

DDOT PARATRANSIT SERVICE



On December 8, 2022, Mayor Mike Duggan followed through on a promise to not leave DDOT paratransit customers stranded on January 1, 2023. The Mayor has approved 4 emergency paratransit contracts to continue to deliver the 1,000 rides disabled Detroiters rely on every day.

The four paratransit providers awarded the 6-month emergency contracts are:

- Moe Transportation
- Big Star Transit
- Checker Cab Company
- Delray United Action Council

While the Detroit City Council rejected the Transdev contract, members did approve a 5-year contract with People's Express, which will also provide paratransit service. Under the emergency contracts, Transdev is not involved.

Riders will still call 313-208-7363 to schedule a ride. Calls will be answered by DDOT employees who were hired specifically to handle all paratransit-related eligibility screening, scheduling, dispatch, and customer service operations. DDOT had already planned to bring those services in-house starting January 1, 2023, regardless of the service providers, as part of its ongoing efforts to provide better and more reliable paratransit service.

As of today, DDOT has hired and is training 27 new staff members to provide these services and will have a total of 36 on board by the end of December. In January, the City will open a new bid process to find permanent paratransit providers.

DDOT officials are asking riders to be patient and understanding as they put their emergency plan in place to maintain existing service levels starting January 1.

History

The Detroit Department of Transportation (DDOT) began 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.

An RFP went out in March 2022 for technical proposals and pricing proposals. Four different companies responded to the RFP. Two of those 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 businesses 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 could have responded to the RFP. It was the decision of Moe, Big Star, and Delray United to submit their proposals to be subcontractors under the umbrella of Transdev. Transdev proposed a \$49-million contract over 5 years and would have provided insurance, assumed liability for these three subcontractors, and provided safety and training. A committee consisting of DDOT staff and the Office of Contracting and Procurement (OCP) evaluated the proposals using pre-established criteria from the RFP. Of the submitted proposals, Transdev received the highest score and was evaluated to have the resources, experience, and capacity to perform the services. These were not exclusive contracts. If any of the providers performed badly, DDOT had the ability to terminate that contract. There was also language in each contract that allowed the City to seek additional transportation providers.

People's Express chose a different route and opted 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, which will now provide 30% of the service. It's a 5-year, \$16-million contract.

After several delays, the Detroit City Council voted down the Transdev contract on November 22, 2022, and recessed for the remainder of the year, leaving the planned service changes in limbo and forcing DDOT to cut service from 1,000 rides a day to only the 300 provided by People's Express.

Transdev's Role Had Been Significantly Reduced

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

Approximately 80% of the \$49-million contract would have been used for the purchase of transportation services from the three subcontractors of Transdev: Big Star, LLC, Moe Transportation, and Delray United Action Council. Transdev would not have been directly responsible for service delivery, but would have provided 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.