FTA RESEARCH

FEDERAL TRANSIT ADMINISTRATION

Accessible Transit Services for All

DECEMBER 2014

U.S. Department of Transportation

Federal Transit Administration

Case Studies

APPENDIX D:
Case Studies

Twelve case studies were conducted to document actual practices in operating cost-effective ADA complementary paratransit service and implementing inclusive service designs. The transit agencies studied and the specific topics covered are shown in the table below. Case studies are presented in the order listed.

Transit Agency/Provider	Topics Studied
Santa Clara Valley Transportation Authority (VTA) and Outreach and Escort Service, Inc. (OUTREACH), San Jose, CA	Service design – brokerage; Cost-effective procurement and contracting; Cost-effective operating practices
Port Authority of Allegheny County (PAT) and ACCESS Transportation Systems, Inc.(ACCESS), Pittsburgh, PA	Service design – brokerage Coordination
San Mateo County Transit District, San Carlos, CA	General public demand responsive service; Service design – contracted turnkey
STAR, Arlington County, VA	Service design – contracted call/control center with contracted service providers; Coordination; Cost-effective contracting and procurement; Cost-effective operating practices; Use of taxis; Use of technologies
Dallas Area Rapid Transit (DART), Dallas, TX	Service design – contracted turnkey with taxi component; Contract monitoring; Use of Technology
Pelivan Transit, Big Cabin, OK	Coordination; Use of Technologies
Capital Metropolitan Transportation Authority (CapMetro), Austin, TX	Service design – in-house call/control center with contracted service providers; Use of taxis; Flex-routes
Southeastern Pennsylvania Transportation Authority (SEPTA), Philadelphia, PA	Cost-effective contracting and procurement; Performance monitoring; Use of technologies
Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA), Flagstaff, AZ	Use of Taxis
Broward County Transit (BCT), Broward County, FL	Community bus service
Utah Transit Authority (UTA), Salt Lake City, UT	FLEX Route services
Metro Transit, Seattle, WA	Coordination (Community Transportation Program); Use of taxis

Agency: Santa Clara Valley Transportation Authority (VTA) and Outreach and Escort Service, Inc. (OUTREACH), San Jose, CA

Topics: Paratransit Service Design – Full Service Brokerage
Cost-effective Procurement and Contracting
Cost-effective Operating Practices

Background

The Santa Clara Valley Transportation Authority (VTA) is an independent special district that is responsible for multi-modal transportation planning and public transit services in Santa Clara County, CA. VTA oversees the operation of fixed route transit—including light rail and fixed route bus services—as well as ADA paratransit services throughout the county. VTA also serves as the Congestion Management Agency (CMA) for Santa Clara County and the cities that are located in the county. As part of its role as the CMA, VTA conducts comprehensive countywide planning for highway as well as transit services. VTA also partners with the state and with neighboring counties to provide intercity rail services, commuter rail services, and regional bus services for the region.

VTA's service area includes all of Santa Clara County, which is at the southern tip of San Francisco Bay. There are 15 cities within the county, including the City of San Jose. Santa Clara County has a growing population and is home to many of the country's largest technology companies. The county covers 346 square-miles and had a population of 1,816,486 in 2013.

VTA operates a fleet of 99 light rail transit (LRT) cars over 42.2 miles of rail line that connect 62 stations. The LRT system is fully accessible to persons with disabilities. All grade-separated stations are equipped with elevators. The majority also have escalators. And all platforms at stations provide level boarding to the trains. LRT operates at 15 minute headways during peak hours, 15-30 minute headways during mid-day and weekend hours, and 15-60 minutes headways at night. In fiscal year 2012, the VTA's Light Rail provided over 10.3 million unlinked passenger trips and had an average weekday ridership of 32,716.

VTA also operates an extensive fixed route bus service. A fleet of 426 buses operate over a network of 71 routes with 1,236 route miles. Ninety of the buses are hybrid powered low emission. VTA's bus route system includes 53 local routes and 18 express and limited stop routes. The bus system can be reached by customers at 3,782 bus stops (2,220 with benches and/or shelters), 16 transit centers and 10 Park & Ride lots. All of VTA's buses are accessible, with a mix of ramps and lifts. In fiscal year 2012, the bus system provided over 32 million unlinked passenger trips and had an average weekday ridership of 104,583.

VTA encourages the use of its bus and light rail system by seniors and persons with disabilities by offering community oriented travel training outreach services. This involvement in travel training grew out of VTA's 2008 FTA New Freedom funded Mobility Options Program.

The Mobility Options Program was initiated to provide persons with disabilities the skills and confidence needed to independently travel on VTA's transit system. VTA's current travel training efforts, in partnership with its' ADA paratransit broker and other community social service agencies, focus on increasing the use of fixed route services through a Train the Trainer Academy, Daycation events,

educational campaigns, public outreach, and a mobility device Securement Marking and Tethering program.

VTA's ADA Paratransit Service

VTA provides ADA paratransit for persons with disabilities who are not able, because of their disability, to use the fixed route rail or bus services. VTA's ADA paratransit service is provided as part of a coordinated transportation brokerage. The brokerage is managed by Outreach and Escort Service, Inc. (OUTREACH), a regional non-profit public benefit agency.

The ADA paratransit service covers all origins and destinations that are within ¾-mile of non-commuter bus routes, or within a ¾ mile radius of rail stations. VTA also provides "premium" service to origins and destinations that are up to 1 mile outside these boundaries.

ADA paratransit is provided during the same days and hours as fixed route transit. Fares for ADA paratransit are $4 per trip, twice the non-discounted fixed route adult fare.

ADA paratransit is provided on a "next day" basis. Eligible riders can call up to the close of the reservations office to reserve a ride for any time the following day. Riders can also reserve trips up to 3 days in advance. The reservations office is open seven days a week, 365 days a year from 8 a.m. to 5 p.m. VTA also offers same day service on a space-available basis. Riders may use the IVR (Interactive Voice Response) system for trip confirmations, trip cancellations and to book trips.

In FY 2012, a total of 775,553 trips were provided by a fleet of 255 vehicles composed of hybrid gas-electric sedans, accessible minivans, raised-roof modified vans, and cutaway small buses. Average weekday ridership was 2,742 with 7,095 eligible ADA paratransit customers taking at least one trip during the fiscal year.

Riders can request trips based on either a desired arrival time (typically done for going trips with appointments), or a desired pickup time (typically done for return trips). For return trips, riders can either request a set pickup time, or can request an "Open Return" and call when they are ready. Open returns are provided on a space available basis, are not offered for trips after 8 p.m. or on a subscription basis, and riders can only request one Open Return trip per day. Policy allows open return pickups to be made up to 90 minutes after a call is received, but in practice riders wait 15 to 30 minutes on average. The fare for Open Return trips is also higher ($16) than the standard ADA paratransit fare.

Drivers provide assistance to and from the door. At larger facilities and apartment complexes, service is provided to the exterior door of the lobby. Door-to-door service is provided as long as drivers do not lose sight of their vehicles.

VTA also allows riders to make limited adjustments to return pickup locations. Return trip pickups can be changed to be at a different location at the same facility, or to nearby addresses (such as across the street from the original location). This flexibility was introduced to respond to changes in trips plans that are sometimes outside of the rider's control and to then prevent no-shows. Riders only need to call before the start of their 30-minute pickup window to request a different, nearby pickup location.

ADA Paratransit Service Design within the OUTREACH Brokerage and Mobility Management Center

VTA and OUTREACH have a longstanding contractual and working relationship, going back to 1993, for the operation and management of the brokerage. OUTREACH had been providing specialized transportation and individualized mobility options along with social services, information and assistance, and individualized case management since the 1970s. OUTREACH and VTA were early adapters to Intelligent Transportation Systems (ITS) and Information Technology (IT) for the paratransit program dating back to the early 1990s and have continuously updated systems to reflect advancements in technology. OUTREACH is somewhat atypical as a brokerage as it designs and implements many of its own ITS and IT systems—often with the involvement of local volunteer talent.

OUTREACH Coordination and Mobility Management Services

OUTREACH serves as the Consolidated Transportation Service Agency (CTSA) for the region with its first designation in 1982 and most recent re-designation in 2013. This is a designation bestowed by the San Francisco Bay Area Metropolitan Transportation Commission (MTC) in accordance with California's Social Service Transportation Improvement Act of 1979.

MTC is both the Regional Transportation Planning Agency (RTPA) and the (Metropolitan Planning Organization (MPO) for the nine-county San Francisco Bay Area, and in this capacity serves as a designated recipient of federal transportation funding. Under more recent federal requirements, MTC has developed a "blueprint" for implementing a range of strategies intended to promote and advance local efforts to improve transportation for persons with disabilities, older adults, and persons with low-incomes. The Coordinated Public Transit-Human Services Transportation Plan (Coordinated Plan) first developed in 2007 and revised in 2013 emphasizes the designation of CTSAs to avert duplication of efforts, to oversee a number of diverse funding sources, to facilitate sub-regional mobility management and transportation coordination and to help build continuity of services between public transit, paratransit and health and human service transportation.

CTSAs are recognized by the State Department of Transportation (Caltrans) and allowed to procure goods and services on the state contract. As the county's CTSA, OUTREACH endeavors to reduce service costs coordinating health and human services transportation and public paratransit services, enhance the efficient use of vehicles, purchase insurance and equipment at reduced costs, coordinate grant applications, and register its vehicles at discounted prices, among other coordination activities across a range of training, educational, and mobility options.

Through its one-stop eligibility and call center, the OUTREACH brokerage coordinates services to varied customers including but not limited to:

- Persons with Disabilities who are Certified ADA Eligible
- Regional Center persons with Developmental Disabilities
- Non/Limited English Speaking Riders
- Refugees/Immigrants
- Seniors
- Homeless Riders
- Children, Youth and Families
- Veterans
- Transportation Disadvantaged
- Residents of Institutional Settings

- Welfare-to-Work and Low Income
- Managed Care Riders
- Individuals Living in Communities of Concern
- Members of Faith Based Groups and Participants of Community Based Organizations/Non-profits

To serve this variety of riders, OUTREACH coordinates a number of funding sources, including but not limited to:

- FTA Job Access and Reverse Commute Small urban and Large urban Areas
- FTA New Freedom Small and Large urban Areas
- HUD Community Development Block Grant
- Local City General Funds
- County General Funds
- Older American Act Funds
- State Transit Assistance
- FTA Section 5310
- State Proposition 1B for capital
- Car and Cash Donations and Foundation and Corporate Grants
- Temporary Assistance for needy Families (TANF)/CalWORKs (California Work Opportunity and Responsibility to Kids)
- State Health and Human Services

Coordinated services include but are not limited to:

- ADA paratransit and Fare Subsidies
- Senior Transportation
- Employment and Low-Income Transportation
- Volunteer Transportation
- Managed Care Transportation
- Menu of Mobility Options such as Fixed Route Bus Passes, Gas Cards, Ride Sharing, Vehicle Sharing, Biking, Healthy Walking, Discount Taxi, Mileage Reimbursement, Older Driver Safety Courses, Individual and Group Travel Training Instruction, etc.

With funding from the California Department of Transportation (Caltrans), OUTREACH undertook a planning grant with the community to develop a mobility management center in 2009 to centralize many functions and activities into a one-call/one-click center. The following graphic illustrates the concept. The Mobility Management Center serves as a central repository for storing and sharing information about transportation services. It links to key organizations and public information systems, including the AAA (Area on Aging), ILC (Independent Living Center), 2-1-1 (Santa Clara County United Way with health and human services Information and Referral), transportation providers and funders, 511.org (for regional transit), VTA.org (for local transit), services for Veterans (VA), among others. Consumers, social service agencies, and transportation providers and funders can then access this information through the Center.
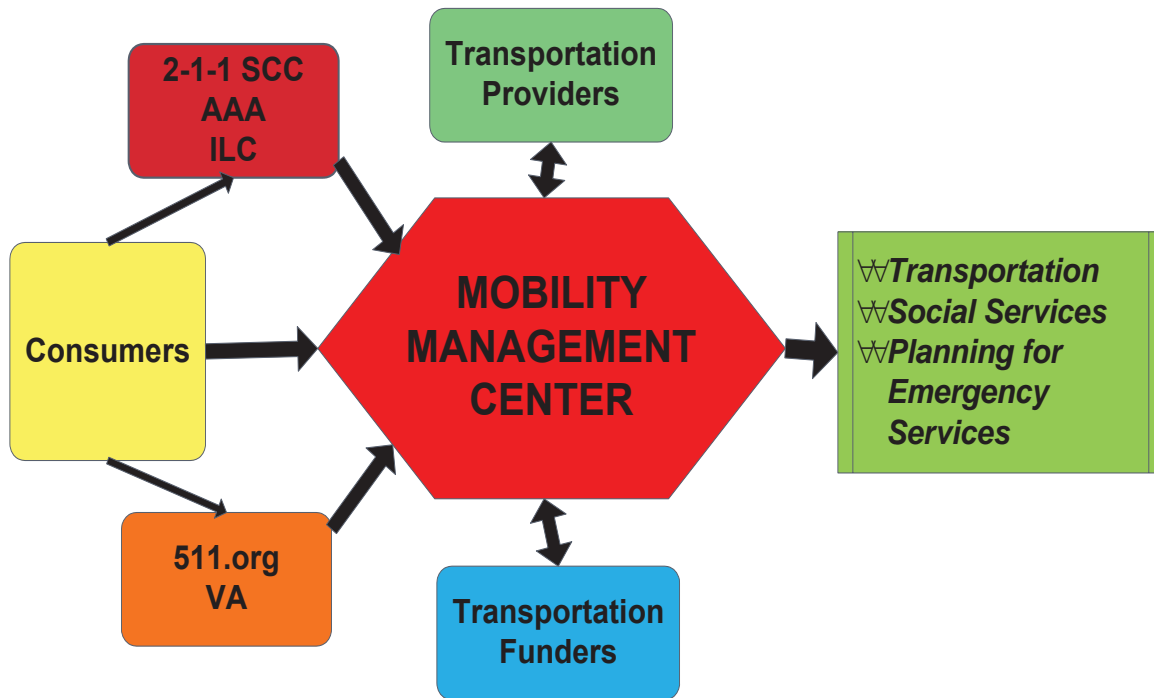
Figure D-1. OUTREACH Mobility Management Concept

In addition to providing live support and direct delivery of transportation services, OUTREACH has also created a web portal for virtual, "one-call/one-click" mobility management services. Nonprofits, community groups and other entities may set up accounts for their members or clients and use the cloud-hosted web portal at no charge. Typical users are faith-based groups, Veterans organizations, homeless shelters, senior/gerontology groups, and health care providers. Or nonprofits, community groups and other entities may call or have their clients call OUTREACH's multi-lingual mobility managers through the one-call center 800-number. These live agent and/or web portal call functions and activities include but are not limited to:

- Emergency planning for transportation and evacuation of vulnerable populations in the event of a disaster or security threat through:
  - Fleet and driver inventory resource management system linked to County office of Emergency Operations Center
  - Mapping of encrypted at-risk vulnerable populations to be accessed only when emergency is declared; encrypted file updated every 90 days.
  - Mapping of accessible shelters, staging areas and evacuation routes, etc.
- Volunteer driver modules
- Vehicle sharing modules across organizations
- Trip booking system for reservations
  - Single trips or standing sent by agency to vendor dashboard in real time
  - Agency may select one or more paid vendors (accessible vans, discount taxi, nonprofit, etc.) or volunteers to perform trips
  - Trip bookings with other organizations to share vehicles or seats
  - Google mapping for shortest distance,
  - Trip authorization functions based on customized business rules and policies
  - Reporting and invoicing
  - Fee or charge functions if needed

- Fund accounting if managing more than one funding source
- automated invoices and reports, and linked in real time to vendor service providers via dashboards
- Trip booking for paid providers like accessible van companies or discounted taxi companies
- Trip bookings with other organizations to share vehicles or seats
- Trip bookings for volunteer drivers
- Mobility option or benefit management system for tracking gas cards, bus passes, ADA eligibility subsidies, mileage reimbursement, bikes, healthy walking programs, etc.

The screen print the following page captures many of the business and operational functions on the left and the simple reservations system on the right of the screen.

Figure D-2. OUTREACH Mobility Management Center TripNet Web Portal

Current and future ADA Certified Eligible persons have many options within the OUTREACH brokerage in addition to paratransit. Accurate and easy access to information about resources is a key factor to identifying, comparing, and selecting one or more options. OUTREACH provides a "Community Search System" to the public. This system is a searchable database of transportation and community resources that can be compared in terms of location, services, eligible criteria, accessibility, hours of operation, wheelchair accessibility, target populations, languages, fees, contact information and many other features. The user may select language of choice as well as size of font and can save, email or print off results. Searches can be general or targeted by rider type such as older adults, persons with

disabilities, Veterans, low-income individuals and so forth. A live chat support assists with any questions about resources. This tool is being expanded through partnerships with Salinas-Monterey Transit to the south and Marin Transit to the north of OUTREACH creating a regional system stretching over 250 miles among others as part of VTA and OUTREACH's VTCLI grant (Veterans Transportation and Community Living Imitative).

OUTREACH also partnered with the National Center for Senior Transportation to develop a person-centered, rider choice model providing over 800 persons with disabilities and older adults with a range of flexible mobility options for travelling to places to a range of community services. The goal of the program is to provide individuals with a wide range of transportation options and to allow them to choose the option that best meets their needs. Figure D-3 illustrates the wide range of mobility options that have been developed for accessing various community services.

The Administrative Brokerage Model

OUTREACH manages all of these programs as an "administrative broker." This means that OUTREACH does not directly operate vehicles, but contracts with transportation companies for the delivery of service. OUTREACH's broader roles and responsibilities as the administrative broker and CTSA are to:

- Develop partnerships with local and regional agencies
- Cooperatively plan and develop transportation services
- Contract with funding agencies to manage the delivery of transportation services
- Pursue additional funding to supplement monies provided through contracts, including the preparation of grant applications and local fundraising
- Cooperatively negotiate overall budgets for service and manage the proper allocation of costs to participating agencies
- Work cooperatively with funding agencies to develop public information and market the transportation services provided
- Conduct open, competitive procurement processes, in compliance with state and federal laws, for companies to delivery transportation services
- Monitor service provider contracts and performance
- Perform customer service and quality assurance duties
- Receive rider input and investigate and resolve rider complaints and concerns
- Review and process invoices from service providers and bill funding agencies
- Manage rider fares and accounts
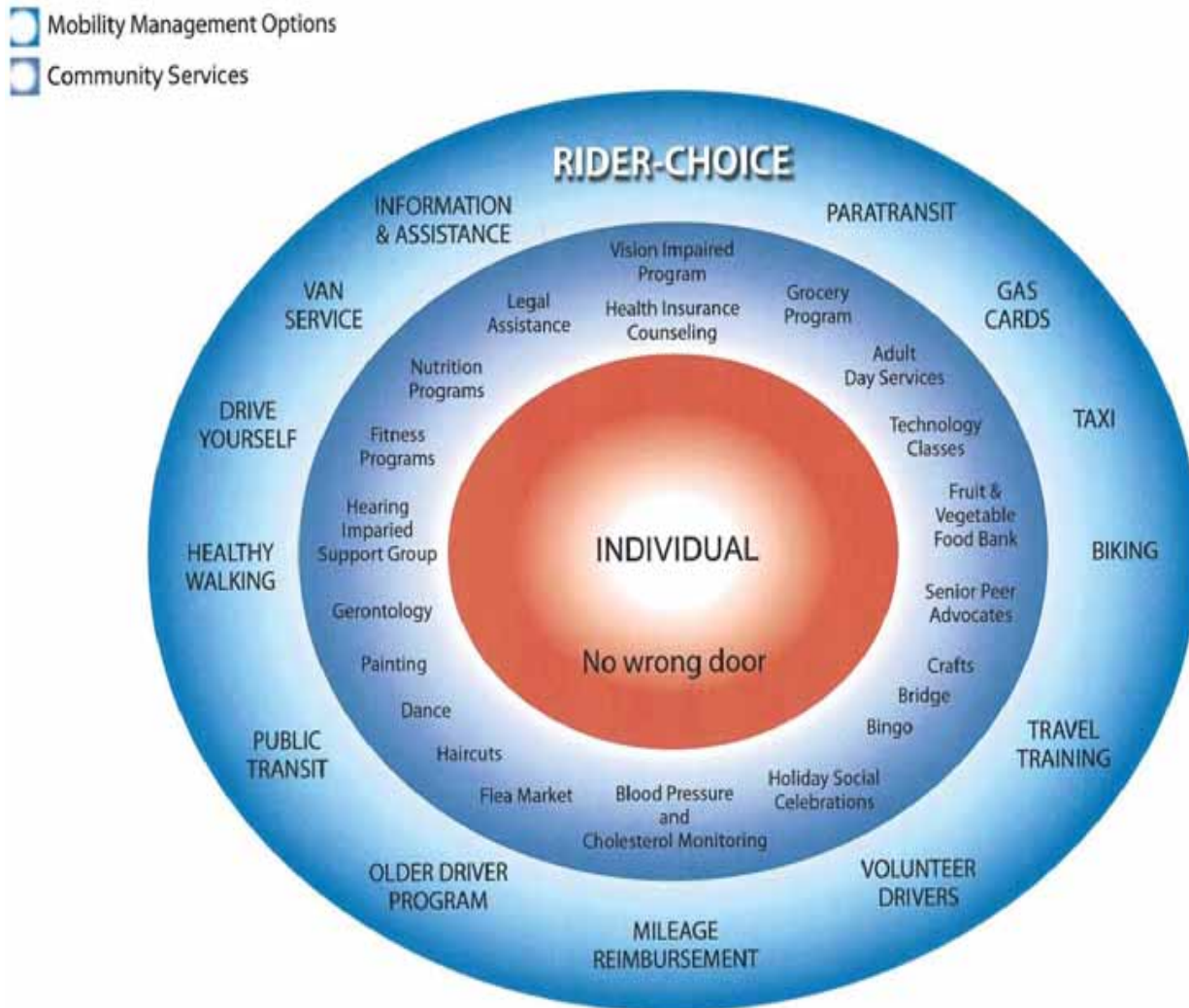- Prepare required service and financial reports for funding agencies

Figure D-3. OUTREACH Mobility Management Options

Depending on the needs of participating funding agencies and the transportation services being provided for them, OUTREACH also performs other more specific tasks. For example, for VTA and the ADA paratransit service, OUTREACH:

- Accepts applications from individuals and makes determinations of ADA paratransit eligibility
- Administers an appeal process for ADA paratransit eligibility
- Operates a call and control center to accept and schedule trip requests and to provide radio dispatch services
- Provides support to VTA, as needed, to meet regulatory requirements, including NTD reporting, safety and security planning, Title VI and LEP planning and compliance, and SBE and DBE plans and goals
- Oversees fuel and vehicle maintenance contracts with the County of Santa Clara
- Prepares and submits annual California State Excise Tax Rebate forms

VTA sets overall policies for the ADA paratransit service, including eligibility requirements, service area, days and hours of operation, fares, and other riders and service policies. VTA also negotiates and manages the contract with OUTREACH for brokerage services, develops funding for the ADA

paratransit service, reviews invoices for service provided, processes payment to OUTREACH, and monitors service quality.

At the time of the case study in April 2013, OUTREACH had contracts with several companies for the delivery of service. The largest contract was with a company for the operation of vehicles "dedicated" to the paratransit service. The vehicles and on-board equipment (MDTs, AVL) used in this part of the operation are leased to the dedicated provider as part of the company's contractual relationship with OUTREACH. The lease is $1.00 per equipped vehicle. OUTREACH is unique in that it designs the in-vehicle system and develops the software that links the dispatch center to the vehicles in real-time. VTA and OUTREACH both seek public grants for hardware and technology having been early adaptors to automated scheduling, vehicle routing and tracking, and digitized mapping since the early 1990s when FTA and Caltrans New Technology grants were implemented. OUTREACH is now on its 4th generation of Intelligent Transportation systems (ITS).

OUTREACH develops daily schedules and batch optimizes the trips that are transmitted to the service provider. The "dedicated" service provider is paid a monthly amount for fixed cost, plus a per trip rate for variable costs.

As one of several cost savings initiatives (described below), OUTREACH has negotiated a contract that allows paratransit vehicles operated by the dedicated service provider to be maintained at County garages by staff that also maintain other County vehicles. This arrangement was possible because of the positive working relationship that both VTA and OUTREACH together have with the County, as well as separately though other contractual arrangements. OUTREACH as a broker also has agreements with the County for other social service mobility options, transportation services and case management. Dedicated vehicles are fueled at County fueling stations to take advantage of bulk purchase savings. OUTREACH has also arranged for dedicated vehicles to be parked at VTA and County facilities to reduce service provider facility costs.

The dedicated service provider is mainly responsible for managing staff involved in the direct operation of service. This includes drivers, road supervisors, pullout ("window") dispatchers, managers, and administrative staff. The dedicated service provider is responsible for hiring, background checks, training, and supervision of these staff. Other responsibilities include:

- Providing vehicle and general liability insurance
- Contracting for the repair of body damage
- Operating vehicles in compliance with contract requirements
- Accident and incident reporting and claims management
- Providing OUTREACH with daily and monthly service reports

OUTREACH developed a somewhat unique approach for control and dispatch of paratransit service a decade ago. While OUTREACH has sole responsibility for trip reservations and scheduling, it shares responsibility for radio dispatch and management of vehicle runs with its dedicated service provider. Both parties have access to OUTREACH's software systems and vehicle locating and tracking systems in an area called the "Day of Service Department." At each dispatch "station," there is an OUTREACH representative as well as a dedicated service provider dispatcher. These two professionals work as a collaborative team.

This dispatching partnership allows OUTREACH to provide the client with individual assistance and to be directly involved in making any required changes to schedules and to ensure that service policies are followed. At the same time, it allows the dedicated service provider to maintain responsibility for supervising and managing its drivers, and to ensure that the drivers are supported in the field. In practice, this collaborative team atmosphere ensures the well-being of both OUTREACH's clients and the service provider's drivers in the field.

OUTREACH's dispatch approach has resulted in improved on-time schedules, less time to resolve service issues or challenges in real-time, more satisfied clients, and drivers that are able to get timely rest and meal breaks. Since the introduction of this collaborative

Figure D-4. Dispatch Teams at OUTREACH Call and Control Center

dispatch method, the combined number of FTEs for broker and vendors personnel in the Day of Service/Dispatch Department has declined at the same rate as the overall staffing levels of the paratransit program as follows:

- Total OUTREACH paratransit personnel declined 35% from 73 to 48 FTEs from FY 02 to FY 13
- Total Dedicated Vendor paratransit personnel declined 29% from 301 to 215 FTEs from FY 02 to FY 13

In addition to its dedicated service provider contact, OUTREACH contracts with local taxi companies to provide "non-dedicated" service. A daily list of trips is developed by the call center and transmitted to each taxi company. Each company then dispatches and provides the trips as part of its overall taxicab operation. Taxi vendors are reimbursed for local trips based on the number of miles of service operated. The miles to be paid are generated by the OUTREACH scheduling system and are based on revenue vehicle miles. Deadhead is excluded and the same mileage rate is paid regardless of the number of riders on the vehicle. This arrangement allows OUTREACH to group taxi trips whenever possible for cost savings.

Long distance taxi trips are reimbursed on a flat rate based on distance. At the time of the case study, trips from 10 to 19.99 miles were $30; trips 20-29.99 miles were $42.50; and trips 30-40 miles were $55.

In addition to having the same general operating responsibilities of the dedicated service provider, taxi vendors are responsible for providing vehicles and on-board equipment, for purchasing fuel, and for maintaining vehicles. The taxi vendors also dispatch vehicles directly, although vehicle information from the taxi dispatch software is "patched" into the OUTREACH control center so that the delivery of service by taxis can be monitored in real time. In 2013, OUTREACH procured accessible vehicles with FTA New Freedom funds through MTC. These vehicles are being provided to taxi providers in order to allow them to better serve riders with mobility devices for both the paratransit program and the general public as these vehicles will not be restricted. VTA also enables taxi companies to increase their accessible vehicles by allowing the Broker to make available those vehicles that are being retired from the paratransit fleet during replacement cycles.

Figure D-5 illustrates the above described roles and responsibilities under the brokerage model that has been developed by VTA and OUTREACH.
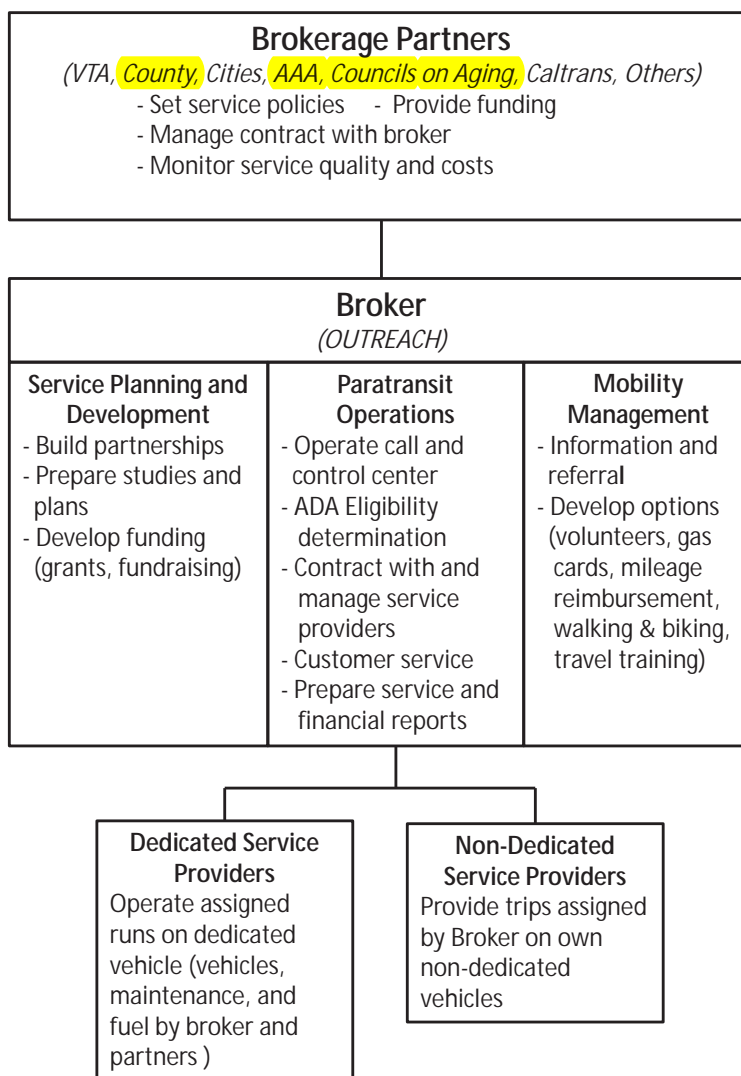
Figure D-5. VTA-OUTREACH Brokerage Model

VTA and OUTREACH Vehicles

VTA and OUTREACH work on multi-year vehicle purchasing plans based on fleet needs and the availability of capital funding from both federal and state sources. In FY 2013, the combined VTA and OUTREACH fleet for paratransit was 255 vehicles (187 VTA owned vehicles and 68 OUTREACH owned vehicles). Table D-1 shows the composition of this dedicated fleet.

Table D-1. Joint Fleet of 255 Vehicles Dedicated to VTA Paratransit

Vehicle Type	Owned By	
	VTA	**OUTREACH**
Hybrid Sedan	100	31
Mini Van	64	10
Modified Van	3	16
Cutaway Van	20	11
Total	**187**	**68**

VTA recently completed a replacement of 154 paratransit vehicles bringing the average fleet age to 2.5 years. Some of the retired vehicles went to OUTREACH to support other transportation programs. Some also went to other nonprofits to support transportation services operated directly by these agencies. Some went to local taxi companies to increase the accessibility of taxicab fleets.

OUTREACH also owns an additional 72 vehicles for its other non-VTA social service transportation programs. These vehicles can also be used for VTA paratransit services if needed. Table D-2 shows the composition of this additional OUTREACH fleet. As noted above, several of these additional vehicles were obtained from VTA during recent dedicated fleet replacements.

Table D-2. Additional OUTREACH Brokerage Vehicles Used for Non-VTA Services

Vehicle Type	Owned By OUTREACH
Hybrid Sedan	56
Mini Van	12
Modified Van	2
Cutaway Van	0
Total	**72**

The joint VTA and OUTREACH vehicle procurement program anticipates an additional 26 accessible vehicles from FTA 5310 Cycle 10 and Cycle 11 grant awards to OUTREACH. With Cycle 12 underway, an additional 13 accessible vehicles will be acquired.

VTA and OUTREACH are also the recipients of state funding for a back-up fleet wide emergency radio communication system as well as funding to procure 70 to 90 plug-in electric vehicles and charging system. Procurement of these vehicles will occur in 2013 and 2014 and the County of Santa Clara will partner in terms of charging infrastructure and locations.

History and Development of the OUTREACH Brokerage Program

Prior to the passage of the ADA in 1990, VTA met its Section 504 requirements by operating accessible fixed route services. Paratransit services in Santa Clara County were provided by non-profit organizations and local communities. OUTREACH was the largest provider of special needs transportation among the nonprofit providers with service dating back to the 1970s and the War on Poverty.

To respond to the ADA requirement to provide both accessible fixed route and paratransit service, VTA undertook a study in 1992 to examine alternative paratransit service delivery designs and approaches. Because a strong network of local services already existed, VTA chose to pursue the development of a brokerage model to build on these services, rather than to develop a separate ADA paratransit program.

In 1993, VTA issued a RFP for a paratransit broker. OUTREACH, which was the largest of the then five CTSAs in the area, responded and was selected to be the broker. OUTREACH worked with the other CTSAs, as well as with the 15 cities within the county, to coordinate existing transportation services into a single brokerage program throughout the entire VTA service area. Given that OUTREACH operated a number of different community transportation programs within the umbrella of the overall brokerage, OUTREACH developed an overall program budget and contracted with VTA as well as other participating organizations.

The initial contract between VTA and OUTREACH, which became effective in 1993, was for three years with two option years. In 1998, based on the success of the program, VTA opted to negotiate a five year extension rather than to re-bid. VTA has elected to do the same thing ever since, extending the OUTREACH contract each time it was scheduled to expire. This approach is not atypical in California where other transit agencies have long-standing relationships for decades with the same nonprofit CTSAs as in Los Angeles (LA Access Services) and in Sacramento (Paratransit Inc.) given the high degree of coordination that the relationship brings when the nonprofit CTSA is also engaged in paratransit management and service delivery. Nonprofit CTSAs can apply for grants and health and human funding sources that are not otherwise available to transit agencies.

VTA and OUTREACH staff noted that the long-term relationship that has developed between the agencies is a partnership rather that a short-term contractor/vendor relationship. VTA and OUTREACH work collaboratively—together with other partners and funding agencies—to develop and improve the service. As a non-profit public benefit agency, OUTREACH's costs are also regularly audited by VTA and other organizations, which provides for detailed cost accountability and control.

It is important to note that year-after-year, the direct service provider costs comprise 80% or greater of the program operating costs. Vendor services are competitively procured by OUTREACH on a regular frequency, following Federal Transit Administration Circular C4220 for guidance on best practices used in the industry for competitive third party contracting requirements. These competitive procurements also meet all state and VTA procurement requirements.

VTA noted that in 2003 FTA changed its requirement that all services be competitively procured at least every 7 years. FTA now allows transit agencies to maintain the kind of partnerships that VTA has with OUTREACH if this is a business decision determined to be in the best interest of the transit agency and the region.

Over time, VTA and OUTREACH have worked together to build and strengthen the brokerage model. Different combinations of dedicated and non-dedicated service providers have been used. ==Expanded collaborative arrangements with the County and other local and state agencies have also been developed to expand services and achieve cost-savings.== The design of the call center has also been revised. Prior to 1999, OUTREACH only handled trip reservations and scheduling. Contracted service providers were responsible for radio dispatching and run management. Over the past decade, the dispatching of dedicated service was also centralized. OUTREACH and VTA have found that this has given them much better control over service efficiency and service quality.

Annual budgets for brokerage of ADA paratransit services are negotiated each year by VTA and OUTREACH. These annual budgets are then incorporated into VTA's two-year budget process. The OUTREACH budget has four components:

- Broker Services – This includes overall broker management and administrative functions, as well as call and control center costs for trip reservations, scheduling, dispatch, customer service, fleet management and IT functions.
- Vendor Services – This includes dedicated and non-dedicated service provider costs. It also includes operating costs outside of service provider contracts, such as fuel, vehicle maintenance, vehicle registrations, communications, and vehicle depreciation.
- Eligibility Certification – This includes costs incurred by OUTREACH for managing the ADA paratransit eligibility certification and appeals processes.
- Capital – This includes non-vehicle capital, such as computer system costs.

The VTA and OUTREACH Brokerage model has the following budgetary and control characteristics:

Allowable Costs and Total Compensation. OUTREACH abides by the "Cost Principles for Non-Profit Organizations" established by the federal Office of Management and Budget and published in Circular A-122, and VTA only compensates OUTREACH for costs allowable pursuant to the principles stated therein. OUTREACH is compensated for services performed based on actual allowable costs. This compensation does not exceed the amount authorized by VTA's Board of Directors.

Biennial Budget Projections. OUTREACH provides VTA with a proposed budget and annual trip estimates by a date requested by VTA (typically December 1) for the preparation of VTA's biennial budget. After review and consultation with OUTREACH, the proposed budget is incorporated into VTA's biennial budget document, which is subject to VTA Board approval. In determining the proposed budget, the parties consider the cost per trip, projected growth, program policies and services, and cost containment strategies. In the spirit of the partnership that has been developed, OUTREACH's financial records are open and a reasonable budget is negotiated to achieve the goals established each year.

Long Term Budget Estimates. Upon request of VTA, OUTREACH develops longer term (5-10 years) budget(s) and trip estimates to support VTA service and financial planning efforts.

Annual Budget Submittal. In the last quarter of each fiscal year, OUTREACH develops and submits an annual line-item budget for all expenses to provide paratransit services for the subsequent fiscal year. All line-items have corresponding back-up justification and explanation. The proposed budget shall be due by a date specified by VTA (typically June 1). After review, and modification as needed, the VTA Project Manager approves such annual budget in writing. The budget may be amended at mid-year or when needed, reasonable and justified, to reflect changes in vendor costs, broker costs, eligibility costs or capital needs brought on by unforeseeable circumstances or by changes in VTA-approved service policies, procedures, guidelines and service delivery practices. The budget includes costs for broker and vendor services, capital procurements and the ADA paratransit eligibility certification program. The budget submittal also includes an organizational chart, staffing plan, vehicle assignment list, a description with budget impact of any proposed programmatic change and other documents needed to support the requested budget.

Additional and/or Alternative Funding. If OUTREACH receives additional or alternative funding that is incorporated into the paratransit program budget, OUTREACH identifies these revenues, the type of funds, funding source, amount of funding and the potential impacts to the paratransit program as part of the budget process. Any agreement between OUTREACH and a third party to provide these funds is made available to VTA upon request. A typical example of this additional funding that has been recognized in the annual budget is the contribution of the County of Santa Clara, Aging an Adult Services, which will contribute to part of the cost of the paratransit trips for ADA-certified eligible riders to and from the network of 39 senior/community/nutrition centers in Santa Clara County. The County contribution goes beyond covering the rider fare and contributes to the actual cost per trip.

Fare Collection. OUTREACH collects over $2.4 million per year in client fare payments using a virtual paratransit pre-paid debit account payment system. This system is highly secure and eliminates any fraud at the time of the ride. Customers enjoy the convenience of the system in not having to carry cash, tokens, tickets, or smart cards. Fares collection is automated through this virtual debit system with each client having an individual account with OUTREACH eliminating the need for in-vehicle fare equipment and costly fare collection procedures. Customers have the convenience of setting-up standing or single payments. Clients can pay into their accounts using cash, checks, commuter checks, credit cards, and other options. The fare account system is designed to accept ride sponsors and subsidies. The Broker

submits fare reconciliation sheets to VTA monthly showing all transactions. Fare-box recovery is in the 12% to 15% range.

Invoices – Paratransit Brokerage Service. VTA pays OUTREACH in advance for broker services, based upon estimates for costs to be incurred for each billing period. Cost estimates are submitted to the VTA Project Manager who reviews and approves for processing of the invoice and payment by the 10th day after receipt of the invoice. OUTREACH submits a month end invoice by the 20th day of each month for services provided during the previous month, to include billings for actual costs incurred by OUTREACH. OUTREACH reconciles the difference between the prior period's advance payments and actual costs incurred for that invoice period. OUTREACH adjusts the subsequent advance payment requests for any underestimated costs and VTA is credited any over-estimate in costs for the brokerage services.

Invoices – Paratransit Vendor Services. VTA pays OUTREACH in advance for the Vendor fixed cost, which is a pre-determined amount, set in the contract(s) between OUTREACH and its Vendor(s) for each billing period. OUTREACH submits to VTA's Project Manager who reviews and approves for processing of the Invoice(s) and payment(s) by the 10th day after receipt of the Invoice. For services provided by vendors, OUTREACH submits a provisional claim to VTA's Project Manager by the 5th and 20th of each month for services performed. VTA arranges a wire transfer of funds no later than the 15th and 30th of each month. OUTREACH submits a month-end invoices by the 20th of each month for services provided during the previous month, to include billings for actual costs incurred by OUTREACH. OUTREACH reconciles the difference between the prior period's advance payments and actual costs incurred for that invoice period. OUTREACH adjusts the subsequent provisional claim request on the 20th of each month for any underestimated costs and VTA is credited any over-estimate in costs for the vendor services.

Invoices – Eligibility Services. OUTREACH submits invoices to the VTA's Project Manager by the 20th of each month for Eligibility Services provided during the previous month. The Eligibility Service invoices include billings for actual costs incurred by OUTREACH.

Invoices – Capital Expenses (Excluding fleet/vehicles jointly procured separately). OUTREACH submits an invoice to the VTA's Project Manager by the 20th of each month for capital purchases incurred during the previous month, as needed. OUTREACH is paid by VTA within 30 days upon receipt of such invoice.

Back-up Documentation. OUTREACH provides appropriate back up documentation supporting the amounts billed in the invoices, including, but not limited to, receipts, complete third party invoices including fuel invoices, work orders, ridership information and documents used to pay vendors. OUTREACH provides VTA with an invoice, detailing each item of expense. All third party invoices and other supporting documents are provided to substantiate all capital costs. OUTREACH provides additional reports and documents upon VTA request.

Year-End Invoice. OUTREACH submits the year-end "close-out" invoice to VTA for the June 30th close-out of the fiscal year by July 20th. In this invoice, OUTREACH reconciles actual costs for brokerage and vendor services incurred for the immediately preceding fiscal year with the annual budget of that year.

Annual State Fuel Tax Exemption Claim. OUTREACH submits an end of year state fuel tax exemption claim. OUTREACH submits the fuel tax exemption refund from the California Controller to VTA to offset paratransit expenses. OUTREACH provides a copy of the claim to VTA.

Reporting: VTA requires the Broker to submit extensive monthly and quarterly reporting of financial and operational data.

Auditing: OUTREACH submits an annual audit and indirect cost audit to VTA conducted by an independent third party CPA firm. VTA conducts extensive auditing the paratransit program as part of the VTA Internal Audit Work Plan. In 2012 VTA's Internal Auditor reported to the VTA Board that an extensive paratransit contract compliance audit had been conducted using the services of Deloitte & Touche LLP. The audit team conducted a 300 hour extensive review of the budgeting, invoicing, fare collection, reporting, procurement practices, control procedures, data management and verification, among other focus areas. The audit firm concluded that OUTREACH had strong and effective controls and was complaint with its contractual requirements.

As a non-profit public benefit agency, OUTREACH's costs are also regularly audited by other organizations given the diverse funding sources, which provides for detailed cost accountability and control.

Advantages of the OUTREACH Brokerage Model

The brokerage approach to delivering ADA paratransit service has several advantages for VTA as well as for the region.

- VTA is able to manage the ADA paratransit service with a relatively small staff since OUTREACH performs many administrative functions on its behalf.
- Brokerage services are shared by all funding partners. Once OUTREACH establishes its overall administrative budget, these costs are allocated to all funding partners.
- The services developed by OUTREACH through its mobility management center have provided ADA paratransit eligible individuals with multiple additional travel options. These additional options have reduced reliance solely on ADA paratransit services. Also, the options selected by riders through the mobility manager are often less costly to provide.
- VTA benefits from the relationships and contacts that OUTREACH has with other organizations in the community. These relationships are often important for developing alternative funding or service delivery options. OUTREACH's non-profit status also assists with obtaining grants and raising supplemental funds.
- OUTREACH, as the broker, has the flexibility to change or expand the pool of direct service providers. This can produce lower costs, as more cost-effective service providers or delivery options are developed. It can also help to ensure service quality, as non-performing providers can easily be replaced with performing providers.
- Change at the service delivery level is also possible with minimum disruptions or transitions. With vehicles owned by VTA and the Broker, and software and information centralized with the broker, it is a relatively straightforward matter to involve a new service provider or switch out an existing provider.
- As a non-profit public benefit agency, OUTREACH's sole priority is to deliver quality, cost-effective service.
- Because OUTREACH is strictly an administrative broker and does not operate any of the service, it can make decisions on assigning trips to providers without bias.

One small example of the added value of the model to VTA is the outside fund-raising that OUTREACH has done to make ADA paratransit service more affordable to low-income residents. At $4.00 per trip, paratransit is unquestionably a bargain, but an $8.00 round-trip to shop or get to an appointment can be unaffordable to some. Above and beyond the contract with VTA, OUTREACH has raised $275,000

from local communities and organizations to help pay fares for low-income riders. These types of efforts not only are beneficial to riders, but help build community support. The client accounting system with individual accounts enables a robust subsidy system that can target individuals and/or individual trips. For example, the City of Santa Clara uses CDBG funding and subsidies a flat amount for rides taken by all of its residents. This subsidy is automated and easy to track for accountability.

The broader community also benefits from the expertise that has been created at OUTREACH. Other human service agencies and communities can get assistance with expanding and improving transportation in the county. OUTREACH is also available to assist with new initiatives like the mobility management initiative, emergency preparedness planning, and other important programs.

Service Statistics and Costs

Figure D-6 shows annual ADA paratransit ridership in the VTA area from FY2003 through FY2011. Ridership dropped significantly from FY2003 through FY2005. VTA and OUTREACH staff noted that this was during the economic downturn and that the decline in the local economy was mainly responsible for this decrease in ridership. From FY2006 through FY2009, ridership increased back to FY2003 levels. In FY2010 and FY2011, ridership has decreased again—by 12.8% from FY2009 to FY2010, and by 11.3% from FY2010 to FY2011.
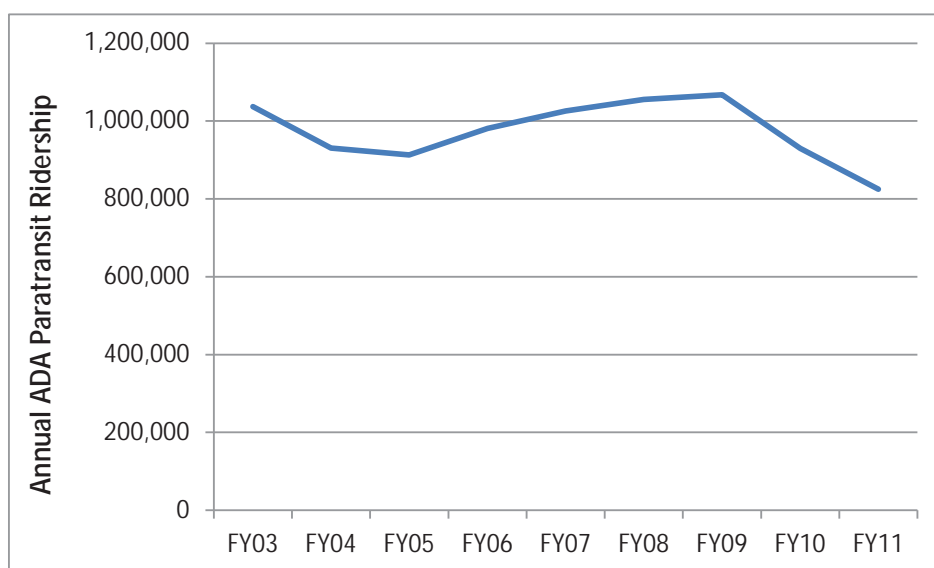

FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
1,036,768	930,540	912,668	981,098	1,025,937	1,055,426	1,067,115	930,156	824,813

**Figure D-6. VTA Annual ADA Paratransit Ridership
(Unlinked Passenger Trips)**

VTA and OUTREACH staff noted that the most recent decreases in ADA paratransit ridership were due to a combination of factors, including:

- Increased use of other travel options made available through the Mobility Management program such as free or greatly discounted taxi rides, free gas cards, volunteer trips, among other flexible and affordable solutions
- Increased use of fixed route transit services, due in part to expanded travel training services and free access to fixed route via the VTA/OUTREACH picture ID. Use of the ID card (see sample ID card) accounts for 2% of VTA overall bus ridership.
- Some reductions in premium service trips provided with premium fare increases and VTA bus service reductions and paratransit policy changes
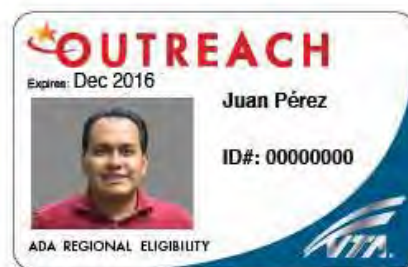
Analysis in FY2012 by VTA and OUTREACH showed the impact of increased use of fixed route transit and other travel options on ADA paratransit ridership. As shown in Figure D-7, ADA paratransit ridership was just under 800,000 trips in FY2012. ADA paratransit eligible individuals also took over 600,000 trips that year on the VTA fixed route bus system (note that the analysis did not count ridership on VTA rail services, rather only boardings on fixed route bus services are counted), and almost 400,000 trips that year using other travel options available through the Mobility Management program. In total, ADA paratransit eligible individuals made almost 1.8 million trips on all these modes and only about 40% the total trips were on the ADA paratransit service.
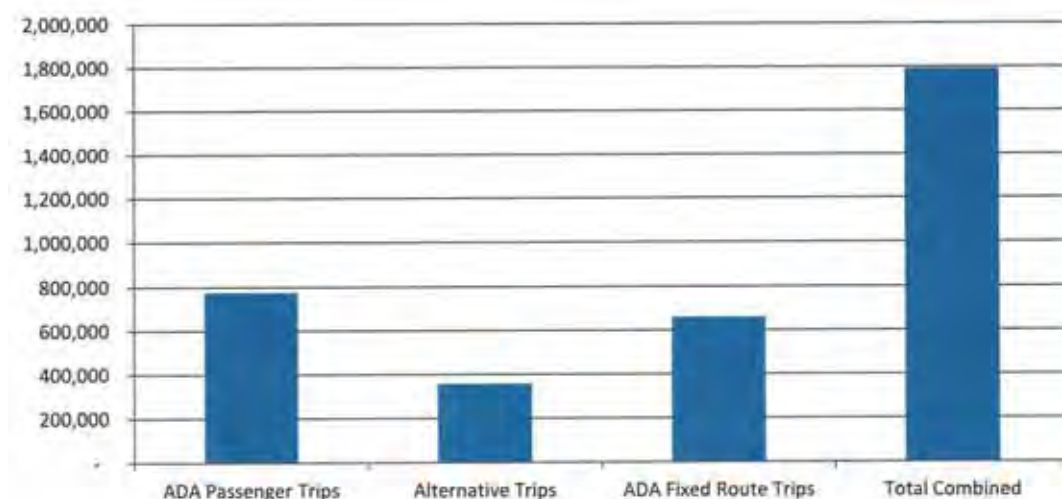

**Figure D-7. Trip-Making by ADA Paratransit Eligible Riders (2012)**

In FY 2013, paratransit customers took an average of 48,000 trips per month on VTA bus services using the OUTREACH Picture ID. This level of bus ridership exceeds the average monthly 45,000 paratransit trip taking by clients in FY 2013 by 7%. The combined ridership (bus and paratransit) is 93,000 per month across modes, where 52% is on VTA fixed route bus (light rail data not available). The expense to the paratransit program if all of the trips were performed as demand responsive would be an additional $1.1 million per month.

Approximately 48% of all certified ADA eligible riders have been certified as "conditional" with the expectation that they may take some or all of their trips on fixed route independently as their functional disabilities and the situation permits. OUTREACH has a strict eligibility program and for those deemed conditional, OUTREACH provides travel training and other support to encourage fixed route utilization. OUTREACH also tracks conditional ridership patterns to see what additional support the client may need to access fixed route.

It should be noted that the 93,000 trips per month does not include the trip count for all of the alternative trips with gas cards and other options that OUTREACH provides. The bottom-line is that there is increased mobility in Santa Clara County through the VTA and OUTREACH coordinated partnership. Over 1,600 car pool trips are being taken each month through the OUTREACH Mobility Management web portal (TripNet). OUTREACH's gas card programs are gaining community support among car pools and volunteer drivers due to these programs' flexibility.

OUTREACH provides software and training to manage rider options via TripNet to other nonprofits at no charge. In addition to coordination and procurement strategies as a CTSA, and the benefits of the Mobility Management Center's multiple strategies to build rider choice, OUTREACH continued business cost containment measures reduced budgeted expenses in FY 13 by $2.7 million.

Figure D-8 shows productivity (unlinked passenger trips per vehicle-revenue-hour) for the ADA paratransit service from FY2003 through FY2011. As shown, VTA and OUTREACH have been able to steadily increase the productivity of the service over time—from 2.11 trips per vehicle-revenue-hour in FY2003 to 2.58 trips per vehicle-revenue-hour in FY2011. This statistic is based on 100% of all trips system wide and not a sampling. Peak hour passenger per tends to run higher as OUTREACH provides group trip services, standing orders/subscription trips, and has shared vehicle arrangements where riders are coming and going from common locations. Operating practices that have been used to increase service productivity are described in the next section.
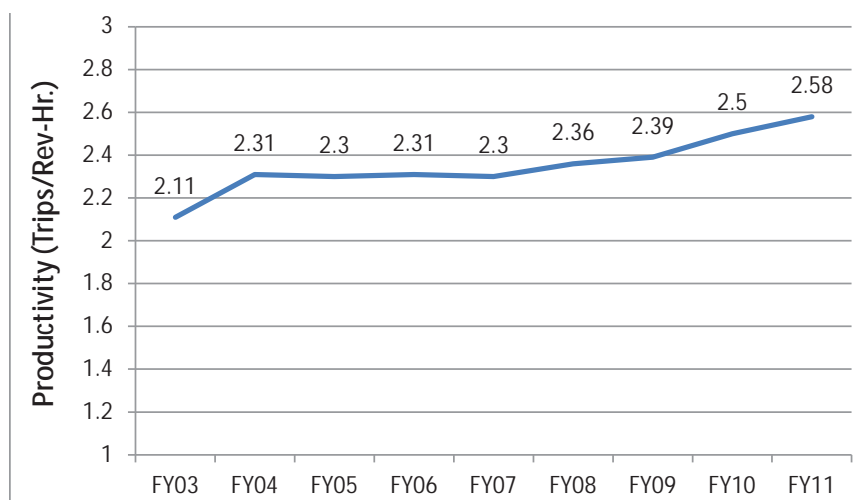
Figure D-8. ADA Paratransit Productivity (Unlinked Passenger Trips/Vehicle-Revenue-Hour)

Figure D-9 shows the total operating cost for ADA paratransit service from FY2003 through FY2012. Total operating costs, including OUTREACH brokerage costs and service provider costs (including fuel, maintenance and facility costs) are included. VTA administrative costs are not included. As shown, the

cost per trip increased slightly from FY2003 to FY2004 mainly as a result in the significant drop in ridership that year related to the economic downturn (see Figure D-8). Prior to FY 07, the service provider rate included capital for vehicles, fuel, maintenance, parking yards, and communications among other expenses. Starting in FY 06-07, VTA and OUTREACH have been able to steadily reduce the cost per trip by using more grant dollars for vehicles and equipment, by jointly procuring vehicles and leasing to vendors, by introducing more energy efficient vehicles into the fleet mix, by having the Broker control fuel and maintenance expenses directly through contract partnerships with the County of Santa Clara, and by using existing parking yards owned by VTA and the County. The cost per trip has been reduced from $30.40 in FY 04 to $ 26.46 in FY 12, which is well below the most recently published Top 50 NTD value. If the cost of living during this time period was factored in the decrease in unit cost would be even more significant (cumulative decrease of 26.8% or approximately $7 per ride).
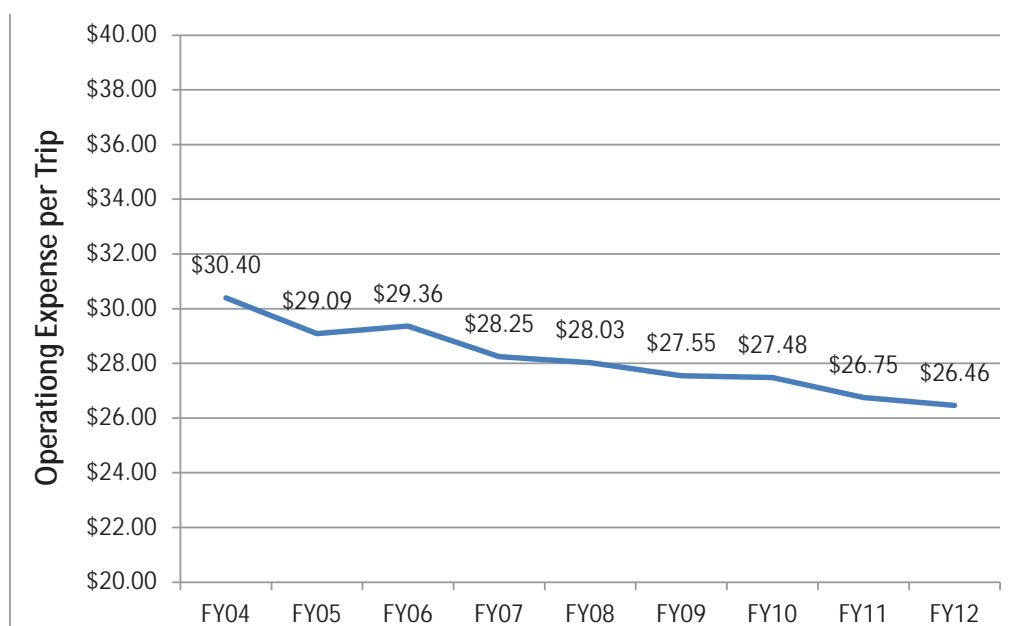

Figure D-9. ADA Paratransit Operating Cost per Trip

The farebox recovery increased from 8% in FY 03 to 15% in FY 13, also well above the most recently published Top 50 NTD value. The net operating cost has decreased dramatically by 55% from 2002 to 2012 ($31.9 million to $17.6, respectively).

VTA and OUTREACH staff noted that the increase in productivity was one major factor in reducing the cost per trip. In addition, though, they noted several cost-saving efforts that also have contributed to the reduction in the unit cost of the service. These efforts are described in the next section.

Efforts to Manage Service Quality and Costs

VTA and OUTREACH staff noted that they work together each year to improve service availability and service quality, as well as increase service efficiency and decrease costs. Following are some of the successful efforts and key changes that have been made in recent years to improve service quality and reduce costs.

Use of Capital Funding for Paratransit Fleet

Prior to FY07, the dedicated service provider purchased vehicles. Since that time VTA has used available federal capital funding to purchase vehicles for the ADA paratransit service. OUTREACH has also applied for and received vehicles under the Section 5310 program for use in the coordinated brokerage. All vehicles used in dedicated service are now purchased by VTA and OUTREACH and leased to the dedicated service provider for $1 per year. OUTREACH estimates that using capital funding to buy paratransit vehicles has reduced the operating cost by several dollars per vehicle-revenue-hour.

More Fuel Efficient Vehicles

VTA and OUTREACH utilize smaller, more fuel efficient vehicles than most other paratransit programs. The current fleet includes 95 ramp-equipped minivans, 110 sedans, 19 modified, raised-roof vans, and 31 body-on-chassis (cutaway) minibuses.

In FY2007, VTA and OUTREACH introduced 20 Toyota Prius hybrid gas-electric sedans into the paratransit fleet as a test. This pilot project proved to be successful as the Prius' proved to be reliable, were able to be integrated into the scheduling process without losing productivity, and provided savings due to

Figure D-10. OUTREACH Ramp-Equipped Minivans

lower fuel costs. There are now 110 Priuses in the overall paratransit fleet.

In FY2006, prior to the introduction of Prius sedans, the paratransit fleet averaged about 14 miles per gallon. OUTREACH and VTA continued to add Prius sedans to the mix and now operate over 100 Prius sedans per day, averaging 47 mpg, reducing the fuel cost over $600,000 per year. In FY 12, the paratransit fleet averaged 19.5 miles per gallon. In FY 13, VTA and OUTREACH will be introducing plug-in electric sedans and charging systems to gain further increases on fuel efficiency and emission reduction.

Improved Routing and Scheduling

VTA and OUTREACH have placed a lot of emphasis on fully understanding and utilizing the capabilities of their automated paratransit scheduling system (Trapeze). Trip reservations and scheduling parameters in the system have been fine-tuned over the years to improve the quality of the schedules.

Schedulers at OUTREACH have also developed an innovative approach to creating schedules to allow a large number of sedans to be efficiently integrated into the fleet. First, they employ "zonal routing" (assigning vehicles to operating zones) to ensure that an appropriate mix of sedans and accessible minivans and vans are available throughout the service area. Second, they instruct the software to give preference to scheduling trips by ambulatory riders on the sedans, which keeps the accessible minivans and vans available for riders who use wheelchairs. Third, they sequence the batching of trips to runs in the following way: (1) riders who use mobility devices; (2) longer trips; and (3) ambulatory riders making shorter trips. This sequencing ensures that the final trips that need to be scheduled are shorter trips by

riders who are able to use any of the vehicles in the fleet. Taxi providers can then be used to serve these riders if the dedicated vehicles are fully booked.

Expertise in using the software has been important not only for service efficiency and costs, but for service quality. OUTREACH is able to set system parameters to provide for responsive scheduling and service delivery that meets service standards. For example, by creating distance-based travel time parameters, OUTREACH is able to efficiently schedule "going" trips that have appointment times based on the desired arrival time, rather than on an estimated pickup time. This helps ensure that riders get to appointments on-time while at the same time ensuring that travel times are not too long or drop-offs too early.

OUTREACH creates numerous additional applications available to all call agents, supervisors and managers via a web-based dashboard and with real-time access and alerts to mobile devices. For example, call agents may see the current account balance of the caller and if a payment has just been made as OUTREACH operates a pay as you go debit type fare system; phone queue information about how many are waiting in each queue and wait time (if wait is more than 60 seconds an email alert goes out to all supervisors and managers to ensure staffing is shifted as OUTREACH uses hybrid staff trained across many functional areas); tracking codes on each ride and call that are visible to all call agents and Customer Services in real time who can sort codes and follow up directly with clients or vendors to ensure any issue is resolved as needed; route management tools that will send alerts to supervisors and managers if any policy violations occur such as being on board longer than planned in order to determine the causes and trends; and hourly information by route on late and early trips with projections of which routes need pre-emptive actions to ensure on-time performance for the next 1 to 3 hours.

County Maintenance of Dedicated Vehicles

As noted earlier, VTA and OUTREACH negotiated with Santa Clara County to have all dedicated vehicles in the paratransit fleet maintained through the County's vehicle maintenance program. Santa Clara County has a large and high-quality program that maintains public works, emergency response, and county administrative service vehicles. The scale of this operation provides economies of scale in the maintenance of the paratransit fleet.

After negotiating with the County for maintenance services, OUTREACH negotiated with the dedicated service provider to identify maintenance costs. The maintenance costs were then removed from the provider's rate. Prior to the use of County maintenance services, OUTREACH estimates that vehicle maintenance averaged about $1.20 per trip. In FY 2012 and the first half of FY 2013, OUTREACH calculated that vehicle maintenance was averaging about $1.05 per trip (about a 12.5% savings in maintenance costs).

VTA and OUTREACH staff noted that they were able to negotiate a sharing of maintenance services largely because Santa Clara County is well-run and takes an entrepreneurial approach to the provision of services.

Figure D-11. County Maintenance Shop

The County is open to these types of cost-sharing arrangements as a way to not only help other local organizations, but as a way to generate income and share its own overhead costs.

In-Kind Parking and Operating Facilities

Also as noted earlier, VTA and the County provide space for parking paratransit vehicles and for housing the dedicated service provider staff. Parts of two of VTA's operating divisions were not being used. These areas included parking and modular buildings. The areas were made available to the dedicated service provider. One county parking lot with unused space was also identified and made available for parking vehicles. The parking areas are fenced and secure (one is co-located with the County Sheriff's office).

As the use of these facilities was being arranged, OUTREACH negotiated with the dedicated service provider to identify and delete facility and parking costs included in the contractor's operating rate. This negotiation reduced about $500,000 per year in operating costs from the contractor's operating budget and rate.

Figure D-12. OUTREACH Minivan at County Fueling Station

Bulk Purchase of Fuel

To take advantage of bulk purchase pricing, VTA and OUTREACH have arranged to purchase fuel from the County of Santa Clara. Vehicles involved in dedicated service are fueled at one of the County fueling stations. Because taxi vehicles are not dedicated solely to the paratransit service, taxi contractors still are responsible for purchasing their own fuel.

VTA and OUTREACH estimate that fuel purchased through the County is about 20 cents less per gallon than fuel purchased on the open market. In FY2012, a total of 351,965 gallons of fuel were used in paratransit operations. This translates to savings of about $70,393 per year.

Federal and State Fuel Tax Rebates

The paratransit service also qualifies for Federal and State excise tax rebates. OUTREACH files for these rebates each year. In FY2012, the Federal excise tax rebate was 6 cents per gallon, or $18,551. The State excise tax rebate was 18 cents per gallon, or $63,354. In total, OUTREACH and VTA saved $81,905 in FY2012 by filing for these rebates.

Limited Reliance on Liquidated Damages for Contractor Performance

OUTREACH staff noted that they do not rely solely on liquidated damages in service provider contracts to ensure service quality and contract compliance. While the contracts do contain performance standards and associated incentives as well as liquidated damages, the terms of the contracts limit service provider liability to a maximum of $2,000 per month in liquidated damages. OUTREACH staff noted that they rely more on identifying the core issues and working with service providers to correct these issues. If providers are not responsive to addressing and correcting identified problems, OUTREACH has the option to move business to performing contractors.

While it was not possible to place a dollar amount on the savings from this approach to contract oversight, OUTREACH staff felt that it minimizes the inclusion of contingencies in service provider contracts to cover possible liquidated damages.

Coordinated Procurement of Paratransit Services

To achieve the best prices, OUTREACH bundles all paratransit services and competitively procures providers for all of the services through a coordinated procurement. RFPs request providers for the combined ADA paratransit service, senior transportation program, and CalWORKS program.

Use of "Standby" Runs

To help ensure service quality, OUTREACH has "standby" vehicles and drivers. These runs start the day without any scheduled trips and are therefore fully available to dispatchers to respond to same day service issues. This allows dispatchers to better manage schedules, do proactive dispatching, and move trips to standby runs from runs that are behind schedule. It also allows schedulers to be more aggressive in creating efficient schedules. If unpredicted delays (traffic, weather, rider issues, etc.) occur, OUTREACH can still stay on schedule even though the schedules are tighter. Depending on the day and time of day, the run structure includes between 5% and 8% standby runs.

Detailed and Specific Service Provider RFPs

Given OUTREACH's long-term experience with management of the paratransit services, it has a very exact understanding of the service provider requirements. It can estimate staffing needs, service productivities, and other factors very accurately.

OUTREACH uses this experience and knowledge to create very detailed service provider RFPs. This eliminates any "guesswork" on the part of proposers and minimizes the contingencies that proposers feel they have to build in to prices to cover "unknowns." It also allows OUTREACH to have a clear understanding of exactly what prices are being proposed. This then is useful in determining if prices are reasonable, appropriate, and realistic. A clear understanding of service provider costs also becomes very useful if prices need to be re-negotiated for desired contract changes (e.g., changes to permit County maintenance of vehicles, bulk fuel purchasing, in-kind donation of parking and facilities, etc.).

Dedicated Taxi Runs

While taxis can be effectively used to serve low-productivity trips cost-effectively, and provide overflow and back-up, ensuring taxi service quality can be a challenge. To address this issue, OUTREACH has worked with taxi companies to develop "dedicated" taxi runs. The taxi companies dedicate certain vehicles and drivers to OUTREACH paratransit service and OUTREACH is able to efficiently schedule to these runs. The OUTREACH RFP required taxi vendors to ensure that those who serve the contact are earning a livable wage, are covered by Worker's Compensation Insurance, and have benefits.

Findings and Conclusions

VTA and OUTREACH have succeeded in building one of the premier paratransit brokerages in the country. The OUTREACH brokerage provides high-quality and cost-effective paratransit services for VTA as well as other local and regional agencies and communities. The expertise that has been developed through the brokerage has also made it possible for the region to be on the cutting edge of innovative service planning and service delivery. This is evident in the innovative Mobility Management Program that has been successfully implemented, as well as in the many innovations employed for managing service quality and cost.

VTA and OUTREACH staff noted several important lessons that have been learned through the years in development and operation of the transportation brokerage program. They noted that these are important to the success of the program and would be key to replication of the model in other areas.

- A high level of trust must exist between the broker, VTA, and other participating agencies. It is vital that this trust be maintained over time, through good times as well as challenging times. Open communication is important for developing and maintaining this trust. The broker has a "can-do" attitude such that its social workers and mobility managers will make every effort to find a mobility solution for agencies and members of the public and often paratransit is only one of many options.
- Having a non-profit public benefit agency as the broker helps maintain trust. OUTREACH's primary obligations are to riders, funding agencies, and taxpayers.
- Accurate data from the broker is important for maintaining trust with partner agencies. The broker must have the tools to properly account for and allocate services and costs.
- Partners must be willing to "collaborate" on the development of a coordinated transportation program, rather than desire unilateral "control" of services. This collaboration is needed to ensure that various needs and requirements of the partners can be combined into a coordinated program.
- Clarifying and agreeing on the roles and responsibilities of the broker, and the roles and responsibilities of funding partners are important. Once all parties agree to this model, each must be willing to collaboratively participate within these defined roles.
- Partners must be willing to take leadership as well as supportive and enabling roles to help secure and implement grants for technology, energy efficient vehicles, to expand the system in place to address emerging needs such as Veterans transportation.
- Owning the infrastructure, information technology, and data provides the broker and participating agencies with a high degree of flexibility in managing service delivery. The mix of service providers and service delivery can be more easily adjusted to achieve both high quality and low-cost service.
- Having a stable broker over the long term allows for the development of important partnerships at the local and regional level. It also allows the broker to develop expertise and detailed knowledge of local needs that are important for the effective management of services.
- Building local service provider capabilities is important for developing a robust, competitive service delivery market. "Cooperative" contract management on the part of the broker can help build this network. Technical assistance from the broker can also help to strengthen local service providers.
- Detailed RFPs and familiarity with service provider cost structures is important for ensuring that costs are reasonable and appropriate.
- Very strong controls in place by the Broker makes VTA over-sight of contract, ADA and service policy compliance routine and measurable.

- Independent audits of both VTA and the Broker ensure that the best interest of the public, transit agency, and persons with disabilities is served by this arrangement.
- A one-stop, one-call/one-click center for coordinated eligibility, funding, paratransit and other health and human services transportation, travel training and access to fixed route, and other affordable and flexible mobility options reduces paratransit expense while creating an environment for enhancements, such as premium services, cost-sharing, vehicle sharing and mobility management strategies that will increase accessibility for all.
- A pre-paid client fare payment debit account system enhances client fare payments, negates cash collection, counting and custody costs, and allows fare payment sponsorship by third parties.