

Transportation Coordination Toolkit

November 2005

Toolkit Introduction

What is the Toolkit?

This Toolkit is a compilation of briefs, or short discussions on specific coordination topics, which outline the issues and obstacles to coordination. As part of each discussion, best practices relating how issues were resolved and obstacles removed by other agencies, as well as any resources which can be used (e.g., websites, reports, manuals, forms, contact persons, etc.) are included.

The Toolkit is provided to you on a compact disk (CD). The Toolkit Index provides an alphabetical listing of all of the briefs, best practices by topic, and resources contained on the CD. Where possible, the web address for each resource is provided so that you can access that particular document via the Index or within the individual brief. This should provide you with the most up to date reference available at a click of the mouse. Where a resource is not available via the Internet, it has been provided in a separate Appendix to the Toolkit on the CD.

Why was the Toolkit Developed?

The toolkit is just one piece of the overall Minnesota Coordination Study that was undertaken to assess transportation coordination in Minnesota and to develop a comprehensive implementation plan for taking coordination to the next level. The toolkit is just that, a compilation of tools and resources that supports the concept

of transportation coordination and identifies best practices that can be used as models.

Who Should Use This Toolkit?

Coordination is a partnership made up of many different entities, therefore, the information in this Toolkit applies to State and local agencies, transportation providers and transportation purchasers, both public and private. At the beginning of each brief is a list of agencies identified as the target audience. However, these lists are not all inclusive. Even if your agency is not on the list, there may be information that is pertinent to your situation.

How Do You Use the Toolkit?

The Toolkit consists of a series of ten briefs on different topics. The briefs discuss the topics most often cited as obstacles to coordination. These ten topics are:

1. Insurance Coordination Planning;
2. Fully Allocated Costs;
3. Maintenance Programs;
4. Volunteer Programs;
5. Coordination Planning;
6. Private/Public Sector Partnerships;
7. Section 5310/5311 Coordination;
8. Motor Carrier Compliance;
9. Incentive Funding; and
10. State Coordination Best Practices

Good luck in your coordination effort!

Each Brief provides a short description of the topic, target audience, goals, and the specific issues associated with each.

There are many areas where coordination can be effective, such as training, joint purchases, grants writing etc. Concepts and ideas presented in the Maintenance and Volunteer Programs can serve as the basis for coordination in other areas.

Under each issue is a thorough discussion including any obstacles and steps to overcome them. Following the discussion, Best Practices are cited to provide insight on how others, in Minnesota and across the country, have dealt with the issues as they have pursued coordination. In each citation, there is a contact person and contact information provided.

Remember, even if the Best Practice is from Maine, Pennsylvania, or Oregon, for example, the basic concepts and principles can have application to your system. Use the parts which will work, or modify the concept to fit your particular situation.

Specific resources such as reports, manuals, spreadsheets, brochures, etc. are also cited. These resources can be used as a starting point on which to build your particular project. You can use the resources by themselves or together with the information provided in the Briefs.

A CD will accompany the three-ring binder and will include all of the resources cited for easy reference. In addition, websites and email addresses are included as appropriate.



TOOLKIT INDEX OF BEST PRACTICES, RESOURCES AND REFERENCES

TOOLKIT BRIEFS

- Fully Allocated Costs
- Incentive Funding
- Insurance
- Coordination Planning
- Maintenance Programs
- Motor Carrier Registration Compliance
- Private/Public Sector Coordination
- Section 5310/5311 Coordination
- Volunteer Programs
- Transportation Brokerage

BEST PRACTICES

Note that the best practices in bold italics are examples from Minnesota.

Insurance

- Dakota Area Resources and Transportation Services (DARTS) in Dakota County, Minnesota, <http://www.darts1.org/>.
- Iowa Insurance Consortium, contact Donna Johnson, Iowa DOT Office of Public Transit, (515) 233-7875.
- Licking County Transit Board Coordination Project in Newark, Ohio, Service Brochure and Transportation Policy and Procedure Manual (Appendices A and B; contact Cathy Sheets, Coordinator, Licking County Transit Board Coordinated Services, at (740) 670-5180 or csheets@lcounty.com.
- North Carolina Act to Remove Barriers to Coordinating Human Service and Volunteer Transportation was enacted. Contact Miriam Perry, Assistant Director for Administrative Services, at mperry@dot.nc.state.us.
- Paul Bunyan Transit, Bemidji, Minnesota, Greg Negard, Executive Director, at (218) 751-8765 or pbtrans@paulbunyan.net.
- The Washington State Transit Insurance Pool (WSTIP), <http://www.wstip.org/>.

Fully Allocated Costs

- Alabama Department of Transportation (ADOT), Joe Nix, Senior Transportation Planner, Multimodal Transportation Bureau, 1100 John Overton Drive, Montgomery, AL 36110, (334) 353-6421, nixj@dot.state.al.us.
- Kansas Department of Transportation (KDOT), Kansas Rural Transit Assistance Program (RTAP), (785) 864-2595, or www.kutc.ku.edu.
- Maryland Department of Transportation, Nancy Noonan, (410) 767-3772, or nnoonan@mdot.state.md.us.
- Tri-Cap Transit Connection, St. Cloud, MN, Linda Elfstrand, Director, Tri-CAP Connection, (320) 202-7824, x217, or Linda.elfstrand@tricap.org.

Maintenance

- Illinois DOT Regional Maintenance Centers, contact David Spacek, Illinois DOT, Division of Public Transportation, 310 South Michigan, Room 1608, Chicago, Illinois 60604; (312) 793-2154 or spacekDT@dot.il.gov.
- St. Cloud MTC, Tony Kellen, Director of Operations, St Cloud MTC, 665 Franklin Ave NE, St Cloud MN 56304, or Office (320) 251-1499, x103, or via e-mail tkellen@stcloudmtc.com.
- Tri-CAP Connection, Linda Elfstrand, Director, Tri-CAP Connection at (320) (202) 7824, x217, or Linda.elfstrand@tricap.org

Volunteers

- The Ride Connection, (503) 528-1720, email at ride@rideconnection.org or via mail at 3220 N. Williams; Portland, OR 97227.
- Tri-CAP Connection, Linda Elfstrand, Director, Tri-CAP Connection at (320) 202-7824, x217, or Linda.elfstrand@tricap.org
- Volunteer Drivers – A Guide to Best Practices -
<http://www.wsdot.wa.gov/transit/vdg/default.htm>.

Coordination Planning

- Rainbow Rider, 401 Florence Avenue, P.O. Box 136, Lowry, MN 56349, (800) 450-7770, or via email at rainbowr@runestone.net.

- SCALE, Scott County Association for Leadership and Efficiency, Lisa Kohner, Scott County Public Affairs Coordinator, (952) 496-8780, lkohner@co.scott.mn.us.
- Washington State - Agency Council on Coordinated Transportation (ACCT), Robin Phillips, Administrator for Coordinated Transportation at (360) 705-7929, phillir@wsdot.wa.gov.

Private/Public Sector Partnerships

- Voyageur Bus Company, 3941 E Calvary Rd., Duluth, MN 55803; Mike Krois, Owner/Operator, (218) 724-1707, Fax: (218) 724-2432
- MNET, Minnesota Non-Emergency Transportation, www.dhs.state.mn.us.

Section 5311/5310 Coordination

- Three Rivers Hiawathaland Transit—Cannon Falls; Jean Meyer, MnDOT District 6 Project Manager at MnDOT 2900 48th Street, N.W., Rochester, MN 55901-5848; (507) 280-3100 (507) 421-1162 cellular, (507) 285-7355 fax; St. Paul: (651) 296-3379 Fax: (651) 297-7252, or via e-mail at jean.meyer@dot.state.mn.us

Motor Carrier Registration Compliance

- American Red Cross, Sue Olson, 176 South Robert St., St. Paul, MN 55107, (651) 291-4675, or via e-mail at solson@arcstp.org
- Minnesota Masonic Homes, Joyce McIntosh, Director, (763) 592-2668 or joyce.mcintosh@mnmasonic.org.
- Rochester City Lines (RCL), http://www.ci.rochester.mn.us/publicworks/Transportation/citylines/citylines_main.htm

Incentive Programs

- Cuyahoga County, Ohio Coordination Project, Paul Alsenas, Director, or Marionette Richardson, Transportation Specialist, Cuyahoga County Planning Commission, 323 Lakeside Avenue, Suite 400, Cleveland, OH 44113, (216) 443-3700.
- North Carolina Department of Transportation's Human Service Transportation Management (HSTM) Program, Miriam Perry, Assistant Director for Administrative Services, NCDOT Public Transportation Division, mperry@dot.nc.state.us.

- Ohio Department of Transportation, (ODOT) Ohio Coordination Program, Jane Smelser, (614) 644-8054, jane.smelser@dot.state.oh.us, www.dot.state.oh.us/ptrans/fundingprograms/coordination

REFERENCES AND RESOURCES

- Coordinated Transportation System 2004 Annual Report, http://dhr.georgia.gov/DHR/DHR/CommonFiles/PDF/DHRTransportationAnnualReport_FY04_04.pdf.
- Coordination Resources You Should Read, <http://www.ctaa.org/ntrc/coordination/docs/resources/TransportationCoordinationResourcesYouShouldRead.pdf>
- Federal Motor Carrier Safety Administration website, <http://www.fmcsa.dot.gov/rules-regulations/administration/fmcsr/fmcsrguide.htm>
- Federal Transit Administration, Innovative State & Local Planning for Coordinated Transportation, http://www.fta.dot.gov/907_ENG_HTML.htm.
- Florida Transportation Disadvantaged Commission, Lisa Bacot, (850) 410-5711.
- The Florida Department of Transportation (FDOT), in collaboration with members from the American Association of State Highway and Transportation Officials' (AASHTO) Multi-State Technical Assistance Program (MTAP), has gathered industry "best practices" for developing model state safety programs and state legislation necessary for the development of improved transit bus safety standards and practices. The guide will serve as a useful resource for developing bus safety plans. The sample plans, contacts, reference links, and checklists available at this site are adaptable for systems of any size but are particularly suitable for small urban and rural (section 5311) recipients. www.cutr.usf.edu/bussafety/index.html.
- ***GAO-03-697 Report on Transportation Disadvantaged Populations, page 42, Appendix II: Inventory of Federal Program Providing Transportation Services to the Transportation-Disadvantaged***, <http://www.gao.gov/new.items/d03697.pdf> or at www.unitedweride.gov.
- Georgia coordinated transportation service delivery, Georgia Department of Human Resources (DHR) website, <http://dhr.georgia.gov/portal/site>.
- Georgia Department of Transportation, Steve Kish, steve.kish@dot.state.ga.us
- Iowa Department of Transportation, Peter Hallock, Office of Public Transit, at (515) 239-1765, or via e-mail at peter.hallock@dot.state.ia.us.

- Maryland DOT Coordination Manual, see Toolkit for Rural Community Coordinated Transportation Services, http://trb.org/news/blurbs_detail.asp?id=4042, or contact Nancy Noonan, nnoonan@mdot.state.md.us.
- Mike McKay, Minnesota Department of Transportation, Office of Freight and Commercial Vehicle Operations (OFCVO), (651) 405-6096 or mike.mckay@state.mn.us.
- Minnesota Auditor's Office Best Practices Report, <http://www.auditor.state.mn.us/default.aspx?page=BestPracticesReview>.
- Minnesota DOT's Transit System and Security Workbook, Minnesota DOT Office of Transit, (651) 296-3379, or go to <http://www.cutr.usf.edu/bussafety/core/select.htm>, click on "best practices."
- Minnesota DOT's Office of Freight and Commercial Vehicle Operations STS Questionnaire [Http://www.dot.state.mn.us/motorcarrier/applications/sts_questionnaire.pdf](http://www.dot.state.mn.us/motorcarrier/applications/sts_questionnaire.pdf)
- Minnesota DOT's Office of Freight and Commercial Vehicle Operations Fact Sheets [Http://www.dot.state.mn.us/motorcarrier/factsheets/sts.pdf](http://www.dot.state.mn.us/motorcarrier/factsheets/sts.pdf)
- Minnesota DOT's Office of Freight and Commercial Vehicle Operations website, <http://www.dot.state.mn.us/motorcarrier/passenger/index.html>
- MTAP Comprehensive Financial Management Guidelines Manual (Appendix C)
- MTAP Financial Management Course Brochure (Appendix D)
- North Carolina DOT Public Transportation Division, Miriam Perry, Assistant Director for Administrative Services, mperry@dot.nc.state.us.
- North Carolina DOT, Kathy McGhee, State HHS Coordinator, (919) 733-2100.
- Ohio DOT Coordination Handbook and Implementation Guide www.dot.state.oh.us/ptrans/fundingprograms/coordination
- Ohio Transportation Coordination Insurance Brief, www.dot.state.oh.us/ptrans/fundingprograms/coordination
- Ohio Department of Transportation Equitable Contract Rates for Coordination Systems (Appendix E).
- Ohio Spreadsheets for Rural Transit Systems and Coordinated Transportation Systems (Appendices F and G).

- Pennsylvania DOT – Lottery funds used to support fixed route and shared ride service to make public transportation more affordable for seniors. Visit the ACCESS Program website <http://www.portauthority.org/ride/pgAccess.asp>, for more information on this program. For more information regarding PennDOT programs, contact LaVerne Collins, at (717) 783-8025 or lcollins@state.pa.us.
- The RTAP Risk Management for Rural Transit Systems Resource Handbook is a training kit that can be used for training or to develop an individual risk management program. Contact the Minnesota DOT Office of Transit or the National RTAP Office at (800) 527-8279 for information on how you can obtain a copy of this manual.
- RTAP Risk Management for Rural Transit Systems available through the Rural Transit Assistance Program (RTAP), (800) 527-8279.
- The Risk Manager Software for Bus Transit Systems, prepared by the Risk Management Center, is a Transit Cooperative Research Program document and can be accessed at <http://gulliver.trb.org>.
- Sample Contract Rate Policy (Appendix H).
- Sample Inventory for Transportation Funding Sources.
- Sample Letter for Transportation Funding Source Inventory
- Strategies to Increase Coordination of Transportation Services for the Transportation Disadvantaged, TCRP Report #105, http://trb.org/news/blurb_detail.asp?id=4470.
- Toolkit for Rural Community Coordinated Transportation Services, http://trb.org/news/blurb_detail.asp?id=4042.
- TCRP Report #91, Economic Benefits of Coordinating Human Service Transportation and Public Transit Services, http://trb.org/news/blurb_detail.asp?id=1804.
- Urban Transportation and Research website for Transit Bus Safety Resource Guide, <http://www.cutr.usf.edu/bussafety/core/select.htm>.
- Vermont Public Transit Association, <http://www.vpta.net/index.cfm>.
- Western Community Action, Jeannette M. Aguirre, Transportation Director, Western Community Action, 400 W. Main Street, Marshall, MN 56258. 507/537-1417 or 1-800-658-2448; Fax: 507/537-1849; jeannette.aguirre@wcainc.org; www.wcainc.org.

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Fully Allocated Costs

Topic: Fully Allocated Costs

Target Audience: Human Service Agency Transportation Providers, Section 5310 Agencies, and Section 5311 Public Transit Systems and State Agencies.

Goal: To present the practice of determining the true cost of providing transportation service using Fully Allocated Costs.

Note: The sources for the information for this brief came from the Multi-State Technical Assistance Program (MTAP) Comprehensive Financial Management Guidelines Manual and fully allocated cost information from the states of Alabama, Kansas, Maryland, and Ohio

At the heart of financial management is understanding your revenues and expenses in relation to your units of service provided (passenger trips, vehicle miles, hours, etc.) so that you have a true picture of what your service costs.

Rural, small urban, and specialized transportation systems operate in environments that pose special challenges. Limited resources, multiple funding sources, and public accountability are among the challenges. Transportation systems need complete and accurate financial data in order to:

- Manage the system so that its goals and objectives are met;
- Know the true cost of operating the system so that costs may be billed or allocated appropriately to the system's users, and
- Report to the funding sources or purchasing agencies how money was spent, what revenues were realized, and the financial status of the organization.

Issue: Calculating the Costs

Average unit costs are calculated by:

- Determining the value of each resource,
- Dividing the resource cost by the resource value to obtain the average unit cost, and
- Multiplying the hour and mile unit costs by the fixed cost factor.

In the example below, the values of the resource variables are:

28,811 total annual vehicle hours
473,512 total annual vehicle miles
\$146,978 of assigned fixed costs.

The average unit costs are computed by dividing the total amount of expenses assigned to a given resource variable by the value of that resource variable. For example, the \$9.62 cost per vehicle hour was derived by dividing the cost of

\$277,037 assigned to hours by 28,811 vehicle hours.

The fully allocated cost model is a relatively straightforward equation involving multiplication and addition. This model uses hours and miles as the two service variables and distributes the fixed costs over these variables.

$$\text{Annual Total Cost} = \text{Fixed Cost Factor} \times [(\text{Cost Per Hour} \times \text{Annual Hours of Operation}) + (\text{Cost Per Mile} \times \text{Annual Miles of Operation})]$$

Applying this model involves calculating your cost per hour, cost per mile (including vehicle depreciation), and fixed cost factor and applying these costs to the annual hours or miles of operation.

In the example, the costs are:

\$9.62 per hour of service
\$0.40 per mile of service

and the overhead factor is:

1.32 (assuming that fixed costs are 32 percent of the total of hourly costs and mileage costs)

The cost allocation equation can be converted to:

$$\text{Annual Total Cost} = 1.32 \times [(\$9.62 \times \text{Annual Hours of Operation}) + (\$0.40 \times \text{Annual Miles of Operation})]$$

$$\text{Annual Total Cost} = [(\$12.70 \times \text{Annual Hours of Operation}) + (\$0.53 \times \text{Annual Miles of Operation})]$$

To find the cost of operating one vehicle that traveled 33,000 annual miles in

2,400 hours of operation, the equation would be:

$$\text{Annual Total Cost} = [(\$12.70 \times 2,400) + (\$0.53 \times 33,000)] = \$47,970.$$

The cost of \$47,970 is a good estimate of the **existing costs** of this service. This issue is important because it deals with the distribution or allocation of total costs among funding services to the individual routes or services provided by a local jurisdiction or non-profit agency. Knowing the costs of individual routes or services is useful for management purposes and for billing client agencies.

Issue: Multiple Funding Sources

Assume that the transit system only operates two services and that each is supported by several funding sources. The problem is to determine the cost of service that should be provided by each funding source. The levels of service during the last calendar year are shown below.

	Svc. A	Svc. B	Total
Hours	2,400	29,360	31,760
Miles	33,000	440,512	473,512

As before, each average unit cost factor is multiplied by the appropriate resource variable value in each case and then summed to determine the cost estimate.

	Average Unit Cost	Value of Res. Variable	Total Cost
Svc. A			
Hours	\$12.70	2,400	\$30,480
Miles	\$0.53	33,000	\$17,490
Total			\$47,970
Svc. B			
Hours	\$12.70	29,360	\$372,872
Miles	\$0.53	440,512	\$233,471
Total			\$606,343

Thus, the cost of providing Service A is estimated to be \$47,970 while the cost of providing Service B is calculated to be \$606,343.

The percent of the fully allocated cost that is charged to an agency or that serve as the basis of the general public fare is a policy decision that should be made at the Board level. For example, the Board may determine that non-profit social service agencies should share in the State transit subsidies and therefore should only be required to pay 75% of the fully allocated cost. This Board might also establish the policy that all private for-profit agencies should not share in the subsidies and therefore would be required to pay 100% of the fully allocated cost. This decision should be made at the policy level and should be based on a well-thought out basis and not on an agency's ability to pay. Pricing decisions based on a case-by-case basis often result in inequities and cross-subsidization between agencies.

When determining fare/pricing policy, boards should consider rates for the following:

- ◆ General public

- ◆ Government agency (DHS)
- ◆ Non-profit human service agency
- ◆ For-profit human service entities (i.e. nursing homes)
- ◆ For-profit businesses

1. Capital Costs

Capital costs must also be figured into your rates and can be done so easily by dividing the cost of the vehicle (if purchased with non-Federal or non-State funds) or the local share of the vehicle (if purchased with Federal and State funds) by the estimated useful mileage life of the vehicle. For instance, for Section 5311 purchased vehicles where the local share may have been \$3,600 and the useful life is estimated at 150,000 miles, the capital cost per mile would be \$0.03 per mile. This cost should be added to your contract rate, and the revenue (each \$0.03 collected) placed in a capital replacement fund.

Issue: Providing General Public Service V. Agency Sponsored Trips

Section 5311 funding is to be used to provide public transportation to the general public. Communities must establish a service area and a base set of service hours in which to provide the service. A fare must be established which is typically far lower than the actual cost of the service. The difference between the cost and the fare, or the deficit, can then be paid for with Section 5311 funds. Some states, like Minnesota, also provide state assistance underwrite the cost of the service. The remainder of the service cost must be paid for with local funds.

As part of its general public service, however, communities are also

permitted within the Section 5311 guidelines to provide contract service to groups and agencies desiring public transportation for their clientele. In general, the transit industry makes a general differentiation between general public trips and agency trips based on whether the trip is made at the discretion of the individual or the agency.

Individuals who are clients of social service agencies, but who use public transit services for their own personal mobility needs independent of the agency, are considered part of the general public. Additionally, trip requests made by an agency on behalf of an individual for their own personal mobility needs independent of the agency are also considered general public.

However, trip requests made by an agency that is service for the agency that would be provided by the agency if the transit system was not available are considered agency trips. If an agency chooses to use general public service at the regular transit fare rather than to contract for service for its customers, you should apply all of your system's general public policies, including no show, reservation and wait times policies, etc. Individual trip requests for an agency's client should be handled the same as any other request made by a member of the general public, without any deference to the agency. Therefore, if an agency using general public service makes a request, ask yourself if the same request would be honored for individuals in the general public. Some sample checklist items to categorize a task as general public service policy are as follows:

- General public service is first come first served – No guarantees;
- no additional reporting;
- no billing; and
- no special service requests.

If agencies have requirements that exceed those provided to the general public, the service should be considered agency sponsored contract trips.

Although provided within the context of the general public service, it is expected that agency trips will not detract from or negatively impact the general public service and that it should “pay for itself” or at a minimum, pay for the local share. Ideally, the contracting agency would pay for the entire cost of the service. Further, in cases where a Section 5311-funded transit system may be submitting a proposal or bid to provide a contract service, the proposal or bid must reflect the fully allocated cost of the service, since Section 5311 funds cannot be used to unfairly compete with private for-profit providers.

Issue: Fares V. Cost

In order to provide agency sponsored service as part of your general public service, the first step is to determine the contract rate to be charged. You will need to know the true or actual cost in order to do this.

As stated above, general public transit fares are typically subsidized. In Minnesota, the fully allocated cost of a general public trip is offset by passenger fares, Federal (Section 5311), State transit assistance, and local (Minnesota Motor Vehicle Sales Tax) subsidies. Service provided to agencies should also recoup the full cost of the service. The

purchasing agency may offset the trip cost through passenger fares/fees/donations, agency program funds that can be used for transportation or other Federal/State subsidies available to the agency purchasing service.

Public systems, and in particular human service transportation systems, typically have a difficult time costing their service because they don't account for all of the expenses.

To determine a rate based on your expenses, use a computer spreadsheet application that allows you to list all of your expenses and data and then, using that data, actually calculate a rate using a standard 2-variable cost model. It can be updated very easily from year to year as your data changes. You should use the information in your Uniform Standard Chart of Accounts that serves as the basis for your Section 5311 budget. The cost model developed as part of the MTAP Comprehensive Financial Management Guidelines Manual is the one most commonly used by many States and transit systems. There are also excellent examples of actual spreadsheets that have been developed, e.g., the Ohio Department of Transportation Rural Contract Rates White Paper and Spreadsheet which is based on the MTAP model.

Issue: Establishing a Contract Service Rate Policy

If your board has decided that you will provide contract service as part of your overall transportation service, a policy should be established to establish your contract rates. There is no requirement for only one contract rate for all services. Rates can be established based on the

categories of passengers and service provided (see below, Establishing Fair and Equitable Rates). However, the rates you charge should be part of an overall policy based on your funding agencies, the subsidies you receive and the rules and regulations that govern each. Having an overall policy will provide the transit manager with the necessary guidance and direction to negotiate contract rates without having to return to the board for each routine contract.

Issue: Implementing Fully Allocated Contract Rates

How do you charge fully allocated costs to agencies which have traditionally paid only the transit fare or a small portion of the actual cost? Although you could simply inform the agencies that they will now have to pay a new, substantially higher rate for the service they receive, a "phase-in" plan can take the sting out of the higher costs, yet still result in your system receiving more of the cost of your service, and eventually, the full cost of the service. In the plan, provide the details of the rate (or fare) currently being charged, the difference between the rate and the actual cost, and the time span over which the rate will be increased until the fully allocated amount is reached, typically only over a 3-5 year period depending on the gap.

Make the contracting agency aware of the actual cost of the service even during the "phase-in" plan goal, the time it will take to get to there, and the steps that will be taken to attain the goal.

You will be asked "why should we pay this higher amount when the public only pays \$1.00 (or \$2.00, etc.) for the same service? Be prepared for this question.

Show them your spreadsheet and what the service costs. Explain that the Section 5311 funds are to be used for general public service and that contract service is expected to generate its own revenue at the rates established by the Board. Tell them what the rate is paying for, i.e., well-trained drivers, record keeping, scheduling, etc. and that, as service that is guaranteed to be provided, it will be given priority to ensure that it is provided in accordance with their contract.

Phasing-in the costs to agencies who have been receiving a discounted rate is strongly recommended. If you charge a discounted rate, you must be prepared to cover the “gap” between the actual cost of the service and the amount the agency is paying with funding from another source. A transit system must exercise extreme care both in determining from where the subsidy is derived, and in documenting the use of those funds.

Conclusion

Accurate financial data is critical to the development of fully allocated costs. Once their true service costs are known, transportation providers gain not only the complete picture of the service they provide, but also the necessary tools they need to negotiate fair and equitable contracts.

Best Practices

Tri-Cap Transit Connection, St. Cloud, MN

Tri-CAP Transit Connection provides contract service as part of its Section 5311 service in Benton and Stearns Counties for a contract rate that is over and above the regular fare and takes into

consideration the total cost to provide the service, including labor, fringes, fuel, maintenance, insurance, etc. For this contract rate, Tri-CAP not only schedules and provides the service to the contracting agency’s clients, but also tracks and invoices the agency by the hour for the time spent transporting those passengers. Tri-CAP estimates that it captures approximately 70% of its total expenses, dollars which then become part of the required match for the MnDOT grants. Tri-CAP monitors its revenues and expenses using the MnDOT Section 5311 monthly reports and spreadsheets that are a part of the annual Section 5311 application. Originally, Tri-CAP based its rate on what the contracting agency’s calculated costs were, however, since that time, Tri-CAP has implemented a 3% per year increase to keep pace with inflationary increases.

For further information, please contact Linda Elfstrand, Director, Tri-CAP Connection at (320) 202-7824, x217, or Linda.elfstrand@tricap.org.

Kansas Department of Transportation (KDOT)

When the Kansas Department of Social and Rehabilitation Services (SRS) modified its rules to allow federally-funded vehicles to be used in the transportation of Medicaid clients, the door was opened for increased funded ridership for Kansas transit systems. Developing a contract to provide these services, however, required careful allocation of funding resources.

The Kansas Department of Transportation (KDOT), SRS, and the University of Kansas Transportation Center worked together to provide

guidance to Kansas transit agencies and area SRS managers to develop valid cost allocated contracts. The procedures developed can be used in developing rates for any fee-for-service contract, subject to specific rules or regulations of the funding agency. The basis for the Kansas model is the Comprehensive Financial Management Guidelines for Rural and Small Urban Public Transportation Providers developed by the American Association of State Highway and Transportation Officials (AASHTO) Multi-State Technical Assistance Program (MTAP). The MTAP program is a fully allocated cost model which accounts for all costs of providing transportation service using a simple equation of hours and miles as the two service variables.

The allocation model can be used to determine the cost of services provided. Allocating costs in a fee-for-service contract requires the transportation provider to ask, “how much will the ride cost?” before it can decide the amount to be charged.

Cost allocation can serve several purposes. First, it allows the determination of the actual cost of providing the service so that the transportation provider can be assured that the full cost of providing the service is covered. Second, it provides for the distribution of costs among funding sources when more than one funding agency is involved. Cost allocation models can also be used for a true cost comparison when offering service that is also provided by private for profit providers. When multiple jurisdictions are involved in financially supporting a transportation service, cost allocation can be used to determine the fair share of costs attributable to different entities.

Finally, cost allocation can be used to help determine the revenue-to-costs ratio and overall deficit for each service.

The basis for the Kansas model is the AASHTO (American Association of State Highway and Transportation Officials) Multi-State Technical Assistance Program (MTAP) developed the Comprehensive Financial Management Guidelines for Rural and Small Urban Public Transportation Providers, a fully allocated cost model which accounts for all costs of providing transportation service, is a simple equation which uses hours and miles as the two service variables. As Kansas is using the model, three steps are involved: 1) assembling the expense, revenue, and operations data; 2) assign line item expense accounts, and 3) calculating the average unit costs. A detailed chart of accounts is essential in following this model. A sample is provided in the MTAP guidelines.

For further information, please contact the Kansas Rural Transit Assistance Program (RTAP), (785)864-2595, or www.kutc.ku.edu.

Alabama Department of Transportation (ADOT)

Since the state of Alabama provides no state match to Federal transit grant funding, the burden for providing the non-Federal match relies solely on the local transit operators. The “life blood” for these operators has been third party contract revenue, which in turn, required the development of uniform allocation of costs, billing, and record keeping.

In order to facilitate the use of fully allocated rates in their third party

contracts, the Alabama Department of Transportation provided training to their Section 5311 providers to assist them in the development of a unit cost rate that allowed them to fully recoup the cost of their service provided to third parties. This unit cost rate and pricing structure, developed approximately fifteen years ago, is still in effect and working successfully.

For further information, please contact Joe Nix, Senior Transportation Planner, Alabama Department of Transportation, Multimodal Transportation Bureau, 1100 John Overton Drive, Montgomery, AL 36110, (334) 353-6421, nixj@dot.state.al.us.

Maryland – Standardized Cost Allocation

The Maryland Transit Administration requires that its rural and small urban transit systems have an approved plan for allocating costs among funding programs and services. The objective of requiring cost allocation is to fairly represent the actual cost of providing the service. The MTA provides each rural and small urban transit system the cost allocation model in Microsoft Excel, along with instructions for its use. The model requires two inputs: 1) expenses by cost category and 2) miles and hours of each route or service.

The model employs a straightforward process to group costs into three categories: fixed costs, variable costs dependent upon hours of service, or variable costs dependent on miles of service. The model can then be used to allocate costs to various routes/services/grants, offering some control by jurisdictions over services

operated on their behalf. The state provides training on the use of the cost allocation model and tailoring the best application to the particular system or organization. Supplemental training is also provided via RTAP training sessions and within the state's annual transit association conference when additional support is necessary.

For additional information, contact Nancy Noonan, Maryland DOT Mass Transit Administration, (410) 767-3772, or nnoonan@mdot.state.md.us.

Transportation Coordination Toolkit

November 2005

Incentive Funding for Coordination

Topic: Incentive Funding For Coordination

Target Audience: Local agencies seeking funds to support transportation coordination activities.

Goal: To provide steps and process for identifying and accessing funding for transportation coordination.

Issue: Locating Sources of Funding

Begin your search for available sources of funding to support transportation coordination by inventorying the funding sources currently used by local agencies participating in your coordination effort. Use the sample letter and inventory form included as part of the toolkit to obtain the required information. Request that each agency, if possible, provide a copy of the eligibility requirements for each.

Once all of the inventory forms have been collected, make a list of all of the different funding sources currently used. Then, group agencies by their current sources of grant funds. If an agency receives funding from two or more sources, place that agency in each grouping.

Make another list, grouping each agency under all funding sources for which they are eligible. You will need to use the information from the inventory form along with the specific grant eligibility requirements to make this decision.

You may also want to identify and group the sources of funds by local, state, and national. Compiling this list may help you to think of other sources of funding that aren't currently being used. Examples of local funds that typically are reported by agencies are American Red Cross and United Way, as well as any funds that might flow directly through your county, city or village. However, some agencies may be receiving funds through a private foundation that could also be utilized for the coordination effort.

State sources include funds from the Minnesota Departments of Transportation (DOT) (for example Section 5310, Section 5311, State transit funds), Human Services, Aging, etc. Some of these programs might offer a coordination incentive that you are not aware of.

Federal sources of funding include Title XIX (Medicaid) and Title XX (Social Services Block Grant) funding from the U.S. Department of Health and Human Services (HHS). Title III-B funds from the Older American's Act, U.S. Department of Transportation (USDOT) funding for the Sections 5303, 5307, 5309, 5310, 5311, 5313, and Job Access and Reverse Commute Programs; and funding programs through the U.S. Department of Education, Office of Special Education and Rehabilitative Services, and Department of Housing and Urban Development, Office of

Community Planning and Development. A complete list of Federal funds may be found in Appendix II: Inventory of Federal Program Providing Transportation Services to the Transportation-Disadvantaged, page 42 of the GAO-03-697 Report on Transportation Disadvantaged Populations available at <http://www.gao.gov/new.items/d03697.pdf> or at www.unitedwride.gov.

Once you have compiled your list of funding sources, compile a checklist with these questions: Are there any programs that provide incentive or additional funding for transportation coordination? When are the applications due? What are the eligibility requirements? How can the funds be used, i.e., for operating or capital? There may be other questions that apply specifically to your situation that you will want to add to this checklist. Honestly answering the questions on this checklist will help you to decide whether or not these funds can be used as a source of support for your coordination effort.

Issue: How Can You Become Aware of Other Potential Sources of Funding?

There may already be funding programs available in your community or state for which your coordination project is eligible. Know your community and become involved in its activities. Using your inventory information, identify those organizations that have historically identified and supported community initiatives that promise to solve a problem or improve the quality of residents' lives, such as United Way, hospital foundations philanthropic organizations, or private foundations.

Next, get a local champion, someone who is known to, and active in, the community and may be aware of the financial resources available. This person may also be able to “open doors” to which your effort alone could not do.

When you're preparing to approach a funding organization, be cognizant of the fact that many foundations and organizations which provide funding support do not wish to enter into a long term commitment. They are typically interested in providing “seed” or start up funds for 2-3 years to get a project started, but then want to see how you can continue the project beyond their initial commitment. Be prepared to address this issue with a plan for continuing once you receive your initial funding.

The following best practices are examples of funding used to support transportation coordination.

Best Practices

U.S. Department of Transportation (USDOT) - United We Ride Initiative

The USDOT, with its partners at the U.S. Departments of Health and Human Services, Labor, and Education, launched a new program designed to enhance transportation coordination. United We Ride (UWR), a five-part initiative to improve the coordination of human services transportation; break down barriers between programs; and set the stage for local partnerships that generate common sense solutions, is actually an outgrowth of the Federal Interagency Coordinating Council on Access and Mobility (CCAM). The CCAM included eleven Federal Departments working

together to simplify access; reduce duplication; and enhance cost efficiencies within existing resources. UWR takes this inter-departmental effort to a new level by identifying five areas for coordination: coordinated transportation planning; vehicle sharing; cost allocation; reporting and evaluation; and consolidated access transportation demonstration programs. The Federal Transit Administration is charged with the administration of a grant program that seeks competitive proposals from States under the United We Ride Initiative that will fund projects that plan for and implement the five areas described above as well as other coordination activities.

It is hoped that these grants will be the incentive States need for the development and implementation of long-term strategies which will bring about transportation coordination at the State and local levels.

Further information on United We Ride is available at unitedweride.gov.

North Carolina Department of Transportation (NCDOT)

The North Carolina Department of Transportation's Human Service Transportation Management, or HSTM, Program is a State program to help provide safe and reliable transportation for human-service agency clients. HSTM funds can be used to pay for staff to support human service transportation systems in their coordination efforts. Lead agencies identified by locally adopted transportation development plans are the designated recipients for HSTM funds. Lead agencies play an important role in coordinating services.

implementing plans and submitting grant applications on behalf of other participating local agencies. Only human service transportation systems which do not receive Section 5311 funds but which demonstrate a high level of coordination with human service agencies in their counties are eligible to receive HSTM funds.

HSTM funds can be used for up to 75 percent of the cost of the salary and benefits of a full-time transportation coordinator, not to exceed \$18,750 annually. Part-time coordinators can be approved for smaller transportation systems where a full-time coordinator is not needed.

For more information, contact Miriam Perry, Assistant Director for Administrative Services, NCDOT Public Transportation Division, mperry@mail.dot.state.nc.us.

Ohio Department of Transportation (ODOT)

ODOT's Ohio Coordination Program provides state funds to cities and counties working to coordinate transportation services. Major requirements of the program include 1) hiring a fulltime project coordinator, and 2) the money cannot be used for capital or planning, 3) the project must be up and running within 90 days of grant execution, 4) all projects must demonstrate some level of interagency coordination in their local area.

Programs goals are to improve and expand transportation services in Ohio counties with no public transportation system; increase efficiency and effectiveness of transportation service

delivery; and develop interagency coordination models which can be applied to other communities.

Applicants can apply for up to 75% of a project, not to exceed \$80,000 per year for the first three years. For year four and beyond, applicants may apply for up to 50% of their project, not to exceed \$60,000.

In addition, ODOT sets aside approximately \$300,000 each year of its Section 5310 allocation for coordination projects. In addition to meeting all over Section 5310 requirements, applicants must document their collaborative efforts with other agencies and how this project will further those efforts. Consequently, Section 5310 applicants that aggressively pursue coordination are in a position to compete for additional vehicles.

For further information, see the ODOT website, www.dot.state.oh.us/ptrans/ and click on funding programs, coordination, or contact Jane Smelser, Public Transit Manager, at (614) 644-8054, or jane.smelser@dot.state.oh.us.

Cleveland, Ohio

As part of the United Way of Greater Cleveland's visioning process, senior mobility was identified as a major issue facing Cleveland's senior population. In response, Mt. Sinai Health Care Foundation funded a study of senior mobility and transportation and from this planning study, a major transportation coordination project has evolved. Working together in this private-public partnership along with United Way and the Foundation, are the Cleveland Jewish Federation a consortium of Cleveland hospitals. Cuyahoga County, the Greater

Cleveland Regional Transit Authority, Western Reserve Area Agency on Aging, and the Ohio Department of Transportation. Funding for the project includes a local foundation grant, Section 5307 earmark, and an Ohio Coordination Program grant. Future plans include folding in Section 5310 program funding and local aging funds.

For further information, contact Paul Alsenas, Director, or Marionette Richardson, Transportation Specialist, Cuyahoga County Planning Commission, 323 Lakeside Avenue, Suite 400, Cleveland, OH 44113, (216) 443-3700.

Transportation Coordination Toolkit

November 2005

Insurance

Topic: Insurance

Target Audience: Agencies working together to coordinate transportation services whose vehicle insurance coverage is not provided by a city or county insurance consortium

Goal: To provide coordinating agencies with the tools to achieve the best possible insurance coverage at the lowest possible cost.

Transportation Coordination: Solving Insurance and Liability Issues

When two or more agencies decide to work together cooperatively to transport their mutual clients, inevitably one of the first questions asked is, “Will coordinating transportation services affect my insurance coverage?” If you have done your homework with your agency’s insurance coverage and policy, then the effects on your coverage as well as that on the other coordination participants can be minimized. However, it will take planning, patience, and perseverance to achieve this goal. Your insurance carrier(s) can be a resource as you put together your coordination effort and address the various insurance issues. Establishing a good working relationship with your agent can be an advantage. However, be prepared before you make the first contact. Know what your coordination program will be and how you plan to operate so that you can communicate

clearly and knowledgably about what it is you intend to do.

Below are some of the most common issues that arise regarding insurance and coordination, a few of the most frequently asked questions, and the steps you can take to meet the challenge of providing insurance for your coordinated services.

Please note that this document deals with the possible impact to an agency’s insurance as a result of coordinating the transportation of passengers with other transportation providers. There can still be issues relative to the registration requirements with the Minnesota Department of Transportation’s Office of Freight & Commercial Vehicle Operations. All questions regarding this issue should be directed to the OFCVO at motorcarrier@dot.state.mn.us, or you can visit their website at <http://www.dot.state.mn.us/motorcarrier/passenger/index.html>

Issue: Joint Use Arrangements

Joint use of vehicles occurs where two or more agencies share the use of a vehicle. The vehicle may be operated by one or more of the agencies, with paid or volunteer drivers. In joint use arrangements, participants must:

Step 1: Determine the participants in the coordination effort and the vehicles to be used. Designate which agency will act

as the lead agency, e.g., it may be the agency with the largest fleet, or one with the administrative capability to manage the project.

Step 2: Invite the various insurance representatives that will be affected by the coordination effort to a meeting of the coordination partners. Explain the coordination project and describe the steps you intend to follow to formalize your coordination arrangement, and invite their input into your next steps. Note: although inviting insurance representatives early in the process can be helpful, only invite them after you have formulated your program and are able to answer some basic questions about your project. See the section “When Should I Contact My Insurance Carrier?” for further discussion.

Step 3: Develop policies and procedures for the coordination effort, including but not limited to administration; cost sharing; service area, accident, incident, and emergency procedures, and driver standards and training, and where the vehicles will be housed.

Step 4: Your insurance representative may have additional thoughts and topics to add, but at a minimum, the following insurance coverage should be specifically addressed:

- Liability
- Uninsured/under-insured
- Additional insureds
- Physical damage
- Comprehensive and collision (note: you must specify which agency is responsible for the deductible)
- Medical Payments Coverage
- Worker’s Compensation

- General Liability

A brief definition of some of these terms are provided below:

Liability: The portion of a policy that pays for bodily injury or damage that your vehicle does to others as the result of an accident. This is the most important part of any vehicle insurance policy. Example: Your vehicle hits a legally parked car with two people in it. There is substantial damage to the car and both people suffer neck injuries. This would be covered under your liability coverage.

Medical Payments: Limited payments (generally \$1,000 to \$5,000) for medical treatment made to persons injured either on or by your vehicle. These payments are made regardless of fault to deter people from filing a liability claim. Example: Mrs. Jones trips over her loose shoe lace and falls on your bus. She then has a doctor’s visit to bandage a bruised knee.

Uninsured Motorists: Provides coverage to you and your passengers should an uninsured motorist be at fault in an accident. Your insurance company pays on behalf of the uninsured driver. This also applies in hit and run situations. Example: Another driver rear ends your vehicle causing damage and injury to two passengers, then leaves the scene without stopping. He leaves so quickly that you cannot get his license number.

Collision: Coverage which pays for damage to your vehicle as the result of a crash with another vehicle or fixed object. Example: Your driver hits a tree causing \$2,500 in damage to your vehicle.

Comprehensive: Comprehensive coverage provides payments to repair or replace your vehicle as a result of virtually all other causes, (except collision), such as fire, theft, flood, or vandalism. Example: Several of your vehicles are spray painted by a graffiti artist requiring repainting at a cost of \$1,000.

Step 5: Develop standard (and objective) driver selection criteria that can be used by all participating agencies. One agency should be designated to oversee the process. Standard criteria should include driving records and the number of points considered acceptable, criminal background checks, any past employment history where either pre-employment or random drug testing was performed. You may wish to follow the driver standards for Special Transportation Service (see brief), as these are recognized as standard industry practice. Samples of driver applications are available on the Center for Urban Transportation and Research website at <http://www.cutr.usf.edu/bussafety/core/select.htm>.

Step 6: When vehicles are being shared, it is important to formally spell out the rights and responsibilities for each agency, and to incorporate these provisions into a formal contract.

Step 7: Hopefully your insurance representative(s) have been working with you throughout the process and will have already provided input and recommendations into the process. If not, contact your local insurance representative(s) to review the insurance coverage of your proposed contact as

well as that of the respective participating agencies.

Step 8: After incorporating any comments and recommendations as a result of *Step 7*, have each agency execute the contract.

Issue: Mixing Client Populations

Insurance carriers have at times hesitated to insure agencies that serve a variety of client populations, i.e. serving populations other than their specific client group, because of the perceived increased risk.

It is important to understand that the risks are different for different client populations. Transporting the senior population is different from transporting school children. To adjust to this risk, and calm your insurance carrier's fears, you should:

Step 1: Become as knowledgeable as you can about your insurance coverage. Learn the proper insurance terms so that you can correctly describe the transportation service to be provided by the coordination effort. The amount of your insurance premium will be directly proportional to the amount of risk your carrier foresees in providing coverage. The higher the risk, the higher the premium. Livery, taxi service, for hire, community transportation, and school bus transportation all have specific meanings to insurance carriers. Find out what they are. Refer to the insurance terms in the previous section.

Step 2: Educate your current insurance carrier. Invite the various insurance representatives that will be affected by the coordination effort to a meeting of

the coordination partners. Explain the coordination project and your proposed operating plan. Describe the process you intend to follow to formalize your coordination arrangement, and invite their input into your next steps.

Step 3: Educate member agencies about not only the differences, but also the similarities of their particular client population.

Step 4: Develop standard (and objective) driver selection criteria and training requirements, and designate the agency responsible for overseeing the process. Selection criteria can include background checks and drug and alcohol testing. If one of your participating agencies happens to have a risk management plan, adapt it to reflect the special needs of different client groups that will be served and adopt it as part of the coordination effort. This, along with your other selection criteria and requirements, go a long way to show insurance carriers you are doing your part to hire quality drivers and are addressing the special needs of all individuals that may be transported. Suggestions for developing a safety plan are presented later in this brief.

Step 5: Hopefully your insurance representative(s) have been working with you throughout the process and will have already provided input and recommendations into the process. If not, contact your local insurance representative(s) to review your proposed contract as well as the respective participating agencies' insurance coverage.

Step 6: Develop and execute a formal contract among all members

incorporating the driver selection criteria, training requirements, and risk management procedures as indicated above, incorporating any comments from your insurance representative(s) from Step 5. (Refer to the steps under Joint Use Arrangements.)

Best Practice

The Dakota Area Resources and Transportation Services (DARTS) in Dakota County, Minnesota operates 37 vehicles, providing co-mingled (i.e., client mixing) demand-responsive service to Metro Mobility customers: ADA trips in Dakota County; senior residents of Dakota County; and clients of other human service agencies that purchase service through DARTS. Because these trips are coordinated, productivity and hence cost-efficiency is improved, and the sponsors funding can purchase more trips (than if separate fleets were used).

In addition, DARTS shares the operation of a Section 5310 vehicle with two other entities, the City of Farmington Senior Center and St. Michael's Church.

DARTS applied for and received the 5310 vehicle, paid the local match, and is responsible for the insurance and maintenance. DARTS operates the vehicle in its regular service Monday through Thursday. The City of Farmington Senior Center operates the vehicle on Fridays as well as for special events after hours and on weekends. The Senior Center provides the driver and pays for the fuel as well as a fee for maintenance and insurance. St. Michael's church operates the vehicle on weekends using volunteer drivers, pays for the fuel, but pays no other fee for the use of the vehicle.

The vehicle is titled to, and is insured by, DARTS. All drivers, including those of the Senior Center and the church, must complete DARTS drivers' training program and be certified to drive by DARTS.

Note: DARTS has received the United We Ride Leadership Award for 2005, one of five communities "that are leading the way with common-sense approaches to serving those who need help with transportation."

For more information regarding the mixing of clients and vehicle sharing best practices, contact Mark Hoisser, Executive Director at (651) 234-2228 or mark.hoisser@darts1.org.

Issue: Consolidation

Consolidation is the most comprehensive type of coordination, defined as the joining or merging of transportation resources for the benefit of all participants. In a consolidated transportation system, the services of two or more providers are combined into a single system. Consolidation requires one of the participants or a new entity to assume the role of coordinator. In the cases of using an established transportation provider, insurance is already in place, however, you should still contact your insurance broker and provide them with a description and overview of the new system, driver standards, training, operating procedures, and risk management techniques. In the cases of a new provider, chances are great that the insurance broker for one of the existing providers that will be folded into the consolidated system will be able to provide the insurance coverage.

However, as stated previously, contact the broker with the description and overview of the proposed project.

Issue: Transportation Brokerage

A transportation brokerage system is not a consolidated system, but more than just vehicle sharing or joint use agreements. A transportation brokerage is a mechanism to match ride requests with available transportation resources, typically all existing transportation providers in the area. The coordinator or "broker" matches the ride requests to the transportation providers. Typically, this broker is an independent and objective party that performs the matches based on the best transportation (mode and timing) for the lowest cost, but there have been some cases where the broker also provides some of the trips itself. A variety of transportation modes can be used, for example, taxis, volunteers, fixed route bus service, demand-responsive dial-a-ride type services, etc. The broker usually standardizes driver standards, training, operating policies and procedures, and risk management practices to ensure a consistent quality of service.

In these cases each participating provider carries its own insurance coverage. In addition insurance coverage is also needed for the broker which will be directing or coordinating trips among the service providers. The broker may also be able to provide umbrella liability coverage for transportation providers.

Issue: When Should I Contact My Insurance Carrier?

A good relationship with your insurance carrier can be a major advantage to coordination. As you can see from the recommended steps listed under Joint Use and Mixing Clients, early contact with your insurance representative can be a valuable resource in your coordination efforts and obtaining an accurate assessment of your risk. However, be prepared. Take the time to educate your insurance representative about your project. Develop an information sheet or folder of information that describes the goals of the project and the proposed operating plan, including the training program, safety program and policies, and other preventative activities that directly affect a system’s risk. Describe the process that will be followed to formalize the coordination arrangement, and invite input into the next steps. In addition to the description and procedures for your project, compile risk and insurance information for each member of your coordination effort. The list of documents you should include is itemized under the discussion of “*Has Your Agency Been Classified Correctly for Your Insurance Coverage?*” later in this document.

Best Practice

The Licking County Transit Board Coordination Project in Newark, Ohio, is a coordinated effort of Licking County social service agencies that work together to provide transportation services for member agency clients. Member agencies have developed a Service Brochure as well as a Transportation Policy and Procedure Manual which describes their

coordination effort and the policies followed by all members.

For a flyer and/or passenger guide, contact Cathy Sheets, Coordinator, Licking County Transit Board Coordinated Services, at (740) 670-5180 or csheets@lcounty.com.

Issue: Will My Insurance Costs Increase if I Coordinate?

The amount you pay for insurance will be directly related to the amount of risk your insurance carrier/underwriter assigns to your system. Being classified correctly and taking steps to minimize your risk are two steps you can take in controlling your insurance costs.

1. Be Classified Correctly

Insurance carriers are experts in insurance and risk, not necessarily transportation. It’s your job to educate them about your agency and the coordinated transportation service. Often insurance carriers assume that if an agency is carrying clients other than their own, they automatically become “for hire” and as such the risk in providing this type of service may be greater (see the Best Practice on Motor Carrier Registration for further information and requirements on for hire transportation). However, if you provide only agency-sponsored trips and do not provide any charter services, the “for hire” classification is inappropriate and corresponding higher premiums unjustified.

The first step in being able to communicate clearly to your insurance carrier is to specifically define your proposed coordinated service. Who will

be the lead agency? Whose drivers will be used? What type of policies and procedures are in place for hiring? For training? Answering these questions and developing a sound operating plan will assist you in communicating your project and getting the right insurance classification and the right coverage.

Tort Liability Limitations and Uninsured Motorists

There are two other insurance issues which may require further review as they relate to coordination. The first is the issue of tort liability limitations. If, in one coordination example, agency “A” is protected by the award caps, but agency “B” with whom they coordinate is not, there is question as to whether agency “A” is now liable for agency “B’s” higher recovery awards . If it is determined that this is the case, these costs must be included in the fully allocated cost model for developing the contract rate to be charged. (See the Fully Allocated Cost discussion in this Toolkit). The contract rate would then reflect all costs of the service, including the higher costs due to the tort liability, and these costs would be borne equally by all contracting agencies. Another option, however, would be to develop separate contract rates for agencies “A” and “B” and to include the additional costs in the rate of the agency to which the higher costs are attributable.

The second issue is in regards to the insurance costs related to uninsured motorists and the impact this could have on the cost of insurance for coordinating agencies. If, because of the coordination efforts with other agencies, an agency now operates substantially more miles of service, this could be perceived by some

insurance carriers as increasing the agency’s risk and could result in increased insurance premiums. If this is the case, these additional costs would then be included in the fully allocated costs of the agency (again, refer to the Fully Allocated Cost discussion) and allocated appropriately to all contracting agencies. We should point out that it is entirely possible that operating more miles as a result of coordination may have no impact at all on an agency’s insurance rates if they are already correctly categorized by their insurance carrier.

The following is a list of information you should plan to compile for each participating agency:

- Organizational documents, such as articles of incorporation, bylaws, and financial statements;
- A description of your system: fleet size and type, annual miles, and annual passengers;
- A claims history for the past three to five years, and the rate of actual payments;
- A summary that relates losses to exposures (i.e., property damage or personal injury occurrences per miles of revenue service);
- A description of large losses (over \$10,000) and measures you have taken to prevent future occurrence of such losses;
- Information on your agency’s reserves for losses;
- Forecasted losses specifying claims-made on an occurrence basis;
- A summary of the replacement value of all real and personal property including descriptions, and maps, if appropriate; and

- A summary of business interruption values from the loss of facilities.

Best Practice

To help facilitate the coordination of human service transportation in North Carolina, a statute was enacted. The North Carolina Act to Remove Barriers to Coordinating Human Service and Volunteer Transportation recognizes human service and volunteer transportation as separate but contributing components of the North Carolina transportation system and removes barriers to low-cost human service transportation. The law clarifies that transportation services cannot be regulated as commercial transportation and allows human service agencies to purchase insurance for people who provide volunteer transportation. It also exempts specialized transportation services from special taxes or licenses imposed by local governments. For more information, contact Miriam Perry, Assistant Director for Administrative Services, at mperry@dot.nc.state.us.

Resource

The RTAP Risk Management for Rural Transit Systems Resource Handbook is a training kit that can be used for training or to develop an individual risk management program. Contact the Minnesota DOT Office of Transit or the National RTAP Office at (800) 527-8279 for information on how you can obtain a copy of this manual.

2. Minimizing Risk through Safety

Insurance costs can often be a “deal breaker” when it comes to coordination. In today’s economy of rising costs and

dwindling resources, no one wants to pay any more for insurance than they have to. However, there are ways to help control your insurance costs. Documented and thorough hiring, training, and safety programs are tools you can employ that help reduce your risk and reduce or control insurance premiums.

The amount of insurance premiums is directly proportional to the amount of risk a carrier foresees in providing coverage. Insurance is about limiting liability and risk, which in turn is about safety.

A good first step, then, in controlling or limiting risk, and ultimately controlling and/or reducing your insurance costs, is to develop a safety plan. A safety plan can address all aspects of your service, including driver standards, selection and hiring, background checks, training, drug and alcohol testing, safety incentive programs, and accident/incident procedures and record keeping. A safety plan goes a long way in telling your Board, your staff, and your insurance carrier that safety and reducing risk to the maximum extent possible is a priority at your agency.

Everyone has a role in safety. Board members must approve safety policies and plans and promote safety throughout the agency. The role of the managers and supervisors is to develop safety guidelines and procedures, see that they are implemented, oversee accident investigation and record keeping, ensure that every employee knows safety rules, train (and retrain) employees and volunteers in safety, conduct safety inspections of facilities, vehicles, and equipment, and hold safety meetings for

all staff. Finally, employees and volunteers must obey safety rules, report unsafe conditions to their supervisor, and immediately report accidents.

Don't think you have time to develop a safety plan? You probably have most or all of the components already in place. If not, there are several models and templates ready for you to use. The Minnesota DOT has developed a safety plan template that is available for your use. The Risk Manager Software for Bus Transit Systems was developed by the Risk Management Center for the Federal Transit Administration and is also an excellent resource for developing risk management programs and safety plans.

Resources

- *Minnesota DOT's Transit System and Security Workbook, Minnesota DOT Office of Transit, 651.296.3379.*
- *RTAP Risk Management for Rural Transit Systems available through the Rural Transit Assistance Program (RTAP), 800-527-8279.*
- *The Risk Manager Software for Bus Transit Systems, prepared by the Risk Management Center, is a Transit Cooperative Research Program document and can be accessed at <http://gulliver.trb.org>.*

The Florida Department of Transportation (FDOT), in collaboration with members from the American Association of State Highway and Transportation Officials' (AASHTO) Multi-State Technical Assistance Program (MTAP), has gathered industry "best practices" for developing model state safety programs and state legislation necessary for the development of improved transit bus safety standards and practices.

The guide will serve as a useful resource for

developing bus safety plans. The sample plans, contacts, reference links, and checklists available at this site are adaptable for systems of any size but are particularly suitable for small urban and rural (section 5311) recipients.

The Minnesota DOT's Transit System and Security Workbook as well as other best practices and model safety plans can also be accessed at the Center For Urban Transportation Research website, www.cutr.usf.edu/bussafety/index.html.

Issue: What Types of Insurance Coverage Are Available for Coordinated Services?

There are three basic types of insurance coverage: commercial insurance, self-insurance, and insurance pools.

Commercial insurance is the type with which most of us as individuals and agencies are familiar. The financial responsibility for accidental losses is transferred to an outside organization, i.e. insurance company, in exchange for a premium. Insurance can be purchased to cover liability from the operation of buses and automobiles (automobile insurance); legal liability from harm to third persons (general liability), to compensation to employees for occupational injuries or disease (workers' compensation), loss or damage to leased or owned property (property insurance), as well as alleged wrongful acts, errors, omissions, misstatements, neglect, or breach of duties by public officials (public officials liability); and liability rising from the provision of professional advice and related services (professional liability). The premiums are based on

the amount of risk assigned to a particular business or operation by the insurance industry. Any steps taken by an agency to minimize their risk in the eyes of their insurance carrier can result in reduced or discounted premiums.

Self-insurance is the assumption of all or partial responsibility for payment by an agency whose operations create the risk of accidental losses.

Agencies who make the decision to take on this financial responsibility for all or a portion of their losses typically set aside a self-insurance reserve, but can also pay for the losses from operating budgets. In these cases, excess insurance to cover catastrophic losses is usually purchased commercially. Self-insured systems must also assume the responsibility for the legal and administrative costs of claims handling.

For many small agencies this degree of self-insurance is not a viable option because of the lack of discretionary budgets or reserves needed to cover losses. However, many small agencies can afford deductibles, which are a form of self-insurance. You can effectively lower your premiums by increasing the amount of your deductible. This, along with a strong risk management and safety plan, is a very reasonable solution to controlling your insurance costs.

A third approach to insurance is a form of self-insurance, however, instead of assuming the total financial responsibility for losses, agencies share the responsibility by pooling resources.

Self-insurance pools are formed when a group of agencies agree to jointly fund each other's losses. Each agency in the

pool contributes to a trust fund and in turn receives coverage. Typically an insurance broker will be retained to negotiate insurance rates on behalf of pool members. As in all situations, there are advantages and disadvantages to pooling. Pooling can spread the risk to an extent that a single self-insured system cannot. For example, while a large loss could be catastrophic to a single agency, it would not be to a group of agencies. Pooling also allows you to spread the costs among several parties, and allows you to have more control over the services connected with insurance. On the other hand, you will be part of a group. And in all group situations, there may seem to be some winners and some losers. Since you share the risk of fellow pool members, you will pay for the losses of any member particularly prone to loss. Still self-insurance pools have been very successful across the country in controlling insurance costs and providing a viable option to commercial insurance.

The bottom line to solving the insurance dilemma is to persevere. If you find that you don't fit under a certain insurance model, for example within the county or city's insurance consortium, research what their requirements and definitions are and redefine your services so that they do fit. If one insurance carrier won't work with you, look for one that will. Research the possibility of joining, or forming an insurance pool. Review your current insurance policy to determine if self-insuring more of your deductible can significantly lower your insurance premiums.

And, don't be afraid to challenge and question the information you receive.

Be your own advocate, but more importantly be an advocate for the people that will benefit from the coordinated service.

If for any reason your current insurance carrier cannot, or will not, provide insurance coverage for your joint use arrangement or if you are coordination project that includes mixing client populations, find one that will. Be prepared to shop around. Don't give up just because your first carrier says no.

Best Practices

Minnesota - Paul Bunyan Transit, Bemidji, Minnesota

When the City of Bemidji and Beltrami County transit services, under a Joint Powers Board, allowed Paul Bunyan Transit to contract directly with the Minnesota Department of Transportation for State and Federal funding, Paul Bunyan, a 501(c)(3) agency, found itself no longer eligible for insurance under the Minnesota Counties Insurance Trust (MCIT). This meant a potentially devastating increase in Paul Bunyan's insurance premiums. A change to its by-laws to open Paul Bunyan's meetings to the public and give the Joint Powers Board some project oversight, such as requiring a majority vote of the Board to approve State and Federal applications, allowed the operator to remain eligible for insurance under MCIT and retain the lower insurance premiums. For more information, contact Greg Negard, Executive Director, at (218) 751-8765 or pbtrans@paulbunyan.net.

Iowa

In response to skyrocketing insurance rates, a group of transit systems in

Western Iowa banded together to obtain fleet insurance through an insurance consortium. A total of 300-500 vehicles were insured through the consortium. The consortium's success is attributed to the perseverance of an independent insurance broker who negotiated with a variety of insurance companies on behalf of the transit system consortium.

For more information, please contact Donna Johnson, Iowa DOT Office of Public Transit, 515-233-7875.

Washington State

On January 1, 1989, eight public transit systems united to form a self-funded liability only pool: the Washington State Transit Insurance Pool (WSTIP). The initial combined contribution was \$1,204,205. At the outset, the Pool offered \$10 million in limits per occurrence on a first dollar basis with a \$250,000 self-insured layer. Members were assessed based on their exposure of miles and boardings. The actuarial expected losses were \$460,000 and the administrative expenses were \$168,500. Today, WSTIP's membership has increased to 18 public transit organization, and three associate members. The current annual budget is approximately \$7.6 million. WSTIP provides auto liability, general liability, public officials (errors and omissions), all risk property, crime, and boiler and machinery. Members may select deductibles from \$0 to \$10,000. WSTIP provides optional Auto Physical Damage up to \$500,000 and Uninsured Motorists/Under Insured Motorists (UM/UIM) to \$60,000/occurrence. The current loss fund is actuarially set at \$3,550,000 and the administrative expenses are \$1.350.000. Current

member equity is in excess of \$7.2 million.

WSTIP is accredited by the [Association of Governmental Risk Pools](#).

For more information, visit the WSTIP website at <http://www.wstip.org/>.

Transportation Coordination Toolkit

November 2005

Coordination Planning

Topic: Planning for Coordination

Target Audience: State Agencies, Human Service Agency Transportation Providers, Section 5310 Agencies, Section 5307 and 5311 Public Transit Systems

Goal: To present the benefits of, and tools and resources for, coordination planning.

(Note: Parts of the following discussion are taken from the document, Innovative State & Local Planning for Coordinated Transportation by the Coordinating Council on Access and Mobility which is available in its entirety at http://www.fta.dot.gov/907_ENG_HTML.htm.)

Issue: Planning: Transit Requirements vs. Human Services Requirements

Funding effective coordinated transportation services requires a planning process that melds service needs, available resources, and agency commitments. Planning for transportation services can also involve satisfying the planning requirements of a myriad of programs funded by different federal and state agencies.

The two main sets of requirements which come into play when planning for transportation coordination are transit

requirements and human service program requirements.

Transit and human service program requirements provide states and localities with the flexibility to design transportation systems to meet unique state and local needs. Each state determines how the coordination planning will be administered and which public agencies will be responsible for program development, implementation, and evaluation. Local responsibilities for leading or participating in plan development will vary from community to community with each selecting participant agencies and service delivery options.

Transit Requirements

The planning and coordination requirements for FTA transit programs in DOT are specified by statute. The 1998 reauthorization of highway and transit legislation, the Transportation Equity Act for the Twenty-first Century (known as TEA-21), creates a context for establishing FTA's procedures at the state and metropolitan level for planning, designing, and delivering transportation services that are coordinated with services provided by non-DOT agencies.

TEA-21 provisions created a much stronger basis for coordinated planning and service delivery between recipients of DOT and HHS funds. DOT-funded recipients must include "the non-DOT agencies with planning functions to the

maximum extent practicable," and non-DOT-funded transportation providers are "to participate and coordinate with DOT recipients to the extent feasible." Such language is the clearest expression to date of Congressional interest in the coordination in the planning and delivery of specialized transportation services.

In general, coordination projects which involve public transit services funded by Sections 5310, 5311 or 5307 will have to take into account any Minnesota Department of Transportation (DOT) planning requirements such as the submission of a multi-year operating or capital plan. Urban transit systems (Section 5307) will also have to satisfy the planning requirements of their metropolitan planning organizations (discussed later in this brief).

Human Service Requirements

Department of Health and Human Services (DHHS)-funded programs respond to planning requirements based on the individual health or social service missions of those programs. The planning period, scope and structure of the planning process, and plan review/approval process will vary significantly from program to program. This variation in planning processes reflects the differing statutes authorizing these programs and the wide range of health and social needs addressed by the programs. For example, Head Start agencies submit program reports each year which address their program intentions for subsequent years. The state agencies funded under the Older Americans Act choose a planning period of 3 to 5 years for their service planning process. A number of health agencies

participate in a 10-year planning process targeting health outcomes for the general population and for specific target populations.

Applications for funding for eight of the twelve HHS programs that fund transportation services are submitted to federal officials at the regional or headquarters level from the state level. For grants for Native Americans, Head Start, Community Services Block Grants, and Community Health Centers, the local agency or tribe is the recipient and is responsible for detailed program planning. The Administration on Aging uses a more detailed planning process that begins with the local area agencies on aging, feeds into a state plan and ends with submission to the Federal office.

Issue: Who are the "Players" in Coordinated Transportation Planning?

Planning for transportation coordination involves a host of different "players" at the federal, state and local levels:

- ❑ Federal DOT or HHS officials
- ❑ State DOT or HHS officials
- ❑ Local elected officials – county commissioners, city council, mayors, township trustees, etc.
- ❑ Public transit systems
- ❑ Social service agencies
- ❑ Local transportation advocacy and advisory groups
- ❑ Metropolitan planning organizations (MPO's)
- ❑ Regional planning commissions (rural areas)
- ❑ Local businesses/industries
- ❑ Private transportation providers

Issue: The Transportation Planning Role of State Agencies

State agencies exercise their planning, program management, and oversight responsibilities over local agencies who plan for transportation coordination at the local level. Experience has shown that states generally support coordinating transportation services, but that financial assistance to plan and implement coordinated human service transportation may be difficult to obtain. With the recent pressures on transportation services that have been created by welfare reform (including pressures on states to meet Temporary Assistance for Needy Families (TANF) participation rates), some states are becoming more proactive in providing planning support.

Issue: The Transportation Planning Role of Metropolitan Planning Organizations

For transportation coordination planning projects in urbanized areas and which include an urban transit system or Section 5310 grantees, the designated metropolitan planning organization (MPO) will most likely become involved in the planning process.

Metropolitan planning organizations (MPOs) have the federally-mandated responsibility for regional transportation planning including planning for public transit-type services. An MPO is an organizational entity with lead responsibility for developing short-term and long-range transportation plans and transportation improvement plans (TIPs) in urbanized areas of 50,000 or more in population. MPO's may also provide recommendations to the state DOT

regarding the selection of grantees for Section 5310 vehicles. MPOs may also provide technical assistance to small urban areas and rural communities on transportation planning. In some areas, MPOs also lead other types of planning such as human services and housing.

MPOs are appropriate organizations to prepare plans, collect and analyze data, develop strategies, and allocate funds. MPOs participate in the prioritization of projects that span over a variety of highway, transit, mobility and coordination needs in a given region. They can play a significant role in stimulating regional cooperation among agencies and help minimize the fragmentation of services provided in a community or region. MPOs often take a multi-jurisdictional approach to coordination planning and problem solving, engaging a wide range of groups including human service and transit providers. Therefore, MPOs play a lead role in coordinating specialized transportation services in a metropolitan area.

An example of an MPO in Minnesota involved in transportation coordination activities is the Metropolitan Council, the designated MPO for the Twin Cities metropolitan area. The Council is responsible for preparing a long-range (20-year) transportation plan for the region every three (3) years. It is also responsible for the selection of projects for federal funding (including transit) and the preparation of a three-year transportation improvement program (TIP). This is done through a planning process involving the Council's Transportation Advisory Board (made up of local elected officials) and its Technical Advisory Committee. The

process to develop the Council's TIP includes broad citizen and interested group input.

Issue: The Planning Role of Local Providers and Agencies

Most coordination planning occurs at the local level. This is where the actual delivery of transportation services takes place and agreements between agencies are formulated. This is also where most of the coordination project's policies and procedures will be developed

Usually, coordination planning begins with the formation of a local committee or task force made up of human service agencies, public transit systems, and local elected officials, and other interested organizations, businesses or citizens. In rural areas, this committee will most likely need to be created. In urban areas, the metropolitan planning organization's committee structure may be utilized.

Issue: What is the Planning Process?

Once a transportation coordination committee/task force has been established, the planning process can begin. To start the coordinated planning process, review the sequence of transportation planning steps outlined in the checklist below. Pay close attention to the following section about working through specific goals and objectives, because establishing these goals and objectives early in the planning process will greatly increase your chances of success. Finally, if you run into problems, ask for help. Technical assistance resources are listed in the Resource Guide for Coordinated

Transportation Planning of the Transportation Coordination Toolkit.

The coordination planning checklist below provides a representative synthesis of coordinated guidance from states and localities around the country. In recognition of these guidelines and the wide variation of needs from community to community, it is recommended that the checklist outlined in the next section be used as an overall framework. Those who are interested in implementing or enhancing coordination in states and communities would be well advised to review the list and the resource guide included in the **Transportation Coordination Toolkit** to fine tune their approaches.

Checklist of Transportation Planning Steps

Following the eleven (11) steps below can help create successfully coordinated transportation services. It is important to remember that coordination takes place at both the state and local level. Use this checklist to make sure that you have covered all the bases. Come back and review it from time to time for a clear perspective on the planning process and its linkage to operations.

Communities are encouraged to include the following steps in coordinating their specialized transportation planning activities:

- 1. Identify stakeholders;
- 2. Organize initial meeting of coordination committee/task force;

- 3. Establish commitments and form partnerships;
- 4. Specify goals, objectives, and constraints;
- 5. Jointly identify client needs;
- 6. Identify transportation resources;
- 7. Design detailed service and financial options;
- 8. Select and recommend a plan of action;
- 9. Confirm agency and community commitments;
- 10. Develop implementation and funding plan for selected alternative; and
- 11. Measure, monitor and evaluate performance.

All of these planning steps are crucial to success in the operational phases of transportation service. The planning process needs to be seen as continuous and iterative: plans are made, tested, refined, and retested in a repetitive cycle until they meet the system's goals and objectives in an efficient manner before operations begin. Nevertheless, operating procedures may need to be evaluated and modified several times before goals and objectives can be met most effectively.

Transportation systems must continuously plan for the efficient and effective delivery of services. Existing systems must decide whether services should remain the same or whether new

or adjusted services will be offered. New systems must determine what services will be provided, how they will be delivered, when services will be offered, and what price will be charged to passengers or their sponsors. Service planning determines the operations, maintenance, administrative, and capital requirements of the transportation system according to the system's adopted goals and objectives. The seven key elements of a transportation service plan are:

- Service modes,
- Service availability,
- Organizational and institutional context,
- Service pricing,
- Personnel and labor requirements,
- Rolling stock, and
- Other capital requirements.

Coordination is applicable to all of these key elements. Sharing information, facilities, and resources across this broad spectrum of activities can lead to coordination benefits, including access to more funding sources, higher quality and more cost-effective transportation services, and transportation services that are more visible to consumers.

(Note: a complete description of each of the steps is included in the aforementioned CCAM report.)

References/Resources:

Many individuals and organizations have been involved in the area of coordinated transportation planning for some time, and are available to help. A list of coordination resources is provided in the ***Resource Guide for Coordinated***

Transportation Planning of the **Transportation Coordination Toolkit** which is available at:
http://www.trb.org/publications/tcrp/tcrp_rpt_101.pdf

The National Transit Resource Center includes a wide range of materials on transportation coordination strategies and experiences. The Resource Center may be contacted at 1 (800) 527-8279 or on the web at: www.ctaa.org/ntrc.

The Office of Family Assistance/HHS has published and disseminated joint guidance on the use of TANF, Welfare-to-Work (Department of Labor) and Job Access (FTA) funds to provide transportation services that is available on the following website:
www.acf.dhhs.gov/news/welfare/pa002.htm.

Also, you may find answers to your questions on the web page for the Coordinating Council on Access and Mobility. If you don't find the question directly, there are discussion groups on that web page to which you may post your particular question. The address for the Council's web page is www.unitedweride.gov.

Best Practices

Rainbow Rider, Lowry, MN

Coordinated Planning and Administration

Rainbow Rider is a consortium of Douglas, Pope, Stevens, and Traverse Counties, formed under a Joint Powers Board in 1995. Since its inception, the Rainbow Rider Transit Board has coordinated the planning, oversight, administration and operations of transit

service in the four counties. In 2000, the transit board took over direct operations of the system. This coordination effort among the four counties helps contain administrative costs and assures that the service provided is the right mix and most cost effective for the area served. Wheelchair lift equipped buses along with a volunteer driver program are used to provide route deviation, dial-a-ride, and subscription service Monday - Friday on a first come, first served basis. The service is provided as one, seamless system, although service is tailored to the individual counties and local communities. In addition to its stated service area, Rainbow Rider also coordinates with other counties outside its service area to provide service primarily through its volunteer driver program. It also contracts with the majority of the schools in its service area to provide special need transportation as well as all of the Head Start transportation in the four county area.

Each county appoints two county commissioners to serve on the joint powers board, which meets monthly to conduct business. The board approves any new service that is needed, but relies on the Rainbow Rider management staff to make the call if more or less service is needed in an area.

Each county also has a Transit Advisory Committee or TAC, appointed by the respective counties, which meets quarterly to provide input regarding the service to the Transit Board. Human service representatives, senior coordinators, commissioners, representatives from cities, nursing homes, churches, and riders are represented on the TAC.

Rainbow Rider is financed from State and Federal transit funding, as well as contracts, donations, and fares. From 1995 to 2001 the counties contributed from their general funds to the local share according to population and hours used. Since that time Rainbow Rider has been able to fund itself without the county appropriations, however, each county [department] purchases service through the system as needed for its own clients with fares.

Rainbow Rider is currently developing a strategic plan and working with MnDOT on a long range plan for the system.

For additional information contact Rainbow Rider, 401 Florence Avenue, P.O. Box 136, Lowry, MN 56349, 800-450-7770, or via email at rainbowr@runestone.net.

Best Practices

Scott County Association for Leadership and Efficiency (SCALE) – Scott County, Minnesota

Planning & Leadership

The Scott County Association for Leadership and Efficiency (SCALE) was formed in the spring of 2003 to encourage greater efficiencies and leadership in public service through enhanced communication, collaboration of services and sharing of resources. Members include the mayors and administrators from cities within Scott County, School Superintendents, Township Officers, representatives of the Shakopee Mdewakanton Sioux Community (SMSC), as well as the County administrator and County board

As a further testament to SCALE's applicability as a model, in its December 2004 report, Best Practices Review, Cooperative Efforts in Public Service Delivery, the Minnesota State Auditor's Office recommended, "...the creation of organizations similar to Scott County's SCALE in every county in Minnesota."

The report went on to say "this recommendation requires non legislative action or expenditure of dollars. All it requires is a desire by local officials to create a formalized process to foster coordination in the community." The State Auditor's full report can be accessed at [this website](#).

Best Practices

Washington State

The Agency Council on Coordinated Transportation (ACCT) is a partnership of members from the legislature, state agencies, transportation providers, and consumer advocates. ACCT's mission is to direct and promote activities that efficiently use all available state and community resources for special needs transportation across the state of Washington.

ACCT's vision is to remove transportation as a barrier to participation in community activities; its mission is to facilitate a statewide approach to coordinated transportation to fulfill this vision. ACCT activities focus on increasing service to special needs populations by removing barriers to transportation coordination between agencies. Coordinated transportation can increase service availability and quality without increasing costs for the state. One of ACCT's first goals was to

Transportation Coordination Toolkit

November 2005

Coordinated Maintenance Programs

Topic: Coordinated Maintenance Programs

Target Audience: State Agencies, Human Service Agency Transportation Providers, Section 5310 Agencies, Section 5307 and 5311 Public Transit Systems

Goal: To present the benefits of a coordinated maintenance program.

Issue: Why Coordinate?

- Coordination does not have to be limited to vehicle and trip sharing. Maintenance costs, for example, can be reduced or contained through coordination. Just as important, the quality of the service can be increased when conducted cooperatively with an established maintenance program. A good maintenance program can greatly improve system safety and reliability through regular and standardized maintenance practices. Vehicle downtime can be minimized. Coordination can solve the problem of local vendors not interested in warranty work as well as those not experienced with public transit vehicles. It can also offer “loaner vehicles” that are appropriate to public transit agencies. And finally, a coordinated maintenance program can help ensure that State and Federal guidelines are met.

How you go about establishing this program, however, is your choice. A coordinated maintenance program can provide,

- Standardized procedures and practices,
- Compliance with all applicable regulatory requirements, and
- An effective maintenance and quality assurance program.

This last point is particularly important as it can be a critical factor in your Risk Management Plan (see the brief on Insurance).

Issue: Who Can Coordinate?

There is no size requirement for a system that wants to coordinate maintenance services. If you are a large system with a sound, quality maintenance program, offering your services to smaller systems can be a “win-win”, generating revenue for your system and offering cost savings to the other. Smaller systems also benefit from not having to shop around for maintenance services or developing lengthy proposals.

There is also no requirement that ***all*** maintenance services must be coordinated. Systems or agencies may wish to coordinate only vehicle inspections or heavy vehicle repairs or body work, etc. The amount and type of work which is coordinated will depend

upon the existing maintenance resources and staffing of the system or agency.

An example of a system which offers its maintenance services to other coordination partners is Dakota Area Resources and Transportation for Seniors (DARTS). DARTS offers their Vehicle Maintenance System (VMS) to other non-profit transportation systems to “decrease vehicle operating costs, reduce vehicle downtime, and improve vehicle safety for riders whether they be young or old, healthy or frail, mobile or wheelchair dependent. DARTS VMS will allow nonprofits to expand the reach of public dollars and better serve their clients -- a true social return to the community that furthers the mission of DARTS.”

Issue: Reducing or Containing Costs

Regardless of the size of a transportation agency, reducing and/or containing costs is especially important in this day of dwindling resources. Every one wants to get more for less. Coordination of maintenance services can help achieve that, providing better service for the same or lower cost.

Issue: Service Quality and System Safety and Reliability

Reliable, safe, and well-maintained vehicles and equipment can be the hallmark of a transportation system and speak volumes about the service that is provided. Organizations often include program goals such as safe, efficient, and reliable service as part of their mission statement or goals and objectives. The organization’s maintenance program is one tool used to meet these goals.

The technology used for record keeping is also changing. Maintenance managers are required to keep much more detailed records. Taking advantage of an established, well-organized maintenance program can help you solve these problems and save money.

Issue: Elements of a Preventative Maintenance Plan and Program

Whether your agency/organization performs its own maintenance or whether it contracts maintenance work to a coordination partner or private vendor, it should have a preventative maintenance plan or ensure that its provider has an adequate one.

Preventative maintenance (PM) is an essential element of every effective maintenance program, as it helps to ensure maximum vehicle reliability, safety and longevity. It entails performing regularly scheduled maintenance procedures in order to minimize malfunctions, rather than simply making repairs when something goes wrong. It also involves performing necessary repairs promptly to prevent further damage and maintain vehicle safety. While PM may be more expensive in the short-run, it will likely result in the lowest overall life-cycle costs when all vehicle-related expenses are considered.

Replacement Versus Repair

“If it ain’t broke, don’t fix it!” is a time-honored cliché and if we could always predict the exact point of any component failure, it would be a reasonable way to operate. However, without such predictability, it makes sense to replace or rebuild certain components prior to

failure (whenever there is the data or experience to justify doing so without incurring extraordinary costs).

While this routine replacement concept can be applied to a wide variety of components, it does require that you gain experience with your particular vehicles in your unique environment.

Routine replacement is typically applied to those components where little if any diagnostic aid is available, other than visual inspection. These include items such as:

- fluids (except windshield washer and coolant)
- hoses
- belts
- wiper blades

Monitor Suppliers

Tracking your suppliers' performance (price, quality and reliability) is another essential element of a successful preventative maintenance program. For instance, the quality of your fuel can have a significant impact on the service and repair level required for various parts of your engine, including the electronic controls, fuel injection and catalytic converter.

One area that requires close monitoring is the performance of rebuilt and after-market parts. Rebuilt parts, such as alternators and pumps, may offer up-front cost savings. However, such parts may have a shorter operational life than new parts. By monitoring the life of rebuilt parts, you can determine whether true savings are realized, or whether total cost is actually greater, once you factor in the cost of another rebuilt unit and the labor associated with multiple replacements.

You should also be aware that in many cases involving heavy-duty items, such as starters and compressors, a trade-in (core) unit is required. This "core" generally is not used in your rebuilt unit; instead, it goes on to become the rebuilt product for another operation.

Like rebuilt parts, after-market parts (i.e. parts built by a company other than the original equipment manufacturer - (OEM)) may offer an up-front cost savings. They may claim to be built to the same or superior specifications as the OEM part, but only through monitoring can you determine whether the part's life is truly comparable.

Through experience you will gain the background necessary to make informed decisions in the future. Good maintenance records and purchasing documentation are essential and must be addressed when you first begin operation, or introduce a new type of vehicle into service.

Documentation

Another key to any successful maintenance program is up-to-date, accurate record keeping. While documentation is necessary for purposes of budget and control, good records will also enable you to optimize your PM program by providing:

- the database to enable you to establish proper intervals for routine maintenance and servicing;
- information on repetitive failures to establish repair or replacement intervals, and on the performance of

rebuilt/after-market parts and consumables suppliers;

- early warning of impending problems through tell-tale signs, such as increased oil consumption;
- back-up information for warranty claims (particularly marginal claims near the end of the warranty period where supporting documentation can often be the “clincher” in claim payment);
- information that can later be used in the selection and procurement of new vehicles. Does a particular type of vehicle require more frequent repairs or have recurring repairs on the transmission, engine or body? Does a certain brand of vehicle or component type require more frequent repairs? When compiling this information, your agency should involve your mechanics in vehicle specifications and selection.
- backup information for any litigation or lawsuits that might result from an accident in which your agency’s vehicle or driver was involved in; and
- documentation of any personnel related patterns (e.g. more frequent tire or brake replacement on one driver’s vehicle versus fleet average).

In situations where maintenance is contracted to a third party or coordination partner, good documentation is key to minimizing disputes. Under this scenario, management should make the extra effort to review repair bills and develop/maintain the database required for adjustments to the preventative maintenance program. Maintenance is never “out of sight, out of mind” to the smart operator.

Maintenance Program Monitoring

Once your maintenance program is in place or you have contracted maintenance work to a coordination partner agency or transit system, you will want to monitor vehicle performance and maintenance cost information to ensure that your or your partner agency/system’s program is working. Performance measures which are commonly used to monitor maintenance programs are listed below:

- ❑ Maintenance cost per vehicle mile;
- ❑ Maintenance labor cost per vehicle mile;
- ❑ Maintenance cost per vehicle; and
- ❑ Number of roadcalls per 100,000 miles.

Monthly “vehicle availability reports” may also be prepared to monitor maintenance programs. A vehicle availability report shows the percent of the vehicle fleet that was available and ready for service during the month. In other words, it is measuring how much “down time” there was for the fleet. This information provides a transportation coordinator or director

with a summary from which he or she can quickly determine whether or not a problem in fleet availability exists or is developing.

Issue: State and Federal Regulation Compliance

Federal and State guidelines (e.g., 49 CFR Part 18, “The Common Rule”; Section 5310; Section 5311; Section 5307; Federal Motor Carrier Safety Administration; Minnesota Office of Freight and Commercial Vehicle Operations) require that vehicles be operated in a safe and sound manner and typically require a structured maintenance program. Taking advantage of a program that already meets these requirements is not only smart, but saves you time and money and can provide you with standardized forms and reports to aid you in your recordkeeping.

Issue: Next Steps

If your system has maintenance services that can be of benefit to other systems,

1. Develop a description of the services you can offer and add this information to your brochure and website.
2. Include any information such as awards, citations from Motor Carrier or FTA audits, etc.
3. Develop a rate structure based on your fully allocated maintenance costs (other FTA systems will need this information). These costs will include, at a minimum, parts, labor, and overhead. To ensure you are capturing all of your maintenance costs, use the MnDOT Section 5311 budget spreadsheet or one of

the spreadsheets referenced in the Toolkit brief on Fully Allocated Costs and provided as part of the Toolkit Resources.

4. With your legal advisor, develop a contract or agreement outlining the your agency’s requirements, any stipulations to the service, etc., such as labor and parts costs, downtime, insurance, liability, etc.
5. Network with other systems to determine your opportunities and their needs.

If your system is looking for maintenance services,

1. Pull together all of your maintenance information, including forms, samples of records, lists of State and Federal requirements, past maintenance agreements or RFPs, etc.
2. Network with other systems to determine what services they offer that can meet your needs.
3. Interview all prospective systems to determine which program best meets your needs.
4. Have your legal advisor review any agreements or contracts you enter into prior to contract execution.

Best Practices

St. Cloud Metropolitan Transit Commission

The St. Cloud Metropolitan Transit Commission provides vehicle maintenance and storage facilities to the Tri-CAP Connection for its Section 5311 fleet. The agreement stipulates the number and size of vehicles to be housed and the fee per month per vehicle as well as when the fee is to be paid. The rental fee includes all utilities and public

liability and property damage insurance covering the leased premises, the building, and other improvements. St. Cloud also provides routine and occasional major vehicle maintenance services for Tri-CAP at an hourly rate. Tri-CAP communicates directly to the St. Cloud's Maintenance Manager regarding vehicle maintenance needs. The Maintenance Manager also serves as maintenance "consultant" in instances where outside, subcontract specialty (e.g. major engine, transmission, body, etc.) work is required. St. Cloud provides monthly, unless requested more often by Tri-CAP, printed invoice work orders, maintenance history, and any other vehicle maintenance information generated by St. Cloud's computerized maintenance record keeping program. In addition to the vehicle maintenance service per hour rate, there is a vehicle parts inventory mark-up rate for parts purchased with St. Cloud's funds and stored in its premises, a shop supplies/materials per hour fee for full Preventative Maintenance (PM) activities (not applicable to non PM, repair activities and mini PM [oil change] activities), and an exterior bus washing charge of per automatic bus washer or hand pressure washer activity.

There is nothing within this agreement preventing Tri-CAP from procuring vehicle maintenance services from an outside maintenance vendor. In the event outside maintenance services are obtained, complete vehicle repair invoices from outside vendors shall be copied and provided to St. Cloud's Maintenance Manager.

This coordinated arrangement has been in place since 1997. Tri-CAP estimates that it pays about 60% of what it would pay for maintenance on the market. and

about a third of storage fee costs.

For further information, contact Tony Kellen, Director of Operations, St Cloud MTC, 665 Franklin Ave NE, St Cloud MN 56304, or Office 320-251-1499 Ext 103, or via e-mail tkellen@stcloudmtc.com, or Linda Elfstrand, Director, Tri-CAP Connection at (320) 202-7824, x217, or Linda.elfstrand@tricap.org.

Dakota Area Resources and Transportation for Seniors (DARTS)

DARTS, the Section 5311 operator for Dakota County, Minnesota, offers a variety of services to other nonprofit organizations, including DARTS' many innovations in transportation services such as planning and operations consulting, driver training, vehicle maintenance, and support services. See DARTS current [brochure](#) detailing DARTS' ride service and specialized transit solutions.

DARTS VMS program provides a state-of-art garage ready to serve your organization's vehicle needs, offering service for vehicle engines, wheelchair lift repair, brake and tire replacement, and much more.

DARTS received top honors at the [Yale National Business Plan Competition for Nonprofits](#). Out of 20 finalists, the DARTS business plan for DARTS VMS (Vehicle Maintenance Services) was one of four grand-prize winners.

For more information about DARTS programs, see their website at <http://www.darts1.org>.

Illinois Department of Transportation (IDOT) - REGIONAL MAINTENANCE

CENTER PROGRAM

IDOT created the Regional Maintenance Center Program in response to obstacles transit agencies were experiencing, such as

- *Small agencies being unfairly taken advantage of by local repair centers,*
- *Repairs not getting properly diagnosed and fixed correctly the first or second or third time,*
- *Local vendors not interested in warranty work,*
- *Vendors with no in-depth knowledge of paratransit vehicles.*

The goals of the program were to have

- *The state's paratransit fleet operate under the highest possible safety and maintenance standards, and*
- *Every part of the state within 60 miles of a RMC.*

Two Centers were established initially; a third center has been added. Non-routine maintenance is provided to agencies within a 60 mile radius of the center. Other assistance provided includes:

- *Toll free help line,*
- *Email help line,*
- *In Springfield, a loaner vehicle for agencies to use while theirs is in being repaired,*
- *Warranty claim assistance, and*
- *Quality service performed correctly the first time at a reasonable cost*

The top five maintenance repairs over the history of the program are

1. *Wheelchair lifts,*

2. *Brakes,*
3. *Electrical and interlocks,*
4. *Air Conditioning, and*
5. *Transmissions.*

Obstacles that have been encountered include (solutions provided in parentheses):

- *Legal authority for RMC to work in non-RMC vehicles (RMC's persevered with the necessary authorities and this did not become a barrier to coordination),*
- *Use of federally-funded facilities and equipment for either non-federally funded agency vehicles or vehicles purchased and used by other federal programs (expenses and revenues are all tracked separately; facility must be primarily used for the purpose for which it was built, i.e. transit purposes),*
- *Insurance on loaner vehicle (agency using the loaner vehicle must show proof of insurance),*
- *Union mechanics working on non-agency vehicles (project was promoted as way to provide assistance to agencies without the necessary expertise), and*
- *Excessive use of loaner vehicle by an agency (continues to be an issue on a case by case basis, but has not proven to be a barrier to coordination).*

All of the above obstacles have been worked through and have not been a barrier to coordination.

Both Section 5310 and 5311 systems are tremendously supportive of this program, which has continued to grow from its inception. A total of 32 agencies

participated in 2003; 44 in 2004. A third center has been added, and the program has received the 2002 APTA Innovation Award and the 2002 National RTAP Outstanding Achievement Award.

For more information, contact David Spacek, Illinois DOT, Division of Public Transportation, 310 South Michigan, Room 1608, Chicago, Illinois 60604; 312-793-2154 or spacekDT@nt.dot.state.il.us.

Transportation Coordination Toolkit

November 2005

Motor Carrier Registration Requirements

Topic: Motor Carrier Registration Compliance

Target Audience: Section 5310 agencies, Section 5307 and 5311 Public Transit Systems

Goal: To understand the Federal Motor Carrier Safety Administration Safety Regulation Requirements and the State of Minnesota's motor carrier registration requirements for interstate and intrastate travel.

Issue: Federal Safety Regulations

While this brief is written to primarily address Minnesota's state requirements for registration of commercial motor vehicles, it is also important to note the Federal requirements as well.

The Federal Motor Carrier Safety Administration (FMCSA), created by Congress by the Motor Carrier Safety Improvement Act of 1999 (Pub.L.106-159), is charged with the regulation and safety oversight of motor freight transportation companies. This agency also has regulatory oversight over passenger carriers as well. The FMCSA assumed responsibility previously administered by the Federal Highway Administration (FHWA) and the Interstate Commerce Commission (ICC). The FMCSA's regulatory coverage over passenger transportation carriers extends to public entities, private, for-profit

organizations, and private nonprofit transportation companies that engage in interstate transportation, regardless of whether the entity is a recipient of Federal funds. Minnesota Statute 221.031 adopts these same requirements. Therefore, they apply for most intrastate operations as well.

The following is a summary of the specific Federal Motor Carrier Safety Regulations:

- For vehicles designed to transport 8 to 15 passengers including the driver
 - [390](#) Federal Motor Carrier Regulations, General
 - [391](#) Qualifications of Drivers
 - [392](#) Driving of Commercial Motor Vehicles
 - [393](#) Parts & Accessories Necessary for Safe Operation
 - [395](#) Hours of Service
 - [396](#) Inspection, Repair, Maintenance
- For vehicles designed to transport 16 or more passengers including the driver
 - all those above *plus*
 - Commercial Driver's License (CDL)
 - [382](#) Controlled Substances and Alcohol Use and Testing

Issue: State Registration Requirements

In the late 1970's early 1980's, transportation providers were emerging

in Minnesota at a rapid pace to meet growing needs for non-emergency transportation to medical and social services. Prior to 1979, there were no rules governing the safe provision of these transportation services other than vehicle inspections required by the State Highway Patrol. There were no minimum requirements for driver eligibility and training other than those that might have been required by insurance carriers. In 1979, the first statute was passed by the Minnesota Legislature to address the safety of these transportation services; the first rulemaking to implement the statute followed in 1982. Since that time, revisions have fine tuned, clarified, and increased the requirements and timeline for training as well as specified the providers and services that fall under the statute.

The Minnesota Department of Transportation, Office of Freight & Commercial Vehicle Operations (OFCVO) oversees the rail, freight, ports, waterways, and commercial vehicle operations in the State and regulates adherence to these rules, including the requirement for registration by certain motor carriers operating in or through Minnesota. A legislative change in 2000 eliminated the previous “regular route” and “charter passenger” classifications of for-hire passenger service and replaced them with “Motor Carrier of Passengers” and “Small Vehicle Passenger Service.” The OFCVO defines Motor Carrier of Passengers, as “...persons engaged in the for-hire transportation of passengers in vehicles designed to transport 8 or more passengers, including the driver.” – OFCVO’s Motor Carrier of Passengers Fact Sheet.

The OFCVO has distinguished vehicles designed to transport 8 or more passengers from "Small vehicle passenger service," which, by their definition, is a service provided by a person engaged in the for-hire transportation of passengers in a vehicle designed to transport 7 or fewer persons including the driver.

Small vehicle passenger service is regulated by the cities in which they operate and also by the Metropolitan Airport Commission. (Note: how the different cities regulate this service appears to vary. For further questions on this issue, contact the OFCVO staff at (651) 405-6096).

For purposes of this document, we will only be referring to transportation in vehicles of 8 or more (except for those operators required to register as Specialized Transportation Services (STS). STS providers are addressed later in this document).

Minnesota’s state motor carrier requirements are set forth in *Minnesota Statutes [221.0252](#)*. In addition, the OFCVO has issued an excellent series of Fact Sheets describing both the Federal and State requirements for Motor Carriers of Passengers (for hire).

Note: In general, all passenger carrier operations are subject to the Federal Motor Carrier Safety Administration safety regulations (see previous section on Federal Requirements) as adopted in state statutes or their equivalent, whether registration is required or not.

Issue: Application of Minnesota’s Motor Registration Requirements to Section 5307, 5311, and 5310 Systems

Section 5307 and 5311 systems

Any Section 5307 or 5311 system under contract to, and receiving operating assistance from, either the MetCouncil or Minnesota Department of Transportation (MnDOT) Office of Transit to provide transportation service is not required to register for the service provided as part of the MetCouncil or MnDOT contract. Any “for hire” service provided in vehicles designed to transport 8 or more persons, including the driver, outside the MetCouncil and MnDOT service agreement must follow the regulations for registering, training, inspections, etc. (see MN Stat. §221.022).

Specialized Transportation Services and Section 5310 agencies

The OFCVO also oversees the provision of Specialized Transportation Services to the general public. Specialized Transportation Services is defined in MN Stat. §174.30 to mean “...motor vehicle transportation provided by a person on a regular basis designed to serve individuals who are elderly, handicapped, or disabled and are unable to use regular types of transportation.” —OFCVO STS Fact Sheet. The terms and conditions of these rules can be found in the Minnesota Department of Transportation’s Special Transportation Services Rules, parts 8840.5100 through 8840.6400.

Section 5310 systems are generally considered to provide STS service by the nature of the grant and the type of

service being provided and are therefore subject to the registration requirements. However, there are exemptions to the registration requirements. An agency may be exempt from the registration requirements if 1) an agency provides transportation to only its clients and 2) is one of the following types of organizations:

- A nursing home licensed by the Minnesota Department of Health;
- A board & care facility licensed by the Minnesota Department of Health;
- A day care facility licensed by the Department of Human Services;
- A group home facility licensed by the Department of Human Services; or
- A day training and habilitation service licensed by the Department of Human Services.

A recent exception was also added for operations where a day training and habilitation service (DTH) licensed by the Department of Human Services may provide service for another DTH if they transport 15 or fewer persons, including passengers and driver. This exemption does not exempt the DTH from registering as a motor carrier of passengers.

Note: Refer to MN Stat §174.30, subd.1 for the specific exemptions).

The OFCVO has developed a questionnaire to assign the classification of applicants and determine those who may fall under one of the five exemptions. This questionnaire is a requirement of the MnDOT Section 5310 application and can be found on both the MnDOT Office of Transit

website as part of the Section 5310 application, http://www.dot.state.mn.us/transit/5310/application_packet.pdf and the OFCVO website, http://www.dot.state.mn.us/motorcarrier/applications/sts_questionnaire.pdf.

Another excellent resource is the STS Fact sheet developed by the OFCVO which can be found at <http://www.dot.state.mn.us/motorcarrier/factsheets/sts.pdf>.

Issue: Transportation Providers Receiving Reimbursement for transportation under the Minnesota Department of Human Services or other State or Federal sources.

The requirements to register apply to providers of Special Transportation Service (STS) who receive grants or other financial assistance from either the state or the federal government, or both, to provide or assist in providing that service.

Transportation providers receiving reimbursement for transportation under the Minnesota Department of Human Services (also referred to as Specialized Transportation Services or STS) or other State/Federal source must be registered as an STS through the OFCVO unless they meet one of the exceptions mentioned earlier. See the OFCVO STS Fact Sheet referenced above.

Issue: Applicability of the Motor Carrier of Passenger Regulations to Coordinated Services

It is the intent of the OFCVO to ensure that motor passenger service is provided in compliance with all applicable safety

regulations, not to impede the provision of transportation services, either directly or in cooperation with other agencies.

As such, there are no specific requirements for coordinated services. It is the responsibility of each agency to work with the OFCVO and determine their level of compliance with the appropriate regulations. Contact Mike McKay, OFCVO, at (651) 405-6096 or mike.mckay@state.mn.us.

Best Practices

Rochester City Lines (RCL)

RCL is a private transportation provider operating as a sub-contractor to the City of Rochester (which has a contract with the Office of Transit). As the service provider for the City service, RCL is not required to register through the OFCVO. However, they are registered with the OFCVO to provide separate private service that is outside their city operation.

Laidlaw Transit Services, Inc. is a private transportation provider operating as a sub-contractor for Anoka County (which has a contract with the Met Council). As the service provider for the county service, Laidlaw is not required to register through the OFCVO. However, they are registered with the OFCVO to provide STS service for the county in their elderly/disabled dial-a-ride service and for their own for-hire service that is outside their county general public transit operation.

American Red Cross – St. Paul, MN

The American Red Cross is a private non profit organization located in St. Paul, Minnesota. They operate 5310 vehicles

and are classified as a Specialized Transportation Service (STS) both as it relates to Minnesota's Motor Carrier regulations and as a Medicaid provider.

To meet the training requirements as part of their Motor Carrier classification as an STS, the Red Cross has developed a training program to meet the specific Motor Carrier requirements, including but not limited to, training for First Aid, CPR, abuse, Passenger Assistance, and Defensive Driving. These training classes are posted on the Red Cross training website and are available to the public for a modest fee. Many agencies, including those which operate Section 5310 vehicles, take advantage of this training.

For additional information, please contact Sue Olson, American Red Cross, 176 South Robert St., St. Paul, MN 55107, (651)291-4675, or via e-mail at solson@arcstp.org

Minnesota (MN) Masonic Homes – New Hope, Hennepin County, Minnesota

Minnesota (MN) Masonic, New Hope, Hennepin County, Minnesota, is a nonprofit, adult day care organization providing adult day and transportation services to seniors. They currently operate nine Section 5310 vehicles seven days a week providing transportation to not only their participants, but participants of other organizations in the area.

As an adult day center serving only their participants, MN Masonic would not have to register with the Minnesota Department of Transportation (MnDOT) Office of Freight and Commercial Vehicle Operations (OFCVO) as a

Specialized Transportation Service (STS). However, to ensure that their vehicle is used to the maximum extent possible, MN Masonic coordinates the use of its vehicle with the local city, two area churches, three senior co-op's, and a hospital, providing service for seniors to shopping medical appointments, and social and recreational activities.

MN Masonic has successfully navigated the Motor Carrier STS Registration process to be able to provide their coordinated service. Any questions that have arisen are answered by its MnDOT Transit and Motor Carrier representatives. MN Masonic obtains all training except CPR and First Aid from a local American Red Cross chapter and DARTS. CPR and First Aid training is obtained from providers closer to the MN Masonic location to reduce travel costs (Red Cross and DARTS are 45 minutes and 60 minutes, respectively, from the MN Masonic's location.)

For additional information, contact Joyce McIntosh, Director, Minnesota Masonic Homes, at (763-592-2668 or joyce.mcintosh@mnmasonic.org.

References/Resources:

Federal Motor Carrier Safety Administration website, http://www.fmcsa.dot.gov/rules-regulations/administration/fmcsr/fmcsr_guide.htm

Transportation Coordination Toolkit

November 2005

Private/Public Sector Partnerships

Topic: Coordination with the Private Sector

Target Audience: Private and public agencies working to achieve coordination.

Goal: To educate state and local agencies on the opportunities and strengths of a partnership between the private and public sectors.

Over the course of public transportation's history, we have seen public transportation services shift from privately owned and operated, to publicly owned and operated, to, at least to some extent, publicly owned and privately operated. Today, in addition to transportation, private-public partnerships are being developed in many other areas of service, including waste water management, public safety, and education.

Both private and public entities bring many things to the table. From a private provider standpoint, they can offer cost savings that can be used to address unmet need; quicker response times and decreased waiting times.

The public sector brings to the table legal operating authority, personnel dedicated to service, infrastructure, and often grant or funding opportunities. Public providers also have a growing interest in technology and how that

technology can be used to improve and increase service.

Regardless of who is providing the service, private or public, we must constantly look at how we can provide more and better service.

Issue: Bringing Everyone to the Table

The involvement of the private sector in local coordination efforts varies, largely dependent upon the personalities of the individuals involved from the private operator and the other organizations, as well as the past "history" between the private and public sectors as discussed in the previous section.

Metropolitan Planning Organizations (MPOs) must consider the private sector in their planning efforts and, as such, typically have a committee of private transportation providers, which may be a potential resource for coordination planning.

Issue: Different Ways the Private Sector Can Be Involved in Coordination

There are typically three (3) ways that the private sector can become involved with local transportation coordination projects: referrals for trip "overflow"; transportation brokerage partners; and as contractors to actually provide transportation service for an agency, political subdivision, or a coordination project (multiple agency partners).

Transit systems and coordination projects many times have too many trip requests to handle, especially at peak times. In this regard, systems/projects may refer clients/passengers to other transportation providers in the area in order to assist them in getting a trip. This referral type of system usually works best when there is only one or two private providers (usually taxicab companies or non-medical transportation companies) available in the area. You must be careful not to show favoritism to certain providers if there are multiple providers in the area. In this type of referral system scenario, there are no contracts or financial arrangements between the transportation system/coordination project and private providers.

The next two issues below will address transportation brokerages and contracting for service with a private provider.

Issue: Transportation Brokerages

In communities where both the public and private sectors are already providing some level of transportation, these services can offer a strong base from which to build a coordinated transportation network. One of the most common forms for this coordination is a transportation brokerage. The brokerage concept is not new, but has gained new interest in the last few years because of its use with Medicaid transportation. A transportation brokerage is simply a mechanism to match ride requests with available transportation resources. Someone, an individual or agency, must manage or “broker” the ride requests to the transportation providers. Typically,

this broker should be an independent and objective party that performs the matches based on the best transportation (mode and timing) for the lowest cost. A variety of transportation modes can be used, for example, taxis, volunteers, fixed route bus service, demand-responsive dial-a-ride type services, etc.

Brokerages can yield a number of benefits. First, efficiency can be achieved by a clearinghouse for each ride request to be matched with the lowest-cost trip that meets the needs of the individual requesting the ride. Other benefits can include improved quality and safety of the ride, and increased capacity.

Oregon, Vermont, and Florida are just a sample of the states that are successfully using transportation brokerages of both the public and private sectors to provide not only Medicaid transportation, but also public transportation services in general. Minnesota’s own MNET is an excellent example of a brokerage being used to provide Medicaid nonemergency transportation.

Issue: Identifying and Choosing Private Providers

Often an agency or a political subdivision will decide to contract with a private provider to provide a new transportation service. This is usually due to the fact that the private provider already has vehicles available to accommodate new services and has the transportation administration and infrastructure (dispatching, scheduling, maintenance, etc.) in place. The agency or political subdivision does not have to purchase vehicles or equipment or hire additional employees. This is especially

important if the future of the new transportation service to be provided is uncertain and the agency/political subdivision does not want to assume a large amount of risk by purchasing equipment and adding additional staff.

Once an agency or a political subdivision determines that contracting with a private provider for service is the desired option, it must begin the process of identifying potential private providers and selecting one.

To minimize the feelings of competition and to ensure a level playing field among public and private providers,

1. Public transit systems must bid fully allocated costs in competitive bidding situations.
2. The private sector should be included in, to the extent possible, in any plans for new service.

Issue: Charter Service

Any time FTA Section 5311 or Section 5307 funds are used to provide transportation, transportation systems must be careful to follow FTA charter service requirements (49 CFR Part 604). However, Section 5310 grantees do not fall under these requirements, provided they do not receive any 5311 or 5307 monies. The charter service requirements were implemented to limit the types of transportation services that FTA-funded systems could provide and allow the private sector to provide true “charter” service.

Charter service is defined as transportation using buses, vans, or facilities, of a group of persons pursuant

to a common purpose, under a single contract, and at a fixed charge.

The charter service regulations prohibit any FTA (5311 or 5307) recipients from providing any charter service using FTA funded equipment or facilities if there is at least one private charter operator willing and able to provide the charter service that the recipient proposes to provide. The regulation applies to both buses and vans.

Service provided under contract to a social service agency would usually be considered as eligible public service, not charter service, provided:

- ❑ The service is under the control of the grantee;
- ❑ Is open door; and
- ❑ The grantee can put any rider on the vehicle in addition to the agency’s clients.

The charter service regulations should not discourage Section 5311 or 5307 grantees from using FTA-funded equipment in coordinated transportation systems/projects or from providing service under contract to social service agencies.

Best Practices

Voyageur Bus Company is a full service private for profit transportation company serving the Duluth, Minnesota area since 1971. In addition to school and charter transportation service, Voyageur provides daily transportation services for

UDAC, Inc., a day activity center in Duluth, Minnesota. UDAC provides a variety of services for people with disabilities in the Duluth area, including community-based employment, vocational training, senior programs, recreation and leisure activities, and transportation. As part of UDAC's transportation program, Voyageur provides management services and drivers for seven UDAC vehicles, purchased with Section 5310 funding, to transport UDAC clients daily to and from the UDAC center.

In addition to operating the seven routes, Voyageur maintains the passenger listing and route data, adding and deleting riders, revising stops, etc. as needed. Voyageur uses Edulog, a computerized routing system jointly purchased by UDAC and Voyageur, to assist with the routing.

Voyageur and UDAC work together well and meet regularly to discuss the service, problem solve, and institute changes to improve service quality and efficiency.

For further information, contact Voyager Bus Company, 3941 E Calvary Rd., Duluth, MN 55803; Mike Krois, Owner/Operator, Rudy Lundahl, Operations Manager, (218) 724-1707, Fax: (218) 724-2432, <http://www.voyageurbus.com>, or Roberta Lenz, Executive Director, UDAC, Inc., 500 E. 10th St., Duluth, MN 55805, (218) 722-5867, blenz@udac.org.

Best Practices

The Minnesota Department of Human Services implemented a medical transportation broker program called MNET, Minnesota Non-Emergency Transportation. In an effort to reduce

the use of special transportation services and thereby reduce costs, the Department of Human Services opted to contract with a single broker in the seven-county metro area—Medical Transportation Management, Inc., (MTM) a private for profit entity. The single-broker model allows for better screening of clients in order to determine the most appropriate level of transportation, ranging from special transportation services to mileage reimbursement for individuals able to get a ride from someone such as a neighbor or relative.

Under MNET, transportation assistance to health care appointments is provided for individuals who have Medical Assistance (MA) or General Assistance Medical Care (GAMC) and for pregnant women and children covered under MinnesotaCare in Carver, Dakota, Hennepin, Ramsey, Scott, or Washington Counties. Transportation assistance can include mileage reimbursement to drive your car or have a friend, neighbor, or relative drive you in their car; a ride from a certified volunteer driver, arranged by MNET; a bus pass; a ride in a taxi; a ride in an MNET vehicle; a ride in light rail transit; or service from a list of Special Transportation Service (STS) providers if MNET approves your use of STS.

The program began in mid-July 2004 and provides services for the following Minnesota health care populations: 1) all clients using fee-for-service medical transportation services, and 2) all eligible clients requesting medical mileage reimbursement through the Prepaid Medical Assistance Program (PMAP).

Previous programs throughout the metro

area lacked many features that MNET will provide. In general, these programs offered no quality control, no official method for clients to share concerns about services received, and no guarantee that drivers had undergone background checks. MTM will track complaints, check drivers' credentials, and provide medical transportation 24 hours per day.

For more information on this program, visit www.dhs.state.mn.us.

Transportation Coordination Toolkit

November 2005

Sections 5310 and 5311 Program Coordination

Topic: Section 5310 and 5311, Program Coordination

Target Audience: State Agencies, Human Service Agency Transportation Providers, Section 5310 Agencies, and Section 5311 Public Transit Systems

Goal: To explain the opportunities and mechanisms for coordination between FTA transit programs.

(Note: This brief discusses only Sections 5310 and 5311 since responsibility for implementing these two programs is delegated to the States by FTA. In almost all cases, FTA directly administers Section 5307 projects, and therefore, the States have no direct responsibility for this program. However, coordination can and does occur between 5310, 5311, and 5307 projects. Although there is no specific language in the FTA Section 5307 Circular which governs this program regarding coordination with 5310 or 5311 funded projects, the TEA-21 requirements for coordination apply to 5307.)

Issue: Coordination of FTA-funded Programs

The Sections 5310 and 5311 programs are administered by the U.S. DOT Federal Transit Administration to provide public and specialized transportation in rural and urbanized areas. Section 5311 is allocated for general public service in nonurbanized areas (rural and small urban), while Section 5310 is to be used for

transportation for the elderly and disabled in both urbanized and nonurbanized areas.

Section 5310 allows and encourages coordination to the maximum extent possible including vehicle sharing, ride sharing, operations sharing including joint dispatch/scheduling, maintenance, administration, and information. The FTA Circular 9070.1E also goes on to specifically address the coordination potential between the Section 5310 Program and the Section 5311 Program (public transit in non-urbanized areas). The Circular points out the parallels between the objectives of the two programs and encourages states to “consider both resources and plan for their use in a complementary way.” FTA encourages participation of Section 5310 and Section 5311 recipients in coordination efforts and made the program guideline for both programs as consistent as possible in order to simplify program administration.

With the evolution of the Section 5310 and 5311 programs, FTA’s increased emphasis on coordination and revised guidance has resulted in more interest by the States in aligning and coordinating the two programs. Although Mn/DOT currently has no specific guidelines for coordinating Section 5310 vehicles with 5311 transit systems, there are a few noteworthy examples of where this coordination is occurring, one of which is showcased as a best practice later in this document. In the best practice example where the two programs have been used to complement

one another, the resulting coordination of resources has resulted in significant benefit to their respective communities, thus demonstrating the opportunities and possible benefits that can be realized when the flexibility provided by the Section 5310 and Section 5311 programs is utilized. By embracing the complementary nature of the two programs, options for coordination at the local level can be expanded and the benefits of both programs enhanced.

Issue: Mn/DOT Administration of the Section 5310 and 5311 Programs

Administration of the Section 5310 and Section 5311 Programs varies greatly across the country. Some states administer the two programs together, using one application for both sources of funding. Others have separate applications, but limit the applicants for Section 5310 funds to Section 5311 systems, or at least place the responsibility for distributing the funds on the 5311 systems. There is no right or wrong way of program administration, but rather what works best in the individual state.

In Minnesota the 5310 program is a statewide program with applicants from the nonurbanized and urbanized areas. The 5310 and 5311 programs are administered separately. One of the strengths of Mn/DOT's method of program administration is the decentralization of the day-to-day administration for both programs to the district level. Each Mn/DOT District has a District Project Manager (DPM) who is responsible for the day-to-day administration of the Section 5310 and 5311 projects in each District. Decentralization enhances the communication, oversight, and guidance

between each individual subrecipient and Mn/DOT.

Policy is established at the main office and shared with the District representatives during frequent meetings, conversations, and correspondence. The program administration and grants administration processes are standardized, but the district representatives are given a certain degree of latitude in the implementation of the programs to reflect the unique nature of the districts and transit agencies they serve.

The discretion afforded the district representatives is apparent in the way that coordination is viewed in each district and the manner in which various components of the Section 5311 and 5310 programs are administered. This not only facilitates the development of 5310/5311 coordination projects, but encourages it by its nature of developing projects which best meet the needs of the individual Districts by the DPMs.

In areas where it is believed that public transit can serve most if not all needs of the district residents, efforts and guidance are placed on strengthening the public transit system and promoting coordination by consolidating transportation services at the public transit system. In other areas, coordination is not perceived as a viable option and therefore, coordination efforts are minimal. In yet other areas, coordination of service delivery and operational functions (i.e., maintenance, training) are encouraged as a means of improving the effectiveness of the public transit system and transportation network as a whole.

While the overall objectives of the Section 5311 program differ from that of the

Section 5310 program, there are parallels, which make it desirable for states to consider all of the resources and to plan for their use in a complementary way.

Issue: Coordinating Section 5310 Vehicles with Section 5311 Transit Systems: Why Coordinate?

There are a number of obvious reasons for a Section 5310 agency to pursue coordination with a Section 5311 transit system (or vice versa), but here are a few:

1. Coordination with a Section 5311 transit system can take advantage of an infrastructure (both staff and equipment) that is already in place, thus saving time and dollars needed for start-up;
2. Coordination can result in expanded service (number of vehicles available, including back-up vehicles, expanded service area, and service hours);
3. Many other services can be enhanced or expanded through coordination, such as training, grants writing, joint purchases, and maintenance;
4. System safety can be improved through coordination because of improved or enhanced training, maintenance, and safety programs, as indicated in #3 above; and
5. System efficiency and effectiveness can be improved by coordinating and/or consolidating scheduling and dispatching activities, either through the use of 800 numbers or computerized scheduling programs.

Issue: Coordinating Section 5310 Vehicles with Section 5311 Transit Systems: Getting Started

If you are considering applying for a Section 5310 vehicle and wish to use it cooperatively with a Section 5311 transit system to enhance or expand your operation, your first contact (after that with the transit system!) should be with your DPM. However, do some initial homework to give your DPM an idea of what you are proposing so that he or she can tell you whether or not you are on the right track. This will also tell your DPM that you are serious.

Together with the Section 5311 system, develop a list of all of the areas that are potential for coordination, for example

- Vehicle sharing, including back-up vehicles,
- Maintenance
- Dispatching/Scheduling
- Training (including training needed for Motor Carrier compliance),
- Purchasing,
- Insurance,
- Grants Writing
- Record keeping and Invoicing,

Begin by prioritizing those areas that would be the simplest to implement (for example, providing a back-up vehicle or sharing schedules to determine trips or services that are potential for linking or coordinating) but could provide some immediate results. For example, what areas could you coordinate right now, before you receive your Section 5310 vehicle?

From this list, develop an outline of the areas for coordination along with a projected timeline, which takes into

account when the Section 5310 application is due. Again, this will show the DPM that you are serious about your proposed effort. Ask the DPM for input and guidance of developing your proposal into a successful Section 5310 application.

If your proposal includes coordinating trips, you will need to begin thinking how you will account for and report the coordinating trips to meet both the Section 5310 and Section 5311 reporting requirements. Your DPM can provide guidance in this area.

Best Practices

Three Rivers Hiawathaland Transit— Cannon Falls, Minnesota

Although the Minnesota DOT administers its Section 5310 and 5311 programs separately, there is an excellent example of coordination between the two programs underway in the state. Three Rivers Community Action, Inc. is the Section 5311 grantee for the Three Rivers Hiawathaland Transit service in Cannon Falls, Elgin, Kellogg, Lake City, Plainview, Red Wing, Wabasha, and surrounding townships. Dial-a-ride and fixed route deviation service is provided 6 a.m. to 6 p.m. Monday thru Saturday under contract with four separate third party operators. Three of the four services are provided solely with Section 5311 funds and vehicles. In Cannon Falls, however, the service is operated by the Cannon Falls Hospital, a Section 5310 agency. Under their contract with Three Rivers, Cannon Falls, provides 24-hour advanced reservation, dial-a-ride service to Cannon Falls and surrounding township residents. Calls come in directly to the Cannon Falls dispatcher, who logs the trip as either 5311 (general public) or 5310. Separate records and

invoices are maintained. Section 5311 trips are reported to and reimbursed by Three Rivers. Section 5310 trips are paid for by Cannon Falls and reported quarterly to MnDOT. This coordinated system takes advantage of a service and infrastructure that was in place for clients of Cannon Falls Hospital as part of an approved Section 5310 application, but allows it to be expanded to the general public. Cannon Falls operates one vehicle; back-up vehicles are available through Red Wing and the MnDOT District 6 office. After much consultation with the MnDOT Office of Freight and Commercial Vehicle Operations, Cannon Falls, operating this vehicle primarily for their clients, is not required as a result of this contract to register as a Specialized Transportation Service with the OFCVO.

For more information, please contact Amy Kuchera, Transportation Director Phone 507-732-8558 or email: amykuchera@threeriverscap.org.

Best Practices

Martin Luther Manor – Bloomington, Minnesota

Martin Luther Manor operates three adult day care centers, two in Bloomington and one in Richfield, Minnesota using five Section 5310 vehicles to transport participants to and from the day care centers, doctor's appointments, shopping, etc.

At the same time that the Manor was applying for a Section 5310 vehicle, the Richfield Community Center was contemplating the discontinuation of transportation to and from their congregational meal site because of

financial reasons. Responding to the Manor's Section 5310 public notice, the Community Center approached Martin Luther Manor with a proposal: Pick up and deliver participants to the congregate meal site at the same time they are picking up Manor participants to take them to various activities and the Community Center would reimburse the Manor for its (the Center's) portion of the service. The Community Center would not have to hire a driver nor maintain a vehicle. The Manor could use its existing resources to provide the additional service. Through coordination, one organization was able to meet the needs of another resulting in cost savings for one agency and additional revenue for the other.

Today the service is working well with The Community Center taking requests for the service and providing the schedule to Manor drivers. Martin Luther Manor currently transports approximately eight passengers daily to the congregate meal site.

For more information, please contact Sally Peterson at (952) 948-5182 or sallypeterson@ecumen.org.

Best Practices

10/15 Regional Transit Agency/Ottumwa Transit Authority – Ottumwa, Iowa

The 10/15 Regional Transit Authority, an intergovernmental agency that, as a regional transit system, under Iowa law, is responsible for coordinating all publicly-funded passenger transportation services within the ten counties in Iowa Region 15. (Note: Recently the 10/15 adopted an eleventh county into their service area.)

it will provide and the types of capital projects, if applicable, it will pursue. It is then the responsibility of OPT to review the project and award the type of funds that best meets the project, Section 5310 or Section 5311, or any combination of these two sources. It is the 10/15's role as a "public entity responsible for coordinating human service transportation" and its contract arrangement with Ottumwa Transit that makes it eligible for 5310 "purchase of contracted services" funding."

For further information regarding the 10/15 Regional Transit Authority, contact Pam Ward at (641)683-0608, or via e-mail at pamota1015@lisco.net. You can also visit their website at www.ottumwatransit.com/10-15.htm.

For further information on Iowa DOT's programs and consolidated application process, contact Peter Hallock at (515) 239-1765, peter.hallock@dot.state.ia.us.

Transportation Coordination Toolkit

November 2005

Volunteer Programs

Topic: Volunteer Programs

Target Audience: State Agencies, Human Service Agency Transportation Providers, Section 5310 Systems, Section 5307 and 5311 Public Transit Systems

Goal: To address the issues of establishing and maintaining a successful volunteer program.

Why use volunteers?

Volunteers can not only help “fill in the gaps” in many areas, including driving, dispatching, administrative duties, etc., but can also extend or expand service that otherwise would be cost prohibitive. For example, volunteer drivers can be used to add to or supplement traditional bus service by offering door to door, demand responsive service. Because drivers use their own vehicles and are reimbursed based on mileage, transit systems are able to offer this expanded service without incurring additional labor and capital costs. Since most volunteers are doing so to “give back” to the community, and as such they are often open to new challenges and opportunities, this provides a winning combination for the transit systems, the volunteers, and the passengers they transport.

Pros

- Typically have flexible schedules

- Can represent a significant cost savings.
- Bring a variety of skills and experience to the workplace.
- Can be a strong advocate for your system in the community.

According to the Network for Good, a nonprofit organization that connects individuals with their favorite charities, the following are some national volunteer statistics:

- Approximately 109 million American adults volunteer annually — that's 56% of all adults.
- Volunteers contribute an average of 3.5 hours per week — totaling 20 billion hours with an estimated dollar value of \$225 billion.
- 59% of teenagers volunteer an average of 3.5 hours per week — that's 13.3 million volunteers totaling 2.4 billion hours at a total value of \$7.7 billion.

Benefits cited by the Network for Good as a result of volunteering which may be helpful for you to keep in mind as you look to recruit and retain volunteers:

- Volunteering can make an individual feel needed and included.
- Volunteering can offer a way to learn new skills.
- Volunteering is a way to give back to the community.

Minnesota and other states such as Oregon and Vermont have a strong network of volunteers as part of their overall transportation network. These volunteers save hundreds of thousands of dollars each year.

For a successful volunteer program, remember the 3 R's: Recruiting, Retaining, and Relying.

Issue: Recruiting

Recruiting volunteers should be a continual activity. Whether you choose to actively recruit via newspaper advertisements, through other local organizations, or word of mouth, making sure that you have a steady pool of volunteers to draw from is critical. Develop a recruitment plan and schedule that includes regular advertisements in both local newspapers as well as key newsletters from other local organizations. Get on the agendas of your local rotary, chamber of commerce, senior centers, etc. Make sure that you spread the word about volunteer recognition (either through volunteer of the month, annual recognition events, etc.)

Issue: Retaining a Pool of Volunteers

The next step after recruiting is to retain the volunteers you have. Typically volunteers have either other jobs and responsibilities or have retired from other jobs and responsibilities and want to retain some flexibility. Some may be doing it for the small reimbursement they receive. If so, the ever increasing and fluctuating fuel and insurance costs could be a problem. Try and offer other regular incentives or recognition to make sure they know they are valued as part of the team. Be as flexible as you can with their schedules. Many volunteers these

days are “snow birds” and spend their winters in warmer climates.

Finally, keep them informed about the organization and what’s going on. Ask for their input, and listen to their ideas. They, just like paid staff, are on the front lines and probably know before you do if there are problems or issues that need addressed.

Issue: Relying

The 3rd “R” is relying. Relying on volunteers can be both a blessing and a curse. On one hand, they provide a valuable service and can be a tremendous cost savings. On the other, if you were to have to replace all or a large portion of your volunteers with paid staff, this could be financially devastating to your system. Make sure that you know at all times what your budget is and the portion of it that budget that is accounted for with volunteer time. While the cost of your volunteer staff maybe zero or very minimal, the cost if you were to have to replace them with paid staff would not. Many agencies have found that providing a balance of paid and non-paid drivers works best.

Best Practices--Minnesota

Tri-Cap Transit Connection, St. Cloud, MN

Volunteer Programs: Scheduling & Recruitment

Tri-Cap Transit Connection is the Section 5311 transit provider for Benton and Stearns Counties, providing route deviation, dial-a-ride, and subscription services to county residents. In addition, however, Tri-Cap coordinates the volunteer programs for the counties, including scheduling and recruiting activities under the Tri-CAP Volunteer Driver Program. Each county faxes their

daily trip requests to Tri-CAP throughout the day by the case worker who is requesting the trip at the county level. The Tri-CAP dispatch center then assigns the trips to volunteers, who provide the trips using their own private vehicles to the residents of Benton and Stearns counties. Volunteer drivers are reimbursed at the Federal IRS rate and may also be eligible for some meal reimbursements. At the end of each month, all rides completed are billed back to the county of origin at the actual cost of providing the trip, i.e., mileage, meals, and startup. The county then pays Tri-CAP. Each county pays Tri-CAP an administrative fee for administering and coordinating the volunteer programs, including the recruitment of volunteers. Both Benton and Stearns Counties have indicated that many of their residents, particularly the low-income, elderly and disabled, depend upon this volunteer program our services to help them stay independent.

The success of Tri-CAP's Volunteer Driver Program depends on available volunteers. In 2004, faced with a dwindling volunteer pool due to health and age issues, the assistance of the Tri-CAP Human Services Director was enlisted to develop its first annual advertising campaign for volunteer recruitment. Advertisements were run in the classifieds of six weekly papers, encouraging participation in the program as "helping your neighbor" while also earning additional income. (Volunteers are reimbursed at the IRS mileage rate, plus for those that qualify under the RSVP program, \$3.00 per day stipend. Meals can be reimbursed if they are out over a certain amount of hours each day.)

This series of ads brought in 22 applications and seven of those applicants were brought into active service. Prior to this ad campaign, Tri-CAP's pool of volunteers was dwindling due to health and age issues. As a result of this ad campaign, Tri-CAP was able to bolster their pool of volunteer drivers to a total of 24 active volunteer drivers. This campaign will be repeated as needed to ensure a stable base of volunteers for the

program.

For further information, please contact Linda Elfstrand, Director, Tri-CAP Connection at (320) 202-7824, x217, or Linda.elfstrand@tricap.org

Rainbow Rider – Douglas, Pope, Stevens, and Traverse Counties, Minnesota

Volunteer Programs: Expanding Service Through Volunteers

Rainbow Rider provides public transportation in the Greater Minnesota counties of Douglas, Pope, Stevens, and Traverse. In addition to the route deviation, dial-a-ride, and subscription service it offers, Rainbow Rider operates an extensive volunteer driver program for residents who cannot utilize the bus service or who need transportation outside of the four counties. Rainbow Rider volunteer drivers are unpaid volunteers who dedicate their time and efforts to helping others. These volunteers, using their own vehicles to provide transportation every day of the year, are reimbursed for their mileage. Rainbow Rider volunteer drivers are subject to criminal background checks and annual motor vehicle record checks. All drivers have good driving records and must annually provide proof of insurance. A round trip fare for the Rainbow Rider volunteer driver program is based on an actual cost recovery formula. (Aides for passengers needing assistance travel at no charge.) The current rate is \$2 for .1 to 5 miles and \$3 for 5.1 to 10 miles. Volunteer drivers provide door-to-door service. Passengers needing additional assistance including scheduling appointments, filling out forms, getting dressed, etc. must provide their own aides. People using wheelchairs or scooters must be able to independently transfer themselves to the volunteer driver's vehicle. For

more information, contact Rainbow Rider at (800)450-7770 or via e-mail at rainbowr@runestone.net.

Best Practices

Ride Connection, Oregon Volunteer Program

Ride Connection is a non-profit, community service organization established to link accessible, responsive transportation with community need by:

- *Serving those without viable transportation alternative giving priority to elderly and persons with disabilities;*
- *Coordinating transportation services in Clackamas, Clark, Multnomah, and Washington Counties; Coordinating system-wide training and safety programs;*
- *Developing and securing financial, volunteer and equipment resources for Ride Connection's network;*
- *Developing and maintaining provider programs;*

Service is provided to persons with disabilities and senior citizens without alternative transportation in Clackamas, Clark, Multnomah and Washington Counties, Oregon.

The Ride Connection was incorporated as a private nonprofit organization in May of 1988 after the need for transportation for the elderly and persons with disabilities was recognized by the local communities. There was a vision to serve this frail population with a more adaptable, accessible service than traditional public transit allows. Through a citizen committee's recommendation and with the support of Tri-Met, it was decided that a volunteer program, Ride Connection, could meet these special needs. From that start seventeen years ago, Ride Connection has grown to include a network of over 30 agencies and over 370 volunteers.

Transportation Coordination Best Practices

November 2005

Best Practice – Transportation Brokerage

Topic: Creating a Transportation Brokerage

Target Audience: Human Service Agency Transportation Providers, Section 5310 Agencies, Section 5307 and 5311 Public Transit Systems

Goal: To present the steps necessary to form a transportation brokerage

Issue: Why Form a Transportation Brokerage?

In communities where both the public and private sectors are already providing some level of transportation, these services can offer a strong base from which to build a coordinated transportation network. One of the most common forms for this coordination is a transportation brokerage. The brokerage concept is not new, but has gained new interest in the last few years because of its use with Medicaid transportation. An excellent example of a transportation brokerage is Minnesota's own MNET system (see the Private/Public Partnerships write up in this Toolkit to read more about MNET).

A transportation brokerage is simply a mechanism to match ride requests with available transportation resources. Someone, an individual or agency, must manage or "broker" the ride requests to the transportation providers. Typically, this broker should be an independent and objective party that performs the

matches based on the best transportation (mode and timing) for the lowest cost. A variety of transportation modes can be used, for example, taxis, volunteers, fixed route bus service, demand-responsive dial-a-ride type services, etc. Brokerages can yield a number of benefits. Efficiency can be achieved by a clearinghouse for each ride request to be matched with the lowest-cost trip that meets the needs of the individual requesting the ride. Other benefits can include improved quality and safety of the ride, and increased capacity.

Brokerages can be formed by cities, counties, state or local human service agencies, transportation providers or any combination of these entities. In any case, it is important to the brokerage's long-term success to establish both the reporting mechanism or hierarchy to which the broker is accountable and the guidelines and procedures which must be followed. This oversight entity could be a new advisory council or brokerage board or an existing body, such as a subcommittee of a city council or county commission.

Issue: Establishing the Broker's Role

Defining the role of the broker, or mobility manager as it is often referred to, and the services you wish to be delivered is your first step to establishing your transportation brokerage. The duties and responsibilities of a broker includes, but is not limited to, 1) building on the existing transportation

services in the area, 2) facilitating and incubating coordination efforts among the existing service providers, 3) encouraging regional services, where available, 4) encouraging a “team approach” to service provision, working to minimize unproductive competition, and duplication, which could include working with local and state officials to change legislation, policies or practices that have institutionalized exclusive-ride service and which prohibit lower cost coordinated service delivery, 5) working to promote the use of the most efficient and appropriate (in terms of service type) service provider, including public transit services, 6) providing technical assistance, which could range from the development of a plan and strategy to identify opportunities for coordination in areas such as information and referral, joint procurement, risk management and others, to developing joint training events, providing assistance with technology and automation, vehicle inspections, and scheduling and dispatching, to regulatory compliance, and 7) creating a regional information clearinghouse for consumers to access up-to-date information on the transportation services available and how to access these services.

Before you can carry out these activities, however, you must retain the services of a transportation broker to lead your efforts.

Issue: Retain a broker/mobility manager.

Now that you’ve established what it is you want the broker to do, your next step is to retain the broker that will lead your coordination effort. Your broker can be an individual (with support staff) or an

existing agency or transportation provider, or some combination of these two. For example, an individual could be hired but housed and supported by an existing agency or provider that will be participating in the coordination effort.

The advantage of using an individual, especially someone that may be new to the area or the project is that they come to the project with no preconceived ideas or biases. The disadvantage, obviously, is that they will not be familiar with the resources available or some of the nuances or particular needs of the area. The advantage of using an existing agency is that its staff would be familiar with the area and the services that already exist. They would most likely be aware of local issues and how those issues can best be addressed. The disadvantage might be the perception that the agency is biased toward a certain population or provider. Bias, perceived or otherwise, can end a coordination effort before it begins, therefore, it is paramount that any hint of bias is addressed.

Can an existing transportation provider, e.g., the local transit system, be fair and objective? Another, or perhaps better, question might be, can a local transit system dispel the perception of bias toward its own service? These are questions that must be addressed. The answer to the first question, we believe, is yes, as long as the rules and procedures for assigning trips have been established first. Typically, these procedures will have been established by the advisory council or board (discussed earlier in this document), which will work to ensure that any misconceptions or inaccuracies regarding the brokerage or the broker’s duties are addressed.

Why would a local transit system want to act as the broker? Some might say to maintain “control” of the service being provided. Actually, many transit systems are just better equipped, with the staff and resources already trained and available and knowledgeable of the area. Having the transportation brokerage succeed will only strengthen the transit system’s position in the community, therefore, the transit system will be committed to performing this function as objectively and responsibly as possible.

Regardless of whether you hire an individual and/or set up a new brokerage office or use an existing agency or provider, here are a few of the attributes that you will want to look for in a broker.

The transportation broker must:

1. Be fair and objective. The broker will be responsible for assigning trips among various transportation providers in the brokerage. The perception of bias or “playing favorites” could create hostile feelings among the providers which is not conducive to cooperation. Having a process and a set of guidelines in place for taking and referring trips can help ensure this objectivity.
2. Be familiar with the transportation providers and services available. This does not necessarily mean the broker has to be a local individual or agency, but does mean he or she must become thoroughly familiar with the services to be offered.

3. Be an advocate for the brokerage, the services offered, and the guidelines by which those services are provided. The broker should be available to speak to individuals and groups about the benefits and services of the brokerage.
4. Be a diplomat. A major part of the broker’s role will be to encourage and facilitate coordination efforts in the area, minimizing competition and duplication which can effectively thwart coordination.
5. Be vigilant in the need for services and other support for the brokerage members. Could one member benefit from drivers training? Is dispatching and scheduling assistance needed? A good broker identifies the areas where help is needed, then works to put together a plan to fulfill those needs.

Now that you’ve established the broker’s role, hired the right individual or organization, you’ll need to expand on those areas and duties that you wish the broker to carry out.

Issue: Build on the Existing Transportation Services in the Area

The strength of a transportation brokerage is that it is built on a structure that is already in place. The time normally spent on hiring and training drivers, purchasing vehicles, etc. will be spent on assessing the capabilities and resources available from the existing providers. For instance,

- How many drivers are available? What training have they had?

- How many vehicles and at what times and days of the week are they available?
- What types of maintenance services are available?
- Do any of the providers have trainers on staff that are available to the brokerage?

Next, brokerage policies and service guidelines must be developed for such items as:

- Who will be responsible for dispatching and scheduling?
- How will calls for service be received (800 number or other centralized number, etc.)?
- Will providers be directly billed, or will the broker handle the billing?
- How and when will participating providers supply their schedules to the broker?
- What training will be required?
- How will training be monitored?

Issue: Facilitate and Incubate Coordination Efforts Among the Existing Service Providers

Concurrent with trying to build a network from your many individual transportation services, coordination among the providers must be facilitated. This is a major role for your transportation broker. Typically, regular meetings are held both as a group and individually with the various providers. It's important for the transportation provider to develop a good working relationship with each of the providers, and for them to be able to communicate their needs and concerns. In most coordination efforts, an advisory council or task force is convened to represent the

transportation providers. This provides a structured mechanism for addressing issues that will affect the group as a whole.

Issue: Encourage Regional Services, Where Appropriate

Transportation brokerages most often operate within a designated municipality or county. However, today, few transportation services are limited to such a finite area. There is always need to access services outside the city or county limits. If there are already transportation providers operating in these areas, the broker should investigate these services for the potential of coordinating with the brokered system.

Issue: Encourage a "Team Approach"

In addition to being objective and facilitating coordination among its providers, the transportation broker should adopt a team approach for service provision, working to minimize unproductive competition and duplication. This might include working with local and state officials to change legislation, policies or practices that have institutionalized exclusive-ride service and which prohibit lower cost coordinated service delivery. To this end, the broker will want to be a part of other planning groups or task forces in the area looking at transportation issues, and cultivate good working relationships with those organizations as well as with local and state officials.

Issue: Promote the Use of the Most Efficient and Appropriate Service Provider, Including Public Transit Services

In a transportation brokerage, all transportation providers are not created equal. In addition to the standard divisions of public, private for profit, and private nonprofit providers, there are also different levels, and costs, of service within these divisions. The job of the transportation broker is to match these services with the passenger to provide the best service at the least cost. These two characteristics are not mutually exclusive. The “best” service for one client might cost more than that for another. It is the role of the transportation broker to make these matches, as fairly and objectively as possible. Again, the need for the brokerage guidelines and procedures to have been developed early by the brokerage advisory council or board is paramount. It is, then, the role of the transportation providers to provide the best service they can for the lowest cost.

Issue: Provide Technical Assistance

A transportation broker will wear several hats: leader, facilitator, administrator, planner, negotiator, trainer, and more. It will be the broker’s role to be constantly aware of which “hat” is needed at designated times. For example, in areas where no coordination exists, the broker may need to develop a plan and strategy to identify opportunities for coordination in areas such as information and referral, joint procurement, risk management, joint training, insurance coverage, technology and automation, and more. He or she may need to actually develop training or arrange for it to be conducted. Or, assistance might be needed for streamlining or automating dispatching and scheduling activities.

Issue: Create a Regional Information Clearinghouse

A brokerage is only as good as the consumers who request its service. If no one is aware of the service, or aware of how to access the service, then the services will go unused. There are two issues for consumers accessing information. First, it must be easy to access. Second, the information has to be readily available and kept up-to-date. Brokerages use tollfree numbers and websites most often today to meet the information needs of consumers. These should not take the place, however, of printed materials such as flyers, brochures, and posters to get the word out. These types of materials should be available in human service offices, senior centers, grocery stores, pharmacies, and other frequented businesses. Transportation brokerages also make great human interest stories for local newspapers.

Best Practices

Winston-Salem Transit Authority (WSTA)/Trans-AID

Trans-AID is one of the longest, continuously operated paratransit systems in North Carolina. Moreover, the system has successfully coordinated urban and rural paratransit needs in Forsyth County throughout its history, one of the few examples of integrated service delivery, using a transportation brokerage, or mobility management, model.

Trans-AID was established in 1978 to transport elderly and disabled citizens in Winston-Salem and Forsyth County. Trans-AID was operated as a division of the Winston-Salem Transit Authority that

provided advance reservation, curb-to-curb demand response transportation to eligible individuals in the service area. The system has grown from providing a few thousand trips per year to over 100,000 unlinked passenger trips per year today.

Trans-AID operates from a “mobility management” center located on the second floor of the downtown transit center in the heart of Winston-Salem. All customer service functions are provided at this center including, but not necessarily limited to:

- ◆ Reservations for ADA service
- ◆ Information on WSTA fixed route services
- ◆ Information on all other paratransit services
- ◆ Information regard ADA eligibility certification
- ◆ Paratransit trip information and trip cancellation

Trans-AID coordinates virtually all human service agency transportation. It is a direct recipient of Title III transportation funds for older adults and provides most of the Medicaid transportation in the county. The organization has service contracts with more than 15 other social service agencies, operating a non-dedicated fleet of vehicles to serve all paratransit needs. State-of-the-art computerized scheduling and dispatching technology is an integral component of the Trans-AID program.

For more information on the mobility manager project, contact Winston-Salem Trans-AID at (336) 727-2648.