

BETTER TECH PROCUREMENT

Created for MDOT as part of a guidebook helping to support transit agencies in the budgeting for marketing of transit technology



WHAT IS THE MDOT TRANSIT RESEARCH PROJECT AND THE "HEROES OF TRANSIT" GUIDEBOOK?

MDOT-led research to help Michigan transit agencies plan, procure, and roll out technology effectively.

Focuses on real-world challenges, budget constraints, staffing capacity, procurement hurdles, funding gaps.

Uses a superhero narrative to make the material approachable and memorable.

DON'T GO IT ALONE!



GUIDEBOOK STRUCTURE

This guidebook is built with flexibility in mind. Whether you're running a single fixed-route service with a small team or managing a complex, multi-mode transit network, the tools and strategies inside are designed to scale with you. You'll find guidance that's grounded in real-world challenges and tailored to the varying capacities of Michigan's diverse public transit agencies, helping you make progress no matter where you're starting.



PHASE 1

Assess Your Agency Needs

Start with a solid foundation. This phase helps you understand your unique operational challenges and rider expectations, laying the groundwork for targeted, purposeful innovation.

PHASE 2

Plan, Fund, and Procure

Choose tech that fits. Learn how to align your goals with the right solutions, navigate procurement processes, and budget wisely for long-term impact.

PHASE 3

Employee and Staff Engagement, Awareness, Training, and Internal Communications

Behind every technological tool is a person. This section focuses on bringing your team along through training, communication, and knowledge sharing.

PHASE 4

External Technology Marketing and Training

Tech only works if people use it. Explore strategies to educate, engage, and inspire riders and stakeholders, ensuring they understand and support your investments.

PHASE 5

Manage, Maintain, and Evaluate Technology, Resources, and Funding

Implementation isn't the end of the road. Learn how to monitor progress, make adjustments, and keep your tech (and team) running strong over time.

TODAY'S FOCUS IS PHASE 2

POW!

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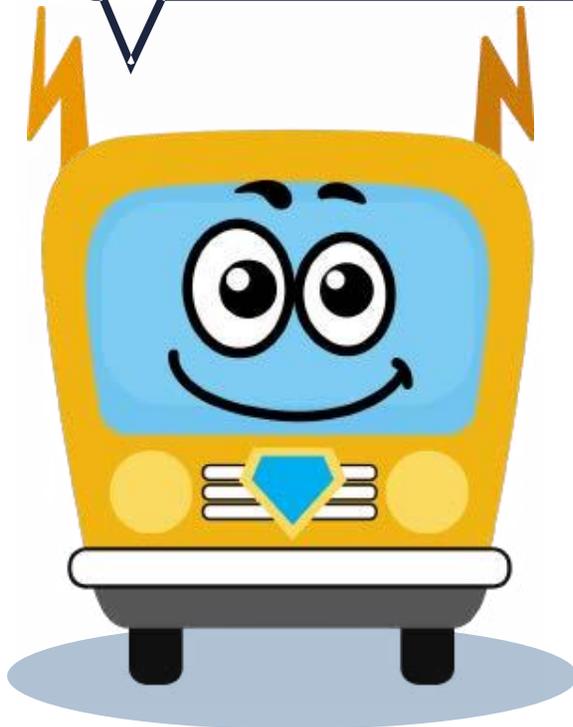
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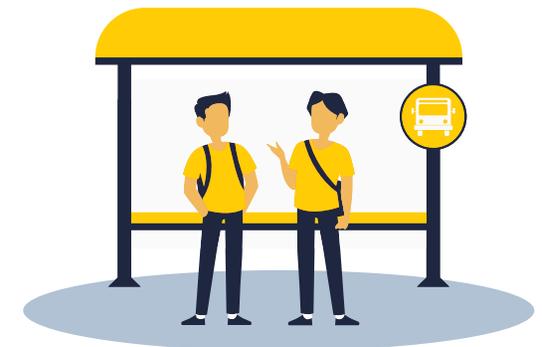
PLAN, FUND, AND PROCURE

***ALRIGHT, HERO!
PHASE 2 IS GO TIME!***



Phase 2 is where you turn strategy into action. With your needs and goals clearly stated, it's time to start identifying the right technology solutions.

But choosing the right tool is only part of the mission. You'll also need to consider costs, available resources, and internal capacity to implement and support the technology.





POW!

YOUR MISSION

***TURNING STRATEGY INTO ACTION MEANS MAKING SMART,
INFORMED CHOICES AT EVERY STEP.***

IT'S NOT EXACTLY SMOOTH SAILING OUT THERE.



Without a clear sense of what technologies are being used statewide, agencies can be left guessing or reinventing the wheel.

Navigating procurement can feel like a maze, with many struggling through complex RFI and RFP processes. Funding hurdles only add to the challenge, making it tough to engage all stakeholders from the start. And sometimes, in the rush to innovate, agencies try to do too much at once.

The better move? Start small, scale smart, and build from a solid foundation.

1.

PROCUREMENT PITFALLS

?

**WHY IS
PROCUREMENT
SO CRITICAL**

**AND WHERE
DO AGENCIES
STUMBLE?**

WHY IT MATTERS?



**Procurement
decisions set the
stage for 5–10 years
of technology use.**

COMMON PITFALLS

- Rushing specs without understanding actual needs.
- Writing vague requirements that leave loopholes for vendors.
- Underestimating ongoing costs (maintenance, updates, staff time).
- Over-reliance on vendor marketing without peer validation.
- No exit plan if the vendor is acquired or shuts a product.

!

Result: Contracts that serve vendors more than agencies.

2.

SETTING PROCUREMENT GOALS



WHAT SHOULD BE THE GOALS OF YOUR PROCUREMENT PROCESS?

- Reduce **procurement timeframes** without sacrificing quality.
- Create **standardized, reusable specs** to make procurement repeatable.
- Promote **interoperability by embedding open data** and tech standards.
- Ensure every procurement ties directly to an **operational or rider experience** goal from Phase 1.
- Enable smaller agencies to **leverage joint procurement** while avoiding “overbuying.”



3. **NEEDS ASSESSMENT**

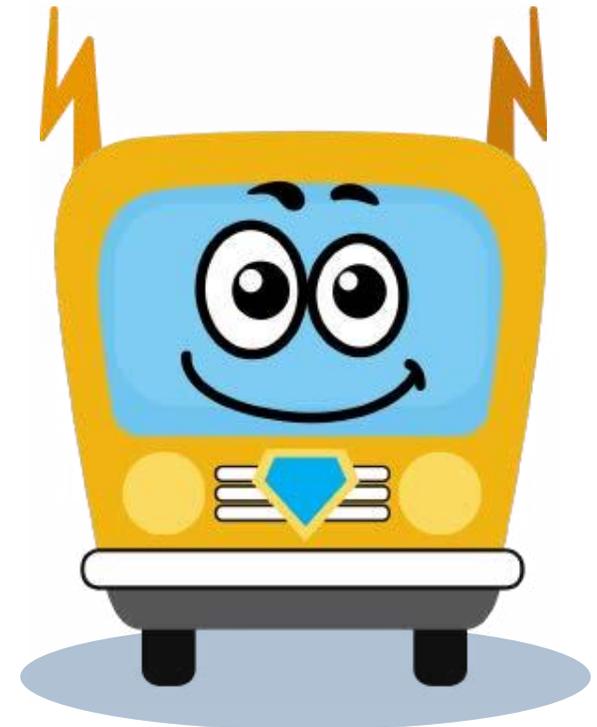
Focus on solutions that directly address your agency's challenges – and the best solution might not even include technology.

Technology is not one-size-fits all. Selecting a technology should be a collaborative and inclusive process, as its implementation will affect multiple facets of an agency's operations.

**HOW DO YOU ASSESS
WHAT TECHNOLOGY
YOU ACTUALLY NEED?**



- **Identify problems** first, tech second.
- Engage **cross-functional staff**: drivers, dispatchers, IT, procurement, riders.
- Use surveys, ride-alongs, and data analysis to **document pain points**.
- Distinguish between **must-have features** and “nice-to-haves.”
- Consider **non-tech solutions first**. Sometimes process changes solve the problem.



4.

VENDOR RESEARCH

HOW SHOULD AGENCIES RESEARCH AND VET VENDORS BEFORE PROCUREMENT?

Attend **industry events** (MPTA, APTA, CTAA, TRB) to see live demos.

Issue **Requests for Information (RFIs)** to clarify capabilities before writing RFPs.

Speak with **peer agencies** using the same tech, asking about support, updates, and surprises.

Check **vendor financial stability**. Are they likely to be acquired?

Ask for **transit-specific references** (minimum three).



4.

VENDOR RESEARCH

CHOOSING THE RIGHT VENDOR IS A MISSION IN ITSELF AND IT STARTS WITH DOING YOUR HOMEWORK.

Attend industry events like Michigan Public Transit Association (MPTA) or national conferences, annual meetings, regional roadshows, and peer exchanges (virtual or in-person) to see tech in action and hear real stories from riders, drivers, and fellow agencies. These events provide the perfect settings for discovering solutions and building your vendor shortlist.

DON'T STOP AT ONE OR TWO OPTIONS.

Talk to many different providers, check in with peer agencies using the tech, and consider issuing an RFI or Request for Qualification (RFQ) to explore the market. Ask the tough questions:

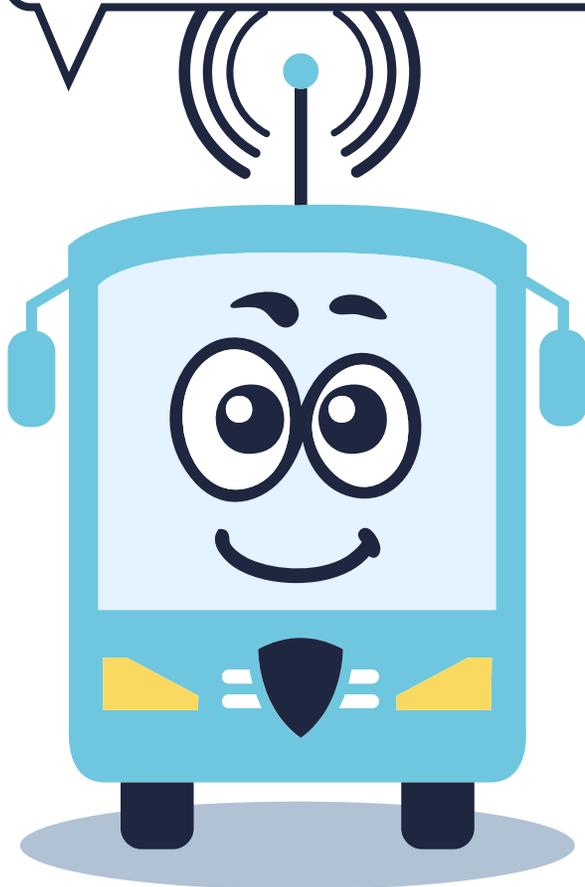
Can it integrate with your current systems? What kind of training and support do they offer? Are you locked into proprietary hardware? And how's the billing structured? Is it monthly, annually, or one-and-done?

Bring staff into the demos, too. They'll help you spot red flags, ask smart questions, and build the buy-in you'll need to make adoption stick.

5.

SPECS AND STANDARDS

WHAT MAKES A GOOD SET OF PROCUREMENT SPECIFICATIONS?



Be **specific, measurable, and testable**.

Embed **open standards language** (e.g., Mobility Data Interoperability Principles).

Define **data ownership, storage, and security requirements**.

Include **accessibility compliance** (ADA, WCAG).

Specify what happens if **the vendor goes out of business** or merges.

6.

COST ANALYSIS

***HOW DO YOU
EVALUATE THE TRUE
COST OF
TECHNOLOGY?***



Separate upfront (hardware, onboarding) vs. ongoing (subscriptions, support).

Include hidden costs:

- Staff training & backfill.
- Marketing/public engagement.
- Data migration from existing systems.

Calculate Total Cost of Ownership (TCO) over the system's full lifecycle.



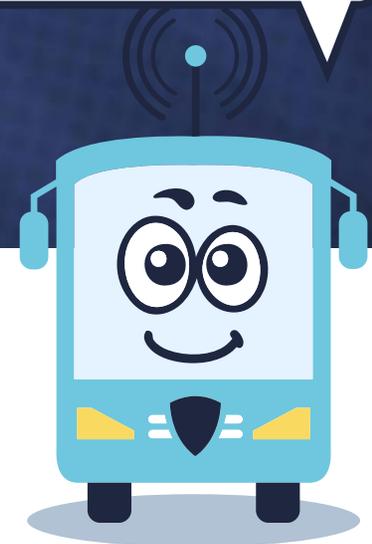
7. FUNDING STRATEGIES

WHAT FUNDING SOURCES SHOULD YOU EXPLORE?

Funding particularly for rural agencies can be complex and should be carefully considered to maximize any budget against creative means of funding and cost sharing.

**USE THIS CHECKLIST
TO POWER UP!**

- Federal transit grants (FTA Section 5310, 5311, Low-No).
State contracts like MiDEAL for cost savings.
- Public-Private Partnerships for shared investment.
- Employer/school-paid fare programs for revenue stability.
- Joint procurement with regional peers to stretch dollars.
- Innovative financing (green bonds, climate funds, crowdfunding).



Explore more insights from our research into transit technology funding options in the guidebook

Federal Grant Funding Federal grants support safety, accessibility, and innovation in public transit, with flexible funding for projects like station upgrades and new technology. These grants are available to agencies, tribal governments, and private partners.

Organization–Paid Fares and Bulk Programs By partnering with employers, schools, and hospitals, transit agencies gain steady revenue while expanding access. These programs reduce congestion, lower emissions, and build long-term ridership habits.

Green Bonds and Climate Financing Green Bonds offer low-interest capital for sustainable transit projects like EV fleets and energy-efficient upgrades. They attract eco-conscious investors and support climate goals while encouraging private investment.

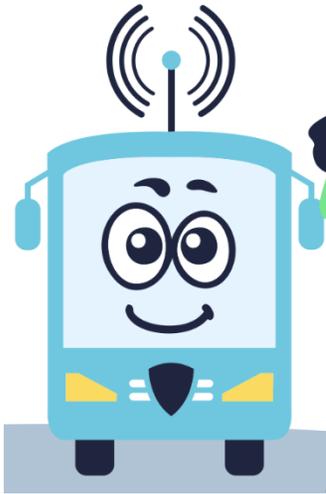
Crowdfunding and Community Investment These grassroots models engage residents and businesses in funding transit solutions. By promoting shared ownership, they support pilot programs, expand access, and align projects with community needs.

Public–Private Partnerships (P3s) P3s bring private capital and expertise to transit projects, reducing risk, accelerating timelines, and introducing innovative solutions that improve efficiency and service.

Foundation Funding for Transit Technology Foundations offer grants for projects that improve mobility, access, and infrastructure. Agencies should align proposals with foundation missions and follow specific application guidelines.

Other Creative Funding Opportunities Agencies are using non-traditional methods—like advertising, shared assets, and local partnerships—to generate new revenue, boost visibility, and strengthen community support.

VALUE OF JOINT PROCUREMENT



TEAM UP, BUT STAY TRUE TO YOUR MISSION!

Joint procurement can stretch dollars and boost buying power, but it's not one-size-fits-all. While group buying offers leverage, it can also push smaller agencies to adopt technology that exceeds their needs.

Always make sure the solution fits your mission, not just the collective savings. For example, several Michigan agencies joined forces to procure Via's demand-response platform. It's a smart move—if the technology aligns with each agency's mission and capacity.

A structured procurement process ensures compliance and cost efficiency.

- **Use RFIs before issuing a Request for Proposal (RFP) to refine requirements.**
- **Review agency procurement policies to align with federal, state, and local guidelines.**
- **Consider joint purchasing with other agencies to reduce costs.**

Resources like N-CATT's Technology Procurement Playbook and National Rural Transit Assistance Program's (RTAP) ProcurementPRO tool can help agencies confidently navigate the process of procuring new transit technology.

8.

SECURING BUY-IN



***HOW DO YOU GET
LEADERSHIP AND
STAKEHOLDERS ON
BOARD?***

- Connect tech to Phase 1 challenges and agency mission.
- Bring decision-makers to demos and site visits.
- Show clear ROI: cost savings, ridership gains, service improvements.
- Time approvals with budget cycles to avoid delays.

**For successful adoption,
leadership must see the value.**

9.

CONTRACT SAFEGUARDS

WHAT TERMS SHOULD BE IN EVERY TECH PROCUREMENT CONTRACT?



- Service Level Agreements (SLAs) for **uptime and support** response.
- Vendor-provided **training** with refreshers as needed.
- Transition-out clauses **for vendor changes or mergers.**
- Data **migration and transfer** requirements.
- Clauses for **add-on pricing transparency.**
- Clear **KPIs with review checkpoints** at 3, 6, and 12 months.

10.

NEGOTIATION STRATEGIES

POW!

Push back on list pricing, asking for multi-year discounts.

Use peer procurement data as leverage.

Request bundled pricing for hardware, software, and support.

Negotiate free pilots or trial periods.

Secure fixed pricing for the length of the contract.

**HOW CAN AGENCIES
NEGOTIATE THE BEST
DEAL?**



PROCUREMENT PLAYBOOK CHECKLIST: WHAT SHOULD BE REVIEWED BEFORE FINALIZING PROCUREMENT?

Create a checklist of key items to review before signing a vendor agreement. Think payment terms, reporting deliverables, training support, suggested key performance indicators (KPIs), and more. This ensures you cover all the essentials and set your team up for a smooth rollout.

Define your objectives first: Begin with a clear understanding of what the technology must achieve. Tie each procurement to specific operational or rider experience goals identified during internal assessments.

Involve key stakeholders early: Include operations staff, drivers, IT, procurement officers, and riders (if possible) in the evaluation process. Their input can ensure that solutions are both realistic and supported.

Build a simple needs matrix: List must-haves, nice-to-haves, and non-negotiables for each technology. This will help during vendor comparisons and prevent feature overload.

Understand total cost of ownership: Look beyond initial purchase price. Include training, maintenance, licensing, integration, and upgrade costs over the life of the product. Ensure that your project budget includes funding for important items outside of your contract with the technology vendor, such as marketing and additional training for agency staff and the public.

Draft a procurement timeline: Account for internal approvals, grant timelines, public notices (if applicable), and training rollout. A realistic schedule reduces delays and missed funding windows.

DON'T FORGET: Contract terms should be reviewed by legal and ensure your implementation and training plan in place.

Develop or use a procurement template: If a centralized RFP/RFI template is available from MDOT or peer agencies, use it. Standardization saves time and ensures alignment with state procurement policy.

Verify vendor credentials and references: Ask for at least three transit-specific references. Call them. Pay close attention to after-sale service, product reliability, and user training quality.

Insist on a demonstration or pilot: Before committing, request a live demo tailored to your agency's environment—or consider piloting the product. Even simple sandbox tests can help validate usability.

Clarify support, service levels, and training: Include Service Level Agreements (SLAs) and staff training in contracts. Ensure that vendors offer tech support in formats that suit your agency's capabilities.

Plan for evaluation and scalability: Select technology that can scale with future needs. Build in KPIs from the start, and schedule reviews at regular intervals (three, six, and 12 months).

How do you ensure long term success?

- Start small, scale smart.
- Schedule regular vendor performance reviews.
- Keep funding diversified.
- Share lessons learned with peer agencies.
- Keep updating your specs for future procurements.

BEHIND EVERY SUPERHERO IS A TEAM

Have questions? We are here to help you!

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