

## **CITY OF MADISON ACTION ITEM DETAIL – NOVEMBER 22, 2022**

**ACTION TITLE:** Approval of Metro Transit Paratransit Services Resolution

**PRESENTER:** Metro Transit, Justin Stuehrenberg

**CONTACT FOR**

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### **ACTION SUMMARY**

Authorizing the Mayor and City Clerk to enter into agreements with Transit Solutions, Inc., Badger Bus Lines, Inc., and Quality Transit, Inc. for the purpose of providing federally mandated ADA Complementary Paratransit Services to Metro Transit.

### **BACKGROUND**

In early 2020, the City entered into paratransit service contracts with 3 companies to provide paratransit services to meet the historical and anticipated on-going trip demand. At the same time, Metro experienced a significant drop in paratransit trip demand due to the pandemic. The reasoning at the time was that the depressed demand would be for a short duration. However, trip demand levels remained low for months. One service provider agreement was mutually terminated as there wasn't sufficient work to be viable. Another company was able to remain viable in spite of not have any trip assignments for many months.

Since late 2021 and into 2022, Metro Paratransit trip demand has rebounded and at times exceeds available capacity. In response, Metro will terminate existing contracts early to coincide with issuing new contracts from this RFP process. The result of the RFP process will be to rebuild and rebalance Metro's capacity to provide this federally mandated service.

### **DESCRIPTION**

The intent to award three contracts to area service providers offers:

- Maintaining existing capacity; and,
- Adding a service provider poised to grow capacity for Metro and the community; and,
- Setting sustainable pricing for Metro's budget; and,
- Establishing resilient pricing for service providers a in volatile market; and,
- Preparing Metro to meet new trip demand generated by expanding paratransit service area in the coming years.

### **EQUITY GOAL IMPACTS**

All providers happen to be local companies. One of the three is a woman owned business and one is a black owned business.

**FISCAL DETAILS**

Costs were anticipated in Metro’s operating budget. Proposed costs here:

Year	Badger Bus Lines (by Hour)	Transit Solutions (by Trip)		Quality Transit (by Trip)	
		Both	WH	AMB	WH
Year 1	\$66.00	\$47.00	\$35.00	\$52.00	\$49.00
Year 2	\$68.31	\$48.41	\$36.05	\$56.16	\$52.92
Year 3	\$70.70	\$49.86	\$37.13	\$57.28	\$53.97
Year 4 (optional)	\$73.52	\$51.36	\$38.24	\$58.42	\$55.05
Year 5 (optional)	\$77.20	\$52.90	\$39.39	\$59.59	\$56.15
Fuel De-escalator/Escalator	\$1.75 - \$3.50 per gallon	\$2.40 - \$4.90 per gallon		\$2.50 - \$3.50 per gallon	

All three cost proposals offered fuel escalator and de-escalator provisions using the formula stipulated by Metro. Fuel clause is applied when documented costs fall outside the contracted range.

Comparison from current contracts:

Proposer	Proposal Rank	Offers Service by	Average Cost Increase	Current Vol. of Trips Assigned	Anticipated Vol. of Trips Assigned in 2023
Badger Bus Lines, Inc.	1	the Hour (run)	10% over previous contract	88%	70%
Transit Solutions, Inc.	2	the Trip	Average 54% over previous contract	12%	20%
Quality Transit, Inc.	3	the Trip	new - highest cost proposer	0	10%

It should be noted that in recent years, the private provider market for taxis, accessible taxis, and accessible transportation in the Madison metropolitan area has diminished significantly. The impact of transportation network companies, consolidation, the pandemic, and volatile market costs of labor, fuel, and vehicles means that there are fewer resources within the community. It will take several years for this specialized market to recover.

**PROCUREMENT DETAILS**

The City published the RFP on September 16, 2022. On October 14, 2022, the City received three proposals. After an evaluation panel review of the proposals, the evaluation panel compiled scores on October 26, 2022 and determined that all three proposers met the minimum qualifications and were necessary to meet the anticipated trip demand at present and in the coming years.