



# Project Summary

Texas Department of Transportation

## 0-5545: The Role of Private-for-Hire Vehicles in Texas Public Transit

### *Background*

Private-for-hire vehicles (PHVs) are an important existing and potential component of Texas' public transportation mix. Transit Cooperative Research Program (TCRP) Report 75, *The Role of the Private-for-Hire Industry in Public Transit*, indicates that PHVs are a cost-effective and possibly underused method of service delivery. Project 0-5545 used the Texas data and the methodology from the national study to examine the PHV industry in Texas and the possible roles of PHVs in the coordinated public transportation system required by the Texas Transportation Code, Chapter 461.

### *What the Researchers Did*

The Texas Transportation Institute divided this project into three general tasks. The first task involved fielding a web-based information outreach effort to both the PHV industry and public transit providers. An interactive web survey compiled a profile of each respondent, providing information on fleet size and composition, organizational structure, contract type used, dispatching system used, and type of services offered. The results are compared to those of the TCRP study. The information from all three sources (PHV, local transit, TCRP) identifies opportunities and challenges regarding the use of PHV in the Texas transit environment.

The second task involved developing case studies of PHV use in public transportation in Texas. Case studies included examples of PHVs providing Americans with Disabilities Act (ADA) mandated paratransit, general public paratransit, feeder/distribution services to and from rail stations, overnight bus service substitution, and medical transportation. These studies included information on procurement and contracting practices as well as lessons learned.

The third task involved preparing guidelines for the use of PHVs in public transit. Guidelines included circumstances under which PHVs are a likely cost-effective alternative and considerations for procurement/contracting. This task drew upon the information gathered in the first two tasks.

### *What They Found*

Texas houses a large PHV industry, with somewhere between 1400 and 1500 companies. Texas public transportation agencies' perspectives of the benefits and challenges of contracting with PHV companies largely reflect findings similar to those of the national research. Public agencies identified flexibility and cost savings as the primary benefits of contracted services while the primary concern, both within Texas and nationally, is the threat to service quality due to lack of direct control of services.

### *Research Performed by:*

Texas Transportation Institute (TTI),  
The Texas A&M University System

### **Research Supervisor:**

Jeffrey C. Arndt, TTI

### **Researcher:**

Linda Cherrington, TTI

### **Project Completed:**

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On the other hand, the researchers did note two important changes since the national survey was completed in 2002. First, Texas PHV companies operate with a higher ratio of minivans to sedans. Secondly, they have also increased their use of technology in service deployment.

Texas public transportation agencies have found ways to successfully integrate PHV companies into transit services. Successful integration has resulted in improved service efficiency and high service quality. Further, PHV companies have been involved in a variety of public transit modes, including ADA paratransit, fixed-route feeder, late-night fixed-route replacement, and demand-response services. Public agencies have developed procurement and administrative processes to protect service quality for their customers.

## *What This Means*

Twenty-four regions across Texas recently developed their first regional service plans to support greater collaboration and coordination among service providers in response to Transportation Code, Chapter 461. These plans are not the end but rather the beginning of a process of improving the quality and quantity of transit in Texas. Regions will likely identify specific coordination opportunities to pursue immediately, opportunities that require further study and consideration, and opportunities that will require statutory or policy changes in order to move forward.

PHV companies may fill particular service niches within a coordinated transportation network. For example, the regional service planning process includes identification of service gaps. One such service gap, providing late-night transit for medical personnel and other workers, is being addressed in San Antonio with a cost-effective use of PHV service.

Regions have assembled working groups and advisory committees in developing the plans. These groups will serve as a valuable structure to continue the work of implementing recommendations, refining concepts, and updating plans. Including PHV representatives on these coordination teams will provide an additional resource for ideas and for service delivery.

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