract rates. Risk mitigation strategies include:

- Council-owned vehicles
- Council-owned technology and related infrastructure needed to manage and operate the service
- Council-purchased fuel
- Built-in rate adjustments to reflect changes in service over the five-year term to avoid negotiation mid-contract

These contract features also benefit the Metropolitan Council by ensuring full access to customer and service data and providing the flexibility to reassign service and vehicles between contractors if circumstances warrant with minimal service disruption and continuity of service information.

Contractor Responsibilities:

- Contractor responsible for all aspects of service delivery
- Develop and implement federally required plans; for example, fleet maintenance, OEO and drug and alcohol testing
- Hire and fire employees
- Train employees
- Provide operations and maintenance facility
- Maintain vehicles
- Manage daily operations; reservations, scheduling and dispatch
- Indemnifies and holds the Council harmless

Metro Mobility (Metropolitan Council) Responsibilities:

- Provide adequate number of vehicles
- Provide equipment, infrastructure and technical support for phones, computers, software, on-board equipment, etc.
- Purchase fuel and arrange for on-site delivery
- Secure adequate funding for operations and capital
- Establish operating policies and procedures
- Ensure regulatory and contract compliance

Contracts for Demand Service

During July 2017, rides provided on the Demand service contracts accounted for 84 percent of Metro Mobility rides. Demand service is defined as the portion of Metro Mobility service where the customer requests a ride that can be for any purpose or destination within the service area.

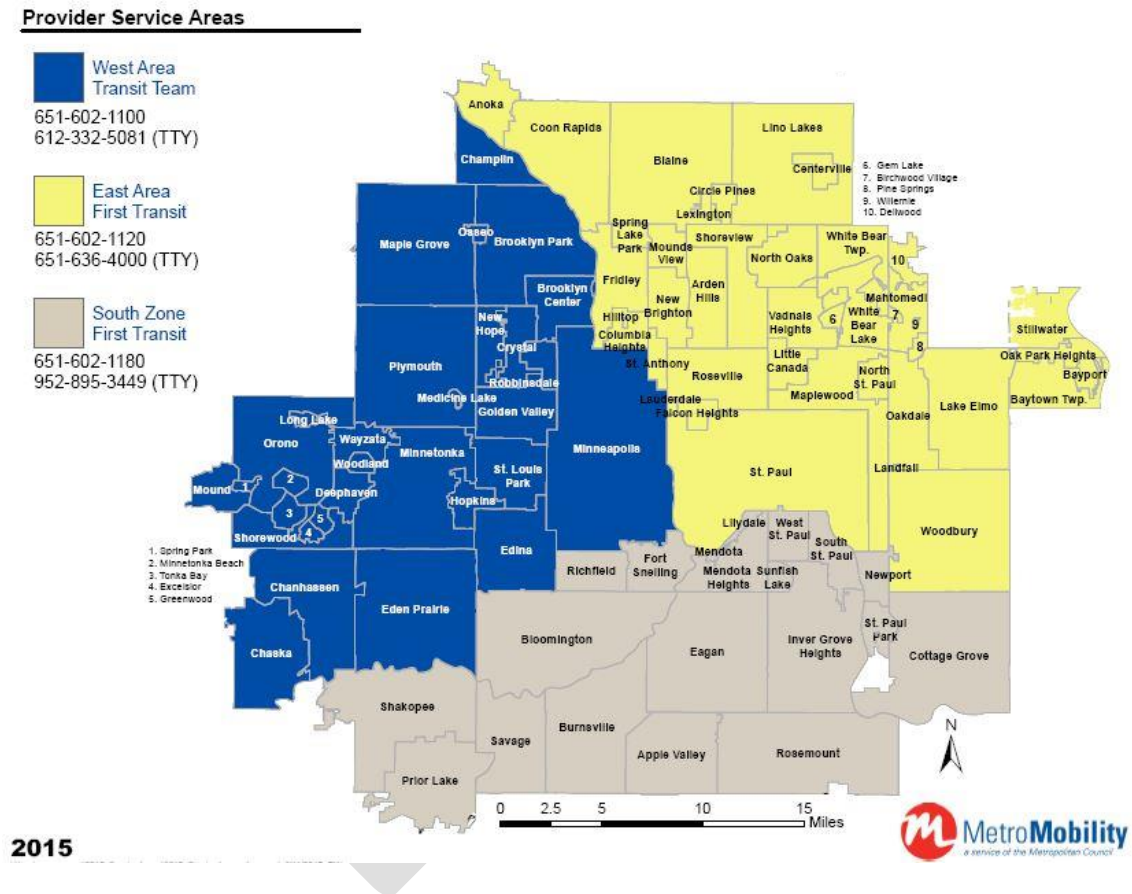
About 30 percent of the trips provided on the Demand service contracts are standing orders, meaning the customer does not call in each time they want a ride. Instead, the rides are automatically placed on routes

in advance of the four-day reservation window. Standing orders are for rides that occur at the exact same time and to the same place each week; this can be one trip a week or it can be multiple per day. Standing orders for ADA rides are accepted as space allows. The Metropolitan Council monitors the number of standing orders during each hour of the day to ensure that there is adequate capacity to schedule non-recurring rides.

There are three Metro Mobility Demand contracts. Figure 4 shows the service areas of Demand Contractors.

- Demand Metro East – First Transit in Roseville (29 percent of total rides as of July 2017)
- Demand Metro West – Transit Team in Minneapolis (41 percent of total rides as of July 2017)
- Demand Metro South – First Transit in Burnsville (14 percent of total rides as of July 2017)

Figure 4: Service Areas of Demand Contractors



Agency Contracts

In addition to three Demand contracts, an Agency contract serves adult day programs and day training & habilitation (DT & H) centers. The Agency contract is 100% standing orders and accounted for 16 percent of Metro Mobility rides in July 2017. Agency service operates comparably to school bus routes – minimal fluctuation in riders, days and times and on weekdays only. The current contractor for Agency service is First Transit in Roseville.

Supplemental Contracts

In addition to Demand contracts and the Agency contract, supplemental contractors provide a small number of rides.

Premium Same Day (PSD) service

Metro Mobility has offered a same-day service option since 2004 using taxis. Customers can use this service option for some or all of their trips.

Premium Same Day service characteristics:

- No driver escorts
- Customer uses cash or credit card to pay driver
- Taxi company submits monthly invoice for the Council's share of ride costs
- Contract rate structure matches taxi rates adopted by city

Experience with Same Day Service:

- 6,346 PSD rides compared to 173,832 by primary contractors (April 2017)
- 757 "no-show" rides – Council paid $5 each booked ride where customer did not show (April 2017)
- Average trip length for 80% of trips was 3.7 miles
- Average cost to Metro Mobility per ride delivered $8.92
- In the most recent Invitation for Business issued in 2015, there was one respondent (TSI).

This service:

- is provided within Metro Mobility established service hours by community
- includes some accessible vehicles in fleet
- is pre-authorized by Metro Mobility. Metro Mobility automatically transfers trip information to TSI
- entails calculations by Metro Mobility software of trip distance and customer knows financial obligation in advance
- requires customer to call TSI to arrange ride
- requires customer to pay first $5 and anything over $20; Metro Mobility pays up to $15

The PSD fare structure created in 2004 is similar to the structure that Boston's (MBTA) adopted with the Uber and Lyft pilot (Transportation Network Companies or TNCs). The only significant differences in Metro Mobility's Premium Same Day Service and the program piloted by Boston using TNCs is (1) the ability for a customer to book directly with the TNC using a smart phone app and (2) the pilot program in Boston does not include accessible vehicles. TSI has had accessible vehicles available since 2004.

STS Service - Sirius and Delight Transportation

Non-ADA riders denied on Metro Mobility can contact Special Transportation Service (STS) providers, Sirius and Delight Transportation to schedule their ride. Some requests cannot be satisfied because of capacity and span of service limitations.

In 2016, this program switched from taxi to STS contractors and is delivered under sole-source contracts. The fleet is accessible. Drivers receive STS training, are accustomed to escorting customers to appointment desks, experienced in transporting people with disabilities and their service animals – all intermittent issues with taxi drivers.

There is an average of 229 trips/month on this service. Customers pay $3.00 per trip, and the average cost per trip for this service in June 2017 was almost $60.00, with an average trip length of over 24 miles. Many

of the rides are very long because they are difficult to fit on Metro Mobility routes and most likely to be denied.

Drivers

Metro Mobility drivers are contractor employees. Although the contractor is responsible for hiring, managing and firing operations staff, the Council contract includes a provision allowing the MMSC to request specific contractor staff be removed from employment under the Metro Mobility contract. This right is exercised on occasion because of repeat safety, customer interaction or customer escort violations.

Driver requirements

Prior to operating a Metro Mobility vehicle the following must be complete:

1) Pre-employment criminal history and motor vehicle check
2) Pre-employment alcohol and controlled substance test
3) DOT physical by an authorized medical examiner
4) Passenger Assistant Training Part A covering the following topics:
    a. Wheelchair handling
    b. Transferring from a wheelchair to a seat
    c. Appropriate handling of a bus
    d. Lift operation and mobility device securement
    e. Ambulatory passenger assistance
5) Two-way communication device (radio) usage
6) Wheelchair securement and lift operations
7) Accident and emergency procedures
8) Daily vehicle inspection report

Prior to a driving in revenue service on their own, the following additional topics need to be complete:
1) 4 hours of defensive driving
2) 4 hours of Abuse Prevention training
3) 4 hours of Passenger Assistance Training Part B
4) 4 hours of First Aid training

Drivers must complete a refresher course within three years of the initial hire and every three years after.
1) 4 hours of First Aid
2) 2 hours of Defensive Driving
3) 2 hours of Abuse Prevention and Passenger Assistance
4) 7 hours of Continuing Education. Monthly driver meetings satisfy this requirement.

Driver Hiring and Retention

Beginning in 2015, driver hiring and retention became a significant challenge for Metro Mobility contractors given the low unemployment rate in the Twin Cities. Driver shortages are a notable problem throughout the metro with school bus, public transit, commercial carriers, package deliverers and non-profits competing for a limited pool of applicants.

Driver shortages significantly impact each contractor's ability to meet trip requests and service quality standards; particularly during periods of increasing demand for service. For example, in the West Zone ridership increased by 23% between 2010 and 2016. According to the Bureau of Labor Statistics, the Metro

Area unemployment rate (not seasonally adjusted) in November 2017 was the lowest of Large Metropolitan Areas in the US at 2.4% compared to an average of 6.5% during November 2010.

After several months of unsuccessful driver recruiting efforts in 2016 and 2017 combined with increasing driver attrition the Council felt it was necessary to increase contract rates with funding provided exclusively to increase driver wages. The minimum starting wage effective October 1, 2017 is $16/hour.

Contractors are reporting a significant increase in the number and quality of driver applicants since the October 2017 driver wage increase resulting in service quality improvement. The table below illustrates the correlation between availability of drivers and service quality in the West Zone.

Table 2: Correlation Between Driver Availability and Service Quality

	Ave. On-Time Performance	Ave. Appointment Time Performance	Ave Trips per Revenue Hour
Calendar Year 2010	98%	92%	1.79
Calendar Year 2016	95%	85%	1.96
Week Ending 1/6/2018	98%	90%	1.79

Fleet

Fleet overview

Current fleet of 574 revenue vehicles includes:

- 518 accessible buses
- 31 Equinox sedans (Demand contracts)
- 25 non-accessible vans (Agency contracts)

The Metropolitan Council owns all Metro Mobility vehicles operated by private contractors in three geographic service areas under the Demand contracts. In addition, the Metropolitan Council owns all vehicles used to provide service to large Day Training & Habilitation (DT & H) and Adult Day Programs served under the Agency contract. Buses are purchased with state bonding and federal transit formula funding sources. The Metropolitan Council purchases vehicles using competitive state contracts, conducts maintenance oversight as required by federal regulations and disposes of vehicles per state procedures at the end of their useful life.

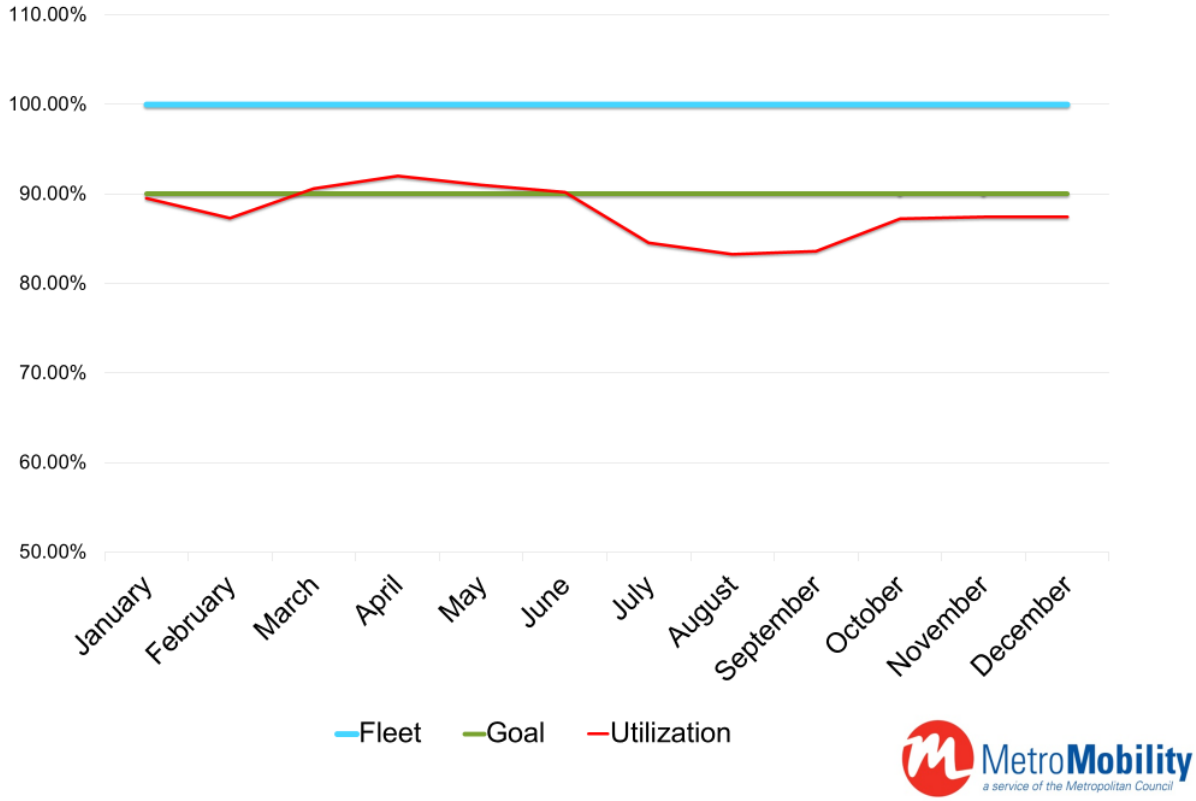
The average cost of a bus is $83,000 with technology. The average bus is retired after five years in service and more than 250,000 miles. Most technology inside the vehicle is transferred one time to new buses and used for a total of 10 years.

Fleet utilization

The fleet spare factor is calculated by dividing the number of buses not in service during maximum service levels by the maximum number of buses needed during the peak of the peak. The FTA limits fixed route to a 20% fleet spare factor but proposes a “reasonable” number of spares for dial-a-ride service. Regionally, the dial-a-ride spare factor is set at 10% and has adequately supported fluctuations in demand.

The fleet utilization rate in 2016 is shown in Figure 5.

Figure 5: 2016 Fleet Utilization Rate (10% Budgeted Spares)



The Metro Mobility fleet includes a limited number of non-accessible vehicles. Non-accessible vehicles are allowed per federal regulations provided that the availability of accessible vehicles is sufficient to avoid service disruptions and ensure equal response time and service quality regardless of customer needs.

Some ambulatory customers prefer using sedans and questions have been raised about whether there is a need for so many large vehicles. Based on data analysis, Metro Mobility believes that it has maximized the use of Council-owned sedans without compromising service efficiency. Metro Mobility service is very fluid because of cancelations and unexpected delays creating the need to move rides to different routes throughout the day. Additional sedans in the fleet limits the ability to move rides among routes and negatively impacts productivity and the flexibility needed to deliver service on time. Table 3 shows the fleet mix used in Demand service in February 2017 and the number of routes that did not require an accessible vehicle each day.

Table 3: Fleet Mix in Demand Service, Feb. 2017

Total Vehicle Count		432
Number of Sedans		31
Date	Total # of Routes	# Routes Not Needing Lift
2/1/2017	421	19
2/2/2017	418	29
2/3/2017	389	21
2/4/2017	190	10
2/5/2017	182	6
2/6/2017	391	18
2/7/2017	411	23
2/8/2017	432	16
2/9/2017	422	22
2/10/2017	390	20
2/11/2017	180	7
2/12/2017	189	5
2/13/2017	395	17
2/14/2017	427	26
2/15/2017	441	24
2/16/2017	417	21
2/17/2017	394	21
2/18/2017	185	7
2/19/2017	190	4
2/20/2017	374	29
2/21/2017	426	27
2/22/2017	438	21
2/23/2017	436	18
2/24/2017	393	31
2/25/2017	187	9
2/26/2017	184	9
2/27/2017	409	24
2/28/2017	431	27

Operations Technology

Metro Mobility contractors employ:

- 54 reservationists
- 29 dispatchers
- 8 schedulers
- 10 street supervisors

Reservations are taken primarily by phone, though web reservations are expected to be an additional option for customers second quarter 2018. Phone reservations are taken every day from 6:00 a.m. to 5:00 p.m. and web reservations will be available to customers 24/7.

Dispatchers are often on duty 24 hours per day because service is available for 24 hours daily in Minneapolis and St. Paul to match the availability of fixed route service, such as the Green Line.

Metro Mobility relies on technology to maximize the efficiency and effectiveness of service; beginning with client certification to scheduling and delivering rides to managing customer service issues. Key Metro Mobility systems include:

Service Delivery Technology

- Trapeze PASS: software for booking, scheduling, routing, dispatching and performing rides. Trapeze is a multimillion dollar investment. It is the software used by most large United States public transit agencies including Washington D.C., Chicago, Seattle, Baltimore and Newark.

- Mobile Data Terminal (MDT): The MDTs primary function is to deliver electronic manifests to the driver. The device allows dispatch to move rides between routes as the day progresses. This flexibility is essential because cancelations occur throughout the day (typically 10% on the day of service), and delays occur because of traffic conditions and difficulty locating customers. The device also provides drivers with a map and turn by turn directions. The current device and related software is not capable of providing real-time traffic conditions to optimize vehicle routing. Council staff is working with the software vendor to implement real-time traffic information in a future software upgrade.

- Cubic Go To readers: Cubic is the smart card fare collection system used throughout the public transit systems in the metro area. The technology allows riders to purchase fares using Metro Transit's website, pay electronically, transfer seamlessly between fixed route and Metro Mobility and offers financial protection if the card is lost or stolen. The Go-To card readers replaced paper coupons in 2017; reducing printing costs, minimizing the risk of fraud and providing an eco-friendly alternative.

Safety, Security and Investigative Technology

- Call recording system: All Metro Mobility contractors use the Council's phone system that includes automated call distribution and call recording functionality. Phone queues are monitored and tracked by time of day so that staffing levels are matched to call volume trends. In addition, call recordings and data collected from the system allow the MMSC to investigate complaints and take corrective action as necessary. Finally, random sampling of calls provides the opportunity to proactively address staff training issues.

- Security cameras: Metro Mobility vehicles have video recording equipment installed. Lift equipped buses have either four or five camera systems and sedans have two camera systems. Video footage can be downloaded remotely using vendor-specific software and garage WIFI. Video is used to investigate customer complaints, observe customer behavior, monitor driver behavior and facilitate accident investigations.

- Global Positioning System (GPS): The MDCs include GPS technology and locational information communicated and recorded in the Trapeze software every 60 seconds using cellular communication. Because vehicles are tracked real-time, dispatch is able to effectively manage driver work. GPS tracking also allows the MMSC to investigate routing complaints and no-show appeals and substantiates data accuracy.

Metro Mobility service is technology-dependent. Contractors and customers are negatively impacted when internet service, computer software, or computer hardware aren't working properly. The Metropolitan Council has purchased the equipment necessary to install a fail-over system during the first quarter of 2018 to reduce the risk of service disruption.

Peer Comparisons

To develop peer comparisons, the Task Force reviewed a peer group of 11 transit systems compiled in a Council study. Selection of the peer group was based on urban population, total revenue miles operated, total operating budget, population density, population growth rate, percent low-income population, annual per traveler delay, percent of service as demand -response mode, and percent of services purchased.

The pool of transit systems was compared on various performance indicators, effectiveness and efficiency measures including the following.

Figure 6: Operating Expense Per Revenue Hour

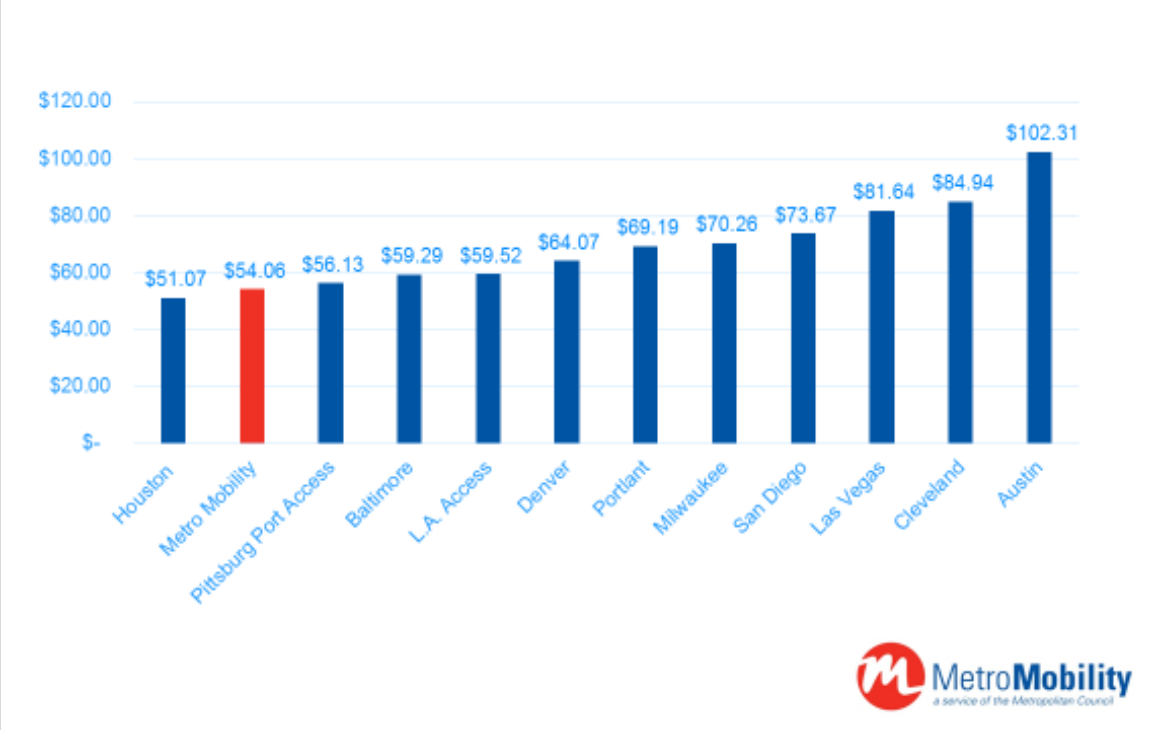


Figure 7: Subsidy Per Passenger Trip

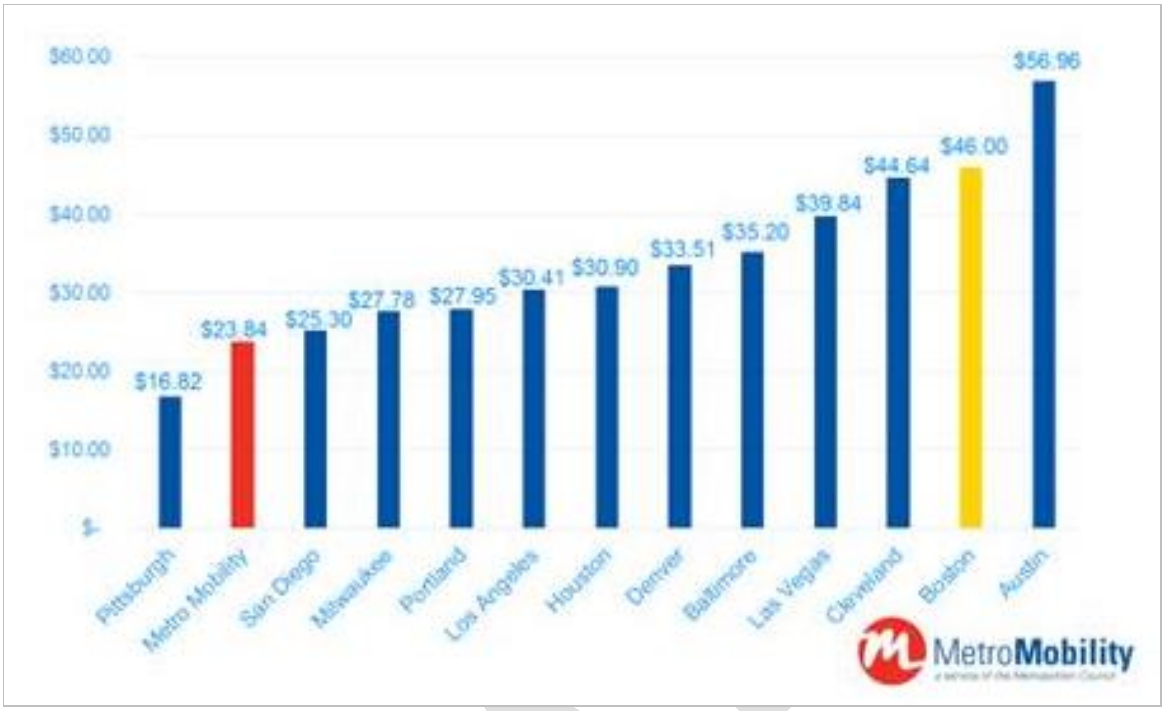


Figure 8: Operating Expense Per Revenue Hour

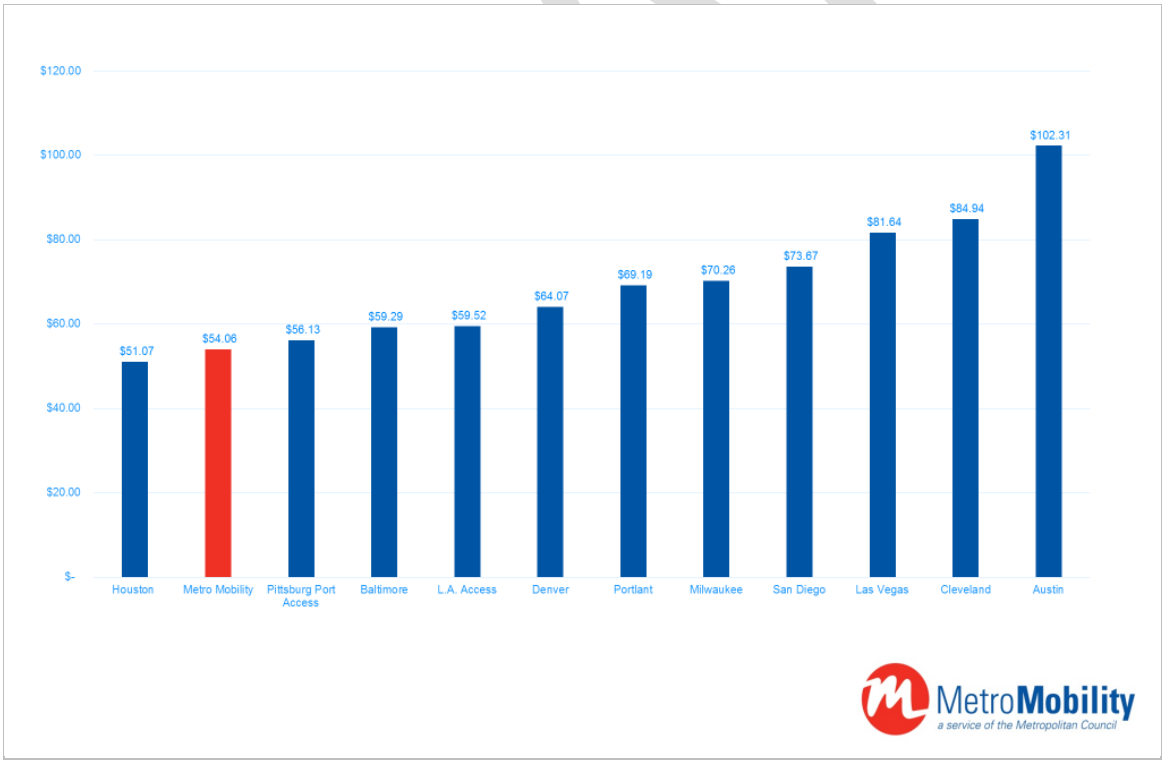


Figure 9: Average Fare Per Passenger – Primary Service

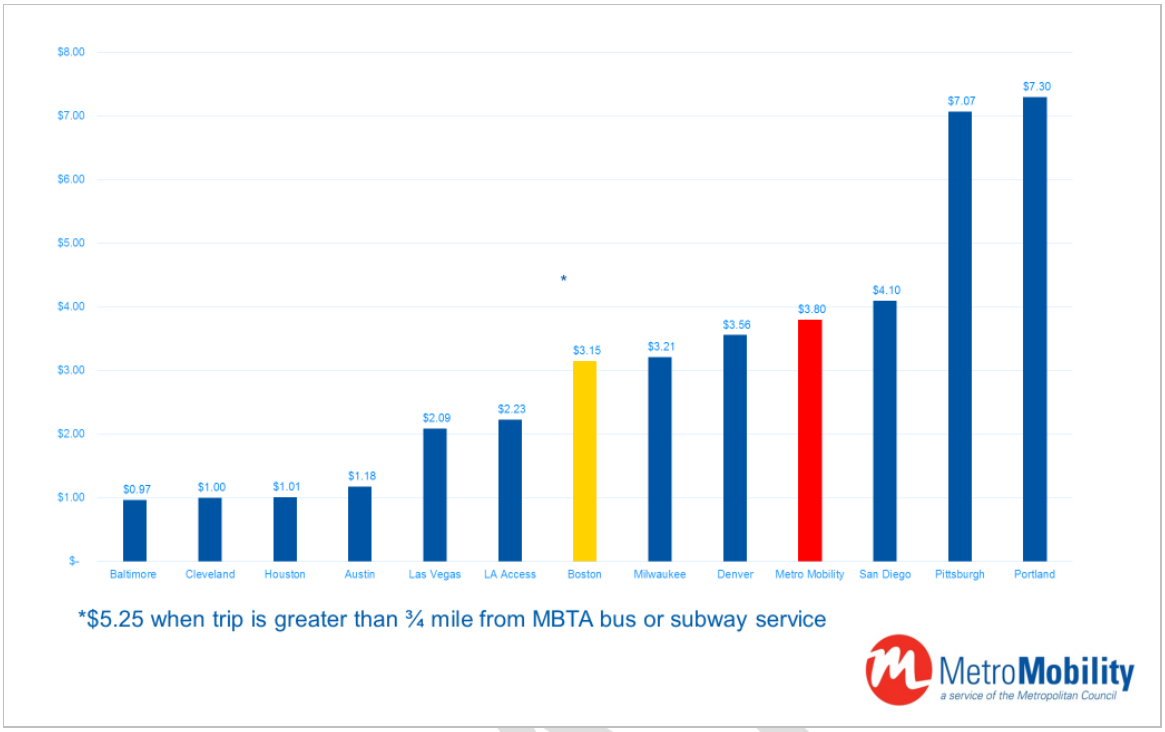


Figure 10: Passengers Per Capita

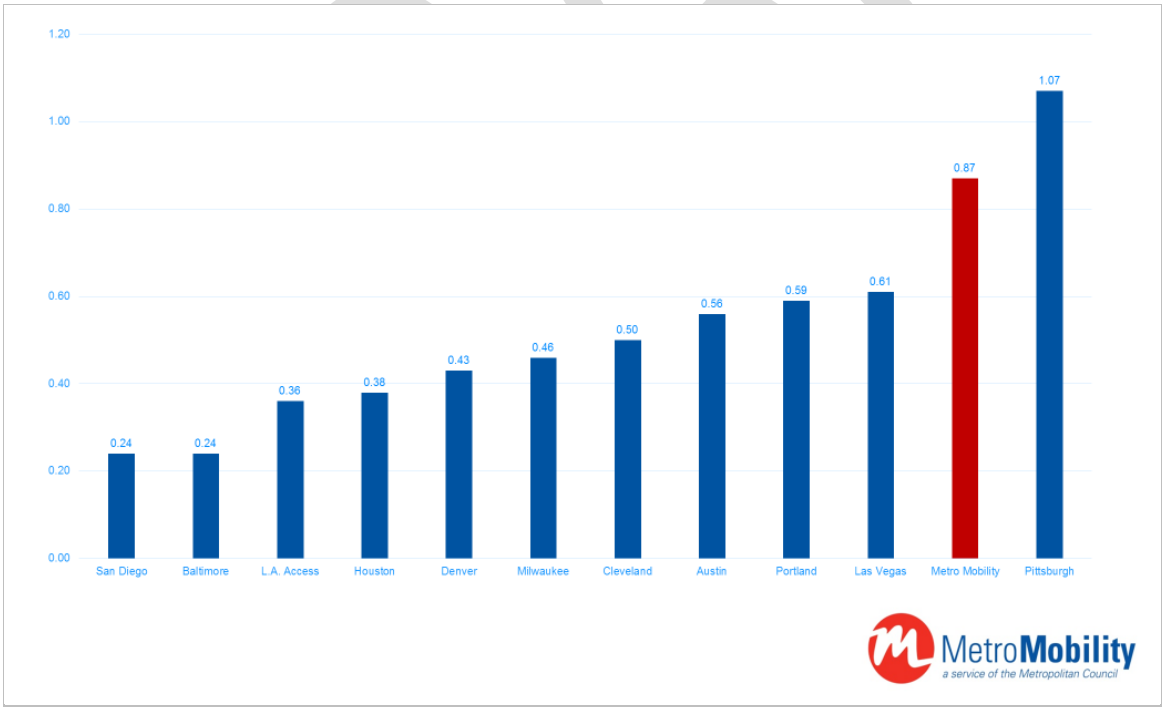


Figure 11: Passenger Trips Per Revenue Hour

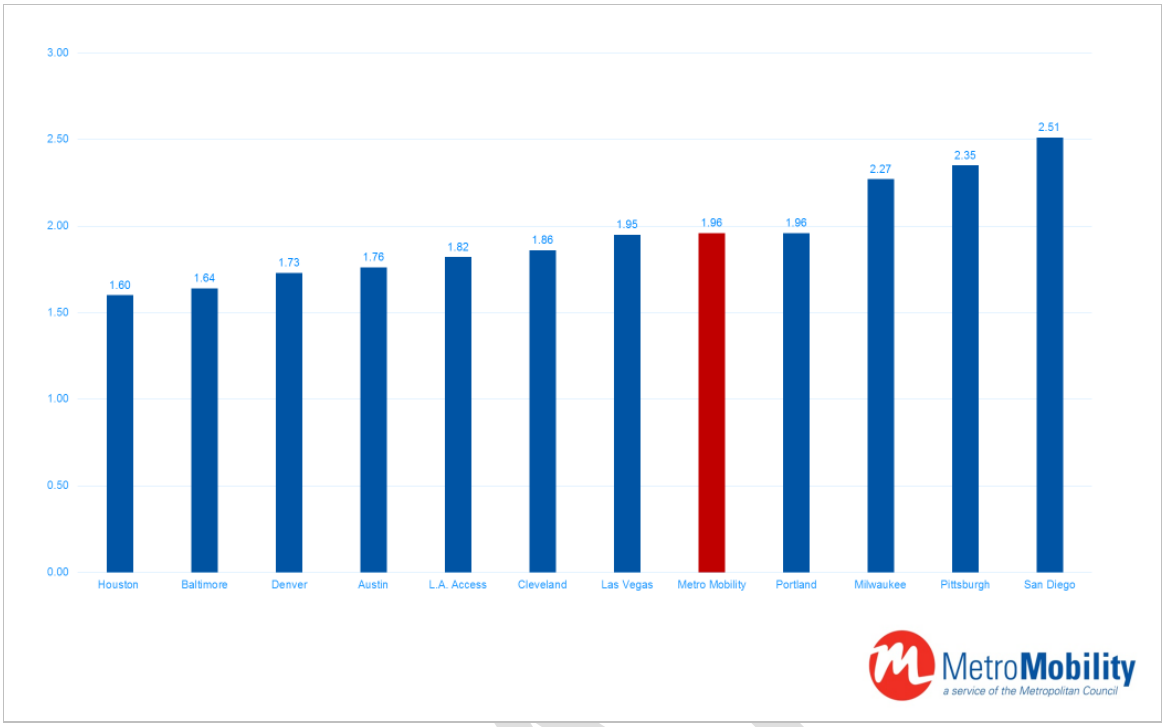
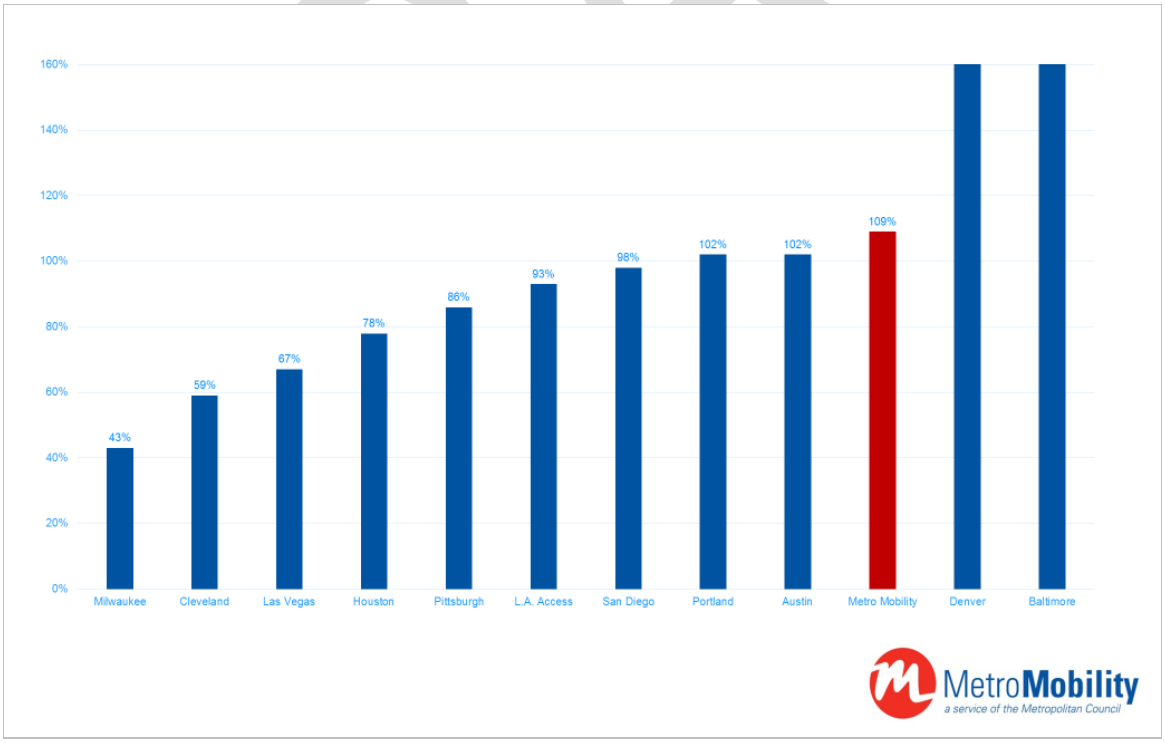


Figure 12: Percent Urbanized Area Served



Planned Program Changes in Progress

Fixed route transfers

Metro Transit and Metro Mobility staff are identifying second and third ring suburban fixed route stations with high frequency and ample capacity to pilot Metro Mobility to fixed route transfers. A low or free fare on Metro Mobility will be offered to Metro Mobility customers willing to complete a portion of their trip using fixed route. If the pilot is successful, the longer-term concept is to identify six to eight stations near the belt-way to reduce the length of Metro Mobility trips and capitalize on the availability of fixed routes. This has the potential to increase capacity on Metro Mobility without adding resources and offers customers more independence and flexibility available with the fixed route network.

Group ride incentives

Metro Mobility began a pilot in December 2017 to offer a group ride fare discount. Groups of five riders or more certified riders can establish a standing order during weekday off-peak hours to travel weekly to shopping or social activities and receive a free return ride. Groups are self-organized, and actual participants can differ from week to week. The goal is to provide a more cost-effective option for riders while also serving to improve system productivity and create low cost additional capacity on Metro Mobility.

On-demand and up-to-four-days-out taxi service

The long-standing Premium Same Day (PSD) taxi program was modified in February 2018 to expand the reservation window to four days in advance; consistent with Metro Mobility Demand service. Customers can now book rides on PSD up to four days in advance through one hour in advance.

Van rental pilot

In 2018, Metro Mobility plans to pilot a bus leasing program with a large Day Training and Habilitation center. The idea behind the program is to subsidize a lease between the Agency and a private leasing company. The leased buses cannot replace vehicles currently operated by the Agency but instead must be an expansion of their existing transportation program. The leased buses will be operated by Agency staff and will allow more autonomy in transporting clients to jobs mid-day within the community as the goals of the Minnesota Olmstead Plan materialize. The Agency must use the bus to transport a minimal number of ADA certified riders in order to qualify for the Council's subsidy. This program is designed to relieve pressure on Metro Mobility driver and capital resources while providing improved flexibility for the Agency and its clients.

Ridership and Budget History and Trends

Underlying issue: Demand is increasing which increases overall program costs, even though recent efficiencies are holding cost down to levels below the sum of inflation and ridership increases. The program does not have a dedicated, sufficiently robust funding source.

Ridership and Cost

Ridership is increasing. Although the Council is conducting a study to analyze ridership projections, there are some factors that are clearly contributing to increased ridership. First, more people are being certified for Metro Mobility. In 2012, Metro Mobility received about 8,100 applications for certification. In 2016, that number grew to 10,562. While some of these applications are submitted by people who are "recertifying," an increasing number are new certifications. In 2014, 48% of the applications were new. In

2016 that number increased to 60%. Not surprisingly, Metro Mobility is seeing an increased number of riders each year as well.

- Increasing ridership contributes to increasing cost. As ridership demand increases so do operational and capital costs. Over the past several years the Council has improved operating cost effectiveness by increasing investments in technology to make service more efficient, restructuring to achieve economy of scale, purchasing fuel in bulk below pump rates, and identifying innovative ways to reduce the cost of the service being provided without changing the operating parameters of the service. At this point the Council has exhausted all the "low hanging fruit" for service improvement— options that do not alter service delivery parameters. Curbing costs in the future will require hard choices and will likely result in reduced service for people with disabilities if funding is not available.

- Metro Mobility is primarily funded by the State of Minnesota's General Fund: Currently, Metro Mobility's revenue comes from a couple of sources, but most of the revenue consists of legislative appropriations from the state General Fund.

- In 2015, the Council included Metro Mobility vehicles in its advertising contract. The vendor that sells advertising for the Council's Metro Transit buses and trains was invited to sell advertising on Metro Mobility vehicles as well. Interest has been very limited. In 2015, the Council generated $15,652 in advertising revenue on Metro Mobility. Table 4 shows Metro Mobility's revenue sources, and Table 5 shows Metro Mobility costs over a five-year period.

Table 4: Metro Mobility Sources of Revenue in 2016

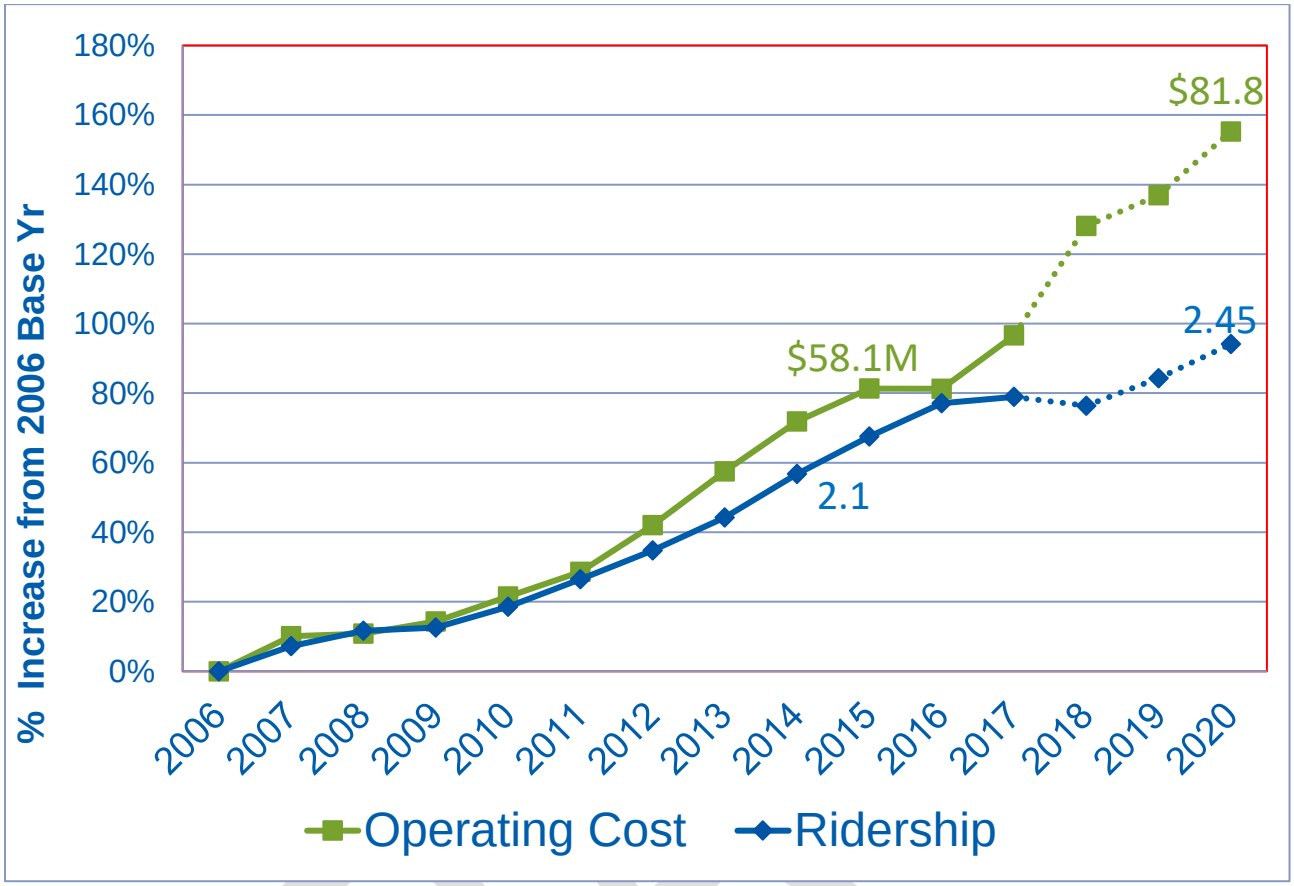
State General Fund Appropriation	$52.4 million
Passenger Fares	$5.7 million
TOTAL	$58.1 million

Table 5: Metro Mobility Costs from 2012 to 2016 [2]

	2012	**2013**	**2014**	**2015**	**2016**
Revenue Hours	774,146	852,466	935,929	1,033,178	1,101,710
Average Hourly Rate	$49.68	$49.56	$50.30	$54.95	$51.55
Fuel Cost/Hour	$6.85	$6.96	$6.26	$5.05	$4.32
Total Service Cost	$45.5 million	$50.5 million	$55.1 million	$58.1 million	$58.1 million

[2] Metro Mobility had a budget of $70.8 million in 2017, and $73.1 million in 2018.

Figure 13: Metro Mobility Ridership, Operating Costs



Note: 2017 Operating Cost numbers in Figure 13, above, are unaudited cost estimates.

Part 2: Summary of the Task Force's Work and Findings

The Metro Mobility Task Force held seven meetings from August 2017 to February 2018. In addition to full task force meetings, the task force created three subgroups to examine current operations and costs, customer experience, and industry experience.

Current Operations and Cost Findings

The Current Operations and Costs subgroup reviewed current operating costs and capital funding alternatives, alternative provider service models and costs, and Department of Human Services funded rides.

Metro Mobility's costs consist of various components, as show in Table 6.

Table 6: Breakdown of Metro Mobility Costs

(Costs based on 2016 actuals)				Cost per Trip
Contractor Costs (includes Taxi and STS)			$49,769,865	
# Trips			2,233,229	
Average Contractor Cost Per Trip			$22.29	
Admin (HR, IT, Payroll, Budgeting, Accounting, Insurance)			11.74%	$2.62
Facility Lease or Amortization			2.98%	$0.66
Facility Maintenance			0.33%	$0.07
Utilities			0.52%	$0.12
Direct Operating Costs (Driver, Dispatch, reservationist, scheduler)				$15.59
Drivers	87.59%	$13.65		
Dispatchers	5.68%	$.89		
Reservationists	5.46%	$.85		
Schedulers	1.27%	$.20		
Vehicle Maintenance			9.53%	$2.12
Drug and Alcohol Program			0.24%	$0.05
Driver Training			0.67%	$0.15
Other			4.02%	$0.90
Fuel				$1.76
Met Council Admin (Managers, customer service, contract oversight, IT, Legal, Payroll, HR, Technology, Communications				$1.97
Cost per Passenger w/o vehicle and capital equipment				$26.01
Add: Vehicles and Equipment				*$3.88
Total Cost				$29.89
Average Trip Length (includes agency service)	9.37			

* Based on 2012-2016 actual fleet purchases and ridership.

In considering alternative provider models, the subgroup reviewed the federal and state regulatory requirements to which providers would need to adhere, as shown in Table 7. The subgroup also explored the cost implications of using alternative providers.

Table 7: Regulatory Requirements

1	**Equal response time for rides requiring accessible vehicle**	**Federal**
2	Zero denials	Federal
3	Random Drug and Alcohol Sampling	Federal
4	Passenger Escort	Federal
5	Disability Awareness Training	Federal
6	Reasonable Suspicion Procedures	Federal
7	DVS and Criminal Records Review (initial and annual)	Federal
8	Service quality reporting (on-time pickups, appts, on-board time)	Federal
9	Shared Ride	Federal
10	Radio dispatch – immediate response time	State
11	Insurance Minimums and Council Indemnification	State

To understand how each provider's or potential provider's service aligns with existing regulatory requirements, the subgroup sent a survey to Uber, Lyft, 10/10 Taxi, Transportation Plus, Transit Team, and First Transit. The survey requested the following information:

- Does your current service model meet each of the state or Federal Transit Administration's complementary ADA standard listed?
- If your company's model doesn't meet the standard, does your company have an interest in meeting the standard?
- What is the estimated cost of meeting each standard?

The results of this survey are incorporated into service-level options developed by the Industry subgroup (discussed later.)

Cost Information

For comparison among providers, Table 8 shows provider costs for a sample trip.

Table 8: Average Cost Per Provider for Sample 11.2-Mile Trip, 2016

Provider Type	Cost
Metro Mobility (capital and operating)	$28.85-$29.31
Taxi	$24.00*- $26.30
TNC*[1]	$17.00 - $22.00
* Does not include the cost of accessible vehicles. [1] Prices may vary based on demand.	

Using ***alternative*** providers does risk potential loss of federal formula funds. Public transit is shared ride service. Rides that are provided through a non-shared service model are not reportable as public transit. Loss of federal formula funds for an ***11.2 mile trip is approximately $4.70/trip.***

Vehicle Leasing

To help determine if it would serve as a cost-saving strategy, the subgroup studied the concept of leased vehicles for Metro Mobility. Findings include:

Funding Implications

- Over the past five years, approximately 50% of funding for vehicles comes from Federal Transit Administration (FTA) formula funds and 50% from Regional Transit Capital funds (RTC).
- RTC cannot be used for lease expenses.
- The Federal government prefers that providers own their own assets, and must provide a compelling business reason to lease.

Metro Mobility Capital Cost per Passenger Trip for Buses and Technology

- Capital investment in buses and bus technology 2012-2016 = $38.3M
- Average $3.88/per passenger trip

Challenges

- Enterprise leasing does not allow vehicle subleases. A vehicle lease program would likely require Metro Mobility contractors to enter into lease agreements directly with the vendor. This legal arrangement would negatively impact the Council's ability to easily and quickly reassign fleet in the event of a crisis or to address poor service quality.
- Lease rates are currently unknown.

Summary of Cost Items

- Varying service models between Metro Mobility, TNCs, and taxis impact costs.
- Only Metro Mobility is fully compliant with FTA ADA complementary service requirements. Taxis may be interested in becoming fully compliant. TNCs are not interested in becoming fully compliant.
- By definition, public transit is shared-ride service. Any non-shared service provided is not reportable to the FTA. As a result, there would be an average loss in funding of about $4 per trip.
- There is insufficient information available regarding leased vehicles to make a recommendation.
- Topics for further consideration include: need for a consistent funding source and potential investments in technical development, marketing, and customer service.

Department of Human Services-funded Metro Mobility Rides

A sizeable number of DHS/metro area county-client rides are provided by the Metropolitan Council on Metro Mobility and funded by those programs at a fraction of the full cost. Because Metro Mobility is funded completely by state general fund money (and a small amount of passenger fares) the State of Minnesota is absorbing nearly the entire cost of the ride instead of accessing federal funding opportunities.

Background

Through discussions with DHS staff, the Council has identified three general categories of DHS/county-subsidized trips being provided by Metro Mobility. They include:

1. Day Training and Habilitation (DT&H) rides to agencies such as Opportunity Partners, Lifeworks, Midwest Special Services, etc.

2. Other Waivered service clients. The county purchases public transit fares and distributes to clients for many types of trips: school, social, etc.
3. Minnesota Non-Emergency Medical Transportation (MNET) rides.

In most case, these trips are eligible for state and federal dollars at a 50/50 ratio. Under current practice, when waivered service and Medical Assistance clients are placed on Metro Mobility, only the fare is reported as the "cost' of the service and only 50% of the fare is covered by federal funding. The full cost of Metro Mobility, on average, is more than $26 in operating costs and about $3.88 in capital per trip. Metro Mobility fares are currently $4.50 in the peak period and $3.50 in the off-peak. Under current practice, about 94% of a DHS/county client's ride when transported on Metro Mobility is covered by the state. If the client were placed on a private carrier, the state and federal share would be 50/50.

The current practice underutilizes federal dollars and over-utilizes state dollars. Several factors, including federal regulations, create significant barriers to capturing a greater share of federal funding to cover the transportation costs of Metro Mobility. DHS and Council staff met several times in early 2017 and were unable to find a solution under current conditions but believe that there is opportunity to modify existing statutes, programs and procedures to: 1) access more federal dollars and 2) improve DHS client services.

Issue

Based on 2014/2015 Metro Mobility ticket sales to metro area counties and Medical Transportation Management (MTM) on behalf of Minnesota Metro Counties Consortium (MMCC) in addition to the number of clients transported to day training and habilitation programs, the Council estimates that more than $20.5 million in expenses that are eligible for 50-percent match by federal funds are not reported as DHS program costs and are therefore not subsidized with federal funds**.**

Table 9. Annual Extra Cost to State and Loss of Federal Funding

Period	Sales Amount	*Estimated Rides	**Est. Full Cost of Rides	Cost Split when DHS/Counties Place Rides on Metro Mobility: State	Cost Split when DHS/Counties Place Rides on Metro Mobility: Federal	Cost Split when DHS/Counties Pay Full Cost: State	Cost Split when DHS/Counties Pay Full Cost: Federal
Sales to Counties Aug 2014-Jan 2015	$701,510	210,033	$5,460,858	$5,110,103	$350,755	$2,730,429	$2,730,429
Annualized Total	$1,403,020	420,066	$10,921,716	$10,220,206	$701,510	$5,460,858	$5,460,858
2016 Agency Invoiced Fares	$1,235,838	370,011	$9,620,286	$9,002,367	$617,919	$4,501,183	$4,501,183
Total	$2,638,858	790,077	$20,542,002	$19,222,573	$1,319,429	$9,962,041	$9,962,041
TOTAL Annual Extra Cost to the State and Loss of Federal Funding							$8,642,612

*Average fare for Metro Mobility system = $3.34 **Average operating cost per ride = $26.00

Challenges

1. The Council and DHS are not able to share client information, so it is not possible to fully understanding the clients involved, the programs they are enrolled in, Metro Mobility ridership and the scope of federal funding lost. Having authority to share the information is a critical first step in understanding the return on investment and general approach to designing a new program structure and associated policies and procedures.
2. Metro Mobility is bound by Federal Transit Administration regulations that restrict fares to twice the local fixed route fare. However, the regulations provide for the following exception:

Sec 37.131I(4) The entity may charge a fare higher than otherwise permitted by this paragraph to a social service agency or other organization for agency trips (i.e., trips guaranteed to the organization).

While this exception could apply to Metro Mobility "Agency" rides, it would not apply to the larger share of other waivered service rides; only partially addressing the issue.

3. DHS programs are bound to federal "usual and customary" charge requirements, meaning a provider cannot charge more for a covered client than what is charged to other customers. It is possible for Metro Mobility to charge more if the service provided is a higher level of service than service offered to other customers paying the public transit fare.
4. DHS waivered rates for transportation included in the daily Day Training and Habilitation service rates are shown in Table 10. Table 11 shows Agency ridership.

Table 10: DHS Rates for Day Training and Habilitation

DHS DT&H Rate Structure				
Individual Requires a Lift	**0-10 Miles**	**11-20 Miles**	**21-50 Miles**	**51 or More Miles**
YES	$15.05	$28.16	$58.76	$80.93
NO	$ 8.83	$10.58	$13.92	$16.50

Table 11: Metro Mobility Agency Ridership

Metro Mobility Agency Ridership - October 2016					
	0-10 Miles	**11-20 Miles**	**21-50 Miles**	**51 + Miles**	**Total**
Lift	3,385	585	9	0	3,979
Ambulatory	19,386	5,534	304	0	25,224
*Unknown**	303	129			29,635

Current Metro Mobility daily fares $7.00-$9.00 per day round trip. Trips over 15 miles may include an additional surcharge of $.75 per trip.

Day Training and Habilitation rates for daily service are bundled per Minn. Statute 256B.4914. The service provider receives a payment for the provision of service and a payment for the provision of transportation. DT&H service providers may sub-contract the transportation portion of service provision.

True DT&H transportation rates represent in the framework above are suppressed per Minn. Statute 256B.4913. Service rates for DT&H are currently based on historic rates in place in 2013. Historically, DT&H providers negotiated transportation rates with lead agencies. True framework rates for the transportation portion of DT&H rates will not be in effect until January 2021.

In summary, under the current Metro Mobility model, there is no mechanism to draw down additional Medicaid funding. Additional State and Federal Medicaid funding may be available by providing a different service model to recipients of Medical Assistance and waiver services. An estimated $8 to $10 million in additional federal funds may be available with a different service delivery model.

Barriers to addressing this problem include:

- Resolution is restricted by inability to share data between agencies.
- Metro Mobility fares are limited to twice the local fixed-route fare except for trips to a social service agency.

- DHS Medicaid programs are bound to federal "usual and customary" charge requirements, meaning a provider cannot charge more for a covered client than what is charged to other customers.
- Medicaid program riders pay the same fare as other eligible riders.
- Metro Mobility's fare of $3.50 in the off-peak and $4.50 in the peak is an inexpensive option for agencies.
- Currently, DT&H transportation rates represented in the framework are suppressed per Minn. Statute 256B.4913. True framework rates for the transportation portion of DT & H rates will not be in effect until January 2021.

Potential Legislative Recommendations

- Data sharing between state agencies.
- Interagency coordination.
- Better cross-utilization of funds – remove silos.

Customer Experience Findings

The Customer Experience Subgroup focused their review and discussion on the needs of the people utilizing Metro Mobility services, and on the impacts of transit service quality and reliability from the customer's perspective. Multiple examples were shared by and with subgroup members, and through them, the task force gained a heightened awareness of the impacts insufficient transit service has on an individual's daily life. The group worked alongside the Industry Experience group to ensure the identified service level options will address the issues presented by customers.

Issues Presented by Customers

Service Quality and Trip Reliability

- Inconsistency resulting from the 30-minute pick-up window, in addition to service delays, can make daily planning difficult and can result in missed appointment times. This also causes worry and anxiety for customers.
- Customers may not know when or where (multiple entrances) they are being picked up. This, may add to trip delays.
- Dynamic routing and customer "add-ons" to the manifest can seem confusing and inefficient and can cause frustration and delays for other passengers on board.
- High demand on the system, in addition to detours and congestion, can result in frequently changing trip manifests.
- Ride durations can sometimes be, or feel, too long. Trips that approach or exceed the maximum on board time, can cause physical discomfort and anxiety.
- Consistently late trips can impact a person's employment and limit opportunities for people who are dependent on Metro Mobility for transportation.
- Customers may not be aware of supplemental service, or premium same-day options available to them that may offer a more consistent or direct ride.

Quality of Customer Service

- Driver training and knowledge seems inconsistent.
- High turnover of drivers can result in customers regularly getting new drivers on routes who are unfamiliar with customer file notes, or pick up/drop off locations.
- Driver customer-service skills are inconsistent or lack knowledge of individual customer needs.

Improvements Identified by Customers

- The consistency and quality of driver training programs, both initial training and on-going, should be reviewed and investments made where needed in order to ensure high quality customer service is provided.
- A market competitive compensation of hourly pay and benefit for Metro Mobility drivers is needed to attract and retain high quality drivers, and to stabilize the workforce and improve driver turnover.
- Investments in improved customer communication and education on Metro Mobility service options and regulatory impacts are needed (for example, information on Premium Same Day, Supplemental Service, non-ADA service denials, no-show policy suspensions, expectations for on-board times).
- Technology should be better utilized to improve opportunities for customers to provide feedback, and to inform customers when their ride is near.
- Alternative services that provide additional sedan service or taxi alternatives, may result in an improved customer experience for some customers. Due to the risks associated by a non-FTA regulated service, all such options should be offered and communicated as “Opt-in” services.
- An investment in business system administration is needed to analyze system routing formulas (for example, optimizing trip planning formulas, on-board time and/or other performance criteria calculations) to improve the customer experience while still maintaining system efficiency.
- Centralized dispatch, along with investments in technology improvements, should be investigated for viability and as a means to improve system wide routing.

Industry Experience Findings

The Industry Experience subgroup reviewed the existing Metro Mobility service model in context of a variety of transportation provider experiences, and in consideration of a widely varying and growing demand for services. The group considered service option alternatives through the lens of the customer experience, of ADA regulations, of customer needs and preference. and of customer safety and security. The group also reviewed related pilot programs that have been introduced in other cities in recent years.

The current Metro Mobility base service model is entirely FTA paratransit service compliant and is characterized by the assurance of a high level of personal service that is important to many customers. Many Metro Mobility clients require an attentive care and support due to cognitive or physical disability. The current service assures door-through-door escort, and is provided by drivers trained according to Special Transportation Service level standards. Metro Mobility ensures productive public transit service by offering a shared ride, usually in lift equipped buses that can accommodate 15 or more passengers.

Customer Eligibility Categories

The Americans with Disabilities Act of 1990 (ADA) [Section 37.123€ (1) of the ADA regulations], defines the following three categories for Paratransit service eligibility:

Category 1

Any individual with a disability who is unable, as a result of a physical or mental impairment (including a vision impairment), and without the assistance of another individual (except the operator of a wheelchair lift or other boarding assistance device), to board, ride, or disembark from any vehicle on the system which is readily accessible to and usable by individuals with disabilities.

Category 2

This applies to an individual who would be able to use the local fixed-route system if it were accessible (e.g., if a low-floor or lift-equipped bus is not available). This category is not applicable for Metro Mobility as all our local fixed-route service is 100% accessible.

Category 3

"Any individual with a disability who has a specific impairment-related condition which prevents such individual from traveling to a boarding location or from a disembarking location on such system." Two important qualifiers to this category are included in the regulations. First, environmental conditions and architectural barriers not under the control of the public entity do not, when considered alone, confer eligibility. Inconvenience in using the local fixed-route bus system is not a basis for eligibility.

Eligibility for Metro Mobility cannot be based on financial hardship. A person must be over six (6) years of age to certify for eligibility

Service Level Alternatives

In addition to affirming the need to sustain the Metro Mobility's base system service provisions, the task force recommended exploring additional service level alternatives, that could potentially be provided by Transportation Network companies and/or taxi companies.

As shown in Table 12, the four alternatives proposed in addition to Metro Mobility's base system provide an array of options for customers whose needs may not be provided within the current service model due to system capacity, and for those who may not need, nor want, door through door FTA paratransit-level service.

Table 12: Metro Mobility's Base System and Four Alternative Service Levels

	Metro Mobility Base Service		Shared Options		Premium Options	
	ADA Area	Non-ADA	STS	Not-STS	STS	Not-STS
Provider Type	Public Transit Dial-a-Ride	Public Transit Dial-a-Ride	Medical Assistance Providers	TNC/Taxi	Medical Assistance Providers	TNC/ Taxi
Service	Door through first Door	Door through first Door	Door through first Door	Curb to Curb	Door through first Door	Curb to Curb
Trip booking	Advanced Reservation	Advanced Reservation	On Demand or Advanced	On Demand or Advanced	On Demand or Advanced	On Demand or Advanced
Service Denials	None	Subject to Capacity	Subject to Capacity	Subject to Capacity	Subject to Capacity	Subject to Capacity
Safety and Training	Highest Level	Highest Level	Stringent	Less Stringent	Stringent	Less Stringent
Fleet	Lift Equipped	Lift Equipped	Limited Lift or Ramp	Limited Lift or Ramp	Limited Lift or Ramp	Limited Lift or Ramp

The following shows service choice scenarios for various customer profiles.

Metro Mobility Base ADA Service

- Can plan most needed trips in advance.
- Lives and travels mostly within the federally mandated ADA service area.
- Needs door-through-door service, and assistance from a trained driver, to safely reach his destination.
- Feels more safe riding with drivers that are specially trained in disability awareness and randomly screened for drug and alcohol use.
- Appreciates the security of reservation call recordings and on-board audio/video recordings.
- Likes the routine of using Metro Mobility and the support provided by the Metro Mobility Service Center. He does not want to change providers.
- Uses a mobility device and requires a lift to board the bus.
- Does not want to pay more for on demand or direct service.
- Enjoys the community aspect of using public transportation and does not want to pay more for direct service.

Metro Mobility Base Non-ADA Service

- Relies on Metro Mobility for transportation needs; and can plan most trips in advance.
- Lives, or regularly travels, outside the ADA federally mandated service area.
- Although requests are scheduled on standby-by, service denials are rare.
- Needs door through door service, and assistance from a trained driver, to safely reach her destination.

- Feels more safe riding with drivers that are specially trained in disability awareness and randomly screened for drug and alcohol use.
- Likes the routine of using Metro Mobility and the support provided by the Metro Mobility Service Center. She does not want to change providers.
- Enjoys the community aspect of using public transportation and does not want to pay more for on demand or direct service.
- Appreciates the security of reservation call recordings and on-board audio/video recordings.

Premium STS Option

- Lives and travels within the federally mandated ADA service area and is never denied Metro Mobility service.
- There are often several other customers on her bus.
- Frustrated by a lack of consistency and does not like waiting up to 30 minutes for her bus.
- Uses a mobility device.
- Needs door through door service, and assistance from a trained driver, to safely reach the destination.
- Willing and able to pay a premium for a faster, non-share accessible ride rather than risk delays that can occur with a shared ride service
- Does not feel safe using a regular taxi or TNC
- Is unconcerned with a lack of reservation call recordings and on-board audio/video recordings.

Premium Not-STS Option

- Does not use a mobility device and values independence.
- Does not need assistance getting in or out of vehicle.
- Frustrated with long on-board times and the delays caused by a shared ride system.
- Would prefer to pay more for a faster, direct trip, than risk delays.
- Is comfortable riding with drivers with less stringent background checks and no drug and alcohol testing.
- Is unconcerned with a lack of reservation call recordings and on-board audio/video recordings.

Shared Ride STS Option

- Lives, or regularly travels, outside the federally mandated ADA service area and ride requests are sometimes denied due to lack of available service.
- Needs the level of service and driver assistance provided by Metro Mobility.
- Doesn't mind sharing rides with other customers. Does not want to pay more for a direct trip.
- Uses a mobility device and requires door through door service to safely reach the destination.
- Does not feel safe using a regular taxi or TNC.
- Is unconcerned with a lack of reservation call recordings and on-board audio/video recordings.

Shared Ride Not-STS Option

- Has a variable schedule and values spontaneity in travel planning. Is frustrated by the advanced appointments required by Metro Mobility.
- Doesn't mind riding with others and can afford the extra time that sometimes adds.
- Does not want or need door through door service and can safely reach the destination when picked up or dropped off at curb.
- Is comfortable riding with drivers with less stringent background checks and no drug and alcohol testing.
- Is unconcerned with a lack of reservation call recordings and on-board audio/video recordings.

Anticipated Service Advantages

The task force anticipates that by offering additional service options, the growing demand and resultant strain on the base Metro Mobility system will be distributed, and more and varying customer needs will be met. These options, if fully implemented, could address many of the issues identified by the Customer Needs work group. It should be noted that some of these service options are not currently provided in this market. Anticipated advantages of a more diversified system include:

- Providing both STS and Not-STS level service options will introduce additional capacity to meet a growing service demand while offering services that meet a variety of customer preferences.
- Additional service offerings will strengthen and focus the core system, potentially introducing stability in the Metro Mobility driver workforce.
- Premium options offer individual rides and a faster trip than shared ride options.
- STS service levels offer higher standards than Not-STS Options.
- Lower Cost Per Ride potential with demand shifts to new service options.

Support for this is provided by Boston's success with their TNC pilot program, initiated in October of 2016 and on-going, with multiple iterations, through April 2018. The Massachusetts Bay Transit Authority (MBTA) currently contracts both Uber and Lyft to provide optional on-demand shared ride and individual transportation service to paratransit customers throughout their entire service area. Since initiating the pilot, MBTA has reported growing support from customers of the ride options, and a 19% reduction on the number of The Ride trips from pilot customers. In the current pilot, customers have an option to use share Ride modes (Uber pool and Lyft line). Roughly 20% of their customers currently take advantage of this option. In September 2017, MBTA reported an overall increase of 31% in their service provision while reducing their overall cost per trip by over 80%.

The increase in trips provided currently offsets the per trip cost savings, making the MBTA's pilot cost neutral overall. As a result, to date there has not been an overall savings realized from the program, although mobility for customers has improved.

Since the Boston service area and market differs from our region, the task force recommends a pilot approach to gauge customer interest and study impacts.

Risk Exposures

The above proposed new service options introduce additional complexity to an already complex system. With each of the alternative service options, customers may be exposed to a higher risk and/or lower quality customer care, compared to the level of service required by Metro Mobility.

Safety and security concerns are especially important to consider due to the heightened risk of providing transportations services to vulnerable populations. While there is a wide range of abilities between customers, it is important to understand that some customers with cognitive disabilities may have difficulty understanding the differences between the new service options, and how those differences may affect them personally, in context of both service quality and personal safety. Some customers are also at increased risk of getting lost or injured if the appropriate level of service (curb to curb vs. door through first door) is not provided. This risk is heightened during inclement weather conditions.

Taxi and TNC service providers operate under the authority of the Motor Carriers of Passengers or Equivalent State/City Authority (such as Taxi or TNC licensing). Special Transportation Service (STS) service providers, which includes many Taxi companies, operate under State of MN STS regulation. None of the proposed alternative service providers are required to comply with regulations set by the FTA for Paratransit service, including:

- **Drug and Alcohol Policy and Compliance, including post-accident, reasonable suspicion and random sampling.** Although testing programs vary between providers, neither TNCs nor taxis companies have indicated the ability or interest in fully meeting all the testing requirements set for public transit.
- **Passenger Escort:** Non-FTA Paratransit and Non-STS service providers are not required to assist customers in the same way as Metro Mobility drivers are. Customers choosing this service will be picked up and dropped off at curb instead of escorted to the door. These options may present a safety risk for customers who need help navigating to their destination, boarding vehicles, or require other assistance from a driver.
- **Disability Awareness Training.** TNC and non-STS certified taxi companies are not required to provided disability awareness training as required by FTA paratransit regulations, or as outlined in the standards set forth by Minn. R. 8840.5910, Subpart 1.
- **Service quality reporting**. All providers surveyed in the task force currently collect and report service performance data such as On-Time Performance, On Board Time, service denials etc. Agreements will be needed to allow the Council to have full access to trip requests and ride data to ensure oversight for purposes of provider-public accountability and auditability.
- **DVS and Criminal records review**. Taxi and TNC companies have varying requirements for conducting driver criminal background checks and for DVS license checks. Providers with STS certification must meet MN state DHS net study requirements. TNC companies currently do not meet this state requirement. **Zero**
- **Service Denials:** Customers requiring lift service or requesting same day/on demand service are at higher risk of being denied service on a consistent basis if they choose alternative service options. There is a limited number of accessible vehicles (lift or ramp) within the Taxi fleets and the TNC's do not currently offer accessible vehicles in our service market**.**

- **Shared Ride:** Public transit is shared ride service. Any non-shared service provided is not reportable to the FTA, resulting in an average loss in funding of approximately $4 per trip. While taxi and TNC companies both accept group bookings, neither currently offer shared ride services in Minnesota. Both Uber (Uber Pool) and Lyft (Lyft Line) offer shared ride services in other markets and have indicated an interest providing the option as part of a pilot study in Minnesota.
- **Radio Dispatch (real time contact with dispatch):** TNC providers have limited radio dispatch support; drivers contact dispatch real time via the mobile application or by phone.
- **Accessible needs met equally with non-accessible needs**: Most of the taxi fleet are not lift equipped, and TNC companies do not currently offer lift equipped vehicles in the Metro area. Customers requiring accessible service are at risk of service denials on a consistent basis if they choose alternative service options.

Because the alternative options do not meet the FTA regulatory requirements they must be initiated and selected by the customer.

Other Concerns

In this market, there is no TNC or Taxi regulatory requirement for on-board security cameras . However, many Taxi fleets now have cameras installed. In contrast, Council-provided public transit vehicles have multiple interior and exterior cameras installed. On board video is an important crime deterrent and provides an important investigative and auditability tool.

Risk Mitigation Strategies

The task force recommends the following strategies to limit the risk exposures identified above:

- Investment in sufficient staff resources to effectively administer contracts, conduct service monitoring, and audits needed to ensure all contractual and regulatory compliances required for any new contracts or services.
- Although all proposed new services are optional for the customer, a significant investment in outreach and education will be needed so that all customers and care givers understand key service differences and risks associated with each option. Contractual provisions to ensure Council has full access to trip requests, ride data, on board video and other service related day for purposes of provider-public accountability and auditability.
- The accessible fleet capacity of alternative service of the alternative service providers will need to be monitored in order to protect the users; civil rights to accessible transportation.
- Contractual requirements are needed to ensure providers employ drug and alcohol screening and pre-employment background checks according to city and state requirements.
- Specialized training, such as Disability Awareness, defensive driving, assistance training and abuse prevention will need to be contractually obligated for all alternative service providers and defined according to the service level requirements.

Table 13: Summary: Pros and Cons of Alternative Choices

	Pros	Cons
STS - Shared	• High level of driver training and customer service (escort service to/from vehicle) • Annual vehicle inspections • Department of Human Services background checks • Accessible vehicles available • May offer more flexibility in scheduling rides • Same day rides and some on-demand available • Council has flexibility in setting customer's financial contribution	• **This option is currently not available in Minnesota.** • No reasonable suspicion checks for drug and alcohol use • No security cameras or call recordings. Limited ability to investigate and resolve customer complaints. • No drug and alcohol random sampling program
STS – Not Shared	• High level of driver training and customer service (escort service to/from vehicle) • Annual vehicle inspections • Department of Human Services background checks • Accessible vehicles available • May offer more flexibility in scheduling rides • Same day rides and some on-demand available • Council has flexibility in setting customer's financial contribution	• No reasonable suspicion checks for drug and alcohol use • No security cameras or call recordings. Limited ability to investigate and resolve customer complaints. • Not reportable as public transit = loss of federal funding • Could be a more expensive option – depends on customer's financial contribution • No drug and alcohol random sampling program
	Pros	Cons
Not STS – Shared	• Rider can choose drivers – consistency • On-demand • Least costly option • Excellent option for customers wanting flexibility, sedan service and independent travel • Council has flexibility in setting customer's financial contribution	• **This option is currently not available in Minnesota.** • Less stringent background checks • No accessible vehicles currently available; potential civil rights violations • Optional driver training – not specific to persons with disabilities • No reasonable suspicion checks for drug and alcohol use • No security cameras or call recordings. Limited ability to investigate and resolve customer complaints. • TNCs have demonstrated an unwillingness to fully report

		ride information (for example, limited to zip code) • No drug and alcohol random sampling program
Not STS – Not Shared	• Rider can choose drivers – consistency • On-demand • Least costly option • Excellent option for customers wanting flexibility, sedan service and independent travel • Council has flexibility is setting customer's financial contribution	• Less stringent background checks • No accessible vehicles currently available; potential civil rights violations • Optional driver training – not specific to persons with disabilities • No reasonable suspicion checks for drug and alcohol use. • TNCs have demonstrated an unwillingness to fully report ride information (for example, limited to zip code) • No security cameras or call recordings. Limited ability to investigate and resolve customer complaints. • Not reportable as public transit = loss of federal funding. • No drug and alcohol random sampling program.

Technology Considerations

With the introduction of multiple providers serving a large service area with widely varying service needs, a significant investment in trip planning technology and integrated software applications may be needed to integrate multiple provider systems and best identify trip level service options for customers, including service options on the Metro Transit's fixed route system.

The task force took note of innovative on-demand trip request applications that have been created to address this issue such as RideKC's Freedom application, launched with an on-demand taxi service pilot The pilot features an integrated software app, optimized for mobile use, that provide customers with a "one stop shop" on-demand trip reservation experience. The system generates ride solutions in real time, and offers service options to the customer based on the current capacity and demand of multiple service providers.

Partnerships with alternative service providers, and investments in related software applications could beneficial the transit system as a whole. Providing customers with more access and visibility to various trip planning solutions has the potential to optimize service delivery across modes.

The task force also considered information on other innovative technology pilots underway that may become relevant to the paratransit industry, including the testing of Autonomous Vehicles (AV).

For example, Access Services, the paratransit service in Los Angeles CA, recently announced plans for a small scale autonomous vehicle pilot program, partnering with Baidu, Inc. Further study is needed to determine the viability and potential of AV technology in the paratransit industry.

The task force recognizes the potential system efficiencies and improved mobility to be achieved through additional pilot programs currently under study by Metro Mobility. These are further discussed on pages 20/21 and include:

- **Feeder to Fixed Route Program**: Pilot currently in planning stages, to incentivize transfers to/from the Metro Transit fixed route system.
- **Group Ride Program**: Limited Pilot initiated in December 2017 to offer free return ride incentive for groups of 5 or more booking rides off-peak.
- **Advanced booking of "Premium Same Day"** service: Pilot initiated in February 2018 to allow "Premium Same Day" customers to book taxi riders up to 4 days in advance, as well as same day. need text

Part 3: Recommendations

The legislative language identifies “program and legislative changes” as areas for recommendation.

Legislative Changes

TBD

Program changes/Council action/other recommendations that do not require legislative action

TBD

Appendices

- Legislative language establishing the task force
- Task force membership
- Task force charter
- List of meeting dates and all posted materials (For example, we will include the meeting minutes, PowerPoints, Matrices, and other posted documents.)

Updated 1/31/18 - Draft

Metro Mobility Service Level Approach Options:

Service Options	
	Service Area
	Service Denials
	Service Level
	Booking Type
	Booking Options
	Customer Opt-In
	Customer Fare Restrictions
	Provider Choice
	Provider Type
	Vehicle Types
	STS compliance
	ADA Regulatory Compliance (i.e., service animals, provision of service)
	Current or Interest in FTA Paratransit Regulatory Compliance
	Accessibility needs met equally with non-accessible needs
	Zero Denials
	Random Drug and Alcohol Sampling
	Passenger Escort
	Disability Awareness Training
	Reasonable Suspicion Procedures
	DVS and Criminal records review
	Service quality reporting, including OTP, ATP, OBT
	Shared Ride
	Radio Dispatch (Real time contact with dispatcher)
Provider Requirements	
	Operating Authority
	Annual vehicle inspections
	Driver Criminal Background Check
	Driver Training
	Insurance Coverage
Anticipated Advantages	

Anticipated RIsks	
Estimated Cost Impacts	

(1) https://www.revisor.mn.gov/statutes/?id=245C.15
(See DHS Net Study Disqualifiers Tab)

Current	Current
ADA Paratransit	**Non-ADA Paratransit**
ADA Service Area	Non-ADA Service Area
No	Yes-Rides on Standy
Door-through-Door escort	Door-through-Door escort
Advanced	Advanced
Phone, Online/App (when available)	Phone, Online/App (when available)
No	No
Yes, 2x local fixed route fare	No
No	No
Procured	Procured
Primarily Accessible Vehicles	Primarily Accessible Vehicles
No	No
Yes	Yes
Yes	Yes - except denials - local decision
Yes	Yes
Yes	Yes
Yes	Yes
Yes	Yes
Yes	Yes
Yes	Yes
Yes	Yes
Yes	Yes
Yes	Yes
Operating contact with Met Council	Operating contact with Met Council
Council - third party inspections	Council - third party inspections
Per federal & state laws, company policy in excess of minimums	Per federal & state laws, company policy in excess of minimums
40 hours pre-revenue service, monthly safety meetings	40 hours pre-revenue service, monthly safety meetings
Per Council contract to comply with State laws governing public agencies	Per Council contract to comply with State laws governing public agencies

Current	NEW
Premium Same Day (not shared)	**Shared**
ALL Service Area	ALL Service Area
Yes- Subject to supply/demand	Yes- Subject to supply/demand
Curb-to-Curb	Curb-to-Curb
On Demand or Advanced	On Demand or Advanced
Pre-Approved by MM	Phone/Online/App
Yes	Yes
No, customer first $5 + amount over $20	No
Yes	Yes
Taxi	Taxi, TNC, STS Providers
Ambulatory/Non Ambulatory	Ambulatory/Non Ambulatory
No	No
Yes	Yes
No	No
	Shared
Motor Carriers of Passengers or Equivalent State/City Authority (i.e. Taxi licensing)	Motor Carriers of Passengers or Equivalent State/City Authority (i.e. Taxi or TNC licensing)
Provider's Internal Policy	Provider's Internal Policy
DHS Net Study - state background check and fingerprinting (1)	Contractually Required Background Checks
Provider's Internal Policy	Provider's Internal Policy
1.5M Auto Liability	1.5M Auto Liability
	Shared
	Customer Chooses
	Lower Per Ride Cost (compared to not-shared)

	Shared
	Less Stringent Driver Standards
	Less Stringent Vehicle Standards
	Provider Capacity - peak availabiltiy
	Increase ridership and program costs
	Customer Safety & Security
	Shared
	Limit public subsidy (i.e. cap at $15)
	Eligible for Federal reporting/formula funds

NEW	NEW
Shared STS	**Premium (not shared)**
ALL Service Area	ALL Service Area
Yes- Subject to supply/demand	Yes- Subject to supply/demand
Door-through-Door escort	Curb-to-Curb
On Demand or Advanced	On Demand or Advanced
Phone/Online/App	Phone/Online/App
Yes	Yes
No	No
Yes	Yes
Taxi, TNC, STS Providers	Taxi, TNC, STS Providers
Ambulatory/Non Ambulatory	Ambulatory/Non Ambulatory
Yes	No
Yes	Yes
No	No
Provider Survey Response: All Providers indicate interest in compliance	
Provider Survey Response: All Providers = Yes	
Provider Survey Response: Tplus, 10/10 taxi, Blue and White taxi = Yes, Uber and Lyft = No	
Provider Survey Response: Tplus, 10/10 taxi, Blue and White taxi = Yes, Taxi Uber = No, Lyft = Yes	
Provider Survey Response: Tplus, 10/10 taxi, Blue and White taxi = Yes, Uber = No, Lyft = Yes	
Provider Survey Response: Tplus, 10/10 taxi = No, Blue and White taxi = Yes, Uber = No, Lyft = No	
Provider Survey Response: Tplus, 10/10 Taxi, Blue and White taxi = Yes, Uber = Yes, Lyft = No	
Provider Survey Response: All Providers = Yes	
Provider Survey Response: All Providers = Yes	
Provider Survey Response: Tplus, 10/10 Taxi, Blue and White taxi = Yes, Uber = No Answer, Lyft = Yes	
Shared STS	**Premium (not shared)**
Special Transportation Services	Motor Carriers of Passengers or Equivalent State/City Authority (i.e. Taxi licensing or TNC licensing)
MnDOT STS Requirement	Provider's Internal Policy
DHS Net Study - state background check and fingerprinting (1)	Contractually Required Background Checks
NEMT/STS Requirements	Provider's Internal Policy
1.5M Auto Liability	1.5M Auto Liability
Shared STS	**Premium (not shared)**
Customer Chooses	Customer Chooses
Lower Per Ride Cost (compared to not-shared)	Individual Ride
Higher Driver Standards	

Higher Vehicle Standards	
Shared STS	**Premium (not shared)**
	Loss of formula funds
	Less Stringent Driver Standards
Provider Capacity - accessible fleet and peak	Less Stringent Vehicle Standards
Increase ridership and program costs	Increase ridership and program costs
	Provider Capacity - peak availabiltiy
Customer Safety & Security	Customer Safety & Security
TNC compliance with fingerprinting requirement	
Shared STS	**Premium (not shared)**
Limit public subsidy (i.e. cap at $15)	Limit public subsidy (i.e. cap at $15)
Eligible for Federal reporting/formula funds	Loss of Federal 5307 funds averaging > $4.50 per trip

NEW

Premium STS (not shared)
ALL Service Area
Yes- Subject to supply/demand
Door-through-Door escort
On Demand or Advanced
Phone/Online/App
Yes
No
Yes
Taxi, TNC, STS Providers
Ambulatory/Non Ambulatory
Yes
Yes
No

Premium STS (not shared)
Special Transportation Services
MnDOT STS Requirement
DHS Net Study - state background check and fingerprinting (1)
NEMT/STS Requirements
1.5M Auto Liability

Premium STS (not shared)
Customer Chooses
Individual Ride
Higher Driver Standards

Higher Vehicle Standards
Premium STS (not shared)
Loss of formula funds
Provider Capacity - accessible fleet and peak
Increase ridership and program costs
Customer Safety & Security
TNC compliance with fingerprinting requirement
Premium STS (not shared)
Limit public subsidy (i.e. cap at $15)
Loss of Federal 5307 funds averaging > $4.50 per trip