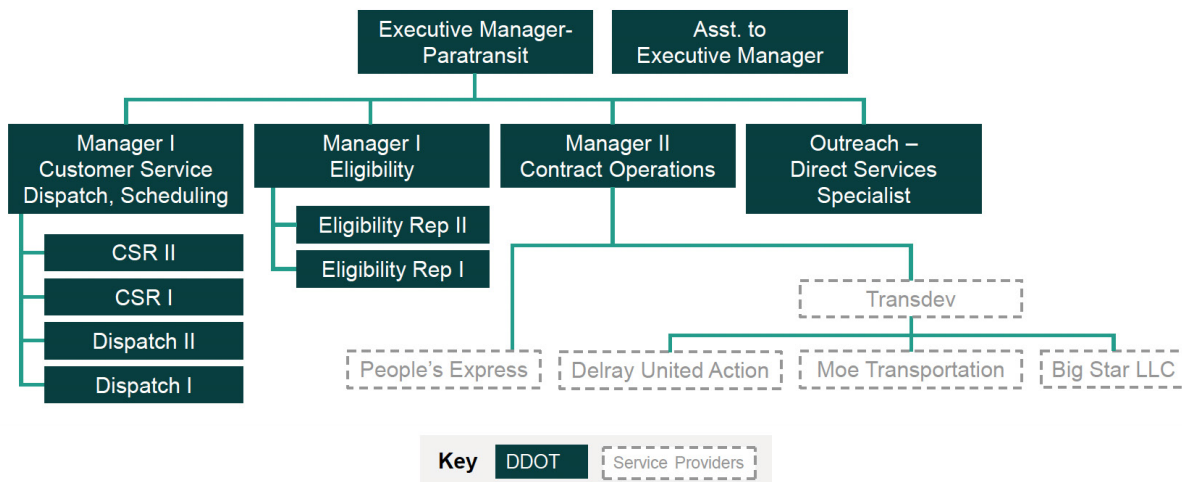


DDOT PARATRANSIT SERVICE



DDOT builds a new and robust paratransit model, which will make the transportation program better for disabled customers who use the on-demand service. The plan brings key services impacting users in-house and includes new service providers. The current provider, Transdev, will no longer be responsible for any direct service to customers. If a key contract is not approved, service will be cut by 70% beginning on December 18 & the federal government could take action if service stops.

The Detroit Department of Transportation (DDOT) is in the process of creating a robust paratransit department after hearing the concerns of the disability community and bringing in consultants to address those concerns and improve the system, in collaboration with advocacy groups for persons with disabilities, customers, and members of City Council. DDOT has already hired 22 employees of the 32 needed to run the new system. The plan brings paratransit oversight under the management of DDOT and includes reservation taking, hiring proper staff, scheduling, dispatching, customer-complaint response, and eligibility certification. The changes would be implemented on January 1, 2023. The new model would increase the current budget of \$10 million to \$15 million a year. The \$15-million budget was approved by City Council. The chart below reflects the new responsibilities taken on by DDOT under the new model.



An RFP went out in March 2022 for technical and pricing proposals. Four different companies responded to the RFP. Two companies were eliminated early in the process. The two companies remaining were Transdev and People's Express.

Transdev put together its contract as a broker with **three minority-owned subcontractors**, who would have the opportunity to grow their business by delivering 70% of the service:

- Moe Transportation: Oak Park
- Big Star, LLC: Headquartered in Texas, operating out of Dearborn
- Delray United Action Council: Detroit

All interested companies had the ability to respond to the RFP. It was the decision of Moe, Big Star, and Delray United to submit their proposals as subcontractors under the umbrella of Transdev. Transdev proposed a \$49-million contract over five years and will provide insurance, assume liability for these three subcontractors and provide safety and training. A committee consisting of DDOT staff and OCP evaluated the proposals using pre-established criteria from the RFP. Of the submitted proposals, Transdev received the highest score with the resources, experience, and capacity to perform the services. These are not exclusive contracts. If any of the providers perform badly, DDOT can terminate that contract. Each contract allows the City to seek additional transportation providers.

People’s Express chose a different route to directly operate 30% of the service. The evaluation committee also rated People’s Express as qualified. In early November, the Council awarded the contract to People’s Express to provide 30% of the service. It’s a 5-year, \$16-million contract.

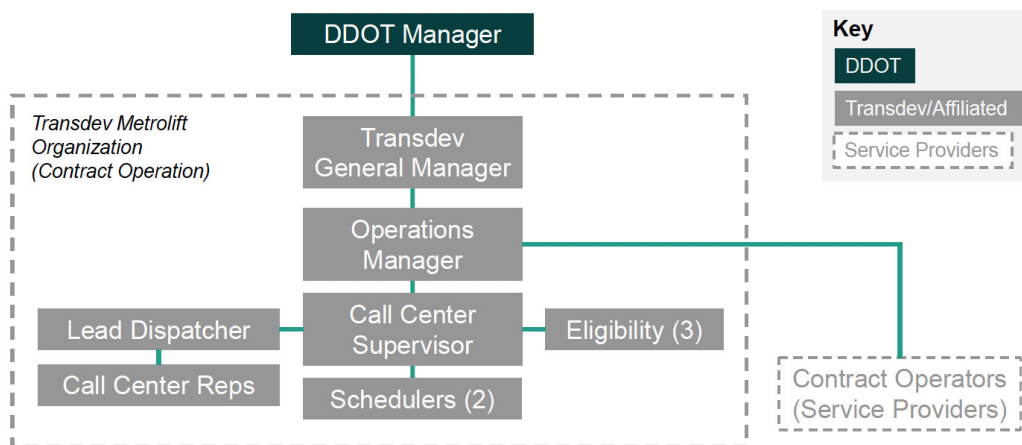
Transdev’s Role Significantly Reduced

Beginning January 1, 2023, DDOT is taking over the management of roles currently overseen by Transdev. The company will no longer provide direct services to customers.

Approximately 80% of the \$49M contract will be used for the purchase of transportation services from the three subcontractors of Transdev: Big Star, LLC, Moe Transportation, and Delray United Action Council. Transdev will not be directly responsible for service delivery, but will provide the following services for its subcontractors and to DDOT:

1. The required insurance coverage and the associated liabilities (increased to \$6M+)
2. Enhanced training required under the new contract for drivers
3. Administrative functions (data collection, reporting requirements for DDOT and the FTA)
4. Frontline oversight for the maintenance of vehicles and the delivery of service; and
5. Invoicing for services performed by the three subcontractors.

The chart below shows the current responsibilities handled by Transdev.



The Clock Is Ticking

If Transdev is not awarded the contract, DDOT runs the risk of not being able to deliver the current 1,000 trips a day. Only 300 trips a day would be possible using People’s Express which will provide 30% of the service being January 1, 2023. That’s a loss of 70% of the capacity of the system. Transdev’s current contract expires on December 31, 2022.

Delays in approving the Transdev contract puts DDOT in jeopardy with the Federal Transit Administration (FTA). The FTA has put DDOT on notice that there could be serious repercussions if there’s any suspension of the paratransit service or violation of the ADA.