

South Dakota Department of Transportation

Request for Proposals

Project SD2026-01

Title: Demonstrating the Financial, Economic, and Community Value of Public Transit in South Dakota

Problem Description: South Dakota’s public transit system plays a critical but under-recognized role in sustaining economic activity, workforce participation, educational access, healthcare access, and community stability, particularly in rural communities and for older adults, individuals with disabilities, and people lacking personal support networks. Despite its wide-ranging benefits, transit is often viewed too narrowly as a social service rather than as an economic driver, a workforce enabler, and a comprehensive cost-avoidance strategy for healthcare, long-term care, and social services.

Transit services enable critical daily functions that support families, employers, and community institutions. Youth rely on transit for travel to daycares, after-school programs, and enrichment activities, services that allow parents to remain at work and reduce workforce disruption. Transit also provides dependable access to job sites in both urban and rural areas and serves residents of nursing homes, assisted living facilities, and group-living settings through on-demand and fixed-route operations. For many individuals who lack family, friends, or neighbors who can provide transportation, public transit is their only means of reaching employment, education, medical care, and essential goods. Reliable transportation also supports mental-health stability by reducing isolation, improving independence, and lowering stress associated with uncertainty or missed appointments. It also benefits choice riders who prefer not to drive or own a vehicle, providing an affordable, environmentally friendly, and convenient mobility option.

From a workforce perspective, the consequences of underinvestment in transit extend even further. Reliable transportation is foundational to how employers recruit, retain, and support workers, and when transit systems fall short, the effects ripple through the labor market. Hiring pipelines become harder to sustain, absenteeism and turnover increase, and employers struggle to maintain stable staffing levels. Workers themselves face reduced participation and productivity when transportation barriers limit their ability to enter the labor force, maintain consistent hours, or manage responsibilities such as childcare, medical appointments, or non-traditional schedules. These challenges also raise employer costs by shrinking the available labor pool, increasing recruitment and onboarding expenses, restricting business growth, and diminishing the competitiveness of communities seeking to attract or retain employers. Together, these factors contribute to chronic underinvestment and hinder the development of a unified, data-driven understanding of the full financial, economic, and community value that transit provides across the state.

The absence of reliable transportation options in many rural and urban communities forces residents, especially seniors, to relocate to regional centers, accelerating population decline and eroding local social capital. This relocation disrupts family caregiving, reduces local spending, and destabilizes healthcare provider networks. At the same time, inadequate transit access contributes to preventable emergency department visits, hospital remissions, and premature institutional placement, all of which increase Medicaid expenditures. Even modest delays in institutionalization, measured in months, can yield significant cost savings, yet these benefits remain undocumented in South Dakota.

Across the healthcare sector, transit directly influences outcomes and costs, not only for Medicaid, but also for behavioral health, dental care, preventive services, routine medical appointments, and chronic disease management. In rural areas, long-distance medical trips frequently generate significant unpaid deadhead mileage, which creates both operational burdens and community impacts that are not consistently measured or understood. These dynamics further strain providers already coping with fragmented funding structures, limited local match, and rising operational, staffing, and vehicle-replacement costs. As a result, providers face widening gaps between existing funding levels and the resources necessary to maintain current service levels or meet growing demand.

Transit services also support community vitality and public safety. Reliable transportation helps sustain access to all levels and types of education, enabling students to participate fully in school, training, and workforce-development pathways. Transit contributes to reductions in impaired driving by providing safe mobility options. In addition, transit enables older adults and individuals with disabilities to age in place, delaying costly institutional care and reducing avoidable emergency department visits or inpatient utilization, and continue to contribute to the local tax base, yet these benefits remain undocumented in South Dakota.

Currently, South Dakota lacks a modern, statewide evidence base to quantify unmet transit demand, economic impacts, healthcare and social-service cost avoidance, and long-term community benefits. Existing evaluations emphasize operational statistics rather than broader impacts such as economic activity, job creation, healthcare savings, or quality-of-life outcomes. Without this information, policymakers, budget analysts, and community leaders cannot accurately assess transit's return on investment or evaluate funding decisions using the same criteria applied to other infrastructure sectors.

Other states, such as Missouri, have demonstrated the value of comprehensive statewide transit studies that integrate unmet needs analysis, economic-impact modeling, and fiscal cost-avoidance evaluation. South Dakota requires a similar evidence-based approach to support strategic planning, inform legislative decisions, strengthen federal grant applications, and ensure the long-term sustainability of transit services statewide. Without this research, the state risks continued funding inefficiencies, missed investment opportunities, and escalating healthcare and social costs.

Importance: Quantifying transit's economic, healthcare, and community benefits will allow policymakers to position transit as an economic development tool and a cost-avoidance strategy for Medicaid and long-term care budgets. This evidence is essential for informed decision-making and sustainable funding.

Research Objectives:

1. Establish a comprehensive statewide transit needs assessment.
2. Quantify the economic impact (hard and soft dollars) and the return on investment (direct and indirect) of public transit on jobs, business activity, tourism, education, healthcare, safety, and tax revenues.
3. Estimate healthcare and Medicaid cost avoidance and aging-in-place benefits attributable to transit.

Research Tasks:

1. Meet with the project's technical panel to review the project scope and work plan.
2. Conduct a comprehensive review of South Dakota and national studies on the economic benefits of transit, statewide transit needs, and aging in place and related Medicaid costs.
3. Prepare a list of interviewees and interview questions for approval by the technical panel, then conduct interviews and inventory all 22 public transit providers in South Dakota and document service

levels, ridership, fleet age, capital assets, operating budgets, workforce capacity, and unmet demand by ride type.

4. Prepare a survey for approval by the technical panel, then conduct survey of the 13 South Dakota Specialized Transit Agencies and document the service levels, ridership, fleet age, capital assets, operating budgets, workforce capacity, and unmet demand by ride type.
5. Prepare a list of interviewees and interview questions for approval by the technical panel, then conduct interviews with South Dakota Departments of Veterans' Affairs, Transportation, Labor, Health, Human Services, Social Services, and Governor's Office of Economic Development to gather insights into available resources and needs.
6. Prepare and present for approval of the project's technical panel a technical memorandum detailing the results of Tasks 2 through 5.
7. Model future statewide transit needs under multiple scenarios (% of unmet demand, asset and "State of Good Repair", workforce, service-specific, demographic and socioeconomic drivers) and estimate associated costs. Documents identified in task 3 should be considered and used as appropriate. Define the assumptions used to create the model.
8. Conduct economic impact analysis using accepted modeling tools (e.g., IMPLAN). Analysis should include jobs, business activity, tourism, education, healthcare, safety, indirect and induced effects of agency and rider spending and fiscal return on investment by correlating household earnings, and sales and property tax collections.
9. Analyze aggregated South Dakota healthcare data, including Medicaid, behavioral health, dental, preventive care, and chronic-disease-related utilization, and model cost differences between community-dwelling individuals and those in institutional care. Evaluate how reliable transit influences access to care, behavioral and mental health outcomes, and overall community wellness. Develop fiscal impact scenarios (3-, 6-, and 12-month delays in institutional placement and reduced emergency, inpatient, and other avoidable high-cost healthcare utilization), presenting results as conservative, moderate, and high-impact estimates.
10. Prepare and present for approval of the project's technical panel a technical memorandum detailing the results of Tasks 7 through 9.
11. Prepare and present for approval of the project's technical panel an executive summary of the study's findings and generate one-page statewide, urban, and rural economic impact analysis summaries.
12. In conformance with the *Guidelines for Performing Research for the South Dakota Department of Transportation*, prepare a final report and executive summary of the literature review, research methodology, findings, conclusions, recommendations, and implementation strategies.
13. Make an executive presentation to the SDDOT Research Review Board at the conclusion of the project.

Potential Implementation: Results from this study will inform statewide transit planning, support legislative funding decisions, and strengthen applications for federal grants. The findings will also help healthcare systems and rural communities advocate for transit as a cost-saving and community-retention strategy. In addition, producing clear evidence of transit's economic, workforce, and healthcare value will equip local governments and community partners with the data they need to pursue and justify local funding commitments. Demonstrating quantifiable local benefits, such as improved workforce stability, reduced healthcare costs, enhanced mobility for seniors and families, and support for choice riders, will help communities make stronger cases for municipal funding, county contributions, local match participation, and partnership-based investment. This evidence-based justification will strengthen transit's ability to secure sustainable funding at all levels.

SDDOT Involvement: Coordinate with and provide access to transit provider data, coordinate with Medicaid for healthcare cost analysis, and assist with stakeholder engagement.

Available Funding: \$150,000

Duration: 18 months

Anticipated Start Date: October 1, 2026

Terms of Payment: Payment for study services will be made upon SDDOT’s acceptance of key project deliverables. For this study, percentages of total project cost will be paid upon satisfactory completion of the following tasks in Table 1.

Table 1: Payment of deliverables

Task	Percentage of Total Cost
6	35%
10	35%
All Tasks	30%
Total	100%

General Information: The South Dakota Department of Transportation solicits proposals from colleges, universities, research institutes, foundations, consultants, federal, state, and local agencies, and others with demonstrated capability and experience in the subject area.

The South Dakota Department of Transportation gives public notice of its policy to uphold and assure full compliance with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964 and related Nondiscrimination authorities. Title VI and related Nondiscrimination authorities stipulate that no person in the United States of America shall on the grounds of race, color, national origin, religion, sex, age, disability, income level or Limited English Proficiency be excluded from the participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance. Any person who has questions concerning this policy or wishes to file a discrimination complaint should contact the Department’s Civil Rights Office at 605-773-3540.

Proposals must remain valid for at least 120 days after the submission deadline. All submitted proposals become the property of the South Dakota Department of Transportation. SDDOT has the right to use all information presented in any proposal unless it is specifically annotated as being proprietary. SDDOT considers all information contained in proposals to be privileged and reserves the right to maintain its confidentiality.

All proposals must meet accessibility requirements from [Section 508 of the Rehabilitation Act of 1973](#) and are required to follow [Department of Justice guidelines](#).

South Dakota state statute requires the winning proposal, with proprietary information redacted, to be posted online along with the corresponding contractual agreement.

SDDOT reserves the right to reject any proposals submitted. SDDOT may negotiate with a selected proposer to address specific weaknesses in the selected proposal prior to contract award.

SDDOT is not responsible for any costs, including proposal preparation, incurred by researchers prior to the execution of a contract.

Certification Relating to Prohibited Entity: For contractors, vendors, suppliers, or subcontractors who enter into a contract with the State of South Dakota by submitting a response to this solicitation or agreeing to contract with the State, the bidder or offeror certifies and agrees that the following information is correct:

The bidder or offeror, in preparing its response or offer or in considering proposals submitted from qualified, potential vendors, suppliers, and subcontractors, or in the solicitation, selection, or commercial treatment of any vendor, supplier, or subcontractor, is not an entity, regardless of its principal place of business, that is ultimately owned or controlled, directly or indirectly, by a foreign national, a foreign parent entity, or foreign government from China, Iran, North Korea, Russia, Cuba, or Venezuela, as defined by South Dakota Executive Order 2023-02. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to reject the bid or response submitted by the bidder or offeror on this project and terminate any contract awarded based on the bid or response. The successful bidder or offeror further agrees to provide immediate written notice to the contracting executive branch agency if during the term of the contract it no longer complies with this certification and agrees such noncompliance may be grounds for contract termination.

Restriction of Boycott of Israel: For contractors, vendors, suppliers, or subcontractors with five (5) or more employees who enter into a contract with the State of South Dakota that involves the expenditure of one hundred thousand dollars (\$100,000) or more, by submitting a response to this solicitation or agreeing to contract with the State, the bidder or offeror certifies and agrees that the following information is correct:

The bidder or offeror, in preparing its response or offer or in considering proposals submitted from qualified, potential vendors, suppliers, and subcontractors, or in the solicitation, selection, or commercial treatment of any vendor, supplier, or subcontractor, has not refused to transact business activities, has not terminated business activities, and has not taken other similar actions intended to limit its commercial relations, related to the subject matter of the bid or offer, with a person or entity on the basis of Israeli national origin, or residence or incorporation in Israel or its territories, with the specific intent to accomplish a boycott or divestment of Israel in a discriminatory manner. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to reject the bid or response submitted by the bidder or offeror on this project and terminate any contract awarded based on the bid or response. The successful bidder or offeror further agrees to provide immediate written notice to the contracting executive branch agency if during the term of the contract it no longer complies with this certification and agrees such noncompliance may be grounds for contract termination.

Proposal Deadline: Proposals are due to the SDDOT by 5:00 pm CDT on Wednesday, June 10, 2026. This deadline is firm. Extensions will not be granted.

Proposals must be submitted as an e-mail attachment in Portable Document Format (PDF) not exceeding 14MB. The email must be addressed to andy.vandel@state.sd.us and danny.doorn@state.sd.us. Proposers should send the e-mail using "Delivery Receipt" and "Read Receipt" options to verify successful delivery.

Proposal Guidelines: Proposals must fulfill the requirements listed in the document entitled *RESEARCH PROPOSAL PREPARATION, SUBMISSION, AND EVALUATION* and dated April 27, 2026.

Proposal Evaluation: Proposals will be evaluated by a technical panel knowledgeable in the problem area. Selection will be made in consideration of criteria listed in *RESEARCH PROPOSAL PREPARATION, SUBMISSION, AND EVALUATION*.

Project Management: Andy Vandel is responsible for the management of this project and can be reached at andy.vandel@state.sd.us to answer inquiries.