

**Michigan Department of Transportation  
Report to the Legislature  
Section 393 of PA 252 of 2014**

This report fulfills Michigan Department of Transportation (MDOT) obligations under Section 393 of PA 252 of 2014 as shown below.

**Section 393. (1) The department shall promote best practices for public transportation services in this state, including, but not limited to, the following ... *(see below)***

**(2) The department shall report on efforts taken to implement this section as well as section 393 of article XVII of 2011 PA 63. The department shall complete and submit the report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on or before March 1, 2015.**

Each of the specific best practices identified in Section 393 (in both 2011 and 2014) are listed below and for each, the Michigan Department of Transportation (MDOT) provides a report on:

- Efforts MDOT undertook between Fiscal Years 2012 and 2014 in response to the boilerplate requirement in 63 PA 2011.
- Efforts underway in FY 2015 in response to the boilerplate requirement in PA 252 of 2014.

**Best Practice: Transit vehicle rehabilitation to reduce life-cycle cost of public transportation through mid-life rehabilitation of transit buses.**

**Efforts Completed Fiscal Years 2012 – 2014**

1. MDOT provides financial, planning, and technical support to the Michigan Public Transportation Association (MPTA) in their delivery of the annual Transit Vehicle Maintenance Seminar (TVMS). The TVMS provides public transportation technicians

and mechanics the opportunity to learn hands-on practices with the latest technology and equipment and is the primary venue by which MDOT supports training and technology transfer on bus maintenance issues.

Midwest Bus Corporation has been an active vendor supporting the TVMS since 2010. Midwest Bus Corporation is the largest re-manufacturer of transit buses in the United States. The Owosso, Michigan headquarters has over 70,000 square feet of manufacturing space with a 35 coach production capability. Their facility is equipped to perform all aspects of bus repairs.

2. When transit agencies opt to use federal funds for bus rehabilitation, MDOT has provided the 20 percent match for these projects. For example, the Suburban Mobility Authority for Regional Transportation (SMART) and the City of Detroit received federal funds for bus overhaul in 2013 and Clare County used federal Surface Transportation funds for rehabilitation of buses in 2014.

### **Efforts Underway in Fiscal Year 2015**

3. As noted under item #1, MDOT provides financial, planning, and technical support to MPTA in their delivery of the annual TVMS. The 2015 TVMS will be held June 22-24, in Higgins Lake, Michigan. MDOT will request the agenda to include a presentation from Midwest Bus Corporation on the pros and cons of transit bus rehabilitation/mid-life overhaul.
4. Later this year, MDOT will be soliciting proposals from Michigan colleges/universities that provide vehicle maintenance curriculums to develop a fact sheet to assist transit agencies in determining when it is cost effective to perform rehab/mid-life overhaul on a bus. MDOT will request the fact sheet to include a description of the elements of a rehab/mid-life overhaul as well as important elements to consider for each size bus

when determining whether or not a rehab is financially prudent. If MDOT receives a viable proposal we will make a small grant to the selected college/university and distribute the final product to transit agencies and post with other transit agency resource materials on our website.

**Best Practice: Cooperation between entities using transit, including school districts, cities, townships, and counties with a view to promoting cost savings through joint purchasing of fuel and other procurements.**

**Efforts Completed Fiscal Years 2012 – 2014**

5. MDOT sponsors training for Michigan transit agencies to make them aware of the detailed federal regulations that govern their procurements. The trainings have all addressed the option of joint purchases and the assignment of contract rights such as “piggyback” contracting and the assignment of options. While there can be significant benefits to joint purchasing with other local governments, these governments may not be subject to the detailed procurement regulations that govern Federal Transit Administration (FTA) funded procurements. Transit agencies need to be keenly aware of both the benefits and possible pitfalls of joint purchasing with entities that are not governed by FTA regulations.
  
6. In cooperation with the Michigan Department of Technology, Management and Budget (DTMB), MDOT executes state bus contracts that are used by Michigan transit agencies, primarily rural agencies, to purchase vehicles. The state contracts provide economies of scale, ensure compliance with Federal and State procurement requirements and save time by eliminating the need for individual agencies to process bids for buses, which they may only procure buses once every several years. Currently, MDOT has four bus contracts consisting of small and medium transit buses.

7. MI DEAL is an extended purchasing program which allows Michigan local units of government to use state contracts to buy goods and services. Membership is open to cities, townships, villages, counties, school districts, universities, community colleges, and non-profit hospitals. Local governments benefit directly from the reduced cost of goods and services. There are over 400 contracts available to MI DEAL members. Transit agencies used these contracts up until October 2014 when, based on an FTA training, MDOT determined all MI DEAL contracts (other than buses and accessible vans) were not in compliance with the most recent FTA regulations. All transit agencies were notified of the determination and are no longer allowed to use MI DEAL contracts with FTA funds.
  
8. MDOT has provided the required 20 percent match for several fueling stations that benefit the transit agencies, other transportation providers, and the general public. The Flint Mass Transportation Authority (MTA) has compressed natural gas (CNG), propane, and hydrogen fueling at its Grand Blanc facility. The Genesee Intermediate School District uses the propane fueling and MTA plans to open the facility to the public after it evaluates its internal needs. The Blue Water Area Transportation Commission (Blue Water) has four CNG fueling facilities. Blue Water partnered with Marine City, Allenton Collision (a private for-profit company) and Cawood Auto (a private for-profit company) for three of the locations. The three outside entities allowed Blue Water to lease a portion of their property for the placement of a CNG refueling station. All three only charged a small fraction of the standard price for leased property – they are partners and proponents of CNG fuel. The fueling facilities are used by another transportation provider and are open to the public.
  
9. MDOT hired a consultant to identify cost saving practices used by the Michigan transit community and across the country. Based on guidance from MDOT and transit agencies, cost savings best practices were documented in the following areas: management practices, scheduling/dispatching, and assessing service design. A cost

savings toolkit was prepared and placed on MDOT's website as a specific resource for transit agencies and MDOT made transit agencies aware of the toolkit. The toolkit includes case studies of the best practices and can be viewed on MDOT's website at: [http://www.michigan.gov/mdot/0,4616,7-151-9625\\_21607-293637--,00.html](http://www.michigan.gov/mdot/0,4616,7-151-9625_21607-293637--,00.html). One best practice document is an example of cooperation between entities (Non-profit Vehicle Maintenance Program), and can be seen at:

[http://www.michigan.gov/documents/mdot/NonProfitVehicleMaintenance\\_TARC\\_Ke ntucky\\_409364\\_7.pdf](http://www.michigan.gov/documents/mdot/NonProfitVehicleMaintenance_TARC_Ke ntucky_409364_7.pdf)

10. When DTE approached DTMB about possible private-public partnerships for CNG fueling stations, DTMB came to MDOT to determine possible transit agency interest. Given the size of the bus fleet that would be required to make such a partnership feasible, MDOT contacted SMART. MDOT facilitated an initial dialogue between SMART and DTE officials, which continued for several months between the two parties. A specific proposal was submitted to the SMART Board, which would have required financial investment from DTE and SMART as well as a long term obligation from SMART to ensure a level of CNG consumption from DTE. MDOT offered a small grant to SMART to off-set a portion of their costs. If accepted, the proposal could have resulted in construction of a CNG fueling station at a SMART maintenance garage which could have been accessed by other public and private fleets. However, the SMART Board did not opt to obligate itself to CNG and the DTE requirements and chose to continue to evaluate a variety of alternative fuel options for its fleet.

#### **Efforts Underway in Fiscal Year 2015**

11. As noted under item #7 above, State of Michigan MI DEAL contracts used to be a cost effective method of "joint procurement" for transit agencies, especially for items procured intermittently. However, in October 2014 MDOT determined that MI DEAL Contracts do not comply with FTA procurement requirements. Given that the vast

majority of local users of these contracts are not using FTA funds, DTMB has determined that making the MI DEAL contracts FTA compliant was not cost effective for the state. MDOT plans to arrange for an educational session at the annual Rural Transit Manager Workshop in April 2015 to discuss procurement options for transit agencies that previously used MI DEAL, such as joint procurements just within the transit community. Transit agencies will be asked to share their best practices.

12. In its presentation at the annual Rural Transit Managers Workshop in April 2015, MDOT will provide information on the benefits of partnering with other local agencies in the community for joint use of transit agency facilities or equipment. This will include information on the need for transit agencies to comply with the federal regulations regarding incidental use by other agencies of assets purchased with FTA funding. There are many transit agencies that provide maintenance services to other agencies or share their maintenance facility and equipment with other agencies. In a recent FTA audit of MDOT, FTA noted that incidental use (i.e., non-transit agency uses of FTA funded facilities and equipment) may not interfere with transit use and requires formal FTA written approval. Therefore, care needs to be taken to ensure FTA requirements are followed.

**Best Practice: Coordination of transportation dollars among state departments which provide transit-related services, including the Department of Human Services (DHS) and the Department of Community Health. Priority should be given to use of public transportation services where available.**

#### **Efforts Completed Fiscal Years 2012 – 2014**

13. MDOT's Office of Passenger Transportation's Administrator sat on a multi-agency workgroup formed by DHS to identify and address transportation issues facing DHS Partnership. Accountability. Training. Hope. (PATH) clients. Based on its participation in

the DHS PATH workgroup, MDOT contacted the Community Transportation Association (CTAA) (a national transit association) for technical assistance. MDOT funded CTAA to come to Michigan to provide mobility management training for transit agencies, DHS caseworkers, and Workforce Development Agency caseworkers. There were eight regional meetings that covered the entire state. Staff from DHS, MDOT, transit agencies, and Michigan Works! attended the trainings which provided an opportunity for the social service agency caseworkers to learn what transit services were available in the community and gain skills in developing transportation plans for their clients that included making use of transit when possible.

14. Upon the request of the Michigan Department of Education, MDOT participated in the development of a training video for school bus fleet managers on the role transit can play in pupil transportation. While there are strict federal regulations that prohibit transit agencies from providing school transportation, there are opportunities for transit to serve students – as it would any member of the public – especially in areas where school bus service has been eliminated. The federally acceptable options for making use of transit services to serve students were detailed out in the training video.
15. MDOT provided financial and technical support to a newly created non-profit organization, the Michigan Transportation Connection (MTC). Funding was provided for a technology project that would assist the MTC increasing the ability of local transit agencies to provide Non-Emergency Medical Transportation (NEMT) in particular when funded by Medicaid. Increasing the use of transit to meet Medicaid NEMT needs can make more effective use of the existing state, local, and federal investment in transit.
16. On behalf of the Michigan Association of United Ways (MAUW) MDOT applied for and received a Veterans Transportation and Community Living Initiative (VCTLI) grant from the FTA. MAUW used the funds to improve the transportation information within their

2-1-1 system. Additional 2-1-1 call center improvements will assist local social service agencies to access transit as a transportation option for their clients.

### **Efforts Underway in Fiscal Year 2015**

17. MDOT sponsors a commuter vanpool program which operates under the moniker MichiVan. MichiVan is operated by vRide, Inc. (vRide). By the end of FY 2014, MichiVan supplied 451 fully insured passenger vans through vRide to commuter groups. The MDOT contract with vRide off-sets a portion of the cost to the vanpool participants, however, members of a vanpool still pay a monthly fee and cover the cost of gasoline, and as such vanpooling is not necessarily a financially viable option for very low income workers. Based on its work with the DHS PATH workgroup (described under item #13 above), MDOT suggested a demonstration project in which MDOT and DHS jointly funded the passenger costs of being in a vanpool for DHS clients. One vanpool recently started operating in Saginaw County under this demonstration project.
  
18. On behalf of MDOT, Michigan State University recently surveyed Michigan transit agencies to determine the level of adoption of certain industry best practices. The results indicated that 92 percent of the Michigan transit agencies meet at least annually with other providers to discuss service coordination issues.
  
19. As noted under item #16 above, on behalf of MAUW MDOT applied for and received a VCTLI grant from FTA. MDOT has provided additional state and federal funds to MAUW to assist them in implementing the VCTLI grant. In FY 2015, MDOT will guide MAUW and its consultant as they develop regional transit-human services coordination plans. The plans are a required deliverable under the FTA grant. The plans will identify current transportation providers, barriers to transportation, and solutions for such barriers within each region. Along with the plans, MAUW is to track unmet needs by

call center and report these needs through the coordination plan participants and MDOT. The information will be used to help overcome the barriers, either at a regional level or state level.

20. The Michigan Departments of Community Health, Corrections, Human Services, and Transportation, and the Strategic Fund in the Michigan Department of Treasury each had boilerplate in their portions of the FY 2015 omnibus budget bill that required the agencies to form a workgroup to evaluate and respond to this question: *“How can the State maximize its services and funding for transportation for low-income, elderly, and disabled individuals through consolidating all of the current transportation services for these populations under one department.”*

The workgroup was formed through a request from State Budget Office Director, John Roberts to each department director asking for the director to appoint members from their department. The report was filed by MDOT prior to March 1, 2015, deadline.

**Best Practice: Promotion of intelligent transportation services for buses that incorporate computer and navigation technology to make transit systems more efficient, including stoplight coordinating, vehicle tracking, data tracking, and computerized scheduling.**

#### **Efforts Completed Fiscal Years 2012 – 2014**

21. MDOT provided financial, technical, and planning assistance to MPTA to deliver an annual transit meeting each August. The annual meeting includes a Vendor Expo at which transit agencies and MDOT staff are able to see what is available in the marketplace and talk to other transit agencies that have purchased different types of equipment. There are several vendors of intelligent transportation services that routinely participate in the vendor show. Some vendors that attended the 2014

Vendor Expo are Crystal Computer Support, Inc., PCTrans, RouteMatch Software, and Trapeze Group.

22. As noted under item #9 above, MDOT hired a consultant to look at cost saving practices both in Michigan's transit community and across the country. A cost reduction toolkit was prepared and published on MDOT's website as a resource for transit agencies. One of the case studies highlighted improved dispatching through technology. It can be viewed at:  
[http://www.michigan.gov/documents/mdot/InprovingDispatchingThruUseOfTechnology\\_CARTS\\_TX\\_409400\\_7.pdf](http://www.michigan.gov/documents/mdot/InprovingDispatchingThruUseOfTechnology_CARTS_TX_409400_7.pdf).
23. MDOT makes application for federal funds to support technology projects initiated by rural transit agencies. MDOT has received and passed through federal grants for Automated Vehicle Locators (AVL), computerized dispatch systems, electronic fareboxes, and Mobile Data Terminals (MDT) for many rural agencies. Twenty rural technology projects were funded by MDOT with federal ARRA funds in FYs 2010 and 2011 and their ongoing operations and use is supported with annual funds MDOT provides to rural agencies. In FY 2012, MDOT funded 11 additional rural technology projects; four in FY 2013 and three in FY 2014.
24. In the coming years, the application of Intelligent Transportation Systems (ITS) will be a significant aspect of the growing use of Bus Rapid Transit (BRT) in Michigan. BRT is an enhanced bus transit mode that provides faster, passenger-friendly service. It includes improvement to the infrastructure, vehicle road use, and stops/stations; use of cleaner, quieter and lighter vehicles; and integrating an amalgam of ITS technologies. To the degree possible within its existing resources, MDOT has supported the implementation of BRT in Michigan by providing the match to federal funds as well as state operating assistance for The Rapid's Silver Line in Grand Rapids, the state's first BRT line. MDOT has also provided planning funds for BRT feasibility studies being conducted by the

Capital Area Transportation Authority, the Ann Arbor Area Transportation Authority, the Southeast Michigan Council of Governments, the Regional Transit Authority of Southeast Michigan and an additional BRT line being considered by The Rapid (the Laker Line).

25. MDOT hosted the ITS World Congress in Detroit in 2014 which brought ITS innovations from around the world to Michigan. Hands on demonstrations were provided along with conference sessions to share with participants the applicability and benefits of ITS in many different facets of the transportation industry. Many transit specific applications were demonstrated and discussed with thousands of participants including public transit stakeholders from around Michigan.

#### **Efforts Underway in Fiscal Year 2015**

26. MDOT has sought assistance from FTA in identifying readily available technical assistance materials (fact sheets, manuals etc.) on ITS topics that are appropriate for small to medium sized bus systems. MDOT is currently reviewing the materials that FTA provided to determine which would be most helpful to Michigan transit agencies. Selected materials will be placed on MDOT's website and MDOT will make transit agencies aware of the materials when MDOT addresses the transit industry at the annual transit meeting in August 2015.
27. To the degree resources are available, MDOT will continue to support BRT feasibility studies being conducted by the Capital Area Transportation Authority, the Ann Arbor Area Transportation Authority, the Southeast Michigan Council of Governments, the Regional Transit Authority of Southeast Michigan and The Rapid. As noted under item #24 above, ITS is a significant aspect of BRT.