

# Making the Case for ALC's Coordinated Transportation Model



## Findings from the Transportation Cooperative Research Program (TCRP)

Due to the economic downturn, and its impact on federal and state tax revenues, municipally funded transportation programs across the United States are grappling with massive budget cuts. Despite these cuts, transportation services must continue. Federally mandated ADA laws even require that public transit agencies provide complementary paratransit services to individuals with disabilities, regardless of economic conditions.

To continue to offer these services, many transit agencies are finding that they have to cut services in other areas, or find alternative solutions that reduce costs and increase efficiencies.

In 2007, Nelson/Nygaard Consulting Associates in conjunction with TWJ Consulting and RLS and Associates conducted a survey for the Transportation Research Board (TRB), as part of the Transportation Cooperative Research Program (TCRP). The outcome of that survey was presented in a report entitled "TCRP Report 121: Toolkit for Integrating Non-Dedicated Vehicles in Paratransit Service."

## Key Findings

- To increase cost-effectiveness, cover peak-period demand, and provide flexibility in meeting customer needs, non-dedicated service can be delivered by an external service provider.
- The main advantage of using a combined service structure that includes both dedicated and non-dedicated services is cost-effective in dealing with inherent daily and seasonal fluctuations of demand.
- In establishing or refining a service delivery design, paratransit managers and practitioners should be looking at the mix of dedicated and non-dedicated service and how that mix can be modified to minimize overall cost per trip. It should be noted that this is not easy - it can often take months, if not years of experimentation to identify the right blend of dedicated and non-dedicated vehicles.

## Factors Affecting the Use of Non-Dedicated Service

### Temporal

The demand profiles of many paratransit systems typically have a pronounced peak in the morning and a more elongated peak in the afternoon.

- Recognizing the prevalence of this traditional demand profile, the use of contracted, non-dedicated service provides an additional tool to:
  1. Generally improve the temporal match between supply and demand for service
  2. Accommodate the peak overflow trips
  3. Serve trips during the low-demand off-peak hours

## The Numbers

**20-30% – Annual savings**

**96% – On time performance**

**0.92 – Complaints per 1,000 trips**

## What They're Saying...

*"Typical paratransit programs operated by transportation agencies involve several types of transportation requirements, from high volume routes served best by a dedicated fleet of vehicles, to the lower volume, 'hard-to-serve' paratransit trips, served best by non-dedicated vehicles."*

*"In establishing or refining a service delivery design, paratransit managers and practitioners should be looking at a mix of dedicated and non-dedicated service, and how that mix can be optimized to minimize the overall cost per trip."*

TCRP Report 121  
Transportation Research Board  
Nelson/Nygaard Consulting

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## Spatial

Dedicated vehicles are often an expensive way to serve long out-of-the-way trips.

- Expected Fluctuations in Demand – Special events and/or seasonal fluctuations can outstrip the capacity of a dedicated fleet.
- Unexpected Increases in Demand – In general, it is difficult to quickly expand a dedicated fleet to meet an unexpected or sudden increase in demand.
- Unexpected Decrease in Supply – The use of non-dedicated service can also provide an “insurance policy” in case of unexpected service disruptions.

## Problems and Obstacles in Using Non-Dedicated Service

The most prevalent problem among the TCRP survey respondents was the amount of oversight required to ensure that non-dedicated service providers complied with contractual obligations associated with driver training, drug and alcohol testing, preventive maintenance programs, complaint investigation/resolution, reporting requirements, and record-keeping.

Obstacles included:

- Lack of staff to properly perform contract oversight
- Lack of accessible vehicles
- A perception that the service quality is poorer than the service provided by the in-house or dedicated service contractor(s)
- Lack of excess capacity

Other issues concerning the use of non-dedicated vehicle providers included:

- FTA drug and alcohol testing
- Insurance requirements
- Regulatory environment
  - Taxis are usually regulated by municipalities. This may cause difficulty with respect to their usefulness when a regional program is larger than the area in which the taxi may pick up trips.

## TCRP's Conclusion

Typical paratransit programs operated by transportation agencies involve several types of transportation requirements, from high volume routes served best by a dedicated fleet of vehicles, to the lower volume, “hard-to-serve” paratransit trips, served best by non-dedicated vehicles.

In establishing or refining a service delivery design, paratransit managers and practitioners should be looking at a mix of dedicated and non-dedicated service, and how that mix can be optimized to minimize the overall cost per trip.

## The ALC Coordinated Transportation Model

The two biggest obstacles addressed in the TCRP report; establishing the correct blend of dedicated and non-dedicated vehicles, and ensuring that non-dedicated service providers comply with contractual obligations, can both be overcome through the use of ALC's Coordinated Transportation Model.

Not only is ALC implementing the TCRP's recommendations, they're setting a new standard for paratransit transportation, allowing them to make and verify an exceptionally unique claim: reduced costs and improved transportation services.

# Making the Case for ALC's Coordinated Transportation Model



Through the use of their proprietary trip optimization technology (ParaMax®) and Intelligent Transportation Systems (ITS), ALC is able to establish the correct blend of dedicated and non-dedicated vehicles while ensuring program accountability. In most cases ALC can reduce the cost of paratransit programs by 20-30%, regardless of the size of the transit program, while also increasing the quality of the service.

## ParaMax®

ALC's ParaMax technology reduces transportation costs by analyzing all trip reservations, to "right size the route" and "right size the fleet."

### ■ Right Size the Route

By running real-time route optimization algorithms to maximize route productivity and vehicle utilization, ALC "right sizes the route." More efficient routes translate into reduced costs for the transit agency.

### ■ Right Size the Fleet

We establish the most efficient blend of dedicated and non-dedicated vehicles, to provide a sustainable paratransit solution. Using the "right sized fleet" means matching the right vehicle with the right trip, and more importantly it means no longer paying for unused capacity.

Leveraging a unified fleet, coordinated under one standard management and technology layer, ALC delivers optimum productivity and efficiency for any paratransit program.

## Intelligent Transportation System (ITS)

ALC's ITS enables clients to achieve performance metrics that are significantly higher than industry standards. ALC's fully integrated approach ensures program accountability through driver and vehicle management; field management and supervision of transportation operations; and, an operations and Customer Service Center that operates 24/7/365. The ALC ITS System effectively manages driver training, FTA drug testing, vehicle maintenance, required reporting, vehicle insurance and other challenges described in the TCRP report.

With on-time performance, across all customers, averaging 96%, and a proven track record for zero denials, ALC currently averages 0.92 complaints per 1,000 trips.

Furthermore, in an industry where "on-hold time" standards are measured in minutes, ALC's average on-hold time is less than 11 seconds per call. In achieving all this, while also reducing costs, ALC is setting a new standard in paratransit transportation.

## For More Information

To learn more about ALC's Coordinated Transportation Model and how we can help you implement the TCRP's findings, contact us today at [www.AmericanLogistics.com](http://www.AmericanLogistics.com) or email us at [sales@americanlogistics.com](mailto:sales@americanlogistics.com).

## About TCRP

The TCRP was established in July 1992 under sponsorship from the Federal Transit Administration (FTA). It was executed by three cooperating organizations: FTA; the National Academies, acting through the TRB, a division of the National Research Council, which serves the National Academy of Sciences and the National Academy of Engineering; and the Transit Development Corporation, Inc. (TDC), a nonprofit educational and research organization established by the American Public Transportation Association (APTA).

# Making the Case for ALC's Coordinated Transportation Model



## The ALC Difference

The ALC Coordinated Transportation Model provides paratransit solutions that yield significant cost savings with unyielding customer service. Leveraging a unified fleet, coordinated under one standard management and technology layer, ALC delivers optimum productivity and efficiency for any paratransit program.

Experience the difference for yourself.

### There is a Better (Proven) Way

ALC's unique technology and transportation management experience has resulted in a game-saving business model, which allows ALC to make and verify an extremely unique claim: **reduced costs and improved transportation services**. All made possible by innovating away from clearly outdated competitive transportation models.

### ALC Can Significantly Reduce Cost

Shrinking budgets, coupled with an increase in demand and operating expenses, requires that transit agencies look toward more efficient transportation models that will allow them to create a sustainable future. ALC's Coordinated Transportation Model is the answer.

### Zero Denials, Fewer Complaints

ALC has fewer complaints than anyone in our industry. Period. With a documented 96% on-time performance record and an average of 0.92 complaints per 1,000 trips, an ALC partnership assures complaints will decrease over time.

### We Deliver a Worry-Free Transition

ALC guarantees a worry-free transition. ALC is able to provide quick and easy implementation, robust reporting with measurable results and all within the first 30-days.

### Developing Community Resources

ALC is committed to using local for-hire resources to meet the needs of its clients in each of the communities it serves. The majority of ALC's local drivers are considered small business or disadvantaged business entities (DBE). ALC not only helps you save jobs, but keep profits in your community.

### Right Sizing the Fleet

ALC establishes the most efficient blend of dedicated and non-dedicated vehicles to provide a sustainable paratransit solution. Using the "right sized fleet" means matching the right vehicle with the right trip, and more importantly it means reducing fleet size and no longer paying for unused capacity.

### Green is Good

ALC has joined forces with Clean Energy, to provide a smart, green, sustainable and budget-friendly transportation model. The combination of cleaner, cost-effective CNG fuel and ALC's Coordinated Transportation Model, which not only utilizes cleaner alternative fuels, but also reduces the size and number of vehicles on the road, lowers your costs and contributes to an overall reduction in your carbon footprint.

**Don't just take our word for it...ask our customers!**

[www.AmericanLogistics.com](http://www.AmericanLogistics.com)

## About American Logistics Company

American Logistics Company (ALC) is a national passenger transportation management company serving transit agencies, school districts and the healthcare industry. ALC leverages proprietary transportation management and route optimization technology to manage dedicated and non-dedicated vehicles across the United States, providing high quality, innovative transportation services that raise the bar for efficiency, cost-effectiveness, driver safety and accountability. ALC's innovative transportation solutions also contribute to an overall reduction in the carbon footprint of any transportation program, due to a reduction in the size and number of vehicles required.



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