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Press Release

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[NYC Transit](#)

IMMEDIATE

MTA Awards New Contracts to Reduce Cost and Improve Reliability of Paratransit Services

Expanded Pool of Livery Service Providers Get Incentives for On-Time Performance

Lower Per-Trip Costs Expected to Save at Least \$50 Million, And Up to \$85 Million, Over Next Three Years

The Metropolitan Transportation Authority (MTA) Board voted today to approve the award of new contracts to reduce the cost and improve the reliability of paratransit service for thousands of customers. The new contracts will save the MTA up to \$85 million over three years, while improving service reliability for customers by incorporating new incentives for good on-time performance.

The contracts expand the pool of brokers, private companies who in turn engage taxi and for-hire-vehicle companies, to provide paratransit service from two to four, and increase the availability of power-lift equipped vehicles to customers. The contracts also include an incentive in which brokers will receive 1% of the value of the trip, for those trips that exceed a 94% on-time performance threshold.

The weighted average cost per trip for broker service under the new contracts will be \$31 per trip, compared with the previous price of \$34 per trip, totaling a potential savings of approximately \$50.5 million for the three-year base term. Increasing the proportion of broker trips compared to dedicated trips, as the MTA seeks to do, will result in an additional savings ranging from \$30 million to \$35 million during that period.

“Our paratransit and procurement teams have identified ways to both improve service and save money,” **said Sarah Feinberg, Interim President of NYC Transit.** “This is exactly the focus we need as we work to improve our service for paratransit customers.”

“We were given the challenge to save money while providing better service, and these contracts give us the ability to do just that,” **said Craig Cipriano, who oversees paratransit services as head of buses at NYC Transit.**

The four companies awarded contracts are Greenpoint Transit LLC, Arro Inc., LimoSys LLC and Corporate Transportation Group Ltd. The contracts have a base term of three years, for a total of approximately \$580 million. The contracts also include an option to extend for up to two years.

The MTA uses a mix of a dedicated and non-dedicated fleet of vehicles for paratransit service. Vehicles used for dedicated service are provided by the MTA (white vans with blue stripes). Non-dedicated services including “broker” vehicles, which are taxi and livery vehicles operated and maintained by private companies, whose clients are not exclusive to the MTA.

Non-dedicated trips cost significantly less than dedicated trips, saving taxpayers tens of millions of dollars per year. Brokers, bases and operators bear the cost of maintenance and facilities and offer access to a larger vehicle fleet to perform a high volume of trips.

Demand for paratransit trips has skyrocketed, from approximately 20,000 per day in 2008 to more than 30,000. Non-dedicated trips currently make up approximately 70% of total paratransit trips.