

**UMTA/TSC Project Evaluation Series**

**Implementing the Rochester Community  
Transit Service Demonstration**

**Interim Report  
May 1979**

**Service and Methods Demonstration Program**



**U.S. DEPARTMENT OF TRANSPORTATION  
Urban Mass Transportation Administration and  
Research and Special Programs Administration  
Transportation Systems Center**

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1. Report No. UMTA-NY-06-0048-79-1		2. Government Accession No.		3. Recipient's Catalog No.	
4. Title and Subtitle IMPLEMENTING THE ROCHESTER COMMUNITY TRANSIT SERVICE DEMONSTRATION				5. Report Date May 1979	
				6. Performing Organization Code D161-7	
7. Author(s) Michael Holoszyc, Debra A. Newman				8. Performing Organization Report No. DOT-TSC-UMTA-79-20	
9. Performing Organization Name and Address SYSTAN, Inc.* 343 Second Street, P.O. Box U Los Altos CA 94022				10. Work Unit No. (TRAIS) UM927/R9742	
				11. Contract or Grant No. DOT-TSC-1416	
12. Sponsoring Agency Name and Address U.S. Department of Transportation Urban Mass Transportation Administration Office of Planning, Management & Demonstrations Washington D C 20590				13. Type of Report and Period Covered Interim Report November 1977 - September 1978	
				14. Sponsoring Agency Code	
15. Supplementary Notes U.S. Department of Transportation * Under Contract To: Research & Special Programs Admin., Transportation Systems Center, Cambridge MA 02142					
16. Abstract This report describes the implementation process of the Rochester Community Transit Demonstration, the culmination of a five-year evolutionary search for the most effective way to provide dial-a-ride and other demand-responsive transit services. The demonstration is largely concerned with two institutional innovations developed by the Rochester-Genesee Regional Transportation Authority to deal with the problems of high operating costs and insufficient local funding availability. These innovations are the use of a competitively selected private operator and the shifting of the funding responsibility to the suburban towns served by dial-a-ride. This report describes the events leading to these innovations, their implementation, and their results and implications thus far.					
17. Key Words Demand-Responsive Transportation Dial-A-Ride Paratransit Urban Transit			18. Distribution Statement DOCUMENT IS AVAILABLE TO THE PUBLIC THROUGH THE NATIONAL TECHNICAL INFORMATION SERVICE, SPRINGFIELD, VIRGINIA 22161		
19. Security Classif. (of this report) Unclassified		20. Security Classif. (of this page) Unclassified		21. No. of Pages 148	22. Price

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# METRIC CONVERSION FACTORS

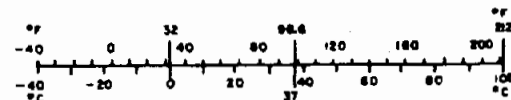
## Approximate Conversions to Metric Measures

Symbol	When You Know	Multiply by	To Find	Symbol
<b>LENGTH</b>				
in	inches	2.5	centimeters	cm
ft	feet	30	centimeters	cm
yd	yards	0.9	meters	m
mi	miles	1.6	kilometers	km
<b>AREA</b>				
in <sup>2</sup>	square inches	6.5	square centimeters	cm <sup>2</sup>
ft <sup>2</sup>	square feet	0.9	square meters	m <sup>2</sup>
yd <sup>2</sup>	square yards	0.8	square meters	m <sup>2</sup>
mi <sup>2</sup>	square miles	2.6	square kilometers	km <sup>2</sup>
	acres	0.4	hectares	ha
<b>MASS (weight)</b>				
oz	ounces	28	grams	g
lb	pounds	0.45	kilograms	kg
	short tons (2000 lb)	0.9	tonnes	t
<b>VOLUME</b>				
tsp	teaspoons	5	milliliters	ml
Tbsp	tablespoons	15	milliliters	ml
fl oz	fluid ounces	30	milliliters	ml
c	cup	0.24	liters	l
p	pint	0.47	liters	l
qt	quart	0.96	liters	l
gal	gallon	3.8	liters	l
ft <sup>3</sup>	cubic feet	0.03	cubic meters	m <sup>3</sup>
yd <sup>3</sup>	cubic yards	0.76	cubic meters	m <sup>3</sup>
<b>TEMPERATURE (exact)</b>				
°F	Fahrenheit temperature	5/9 (after subtracting 32)	Celsius temperature	°C



## Approximate Conversions from Metric Measures

Symbol	When You Know	Multiply by	To Find	Symbol
<b>LENGTH</b>				
mm	millimeters	0.04	inches	in
cm	centimeters	0.4	inches	in
m	meters	3.3	feet	ft
m	meters	1.1	yards	yd
km	kilometers	0.6	miles	mi
<b>AREA</b>				
cm <sup>2</sup>	square centimeters	0.16	square inches	in <sup>2</sup>
m <sup>2</sup>	square meters	1.2	square yards	yd <sup>2</sup>
m <sup>2</sup>	square meters	0.4	square feet	ft <sup>2</sup>
ha	hectares (10,000 m <sup>2</sup> )	2.6	acres	ac
<b>MASS (weight)</b>				
g	grams	0.036	ounce	oz
kg	kilograms	2.2	pound	lb
t	tonnes (1000 kg)	1.1	short ton	st
<b>VOLUME</b>				
ml	milliliters	0.03	fluid ounces	fl oz
l	liters	2.1	pint	p
l	liters	1.06	quart	qt
l	liters	0.26	gallon	gal
m <sup>3</sup>	cubic meters	36	cubic feet	ft <sup>3</sup>
m <sup>3</sup>	cubic meters	1.3	cubic yards	yd <sup>3</sup>
<b>TEMPERATURE (exact)</b>				
°C	Celsius temperature	9/5 (then add 32)	Fahrenheit temperature	°F



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## PREFACE

This report describes the implementation process and the early impacts of the Rochester Community Transit Service Demonstration in Greece, Irondequoit, Brighton and Henrietta--four suburbs of Rochester, New York. The features of the Rochester demonstration described in this report are the culmination of a five-year evolutionary search for the most effective way to supply demand-responsive transit services. PERT (for PERSONAL Transit) services were initiated in August 1973, and later became the focus of the first Federally-sponsored demonstration in Rochester; this demonstration ended in October 1977. In an effort to preserve and increase transit service coverage at a cost that could be borne in the long run, the Rochester-Genesee Regional Transportation Authority (RGRTA) prepared a request for additional demonstration funds. The new demonstration began on November 7, 1977, and will continue through July 1979. Following the conclusion of the project, SYSTAN will prepare a complete evaluation report of the Rochester Community Transit Demonstration.

Demonstration funding was provided by the Urban Mass Transportation Administration (UMTA) under its Service and Methods Demonstration (SMD) Program (Grant No. NY-06-0048-01). The SMD Program evaluations are conducted for UMTA by the Transportation Systems Center (TSC) of the U.S. Department of Transportation. This implementation report was prepared by SYSTAN, Inc. for TSC under Contract No. DOT-TSC-1416. Debra A. Newman, Michael Holoszyk, Paul Jones, and Roy E. Lave all contributed to this report; Carole Parker was responsible for its preparation. Mark Abkowitz of TSC and Paul Fish of UMTA were responsible for the evaluation and review of SYSTAN's work. Finally, Dave Sharfarz -- the RGRTA demonstration manager -- also provided useful input into this report.

The events leading up to the current Rochester Community Transit Demonstration have been carefully documented in this implementation report. This background information on the experiences in Rochester may be valuable to other communities interested in (1) participating in Federally-sponsored transit projects, (2) implementing similar paratransit services, or (3) initiating their own innovative transit financing strategies. (Although some of the data may reflect site-specific conditions, many of the Rochester

experiences are sufficiently general to be of interest to those cities facing similar implementation situations.)

It is likely that some implementation issues will suggest hypotheses about certain transit operating results. For example, during the first Rochester demonstration, the fragmented management system was believed to be one of the underlying causes of the poor service reliability. For these reasons, information contained in this report will be included in the final evaluation of the Rochester Community Transit Service Demonstration, and will serve as a framework for subsequent Rochester transit data analysis.

Experience gained from the first demonstration also indicates that perceptions of project events differed among the individuals involved in the project, and that the demonstration history was influenced by the strengths and weaknesses of their personalities. By examining these perceptions and personalities and the relationships that developed among Rochester's demonstration participants, the motivations behind the decisions made in Rochester become clearer. This report therefore documents the project's history as recorded in correspondence, media, schedules, and reports, and also discusses the demonstration participants' roles in the current project, and the differing interpretations of demonstration events. To document the implementation process, Debra Newman and Michael Holoszyk of SYSTAN interviewed the following individuals on September 20-22, 1978:

Joseph Silien, RGRTA Executive Director;  
William Evans, RGRTA Director of Planning and Research;  
David Sharfarz, RGRTA Demonstration Manager;  
Thomas Toole, RGRTA Commissioner, DAR Committee Chairman;  
James White, RGRTA Commissioner;  
Thomas McGrath, RGRTA Commissioner;  
Ellen Bass, RGRTA Director of Special Markets;  
Brent Morse, PERT Manager;  
John Hall, Paratransit Enterprises President;  
Michael Binlein, Paratransit Enterprises Resident Manager;  
Bert Weinbach, ATU Division 282 President;  
Paul Marshall, ATU Division 282 Secretary-Treasurer;  
John Kelley, Henrietta Supervisor;  
Michael Murphy, Henrietta Councilman;  
Henry Cornelius, Henrietta Director of Planning;  
Richard Wiles, Brighton Supervisor;  
Marian Brown, Brighton Councilwoman;  
Don Reily, Greece Supervisor; and  
Don Deming, Irondequoit Supervisor.

Jack Garrity, RTS General Manager, had been interviewed on a previous visit. Gorman Gilbert, Paratransit Enterprises President, was interviewed by telephone and through correspondence. In addition, officials from the six conti-

guous Rochester suburbs initially solicited by the RGRTA were interviewed by telephone. SYSTAN also sent questionnaires to all of the paratransit firms that received a Request for Proposal from the RGRTA but did not bid for service; the low response rate (25%) necessitated a follow-up telephone survey to solicit additional information. Several telephone conversations were also held with officials of the U.S. Department of Labor, the Urban Mass Transportation Administration, the International and Local Amalgamated Transit Union and RTS management in order to document the complex set of labor negotiations that preceded the demonstration.





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## EXECUTIVE SUMMARY

The Rochester Community Transit Demonstration is an outgrowth of an earlier demonstration, which ended in October 1977. The new demonstration will continue until July 1979. In the first demonstration, a variety of demand-responsive services were operated in two Rochester suburbs (Greece and Irondequoit). These services included door-to-door dial-a-ride, route and point deviation, doorstep and checkpoint subscription services, shuttle services, special group trip services for the elderly and handicapped, and an advance reservation service for the handicapped. In the new demonstration, the door-to-door dial-a-ride service was expanded in July 1978 to two additional suburbs (Brighton and Henrietta), and the handicapped service became a region-wide operation over a four-month period starting in July 1978. In addition, all four dial-a-ride service areas will eventually have computerized scheduling and dispatching using a dedicated minicomputer.

The first demand-responsive transit service began in August 1973 in Greece, when a many-to-many dial-a-ride service and a many-to-one work subscription service were implemented. These new services were called PERT (for PERSONAL Transit), and were operated by the Regional Transit Service, Inc. (RTS), the major operating subsidiary of the Rochester-Genesee Regional Transportation Authority (RGRTA). PERT operations grew steadily for three years; the service area and operating hours were expanded in Greece, new services began in Irondequoit, 21 new vehicles were acquired, fixed-route bus lines in the service areas were eliminated, computerized dispatching was implemented in Greece, and PERT ridership rose substantially.

By early 1976, however, several serious problems with the PERT system had developed. First, operating costs were much higher and demand was lower than had been anticipated. Second, users had reacted adversely to the replacement of fixed-route services. Third, the vehicle fleet -- which consisted of several types of small buses and vans -- was very unreliable. Fourth, the implementation of computerized dispatching caused frequent service disruptions for several months. Finally, there were management disputes between RGRTA (who conceived the PERT system) and RTS (who operated the services). These disputes resulted in a questionable RTS commitment to the PERT operation.

As these problems were developing, causing PERT's reputation to deteriorate, RGRTA was confronted with a transit funding crisis which not only threatened the PERT expansion plans, but even placed the future of the local fixed-route

system in jeopardy. RGRTA responded by substantially reducing PERT operations in early 1977 and investigating alternative strategies for reducing the financial burden of the dial-a-ride program.

RGRTA developed two key institutional innovations, and applied for additional demonstration funding to implement these strategies. The first innovation was that the local suburban towns in which dial-a-ride services were provided would be required to fund the local share of the services' operating deficits. Dial-a-ride service would be expanded to two new towns during the demonstration, but these towns had to recognize that they would be responsible for funding the services following the demonstration. Prior to service initiation, RGRTA and the participating towns would develop criteria for evaluating the success of the new services, to be used as a basis for deciding whether to fund the program after the demonstration.

The towns of Brighton and Henrietta agreed to these terms and developed, with RGRTA, the following evaluation criteria: (1) Each town's dial-a-ride service would carry 120 to 160 daily passengers at vehicle productivity levels of between four and five passengers per vehicle-hour, and (2) revenues would comprise 25% to 29% of operating costs, resulting in an annual net deficit of \$39,500 to \$41,500 to be funded locally. In Greece and Irondequoit, where no prior funding commitments have been made, RGRTA is negotiating with local officials over terms by which these two towns would be willing to fund dial-a-ride and therefore continue operations after the demonstration.

The local funding strategy makes the selection of dial-a-ride service areas contingent upon the ability and willingness of local towns to financially support the services. This has resulted in a different site selection than if more traditional selection criteria had been applied, such as the levels of transit dependence and latent demand, the potential for expanding transit coverage, and the degree to which various towns financially support the Regional Transportation Authority.

The second major demonstration innovation is that the new services in Brighton and Henrietta (and the expanded handicapped service) are being provided under contract to RGRTA by Paratransit Enterprises, Inc., a private operator selected through a competitive bidding process. RGRTA pays Paratransit Enterprises between \$11.52 and \$14.20 per vehicle-hour operated, depending upon the type of service provided (dial-a-ride versus handicapped), the number of vehicles operated, driver safety records (which determine whether a 50-cent/hour safety incentive is paid), and vehicle productivity levels achieved (which determine whether a

productivity incentive of between 15 cents and 50 cents per passenger is paid). RGRTA also provides vehicles (although Paratransit Enterprises maintains them), handles advertising and promotional activities, and receives all fare revenues collected.

Paratransit Enterprises' operating costs are about 40% less than RTS' costs in Greece and Irondequoit, and it was this difference that primarily prompted the decision to invite competitive bidding for dial-a-ride service. However, labor issues almost prevented the plan from being realized. Under the first demonstration contract, all operating and mechanical work was restricted to members of the local Amalgamated Transit Union (ATU). When the new demonstration plan was disclosed, the local Union opposed the plan, fearing an erosion of Union jobs. The Union recommended against giving a 13(c) certification for the new project, and the Department of Labor concurred. The new demonstration appeared to be doomed, and notices of PERT's termination were placed on buses. However, an eleventh-hour agreement guaranteeing that the new demonstration could proceed was reached on the last day of scheduled service.

RTS was later encouraged by RGRTA to bid for the new services, and RTS management proposed to the Union a separate wage scale for dial-a-ride drivers. The Union rejected this proposal, and RTS consequently did not submit a bid, well aware that they could not be competitive under the existing labor contract.

As the demonstration proceeds, RGRTA and Paratransit Enterprises are attempting to bridge the differences in perspective that public and private organizations have. RGRTA, in trying to insure that a quality service is offered in Brighton and Henrietta, insists that details of the contract be adhered to regarding recordkeeping, vehicle maintenance, etc. Paratransit Enterprises, on the other hand, would prefer a more independent relationship in which they would provide a specific level of service and receive a flat fee. There is thus continual negotiation between these two organizations, while the PERT system in Greece and Irondequoit operates much more independently of RGRTA supervision. PERT's operating policies and procedures have developed over several years, and are also somewhat constrained by the existing RTS/ATU labor contract.

The new Rochester demonstration has several implications for other cities considering demand-responsive transit services. Several of these implications relate to the problem of financing. Even though demand-responsive transit may be more efficient than fixed-route services in areas with low population density and diffuse travel patterns, demand-responsive services will probably have much lower vehicle

productivity levels than those of a overall fixed-route system in any major urban area. Consequently, they are likely to lose in a local political battle for scarce transit resources, because it is easier and more dramatic to eliminate a costly demand-responsive transit program than to isolate the least-efficient components of a fixed-route operation.

Because of their low productivity, demand-responsive services may only be viable in a large urban area if their hourly operating costs are lower than those of the fixed-route service. There are two ways of lowering hourly operating costs: (1) the demand-responsive operator can be selected through a competitive bidding process; or (2) demand-responsive employees can be paid at lower wage rates compared to fixed-route employees within the same transit operation. Both these alternatives will undoubtedly be opposed by the local transit workers' union, if one exists. In Rochester, the local union refused to agree to a lower wage rate for dial-a-ride employees, and unsuccessfully tried to stop competitive bidding for new services. Several other transit providers, however, have successfully established lower wage classifications for their demand-responsive service employees.

If competitive bidding is implemented, local participation should be actively encouraged. In Rochester, no local operator submitted a competitively-priced bid, despite the obvious advantages that a local operator would have over out-of-town competitors. The fragmentation of the Rochester taxi industry made it difficult for local operators to bid, and unfamiliarity with working for government agencies also discouraged participation. Some potential bidders from outside Rochester were also discouraged by the short duration of the project.

Although a private operator is likely to have lower operating costs than a public transit operator, a contracting regional agency will probably have to supervise a private operation more closely than one operated by a transit organization. To keep its costs low, a private operator may appear to the contracting agency to be neglecting essential tasks, such as data collection, vehicle cleaning, and driver training. The sponsoring agency should not expect a private contractor to adhere to the same standards as a public transit operator, and considerable negotiation and compromise may be necessary.

The second key Rochester innovation, the strategy of local suburban town governments paying for their own dial-a-ride service, caused two major problems. First, the Rochester suburban towns -- long oriented toward automobile travel -- seemed to be only marginally interested in

dial-a-ride. Public transportation was not a top priority for these towns, even those with very little regular transit service; most towns were unwilling to raise taxes to support a dial-a-ride service. Many suburban communities around the United States may respond in a similar way. Second, those communities that do decide to fund a local transit service are not likely to have the greatest need for that service but, rather, are likely to have the strongest tax base. These towns may in fact have the least need for new transit service when judged by such criteria as level of transit dependence and potential demand.



## 1. DEMONSTRATION BACKGROUND

### 1.1 OVERVIEW

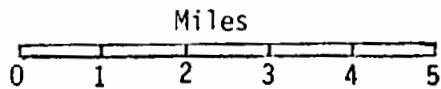
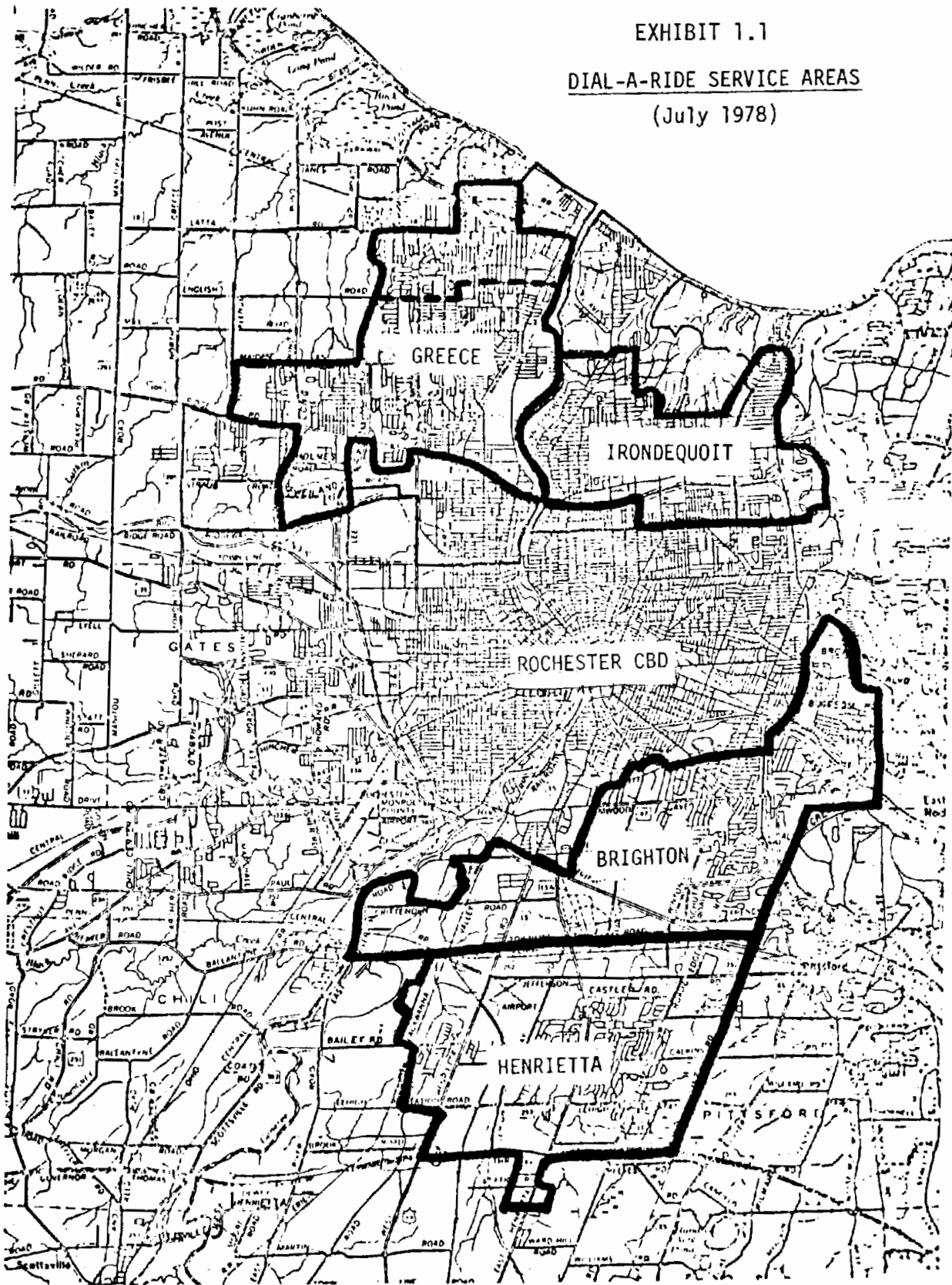
Since August 1973, the Rochester-Genesee Regional Transportation Authority (RGRTA) has experimented with demand-responsive transit operating strategies in order to develop an attractive and affordable transit system in suburban areas of Rochester, New York. As in other cities, the population of metropolitan Rochester has become increasingly suburban over the past three decades and, because of the low population density and diffuse trip patterns characterizing these suburban areas, conventional fixed-route bus services could not be efficiently provided. In the early 1970's, RGRTA viewed dial-a-ride (DAR) as a more effective means of providing transit service in low-density areas, and subsequently developed plans to implement dial-a-ride services in several suburban areas of Rochester where fixed-route transit was costly or non-existent. The Rochester experience is one example of the role dial-a-ride can play in conjunction with fixed-route transit in a metropolitan area. Haddonfield, New Jersey, Ann Arbor, Michigan and Santa Clara County, California are the other major American examples to date.

The first dial-a-ride services in Rochester began in August 1973 in the suburban town of Greece (see Exhibit 1.1). A many-to-many dial-a-ride service and a many-to-one work subscription service were implemented at that time; these new services were called PERT, for PERSONAL Transit. During the next five years, the PERT system underwent a rapid succession of service changes as RGRTA continually reassessed the operation in the light of changing local transit financing conditions and shifting expectations. Between 1973 and 1976, PERT services were expanded within Greece and into the adjacent suburban town of Irondequoit. In 1975, UMTA provided a \$3.6 million, two and one-half year demonstration grant to assist the expansion program, and to install a computer system to automatically schedule and dispatch dial-a-ride vehicles.<sup>1</sup>

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<sup>1</sup>Lave, Roy E. and Michael Holoszyc, The Rochester, New York Integrated Transit Demonstration, Volume II: Evaluation Report, U.S. Department of Transportation, Urban Mass Transportation Administration, Washington, D.C., March 1979, UMTA-NY-06-0048-78-2.

EXHIBIT 1.1  
DIAL-A-RIDE SERVICE AREAS  
(July 1978)



By 1976, several major problems were recognized and a local transit financial crisis threatened RGRTA's ability to assume the cost of PERT after Federal demonstration funds expired. To reduce PERT costs, service cutbacks were made in late 1976. In early 1977, RGRTA adopted a plan which included competitive bidding for the operation of dial-a-ride services. RGRTA also developed a funding strategy in which the suburban towns, rather than RGRTA, would eventually be required to cover the local share of dial-a-ride operating deficits. In December 1977, UMTA provided a new \$1.7 million demonstration grant to continue PERT services in Greece and Irondequoit and to demonstrate the new operating and financing strategy in two new service areas: Brighton and Henrietta. dial-a-ride services in Brighton and Henrietta began in July 1978. A new basis for service operations in Greece and Irondequoit should be established by July 1979, when the demonstration grant is scheduled to end.

## 1.2 DEVELOPMENT OF THE PERT SYSTEM

Rochester's interest in dial-a-ride began in 1969, when a research team from the Massachusetts Institute of Technology (MIT) began investigating possible sites for a Federal dial-a-ride demonstration. The PERT idea was conceived when this team visited Rochester in October 1969 and met with several local transportation officials, including James Reading, Resident Manager of the National City Lines Management Company, which was operating the City-owned transit system at the time. Mr. Reading was particularly enthusiastic about implementing dial-a-ride in Rochester, and suggested that it might be used to replace unprofitable fixed-route bus lines, in addition to serving suburban areas not then covered by transit.

In the summer of 1970, UMTA selected Haddonfield, New Jersey rather than Rochester as the location for the initial UMTA-sponsored dial-a-ride demonstration project. (The Haddonfield demonstration began in February 1973 and ended in March 1975; the system ceased operations at that time.) Although Rochester was not chosen as the location of the initial UMTA demonstration project, interest in a dial-a-ride service remained high. In July 1970, Robert Aex, Executive Director of the recently-formed Rochester-Genesee Regional Transportation Authority, attended a one-day seminar at MIT devoted to dial-a-ride. Mr. Aex was intrigued by what he learned, and subsequently expressed a willingness to implement an experimental dial-a-ride and subscription service program in Rochester; MIT staff members assisted in

planning the system. MIT was also separately developing a computerized dispatching system, and Mr. Aex wished to eventually install this system in Rochester.

In October 1971, RGRTA implemented a small dial-a-ride and subscription service in the town of Batavia, a small, self-contained community whose private fixed-route bus system had just been acquired by RGRTA. The reception of this service was favorable, and MIT was asked to investigate several suburban areas of Rochester and to select the most appropriate site for a suburban test project. The suburban area comprised of Greece and northwestern Rochester was chosen because it had a relatively high population density, was poorly served by conventional transit, and contained a number of large employers within a concentrated area. The Kodak Park complex, with an employment of 25,000 persons, was a particularly attractive site for implementing work trip subscription services.

On August 6, 1973, dial-a-ride and work trip subscription bus services were initiated in a 9.6 square mile area in which 51,000 people lived. dial-a-ride was offered throughout the area, and work trip subscription service was offered to employees of Kodak Park (located in the southeast corner of the service area). One month later, a school subscription service serving four schools began. These services were provided by the Regional Transit Service (RTS), the major operating subsidiary of RGRTA, using seven small Twin Coach buses.

The Greece PERT service expanded rapidly. Between August 1973 and January 1975, the vehicle fleet nearly doubled and three major service area expansions occurred. dial-a-ride operating hours were extended to include evenings and Saturdays in conjunction with eliminating off-peak service on two of the three local fixed-route lines. Special services were established for the elderly and handicapped, and the work subscription service was expanded modestly. Daily dial-a-ride ridership grew to almost 500 passengers by early 1975.

RGRTA and MIT also developed plans to expand PERT services into other suburban areas. In January 1974, only five months after PERT service began in Greece, MIT prepared a plan to implement dial-a-ride service in five other suburban areas: Irondequoit, Henrietta, Gates-North Chili, Brighton, and Pittsford-Penfield-Perinton. The plan envisioned computerized dispatching starting in early 1975, and a fleet of 70 vehicles operating by February 1977.

This PERT system expansion plan was included in the Comprehensive Development Program for Public Transportation prepared for the RGRTA in October 1974 by ECI Systems, Inc.

(now Multisystems, Inc.). However, the new plan called for a system of seven rather than six PERT services, and included a proposal to substitute dial-a-bus for inner-city, fixed-route service during evening hours and on Sunday.

The PERT expansion plans culminated in October 1974 with an application to UMTA to establish a two and one-half year demonstration project in which demand-responsive services would be expanded and integrated with the established fixed-route system. The application called for the implementation of computerized dispatching in Greece in early 1975, the expansion of the Greece system and the initiation of the Irondequoit system in September 1975, and the establishment of a PERT system in Henrietta in July 1976. A total of 20 small buses would be acquired to implement these expansions, which would result in an operating fleet of 32 vehicles. The demonstration officially began on April 1, 1975.

### 1.3 THE FOUR PHASES OF ROCHESTER DIAL-A-RIDE SERVICE

The history of Rochester's dial-a-ride system can be conveniently divided into four phases. The period from service initiation in August 1973 until late 1975 was a growth period during which the Greece service area expanded several times and dial-a-ride ridership grew steadily. The year 1976 was a transitional period during which growth ceased and retrenchment began. PERT was expanded into Irondequoit, but severe vehicle breakdown problems caused PERT service levels to deteriorate; Greece dial-a-ride ridership dropped by about 20%, and plans to expand PERT into Henrietta were abandoned.

The year 1977 marks the third period, a time when PERT services were cut back drastically to reduce their total cost and to maximize residual effectiveness. Novel operating and financing strategies were developed as a means of maintaining existing PERT services and of continuing RGRTA's dial-a-ride expansion plans. A new UMTA demonstration grant was awarded to implement these new strategies.

The new demonstration, which began in November 1977, is the fourth period. In July 1978, new dial-a-ride services were launched in the suburban towns of Brighton and Henrietta by Paratransit Enterprises, Inc., a private organization under contract to RGRTA. Greece and Irondequoit dial-a-ride services continue to be operated by RTS.

#### 1.4 EARLY PROBLEMS

Although PERT was perceived favorably during its first two growth years, several serious problems emerged during this time which prompted a redirection of PERT in 1976. Some of these problems were related to service levels, but the foremost problem was financial. PERT costs were very high and fares were covering a much smaller portion of operating costs than had been expected. This problem was attributed to erroneous estimates of demand, vehicle operating speeds and hourly operating costs. MIT estimated that dial-a-ride demand density would be between 8 and 12 demands per square mile per hour, and that average vehicle operating speed would be around 15 miles per hour. Based on these assumptions, dial-a-ride vehicle productivity was expected to be 10 passengers per vehicle-hour or more.<sup>2</sup> In the 1972-73 fiscal year, preceding dial-a-ride implementation, RTS operating costs were \$13.00 per vehicle-hour. Based on the estimated productivity and historical costs, the cost per passenger was expected to fall between \$1.00 and \$1.25; this cost could have been covered largely by passenger fares.

In practice, dial-a-ride demand density was only two demands per square mile per hour; average vehicle operating speed was about 11 miles per hour. Vehicle productivity was consequently around five passengers per vehicle-hour. In addition, RTS operating costs escalated rapidly, increasing about 50% between 1972 and 1975. As a result of these two adverse experiences, the average cost per dial-a-ride passenger was between \$3.00 and \$3.50, rather than the \$1.00 to \$1.25 that had been expected in 1972. The cost of carrying dial-a-ride passengers slightly exceeded regular taxi fares for comparable trips. Although the typical exclusive-ride taxi had a lower vehicle productivity than dial-a-ride, hourly taxi operating costs were about half of PERT's, resulting in slightly lower costs per passenger.

Likewise, the work subscription service attracted a smaller demand than anticipated, and experienced higher costs per passenger than expected. Subscription service carried about 1% of Kodak Park's workers who lived in the PERT service area, while RTS fixed-route buses continued to carry about 6%. The low subscription service demand density caused each PERT subscription bus to pick up passengers in a large area, thereby decreasing vehicle productivity and increasing passenger travel time.

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<sup>2</sup>Massachusetts Institute of Technology, "Development of the First Personal Transit System for the Rochester Metropolitan Area," November 1973, page 21.

## 1.5 LATER PROBLEMS

In April 1976, Irondequoit PERT services were established; they were designed to avoid some of the problems encountered in Greece. The role of dial-a-ride was deemphasized, and fixed-route and route deviation services were relied upon instead. In addition, modifications were made to the Greece PERT services to improve their operating efficiency and service levels. Unfortunately, these efforts were thwarted by several problems; the most significant were the high incidence of vehicle breakdowns and management difficulties.

### 1.5.1 Vehicle Breakdowns

PERT vehicle reliability declined dramatically during the 1975-76 winter, and vehicle performance has remained poor since then. Each vehicle had to be taken out of service for repairs every three days; between November 1975 and February 1977, the average PERT vehicle was out of service 35% of the time. During severe winter weather, the situation was considerably worse. Since the PERT spare factor (total vehicles/peak vehicle requirement) was between 1.23 and 1.29 during most of that period, there was a continual shortage of vehicles.

There were apparently several reasons for the dismal vehicle performance. First, seven different vehicle types were used, and none had proven quality records. Except for one converted van, all vehicles were new models developed in response to the anticipated growth in small transit bus demand during the 1970's. Several models used in Rochester are no longer even manufactured.

The diversity of vehicle types added to the problem. RTS, responsible for PERT maintenance, found it prohibitively expensive to stock a complete spare parts inventory for each vehicle type. RTS mechanics also had the added burden of having to become familiar with a variety of new buses. Furthermore, the RTS maintenance staff was accustomed to maintaining only large diesel buses, and only one of the seven PERT vehicle types was diesel-powered. These seven Twin Coach diesel buses performed well during their first two years. All the other buses had serious maintenance problems from the beginning. Yet RTS never instituted any special procedures or preparations for handling the new small bus fleet.

There is also reason to believe that the entire RTS maintenance operation was somewhat deficient during this period. A new RTS bus garage and maintenance facility was

under construction, and the RTS/Transit Union contract restricted RTS from hiring experienced mechanics when bus washers or lower-level mechanics could be trained.

### 1.5.2 Computerization Implementation Problems

The operational problems caused by vehicle breakdowns were compounded by problems associated with the implementation of computerized dispatching, which began in September 1975. During the eight-month transition period from manual to computer operation, dial-a-ride service was often disrupted by computer-related problems, including hardware and telephone line failures, excessive computer system response times, street network and software coding errors, and deficiencies in the scheduling algorithm. A major fire at the time-shared computer facilities in April 1976 further set back computerization implementation.

### 1.5.3 Management Disputes

The effectiveness of PERT during 1975 and 1976 was also hindered by deficiencies in the PERT organizational structure. These management problems began when RGRTA conceived the PERT system, but were greatly magnified during the first demonstration.

When the PERT system was planned in 1972 and 1973, RGRTA perceived dial-a-ride as a means of expanding transit into an untapped suburban market and boost transit ridership. In addition, dial-a-ride would substitute for unprofitable off-peak fixed-route services, thereby improving the operating efficiency of RTS. RTS upper management disputed these claims, seeing dial-a-ride as an unaffordable expansion technique that would deprive the existing fixed-route system of necessary capital improvement funds. Thus, although RTS officially operated the PERT system, its upper management did not actively support it. RTS viewed PERT as an autonomous organization under RGRTA, to which RTS provided drivers and vehicles and billed accordingly. This lack of integration between RTS and PERT undoubtedly contributed to some of PERT's operational problems in such areas as vehicle maintenance and service integration.

With RTS shying away from any major involvement, RGRTA and MIT had to both plan and manage PERT. Lacking sufficient manpower on its own staff, RGRTA assigned most demonstration planning and management functions to MIT.<sup>3</sup> In addition to MIT staff members having knowledge of the new paratransit field, MIT was seen as uniquely qualified to



implement the computerized dispatching system planned for the demonstration. However, MIT's managerial effectiveness was hindered by the physical distance between Rochester and Cambridge, Massachusetts. As a result, supervisory and communications problems developed.

The organization problems were compounded by the division of authority between the RGRTA commissioners, the RGRTA staff and RTS management. The designated chain of command is from the RGRTA commissioners to RTS management, with RGRTA staff serving in a staff role to the commissioners. In actuality, the RGRTA commissioners did not assert themselves as the primary policymakers until about the middle of the demonstration. Until that time, RGRTA commissioners and other staff members could not recall an occasion in which the commissioners did not follow RGRTA staff recommendations. In fact, Robert Aex abruptly resigned as executive director of RGRTA in January 1976, after receiving a majority vote of confidence that was not unanimous:

Aex's resignation came as a shock, Authority commissioners said later. Moments before he resigned, Aex was given a 5 to 1 vote of confidence by the commissioners. Two commissioners abstained from voting. Another commissioner was absent. Aex, 63, gave no reason for his resignation then and has remained silent on the question. While the vote for Aex appeared favorable, the tally could have been construed as insufficient support by a man who demanded almost total backing by commissioners, sources said.<sup>4</sup>

The resignation of Robert Aex, long the most ardent local supporter of dial-a-ride service, created a leadership void at a critical time in PERT's history. Serious operational problems caused by vehicle breakdowns and computer mishaps were occurring, and Irondequoit PERT services were scheduled to start shortly. For several months, the PERT

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<sup>3</sup>The first demonstration application states, "The [Rochester-Genesee Regional Transportation] Authority will contract with a consultant [MIT] who will have responsibility for overall demonstration project administration, operations administration (including a resident operations manager), administrative overhead (including travel expense, secretarial support staff, materials and supplies, etc.), and liaison with project participants (UMTA, RTS, NYSDOT, and any independent contractor selected by UMTA)."

<sup>4</sup>Pritchard, Keith, "Frustration Takes its Toll at RTS," Rochester Democrat and Chronicle, February 1, 1976, page 1B.

operation functioned with little direct supervision from RGRTA or MIT. Then, in the summer of 1976, Tom Brigham -- an MIT staff member -- began to play a full-time in-residence management role. This not only reestablished the link between policy objectives and operations, but helped to make PERT a cohesive organization for the first time. A few months later, in October 1976, the RGRTA commissioners appointed Joseph Silien as executive director; he reestablished RGRTA's authority over PERT and also began a thorough assessment of the program in order to identify the most desirable future direction for the system.

#### 1.6 IMPACT ON OPERATIONS

The problems cited had a detrimental effect on PERT operations during 1976. dial-a-ride service levels in Greece were substantially lower than in 1975, and a 20% drop in ridership occurred. In Irondequoit, PERT attracted few new transit riders, partly because of the service disruptions which occurred, but also in large part because an extensive network of RTS fixed-route services already existed in Irondequoit prior to the implementation of PERT.

Because of the low patronage of the Irondequoit PERT service innovations and RGRTA's desire to lower the cost of PERT operations, several Irondequoit PERT services were terminated in January 1977. dial-a-ride operations in both Greece and Irondequoit were also reduced to weekdays between 8:00 A.M. and 4:00 P.M. Additional service cutbacks were made in June 1977, so that only the two dial-a-ride services, the "Dew-Ridge" point deviation service, and several special services for the elderly and handicapped were continued after that time. Because these changes lowered total PERT operating costs, the remaining PERT services were able to operate under demonstration funding through October 1977. This allowed RGRTA an additional four months to develop a policy regarding PERT's future and to secure a source of funding after demonstration funds expired.

## 2. THE RGRTA FINANCIAL SITUATION

### 2.1 LOCAL TRANSIT FINANCING HISTORY

As the first demonstration drew to a close in 1977, the uncertainty about future funding posed the greatest threat to PERT's future. The problem was part of the larger issue of transit financing in the Rochester metropolitan area.

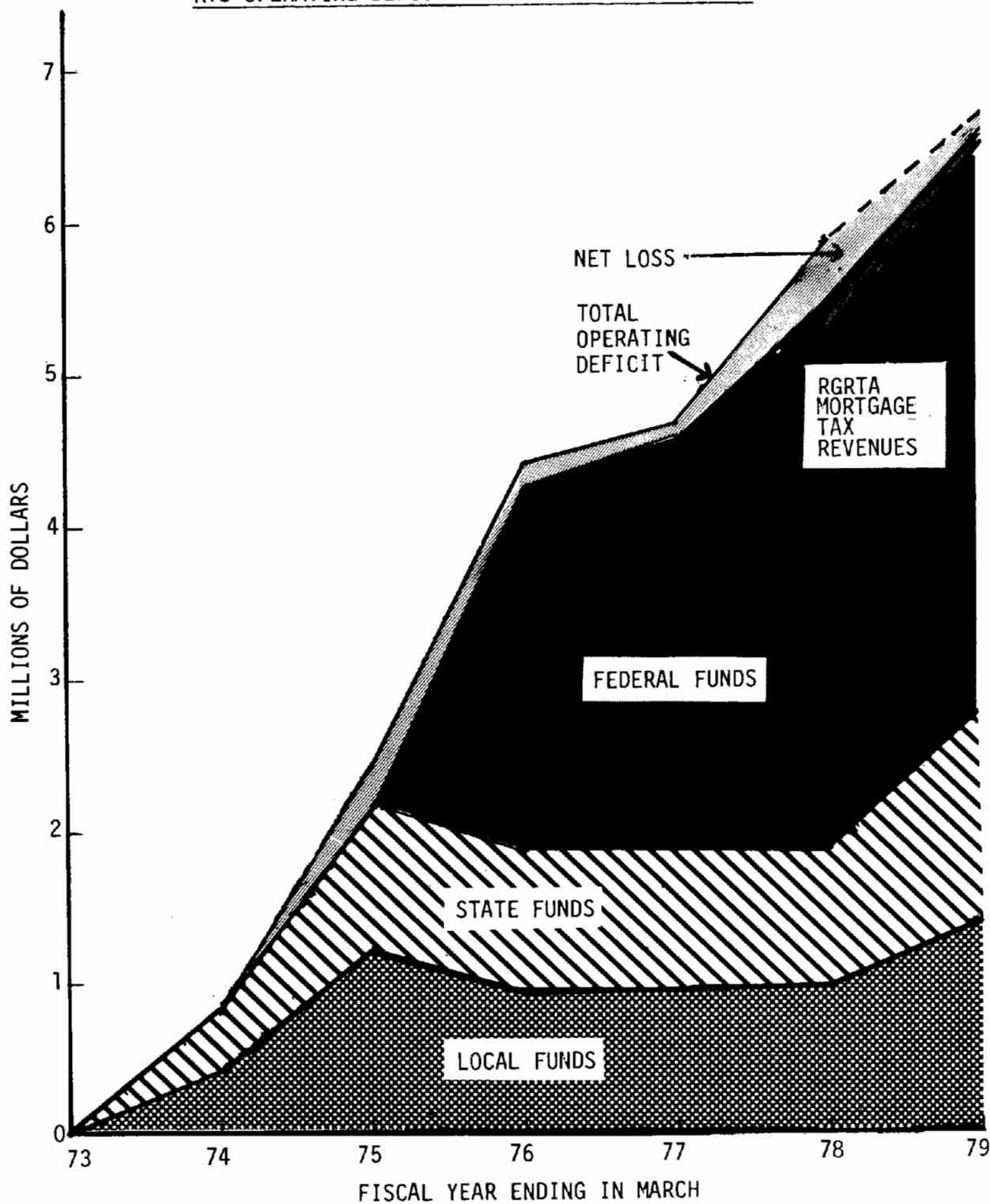
The historical trend of RTS operating deficits and the contribution of different government entities toward covering these deficits is shown in Exhibit 2.1. RTS encountered its first major operating deficit during the 1973-74 fiscal year (ending in March). An \$836,000 deficit was incurred, which was financed by equal appropriations from Monroe County and the State of New York. The State of New York had just passed a transit assistance program which allocated specified amounts to transit systems in the state, but which had to be matched 50-50 by local subsidies. Up to \$931,950 was allocated to RTS, and this had to be matched by \$912,000 from Monroe County, \$10,450 from Wayne County, and \$9,500 from Livingston County. Only about half of the total allocation was needed in the 1973-74 fiscal year.

The combined state and local formula grants covered most of the \$2.2 million operating deficit during the following year (1974-75), and a supplemental \$300,000 allocation from Monroe County virtually closed the deficit. During this time, Congress initiated the UMTA Section 5 operating assistance program, which allocated \$1.5 million to the Rochester metropolitan area during the 1975 fiscal year, growing to \$4.5 million in 1980. These funds had to be matched by a combination of state and local funds. A steady source of transit funding seemed assured, and it was in this optimistic setting that the first demonstration began in April 1975. This optimism was also reflected in June 1975, when RTS decreased off-peak fares from 40 cents to 25 cents, established a downtown free-fare zone, and eliminated zone fares.

During the first few months of the demonstration, this situation changed drastically. Both Monroe County and New York State were severely affected by the economic recession in 1974-75. New York State transit assistance was frozen at the 1974-mandated level, and Monroe County reduced its

EXHIBIT 2.1

RTS OPERATING DEFICIT AND SOURCES OF FUNDING



subsidy to that mandated by the State. At the same time, the 1976 fiscal year operating deficit nearly doubled to \$4.2 million; some \$2.4 million in Federal funds had to be used to close the budget gap. In addition to the State and County funds, approximately \$600,000 in school supplement funds paid by local school districts and \$65,000 in advertising revenue were used to match these Federal Section 5 funds.

With the state and local contributions frozen at \$931,950 each and little change in school supplements or advertising revenues expected, RGRTA was unable to secure the higher levels of Federal funding that were made available in following years. As the 1976-77 fiscal year got underway, a serious financial crisis seemed unavoidable. Fares were consequently increased in May 1976 (to 50 cents during the peak period and on weekends, and to 30 cents during the weekday off-peak period), and some service cutbacks were made. The deficit increase was held to 6%, with this amount covered by an RGRTA loan to RTS.

The budget deficit increased again in 1977-78, rising 26% to about \$5.9 million. Local and State contributions did not change, and RGRTA was forced to use its reserve funds to cover the RTS deficit. RGRTA is supported by a 1/4% tax on all mortgage transactions in its four member counties, excluding the first \$10,000 on residential mortgages. This tax generates approximately \$900,000 annually to pay for RGRTA administrative expenses, the local shares of capital projects and planning studies, and the local share of special projects such as the dial-a-ride demonstrations and rural bus services. In 1977-78, some of these expenses had to be deferred so that funds could be used to cover the RTS operating deficit. The RGRTA appropriation also secured additional matching Federal funds.

In the current 1978-79 fiscal year, the City of Rochester and Monroe County have allocated an additional \$459,000 for transit operating support. The State allocated funds to match this local appropriation, which resulted in over \$900,000 in additional funds that will be matched by additional Section 5 funds. These funds appear likely to cover the projected operating deficit this year. Nonetheless, the financial problem has not been solved, since future deficits are sure to increase and a permanent funding mechanism has not yet been found (Section 2.3).

## 2.2 IMPACT ON DIAL-A-RIDE

The struggle to secure funding for RTS transit operations had an adverse effect on the first dial-a-ride demonstration and jeopardized not only the proposed expansion program, but even the continuation of Greece and Irondequoit services after the demonstration. Because of its high operating costs and low patronage compared with fixed-route services, dial-a-ride was an easy target for critics looking for areas in which to trim costs. By September 1976, media coverage of the dial-a-ride demonstration focused on the financial aspects of PERT services, predicting their sacrifice after Federal demonstration funds were exhausted. Thomas Frey, the chairman of the State Assembly Transportation Committee, was quoted as calling the demonstration an "absolute disaster" and a "pie in the sky."<sup>1</sup> The local press also published pessimistic statements made by acting RGRTA executive director Howard Gates:

Unless additional funding can be obtained, "it is going to be extremely difficult to continue dial-a-ride service as it is now" after June 1977..."I have to say that the outlook for Dial-A-Ride is a little bleak. I hope something can be worked out," Gates states, "even if we have to pare down the service."<sup>2</sup>

Despite the sharp cutback in PERT services in early 1977, RGRTA could not afford to assume the cost of dial-a-ride operations after the demonstration ended. At this time, RGRTA contracted with a consultant to assess PERT operations and services in Greece and Irondequoit, to investigate promising transit services to follow the demonstration, and to outline implementation programs for the recommended courses of action. After thoroughly evaluating the demonstration projects' results and comparing them with the objectives cited in Rochester's Comprehensive Development Program, the consultants recommended four immediate accounting changes and service modifications to reduce operating costs. After acceptance by the RGRTA commissioners and staff, these short-range strategies were implemented. The following policy and long-range recommendations were also made to RGRTA:

1. If a service contract can be obtained that will reduce the cost of existing service, expand the

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<sup>1</sup>"Gloom Grows Over Bus System Future," The Irondequoit Press, October 14, 1976.

<sup>2</sup>"Drastic Cuts Coming for Bus Service? Decision is Near," The Irondequoit Press, September 19, 1976.

many-to-few, semi-scheduled elderly and handicapped service to an areawide system.

2. Expand dial-a-ride service to an off-peak, area-wide, 25-vehicle fleet, coordinating operations with the expanded elderly and handicapped services.
3. Initiate talks with contract paratransit management firms, taxi operators and union representatives to determine the possible terms under which they would offer paratransit services.
4. Based on information gathered through these discussions, reestimate costs and establish terms for bidding or negotiating for the service.
5. Discuss the possibilities of obtaining financial assistance from the communities receiving dial-a-ride service.
6. Initiate talks with UMTA to extend the demonstration in order to provide areawide dial-a-ride service and allow a smooth transition to contracted services.

RGRTA agreed that dial-a-ride services would be much less expensive if they were operated on a contractual basis by a private organization, such as a taxi company. With these lower costs, the regionwide dial-a-ride system was seen as an attractive transit option, but sufficient funding was still not available. RGRTA therefore developed a funding strategy in which the local suburban towns, rather than RGRTA, would be responsible for the 50% local share of the operating deficit for new services.

To ease the transition in operating and funding mechanisms, a new demonstration was conceived in which two new dial-a-ride service areas would be established, using an operator selected by competitive bidding. The two new areas would be located in towns which are willing to assume the local cost share after demonstration funds are exhausted, if the service achieves predefined objectives. On April 26, 1977, the RGRTA Commissioners approved a resolution directing RGRTA staff to proceed with efforts to implement the new demonstration, and appropriated \$300,000 over two years as the maximum RGRTA cost share for the demonstration. This \$300,000 was the funding which had previously been allocated for the expansion of the PERT handicapped service. The handicapped service expansion, however, would also be included as part of the new demonstration.

### 2.3 FUTURE TRANSIT FUNDING OUTLOOK

The strategy of using local town funds to support dial-a-ride services is a key element of the current demonstration. The outcome of this plan, however, depends on how the general transit funding problem is resolved. A major step toward establishing a permanent transit funding mechanism was taken in February 1978, when RGRTA, Monroe County, and the City of Rochester established the 15-member Metropolitan Rochester Transit Study Committee. This committee was charged with "developing a funding mechanism that would permit Metropolitan Rochester to be served in the best possible manner, free from the recurring annual crises that threaten service reductions and unrealistically high fares." The committee consisted of local leaders in business and government (see Exhibit 2.2).

The Transit Study Committee submitted its final report on May 4, 1978. The committee concluded that a high-level transit system is essential to the welfare of metropolitan Rochester and recommended that a major expansion program be carried out over the next three years. This expansion should include eight suburban dial-a-ride service areas operating for 12 hours a day and six days a week. Other recommendations included reducing fixed-route fares to 30 cents (peak) and 25 cents (off-peak), increasing service frequency to achieve average headways of ten minutes in the peak period and 20 minutes in the off-peak period, expanding park-and-ride service, adding two cross-County routes, and expanding the regionwide handicapped service. To finance these changes, the committee estimated that the local funding requirement would rise to \$7.1 million in fiscal year 1981-82, assuming State funding support is fixed at \$1.4 million and that sufficient Federal matching funds are available. Without any changes in the existing transit operation, a local funding requirement of \$4.7 million was estimated for 1981-82.

To raise the required local funds, a motor vehicle fuel tax of 6% in Monroe County was recommended (approximately 3 cents per gallon). Eighty percent of the tax proceeds would be used for transit (lesser proportions during the first two years), and 20% would be used for highway maintenance. In the 1981-82 fiscal year, the tax was estimated to generate the required \$7.1 million for transit, as well as \$1.8 million for highway maintenance.

After the committee recommendations appeared in May, the Monroe County Legislature Transportation Committee quickly killed the gasoline tax proposal. However, a transit subcommittee was established which began to investigate alternative funding approaches. A public hearing in June generated strong citizen support for the expanded



EXHIBIT 2.2

METROPOLITAN ROCHESTER TRANSIT STUDY COMMITTEE

Dr. Robert D. Frisina, Chairman  
Senior Vice President  
Rochester Institute of Technology

Ms. Roberta Barnes  
Supervisor, Town of Mendon  
Association of Town Supervisors

The Honorable John J. Coffey  
County Legislator

Mr. Vincent M. Coughlin  
Executive Director  
Downtown Development Corporation

Franklin Ernisse  
President  
Senior Citizens Action Council

Mr. Frank M. Hutchins  
Chairman and Chief Executive Officer  
Hutchins/Young and Rubicam, Inc.  
President, Rochester Area Chamber of  
Commerce

C. Bruce Lawrence, Esq.  
Burns, Suter & Doyle  
President, Southeast Area Coalition

Mr. James Lloyd  
President, Lloyd Insurance Agency  
Commissioner, Rochester-Genesee Regional  
Transportation Authority

Mr. Frederick Ray  
President, Rochester Savings Bank  
President, Downtown Development  
Corporation

The Honorable Roger J. Robach  
State Assemblyman  
Member, New York State Assembly  
Transportation Committee

Mr. Nomenee Robinson  
Owner/Manager, McDonalds  
Urban League

Mr. Robert E. Schellberg  
Vice President, Distribution  
Eastman Kodak Company

The Honorable Ruth Scott  
Councilwoman, City of Rochester

The Honorable Frosti Talley  
County Legislator

Mr. Thomas F. Toole  
Head, Middle and Upper Schools  
The Harley School  
Commissioner, Rochester-Genesee  
Regional Transportation Authority

Committee Staff

Mr. Joseph Sillien, RGRTA Executive Director

Mr. William D. Evans, RGRTA Director of Planning &  
Research

Mr. John A. Garrity, RTS General Manager

Mr. Nathan L. Jaschik

Mr. Chris Mulholland

transit system and, in late September, the subcommittee recommended that the Monroe County transit appropriation be increased to \$5 million over a five-year period, using general revenue and sales tax funds. The subcommittee recommendations were recently adopted by the full Transportation Committee. However, the Transportation Committee attached a rider to the proposal, requiring RGRTA to fund a new Elmwood Avenue crosstown bus service in Brighton for a one-year demonstration period. If adopted, the need for dial-a-ride service in Brighton will be affected. It is still possible, though unlikely, that the Monroe County legislature will appropriate sufficient funds to enable RGRTA to support the local dial-a-ride services, as recommended in the Transit Study Committee's report. Many County legislators assign dial-a-ride low priority among the recommended transit options; thus, it is likely to be eliminated from the expansion program.

For fiscal year 1979-80, the Monroe County Legislature has approved a \$2.1 million transit appropriation which, with the \$1.4 million State appropriation, will cover RGRTA's rising fixed-route service operating costs. Then, in January 1979, the County Legislature passed a \$7.2 million, three-year transit aid package, beginning in the 1980 calendar year. However, the legislation specified that the State would have to match the local appropriation dollar for dollar. RGRTA, along with other New York State Transportation Authorities, is lobbying the State Legislature to establish such a matching program.

### 3. TOWN SELECTION PROCESS

#### 3.1 DEMONSTRATION DESCRIPTION AND TOWN SOLICITATION PROCESS

Rochester's suburban towns are each governed by an elected supervisor and four elected council members who together form the Town Board. The Supervisor is also employed as the local chief administrator, and is responsible for providing technical support and recommendations to the Town Board. Thus, this individual is the most powerful local official, providing both advice and consent on local matters.

On June 6, 1977, following the decision to apply for a new dial-a-ride demonstration grant, RGRTA invited Town Supervisors, Councilmembers, and County legislators from the contiguous Rochester suburban communities of Greece, Irondequoit, Webster, Penfield, Perinton, Pittsford, Brighton, Henrietta, Chili and Gates (see Exhibit 3.1) to attend a joint information session concerning the possible expansion of the dial-a-ride system. At this meeting, the RGRTA distributed copies of the Demonstration Grant Application, which stated that the primary objective was to "develop and provide (demand-responsive) service in areas of low population density at costs that can be afforded by the communities involved." In addition to outlining the increased community participation and local transit funding objectives, the Authority described the services to be included under the new demonstration.

##### 3.1.1 PERT Services

During the new demonstration, PERT operations in Greece and Irondequoit would continue effectively unchanged. In Greece, PERT would provide dial-a-ride service on weekdays throughout a 10.7 square mile service area from 7:30 A.M. to 4:00 P.M. In Irondequoit, PERT would serve an 8.6 square mile service area, with dial-a-ride from 8:00 A.M. to 4:00 P.M. An average of four vehicles are used in Greece and three in Irondequoit. PERT would continue to operate three buses between 9:00 A.M. and 3:00 P.M. on the Dew-Ridge Shuttle, a combination fixed-route/point deviation service. The

EXHIBIT 3.1

ROCHESTER COMMUNITIES INVITED TO PARTICIPATE  
IN THE COMMUNITY TRANSIT SERVICE DEMONSTRATION



Dew-Ridge Shuttle has a 5-1/2 mile fixed-route segment within the Greece dial-a-ride service area, and deviates upon request within an adjacent 3.1 square mile area.

Scheduling and dispatching of dial-a-ride is currently computerized, using the time-shared facilities of ADP Network Services, Inc. in Waltham, Massachusetts. Under the new demonstration, RGRTA would acquire an on-site minicomputer, which is believed to be a more cost-effective approach to dial-a-ride computerization.

PERT would also continue using two vehicles to provide a 24-hour advance reservation handicapped service in a large area that includes Greece and Irondequoit and extends south to the Rochester CBD. These vehicles leave the Greece/Irondequoit area at around 9:00 A.M., 11:00 A.M., 2:00 P.M., and 4:00 P.M., and return from downtown locations at 10:00 A.M., 12:00 noon, 3:00 P.M., and 5:00 P.M. The service operates in a door-to-door mode, but the scheduling pattern helps to aggregate demand and increase vehicle productivity above what would normally be possible in such a large area with only two vehicles.

### 3.1.2 Additional Services

The Authority proposed a pilot dial-a-ride program to operate four vehicles in two new towns five days a week for eight hours a day. The services would initially be manually scheduled and dispatched, but would become computerized before the demonstration concluded. The specific service area size, boundaries, service configurations, days, and hours of service as well as fares would be decided at a later time by the participating towns, in conjunction with RGRTA. In addition, criteria and methods for evaluating the success of the project would be jointly developed by the local and Authority officials. These criteria, comprised of indices of ridership, cost and social worth, would provide the justification for continuing dial-a-ride services after the demonstration.

The dial-a-ride operator in the two new towns would also operate the new handicapped service, which would cover most of Monroe County, excluding the area in which PERT provides service and some rural areas in the western and southern portions of the county. The service area includes southern and western Rochester, and the suburban towns of Webster, Penfield, Perinton, Pittsford, Brighton, Henrietta, Chili and Gates. The new handicapped service would resemble the RTS service, in that vehicles would travel to and from the CBD at scheduled times, a 24-hour advance reservation would be required, and a 50-cent fare would be charged. The

new E&H service was divided into three basic service areas, and a timetable was developed for phasing in the three new areas at three-month intervals beginning in April 1978. Eight lift-equipped vans would be available for the three new service areas, but only six vehicles would normally be in use at one time.

The new demonstration was scheduled to begin about November 1, 1977 and continue through March 31, 1979. The proposed dial-a-ride services would only be operated for one year between April 1, 1978 and March 31, 1979. Between November 1977 and April 1978, the selected towns would work with the Authority to design specific service options and to select the criteria to be used for evaluating the project's success. This would also allow time to negotiate contracts for operators, vehicles, facilities and equipment. The new services actually began on July 24, 1978, and the demonstration period was consequently extended until July 1979.

The proposed Federal grant would cover 100% of the operating deficit during the demonstration period. After the demonstration is over, dial-a-ride services could only be continued or expanded by using local town funds. UMTA Section 5 funds would be available to pay for 50% of the operating deficit, but each participating town would be required to finance the remaining 50 percent of the deficit. If New York State increases its assistance program, funds might be available to lower the local fiscal burden.

When RGRTA presented the proposed demonstration program to the towns in June 1977, the local share was estimated to be between \$20,000 and \$75,000 per year. Therefore, a decision by a town to participate in the demonstration meant that if the new dial-a-ride services met the selected service criteria, the town was prepared to share in the post-demonstration subsidization. Likewise, Greece, Irondequoit, and any other towns wishing to have dial-a-ride service would be expected to financially support the service after the demonstration is over. RGRTA, however, would pay for continuation of the expanded handicapped transit services.

Officials were asked to return to their communities to examine and evaluate the dial-a-ride option as a way of meeting their local transportation needs. RGRTA staff was available to meet with any representatives, or communities, to answer additional questions and discuss the program in greater detail. Any town wishing to participate in the Federal Demonstration Program was asked to respond in the form of a resolution by the town's governing body as soon as possible, so that participating towns could be identified before submitting the final grant application to UMTA.

### 3.2 SUBURBAN COMMUNITIES RESPOND

The towns of Greece and Irondequoit were not asked to evaluate their transit services, nor were they required to take any action, state any interest, or make any pledge in order to be included in the extended demonstration program. The other eight contiguous communities--Brighton, Chili, Gates, Henrietta, Penfield, Perinton, Pittsfield, and Webster--examined their local needs for dial-a-ride services with respect to their future transit funding capabilities.

On June 23, 1977, the Brighton Town Board was the first to go on record in favor of participating in the dial-a-ride Demonstration Project. Brighton's Supervisor, Richard Wiles, stated in his June 24, 1977 confirmation letter to RGRTA's Executive Director, Joseph Silien, that at the conclusion of the demonstration, the town would hold a public hearing and review the operating and economic situation of Brighton's dial-a-ride service before determining whether the program would be subsidized locally.

On July 25, 1977, the Town of Henrietta, Brighton's southern neighbor, also officially decided to participate in the dial-a-ride demonstration (Resolution #17-220/77). Henrietta's Town Board unanimously agreed to fund dial-a-ride services after the demonstration subject to the following conditions:

- a) That funds to continue the program on a local (Town) level will be justified by proof of ridership levels, public acceptance, and total cost effectiveness;
- b) That the Town Board deems that such funds may be authorized upon consideration of other priorities of expenditures at such time;
- c) That other State and/or Federal funds are not available to support such a program.<sup>1</sup>

The Town of Gates held a large public hearing and invited senior citizen groups, the Chamber of Commerce, and homeowner and religious organizations. Surprisingly, little interest and demand for local dial-a-ride services was expressed.<sup>2</sup> Penfield's Town Board also rejected the

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<sup>1</sup>Resolution #17-220/77, approved by the Henrietta Town Board and signed by Keith C. Murphy, Town Clerk, on July 25, 1977.

<sup>2</sup>Based on a telephone conversation with Jack Hart, Gates Supervisor, on September 26, 1978.

proposal, because the projected dial-a-ride transit service costs would require either a disproportionate share of the town's current \$800,000 annual budget or else force the town to raise local taxes. Although it was not part of RGRTA's demonstration package Penfield felt they had a greater need for an inter-municipal transit service which could transport residents to and from the neighboring suburban communities of East Rochester, Pittsford, and Perinton.<sup>3</sup> Perinton officials were particularly sensitive to any additional services which would increase local taxes. Although no public hearing was held, the Perinton Town Board unanimously voted against participating in the demonstration because of the necessary local financial commitments.<sup>4</sup>

The Pittsford Town Board felt that the town's scattered population would not generate enough dial-a-ride riders per square mile to justify committing a substantial portion of future tax revenues.<sup>5</sup> The Town of Chili rejected the dial-a-ride transit demonstration proposal for similar reasons. Finally, when Webster did not receive much community support for the proposed local demand-responsive services at its public hearing, town officials concluded that the existing RTS park-and-ride and fixed-route services were sufficient and that the future dial-a-ride costs would be excessive in relation to the number of projected riders.<sup>6</sup>

In general, these six Rochester towns were reluctant to join the demonstration because dial-a-ride ridership estimates were low and post-demonstration local funding requirements would be a burden. To local officials, this inevitably meant that at the end of the demonstration, they would have to eliminate dial-a-ride services, cut back other community services or raise local taxes--none of which were viewed as politically viable alternatives.

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<sup>3</sup>Based on a telephone conversation with Irene Gossin, Penfield Supervisor, on September 26, 1978.

<sup>4</sup>Based on a telephone conversation with Lake Edwards, Perinton Supervisor, on September 26, 1978.

<sup>5</sup>Based on a telephone conversation with Tim Downing, Pittsford Assistant Director of Public Works, September 26, 1978.

<sup>6</sup>Based on a September 26, 1978 telephone conversation with Edward Sutz, former Webster Town Supervisor, who held office when this decision was made.



### 3.3 ADDITIONAL CRITERIA FOR SELECTING SERVICE AREAS

Since local community involvement is one of the primary objectives of the new demonstration, an expressed community interest in implementing and financially supporting dial-a-ride services was the major criterion for selecting the two future dial-a-ride sites. Had more than two communities been interested in participating other criteria would have been applied, including each interested town's need for demand-responsive transit services based on the accessibility, quality, and efficiency of existing RTS transit services, the amount of coverage additional dial-a-ride transit services could provide based on the size of each of the proposed dial-a-ride service areas, the size of the population that would be served, and the latent demand for transit or degree of transit dependence.

Since only Henrietta and Brighton were interested in participating in the dial-a-ride service demonstration, the RGRTA did not have to competitively select two towns to join the demonstration. Nevertheless, SYSTAN, Inc. undertook an analysis (described in Appendix A) to assess each of the ten suburban communities' need for dial-a-ride services. (Greece and Irondequoit are included in this evaluation although PERT dial-a-ride services already exist and are to be continued under the new demonstration.) The criteria cited in the previous paragraph were used, as well as additional criteria pertaining to regional transit funding. The results of this analysis show the implications of using local willingness to fund service as the major criterion for service implementation. The analysis is intended to determine whether the four towns participating in the demonstration, and especially Brighton and Henrietta, are the most appropriate sites for dial-a-ride service. The equity and efficiency impacts of RGRTA's site selection policy are also considered. The conclusions drawn are necessarily subjective, since the results will vary depending upon the selection standards used.

Each of the suburban towns in the Rochester area could make a fairly strong case for extending dial-a-ride services into its area based on at least one of the criteria analyzed. Thus, an overall or average assessment, weighting each criterion equally, masks these different bases for determining additional local transit needs and results in similar total averages in most of the towns. However, a few exceptions should be noted: The Town of Pittsford, with the largest proportion of transit-dependents (including East Rochester), achieves the highest RTS productivities, and contributes a relatively larger proportion of property taxes than any of the other nine Rochester suburbs analyzed. Thus, Pittsford seems to be the most appropriate site for extending dial-a-ride services. Brighton, Irondequoit,

Greece, and Webster also generally ranked higher than the remaining Rochester suburbs in terms of additional transit needs. Aside from Webster, the other three are receiving dial-a-ride service under the new demonstration; Henrietta, the fourth town, did not rank quite as well. One explanation for Henrietta's ranking is that the evaluation showed that Henrietta has the smallest proportion of autoless households and residents over 65 years of age; however, the analysis was based on 1970 Census Bureau data and, in the past eight years, a significant number of elderly persons have moved into newly constructed apartment complexes in Henrietta.

## 4. THE LABOR ISSUES

### 4.1 PREVIOUS MANAGEMENT/LABOR AGREEMENTS

Under the terms of the first demonstration project, PERT's dial-a-ride service was operated in Greece and Irondequoit by the Regional Transit Service (RTS). PERT drivers and maintenance staff were thus covered under the existing general labor agreement between RTS and the local Amalgamated Transit Union (ATU), Division 282. In November 1974, a section pertaining to the dial-a-ride Demonstration Project was incorporated into the agreement. That section specified that drivers would choose PERT runs for an entire year rather than for four months, that a separate vacation schedule would be established, and that drivers would choose PERT work on the basis of seniority in preference to the hiring of new employees for PERT. It also indicated that labor and management would work together to make the PERT project a success so that, if any additional special agreements were necessary, all parties would make "good faith effort(s)" to resolve their differences. No substantive changes to any other work rules were called for.

In addition to the new section which was incorporated into the labor agreement, the Union requested and obtained the following clause in the demonstration project contract as a condition of the Department of Labor's certification of the project to UMTA under the Urban Mass Transportation Act of 1964, Section 13(c):

All special transportation services and any other operational services to the Project shall be provided by employees of RTS under the agreement between the RTS and the employees and the Union then in effect.<sup>1</sup>

PERT employees, as members of the Amalgamated Transit Union were paid at the same rates as RTS fixed-route employees.

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<sup>1</sup>Letter to the Honorable Paul J. Frasser, Jr., Assistant Secretary of Labor, from Don V. Maroney, Jr., International President, Amalgamated Transit Union, dated October 9, 1974.

As a result, dial-a-ride and fixed-route services produced nearly identical operating costs (i.e., about \$22.00 per vehicle per hour in 1977). While about half of this cost is covered by fares on fixed routes, dial-a-ride productivities and recovery rates were too low for RGRTA to sustain existing levels of demand-responsive services in Greece and Irondequoit after the demonstration, much less expand into neighboring suburbs.

On October 15, 1976, UMTA addressed this publicly-operated high paratransit cost issue in its proposed paratransit policy statement, by encouraging local communities to involve lower-cost private transit operators. UMTA stated that the:

Provision of paratransit service will often be carried out most efficiently and effectively by private transportation companies. It is in the public interest not to foreclose private operators from engaging in the provision of paratransit services where such private operators are willing and able to provide this service... (Thus a) local transportation program will be found to provide for maximum feasible participation of private transportation companies if it offers local taxi operators and other private transportation providers full opportunity to bid for the provision of any new paratransit services that might be proposed by public bodies for the implementation with the assistance of UMTA funds; and if it provides for the selection of the service provider competitively, on the basis of the highest efficiency and effectiveness and labor cost.<sup>2</sup>

RGRTA thus saw the competitive operator selection process as a means to reduce the cost of dial-a-ride services. However, the Authority had an existing Section 13(c) agreement in place, which was clearly at odds with UMTA's proposed policy of competitive selection of operators. This resulted in a variety of labor complications which almost caused RGRTA to lose the new demonstration project and thus scrap all existing and proposed expanded dial-a-ride services.

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<sup>2</sup>U.S. Department of Transportation, Urban Mass Transportation Administration, "Paratransit Services," proposed policy, Federal Register, Part II, Volume 41, No. 204, October 20, 1976, page 46413.

## 4.2 OBSTACLES DEVELOP

### 4.2.1 Local Union Position

The local 282 chapter of the ATU quickly realized that the new demonstration services would likely be provided by non-union labor working for lower wages if competitive bidding were permitted. Consequently, it vigorously opposed the plan. RTS employees had seen how PERT services had replaced several low-demand RTS routes in Greece and Irondequoit as a result of "route rationalization"; they thus considered dial-a-ride to be a direct competitor of fixed-route services rather than a supplement to fixed-route services. Now RGRTA was proposing to expand dial-a-ride services to other communities that had existing fixed-route services, and probably employ private contractors to operate the new services. RTS drivers and union officials were afraid additional dial-a-ride services would draw more riders away from fixed-route buses, forcing RTS to cut back hours, routes and services and hence place their jobs in jeopardy. The new demonstration plan was in direct violation of their existing collective bargaining agreement and 13(c) certification, and since union officials viewed the new demonstration as merely an extension of the first demonstration project, they felt the existing agreements should continue to apply.

Local 282 representatives justified their higher wage scales by pointing to their excellent record and extensive experience in supplying "safe", "responsible" and "professional" drivers in Rochester. Although another operator might be able to provide less expensive services, the union argued that the public would ultimately suffer in terms of service safety and quality. Thus, it would be unwise to select a transit operator based solely on a competitive cost criterion.<sup>3</sup>

### 4.2.2 The RGRTA Position

RGRTA (the demonstration sponsor) saw this situation from a different perspective. It could not afford to continue or expand dial-a-ride service at existing Union wage scales, nor could it expect the local communities to pay for such high-cost services, a major objective of the new demonstration project. Also, UMTA was not interested in  
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<sup>3</sup>Based on an interview with Bert Weinbach, Division 282 President, and Paul Marshall, Division 282 Business Agent, in September 1978.

simply expanding existing dial-a-ride services with Federal demonstration funds. If the objectives were unachievable, RGRTA would have to abandon any hope of obtaining the grant, and terminate all existing dial-a-ride services. RGRTA hence felt the Union should renegotiate a new 13(c) agreement, so that services could continue and because this was essentially a new and quite different demonstration.

#### 4.2.3 13(c) Negotiations

A brief explanation of the institutional relationships among the various labor negotiating parties should help in understanding what subsequently happened during the Rochester negotiations. In essence, the Secretary of the Federal Department of Labor (DOL) is responsible for issuing a final 13(c) provision, certifying that "fair and equitable arrangements" have been made to protect the interests of employees affected by Federal transportation assistance. This certification is sent to the Federal Department of Transportation (DOT) before the Urban Mass Transportation Administration (UMTA) can approve demonstration or operating funds.

To start the procedures, UMTA forwards the proposed grant application to DOL, which in turn refers the copies of the application to the affected labor parties. Since ultimate responsibility for ensuring that the required protective terms, conditions, and liabilities engendered by 13(c) protection rests with the grant applicant, DOL places initial "emphasis on negotiations between grant applicants and representatives of affected parties as the most appropriate method for developing the required protections."<sup>4</sup> In the legislative history of 13(c), Congress has stated that it expected the specific conditions for the protection of employees to be the product of local bargaining and negotiation. However, if an impasse is reached, DOL will try to assist in mediating an agreement.

DOL will also look to the national union organization for guidance, dealing primarily with the International ATU General Counsel. Local chapters have designated the national ATU as the authority to negotiate with DOL on their behalf, according to the ATU constitution. Throughout this process, the individual local chapters have traditionally

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<sup>4</sup>Yud, Larry F., Chief, Division of Employee Protection, DOL, "Evolution of Labor Protection Agreements," paper presented at APTA Conference in Toronto on September 27, 1978.

provided their input for making the final determination. If all else fails, DOL can issue a finding as to what it determines to be "fair and equitable protection."

During the summer and early fall of 1977, negotiations were going on among the International ATU (Buddy Cohn and Earle Putram, General Counsel), Local 282 leaders (Bert Weinbach and Paul Marshall), RTS management (Jack Garrity) and the RGRTA (Joe Silien, Executive Director) in an attempt to resolve their differences. Until this time, there had been open communications and a good relationship between the local union and RTS. The local union had even been accommodating in interpreting the agreements regarding PERT services under the original demonstration. The union had objected verbally, but took no formal action concerning the contracted maintenance of the PERT vans.

Despite their previous good relations, RTS officials and ATU representatives failed to agree on the labor provisions necessary for the new Rochester demonstration, and negotiations broke off in early October 1977. Therefore, DOL, acting as mediator, scheduled a meeting on October 14, 1977 in Washington, D.C. for Weinbach, Garrity, Silien, International ATU representatives, DOT officials, and DOL officials. Although different options were discussed at this meeting, none of the parties were willing to compromise their positions and negotiations remained deadlocked.

#### 4.3 THE DEMONSTRATION LOOKS DOOMED

Following the meeting, RTS announced that PERT services in Greece and Irondequoit would be terminated on Friday, October 28 unless an agreement was reached before then. Off-peak fixed-route bus services would be reinstated on Dewey Avenue and Ridge Road to replace the eliminated PERT service. The Authority received a number of letters and calls from local residents supporting and requesting continued DAR service.

An expeditious decision had to be made in order to avert project and service discontinuation. On October 27, 1977, Francis X. Burkhardt, Assistant Secretary of Labor, issued a letter of determination fully supporting and upholding the ATU position. DOL did not feel the new demonstration application was significantly different from the initial demonstration, and thus felt an expressed commitment to apply the same language from the first demonstration

application. Although the RGRTA management proposals may have been reasonable, DOL stated that the local union had the right to do the work under the existing 13(c) certification and collective bargaining agreements. This left an impossible situation: DOL was giving the local union the authority to do the work, but there would not be any work for them to do because UMTA would not fund the project under these conditions.

On the following day, Friday, October 28, 1977, the local Rochester newspapers reported the end of dial-a-ride service (see Exhibit 4.1). While Rochester residents were reading epitaphs and eulogies blaming breakdowns, late arrivals, high fares, and massive deficits as well as union squabbles for dial-a-ride's demise, another meeting was going on between Garrity, Silien, International Union representatives, and Federal officials in Washington, D.C.

#### 4.4 A NEW AGREEMENT IS SIGNED

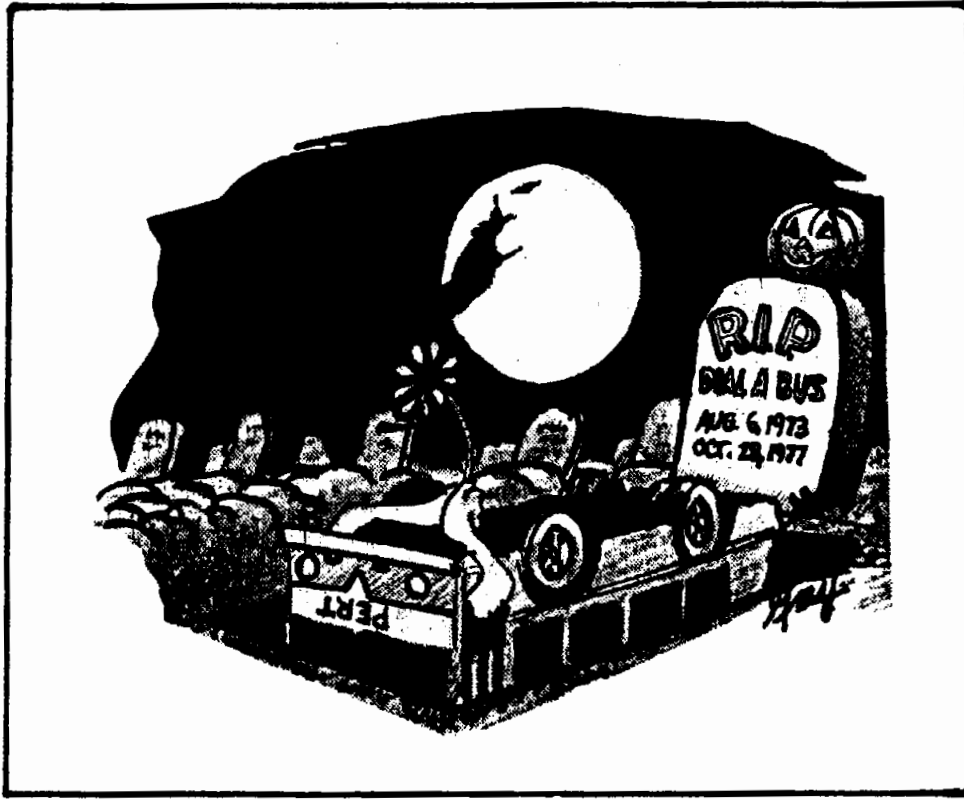
Since no previous 13(c) agreement had ever directly caused public transit services to be terminated, the International ATU and DOL sensed that the Rochester case might hurt union interests in the long run; 13(c) opponents would be able to point to Rochester, New York as an example of how a transit union could paralyze local community transit services. Although the IATU had held out and supported local 282 in winning Rochester's labor battle, the victory could conceivably result in a major setback for transit labor nationally.

Rochester Division 282 representatives were not invited to the October 28, 1977 meeting in Washington, D.C., nor were they forewarned the IATU had begun to question and reexamine the Union's position. Historically, Local 282 had been fairly autonomous. In recent years, they had reasserted their right to strike and, at the time of these negotiations, they owed the national ATU organization approximately \$6,000 in union dues.

On October 28, 1977, the IATU revised its earlier stance, and allowed the demonstration project to proceed. DOL reissued a 13(c) certification to UMTA containing the additional clauses presented in Exhibit 4.2. In general, these provisions would allow RTS to continue to provide PERT services in Greece and Irondequoit under its existing wage and benefit scale and in accordance with its existing collective bargaining agreements. However, the RGRTA could solicit competitive bids for additional dial-a-ride services in Brighton and Henrietta and for special elderly and handicapped services in areas outside of the existing Greece-Ir-



EXHIBIT 4.1



Rochester Times-Union, October 28, 1977

## EXHIBIT 4.2

### ADDITIONAL 13(c) CERTIFICATION CLAUSES

I. Employees of RTS will continue to provide dial-a-bus services in Greece and Irondequoit under and in accordance with their collective bargaining agreement between RTS and Local Union 282, Amalgamated Transit Union, AFL-CIO.

II. RTS will make a good-faith effort to bid on new dial-a-bus service to be instituted by the project amendment. In the event RTS gets the work by bid, employees of RTS will provide said service under and in accordance with their collective bargaining agreement between RTS and Local Union 282, Amalgamated Transit Union, AFL-CIO.

III. (a) It shall be an obligation of the Public Body, for the duration of the Project, to assure that any and all such dial-a-bus services are contracted for and operated under such restrictions and limitations as may be necessary or desirable to prevent these services from competing with, becoming a substitute for, or displacing conventional transit routes and services now or hereafter provided by employees of RTS represented by the Union, including, but not limited to, suburban service and "owl" (late) runs.

(b) All maintenance work on the mini buses and vans used in the Project (except warranty services, emergency repairs, and first echelon maintenance service, such as fueling, inflating tires, etc.) shall be performed at RTS's maintenance facilities by employees represented by the Union.

(c) The Public Body will provide to the Union on a regular and continuing basis for the duration of the Project, copies of the reports, if any, submitted to UMTA concerning Project activities and results, together with any other Project documentation relative to the administration, application, or enforcement of this employee protection arrangement.

(d) In implementing the Project, the Public Body has the obligation to insure that Project services are strictly limited to those persons described in the Project application whose daily work trips are not served by transit routes and services presently being rendered by the Public Body.

(e) Upon allegation by the Union that any dial-a-bus services by the Public Body, or any third-party private operator, are being operated or maintained in violation of these arrangements, the Public Body shall promptly investigate the claim and take any steps necessary or appropriate to remedy any violation found.

IV. In the event of a dispute over the interpretation, application or enforcement of these Section 13(c) employee protection arrangements; such dispute may be submitted by either the Public Body or Local Union 282, Amalgamated Transit Union, AFL-CIO, to arbitration in accordance with the procedures contained in the May 3, 1974 Section 13(c) agreement negotiated by and between RTS and Local Union 282, incorporated herein by reference.

V. At the conclusion of the Project amendment's demonstration period, the Public Body will take all steps possible to insure that, if dial-a-bus service in the original communities and/or the new communities are continued or additional areas are added, RTS employees represented by Local Union 282 shall perform all continued or additional dial-a-bus services whether or not federal funding to continue or add services is used.";

ondequoit-North Rochester service area. The amended contract encouraged RTS to bid on the new dial-a-ride services; but if an outside contractor was selected, its services could not "compete with, become a substitute for, or displace conventional transit routes" provided by unionized RTS employees and, in the future, RGRTA must try to use ATU union employees for all dial-a-ride transit services.

The eleventh-hour decision saved the demonstration. PERT resumed operations with funding from the new demonstration on November 7, 1977. A one-week cessation of service was unavoidable, because PERT drivers had already been reassigned to regular RTS runs. On December 7, 1977, UMTA formally approved a \$1.7 million grant to implement the new demonstration, covering the period beginning on November 7.



## 5. OPERATOR SELECTION PROCESS

### 5.1 OPERATOR SOLICITATION

Following the approval of the demonstration grant in December 1977, the RGRTA staff prepared a request for qualifications (RFQ), to operate general demand-responsive transportation services and special services for the mobility-impaired in portions of Monroe County; the RFQ was sent to all potentially qualified bidders. William Evans, RGRTA Director of Planning and Research, followed up all letters and requests for additional information, and meetings were held in January, 1978 with two of the potential bidders. On February 2, 1978, a request for proposal (RFP) to provide "flexible, affordable Community Transit Services" was mailed to the 17 potential bidders listed in Exhibit 5.1.

The RFP stated that the demonstration contractor would be selected on a competitive cost basis, and the contractor would be responsible for operational management and dispatching functions, driver and mechanic hiring and training, a driver compensation package that included productivity and safety incentives, maintenance, servicing and storage of vehicles and equipment, data collection and accounting procedures, fare collection, and insurance coverage.

Initially, the RFQ -- in accordance with the new 13(c) agreement -- stated that all major repairs on the handicapped service vehicles would be handled by the RTS unionized maintenance division and billed to the contractor; all maintenance on the dial-a-ride sedans would be the contractor's responsibility. However, the RTS maintenance department already had problems maintaining the existing fleet, and they were not interested in repairing vehicles they did not own. The RFQ was thus changed on February 3, 1978 to assign maintenance responsibilities for all dial-a-ride and handicapped transit service vehicles used by the contractor to the contractor.

The Authority initially required \$200,000 insurance per claimant including bodily injury and property damage, with an excess limit of \$1,000,000 per claim; this was later increased to \$1,000,000 per claimant and \$3,000,000 per

EXHIBIT 5.1

FLEXIBLE, AFFORDABLE COMMUNITY TRANSIT SERVICES

INVITATION TO BID MAILING LIST

International Taxicab Association, Rockville, MD  
Regional Transit Service, Inc., Rochester, NY  
Black & White Cab Company, Little Rock, AR  
Golden Arrow Lines, Inc., Rochester, NY  
Medical Motors Service of Rochester and Monroe County,  
Rochester, NY  
National Ambulance & Oxygen Service, Rochester, NY  
DAVE Systems, Anaheim, CA  
Greater Omaha Transportation Company, Omaha, NE  
Brighton - Fairport/Henrietta Radio Cab, Rochester, NY  
Checker/Green Cab Company, Rochester, NY  
Town Taxi/Monroe Taxi, Rochester, NY  
Genesee Bus Company, Batavia, NY  
Transportation, Inc., Arlington, VA  
Tri-Town Taxi, Rochester, NY  
Modern Transit Concepts, Hudson, OH  
United Transportation, Inc., Columbus, OH

occurrence, insurance policy coverage that would be comparable to that of PERT.

The Authority requested that service be provided for eight hours per day, five days per week for both general and the handicapped and elderly services. Four to five vehicles would be operated in each of the two general public service areas and six vehicles would eventually operate in the handicapped and elderly service. Therefore, from 320 to 400 service hours per week were anticipated for Brighton and Henrietta general public services, and eventually 240 service hours per week for the handicapped and elderly service.

RGRTA would keep all fares collected, but the contractor would be reimbursed a fixed amount per service-hour (called the "service rate") to cover all costs incurred in connection with the operations. In addition, a system productivity incentive might also be paid for the general public dial-a-ride service, as well as a driver safety incentive for all drivers. Productivity, defined as passengers per vehicle service-hour, would be calculated by dividing the number of daily passengers carried by the number of service-hours billed in each service area. The proposed productivity incentive payment schedule, outlined in Exhibit 5.2, was designed to encourage the contractor to wisely manage his resources and assure that an adequate number of vehicles were in service with high passenger loadings. For example, if in the Brighton service area on a given day, 175 passengers were carried and 32 vehicle service-hours were billed by the contractor to the Authority, the average productivity for that day would be 5.47, and the contractor's incentive would be \$52.50 ( $175 \times \$0.30$ ) for the Brighton area. However, if the contractor could carry the same demand using only 28 vehicle service-hours, an average vehicle productivity of 6.25 would result, and the productivity incentive would be \$87.50 ( $175 \times \$0.50$ ). The additional \$35.00 in incentive payment would probably exceed the profit lost by billing for four fewer vehicle-hours, and management would presumably be encouraged to reduce vehicle-hours in order to raise productivity. With this incentive, the overall financial position of the contractor would thus improve as productivities rose.

A safety incentive was also added to the base wage rates to encourage drivers to provide safe, quality transit services; the Authority did not want drivers to be paid on a commission basis, nor did it want to allow tipping. Each driver would thus receive a base hourly wage as well as an additional 50 cents per hour for every four-week period in which the driver was not involved in an accident.

A formal bidder's conference was held one week after the RFP was issued to respond to any further questions.

EXHIBIT 5.2

PROPOSED PRODUCTIVITY INCENTIVE PAYMENT SCHEDULE

<u>Average (for each day) Passengers Per Vehicle Per Service Hour</u>	<u>Incentive Payment Per Passenger</u>
0 - 3.99	0
4.00 - 4.99	15¢
5.00 - 5.99	30¢
6.00 - and up	50¢

Maximum total incentive paid per day per service area is \$100.00.



Four of the solicited vendors attended this session, and RGRTA responded to two subsequent calls and a letter requesting additional information and RFP clarification. The proposal due date was also extended ten days to accommodate one of the local bidders. According to RGRTA officials, "concerted effort(s)" were made to encourage prospective paratransit operators to bid on this proposal. Nevertheless, only three responses were received, and only two of these had competitive cost estimates.

## 5.2 OPERATOR RESPONSE

### 5.2.1 RTS

RTS did not submit a bid because it felt that, because of its high driver wage rate, it could not be compete economically with private operators. During the 13(c) negotiations and again after the decision was made to solicit competitive bids, Jack Garrity (RTS General Manager), Bert Weinbach (ATU Division 282 President) and Paul Marshall (ATU Division 282 Business Agent) discussed the feasibility of offering a different paratransit driver wage and benefit package to their employees to make them more competitive with private dial-a-ride operators. Although no specific wage rates were agreed upon, this alternative paratransit driver status option was presented to the local Union Board. The Board agreed to allow the rank-and-file members to vote on the issue, although they did not endorse it. The Board felt that they had nothing to gain by accepting a lower status and pay scale for paratransit work, and may also have felt that it would be a dangerous precedent for more general wage-cutting tactics. RTS employees agreed with the Board and rejected the alternative paratransit status initiative, for they too realized that regardless of whether PERT services were terminated or continued, their contract protected and guaranteed their positions with RTS at the current union wage scale.

RGRTA officials believe that RTS, as the existing public transit operator, had other operating cost advantages that could have enabled RTS to submit a competitive bid for new services if union members had been willing to reduce their base hourly wage to approximately \$5.00 per hour (an approximate 30% wage cut). Although the selected operator, Paratransit Enterprises, pay their drivers a base wage of \$3.50 per hour, RTS had economic advantages over outside transit providers because they would not have had to face the same relocation or start-up problems and costs, they qualified for tax exemptions, and they did not have to allocate the full cost of operating the two additional services

in Brighton and Henrietta to the new project. RGRTA was also prepared to evaluate the RTS bid by comparing the total cost of having RTS operate dial-a-ride services in four areas under some new driver wage scale with the total cost of having a private contractor operate Brighton and Henrietta dial-a-ride services, while supporting continued PERT services at current costs in Greece and Irondequoit.

### 5.2.2 Other Responses

The following responses and opinions are based on a mail and follow-up telephone survey of the 12 operators that were solicited by the RGRTA but did not submit bids.

One of the local operators solicited was a non-profit agency, not interested in providing private general market services. Most of the other locally solicited operators were taxicab companies, owned and operated by small private entrepreneurs. They felt the bid specifications were unclear, they were inexperienced in dealing with government agencies and public funding procedures, and they lacked the expertise needed to prepare a formal bid.

One local transportation operator was initially interested in bidding on the elderly and handicapped advance-reservation service; however, the RGRTA staff explained that they were primarily interested in contracting with one operator to provide both general market and target market dial-a-ride services. The operator eventually did not submit a bid because they found the bid specifications too vague to calculate their probable risk, and hence, their operating cost. Instead, they requested a temporary restraining order on Paratransit Enterprises' services, which the presiding judge subsequently rejected, and they are now charging the RGRTA and DOT with providing unfairly competitive transit services.

Local taxi operators should have had a competitive advantage over out-of-town providers, because they are already locally-established and are more familiar with prevailing wage rates, supporting services such as insurance agencies, vehicle maintenance services, etc. They are also more familiar with the local physical environment and the potential users of the service, and thus, would be the preferred operators, particularly for local community transit services. In the Westport, Connecticut<sup>1</sup> Integrated

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<sup>1</sup>Westport, Connecticut Integrated Transit Service Demonstration, Transportation Systems Center, SMD Evaluation.

Transit Service Demonstration project, preference for a local operator was a major factor in selecting the taxi/school bus operator to run the service. Unfortunately, Rochester's fragmented private taxi operations prevented any cost economies from occurring, and the only bid received from a locally based operator was the exceptionally high cost bid.

Most of the out-of-town solicited operators did not submit bids because they felt Rochester, New York was not within practical geographical distance from their existing management operations, and it would not be profitable to develop, hire and establish on-site management and services for only a one-year contract. Consequently, there was not as wide a range of potential operators to choose from as initially anticipated. The cost of the winning bid submitted by Paratransit Enterprises was slightly higher than expected.

Other communities wishing to enter into contracts with private operators for paratransit services may face a similar limited choice of operators. Obviously, this will depend on the amount and quality of local talent that is available in or near the particular service area, with larger cities typically having a wider variety. Small and medium-sized cities may simply not have any providers, or only marginal providers that are not well respected by potential users. As the Rochester experience has shown, there are currently only a couple of paratransit firms that are capable of competing on a national scale. However, an increased number of qualified private operators will likely be interested in providing paratransit services outside of their immediate locale, if it can be made economically feasible and eventually profitable for them to do so. While it is still too early to predict Paratransit Enterprises' total operating costs, it appears likely that Rochester will be a profitable experience for them, and thus encourage future competition in the paratransit operations field.

### 5.3 OPERATOR SELECTION

Paratransit Enterprises, Inc., was selected as the low bidder, proposing to provide service at a rate between \$11.78 and \$13.98 per vehicle-hour, depending on the number of vehicle-hours provided, whether productivity and safety incentives were implemented, and the type of service to be provided. (The handicapped service is less costly to operate because the 24-hour advance request requirements reduces the control room costs compared to dial-a-ride.) Paratransit Enterprises was basically created in response to the Rochester solicitation by John Hall, a private shared-ride

taxi operator from Little Rock, Arkansas, in conjunction with three other taxicab operators (Bill Williams from Raleigh, North Carolina; George Kapp from High Point, North Carolina; and Bill Knaus from Pittsburgh, Pennsylvania), and Gorman Gilbert, a University of North Carolina Professor of Transportation Planning, with a professional interest in paratransit innovations.

Although these men had considerable experience in operating and studying paratransit services, they were relatively inexperienced in estimating and preparing a paratransit operating cost proposal; as a result, some parts of the RFQ were misinterpreted, which caused some minor contract negotiation problems. For example, Paratransit Enterprises thought the contractor and employee incentive program was an essential part of the operation in place from the beginning of the project, instead of being at the Authority's option. The RGRTA resolved this misunderstanding by agreeing to implement the incentives at the project's start, but placed a limit on the average compensation per service-hour for each four-week period. In addition, the contractor's billable start-up costs were increased from \$3,500 to \$14,000.

#### 5.4 RGRTA/PARATRANSIT ENTERPRISES CONTRACT

The RGRTA/Paratransit Enterprises contract (Appendix B) stated that Paratransit Enterprises was responsible for hiring dispatchers and control room staff, installing telephones, hiring, training and supervising all drivers and mechanics, providing uniforms, and making sure all drivers underwent physical examinations, and defensive driving, first aid, cardiac pulmonary resuscitation and sensitivity courses. In addition, vehicle storage, maintenance, fueling, repair, servicing and cleaning was required, and all mandated insurance coverage was the responsibility of the contractor. All data, fares, accounts and reports were to be collected and reported in the prescribed manner, with all farebox revenues belonging to RGRTA and applied to project expenses.

Paratransit Enterprises compensation would be determined from monthly invoices and based on the hourly service rates and schedule of driver and contractor incentive payments shown in Exhibit 5.3. Initially, dial-a-ride service in Brighton and Henrietta would each be operated with four vehicles for 40 hours per week for a total of 160 vehicle-hours each week in each town. Handicapped and elderly services would consist of two vehicles operating a total of 80 hours per week, increasing over a four-month period to 240 vehicle-hours each week. If additional vehicles were authorized by RGRTA to be placed in service, the lower rates

for general dial-a-ride and handicapped and elderly services would take effect.

During final contract negotiations, both parties had agreed that services would be initiated as soon as possible, and July 5, 1978 was set as the target date. However, no specified start-up date or penalties for delays in service were mentioned; the RGRTA/Paratransit Enterprises contract, signed on June 7, 1978, simply stated that \$497,000 would be the maximum amount paid to the demonstration contractor and 12 months of operation beginning no later than September 1, 1978 was required. Unfortunately, Paratransit Enterprises encountered problems in obtaining operating facilities, New York State refused to grant the contractor a certificate to conduct business because their original name ("Paratransit Associates") conflicted with a corporate name previously assigned, the installation of radio and telephone equipment was delayed, and RGRTA did not receive Paratransit Enterprises \$30,000 performance bond until July 19. As a result, the start of the new transit services was delayed until July 24, 1978.

EXHIBIT 5.3

PARATRANSIT ENTERPRISES COMPENSATION PER VEHICLE-HOUR

	<u>Base</u>	<u>With 50¢ Driver Safety Incentive</u>	<u>Maximum With Productivity Incentive</u>
<u>General Public Dial-A-Ride</u>			
4 Vehicles/Service Area	\$13.08	\$13.58	\$14.20
5 Vehicles/Service Area	\$11.84	\$12.34	\$14.20
<u>Elderly &amp; Handicapped Service</u>			
Up to a 6-Vehicle System	\$12.70	\$13.20	--
8-Vehicle System	\$11.52	\$12.02	--

## 6. COMMUNITY INVOLVEMENT

### 6.1 DESIGN AND STRUCTURE OF SERVICES

On December 13, 1977, one week after UMTA approved the new Rochester demonstration, RGRTA contacted the Town Supervisors in Brighton and Henrietta to begin setting up meetings to plan their new dial-a-ride services. In early January 1978, Community Transit Committees were established in Brighton and Henrietta to work with the RGRTA staff to develop a dial-a-ride service and fare plan and to determine the basis for evaluating the project's success or failure. Henrietta's five-member Transit Committee included the Town Supervisor (Jack Kelly), a Councilman (Michael Murphy), a local citizen (Ronald Fenby), Henrietta's Director of Engineering and Planning (Henry Cornelis), and the Commissioner of Public Works (John Burchell). Brighton's three-male and two-female member Town Board designated themselves as the official Community Transit Committee.

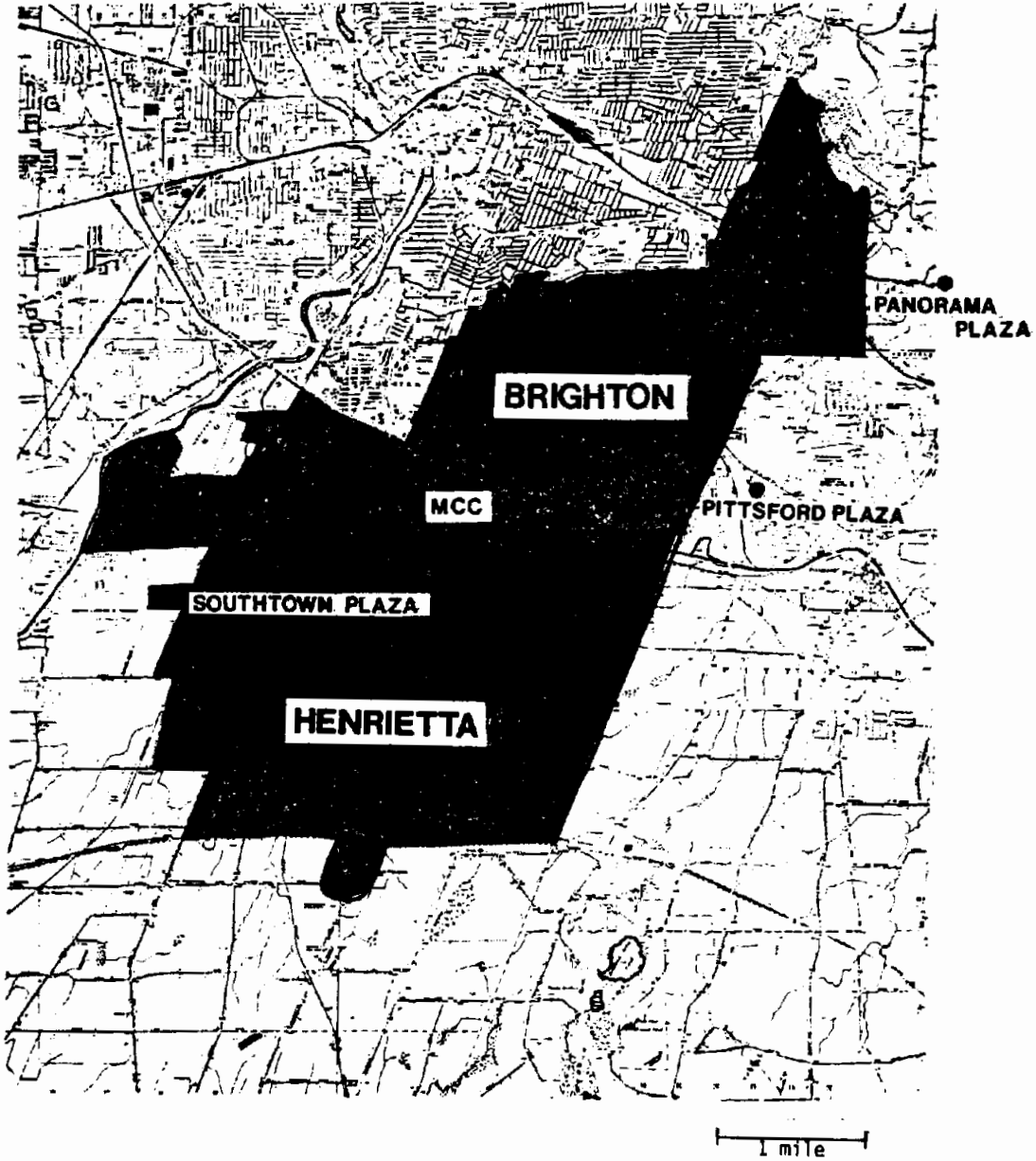
During the planning phase, there was no direct communication between Brighton and Henrietta officials. Instead, the RGRTA staff acted as a liaison to coordinate each town's needs with existing requirements and dial-a-ride experience. For example, Mr. Silien explained to the Town Committees that the 13(c) agreement prevented the new services from being in the form of a fixed route which operated over the same streets as current RTS services, since this would be considered as direct competition or replacement of existing fixed-route services.

RGRTA staff also presented information about the characteristics of demand-responsive transportation to the newly-formed Community Transit Committees of Brighton and Henrietta. This information included the fare structure, days, hours and ridership levels of existing Greece and Irondequoit dial-a-ride services for comparative purposes.

In April 1978, the Brighton Town Board decided to provide townwide, many-to-many, dial-a-ride service, and to include service to Pittsford Plaza and Panorama Plaza, two shopping malls east of Brighton (Exhibit 6.1). Shortly thereafter, Henrietta decided to provide a similar dial-a-ride transit service to the northeast section of the Town of Henrietta, the town's most populated area. The Brighton

EXHIBIT 6.1

BRIGHTON AND HENRIETTA DAR SERVICE AREAS





service area would be linked with the Henrietta service area at South Town Plaza in Henrietta. (However, Monroe Community College in West Brighton eventually became the major transfer point.) Requests for community transit services from residents living in the unserved portions of Henrietta caused Henrietta officials to expand the dial-a-ride service area in September 1978.

The Brighton and Henrietta service area configurations were largely determined by political rather than operating efficiency considerations. For example, because of the large, thinly populated area separating West Brighton from Brighton's major population concentration in the northeast, it would have been more efficient to have West Brighton as part of the Henrietta service area. Including the most remote sections of West Brighton near the Genesee River in the dial-a-ride service area is also only justifiable from an equity viewpoint. The additional population served is small, but the extra bus travel time needed to reach the area is significant.

Henrietta and Brighton established the same fare structure used in Greece and Irondequoit dial-a-ride systems, charging a basic fare of \$1.25 for the first rider and 50 cents for each additional rider on the same trip. Senior citizens and handicapped persons would also ride for 50 cents, children under the age of six would ride free, and transfers to RTS buses would be available for 5 cents. Both advance and immediate requests for service would be accepted, as in Greece and Irondequoit.

Henrietta and Brighton initially decided to offer dial-a-ride service from 10:00 A.M. to 6:00 P.M. Monday through Friday, hoping to attract local workers traveling home and to serve students after school. However, demand for dial-a-ride services was highest from 10 to 11 A.M., the first hour of service, with requests for service declining sharply the following hour and then again from 5:00 to 6:00 P.M., the last hour of service each day. Consequently, on October 16, 1978, Brighton and Henrietta dial-a-ride switched to a 9:00 A.M. to 6:00 P.M. operation, taking one vehicle out of service in each service area during the 11 to 12 A.M. and 5 to 6 P.M. hours and running two buses between 9 and 10 A.M.

## 6.2 DEVELOPING EVALUATION CRITERIA IN BRIGHTON AND HENRIETTA

The Brighton Community Transit Committee asked RGRTA to initially propose criteria for evaluating the success of the dial-a-ride service on March 20, 1978. In response, RGRTA

developed a Memorandum of Understanding, defining the purpose and goals of the Community Transit demonstration, the roles each town and the Authority would play in the project, including methods for deciding whether and how to finance the local share of deficits for dial-a-ride services after the demonstration project.

The Authority estimated that each town's dial-a-ride service would carry between 600 and 800 passengers each week, achieving a productivity goal of 4.0-5.0 passengers per vehicle per hour. Assuming the \$1.25/.50 fare structure proposed for Brighton and Henrietta's dial-a-ride services, RGRTA projected a recovery rate of 25% to 29%. The recovery rate is defined as the percentage of operating cost recovered through fares. This agreement also estimated that:

The attainment of these ridership, productivity and recovery rate goals, when projected over a 12-month period, at a contractor's hourly reimbursement rate of \$13.58 would result in a total system deficit of approximately \$79,000 to \$83,000. Based upon the Federal Government making available funds to cover up to 50% of transit operating deficits, the annual local share of the deficit should amount to 50% or approximately \$39,500-\$41,500 for a four vehicle system.<sup>1</sup>

At about the same time, Brighton Councilwomen Jeanne Hutchins and Marian Brown, undertook a study of the outlined Community Transit Service program because they were "concerned about public reaction to starting a service that may have to be discontinued later due to inefficiency or ineffectiveness."<sup>2</sup> These two Brighton politicians wanted to evaluate Brighton's future financial responsibility to dial-a-ride based on the impacts that would result if dial-a-ride were continued following the demonstration, versus the consequences and citizen reactions that would result if dial-a-ride were discontinued. They also felt a recovery rate of at least 30%, based on the same \$1.25 fare structure, should result; thus, their report stated that any annual local deficit beyond \$40,500 should be considered excessive. As an alternative means of increasing the recovery ratio and decreasing local government subsidies,

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<sup>1</sup>Rochester-Genesee Regional Transit Authority, "Memorandum of Understanding," July 1978, page 2.

<sup>2</sup>Hutchins, Jeanne B. and Brown, Marion, Report on Initiating a One Year Demonstration Project for Public Transportation - Dial-A-Ride, submitted to the Brighton Town Board in April 1978.

they suggested increasing fares to \$2.00 per ride; however, this recommendation was not based on any ridership estimates or fare elasticity analysis.

Finally, although Brighton officials were aware of the local town transit needs and funding objectives when they voted to participate in the dial-a-ride project, this report stated that Brighton's transportation needs should be met primarily by fixed-route services through the RGRTA and "subsidized by county, state and Federal, not town, revenues." Instead of using town funds to cover dial-a-ride deficits after the demonstration, Brighton officials should "use the data compiled during the test period to encourage the RGRTA to establish a comprehensive fixed-route network that will answer residents' transportation needs in the broad metropolitan area.<sup>3</sup> "

Henrietta's Community Transit Committee did not initiate an independent study of the dial-a-ride program, and promptly signed the Memorandum of Understanding. However, the Brighton Transit Committee asked RGRTA to change the implied responsibility of the town in its final Memorandum of Understanding. The Authority had proposed a maximum town commitment (i.e., if dial-a-ride achieved the outlined success criteria, each town would be responsible for funding continued services), but Brighton officials only wanted to commit each town's Transit Committee to using the established criteria, along with citizen input, to evaluate dial-a-ride services; based on these findings, a separate town funding decision would then be made. During the summer of 1978, RGRTA reworded the Understanding, and the Brighton Town Supervisor signed the revised agreement (a copy of Brighton's approved Agreement is included in Appendix C).

It is still too early to tell whether dial-a-ride services will meet the agreed criteria, and whether the local communities can afford their continued operation. Henrietta has been described by RGRTA officials as being the town most likely to continue funding dial-a-ride services, because it is a growing community and has a large industrial tax base. However, Jack Kelly, Henrietta's supervisor, feels that dial-a-ride is in a politically disadvantaged position; a Council decision to use town funds to support dial-a-ride services will have to be made by July 1979, just four months before the November elections, when three of Henrietta's Councilmembers will be seeking reelection. Henrietta and Brighton have already developed their annual operating budgets for 1979. Neither of the towns' budgets included a line item to cover projected dial-a-ride transit deficits,

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<sup>3</sup>Ibid.

although each of the town supervisors claim they would have enough discretionary funds to support dial-a-ride services from August through December 1979.

### 6.3 GREECE AND IRONDEQUOIT INVOLVEMENT

Unlike in Brighton and Henrietta, RGRTA proposed to continue operating PERT services in Greece and Irondequoit under the new demonstration. They did not ask either town to make any type of local commitments to support PERT services after the demonstration was over. Nonetheless, local support will still be required after the demonstration. In the first demonstration, RGRTA, MIT, and RTS were responsible for planning and operating PERT's demand-responsive transit services in Greece, introduced in 1975. Initially, this project did not focus on local town participation and support because RGRTA, RTS and UMTA were concentrating on testing the effectiveness of various dial-a-ride operating strategies, marketing promotions, and a computerized scheduling and dispatching system. As a result, the Town of Greece was neither directly involved in the planning and designing of their services nor did they have much contact with the Regional Transit Authority or PERT management once dial-a-ride services were implemented.

In Irondequoit, an ad hoc Citizens' Committee on Transportation, composed of the Town Supervisor, a Councilmember, the Planning Board Chairman, and four citizens, including one elderly citizen, was established in July 1975, nine months before PERT services were initiated. This group was intended to identify local needs and provide input in planning PERT services in Irondequoit, and to supply residents' feedback and reactions following implementation. However, Irondequoit's Supervisor, Donald Deming, has questioned whether the committee had any meaningful impact on developing Irondequoit services. Deming recalled that the Citizens Committee had suggested that PERT provide townwide dial-a-ride service, so that all Irondequoit residents could directly access the new service. At that time, based on projected demands for areawide service and the limited number of vehicles that were available, MIT felt that dial-a-ride could not achieve adequate service levels if provided throughout Irondequoit. Therefore, dial-a-ride was initially designed to serve a 6.9 square mile area which included part of northern Rochester; in September 1976, the dial-a-ride service area was expanded to 8.6 square miles. This area includes 7.7 square miles of Irondequoit's approximately 16 square mile area and 60% of the total town's population.

Although Irondequoit's ad hoc Citizens' Committee was disbanded soon after PERT services were initiated, the new Irondequoit Transportation Committee will probably include some of the same members. According to Deming, Irondequoit would be unlikely to approve funding for a service that did not serve the entire Town of Irondequoit, and he would not even bring the issue before the Town Board for a vote. The RGRTA therefore leased additional vehicles (see Section 7.1.1), and began to provide townwide dial-a-ride service in Irondequoit on January 29, 1979. Unlike Irondequoit, much of Greece is undeveloped, and almost all of Greece's developed areas are served by PERT. There should thus be less pressure to extend dial-a-ride service to Greece's town boundaries.

Another implementation difference between Greece/Irondequoit and Henrietta/Brighton that may affect the continuation of dial-a-ride services centers around the existing operators and cost factors. RTS is currently operating dial-a-ride services in Greece and Irondequoit at approximately \$24.00 per vehicle-hour, while in Brighton and Henrietta, Paratransit Enterprises operates a similar dial-a-ride service at about \$13.50 per vehicle-hour.

It is reasonable to assume that the less the individual towns must bear financially, the more likely they will be to fund the continuation of services. Greece and Irondequoit officials will thus probably be looking carefully at Brighton and Henrietta's projected operating costs as related to the level and quality of their dial-a-ride services. Whether Greece and Irondequoit will be able to solicit competitive bids in order to obtain lower-cost dial-a-ride service, and what the actual operating costs would be after the demonstration are not known at this time. Union officials, PERT employees, Paratransit Enterprises, local operators, as well as inflation, economic and political factors will determine the future of dial-a-ride service in Greece and Irondequoit.



## 7. ORGANIZATIONAL MANAGEMENT

### 7.1 NEW RGRTA COORDINATION ROLE

In an effort to increase RGRTA's responsibility for vendor and service area coordination, the new demonstration project proposed several changes in the organizational management structure, from the first demonstration (see Sections 1.5.3 and 7.1.4). Exhibit 7.1 displays the relationships among the various participants under the original and the new demonstrations. To coordinate both public and private service providers, RGRTA rather than RTS was designated as the project sponsor. In addition to sponsoring the Federal grant application, RGRTA assumed a critical role for itself in setting up the project by resolving labor and 13(c) problems, preparing and soliciting responses to the RFP, creating and negotiating maintenance and insurance policies, acquiring vehicle and communications equipment, and by negotiating and designing the RGRTA/Paratransit Enterprises, Inc. service operation contract. RGRTA will also play a central management role in the new demonstration by overseeing daily operations of the two operators, RTS and Paratransit Enterprises. RGRTA is also conducting advertising and public relations activities, and serves as the liaison between the operators and the communities being served.

#### 7.1.1 Vehicles

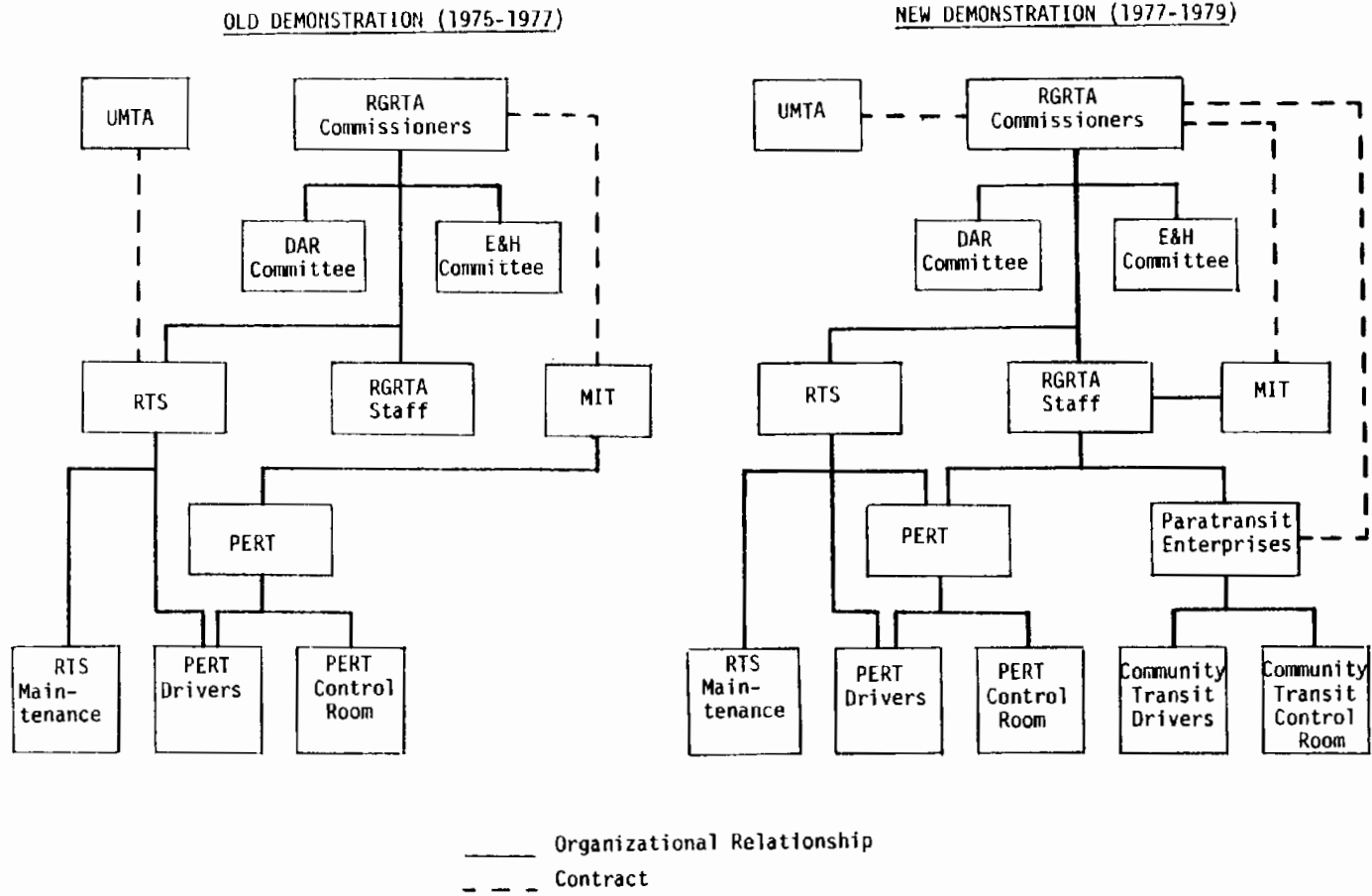
During the first demonstration, RGRTA purchased and leased seven different types of vehicles, ranging from vans to converted motor homes, for PERT operations in Greece and Irondequoit. Unfortunately, each of these vehicles proved to have its own problems (see Section 1.5.1). To operate PERT services under the new demonstration, RGRTA retained 12 GMC buses, four Twin Coaches, and one Dodge van, and renewed the leasing contract for six Dodge vans from a local Dodge dealer.

Since one GM vehicle had a major fire on September 19, 1978 and will probably remain inoperable, 22 vehicles were available for service. (PERT's peak vehicle requirement is 14.) Based on PERT's previous vehicle breakdown and maintenance records, the increasing age of the vehicles, and Roch-

EXHIBIT 7.1

ORGANIZATION OF DEMONSTRATION PROJECTS

7-2





ester's extremely harsh winters, RGRTA feared that the fleet would be inadequate and therefore planned to lease three additional vehicles for the 1978-79 winter. RTS also installed an alcohol drip system in the four Twin Coach vehicles to help prevent the brake lines from freezing during the winter, as they have always done in the past. Unfortunately, RGRTA could not obtain the three additional vehicles as early as hoped, and vehicle shortages arose occasionally (more frequently in February 1979). The three new Dodge Maxivan vehicles were placed in service shortly thereafter, alleviating the problem.

For the Paratransit Enterprises operation, RGRTA purchased eleven seven-passenger Checker sedans on March 2, 1978 from Taylor Chevrolet at \$6,400 per vehicle to provide dial-a-ride service in Henrietta and Brighton. Eight ten-passenger vans equipped with lifts and wheelchair tiedowns were also purchased from Coach and Equipment Sales Company in PenYam, New York at an average cost of \$21,500 per vehicle. These vehicles are being used to provide the expanded handicapped and elderly transit services in Monroe County. Drifting and falling lift problems on the vans have been detected, and are being repaired under warranty agreements.

#### 7.1.2 Computer Implementation

The implementation of computerized dispatching in 1975 and 1976 resulted in numerous hardware failures and software deficiencies which decreased PERT's overall service quality. The PERT control room staff switched from manual dispatching to the newly-implemented computerized system, and attempted to continue operating existing services while many of the "kinks in the system" were being resolved. Under the current demonstration, the newly-acquired minicomputer was implemented while the existing PERT time-share computer is still in operation, to make sure that the minicomputer produces the same result. This was done by simulating the day's operation at night, using the minicomputer. The minicomputer became fully operational on January 10, 1979, after it appeared to be performing satisfactorily; this strategy was not possible in the first demonstration. Brighton and Henrietta dial-a-ride services are scheduled to become computerized in April or May 1979.

### 7.1.3 Advertising

A dial-a-ride promotional household mailing was conducted in Brighton and Henrietta during the middle of August 1978. A second household mailing was made during the first week of December, and included a free Community Transit ride coupon, valid until January 31, 1979. RGRTA had also been placing weekly advertisements in the local Brighton, Henrietta, Greece and Irondequoit newspapers during the fall of 1978. To notify Monroe County listeners of the Authority's activities, and to advertise RTS fixed-route services, PERT, and Community Transit services, the RGRTA also sponsors two morning radio shows.

### 7.1.4 Upper-Level Management Responsibilities

Overall project supervision, administration and management, which were performed by MIT in the first demonstration, are now the responsibility of RGRTA through its Executive Director, Joseph Silien, Director of Planning and Research, William Evans, and Demonstration Project Manager, David Sharfarz. MIT has been retained on a consulting basis to acquire, install, and debug the new minicomputer dispatching system, to administer surveys, to collect data, and to conduct any service planning or operational supervision that RGRTA requires. Tom Brigham, MIT's project manager since 1975, left the project in October 1978, and his departure tended to reduce MIT's role in the new demonstration since there was no one else at MIT with equivalent experience and knowledge of Rochester's dial-a-ride project. As Project Manager, David Sharfarz now oversees the project most closely and is also responsible for coordinating the project's marketing and promotional activities. These include working with the community advisory groups in Brighton, Henrietta, Greece and Irondequoit and with the RGRTA Director of Community Relations. Sharfarz's other responsibilities include assisting in the development of handicapped and elderly services, coordinating dial-a-ride services and control room operations, and monitoring the contracted functions to ensure that they are carried out according to the signed agreements and to RGRTA's and the community's satisfaction.

According to Thomas F. Toole, Dial-A-Ride Committee Chairman, Sharfarz has already helped to improve communications between the RGRTA staff and Commissioners through frequent committee meetings and informal discussions with the Dial-A-Ride and Elderly and Handicapped Committee members. In the previous demonstration, with MIT in charge of management, the RGRTA Commissioners had less direct contact with management. Sharfarz has also helped to

improve the link between RGRTA and RTS management concerning PERT operations. He generally discusses PERT management issues with Jack Garrity, the RTS manager, who in turn relays the messages to Brent Morse, the PERT Operations Manager. Although this arrangement is more awkward than if Sharfarz worked directly with PERT control room staff, frequent and informal encounters between PERT, RTS and RGRTA personnel have helped to improve overall management relations, which had been a problem during the first demonstration.

One example of the improved coordination between RTS and RGRTA was the negotiation of a transfer agreement between RTS and dial-a-ride. When a passenger transfers from dial-a-ride to RTS, he pays \$1.30 to dial-a-ride and nothing to RTS. On the return trip, he pays \$.35 to RTS (\$.55 during the peak period) and \$.95 to dial-a-ride (\$.75 during the peak). Thus, for the round-trip, dial-a-ride collects \$2.05 to \$2.25 while RTS collects only \$.35 to \$.55. To offset this imbalance, RGRTA agreed in June 1978 to pay RTS \$.15 for every dial-a-ride (all four service areas) or Dew-Ridge line transfer collected by RTS fixed-route drivers.

## 7.2 PERT MANAGEMENT AND CONTROL ROOM OPERATIONS

### 7.2.1 Control Room Operations

During the first demonstration, the size and structure of the PERT control room staff fluctuated significantly, increasing as dial-a-ride services were expanded in Greece in 1975 and services were introduced in Irondequoit in early 1976, and decreasing when PERT services were cut back in January and again in June 1977. A computer programmer/operator was also hired in the control room when computerized operations began. Nonetheless, turnover during the nearly four years of the PERT project was extremely low.

One common problem which surfaced in interviews with control room staff in March 1977 was that workers did not perceive a clearly-defined line of authority. At the time, there were five managerial workers at PERT plus the MIT management staff and only seven dispatchers, order processors or clerical workers. Consequently, work orders and requests would come from different managers, and sometimes problems arose from conflicting interpretations.

This situation has now been resolved. Jay Clark, former MIT Resident Manager, is only involved on an on-call basis, and the rest of the MIT technical support staff was most involved with the phasing-in of the computer in Novem-

ber and December 1978. The Director of Special Markets position was transferred in July 1978 from the PERT control room in Rochester to the Paratransit Enterprises administrative and control center in Henrietta, before being eliminated entirely in November 1978. The regular staffs of each control room are now fully responsible for the elderly and handicapped services which they operate.

PERT management was further streamlined as a result of a major personnel reshuffling on September 18, 1978. Chuck McGarry, the driver supervisor and co-administrator, was promoted to RTS Maintenance Supervisor and left PERT. Brent Morse, the other co-administrator, consequently assumed full management responsibilities for PERT. The full-time dispatcher began to assume some of Brent's control room management duties and the order processor became a part-time dispatcher. A new position was consequently created and filled by a part-time clerk and part-time order processor. The result of all these changes is that there is now a well-defined division of authority within the PERT organization.

#### 7.2.2 Drivers and Maintenance Staff

PERT drivers are full-time employees of RTS working under the same union agreement as the other RTS drivers. As of November 1, 1978, RTS driver hourly wages ranged from \$6.38 for new drivers to \$7.66 for drivers with two years of experience. Almost all PERT drivers qualify for the highest wage rate, since the service mostly attracts senior drivers.

PERT drivers are a unique group within the RTS union because of the different nature of their work and their physical separation from the other drivers. All PERT drivers report to the PERT garage in the Greece service area, several miles from the RTS garage and headquarters. PERT also maintains its own extra board of substitute drivers.

Except for one mechanic and one bus washer assigned to the PERT garage, the RTS mechanics who service PERT vehicles work at the RTS garage, where major repairs are conducted on most of the PERT vehicles. Six PERT vehicles are leased and maintained at a local automobile dealer. RTS mechanics, after November 1, 1978, earned from \$7.75 to \$8.28 per hour. Bus washers earned between \$6.38 to \$7.59 per hour, the higher rate being paid after two years of experience.

Although the PERT garage is located in the PERT service area, the PERT control room is located at RTS headquarters. Locating the garage in the service area greatly reduces deadheading, but the physical separation from the control

room has made it difficult for PERT management to properly supervise drivers and the lone mechanic at the garage. In view of the time PERT managers have spent traveling between the garage and the control room, it may be better to locate both the control room and the garage in the service area and pay additional rent for control room space. Interaction between the PERT control room and the PERT garage has been more extensive than that between the PERT control room and the rest of RTS; locational decisions should reflect this fact.

### 7.3 PARATRANSIT ENTERPRISES MANAGEMENT

#### 7.3.1 Organizational Issues

Paratransit Enterprises was initially plagued with on-site management problems that compounded the usual problems Paratransit Enterprises would have encountered in setting up a new demand-responsive transit service. It also placed additional demands on RGRTA staff during this period.

On July 11, 1978, only a few days before the scheduled initiation of service, Robert Moore (the Paratransit Enterprises Resident Manager) resigned. Moore apparently felt there was too much supervision by RGRTA, which prevented him from doing an effective job. Michael Binlein was selected to replace Moore as resident manager of Paratransit Enterprises' operations, having had management experience with Pittsburgh's Colonial Taxi Company. Although some initial problems were encountered, Binlein eventually improved the local management of Paratransit Enterprises, as well as its relations with RGRTA.

Unlike PERT, Paratransit Enterprises is not restricted to using full-time drivers. Its drivers are also paid much lower wages: \$3.50 per hour plus a 50-cent/hour incentive payment if the driver has no accidents during the preceding four-week period. Predictably, driver turnover has been high during the first few months. Paratransit Enterprises contracts its vehicle maintenance and repair work to a local repair shop, although some warranty repair work is done at local automobile dealers.

#### 7.3.2 RGRTA/Paratransit Enterprises Interaction

Since Paratransit Enterprises began its operation, there have been both major and minor confrontations between RGRTA and Paratransit Enterprises. RGRTA's primary concern is insuring that a high-quality service is provided to

users, and it has continually pressured Paratransit Enterprises to conform to the details of the contract. RGRTA has insisted that full uniforms be issued to drivers, damaged vehicles be repaired immediately, the resident manager remain in Rochester at all times, and so on. Disputes have also focused on the data that Paratransit Enterprises is required to collect. RGRTA has found significant discrepancies in the reported operations data, and SYSTAN has found some of the service quality data reported to be of questionable validity. Since Paratransit Enterprises did not require drivers to wear watches, it was never clear how accurate service quality data could be recorded.

Paratransit Enterprises had a different view of the situation, based on interviews SYSTAN held with Gorman Gilbert, John Hall, and Michael Binlein in September 1978. During these discussions, a common feeling surfaced that RGRTA was unfamiliar with how transit in the private sector is operated. The contractors felt the Authority, in directly overseeing their operations, was placing too many restrictions on them. Paratransit Enterprises felt they were providing high service levels, and that the Authority was focusing on petty details. John Hall feared that Paratransit Enterprises would eventually be "nickel and dimed to death." Hall went on to explain that the Authority can terminate, modify or suspend the existing contract with or without cause, but if Paratransit Enterprises voided the agreement they would have to sacrifice a \$30,000 performance bond. Paratransit Enterprises thus feels a more independent contractor relationship would allow them more financial security and flexibility. Instead of the existing arrangement, with cost-plus-fee payment, Paratransit Enterprises would prefer that the sponsor pay one flat fee for service over a specified period of time, and leave all responsibility for service operation up to the contractor.

RGRTA feels it has learned some valuable lessons from this experience. First, it is likely to include more detailed and stringent provisions in any agreements to continue providing dial-a-ride services after the demonstration contract period ends. For example, a schedule of incentive as well as disincentive payments would allow RGRTA to both reward and penalize the contractor. Such a scheme is currently being tested by the Southern California Association of Governments (SCAG) with paratransit operators in Orange County, California. They feel many of the delays and service implementation problems could have been avoided if RGRTA had included a firm start-up date and an incentive/disincentive package in the contract.

### 7.3.3 The Future

By the fall of 1978, RGRTA and Paratransit Enterprises had different opinions on how any future public/private transit contracts should be designed. But each side is rapidly gaining an understanding of the other's needs and requirements. Until this demonstration, the Authority staff had dealt solely with public and government-related organizations in providing public transit services in Rochester. At the same time, Paratransit Enterprises is learning the accountability requirements of government-sponsored funding. Thus, the Rochester demonstration will at least sensitize each of the participants to the needs, interests, and philosophies of the other. It will serve as an important test case of how private enterprise and government can cooperate to provide low-cost demand-responsive transit services in local communities.





## A P P E N D I X E S

- A. Service Area Selection Analysis
- B. RGRTA/Paratransit Enterprises Agreement
- C. RGRTA/Town of Brighton Memorandum of Understanding and Brighton Service Plan
- D. Report of New Technology



## Appendix A

### SERVICE AREA SELECTION ANALYSIS

#### A.1 TRANSIT COVERAGE

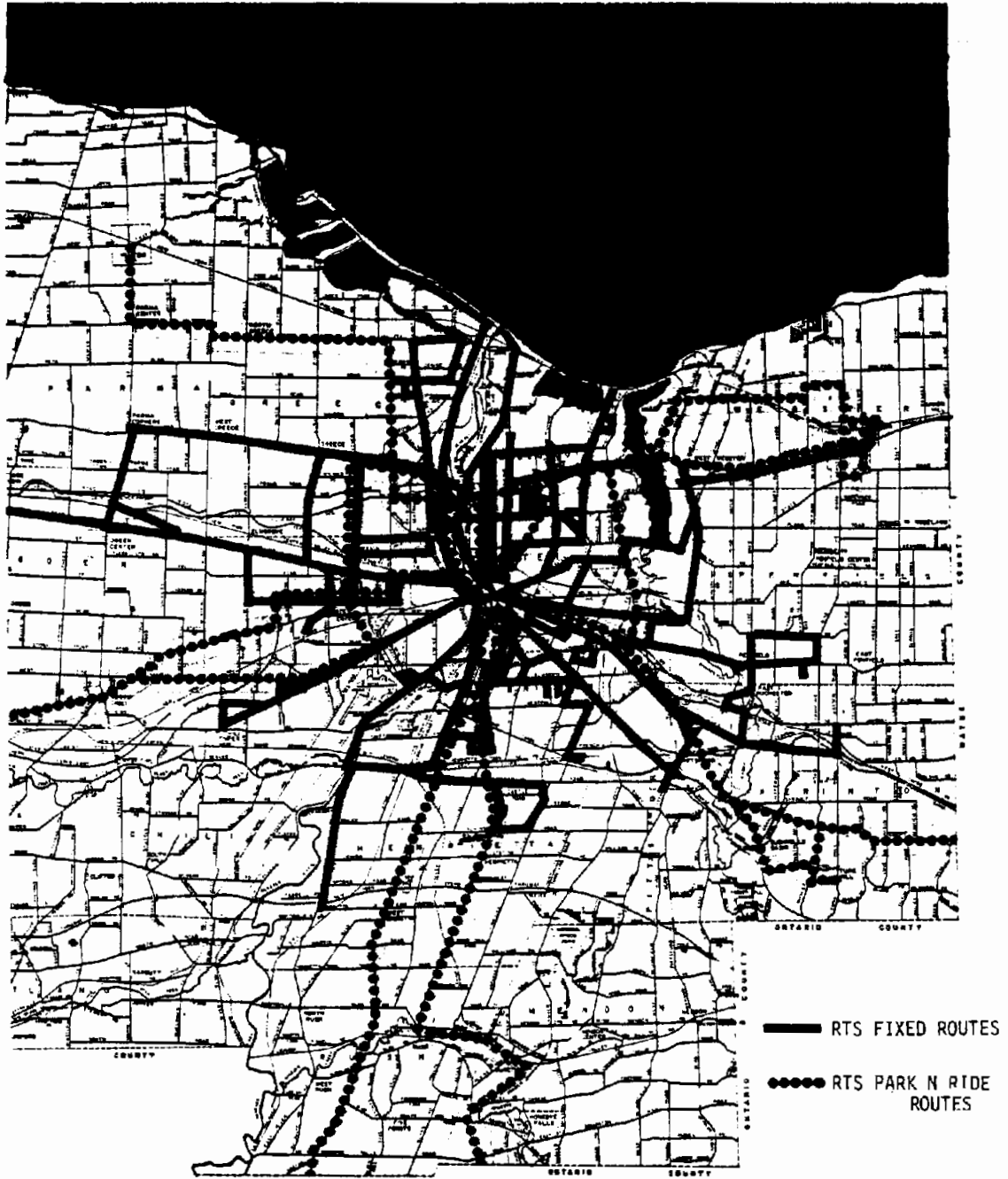
Determining the transit needs of each community is rather complicated, because there are a number of criteria that can be applied. One definition of transit need is based on the number of residents or the proportion of the total population not currently served by fixed-route services. A common measure used is the population living more than one-quarter mile from existing fixed-route services. (One-quarter mile is an accepted standard for the maximum distance patrons will walk to board a bus.) In order to determine the magnitude of this population in the Rochester towns, the number of existing fixed-route services and the total transit route mileage for each town was calculated. To avoid overestimating the overall transit line mileage and hence the size of the population served, overlapping RTS routes were eliminated. The total number of RTS route miles in each Rochester suburb was then multiplied by the one-quarter mile accessibility corridor on each side of the bus route in order to determine the area covered by transit. (Overlapping areas were counted only once.) To estimate the number of persons residing within this half-mile transit service corridor, average population densities were calculated in each town's developed area using 1970 census tract population data.

The number of persons having access to RTS park-and-ride services was calculated separately. Persons were considered to have access to park-and-ride services if they lived within a one-quarter mile radius of a park-and-ride location. Although park-and-ride users typically live more than one-quarter mile from the park-and-ride location and generally drive there, the primary evaluation concern is with providing transit service to non-drivers; therefore, a walking access definition was used. (Refer to Exhibit A-1 for a map of all RTS routes serving these ten suburban Rochester communities.)

The number of persons classified as having access to conventional fixed-route services or park-and-ride services was subtracted from each town's total population (persons living in areas accessible to both fixed-route services and

EXHIBIT A-1

RTS TRANSIT SERVICES PROVIDED  
TO ROCHESTER'S SUBURBAN COMMUNITIES



park-and-ride stops were counted only once). Exhibit A-2 shows the percent of the population in each town that is not served by any RTS transit.

Based on this analysis, Perinton<sup>1</sup> had the least coverage, with 83% of its population lacking transit service. As indicated in Exhibit A-2, Webster, Chili and Pittsford<sup>2</sup> follow in descending order with transit services inaccessible to 76%, 75% and 74% of each town's population, respectively. At the opposite end, Irondequoit, Brighton and Greece have most of their populations served by transit. Henrietta and Gates ranked next, leaving 56% of their populations without access to transit. Thus, dial-a-ride services currently operate in the four communities where the most persons are already receiving fixed-route transit services.

## A.2 SERVICE LEVELS

When evaluating the extent of transit need in each town, the quality of the transit services should also be considered. One indicator of this quality is service frequency. The peak and off-peak headways for each RTS suburban route, the number of peak period trips, and the average number of stops per peak period trip for each park-and-ride route are included in Exhibit A-3. Headway averages are based on RTS' current weekday service schedules.

In 1977, RTS combined individual route headways with the number of RTS miles traveled on each route in each town to determine the number of hours of transit service provided to each Rochester community.<sup>3</sup> Aggregating these RTS data, and then dividing by each town's total population produces the average daily vehicle-hours of transit service per capita, an overall level of service criterion for measuring each town's existing transit service (Exhibit A-4). Webster receives the least amount of transit service per capita; the one RTS conventional fixed route and one RTS park-and-ride route provide less than 20 hours of service each day to Webster's 25,000 residents. RTS provides the next least

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<sup>1</sup>Regional Transit Service, "RTS Productivity Report by Town," 1976-77.

<sup>2</sup>The incorporated western half of East Rochester is included in Pittsford's data.

<sup>3</sup>Regional Transit Service, "RTS Productivity Report by Town," 1976-1977.

EXHIBIT A-2

PERCENTAGE OF POPULATION IN EACH TOWN NOT SERVED  
BY RTS FIXED-ROUTE OR PARK-AND-RIDE TRANSIT

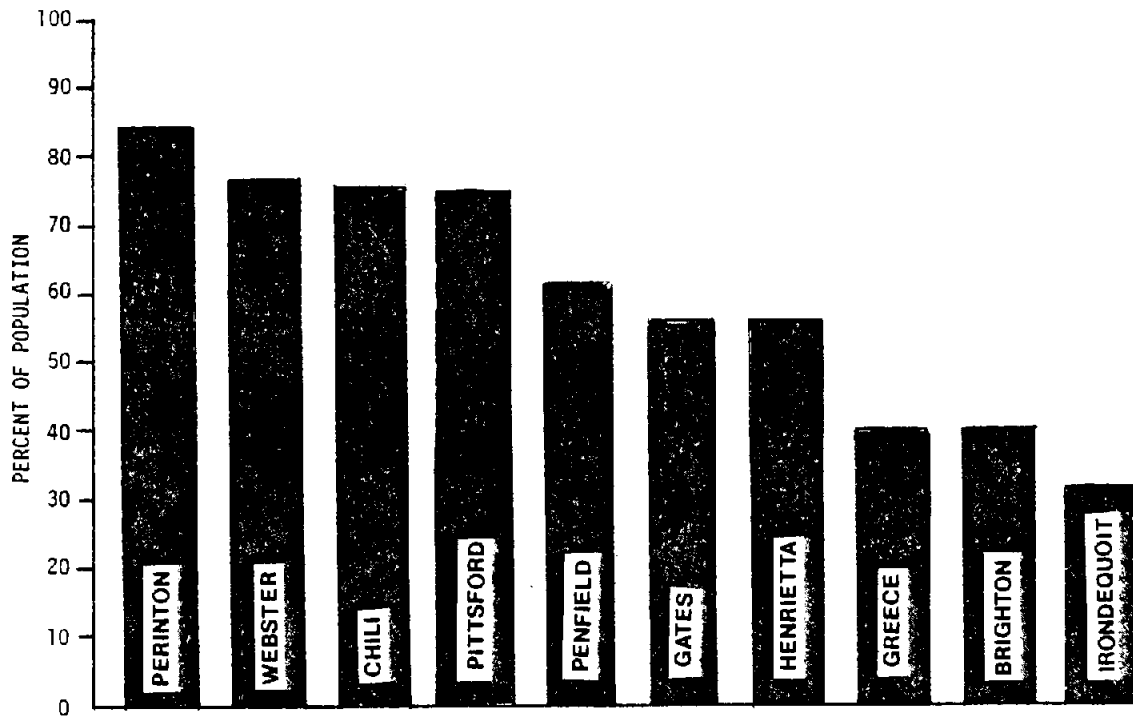


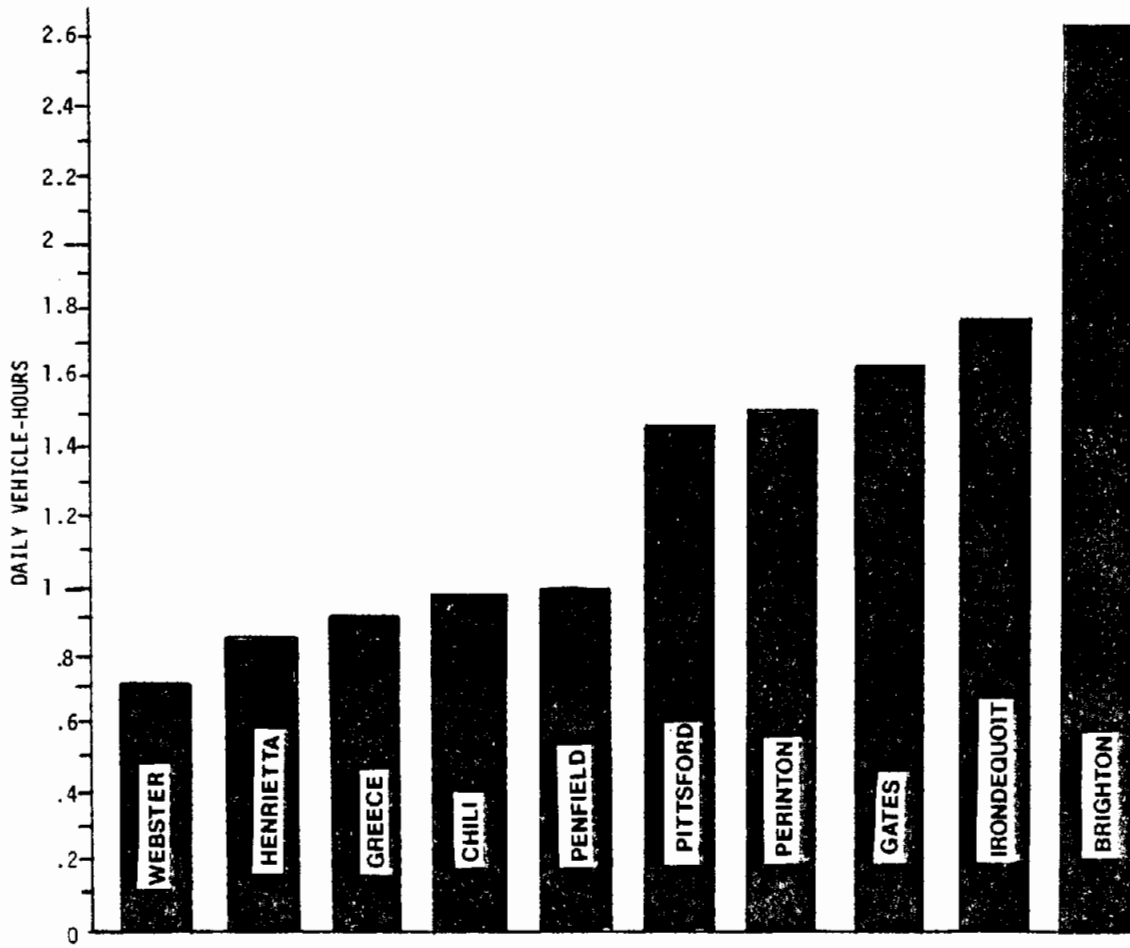
EXHIBIT A-3

SUBURBAN FIXED-ROUTE SERVICE DATA

	Fixed-Route Services		Park-and-Ride	
	Routes	Peak/Off-Peak Headways	Routes	# of Peak Runs/Stops
Brighton	5	30/60	PR1	9/2
	7	15/30		
	11	30/30		
	17	25/45		
	21	25/95		
	22	25/75		
	26	100/--		
	30	45/180		
Chili	8	20/30	PR5	3/3
Gates	3	30/60	PR8	1/1
	20	30/--		
Greece	1	10/20	PR6	5/9
	3	30/60		
	10	15/30		
	14	20/--		
	15	20/--		
Henrietta	24	40/60	PR1	9/6
	26	100/--		
Irondequoit	5	10/15	PR4	2/1
	7	15/30		
	9	25/35		
	10	15/30		
	11	15/25		
	12	15/20		
	14	20/--		
	15	20/--		
	19	15/15		
	23	30/--		
Penfield	22	25/70	---	---
	30	30/90		
Perinton	21	25/95	PR2	10/3
	22	25/70		
Pittsford	7	30/30	PR2	1/1
	17	35/35		
	21	25/95		
Webster	30	30/90	PR4	5/9

EXHIBIT A-4

DAILY RTS VEHICLE-HOURS PER 1000 PERSONS IN EACH TOWN





amount of service on a per capita basis to the towns of Henrietta and Greece. Following in ascending order, the Towns of Chili and Penfield receive about the same levels of RTS service per capita, but more than Greece or Henrietta. At the other extreme, Brighton receives the most RTS transit service on a per capita basis. Irondequoit, though second highest on a per capita basis, receives the most daily service: 113 vehicle-hours.

### A.3 PRODUCTIVITY LEVELS

Another criterion that can be used to indicate which Rochester towns have the greatest need for additional transit service is existing RTS productivity in each town, based on the number of passengers carried per operating hour on each route. High productivity reflects effective operations; lower productivity indicates that existing demand is low and additional transit service may not be advisable in these communities. It is also possible that low productivity reflects an inappropriate set of services, and that a different set of services would generate higher demand and productivity. However, the demonstration plan is not to substitute dial-a-ride for existing fixed-route services, but to supplement whatever fixed-route services currently exist.

The data summarized in Exhibit A-5 were derived from a 1977 RTS productivity report.<sup>4</sup> The highest vehicle productivity (33 passengers per bus hour) was recorded in Pittsford, a town with only a moderate level of existing service. Chili, which receives relatively little transit service, had a surprisingly high productivity. The two towns with the most transit service, Brighton and Irondequoit, had the second and third highest productivity levels. Based on these data, these four towns would be the most promising areas in which to expand transit service.

### A.4 MAXIMUM ADDITIONAL COVERAGE

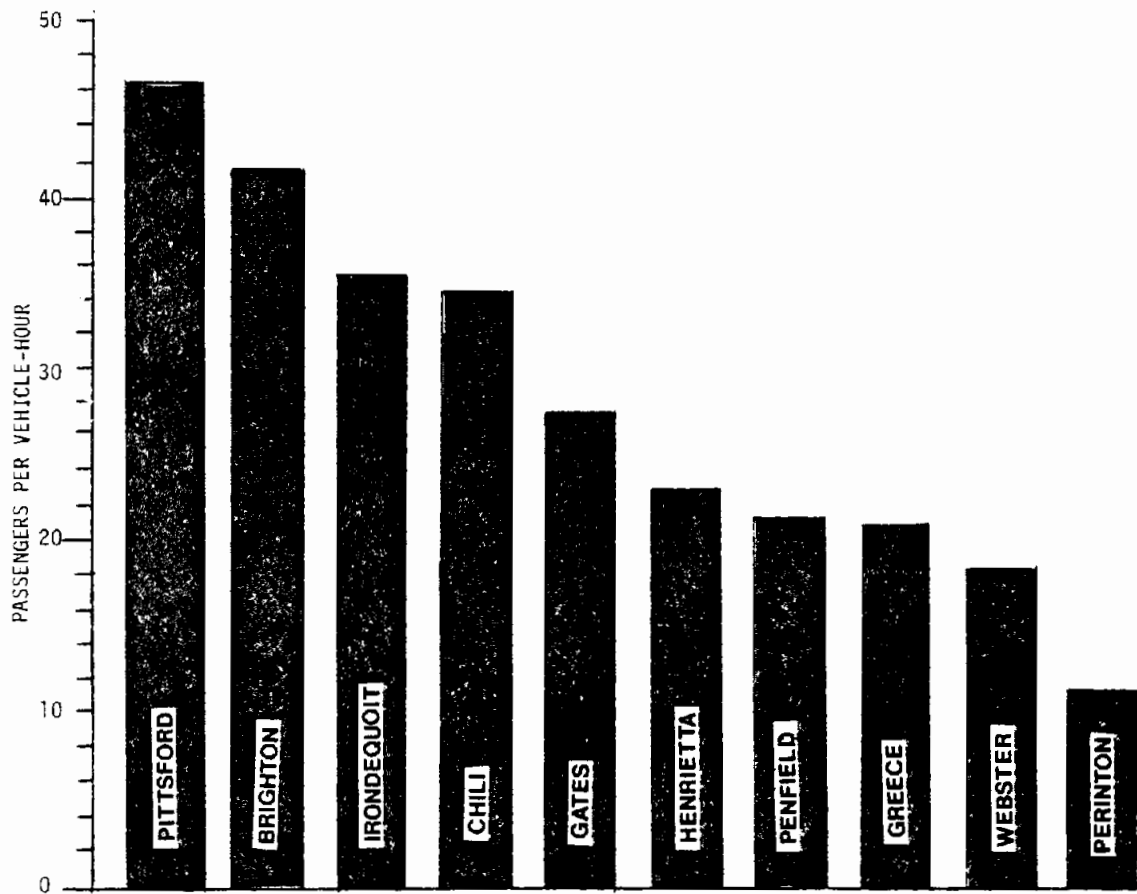
One of RGRTA's stated objectives is to provide public transportation to as much of the Rochester region as possible. Thus, another criterion for selecting dial-a-ride service areas should be the towns that can extend dial-a-ride transit services to the largest area or the most residents. However, the size of each Rochester community is

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<sup>4</sup>Ibid.

EXHIBIT A-5

AVERAGE DAILY RTS PRODUCTIVITIES IN EACH TOWN



limited by the fact that RGRTA was planning to operate only four vehicles for eight hours a day in each dial-a-ride service area. Holding supply constant, RGRTA would thus probably favor the smaller, more densely-populated communities for extending dial-a-ride service. These communities would receive higher service levels and thus attract and efficiently serve a greater number of people than the larger but more rural towns. With only four vehicles available in each service area, dial-a-ride could only function in the developed portions of each town. The following analysis compares these potential dial-a-ride service areas in terms of the number of residents that could be served.

In Brighton, Henrietta, and Irondequoit, the existing dial-a-ride service areas are used. The Greece service area includes PERT dial-a-ride and the Dew-Ridge Shuttle operations. In each of the other six Rochester suburbs, service area boundaries were drawn using local street maps and 1970 census population data (see Exhibits A-6 and A-7). The maximum number of streets and local activity centers were included in each service area, so that the rural sections of each town tend to be excluded. On the average, over 89% of each town's population would be served within the designated service areas, and potential service area sizes were mostly between 13 and 20 square miles. Each community's dial-a-ride service area boundaries adjoin at least one neighboring suburban dial-a-ride service in order to realistically provide points for transferring from one service to another.

In this analysis, Greece ranked first in population served; its current PERT service area includes 68,820 residents, more than twice as many potential riders as most other towns. Greece had the highest population density of the towns, with over 4,500 persons per square mile. Irondequoit ranked second, with over 32,000 people living in an 8.6 square mile dial-a-ride service area, for a population density of slightly over 4,000 persons per square mile. The Town of Brighton outlined a townwide dial-a-ride service area reaching all 35,065 Brighton residents, and thus ranked third in achieving maximum coverage with dial-a-ride transit service. Perinton ranked fourth and Henrietta ranked fifth. The largely rural and sparsely populated Towns of Webster and Chili would be the most difficult areas in which to expand dial-a-ride service. Their service area population densities would be less than 1,200 persons per square mile, and only about 20,000 persons would be served in each area. Thus, the four Rochester towns participating in the demonstration, along with Perinton, could extend public transit service to the greatest number of Rochester area residents.

EXHIBIT A-6

POTENTIAL DAB SERVICE AREAS

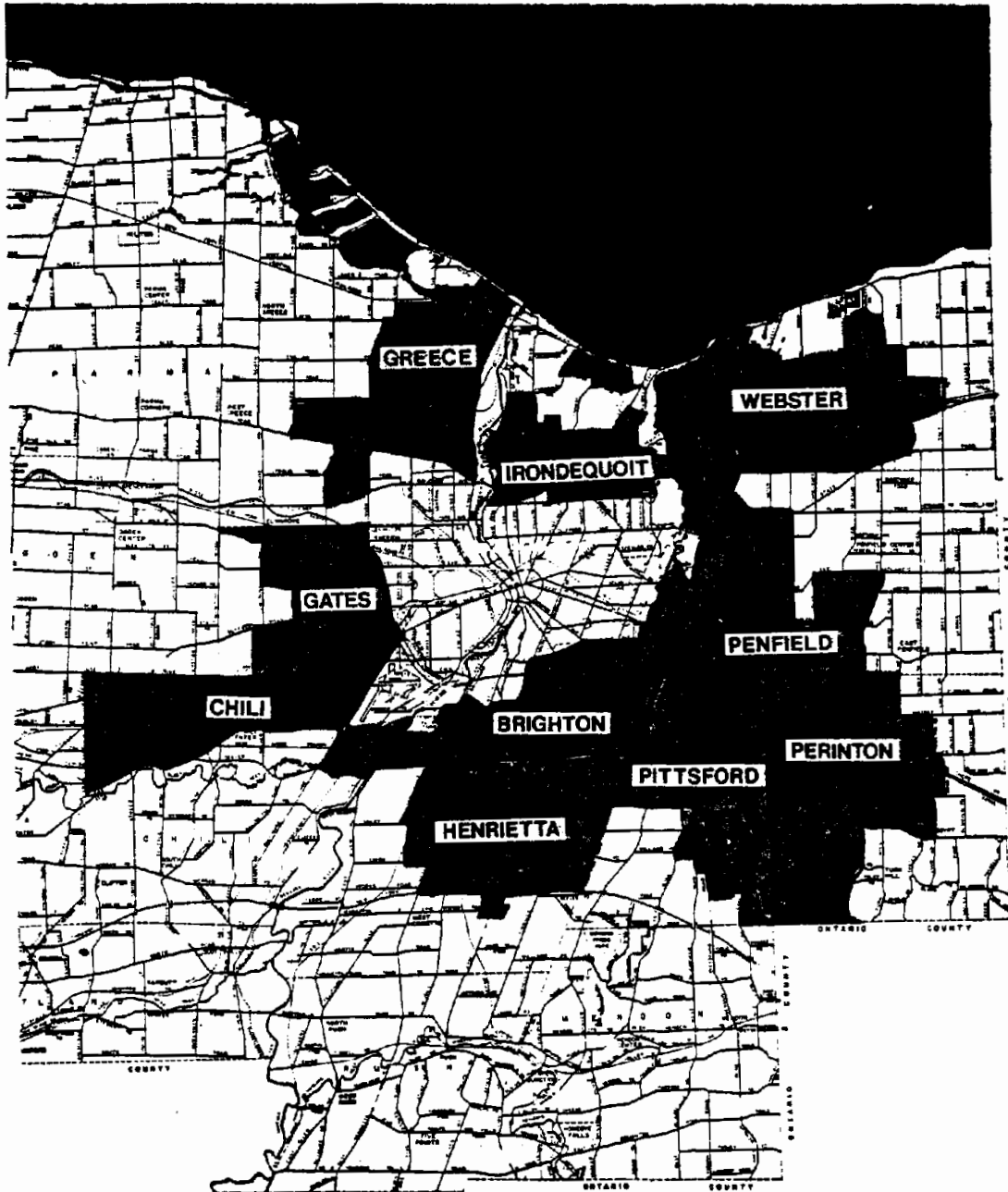


EXHIBIT A-7

MAXIMUM ADDITIONAL COVERAGE

	<u>Potential DAR Service Area Size</u> (Square Mile)	<u>Service Area Population</u>	<u>% of Total Population</u>	<u>Population Density</u> (Persons/ Square Mi.)
Greece	15.2	68,820	73%	4,528
Irondequoit	8.6	40,295	58%	4,685
Brighton	16.5	35,065	100%	2,125
Perinton*	19.5	29,831	94%	1,530
Henrietta	15.9	28,603	87%	1,799
Pittsford**	15.9	23,315	93%	1,466
Gates	10.2	23,235	88%	2,278
Webster	18.1	21,600	87%	1,193
Penfield	13.7	20,814	88%	1,519
Chili	14.41	16,937	86%	1,175

\* Includes incorporated areas of Fairport and western half of East Rochester.

\*\* Includes eastern half of incorporated East Rochester.

#### A.5 TRANSIT DEPENDENCE

The degree of transit need in each town can be based on its level of transit dependence, or the number of persons who must rely on public transportation. For this analysis, transit-dependent persons include those 15 through 19 years of age, those 65 years old and over, those from autoless households, and those living below the poverty level. Census data provide the necessary information for quantifying each criterion. Exhibit A-8 lists the number of transit-dependent persons residing in each town, and the proportion of the total population they represent.

Ranking the towns according to transit dependence is difficult because the differences are small in some cases; since the data are now nine years old, their relevance is questionable. Nevertheless, some trends are clear. Pittsford is the most transit-dependent suburban town, with the highest poverty rate, the second highest autoless household rate, the second highest elderly population, and the most teenagers. Pittsford's transit-dependent population is unevenly distributed, being heavily concentrated in the East Rochester area. Brighton and Irondequoit are the next most transit-dependent towns; Brighton has the most elderly residents and the second highest poverty rate, while Irondequoit has the highest autoless household rate and the second highest number of elderly citizens.

#### A.6 TRANSIT FUNDING

A final criterion which could be used to evaluate the candidate dial-a-ride service areas is the sources of RGRTA funding. RGRTA support is derived from a one-quarter percent mortgage tax in its four member counties, excluding the initial \$10,000 on residential mortgages. During the 1977-78 fiscal year, RGRTA received \$934,657 from local Monroe County transactions. Based upon the total funds generated by these transactions in 1977-78, an approximate breakdown<sup>5</sup> for all towns in Monroe County is given in Exhibit A-9.

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<sup>5</sup>Approximation is based on 1977-78. County tabulations of a 1/2% mortgage tax, which is levied in addition to the RGRTA tax. The County does not separate RGRTA tax revenues by town, so a precise breakdown is not known. Those towns with a large number of small residential mortgages contribute proportionately less to the Authority than the 1/2% tax breakdown indicates because the initial \$10,000 exclusion becomes more significant.

EXHIBIT A-8

TRANSIT-DEPENDENT CHARACTERISTICS

	Population 15-19 yrs.		Population 65 yrs. and over		Families with Income Below Poverty Level		Households with 0 Automobiles	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Brighton	2768	7.3%	3949	11.2%	1325	3.8%	485	4.1%
Chili	2013	6.3%	908	4.6%	594	3.0%	128	2.5%
Gates	2145	4.1%	1502	5.7%	720	2.7%	229	3.0%
Greece	6588	7.8%	4671	6.2%	2113	2.8%	699	3.2%
Henrietta	3271	9.9%	894	2.7%	1099	3.3%	121	1.5%
Irondequoit	5876	5.2%	6184	9.7%	1798	2.8%	1080	5.5%
Penfield	1984	10.3%	1364	5.7%	601	2.5%	163	2.4%
Perinton*	2368	7.5%	1759	5.6%	720	2.3%	421	4.8%
Pittsford**	3255	13.0%	2416	8.2%	1176	4.0%	399	4.8%
Webster	2263	9.2%	1391	5.6%	796	3.2%	189	2.8%

\*Includes incorporated areas of Fairport and western half of East Rochester.

\*\* Includes eastern half of incorporated East Rochester.

EXHIBIT A-9

LOCAL CONTRIBUTIONS TO RGRTA AND MONROE COUNTY GENERAL FUNDS

	1/4% Mortgage Contribution to RGRTA	MONROE COUNTY REVENUES		
		PROPERTY TAXES		Property & Sales Taxes
		Total	%	
Rochester	22.34%	\$23,348,200	40.94%	\$23,348,200
Brighton*	6.04	2,731,063	4.79	4,786,868
Chili*	4.09	1,175,393	2.06	2,271,568
Clarkson*	.50	257,213	.45	465,957
Gates*	4.61	2,361,842	4.14	3,998,638
Greece*	11.50	5,625,580	9.86	10,034,429
Hamlin	1.21	429,067	.75	710,740
Henrietta*	5.67	2,491,480	4.37	4,416,963
Irondequoit*	7.23	2,938,398	5.15	6,118,693
Mendon+	1.49	618,893	1.08	812,058
Ogden+	2.01	848,113	1.48	1,330,774
Parma+	1.47	750,045	1.31	1,185,020
Penfield*	5.61	1,934,244	3.39	3,396,408
Perinton*+	10.79	3,274,938	5.74	4,746,337
Pittsford*+	7.05	2,666,329	4.68	3,907,630
Riga+	.84	517,732	.91	517,732
Rush	.35	266,267	.47	463,860
Sweden+	1.95	1,009,896	1.77	1,263,807
Webster*+	4.57	3,532,683	6.20	4,820,570
Wheatlan+	.70	410,293	.72	4,559,392
Total	100.00%	\$57,028,774	100.00%	\$79,155,464

\* 10 towns invited to participate in DAR Demonstration - included in priority and needs analysis.

+ Total property taxes collected in village and outside of village.



The ten towns that were invited to participate in the dial-a-ride demonstration contributed 67% of the total mortgage taxes collected. The other nine unsolicited Rochester communities, excluding the City of Rochester, produced only 10% of the total contributions to RGRTA.

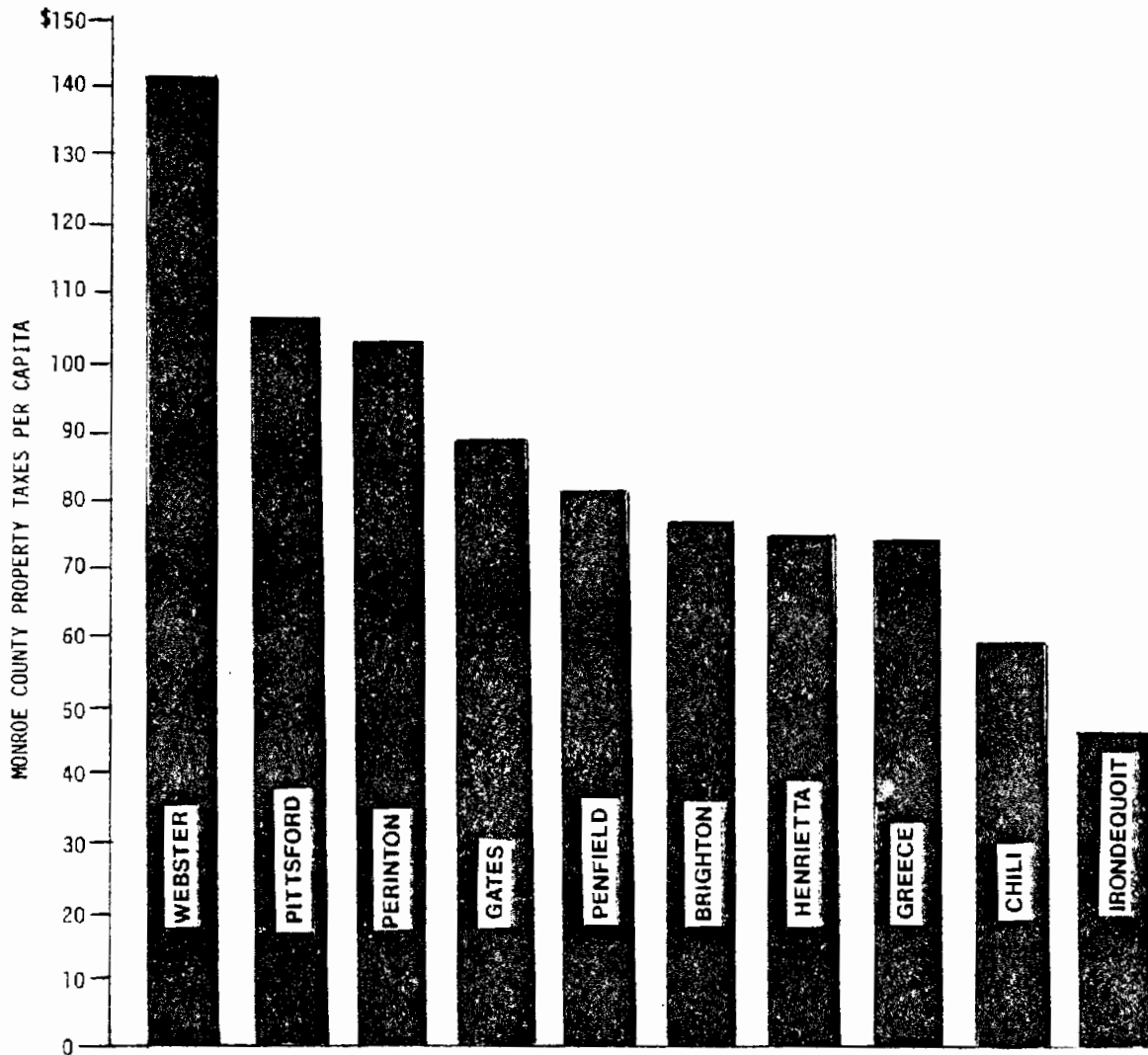
Monroe County has contributed an additional \$912,000 to RGRTA from its general fund during the past four years (\$1.4 million in 1978-79), slightly less than .3% of its total budget of \$334.5 million for fiscal year 1978. Monroe County revenues are derived primarily from Federal aid, including revenue sharing (28%), state assistance (9%), local real estate taxes (28%), and local sales taxes (7%). It is thus impossible to trace individual town contributions that directly support RGRTA transit operations. However, total annual sales tax contributions and each community's proportional and per capita share of the total assessed real estate tax can accurately indicate each town's current fiscal support of RGRTA, relative to other areas of Monroe County.

Each town's total 1978 Monroe County tax contribution, shown in Exhibit A-9, includes annual sales and property taxes. The amount of sales tax generated typically indicates the level of commercial activity in a town. This figure is likely to include both local town residents' contributions and the sales tax revenues generated by shoppers coming from other areas. Local assessed property taxes can separate these factors, and more clearly indicate each local area's contribution. Individual 1978 property tax contributions, the percentages for each town in Monroe County, and the per capita shares for the suburban towns being evaluated are shown in the fourth, fifth and sixth columns of Exhibit A-9, respectively.

Property taxes per capita measure each town's proportional contribution to Monroe County, and are shown in Exhibit A-10. Webster had an extremely high per capita contribution, partly due to the Xerox facilities located there. Pittsford and Perinton also ranked high and, since these three towns receive little or modest transit service per capita, they might argue that they are entitled to more transit service. However, with the exception of Pittsford, these towns had few transit-dependent residents and therefore less need for transit. The four towns being served by dial-a-ride all had relatively small per capita property tax contributions.

EXHIBIT A-10

MONROE COUNTY PROPERTY TAXES PER CAPITA FOR EACH TOWN



**Appendix B**

**RGRTA/PARATRANSIT ENTERPRISES AGREEMENT**



AGREEMENT

THIS AGREEMENT is made as of the 7th day of June, 1978, by and between ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY, a New York public benefit corporation with its principal office located at 55 St. Paul Street, Rochester, New York 14604 ("SPONSOR"), and PARATRANSIT ASSOCIATES, INC., an Arkansas corporation, P. O. Box 2394, Raleigh, North Carolina 27602 ("CONTRACTOR").

W I T N E S S E T H:

WHEREAS, SPONSOR is the recipient of an operating assistance grant (Project No. NY-05-4074) and a paratransit demonstration grant (Project No. NY-06-0048) made by the Urban Mass Transportation Administration ("UMTA") of the U. S. Department of Transportation under Sections 5 and 6, respectively, of the Urban Mass Transportation Act of 1964, as amended, 49 U.S.C. §§1604 and 1605; and

WHEREAS, SPONSOR, through its principal operating subsidiary, Regional Transit Service Incorporated ("RTS"), currently is operating demand-responsive Dial-A-Ride services in a portion of Northeast Rochester and in the Towns of Greece and Irondequoit and a pilot demand-responsive service for handicapped and elderly persons in a somewhat larger area encompassing Greece, Irondequoit, and Northeast Rochester; and

WHEREAS, SPONSOR, as part of its UMTA funded paratransit demonstration project, is committed to providing demand-responsive transit services for the general public in the Towns of Brighton and Henrietta ("General Public Service") and demand-responsive transit services for the handicapped and elderly residents of certain specified portions of Monroe County ("H & E Service"); and

WHEREAS, SPONSOR has determined that -- requires a qualified operator to provide the General Public Service and H & E Service described above; and

WHEREAS, SPONSOR issued a Request for Proposals to various operators thought to be potentially capable of providing such services; and

WHEREAS, SPONSOR has selected CONTRACTOR from those operators which submitted proposals to SPONSOR to perform the foregoing paratransit services and CONTRACTOR desires to provide such services;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and conditions contained herein, the parties hereto agree as follows:

1. Scope of Services. CONTRACTOR shall perform the services set forth in Exhibit "A", attached hereto and made a part hereof (the "Scope of Services"), in a skillful and professional manner consistent with the expertise of an operator experienced in providing demand-responsive paratransit services.

2. Term. The services to be performed by CONTRACTOR hereunder shall commence at such time as CONTRACTOR is "fully operational" with respect to its ability to provide such services (the "Commencement Date"), but in no event later than September 1, 1978, and shall continue for a period of one (1) year thereafter. For the purposes of this Agreement, "fully operational" shall mean that CONTRACTOR is capable of delivering the services required by this Agreement as set forth in the Scope of Services attached hereto as Exhibit "A".

3. Changes in Scope of Services; Additional Work. SPONSOR or CONTRACTOR may from time to time request changes in the Scope of Services set forth in Exhibit "A" hereto or additional work not specified in the Scope of Services to be performed by CONTRACTOR hereunder. Any such changes in the Scope of Services or any such additional work, as well as any increase or decrease in the "service rates" set forth in Exhibit "B" hereto, shall be authorized only by the execution of a written amendment to this Agreement by SPONSOR and CONTRACTOR.

4. Security. CONTRACTOR shall furnish SPONSOR with a performance bond or similar security in the amount of Thirty Thousand Dollars (\$30,000) for the term of this Agreement. Such bond or other security shall be in a form satisfactory to SPONSOR.

5. Contractor's Compensation; Method of Payment.

(a) In consideration for the services to be rendered by CONTRACTOR under this Agreement and in accordance with the terms and conditions of this Agreement, SPONSOR shall pay CONTRACTOR the "service rates" and "incentives" set forth in Exhibit "B", attached hereto and made a part hereof. Such "service rates" and "incentives" shall be the only compensation paid to CONTRACTOR hereunder, provided that SPONSOR shall pay CONTRACTOR for CONTRACTOR'S "start-up costs" in accordance with subparagraph (f) of this paragraph 5. The "service rates" shall not be adjusted, except as otherwise provided herein, for any reason whatsoever, except by execution of a written amendment to this Agreement by SPONSOR and CONTRACTOR. Notwithstanding anything to the contrary in this Agreement, the maximum total compensation to be paid to CONTRACTOR for the services to be rendered by CONTRACTOR under this Agreement shall be Four Hundred Ninety-Seven Thousand Dollars (\$497,000).

(b) CONTRACTOR shall submit an invoice to SPONSOR on the fifth day following the end of each four-week period, or the first business day thereafter, commencing with the fifth day of the four-week period next following the four-week period in which the Commencement Date falls, for the services completed through the last day of the four-week period to which the invoice relates.

(c) Each invoice shall be in an amount equal to the number of "service hours" rendered by CONTRACTOR during the four-week period to which the invoice relates times the applicable "service rate", as set forth in Exhibit "B" hereto, plus the "incentives", if any, due and owing in accordance with Exhibit "B" hereto. Each invoice shall be itemized separately for "service rates" and "incentives" on a daily basis and shall reflect separately the quadrants of H & E Service as they are established by SPONSOR and the General Public Service in each of the Towns of Brighton and Henrietta. For the purposes of this Agreement, "service hour" shall mean an hour that an individual vehicle operated by CONTRACTOR in connection with this Agreement is within a "service area" (described in Exhibit "A" hereto) going to or coming from a passenger delivery or pick up or otherwise available for



service, provided that any time spent traveling to or from a service area or any time taken for drivers' lunch breaks or other personal business is excluded. Any fraction of a service hour shall be compensated by multiplying such fraction by the applicable "service rate".

(d) Each invoice shall be in a form provided by SPONSOR and shall be supported by properly executed vehicle time records and other appropriate documentation evidencing in sufficient detail the propriety of the requested compensation and shall include, if appropriate, documentation evidencing the amount saved by CONTRACTOR as a result of CONTRACTOR not being required to pay sales tax on the Materials described in paragraph 19 hereof.

(e) SPONSOR shall pay all allowable items in each invoice no later than thirty (30) days after the invoice has been received by SPONSOR, provided that in the event that UMTA has not advanced funds to SPONSOR sufficient to cover any invoice, SPONSOR may delay payment on such invoice until such advances are received from UMTA. If SPONSOR is not able to pay CONTRACTOR within sixty (60) days after an invoice has been received by SPONSOR because UMTA has not advanced funds to SPONSOR sufficient to cover such invoice, SPONSOR shall pay CONTRACTOR, in addition to the allowable items in the invoice, interest on such amount at a rate per annum of one percent (1%) over the Prime Interest Rate established by the bank (in which UMTA'S funds for SPONSOR'S Dial-a-Ride Project are deposited) from time to time as the basis for loans to its commercial customers. Any change in the rate of interest due to a change in such Prime Interest Rate shall take place as of the effective date of the change of such Prime Interest Rate. SPONSOR shall pay such interest at the time it pays CONTRACTOR for allowable items in the invoice.

(f) SPONSOR shall pay CONTRACTOR an amount not to exceed Fourteen Thousand Dollars (\$14,000) for CONTRACTOR'S non-recurring "start-up costs" in connection with this Agreement. Such costs shall include but not be limited to non-recurring start-up management expenses, remodeling costs of the office and vehicle storage space to be used by CONTRACTOR, deposits and installation costs for utilities, costs relating to the training of any employee of CONTRACTOR hired in connection with this Agreement for the purpose of implementing the services described in Exhibit "A" hereto and the expansion thereof (but excluding replacement of personnel), the cost of procuring office equipment and furniture, the cost of procuring garage equipment for the maintenance, servicing, and cleaning of the vehicles, and the cost of purchasing the insurance described in paragraph 19 hereof for coverage during the time prior to the Commencement Date. CONTRACTOR shall submit an invoice to SPONSOR on the fifth day following the end of each four-week period, or the first business day thereafter, commencing with the fifth day of the four-week period next following the four-week period in which the execution date of this Agreement falls, for the "start-up costs" incurred by CONTRACTOR through the last day of the four-week period to which the invoice relates. Each invoice shall be supported by appropriate documentation evidencing in sufficient detail the propriety of such costs. SPONSOR shall pay all allowable items in each invoice in accordance with the provisions of subparagraph (e) of this paragraph 5.

6. Drivers and Mechanics. (a) CONTRACTOR, at its sole expense, shall be responsible for hiring, training, and supervising all drivers and mechanics necessary to operate, maintain, and repair the vehicles used in connection with this Agreement. The drivers and mechanics shall meet all New York State municipal standards for selection, training, safety, and the like.

(b) CONTRACTOR shall provide SPONSOR with any personnel data regarding the drivers and mechanics at SPONSOR'S request.

(c) CONTRACTOR shall furnish all drivers with uniforms in a design approved by SPONSOR. CONTRACTOR shall pay for such uniforms from the special account described in paragraph 19 hereof.

(d) CONTRACTOR shall exercise care to employ competent, safe, courteous, and responsible drivers and shall continue to employ any driver only so long as such person maintains a consistent record meeting such standards.

(e) Each driver shall undergo physical examinations in accordance with New York State law at the sole expense of CONTRACTOR.

(f) CONTRACTOR, at its sole expense, shall institute and maintain a continuing program of driver safety and instruction, including but not limited to implementation of a continuing National Safety Council defensive driving course, or its equivalent as approved by SPONSOR, presented by a qualified instructor and instruction in first aid and cardiac pulmonary resuscitation by a qualified American Red Cross instructor.

(g) CONTRACTOR, at its sole expense, shall conduct a training program to familiarize dispatchers and drivers with the appropriate street networks relating to General Public and H & E Services and with the social and psychological aspects of working with handicapped and elderly persons.

7. Employee Compensation. CONTRACTOR, at its sole expense, shall pay all employees hired in connection with this Agreement in accordance with the schedule attached hereto as Exhibit "C" and made a part hereof, and, in addition thereto, shall furnish all full-time employees with the fringe benefits set forth in Exhibit "C" hereto. For the purposes of this Agreement, a "full-time employee" shall mean an employee who is employed for a forty (40) hour week. CONTRACTOR may adjust its employees' compensation and/or benefits as set forth in Exhibit "C" by providing SPONSOR with a revised Exhibit "C", such adjustments to become effective five (5) days after the receipt of such Exhibit, unless SPONSOR objects in writing thereto. Any such adjustment shall not alter the service rates or incentives in any manner whatsoever.

8. Status of Contractor and Employees. The dispatchers, drivers, mechanics, resident manager, and any other persons paid by CONTRACTOR in connection with the services performed by CONTRACTOR hereunder shall be employees of CONTRACTOR for all purposes whatsoever. Neither CONTRACTOR, in accordance with its status as an independent contractor, nor any of its officers, employees, or agents, shall be construed to be employees of SPONSOR for any purpose whatsoever. CONTRACTOR and its officers, employees, and agents agree not to hold themselves out as employees of SPONSOR by reason of their participation under this Agreement.

9. Management. CONTRACTOR shall function as the general manager and shall have overall responsibility for the day-to-day operation of the General Public Service and the H & E Service. A responsible senior employee of CONTRACTOR shall be resident and available in Rochester at all times during the term of this Agreement to supervise the day-to-day operation of such services. CONTRACTOR shall designate such person and inform SPONSOR of his identity prior to the Commencement Date of this Agreement.

10. Dispatching. (a) CONTRACTOR, at its sole expense, shall hire or otherwise provide a sufficient number of dispatchers to coordinate the routing of the vehicles to be used in connection with this Agreement and to insure prompt handling of customer requests for service and information.

(b) CONTRACTOR, at its sole expense, shall provide an office and control center with space and furniture sufficient for the dispatchers and the equipment described below in subparagraphs (c) and (d) of this paragraph 10.

(c) CONTRACTOR shall provide telephone equipment for communication with the general public, such equipment to be paid for by CONTRACTOR from the special account described in paragraph 19 hereof. CONTRACTOR shall have sufficient lines so as to minimize any delays in placing a service request.

(d) SPONSOR, at its sole expense, shall provide the communications equipment necessary to serve as an interface between the dispatcher and the vehicles to be used in connection with this Agreement and/or the dispatcher and the computer, as the case may be, a radio channel to be used by the dispatchers, any computer equipment described in subparagraph (e) or this paragraph 10, and installation and maintenance services for such communications and computer equipment.

(e) Vehicle dispatching and passenger scheduling for General Public Service shall be performed manually by CONTRACTOR, provided that SPONSOR shall make a good faith effort to provide a computer system to perform such functions during the term of this Agreement. In the event that SPONSOR implements the computer system described above, SPONSOR, at its sole expense, shall instruct the dispatchers in the operation of such system and shall be responsible for mechanical and programming maintenance and repair, provided that CONTRACTOR shall manually perform vehicle dispatching and passenger scheduling functions if (i) the computer system malfunctions, (ii) other than many-to-many services are operated which, in SPONSOR'S opinion, do not require computer capability, or (iii) SPONSOR determines that the furnishing of General Public Service does not demonstrate a need for computer capability.

(f) Vehicle dispatching and passenger scheduling for H & E Service shall be performed manually by CONTRACTOR, provided that in the event that SPONSOR provides a computer system to perform vehicle dispatching and passenger scheduling functions for H & E Service, the provisions of subparagraph (e) of this paragraph 10 shall apply.

(g) SPONSOR shall serve as liaison between CONTRACTOR and social service agencies and other sources of handicapped passengers. SPONSOR shall assist CONTRACTOR in formulating and implementing guidelines for the transportation of passengers during such times as the demand for the vehicles to be used in connection with this Agreement is greater than the capacity of such vehicles and at certain other times as well.

11. Vehicles. (a) SPONSOR, at its sole expense, shall provide CONTRACTOR with the vehicles described in Exhibit "D", attached hereto and made a part hereof, for use in the operation of the services to be performed hereunder, subject to the terms and conditions contained herein.

(b) Such vehicles shall be registered in SPONSOR'S name and shall be the property of SPONSOR at all times during the term hereof. CONTRACTOR shall not use any such vehicle for any purpose other than those set forth in this Agreement.

(c) CONTRACTOR, at its sole expense, shall provide adequate storage space for such vehicles and shall make a good faith effort to provide indoor storage space during non-service hours for as many of the vehicles as possible. CONTRACTOR shall undertake to store the vehicles in as secure a location as possible.

(d) CONTRACTOR shall be responsible for maintaining, repairing, and cleaning such vehicles during the term of this agreement. CONTRACTOR shall pay for any parts and related maintenance and cleaning services from the special account described in paragraph 19 hereof. CONTRACTOR shall maintain such vehicles in an excellent state of interior and exterior cleanliness and attractiveness, free from ill odors, dust, dirt, litter, graffiti, dents, and the like. CONTRACTOR shall provide a preventive maintenance program for such vehicles, as described in Exhibit "E", attached hereto and made a part hereof.

(e) SPONSOR shall have the right to inspect such vehicles at any time and remove from service any vehicle which does not conform to the standards set forth above in this paragraph 11.

(f) CONTRACTOR shall not subcontract its maintenance services without the prior written consent of SPONSOR.



(g) Notwithstanding the provisions of subparagraph (f) of this paragraph 11 and of paragraph 20 hereof, SPONSOR hereby authorizes CONTRACTOR to have any warranty work on such vehicles performed on behalf of SPONSOR, provided that SPONSOR shall not be liable for any costs incurred by CONTRACTOR in the course of having such warranty work performed.

(h) In the event that CONTRACTOR is not able to maintain said vehicles such that the necessary number of vehicles is available to provide the services described in Exhibit "A" hereto, CONTRACTOR may, at its sole expense, provide replacement vehicles similar in size and quality to the vehicles being replaced.

(i) Any decisions regarding the cancellation of services due to weather shall be made jointly by SPONSOR and CONTRACTOR.

12. Fuel. CONTRACTOR shall purchase whatever fuel is necessary to operate the vehicles to be used in connection with this Agreement. CONTRACTOR shall pay for such fuel from the special account described in paragraph 19 hereof.

13. Data Collection. (a) In the event that the computer system described in paragraph 10 hereof is in operation, CONTRACTOR shall manually collect any and all relevant data in connection with the day-to-day operation of the General Public Service, except for the data relating to ridership, passenger

origins and destinations, vehicle productivities, wait time, ride time, pick up time, deviation, and the like, all of which are recorded and collected by the computer. Such manually collected data shall include, but not be limited to, vehicle performance, maintenance and servicing activities, revenue, driver and dispatcher logs, and records of all expenses. Prior to the time when the computer system is operational or if any of the events set forth in subparagraph (e) of paragraph 10 hereof occurs, CONTRACTOR shall be responsible for manually collecting all of the data which the computer would have collected, provided that CONTRACTOR in such event shall collect the following service quality data for each customer one day per week only: (i) call in time; (ii) promised pick up time; (iii) actual pick up time; (iv) drop off time; and (v) vehicle number.

(b) In connection with the H & E Service, CONTRACTOR shall manually collect the same data that it is required to collect for the General Public Service when the computer system is not operating.

(c) CONTRACTOR shall report all the data described in subparagraphs (a) and (b) of this paragraph 13 whether manually collected by SPONSOR or recorded and collected by the computer, in accordance with Exhibit "F" hereto.

14. Accounting and Reports. (a) CONTRACTOR shall maintain a record of all accidents involving the vehicles to be used in connection with this Agreement or any other vehicle operated by an officer, employee, or agent of CONTRACTOR while performing any service under this Agreement. CONTRACTOR shall immediately report all accidents to SPONSOR, the appropriate police department, and the New York State Department of Motor Vehicles in accordance with the applicable provisions of New York State law.

(b) CONTRACTOR shall make all books, documents, papers, accounts, and other records required to be maintained pursuant to this Agreement available at all reasonable times during the term hereof and for seven (7) years thereafter for inspection and audit by authorized representatives of SPONSOR and UMTA. During the term hereof, such materials shall be maintained at CONTRACTOR'S office in Rochester.

(c) CONTRACTOR shall furnish SPONSOR with each of the reports set forth in Exhibit "F", attached hereto and made a part hereof, at such times and in such quantities as are set forth in said Exhibit "F".

(d) In addition to the data collection and reporting requirements contained in paragraphs 13 and 14 hereof, CONTRACTOR shall, at SPONSOR'S request, undertake special data collection efforts relating to the services performed by CONTRACTOR hereunder. SPONSOR shall reimburse CONTRACTOR for any out-of-pocket expenses incurred in connection with such special data collection efforts within thirty (30) days after CONTRACTOR submits an invoice relating thereto. Such invoices shall be subject to the same documentation requirements as the invoices described in paragraph 5 hereof.

15. Accounting and Legal Fees. CONTRACTOR shall pay for any accounting fees which it incurs in connection with the performance of its services hereunder, including but not limited to any accounting fees relating to the preparation of payrolls, the preparation of reports required by paragraph 14 hereof, and the maintenance of books separate from those maintained by CONTRACTOR for activities not related to this Agreement. CONTRACTOR shall also defend any actions and pay for any legal fees which it incurs in connection with the performance of its services hereunder, including but not limited to the negotiation and preparation of this Agreement and any other contracts relating to the services to be performed by CONTRACTOR hereunder and any actions resulting from the negligent performance of CONTRACTOR, or its officers, employees, or agents relating to the services to be performed hereunder, provided that, if, at any time after the execution of this Agreement, any action is brought against CONTRACTOR relating to the right of CONTRACTOR to implement and/or continue General Public Service and/or H & E Service, SPONSOR at its sole expense, shall defend such action on behalf of CONTRACTOR.

16. Fare Collection and Passenger Service. (a) CONTRACTOR shall charge the fares established by SPONSOR for General Public Service and H & E Service. SPONSOR may, at its sole option, change such fares upon ten (10) days written notice to CONTRACTOR.

(b) All revenues derived from the collection of fares shall be deposited by CONTRACTOR at the end of each day in an account maintained by SPONSOR in a bank designated by SPONSOR. Such revenues shall be the property of SPONSOR. Prior to the commencement date, CONTRACTOR shall provide SPONSOR with a written description of the

system used by CONTRACTOR for the accounting and security of revenues, including but not limited to the validation of revenues collected versus passengers carried by fare category. All revenues shall be accounted for in accordance with Section 15 of the Urban Mass Transportation Act of 1964, as amended.

(c) SPONSOR, at its sole expense, shall provide the fare boxes to be used in connection with this Agreement.

(d) CONTRACTOR shall require passengers who are using H & E Service to display a pass indicating that they are handicapped or proof that they are over sixty-five (65) years of age, as the case may be. SPONSOR, through RTS, shall be responsible for distributing the handicapped pass referred to above. Any inquiry regarding such passes shall be referred to RTS.

(e) All complaints received by drivers, dispatchers, or any other officers, employees, or agents of CONTRACTOR relating to the services to be performed hereunder shall be initially responded to by CONTRACTOR in a prompt and courteous manner and thereafter be immediately referred to SPONSOR. SPONSOR'S determination regarding any complaint is final and CONTRACTOR shall follow SPONSOR'S suggested course of action. All complaints and CONTRACTOR'S responses thereto shall be documented and one copy of each shall be submitted to SPONSOR together with its weekly report in accordance with Exhibit "F" hereto.

(f) CONTRACTOR shall not provide transportation to any passenger who has not followed the appropriate advanced reservation or immediate booking procedures.

(g) In order to coordinate the transfer of passengers between the Brighton and Henrietta services and between those services and the RTS fixed route operations, CONTRACTOR shall adhere to the transfer policies established by SPONSOR.

17. Advertising and Promotion. SPONSOR, at its sole expense, shall furnish CONTRACTOR with all advertising and promotional materials relating to the services to be performed hereunder. CONTRACTOR shall distribute such materials in the course of providing the daily General Public Service and H & E Service. In the event that such distribution cannot be performed during the regular daily service hours, CONTRACTOR shall seek the prior consent of SPONSOR to distribute such materials at other times and shall be reimbursed by SPONSOR for such additional work at a rate to be mutually agreed upon by SPONSOR and CONTRACTOR.

18. Insurance; Indemnification. (a) CONTRACTOR agrees to procure and maintain, at its sole expense, insurance of the kinds and in the amounts hereinafter provided. All policies shall designate SPONSOR as an additional named insured and shall be in a form acceptable to SPONSOR. Upon SPONSOR'S request, CONTRACTOR shall furnish certificates of insurance to SPONSOR for the coverage required hereunder. The policies maintained hereunder shall provide that they will not be changed or

cancelled until twenty (20) days written notice has been given to SPONSOR. The kinds and amounts of insurance required are as follows:

(i) Workmen's compensation and employer's liability insurance with limits as required by the laws of the State of New York, provided that CONTRACTOR in fulfillment of its obligation to procure workmen's compensation insurance may, if it is qualified to do so under and complies with applicable New York State law, maintain a self-insurance program.

(ii) Comprehensive public liability insurance, including automobile liability insurance, covering all risks and liabilities which may be incurred by CONTRACTOR in the performance of this Agreement. Such insurance shall be written with a limit of One Million Dollars (\$1,000,000), including bodily injury and property damage, and an excess limit of an additional Two Million Dollars (\$2,000,000).

(b) CONTRACTOR shall be solely responsible for any damage to the vehicles to be used in connection with this Agreement, including but not limited to vehicle damage caused by collision.

(c) In addition to the insurance required to be procured and maintained pursuant to subparagraph (a) of this paragraph 18, CONTRACTOR agrees to indemnify SPONSOR and its

officers, employees, and agents against and hold SPONSOR and its officers, employees, and agents harmless from all claims, suits, actions, damages, liabilities, and costs of every kind resulting from the negligent performance of CONTRACTOR, its officers, employees, or agents, under this Agreement. Such indemnity shall not be limited by reason of the insurance coverage required by subparagraph (a) of this paragraph 1b.

19. Purchases by Contractor. (a) All materials and supplies required to be purchased by CONTRACTOR hereunder (the "Materials"), including but not limited to vehicle parts and related maintenance and cleaning services, fuel, uniforms, and telephone equipment, shall be purchased by CONTRACTOR as agent of SPONSOR. All invoices relating to the purchase of the Materials shall be directed by the vendors of the Materials to SPONSOR in care of CONTRACTOR. CONTRACTOR shall be solely responsible for paying such invoices, as agent of SPONSOR, from a special account provided by SPONSOR which CONTRACTOR shall maintain for the purpose of making such payments. SPONSOR hereby constitutes CONTRACTOR as its agent for the purpose of authorizing CONTRACTOR to purchase and pay for the Materials, although for all other purposes whatsoever CONTRACTOR is an independent contractor as described in paragraph 8 hereof. Title to the Materials shall vest in SPONSOR as soon as the Materials are



delivered to SPONSOR or CONTRACTOR on behalf of SPONSOR and, in any event, if appropriate, prior to the incorporation of the Materials into any other tangible property.

(b) If CONTRACTOR does not have to pay sales tax on the purchase of any or all of the Materials, SPONSOR shall deduct from the otherwise allowable items in each of the CONTRACTOR'S invoices a sum equal to the amount saved by CONTRACTOR as a result of not being required to pay sales tax.

(c) SPONSOR shall indemnify CONTRACTOR and its officers, employees, and agents against and hold CONTRACTOR and its officers, employees, and agents harmless from any liability arising from the non-payment of New York State and local sales tax on the purchase of the Materials. In connection with such indemnification, SPONSOR shall have the right to negotiate with and defend any action brought by the State of New York or any locality regarding such sales tax.

20. Assignments and Subcontracts. CONTRACTOR shall not assign any part of its interest in this Agreement or subcontract any of the services to be performed hereunder without the prior written consent of SPONSOR. Any such assignment or subcontract without the prior written consent of SPONSOR shall result in a forfeiture of compensation for any services to be performed hereunder which are so assigned or subcontracted.

21. Suspension and Termination. (a) If the commencement or operation of the services to be performed by CONTRACTOR hereunder is rendered infeasible, impossible, or illegal, either SPONSOR or CONTRACTOR may, after receiving the written concurrence of the other party, suspend its obligations under this Agreement until such times as the event or condition resulting in such suspension has ceased or been corrected.

(b) Upon written notice to CONTRACTOR, SPONSOR shall have the right to terminate this Agreement at any time during the term hereof for any material breach of this Agreement by CONTRACTOR. In such event, CONTRACTOR shall forfeit the performance bond or other security described in paragraph 4 hereof to the extent required to compensate SPONSOR for CONTRACTOR'S breach.

(c) Upon written notice to CONTRACTOR, SPONSOR shall have the right to terminate this Agreement at any time during the term hereof without cause. In such event, SPONSOR shall return the performance bond or other security described in paragraph 4 hereof to CONTRACTOR and reimburse CONTRACTOR for all services performed by CONTRACTOR prior to the date of such termination in accordance with paragraph 5 hereof.

(d) Upon sixty (60) days written notice to SPONSOR, CONTRACTOR shall have the right to terminate this Agreement for any material breach by SPONSOR. In such event, SPONSOR shall return the performance bond or other security described in paragraph 4 hereof to CONTRACTOR and reimburse CONTRACTOR for all services performed by CONTRACTOR prior to the date of such termination in accordance with paragraph 5 hereof.

(e) If this Agreement is suspended or terminated pursuant to this paragraph 21, CONTRACTOR shall proceed promptly to carry out the following actions:

(i) Take all necessary action to suspend or terminate, as of the suspension or termination date, as the case may be, the services performed hereunder and any contracts or leases relating thereto, including but not limited to those relating to office space, vehicle storage space, furniture, communications equipment, and personnel, and to keep to a minimum any costs relating to the suspension or termination of this Agreement, as the case may be.

(ii) Prepare a statement of the status of CONTRACTOR'S activities under this Agreement, a proposed budget, and a schedule for suspending or terminating its activities hereunder, as the case may be, and submit such statement, budget, and schedule to SPONSOR for its approval.

The suspension or termination of this Agreement following receipt of the written suspension or termination notice required by this paragraph 21 shall be effectuated in conformity with the budget and schedule as approved by SPONSOR.

22. Covenant Against Contingent Fees. CONTRACTOR warrants that it has not employed or retained any company or person, other than a bona fide employee working for CONTRACTOR, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, SPONSOR shall have the right to annul this Agree-

ment without liability, or, in its discretion, to deduct from the compensation to be paid CONTRACTOR hereunder, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

23. UMTA Approval. CONTRACTOR understands and agrees that this Agreement is subject to the approval of UMTA, without which funding is not available to SPONSOR. CONTRACTOR further understands that to commence the performance of services hereunder prior to receipt by SPONSOR of such approval is at CONTRACTOR'S peril, and that SPONSOR shall in no way be liable for any payment of any nature to CONTRACTOR unless and until such approval by UMTA is received.

24. Notices. Any notice or demand upon SPONSOR or CONTRACTOR shall be deemed to be sufficient for all purposes hereunder if given personally or mailed to the other party at such party's address as set forth below or to such other address as may be furnished in writing by such party. Any notice which is mailed shall be effective when deposited in the United States mail, duly addressed and with first class postage prepaid.

TO SPONSOR:

Rochester-Genesee Regional  
Transportation Authority  
55 St. Paul Street  
Rochester, New York 14604

TO CONTRACTOR:

Paratransit Associates, Inc.  
1313 East Henrietta Road  
Rochester, New York 14620  
Attention: Resident Manager

and

Paratransit Associates, Inc.  
P. O. Box 2394  
Raleigh, North Carolina 27602

25. U. S. Government Clauses. The U. S. Government required clauses, attached hereto as Exhibit "G", are hereby incorporated into this Agreement.

26. Miscellaneous. (a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) The captions to the paragraphs of this Agreement are solely for the convenience of the parties and are not intended to aid in the interpretation of this Agreement.

(c) This Agreement constitutes the entire understanding between SPONSOR and CONTRACTOR and supersedes all prior agreements and understandings relating to the subject matter hereof.

(d) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York.

(e) This Agreement may be executed in two or more counterparts, all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first set forth above.

SPONSOR

Rochester-Genesee Regional  
Transportation Authority

BY *[Signature]* 6/7/78

CONTRACTOR

Paratransit Associates, Inc.

BY *[Signature]*

STATE OF NEW YORK  
COUNTY OF Seneca

On this 7th day of June, 1978, before me personally came Thomas Toole,  
to me personally known, who affirmed and stated that he is the Chairman  
of GGRTA Dial-a-Seed Committee, the corporation described in, and which  
executed the foregoing statement, and that he signed his name thereto by order of  
said corporation.

Lucas DeLuca

RACON D. LUNNY  
Notary Public in the State of New York  
My Commission Expires March 30, 1980

STATE OF New York  
COUNTY OF Seneca

On this 7th day of June, 1978 before me personally came Garman Gilbert,  
to me personally known, who affirmed and stated that he is the President  
of Adirondack Associates, Inc., the corporation described in, and which  
executed the foregoing statement, and that he signed his name thereto by order of  
said corporation.

Lucas DeLuca

RACON D. LUNNY  
Notary Public in the State of New York  
My Commission Expires March 30, 1980

SCOPE OF SERVICES

LOCATION OF SERVICES TO BE PROVIDED

Contractor shall provide demand-responsive transit services for the general public in part or all of the Towns of Brighton and Henrietta in Monroe County, New York, and demand-responsive transit services for the handicapped and elderly (H&E) residents of the portions of Monroe County delineated in Exhibit A. Service area boundaries shall be established by Sponsor and provided to Contractor prior to the Commencement Date as defined in the Agreement to which this Exhibit is attached; provided that Sponsor may modify such service area during the term of the Agreement.

NATURE OF SERVICES TO BE PROVIDED

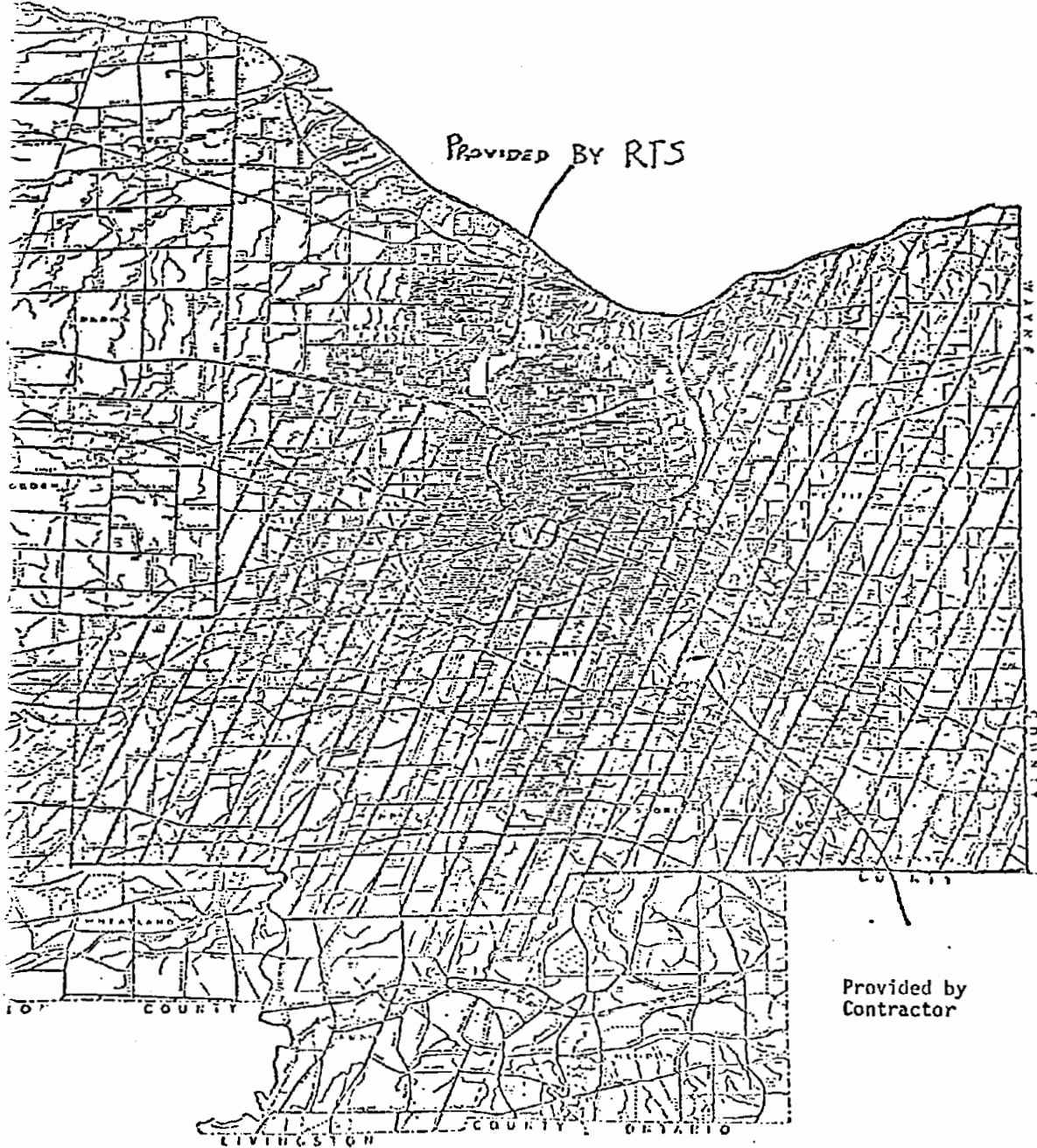
General Public Demand-Responsive Service

Using sedan-type vehicles, demand responsive service shall be provided within Brighton and Henrietta. Service between the two areas may be provided via transfer at specified locations near the boundary shared by the two service areas. Both requests for immediate service and requests made in advance shall be honored. Service shall be provided for eight continuous hours, five days per week, as determined by Sponsor. Such service shall be provided at fares to be established by Sponsor.

Handicapped and Elderly Demand-Responsive Service

Using lift-equipped vehicles, demand-responsive service shall be provided upon 24-hour advance customer request from origins in Monroe County, excluding the Greece, Irondequoit, Northeast Rochester area served by Regional Transit Service (see map), to selected destinations and vice versa. These destinations include any point within the Central Business District (C.B.D.), as defined by the Inner Loop circumferential highway, and medical, agency, and other complexes

DEMONSTRATION DRT H&E  
SERVICE AREA





(cont'd)

in other parts of the County as designated by Sponsor. Service shall be based on aggregation of similarly routed trips and shall operate on a semi-scheduled basis. Vehicles shall begin "inbound" trips in the outlying areas and shall proceed generally toward the C.B.D. A reverse "outbound" trip shall be made approximately one hour later than the start of each inbound trip. Service shall be provided up to eight hours per vehicle per day, as determined by Sponsor. Such service shall be provided at fares as established by Sponsor.

#### Service Provision

CONTRACTOR shall have the right to place sedan-type vehicles in service up to 160 vehicle hours per week in Brighton and up to 160 vehicle hours per week in Henrietta for general public service. CONTRACTOR shall also have the right to place lift-equipped vehicles in service up to 80 vehicle hours per week for H&E service during the first two months following the Commencement Date (as defined in the Agreement to which this Exhibit is attached), up to 160 vehicle hours per week for H&E service during the third and fourth months following the Commencement Date, and up to 240 vehicle hours per week for H&E service during the fifth and sixth months and thereafter following the Commencement Date. At SPONSOR'S option, additional sedan-type and/or lift-equipped vehicles shall be placed in service by CONTRACTOR during the term of this Agreement. Compensation relating to such service is set forth in Exhibit "B".

Exhibit "B"

SERVICE RATES, INCENTIVES, AND MAXIMUM ALLOWABLE COMPENSATION

<u>I. Service rate (in \$ per hour)</u>	<u>1st Year of Service</u>	
A. General Public Dial-a-Ride Service many-to-many (including driver safety incentive)	Per 4-Vehicle System \$13.58*	Per 5-Vehicle System \$12.34*
B. Handicapped and Elderly Service (including driver safety incentive)	Per 6-Vehicle System \$13.20*	Per 8-Vehicle System \$12.02*

\*Contractor shall reduce its invoices by an amount equal to \$.50 per vehicle hour for every vehicle hour of service operated by a driver who does not qualify for the safety incentive described in this Exhibit "B". During the first four-week period, all rates shall be reduced by \$.50 per vehicle service hour.

II. Contractor's Incentives

CONTRACTOR'S incentive shall provide for payment to CONTRACTOR in addition to the basic service rate - based on General Public Dial-a-Ride system productivity each day. Productivity shall be defined as passengers per vehicle per service hour and shall be calculated by dividing passengers carried by service hours billed for each service area (i.e., system productivity in Brighton and Henrietta shall be calculated separately). The calculation shall be made each day. The amount paid will be as follows:

<u>Average (for each day) Passengers Per Vehicle Per Service Hour</u>	<u>Incentive Payment Per Passenger</u>
0 - 3.99	0
4.00 - 4.99	15¢
5.00 - 5.99	30¢
6.00 - and up	50¢

No incentive shall be paid for Handicapped and Elderly Services.

Exhibit "B"  
(cont'd)

The dispatcher, call-taker and the bookkeeper shall be rewarded by sharing one third (1/3) of the amounts paid to the CONTRACTOR as a result of use of the CONTRACTOR'S incentive program specified above. If both the CONTRACTOR and SPONSOR agree, the portion of the CONTRACTOR'S incentive payments shared by employees shall be increased to 50%. This 50% may be shared by the drivers and on-site manager as well as the bookkeeper, dispatcher and call-taker.

Safety Incentive for Drivers

Each driver shall be paid an additional 50 cents per hour if he has not had a chargeable accident for at least 28 days. The determination of chargeability shall be based upon police reports of accidents.

III. Maximum Allowable Compensation

For the General Public demand-responsive Dial-a-Ride services, the average four-week aggregate billing rate for each service area expressed in dollars per vehicle service hour as calculated by combining the appropriate service rate and CONTRACTOR'S incentives, paid for any four-week billing period will not exceed the following amounts:

1. per 4-vehicle system - \$14.20
2. per 5-vehicle system - \$13.60

NOTE: The terms "4-vehicle system, 5-vehicle system, 6-vehicle system, and 8-vehicle system" are equivalent to the following:

4-vehicle system = maximum 160 vehicle service hours/week  
5-vehicle system = maximum 200 vehicle service hours/week  
6-vehicle system = maximum 240 vehicle service hours/week  
8-vehicle system = maximum 320 vehicle service hours/week



VEHICLES

CHASSIS NUMBER

Handicapped & Elderly Service

- |   |                  |                        |
|---|------------------|------------------------|
| 1. Ten-passenger with two wheelchair tiedowns (5)   | a. XBF68211H0096 | Serial No. E37AHC81111 |
|   | b. XBF68211H0097 | Serial No. E37AHC81109 |
|   | c. XBF68211H0098 | Serial No. E37AHCA9177 |
|   | d. XBF68211H0059 | Serial No. E37AHBH0989 |
|   | e. XBF68211H0060 | Serial No. E37AHBH0091 |
|   |                  |                        |
| 2. Four-passenger with four wheelchair tiedowns (3) | a. XBF6844H0099  | Serial No. E37AHC81108 |
|   | b. XBF6844H0100  | Serial No. E37AHCA9178 |
|   | c. XBF6844H0061  | Serial No. E37AHBH0993 |

General Public Service

- |                                   |                    |
|-----------------------------------|--------------------|
| 3. seven-passenger<br>sedans (11) | a. A11-2758-82100F |
|                                   | b. A11-2758-82101F |
|                                   | c. A11-2758-82102F |
|                                   | d. A11-2758-82103F |
|                                   | e. A11-2758-82104F |
|                                   | f. A11-2758-82173F |
|                                   | g. A11-2758-82174F |
|                                   | h. A11-2758-82175F |
|                                   | i. A11-2758-82176F |
|                                   | j. A11-2758-82177F |
|                                   | k. A11-2758-82178F |

PREVENTIVE MAINTENANCE PROGRAM

Maintenance Program

The vehicles will all be maintained following the preventative maintenance programs recommended by the manufacturers. For the seven-passenger sedans, the maintenance program will be the same as it is for the other two operations in which the principals of contractor operate similar sedans in Little Rock and Raleigh. A copy of the preventive maintenance check-off form is attached hereto and made a part hereof.

NOTE: ALL PARTS AND REPAIRS MUST BE MARKED DOWN.  
ANY PARTICULAR OR NEW PROBLEMS OCCURRING.

CAB NO. \_\_\_\_\_ DATE \_\_\_\_\_  
PRESENT MILEAGE \_\_\_\_\_ YTD MILEAGE \_\_\_\_\_ MECHANIC \_\_\_\_\_

ON HOIST - BRAKES

- \_\_\_\_\_ 1. PULL ALL WHEELS.  
\_\_\_\_\_ LINING L.F. \_\_\_\_\_ R.F. \_\_\_\_\_ L.R. \_\_\_\_\_ R.R. \_\_\_\_\_  
\_\_\_\_\_ DRUMS L.F. \_\_\_\_\_ R.F. \_\_\_\_\_ L.R. \_\_\_\_\_ R.R. \_\_\_\_\_
- \_\_\_\_\_ 2. CHECK DUST BOOTS AND CUPS \_\_\_\_\_
- \_\_\_\_\_ 3. OIL BRAKES ADJUSTERS AND BOTTOM OF SHOES. \_\_\_\_\_
- \_\_\_\_\_ 4. CHECK HAND BRAKE AND FREENESS AND OIL PINS AND PIVOTS. \_\_\_\_\_
- \_\_\_\_\_ 5. CHECK BRAKE LINES AND HOSES. \_\_\_\_\_

UNDER CAR ON HOIST

- \_\_\_\_\_ 1. CHECK FRONT END AND ALIGN IF NECESSARY
- \_\_\_\_\_ 2. CHECK TIRES FOR WEAR AND REPLACE IF NECESSARY.
- \_\_\_\_\_ 3. CHECK AIR IN TIRES 28# LF \_\_\_\_\_ RF \_\_\_\_\_ LR \_\_\_\_\_ RR \_\_\_\_\_
- \_\_\_\_\_ 4. CHECK SPRINGS AND HANGERS.
- \_\_\_\_\_ 5. CHECK SHOCKS AND BUSHINGS - CHECK CHEVY CLOSELY
- \_\_\_\_\_ 6. CHECK U JOINTS AND LUBE.
- \_\_\_\_\_ 7. LUBE REAR AXLE BEARINGS.
- \_\_\_\_\_ 8. CHECK GAS TANK AND FILTER PIPE FOR LEAKS.
- \_\_\_\_\_ 9. LUBE METER AND SPEED CABLE.
- \_\_\_\_\_ 10. CHECK AND TIGHTEN METER AND SPEEDOMETER DRIVE GEAR AT TRANSMISSION
- \_\_\_\_\_ 11. CHECK EXHAUST SYSTEM. MUFFLER \_\_\_\_\_ FRONT PIPE AND TAIL PIPE \_\_\_\_\_  
TIGHTEN HANGERS \_\_\_\_\_
- \_\_\_\_\_ 12. CHECK FRONT AND REAR BUMPERS AND FENDER BRACES FOR TIGHTNESS.
- \_\_\_\_\_ 13. TIGHTEN FRONT FENDER.
- \_\_\_\_\_ 14. CHECK BACK UP LIGHTS SWITCH FOR CORROSION.
- \_\_\_\_\_ 15. CHECK DIMMER SWITCH FOR CORROSION.
- \_\_\_\_\_ 16. CHECK FOR FRAME CRACKS.
- \_\_\_\_\_ 17. CHECK MOTOR MOUNTS, INCLUDING TRANSMISSION MOUNTING.
- \_\_\_\_\_ 18. CHECK MOTOR PULLY.
- \_\_\_\_\_ 19. CHECK AND TIGHTEN STARTER HOUSING AND OIL PAN BOLT.
- \_\_\_\_\_ 20. CHECK FOR OIL LEAKS ESP. ON REAR OIL SEALS PAN.
- \_\_\_\_\_ 21. CHANGE OIL FILTER.
- \_\_\_\_\_ 22. TIGHTEN FRONT FENDER.
- \_\_\_\_\_ 23. OIL SHIFT LEVER SHAPES AND ADJUST.

- \_\_\_\_\_ 1. CLEAN OR CHANGE PLUGS. (75,000)
- \_\_\_\_\_ 2. INSTALL NEW POINTS.
- \_\_\_\_\_ 3. CHECK DISTRIBUTORS.
- \_\_\_\_\_ 4. CLEAN OIL.
- \_\_\_\_\_ 5. OIL HOOD LATCH AND HINGE.
- \_\_\_\_\_ 6. CHECK OIL CAP FOR CHAIN.
- \_\_\_\_\_ 7. CHECK RADIATOR CAP FOR CHAIN.
- \_\_\_\_\_ 8. CHECK WATER LEVEL.
- \_\_\_\_\_ 9. CHECK WATER LEVEL IN RADIATOR HOSE
- \_\_\_\_\_ 10. CHECK RAD AND YOKE FOR CRACKING.
- \_\_\_\_\_ 11. CHECK WATER PUMP AND FAN BELT.
- \_\_\_\_\_ 12. SERVICE AIR CLEANER.
- \_\_\_\_\_ 13. SERVICE FLAME ARRESTER.
- \_\_\_\_\_ 14. CLEAN PCV VALVE.
- \_\_\_\_\_ 15. ANALYZE CARB. AND TIGHTEN BOLTS ON CARB.
- \_\_\_\_\_ 16. TIGHTEN CARB. LINKAGE.
- \_\_\_\_\_ 17. OIL LINKAGE CARB. AND ACCELERATOR RODS.
- \_\_\_\_\_ 18. OIL SHIFT LEVEL RODS.
- \_\_\_\_\_ 19. CHECK ALT PH.
- \_\_\_\_\_ 20. CHECK LEVEL MASTER CYL. AND OPERATION OF SAFETY LIGHTS ON DASH.
- \_\_\_\_\_ 21. CHECK STEERING BOX LEVEL.
- \_\_\_\_\_ 22. SPRAY CRC ON HEAT RISER AND MAKE SURE IT IS FREE.
- \_\_\_\_\_ 23. CHECK WIRING SOCKETS ON FIRE WALL FOR TIGHTNESS AND ALL OTHER WIRES FOR HANGING AND WIRE UP
- \_\_\_\_\_ 24. FILL WIPER WATER BAG AND CHECK LINER

#### LIGHTS

- \_\_\_\_\_ 1. CHECK HEAD LIGHTS AND ADJUST.
- \_\_\_\_\_ 2. CHECK DIMMER SWITCH.
- \_\_\_\_\_ 3. CHECK PARKING LIGHTS - FRONT SIDE \_\_\_\_\_ REAR SIDE \_\_\_\_\_
- \_\_\_\_\_ 4. CHECK BRAKE LIGHTS REAR.
- \_\_\_\_\_ 5. CHECK TURN SIGNAL FRONT AND REAR - SIDE FRONT AND REAR.
- \_\_\_\_\_ 6. CHECK BACK UP LIGHTS.
- \_\_\_\_\_ 7. SERVICE TAXI LIGHT AND CLEAN.
- \_\_\_\_\_ 8. CHECK INSIDE DOME LIGHT FRONT AND REAR.
- \_\_\_\_\_ 9. CHECK DASH LIGHTS AND T/S LIGHT AND INDICATOR -
- \_\_\_\_\_ 10. CHECK SPOT LIGHT.
- \_\_\_\_\_ 11. CHECK LICENSE PLATE LIGHT.
- \_\_\_\_\_ 12. CHECK REAR REFLECTORS.



Appendix C

RGRTA/TOWN OF BRIGHTON MEMORANDUM OF UNDERSTANDING AND  
BRIGHTON SERVICE PLAN



## 1. Purpose

This memorandum will serve to outline the framework for cooperation between the Town of Brighton and the Rochester-Genesee Regional Transportation Authority for the duration of the Flexible Affordable Community Transit System demonstration project. It is the intent of this agreement to delineate the responsibilities of the Town and the Authority and thereby to establish a relationship which will most effectively assist in the successful attainment of the project goals as described below.

## 2. Project Goals

It is the purpose of the Community Transit Demonstration to test a cost-effective Dial-a-Ride service in the Town of Brighton. The term cost-effective implies (1) that the service made available to the residents of Brighton is reliable and convenient; and, (2) that the net cost of operating the system is acceptable to the funding participants. The relative success which the system achieves during the one-year demonstration period will directly affect its chances for continuation on an on-going basis.

The Town of Brighton and the R-GRTA agree to be mutually responsible for determining the success of the project in attaining this goal. The following indices may be used as goals for the system when operating in a regular "steady state" basis and are subject to modification by mutual consent. It must be recognized that this "steady state" may not be reached perhaps until the last six, or possibly even three months of the demonstration period.

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Ridership Goal: The system will carry between 600-800 passengers per week. (This total is to include West Brighton.)

**RGRTA**

2. Productivity Goal: The system may achieve a productivity of 4.0 - 5.0 passengers per vehicle per hour.
3. Recovery Rate Goal: The system may achieve a recovery rate of 25-29% at the \$1.25/.50 fare structure. The Recovery Rate is defined as the percentage of operating cost recovered through the farebox.

The attainment of these ridership, productivity and recovery rate goals when projected over a 12-month period, at a contractor's hourly reimbursement rate of \$13.58 would result in a total system deficit of approximately \$79,000 to \$83,000. Based upon the Federal Government making available funds to cover up to 50% of transit operating deficits, the annual local share of the deficit should amount to 50% or approximately \$39,500 - \$41,500 for a four-vehicle system.

Following a demonstration period, the Brighton Transit Committee will use established criteria and citizen input to evaluate Dial-a-Ride and make recommendations to the Town Board concerning the future operations of the system in the Town of Brighton.

### 3. Operations

All phases of operation of the Community Transit program within the Town of Brighton shall be the responsibility of the Authority. For purposes of this memorandum, operations shall include, but not be limited to, the acquisition and preparation of a control room and base of operation, purchase and licensing of vehicles, provision of insurance, hiring of dispatching staff and drivers, and insuring the reliability, safety and convenience of the system. Towards meeting these responsibilities, the Authority has entered into a contract with a private

vendor, Paratransit Associates, Inc., for the provision of services within the Town of Brighton. The Authority will monitor the vendor and operation regularly throughout the project. The Brighton Community Transit Committee shall meet with R-GRTA personnel throughout the project and may inspect and observe the program operations at any time and to the extent that it desires to do so.

#### 4. Service Plan

Services to be provided within the Town of Brighton are described in the appendix. Any modifications to the plan shall be mutually agreed upon by the Brighton Community Transportation Committee and the Authority.

#### 5. Data Collection

Responsibility for the collection of data under the project will rest with the Authority. The Authority has a contract under the Demonstration with the Massachusetts Institute of Technology Department of Civil Engineering for the collection and analysis of all data relevant to the project. Such data includes vehicle performance, service quality, as well as cost and productivity information. All information will be provided to the Town as requested. Below is a list of information to be supplied to the Town and the frequency of collection and reporting:

<u>Report/Data</u>	<u>Compiled</u>	<u>Reported</u>
1. Ridership	Daily	Weekly & Monthly
2. Productivity	Daily	Monthly
3. Service Quality	Daily/Weekly	Monthly
4. Passenger Origin & Destination	As Needed	As Needed
5. Vehicle Performance	Daily	Monthly
6. Revenue	Daily	Monthly
7. Section 15 Operating Data	Weekly	Yearly
8. Expenses	Monthly	Monthly
9. Driver/Dispatcher Records	Daily	Monthly
10. Narrative Report	Monthly	Monthly

The Authority also shall provide additional reports and data as available upon request of the Brighton Transit Committee.

6. Promotion and Advertising

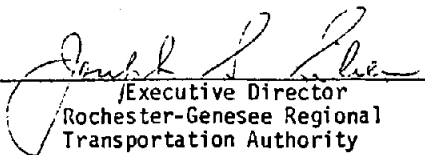
It shall be the responsibility of the Authority to provide promotional information and printed material to advertise adequately the Community Transit Service to residents of the Town of Brighton. The Authority's Director of Community Relations shall maintain liaison with the media and will coordinate the dissemination of program literature as well as speaking appearances on behalf of the service.

7. Meetings and Special Functions

The Authority shall provide staff to attend public hearings, informational meetings and related special events as required. The Town of Brighton may request R-GRTA staff to participate or assist in the presentation at any meetings or related functions which it may from time to time wish to sponsor.

8. Liaison

During the course of the demonstration year, the Authority will maintain liaison with the Brighton Community Transit Committee in order to provide information concerning the progress of the operation. Reports will be generated on a monthly basis. The R-GRTA Project Manager will be available to attend Town meetings as requested by the Brighton Transit Committee.

  
Executive Director  
Rochester-Genesee Regional  
Transportation Authority

  
Supervisor  
Town of Brighton 9/27/1978

## BRIGHTON SERVICE PLAN

1. Description of Service - General demand-responsive, dial-a-ride service will be provided in the Town of Brighton.

Customers will call a specific service number to order a trip. The customer request may be for pick-up as soon as possible (an immediate request), or pick-up for a specific time later the same day or a future date (an advanced request). Advanced requests can also be made for pick-ups each day or each week on a regular basis.

For immediate requests, the customer will be given an expected pick-up time "window". For example, he/she may be told that the vehicle will arrive in 15 to 25 minutes.

The vehicles will be dispatched such that customers with similar trip directions and service times will be carried by one vehicle. The routing and sequence of stops for each vehicle will be assigned with the objective of minimizing passengers' wait time and ride time. Customers will pay the appropriate fare when entering the vehicle (see item 2, below).

2. Fare Structure - The fares charged per one-way trip will be as follows:
  - a. Standard Fare - \$ 1.25/trip
  - b. Additional passengers traveling between the same origin and destinations - \$ .50/trip
  - c. Elderly (65 years or older) - \$ .50/trip
  - d. Children under 6 traveling with an adult - Free
  - e. Transfers - \$ .05 in addition to fare

The service will be integrated as much as possible with the transportation network provided by RTS fixed routes and the Henrietta Community Transit Operation. Transfers and relevant information will be made available to passengers who wish to travel to other portions of the metropolitan area accessible by transit. This method of service will enable Brighton residents to use the total transportation network in the Rochester area while retaining the cost-effectiveness of Brighton Community Transit Operation.

3. Service Area - Service in Brighton will be implemented on a town-wide basis.

Travel may occur between any two points in the town without the necessity of a transfer.

This service configuration will be closely monitored to assure that West Brighton area residents are adequately served and that the efficiency of the system is not adversely affected. An alternative service plan as proposed by the Authority which would divide the Town of Brighton into two service areas (West Brighton and Central/East Brighton), and extend direct service to points in Henrietta north of Jefferson Road should be retained as a potential alternative method of operating Brighton. Both the Authority and the Town shall mutually agree to any revision to the service plan.

Service from one service area to another will generally be provided via transfer at designated transfer points. Service to/from downtown Rochester will be provided via transfer to/from RTS fixed-route buses. The exception to these general guidelines will be that direct service will be provided from Brighton to and from Pittsford Plaza, Panorama Plaza, Monroe Community College, Strong Memorial Hospital and Southtown Plaza. Where practical, passengers will reach those destinations via transfer to RTS buses. In general, Community Transit sedans will not operate over routes traveled by RTS buses.



4. Service Hours - Passengers will be picked up between the hours of 10:00 a.m. and 6:00 p.m., Monday through Friday. Telephone calls for information and bookings will be accepted beginning at 9:00 each weekday.
  
5. Vehicles - Four vehicles will be assigned to the Town of Brighton to provide town-wide service. The option exists to add an additional vehicle as demand warrants. This decision will be made jointly by Brighton and R-GRTA.



Appendix D  
REPORT OF NEW TECHNOLOGY



## REPORT OF NEW TECHNOLOGY

A thorough review of the work performed under this contract has revealed no significant innovations, discoveries, or inventions at this time. In addition, all methodologies employed are available in the open literature. However, the findings in this document do represent an improvement, and they will be useful throughout the United States in designing and evaluating integrated demand-responsive transit systems.

