

## Transportation Committee

For the Metropolitan Council meeting of June 26, 2013

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**Subject:** Authorization to Amend Contract 11P032A for Premium Same Day and Peak Demand Overflow Service

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### **Proposed Action**

That the Metropolitan Council authorize the Regional Administrator to amend Contract 11P032A with Taxi Services Inc. for an additional \$550,000 for an amended total contract amount of \$2,096,000; and extend the term of the agreement from July 1, 2013 to December 31, 2013.

### **Summary of Committee Discussion/Questions**

Metro Mobility Senior Manager Paul Colton presented this item and speculated the reasons for increase in Metro Mobility ridership in answer to Brimeyer.

Motion was made by Smith, seconded by Commers and passed. Hearing no objection, Vice Chair Schreiber stated that this item will proceed to the full Council as a Consent Item.

## Transportation Committee

Meeting date: June 10, 2013

For the Metropolitan Council meeting of June 26, 2013

**Subject:** Authorization to Amend Contract 11P032A for Premium Same Day and Peak Demand Overflow Service

District(s), Member(s): All

**Policy/Legal Reference:** Council Policy 3-3 Expenditures – Procurement of Goods and Services over \$250,000

**Staff Prepared/Presented:** Arlene McCarthy, Director MTS (651-602-1754)

Micky Gutzmann, Director of Purchasing (651-602-1741)

Gerri Sutton, Assistant Director MTS (651-602-1672)

Paul Colton, Senior Manager Metro Mobility (651-602-1668)

**Division/Department:** Metropolitan Transportation Services (MTS) / Metro Mobility

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to amend Contract 11P032A with Taxi Services Inc. for an additional \$550,000 for an amended total contract amount of \$2,096,000; and extend the term of the agreement from July 1, 2013 to December 31, 2013.

### Background

In the first quarter of 2011, the Council issued an Invitation to Do Business for the provision of Metro Mobility trips. Minimum licensing and insurance are required and compensation is based on metered rates established for the taxi industry by local regulation. The solicitation invited all taxi companies that met the Council's requirements to enter into an agreement. Two companies, Green and White Taxi and Taxi Services Inc., expressed interest and met the Council's requirements. Taxi Services Inc. entered into a \$150,000 agreement with the Council; Green and White later declined interest in the program. The amount earmarked for Green and White was transferred to Taxi Services Inc. through Amendment 1 on February 1, 2012.

This agreement allows Metro Mobility to use taxis to ensure that all rides requested can be delivered. The contract with Taxi Services, Inc. includes two programs: Premium Same Day (PSD) and Peak Demand Overflow (PDO). PSD is a customer-initiated request to use a cab for same-day rides (not federally required), at a premium price, when Metro Mobility is not able to accommodate the request. PDO is contractor-initiated and allows providers to transfer non-ADA (not federally required) rides to the cab company in order to meet all of the ADA demand during peak periods. Customers are charged the standard Metro Mobility fare when using PDO service. With the significant ridership increases, a significant number of rides have been transferred to PDO throughout the past year to ensure all requests are met and to protect the service quality of the system overall. As a result of the unanticipated use of PDO, the Council approved amendments on April 25, 2012 which added \$690,000 to the Contract; and on January 23, 2013 which added \$706,000.

## **Rationale**

PDO service was implemented in mid-December 2011. When the initial \$150,000 contract maximum was established, the amount of PDO service necessary to meet demand and alleviate service quality issues was unknown. For First Transit, one of the Council's private contractors delivering Metro Mobility service, ridership grew by 8.8% in 2011 and by 9% in 2012 prompting the need for extensive use of taxi cabs during 2012. Moving rides to PDO has provided the opportunity for all riders to reach their destinations while helping maintain on-time performance and reducing ride times on the core system. In February 2013, Transit Team, the Council's other core provider began using the PDO service to meet growth rates of 10%.

While taxi rides are cost competitive with private contractor-delivered service, the taxi rides are restricted to non-ADA rides because the service is not federally compliant. As a result, many Metro Mobility trips are not eligible for taxi service and some riders decline taxi service when offered. While the taxis carry only about 1.5% of all Metro Mobility passengers on any given day, PDO fills an important role in ensuring that customers have a service option available.

Council staff plans to continue the PSD and PDO programs and is in the process of issuing an RFP with the intent to enter into one or more new agreements on or before January 1, 2014.

## **Funding**

Funding is available in the 2013 budget.

## **Known Support / Opposition**

No known opposition.