



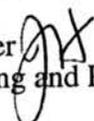
Minnesota Regional Transit
Board: Records.

Copyright Notice:

This material may be protected by copyright law (U.S. Code, Title 17). Researchers are liable for any infringement. For more information, visit www.mnhs.org/copyright.

REGIONAL TRANSIT BOARD

Mears Park Centre
230 East Fifth Street, St. Paul, Minnesota 55101
292-8789

DATE: May 6, 1994
TO: Members of the Regional Transit Board
FROM: Judith G. Hollander 
Director of Planning and Programs
SUBJECT: Alternatives for Conducting Metro Mobility Service Center Functions

Background

Monday, May 2 was the deadline for the submittal of proposals to manage the Metro Mobility Service Center. No responsive proposals were received. Staff has been analyzing various options for how to conduct the Metro Mobility Service Center functions. A recommendation is offered to the board for action at its May 9, 1994, special meeting to be held at 3:00 p.m.

Discussion

Request for Proposal

The Request for Proposal for firms to manage the Metro Mobility Service Center, sent out April 6, 1994, sets forth twelve major responsibilities:

1. Program Administration
2. Oversight of Reservations, Scheduling and Dispatch Functions--management information, analysis and oversight responsibilities (providers will take reservations and schedule trips, dispatch vehicles and provide service)
3. Performance Standards, Incentives and Penalties
4. Service Monitoring
5. Customer Services
6. Vehicle Management
7. Safety and Risk Management
8. Training
9. ADA/Metro Mobility Certification
10. Staffing
11. Other Administrative Functions
12. Implementation Plan

All of these responsibilities are currently being conducted by the Metro Mobility Service Center. However, the current MMSC functions of reservations, scheduling and dispatching are being transferred to the three providers--Handicabs, Metro Ride and Mayflower.

Issues Related to Request for Proposal

In order to determine why there were no responsive proposals, RTB staff informally surveyed some of the groups who were expected to propose and reviewed letters received from three organizations explaining why those chose not to bid. Generally speaking, these appear to be the key reasons for not submitting a proposal:

- *Liability*--There is significant concern that the liability of taking on this work is great, given the settlement of the recent class action suit.
- *Length of transition is insufficient*---There was some concern expressed that the PASS system would not be set up in time to conduct a comfortable transition
- *Vehicle leases*---Potential proposers and their affiliated financial institutions were not willing to take on the existing vehicle leases because the term of the vehicle leases exceeds the term of the MMSC contract by eleven months.
- *Lack of adequate control over provider contracts*---Concern was expressed that there was insufficient control over the provider contracts. Potential proposers felt that they would have the responsibility, be penalized for lack of provider performance, and yet would not have adequate controls to influence providers.
- *Governance*--Concern was expressed regarding not knowing who they would be working with. They would negotiate contracts with one group and then have contract transferred to another.
- *Low cost environment*---Concern was expressed that the service levels expected could not be provided in the current low-cost environment.

Staff brainstormed alternative approaches for dealing with this situation, especially considering this feedback. Other constraints and/or issues that the staff have identified that were also considered in the development and evaluation of alternative approaches include:

- Metro Mobility service must continue to be provided in an effective manner. Disruptions are unacceptable.
- RTB has limited legislative authority related to being operationally involved and ownership of vehicles.
- The settlement agreement sets forth a very specific compressed timetable for transitioning to a new service coordinator.

Alternative Approaches

Staff identified a number of approaches that might be useful in determining how best to conduct the Metro Mobility management and oversight functions. These alternatives are not mutually exclusive. Some approaches respond only to select issues.

1. Re-scope and Re-Issue the Request for Proposal

RTB could modify the existing RFP to include longer timelines, separate out vehicle leases, clarify questions regarding roles and responsibilities, etc. The RFP could then be re-issued. It is likely that some proposals may be received, but this could not be done within the settlement timetable nor would there be any assurances that the responsive proposals would be within budget. It also is difficult to re-scope the project to maintain a balance of meeting proposers' needs and yet meeting the needs of the program.

One significant way to re-scope the RFP and respond to potential proposers' issues would be to separate out the vehicle leases. Provided by a recent change in state law, RTB could transfer the vehicle leases from ATE to itself for 3 months and then to the Metropolitan Council. Likewise, the RTB could transfer these leases to providers although this would mean that there would be less flexibility to move vehicles between providers.

2. RTB assumes MMSC functions

The leading reasons to pursue this alternative are the ability to deal with liability (i.e., government has liability cap) and accountability, (i.e., a level of management is eliminated). Furthermore, RTB would have direct control over the provider contracts and avoid paying system coordinator management (profit) fees. Also, the RTB has knowledge of the program, including past restructuring, user needs, current contractual relationships, auditing procedures, ADA requirements, coordinating services, etc. As a contingency measure, state governance legislation was modified to allow the RTB to pursue this option if it became necessary, subject to Metro Council approval.

The challenge of hiring staff and making this happen within the timetable would be great. There is also some concern that RTB would not be able to be objective and that labor costs may increase under this alternative.

3. Sole-Source

RTB could identify a firm with whom it feels has the qualifications to do this work and attempt to negotiate a workable agreement. This involves a great deal of uncertainty and RTB is not in a prime negotiating stance. At this point in time, there is no single organization with which the RTB staff feels is either interested to pursue this option within our existing timetable and budget.

Under any of these alternatives, consideration would be given to hiring temporary employees or those on a loaned executive/mobility assignment. For example, staff has discussed the possibility of hiring an experienced paratransit coordinator, on a temporary basis, who could come in on a contractual basis to help with the transition.

Also, under either of the options, consideration needs to be given to the possibility of extending ATE's MMSC services until one option was fully implemented. Per the settlement agreement, RTB would assume full liability for Metro Mobility after July 4. Extending ATE's contract presents numerous difficulties. Currently, MMSC employees are interviewing for positions with the three providers and will similarly do so with the service coordinator once chosen. Some existing ATE employees have already found positions elsewhere. Also, there is a general feeling in the community that it is time to move forward.

ALTERNATIVES

RTB staff could pursue either options 1 and 3, attempt to make a number of changes to the RFP, extend timelines and simultaneously extend the ATE contract. It is estimated that this may take an additional 3 months.

RECOMMENDATION

RTB staff recommends that the Regional Transit Board approve and recommend to the Metropolitan Council that the RTB assume responsibility for the functions of the Metro Mobility Service Center and immediately begin to prepare a detailed implementation plan and hiring additional staff in order to provide for an orderly transition on July 4, 1994.

REGIONAL TRANSIT BOARD

ROLL CALL AND ATTENDANCE SHEET

DATE: May 9 - Board

Member Name Present Vote Vote Vote Vote Vote Vote Vote Vote

ISSUE

Michael Beard - A ✓

Sharon Feess - A —

Ruth Franklin, Chair - A ✓

Morgan Grant - P ✓

Val M. Higgins, Chair - P ✓

James Hovland - P ✓

Gary Humphrey - P ✓

Ruby Hunt - P ✓

Harry Mares A ✓

District D - A

Sally Evert ✓

Visitors

Staff

Arnie E Sam Miller

DJ, MF

DI Wolf

RL

K Mann

Jeff Mitchell DOT

N Pong

Ernie Tager

mff Dan Hibbert

K. Lyon

Patrick Seung

John Walsh

Reed Anderson

REGIONAL TRANSIT BOARD

Mears Park Centre
230 East Fifth Street, St. Paul, Minnesota 55101
292-8789

DATE: May 9, 1994

TO: Chair and Board Members

FROM: Bob LaShomb 

SUBJECT: Tentative Final Report of the 1994 Legislative Session

Here is a report on the status of transit related legislation at the end of the 1994 legislative session. Because some bills may have been included in others and thus difficult to trace we will prepare a final report for the Board when we have had an opportunity to obtain and review the conference committee reports and last day journals of each house.

1. FUNDING

The Senate and the House attempted to conferee H.F. 3230 to include among other things \$19 million dollars for transit and a constitutional amendment which if approved would have allocated somewhere between 23 and 40 per cent of the motor vehicle excise tax for transit. After substantial discussions between the conferees it became apparent that no agreement could be reached on any long term transportation funding approach. Steps were then taken to delete the non agreed upon items and to go with a simpler and basically house keeping bill. Transit funds were deleted.

Fortunately, recognizing the uncertain fate of H.F. 3230, the legislative leadership decided to return \$10 million to S.F. 2913 for transit operations. This was intended as a base from which dollars could be added if H.F. 3230 were enacted. Of the \$10 million, \$1.6 million was allocated to outstate Minnesota and the balance to the metropolitan area. The metropolitan share breaks down as follows:

- \$5 million for regular route
- \$2.5 million for Metro Mobility
- \$900,000 for community based

As H.F.3230 does not include transit funding this will be the total appropriation for the remainder of the biennium.

2. METROPOLITAN GOVERNANCE

S.F. 2015 was passed and sent to the Governor. The RTB will be abolished on October 1, 1994 and the MTC on July 1, 1994.

The bill permits RTB with Metropolitan Council approval to manage the Metro Mobility management center and to own or lease vehicles.

3. OTHER BILLS

- A. State wide commission on major projects. Was included in H.F. 3011 which passed.
- B. Mileage tax study. Was included in H.F. 3011 which passed.
- C. High Speed Bus. No operating subsidy. No capital funds for vehicles or road related improvements.
- D. MTC bonding. \$10 million for garage facilities was included in the state bonding bill. No additional bonding authority was authorized.
- E. Light rail bonding. \$10 million was included in the state bonding bill.
- F. Extension of use of bond proceeds. Passed
- G. MVET dedication et al. House and Senate conferees could not agree on a long term funding package and the bill was turned into a housekeeping bill for the Dept of Transportation.



REGIONAL TRANSIT BOARD
Mears Park Centre, 230 East 5th Street
St. Paul, Minnesota 55101
229-2700

Special Meeting of the
REGIONAL TRANSIT BOARD
Mears Park Centre Chambers
May 9, 1994
3:00 p.m.

AGENDA

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF THE AGENDA
3. METRO MOBILITY SERVICE COORDINATOR
 - A. Rejection of Single Proposal
 - B. Selection of Preferred Option
4. PUBLIC COMMENT

Sally Evert
Chair

mff
5/5/94

9 May 1994

1

Regional Transit Board - Special Meeting

3)a. Approved rejecting Triad Transportation Metro Mobility MISC proposal.

3)b. Selection of Preferred MISC Alternative

Board member Hunt asks about staffing plan and associated costs.

JH responds that is in the works.

Mrs. Hunt also asks whether any MTC staff would be available to assist the new MISC.

Mr. Beard asks about staff concern about RTB objectivity dealing w/ the system. He observes the landscape of MM has changed in that new MISC under RTB would be functioning primarily in a management / oversight manner.

Board Member Higgins wonders why we are being put in that position to be MISC when we have not identified what went wrong in October.

He claims Board as the body politic has ever come to consensus as to what went wrong. →

Board Member Mares asks about pursuing the options other than RTB staff as it is recommended.

Mr. Beard asks what is status of Hosen Report developed last December.

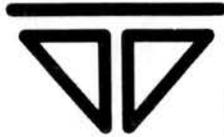
Mrs. Evert suggests there be a summary paper for the Board extracting key points from the draft Hosen Report.

Mrs. Franklin moves staff recommendation

Mr. Higgins asks if RTB staff has capability to take on MISC responsibilities. JH says looking at staffing options.

Mr. Mares pts out the role of government is not to create jobs but to foster an environment to create jobs on the outside. He recognizes reality and for this reason will support the staff recommendation for the short term.

Motion moved and approved.



TRIAD TRANSPORTATION, INC.

2500 Washington Ave., N. • Suite 101
Minneapolis, Minnesota 55411

612-521-4444
FAX: 612-522-1884

May 2, 1994

Mr. Mark W. Fuhrmann
Regional Transit Board
Mears Park Centre 7th Floor
230 East Fifth Street
St. Paul, MN 55101

Dear Mr. Fuhrmann:

Our proposal for the Metro Mobility System Coordinator position, while not necessarily in contract form, is inclusive of our intent and areas of expertise.

Town Taxi and Town Transportation have been serving the entire metropolitan area for over thirty years. Our client list is quite extensive. We have created, implemented and operated a fleet of units catering to the ambulatory individuals in the Twin city area and all surrounding suburbs. We have operating experience with the Gandoff Dispatch System, financial stability, a structured, but flexible, management team. We have access to or possession of the balance of criteria points outlined in your R.F.P.

We looking forward to further discussions with you and your immediate staff in further refinement of our proposal. Should you have any questions please feel free to contact myself and/or Mr. Mike Kelley.

Sincerely,

Basil L. Wissner
President



Town Taxi

**Triad Transportation, Inc.
2500 Washington Ave. N.
Minneapolis, MN 55411
(612) 521-4444
FAX: (612) 522-1884**

PROPOSAL FOR METRO MOBILITY SYSTEM COORDINATOR

Time constraints and needed research preclude a detailed synopsis of a line item budget proposal. In lieu we propose the following plan for the 27 month contract period:

Total cash flow dollars for all coordinator activities with maintenance of existing contracts. A minimum of \$38,000,000.00 for the contract period.

Should your initial review be of interest, we are prepared to invest time, money and personnel to provide backup criteria, certifications and eligibility requirements to your satisfaction.



REGIONAL TRANSIT BOARD
Mears Park Centre
230 East 5th Street
St. Paul, Minnesota 55101
612/292-8789

May 9, 1994

Mr. Basil L. Wissner
Triad Transportation, Inc.
2500 Washington Avenue North
Minneapolis, MN 55411

Dear Mr. Wissner:

Thank you for your proposal for the Metro Mobility System Coordinator position received May 2, 1994.

The Regional Transit Board at its full board meeting today rejected the Triad Transportation, Inc. proposal as non-responsive to the RFP issued by RTB April 6, 1994. The Board did approve for recommendation to the Metropolitan Council that the RTB assume responsibility for the functions of the Metro Mobility Service Center.

Sincerely,

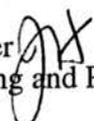
A handwritten signature in cursive script, appearing to read 'Mark W. Fuhrmann'.

Mark W. Fuhrmann
Manager of Programs

MWF:jmo

REGIONAL TRANSIT BOARD

Mears Park Centre
230 East Fifth Street, St. Paul, Minnesota 55101
292-8789

DATE: May 6, 1994
TO: Members of the Regional Transit Board
FROM: Judith G. Hollander 
Director of Planning and Programs
SUBJECT: Alternatives for Conducting Metro Mobility Service Center Functions

Background

Monday, May 2 was the deadline for the submittal of proposals to manage the Metro Mobility Service Center. No responsive proposals were received. Staff has been analyzing various options for how to conduct the Metro Mobility Service Center functions. A recommendation is offered to the board for action at its May 9, 1994, special meeting to be held at 3:00 p.m.

Discussion

Request for Proposal

The Request for Proposal for firms to manage the Metro Mobility Service Center, sent out April 6, 1994, sets forth twelve major responsibilities:

1. Program Administration
2. Oversight of Reservations, Scheduling and Dispatch Functions--management information, analysis and oversight responsibilities (providers will take reservations and schedule trips, dispatch vehicles and provide service)
3. Performance Standards, Incentives and Penalties
4. Service Monitoring
5. Customer Services
6. Vehicle Management
7. Safety and Risk Management
8. Training
9. ADA/Metro Mobility Certification
10. Staffing
11. Other Administrative Functions
12. Implementation Plan

All of these responsibilities are currently being conducted by the Metro Mobility Service Center. However, the current MMSC functions of reservations, scheduling and dispatching are being transferred to the three providers--Handicabs, Metro Ride and Mayflower.

Issues Related to Request for Proposal

In order to determine why there were no responsive proposals, RTB staff informally surveyed some of the groups who were expected to propose and reviewed letters received from three organizations explaining why those chose not to bid. Generally speaking, these appear to be the key reasons for not submitting a proposal:

- *Liability*--There is significant concern that the liability of taking on this work is great, given the settlement of the recent class action suit.
- *Length of transition is insufficient*---There was some concern expressed that the PASS system would not be set up in time to conduct a comfortable transition
- *Vehicle leases*---Potential proposers and their affiliated financial institutions were not willing to take on the existing vehicle leases because the term of the vehicle leases exceeds the term of the MMSC contract by eleven months.
- *Lack of adequate control over provider contracts*---Concern was expressed that there was insufficient control over the provider contracts. Potential proposers felt that they would have the responsibility, be penalized for lack of provider performance, and yet would not have adequate controls to influence providers.
- *Governance*--Concern was expressed regarding not knowing who they would be working with. They would negotiate contracts with one group and then have contract transferred to another.
- *Low cost environment*---Concern was expressed that the service levels expected could not be provided in the current low-cost environment.

Staff brainstormed alternative approaches for dealing with this situation, especially considering this feedback. Other constraints and/or issues that the staff have identified that were also considered in the development and evaluation of alternative approaches include:

- Metro Mobility service must continue to be provided in an effective manner. Disruptions are unacceptable.
- RTB has limited legislative authority related to being operationally involved and ownership of vehicles.
- The settlement agreement sets forth a very specific compressed timetable for transitioning to a new service coordinator.

Alternative Approaches

Staff identified a number of approaches that might be useful in determining how best to conduct the Metro Mobility management and oversight functions. These alternatives are not mutually exclusive. Some approaches respond only to select issues.

1. Re-scope and Re-Issue the Request for Proposal

RTB could modify the existing RFP to include longer timelines, separate out vehicle leases, clarify questions regarding roles and responsibilities, etc. The RFP could then be re-issued. It is likely that some proposals may be received, but this could not be done within the settlement timetable nor would there be any assurances that the responsive proposals would be within budget. It also is difficult to re-scope the project to maintain a balance of meeting proposers' needs and yet meeting the needs of the program.

One significant way to re-scope the RFP and respond to potential proposers' issues would be to separate out the vehicle leases. Provided by a recent change in state law, RTB could transfer the vehicle leases from ATE to itself for 3 months and then to the Metropolitan Council. Likewise, the RTB could transfer these leases to providers although this would mean that there would be less flexibility to move vehicles between providers.

2. RTB assumes MMSC functions

The leading reasons to pursue this alternative are the ability to deal with liability (i.e., government has liability cap) and accountability, (i.e., a level of management is eliminated). Furthermore, RTB would have direct control over the provider contracts and avoid paying system coordinator management (profit) fees. Also, the RTB has knowledge of the program, including past restructuring, user needs, current contractual relationships, auditing procedures, ADA requirements, coordinating services, etc. As a contingency measure, state governance legislation was modified to allow the RTB to pursue this option if it became necessary, subject to Metro Council approval.

The challenge of hiring staff and making this happen within the timetable would be great. There is also some concern that RTB would not be able to be objective and that labor costs may increase under this alternative.

3. Sole-Source

RTB could identify a firm with whom it feels has the qualifications to do this work and attempt to negotiate a workable agreement. This involves a great deal of uncertainty and RTB is not in a prime negotiating stance. At this point in time, there is no single organization with which the RTB staff feels is either interested to pursue this option within our existing timetable and budget.

Under any of these alternatives, consideration would be given to hiring temporary employees or those on a loaned executive/mobility assignment. For example, staff has discussed the possibility of hiring an experienced paratransit coordinator, on a temporary basis, who could come in on a contractual basis to help with the transition.

Also, under either of the options, consideration needs to be given to the possibility of extending ATE's MMSC services until one option was fully implemented. Per the settlement agreement, RTB would assume full liability for Metro Mobility after July 4. Extending ATE's contract presents numerous difficulties. Currently, MMSC employees are interviewing for positions with the three providers and will similarly do so with the service coordinator once chosen. Some existing ATE employees have already found positions elsewhere. Also, there is a general feeling in the community that it is time to move forward.

ALTERNATIVES

RTB staff could pursue either options 1 and 3, attempt to make a number of changes to the RFP, extend timelines and simultaneously extend the ATE contract. It is estimated that this may take an additional 3 months.

RECOMMENDATION

RTB staff recommends that the Regional Transit Board approve and recommend to the Metropolitan Council that the RTB assume responsibility for the functions of the Metro Mobility Service Center and immediately begin to prepare a detailed implementation plan and hiring additional staff in order to provide for an orderly transition on July 4, 1994.