

Day Three – Tuesday, June 7

“Post MetroAccess Story”

Key Message Points

- We have been very open, publicly, about the state of our paratransit service. Eight months ago, we sat down with the media and publicly reported on the status of an internal review of the paratransit service program and followed that up with an update three months ago.
- MetroAccess is a contractor provided service managed by Logisticare, Inc. of Atlanta GA. MetroAccess provides low cost transportation to over 15,500 of the region’s disabled persons, enhancing their access to employment, medical care, retail and recreation -- and thus helping them to enjoy the same experience and opportunities that are taken for granted by others.
- MetroAccess has experienced annual ridership growth rates that exceed 20 percent and we are experiencing growth in program costs that are directly proportional to the explosive growth in the program’s ridership.
- Paratransit is an enormously difficult service to provide, and all transit agencies from New York and Boston to Philadelphia, Chicago and San Francisco struggle to provide it in a reliable, dependable way.
- The entire MetroAccess program accounts for 10 percent of Metro’s operating budget but only represents 3/10 of 1 percent of our ridership.
- As a result an internal audit initiated in late 2003, and followed up upon by the Metro Transit Police, Metro identified shortcomings in its paratransit program and moved aggressively to correct them. Some of these problem areas were the result of a well-intended, incentive-based program to improve service quality to its customers who are dependent on this service. Several cases have been referred to the Montgomery County State’s Attorney Office.
- Metro has made several recent changes to its paratransit provider’s contract to improve and enhance customer service to its core customer base that relies on this service each day. (See examples on page 3).

Background on MetroAccess and Logisticare

- Metro is required by federal law to provide paratransit service that has grown in cost and use by the disabled community, yet the Federal Government does not contribute to the operation of the program, which is basically an unfunded mandate.
- Since its implementation in 1994, MetroAccess has grown to be the largest single provider of transportation for persons with disabilities in the region, with more than 15,500 persons eligible for services. MetroAccess estimates trips to be 1.2 million this current year.
- Going back to early 1998, Metro's Board held hearings on the quality of paratransit service provided to the region. As a result of those hearings, Metro worked with the contractor at the time to improve overall service reliability.
- Logisticare was awarded a contract in January 2000, to operate Metro's paratransit service. The contract was for a base of four years, with two one-year options. Logisticare, a national provider of specialized paratransit and other transportation services, based in Atlanta, GA., is responsible for scheduling and providing the trips delivered by 16 private providers, including taxicab companies.
- Logisticare's contract was one of three proposals and was \$31 million below the next highest offer for the six year period. The contractor began to experience significant financial losses, and in March 2002, Metro implemented a financial incentive program with the contractor for improved service reliability.
- A 2002 MetroAccess customer satisfaction study indicated that customers were pleased with the service provided.
- Several disconnected complaints were brought forward and investigated, in 2001, but there was no evidence of a pattern of wrongdoing or potential abuse until we began to see findings coming out of our own internal audit that we initiated in 2003.
- In summer 2003, the Metro Board of Directors established a regional task force on paratransit to improve services throughout the metropolitan region and they produced a report to the Board in April 2004. Metro is working with regional entities and the disabled community to improve these services developing a new, more demanding contract for those services; instituting a regional paratransit information clearinghouse; and evaluating and implementing other service coordination opportunities.

Recent Metro Board Initiatives

- A final contract option was exercised earlier this year with Logisticare to maintain a level of service for the over 15,500 registered users who rely on MetroAccess. Logisticare made a commitment to improve its internal oversight and agreed to change and strengthen the current contract.

- While it is easy to second guess the original contract signed five years ago, the new current contract has been amended with Logisticare's cooperation. New provisions include Metro's takeover of eligibility assessment management, revisions as to how subscription trips are handled, compensating the broker, and additional reporting requirements.
- After a 10-month start-up delay, Metro began charging users of the service and extra fee outside the ¾ mile federally mandated paratransit service area to stem the cost for longer trips.

Recent MetroAccess Initiatives

- The recent Metro reorganization moved MetroAccess to a new department to enhance accountability and oversight of the paratransit program.
- Metro's new MetroAccess Director will start June 13.
- Metro has worked with the Disability Rights Council (DRC) to strengthen the new RFP for contractor services. This competitive procurement will be completed this fall.

Current Issues

- Metro is disappointed that the contractor has been unable to get its automatic vehicle locator system to perform successfully so that it can be used as a tool to measure dependability and service reliability. Metro is pursuing contractual remedies.
- A Metro audit in 2003 prompted a police investigation into criminal activity which has resulted in one arrest in Virginia, and coordination with the Maryland States Attorney in Montgomery County, who is following up on the investigation.

White Collar Crime and Risk Initiatives

- Last March, the General Manager/CEO requested the Office of the Auditor General and the Metro Transit Police Department to prepare a plan to review risks and vulnerabilities pertaining to Metro's various revenue and cost areas.
- As a result, Metro has enhanced its internal oversight capabilities by adding staff to existing resources to drill down into areas of expense and revenue controls.
- This comprehensive review process supplements the normal organizational management and monitoring and is designed to look for and identify risks and vulnerabilities and take any necessary actions.
- The Office of the Auditor General and the Metro Transit Police received several positions to concentrate on reviewing these risks and vulnerabilities with Metro concerning revenue and expenses.