

# *Tuscaloosa Area*

## **Private Enterprise Participation Policies and Procedures**

Originally adopted June 1987

Updated October 28, 2002

## **I. PURPOSE**

This document delineates the policy and procedures that shall guide the transportation planning process in the Tuscaloosa area on matters concerning private enterprise involvement in mass transportation, in accordance with applicable federal statutory requirements and the Federal Transit Administration's Private Enterprise Policy.

## **II. DEFINITIONS**

"Tuscaloosa Area" shall mean the planning area of the Tuscaloosa Metropolitan Planning Organization.

"Tuscaloosa Area Transportation Planning Program" shall mean the process for carrying out comprehensive, coordinated and continuing transportation planning in the Tuscaloosa Area.

"Sponsoring Public Agency" shall mean a public body, which initiates funds or administers a transit service or operation.

"FTA Recipients" shall mean the West Alabama Regional Commission, the Tuscaloosa County Parking and Transit Authority, and any other sponsoring public agency in the Tuscaloosa Area that is a direct beneficiary of federal financial assistance under Sections 5309, 5303, and 5307 (formerly Sections 3, 8, and 9) of the Urban Mass Transportation Assistance Act of 1964 as amended.

"Private Transportation Provider" shall mean any carrier offering transportation services to the public, whether licensed by the Public Service Commission or otherwise, including regular and charter bus operators, taxicab operators, limousine operators and paratransit operators offering specialized services to disabled persons. This definition may also include Transportation Management Associations.

"Transportation Management Association" shall mean a nonprofit membership organization formed by employers, developers and private institutions to provide or support the use of transportation services.

"New or Restructured Services" shall mean the establishment of a new public transit system; significant increases in service on an existing public transit route; or changes in the type of service within the existing public transit system.

## **III. GENERAL PRINCIPLES**

It shall be the policy of the Tuscaloosa Area Metropolitan Planning Organization, the Tuscaloosa County Parking and Transit Authority, and other FTA recipients to foster a more competitive environment and to afford maximum opportunity to private transportation providers to participate in the development and provision of mass

transportation services in the Tuscaloosa Area, consistent with local transportation objectives and sound economic principles. To this end FTA recipients shall:

- A. Afford private transportation providers and other private sector interests an early opportunity to participate in the local transportation planning process and in the development of federally assisted transit plans and programs.
- B. Seek to ensure that the capabilities of private transportation providers are fully and fairly considered in the development and implementation of the local transit program; and
- C. Encourage private sector involvement in the financing of transportation facilities, sponsorship of transportation services, and operation of transportation management associations and programs.

#### **IV. PRIVATE SECTOR PARTICIPATION IN THE TRANSPORTATION PLANNING PROCESS**

##### General Policy

It shall be the policy of the Tuscaloosa Metropolitan Planning Organization (MPO) and other FTA recipients to afford private sector interests a full and timely opportunity to participate in the local transportation planning process and to have their views considered in the development of the transit element of the Transportation Improvement Program (TIP) and its annual element.

##### Notification

The MPO shall establish and publish a tentative schedule of all critical dates, milestones and deadlines for the twelve months ahead, relating to the development of the local transit plans and programs. The MPO shall furnish this schedule to individual private transportation providers and indicate at which points they may participate in the planning process.

##### Consultations

Private transportation providers and other private sector interests shall be consulted and afforded an opportunity to present their views through the Private Enterprise Committee on the transit element of the TIP and its annual element before final recommendations are formulated and the programs are submitted for approval to the planning process. Final recommendations shall reflect the consideration given to the private views and comments, and shall state any reasons for not accepting the offered advice. The recommendations shall be made public, and private transportation providers shall be afforded an opportunity to submit comments on these recommendations to the Technical Coordinating Committee in advance of MPO action.

## Complaints and Dispute Resolution

The MPO shall establish an internal process for resolving complaints alleging violation of the private enterprise participation policy as it relates to the planning process.

## **V. PRIVATE ENTERPRISE COMMITTEE**

A Private Enterprise Committee shall be established by the MPO to facilitate consultations between FTA recipients and private transportation providers. The Committee shall consist of all private transportation providers conducting operations in the Tuscaloosa Area that have expressed an interest in participating in the Committee's activities.

In discharging its responsibilities, the Committee may:

- A. Solicit the views and comments of the private transportation providers on the transit element of the TIP and its annual element and recommend appropriate changes to foster increased opportunities for private sector participation in the local transit program.
- B. Recommend competitive procurement of any new or restructured services that may be proposed for implementation.
- C. Recommend for competitive procurement existing transit services, which may, in the Committee's opinion, be provided more efficiently by the private sector.
- D. Propose new services and operations, which the private sector is willing and able to provide without public subsidy.
- E. Propose changes in local regulations or existing service requirements in order to lessen the barriers to private sector involvement.

## **VI. CONSIDERATION OF PRIVATE TRANSPORTATION PROVIDERS IN SERVICE PROVISION**

### General Policy

It shall be the policy of FTA recipients to promote a competitive environment and to afford private transportation providers maximum opportunity to participate in the provision of mass transportation services, consistent with local transportation objectives and sound economic principles.

### Consideration of Private Capabilities

Whenever new transit services are contemplated, or existing transit services are to be restructured, consideration shall be given by the sponsoring public agency to the

capabilities of the private sector to provide the needed services. Notice of intent to provide new transit service or to restructure existing service shall be published in local newspapers of general circulation.

### Analysis of Existing Service

A periodic analysis shall be conducted by each sponsoring public agency to determine if any existing transportation service under its jurisdiction could be provided more efficiently by the private sector. In identifying potential candidate services, special attention shall be given to services, which have the highest potential for cost savings if contracted to the private sector. Generally such services may be identified using the following criteria:

- A. Services that have the highest deficit per service hour.
- B. Services that operated in peak hours only and have significant deadheading, e.g. park-and-ride services, services to employment centers, subscription services.
- C. Services that have comparatively low patronage, e.g. local circulation services, services in suburban areas, evening and weekend services, neighborhood services, specialized services.

### Comparison of Public and Private Costs

Public and private costs shall be compared on an equal and fully allocated basis. In comparing public and private costs, the following principles shall be observed:

- A. Private cost estimates shall include the full cost of service provision, including public administrative costs, but excluding the cost of vehicle acquisition and financing.
- B. Public cost estimates shall include the fully allocated cost of operations, excluding the cost of vehicle acquisition and financing.
- C. Public cost estimates shall use, when available, the actual service production factors of the line in question, or cost estimates derived from similar existing services, rather than system averages.

### Competitive Procurement of Transit Services

New or restructured transit services selected by the sponsoring public agency for competitive procurement shall be advertised in local newspapers of general circulation. In addition, individual notifications will be sent by the sponsoring public agency's bid list.

Requests for proposals and bid solicitations shall be issued in accordance with the sponsoring public agency's established procedures and applicable policies and

regulations. Details concerning the contractor's eligibility requirements, scope of services, equipment and facility specifications, performance bonds, insurance requirements, and other performance standards and contractor's responsibilities will be defined in accordance with the sponsoring public agency's procedures.

Contract awards shall be made by the sponsoring public agency in accordance with its competitive procurement procedures and applicable policies and regulations.

#### Directory of Private Transportation Providers

The MPO shall compile and publish a directory of private transportation providers in the Tuscaloosa Area and of private transportation providers from outside the area who have expressed interest in bidding on service contracts in the Tuscaloosa area. The directory shall be updated annually. Sponsoring public agencies shall use the MPO directory to revise their own bid lists.

#### Complaints and Dispute Resolution

Each sponsoring public agency shall have a process for resolving complaints alleging violations of the private enterprise policy as regards competitive procurements, bid evaluation and related matters.

### **VII. MISCELLANEOUS**

#### Certification

The MPO shall certify that the transportation planning process, the long-range transportation plan, and the TIP are being carried out in the conformance with the adopted policy on Private Enterprise Participation Policies and Procedures.

This policy shall be submitted for review to the MPO's Technical Coordinating Committee and the MPO's Policy Committee. It shall become effective upon approval by the Tuscaloosa Area Metropolitan Planning Organization and the Tuscaloosa County Parking and Transit Authority.

#### Amendment

This policy may be amended through the Tuscaloosa Area Metropolitan Planning Organization.

### **VIII. SETTLEMENT OF DISPUTES**

The Alabama Department of Transportation, upon appeal by the claimant, will settle all disputes, conflicts, or complaints from the public or private transportation providers regardless of the nature of the dispute. The decision of the department is final and binding on all parties. All disputes must follow the prescribed procedure:

All disputes must first be heard at the local level. Any dispute that cannot be resolved can be appealed to the Alabama Department of Transportation for final settlement. The following must be forwarded to the Multimodal Transportation Engineer, Alabama Department of Transportation, 1409 Coliseum Boulevard, Montgomery, Alabama 36130, within five (5) calendar days after the notice by claimant to appeal.

1. Description of disputes/conflict/complaint,
2. Supporting documentation to include letters, dates of occurrence of events, testimony, inquiries, or other material related to claim,
3. Transcript or minutes of dispute hearing, signed by all parties,
4. Description of any area of specific misunderstanding. With any clarification of FTA or state regulation or procedure that relates to the claim,
5. Any other pertinent fact or occurrence that has any bearing on the claim.

The Multimodal Transportation Engineer will issue a written decision within 30 calendar days after receipt of the above.