



FY 2011—2013 TRIENNIAL PERFORMANCE AUDIT OF CITY OF EL CENTRO DIAL-A-RIDE



Draft

SUBMITTED TO:

Imperial County Transportation Commission

September 2014

SUBMITTED BY:

PMC®


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Section I

Introduction

California's Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Imperial County Transportation Commission (ICTC) engaged PMC to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Imperial County. This performance audit is conducted for El Centro Dial-A-Ride covering the most recent triennial period, fiscal years 2010–11 through 2012–13.

The purpose of the performance audit is to evaluate the City's effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates the City's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether El Centro is meeting the PUC's reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive, and objective evaluation of the organization and its operations that otherwise might not be available. The methodology for the audit included in-person interviews with management, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide in the development and conduct of the audit.

Overview of the Transit System

The City of El Centro Dial-A-Ride is a specialized demand-response service that operates in the City of El Centro. Demand-response service is currently available only to seniors 60 years and older and persons with disabilities. The service is administered by the City of El Centro Public Works Department and operated under contract by ARC Imperial Valley (ARC), a social services nonprofit 501(c)(3) organization. The Dial-A-Ride service was established in January 1980 and has been operated by ARC since 2000.

El Centro is the county seat and largest city in Imperial County. Based on the 2010 US Census, El Centro's population is 42,598 which grew 11.4 percent since the 2000 US Census. The senior citizen population, comprising residents aged 65 and over, is 10.7 percent. The 2014 population

for El Centro is estimated to be 44,311 as reported by the California Department of Finance. The city covers an 11.08-square-mile area.

El Centro is located at the junction of Interstate 8 and State Routes (SR) 86 and 111. The major arterial streets traversing El Centro are 4th Street, 8th Street, Adams Avenue, Danenberg Drive, Dogwood Road, Imperial Avenue, and La Brucherie Road.

System Characteristics

El Centro Dial-A-Ride is a curb-to-curb demand-responsive service. The transit system operates Monday through Friday from 7:00 a.m. to 5:00 p.m. and Saturday from 7:30 a.m. to 5:00 p.m. The service does not operate Sunday and the following holidays: New Year's Day, Martin Luther King Jr. Day (observed), Presidents' Day, Memorial Day (observed), Independence Day (observed), Labor Day, Veterans Day, Thanksgiving, and Christmas. The fare for a one-way trip is \$1.25.

Weekday service hours were reduced and Saturday service eliminated in March 2010. Effective July 2012, Saturday service was reinstated and weekday service hours were increased.

Fleet

El Centro Dial-A-Ride operates four vehicles that are wheelchair lift-equipped and conform to the requirements of the Americans with Disabilities Act (ADA) of 1990. One of the vehicles (model year 2009) is designated as a spare. In FY 2013, the fleet expanded from three to four vehicles in concert with increased service hours. Table I-1 shows the Dial-A-Ride fleet:

Table I-1
El Centro Dial-A-Ride Fleet

Year	Make & Model	Quantity	Fuel Type	Seating Capacity
2007	Ford E450	1	Unleaded Gas	16 (2 W/C)
2009	Ford E450	3	Unleaded Gas	16 (2 W/C)
Total		4		

Source: ARC Imperial Valley

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of the City of El Centro's ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies, September 2008* (third edition), which was developed by Caltrans to assess transit operators. The guidebook contains a checklist of eleven measures taken from relevant sections of the PUC and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the system's efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28/29), or 110 days (Oct. 19/20) if filed electronically (Internet).	Public Utilities Code, Section 99243	Completion/submittal dates: FY 2011: October 17, 2011 FY 2012: October 17, 2012 FY 2013: October 12, 2013 Conclusion: Complied.
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates: FY 2011: December 21, 2011 FY 2012: December 21, 2012 FY 2013: March 31, 2014 Conclusion: Complied.
The CHP has, within the 13 months prior to each TDA claim submitted by an	Public Utilities Code, Section 99251 B	The City of El Centro, through its contract operator, participates in the California

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.		<p>Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. Inspections were conducted at ARC Imperial Valley located at 298 East Ross Avenue, El Centro.</p> <p>Transit Operator Compliance Certificates and inspections applicable to the audit period were May 24–26, 2010; May 10 and 13, 2011; June 13, 15, and 20, 2012; and June 24 and 26, 2013.</p> <p>Inspections were found to be satisfactory.</p> <p>Conclusion: Complied.</p>
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, the City of El Centro's annual claims for Local Transportation Funds are submitted in compliance with the rules and regulations adopted by ICTC. ICTC staff provides assistance to the City in completing the claim.</p> <p>Conclusion: Complied.</p>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio	Public Utilities Code, Section 99270.1	<p>This requirement is not applicable, as El Centro Dial-A-Ride is a specialized service in an urban area.</p> <p>Conclusion: Not Applicable.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
determined by the rules and regulations adopted by the RTPA.		
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	<p>Percentage increase in City of El Centro's transit operating budget:</p> <p>FY 2011: -11.3% FY 2012: +16.3% FY 2013: +68.7%</p> <p>The budget increases for FYs 2012 and 2013 are attributed to the addition of a third vehicle in response to expanded service hours in FY 2012 and the reinstatement of Saturday service.</p> <p>Source: FY 2010–2013 Annual Fiscal and Compliance Audits</p> <p>Conclusion: Complied.</p>
The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle	Public Utilities Code, Section 99247	<p>The City of El Centro's definition of performance is consistent with PUC Section 99247. A review of trip sheets from the contract operator during the audit period indicates that correct performance data are being collected.</p> <p>Conclusion: Complied.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
service hours per employee.		
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	<p>This requirement is not applicable, as El Centro Dial-A-Ride is a specialized service in an urbanized area.</p> <p>Conclusion: Not Applicable.</p>
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	<p>Under PUC Section 99268.5, the farebox ratio requirement for exclusive services for elderly and disabled is 10 percent. El Centro's operating ratios using audited data were as follows:</p> <p>FY 2011: 15.91% FY 2012: 13.83% FY 2013: 10.01%</p> <p>Source: Annual Fiscal and Compliance Audits</p> <p>Conclusion: Complied.</p>
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or	Public Utilities Code, Section 99271	The City contracts with a private nonprofit provider for operations; the City contributes to its staff's retirement through the California Public Employees' Retirement System (CalPERS).

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.		Conclusion: Complied.
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	This measure is not applicable, as federal formula grant funds are not utilized and El Centro Dial-A-Ride does not receive STAF revenues. Conclusion: Not Applicable

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the eight compliance requirements pertaining to El Centro Dial-A-Ride, the operator fully complied with all eight requirements. Three additional compliance requirements did not apply to El Centro Dial-A-Ride (e.g., rural/urban farebox recovery ratios and federal formula funding).
2. El Centro Dial-A-Ride's farebox recovery ratio remained above the required 10 percent standard. The farebox recovery ratios based on audited data were 15.91 percent in FY 2011; 13.83 percent in FY 2012; and 10.01 percent in FY 2013. The average systemwide farebox recovery ratio was 13.25 percent during the triennial review period.
3. Through its contract operator, the City participates in the CHP Transit Operator Compliance Program and received inspections of El Centro Dial-A-Ride vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. The operating budget exhibited increases for two out the three years of the audit period. The FY 2011 and FY 2012 operating budgets increased 16.3 percent and 68.7 percent, respectively. The budget increases for FYs 2012 and 2013 are attributed to the addition of a third vehicle in response to expanded service hours in FY 2012 and the reinstatement of Saturday service. The FY 2011 operating budget decreased 11.3 percent.

Section III

Prior Triennial Performance Recommendations

The City of El Centro's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the City's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1

Implement the incentives and penalties provisions in the service contract.

Actions taken by the City of El Centro

The prior audit found that the service contract does contain provisions for the implementation of incentives and penalties. Although most performance standards have either been met or exceeded by the contract operator, a series of incentives and penalties through the implementation of a performance-based incentive system would ensure continued service quality and spur greater efficiencies that could support the farebox standard and control costs. It was suggested that the City regularly monitor actual performance against the criteria and enforce these provisions as necessary.

The City contends that implementation of the incentives and penalties clauses in the service contract has become a non-issue. There have been no complaints received from Dial-A-Ride passengers and the City is satisfied with the service provision.

Conclusion

This recommendation is no longer applicable.

Prior Recommendation 2

Record trip denials on the annual passenger service report.

Actions taken by the City of El Centro

The prior audit noted that the contract operator had developed a thorough process for recording and classifying trip denials on El Centro Dial-A-Ride. ARC maintains a monthly denial log that contains the date and time of the request, pickup and destination addresses, and reason for the denial. It was suggested that trip denial data be included concurrently with cancellation and no-show data on the passenger service report.

Commencing in FY 2011, the contract operator started recording trip denials at the bottom of the management summary report for El Centro Dial-A-Ride. The trip denial log includes nine categories for denials to be recorded.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Enhance passenger ride eligibility and verification.

Actions taken by the City of El Centro

Operating as a specialized transit service, El Centro Dial-A-Ride limits its ridership to senior citizens 60 years and older, and disabled persons. It was recommended that the City clearly state the forms of identification that are acceptable to ride Dial-A-Ride. In addition, it was suggested that the City collaborate with ICTC for providing ADA certification as one form of disability verification. ICTC conducts ADA certifications for the regional IVT Access paratransit service, which could then also be valid for rides on the City Dial-A-Ride services. In this manner, a centralized database of ADA-certified riders is maintained countywide and can be shared among Dial-A-Ride providers.

The City noted that Dial-A-Ride still does not request identification to determine eligibility for verification purposes. Demand-response transit services in the Imperial Valley are undergoing a consolidation effort, although El Centro intends to remain a separate operation. In conjunction with consolidation, a certification protocol will be a part of any new service contract.

Conclusion

This recommendation has not been implemented and is carried forward for full implementation.

Section IV

TDA Performance Indicators

This section reviews El Centro Dial-A-Ride's performance in providing transit service to the community in an efficient and effective manner. TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

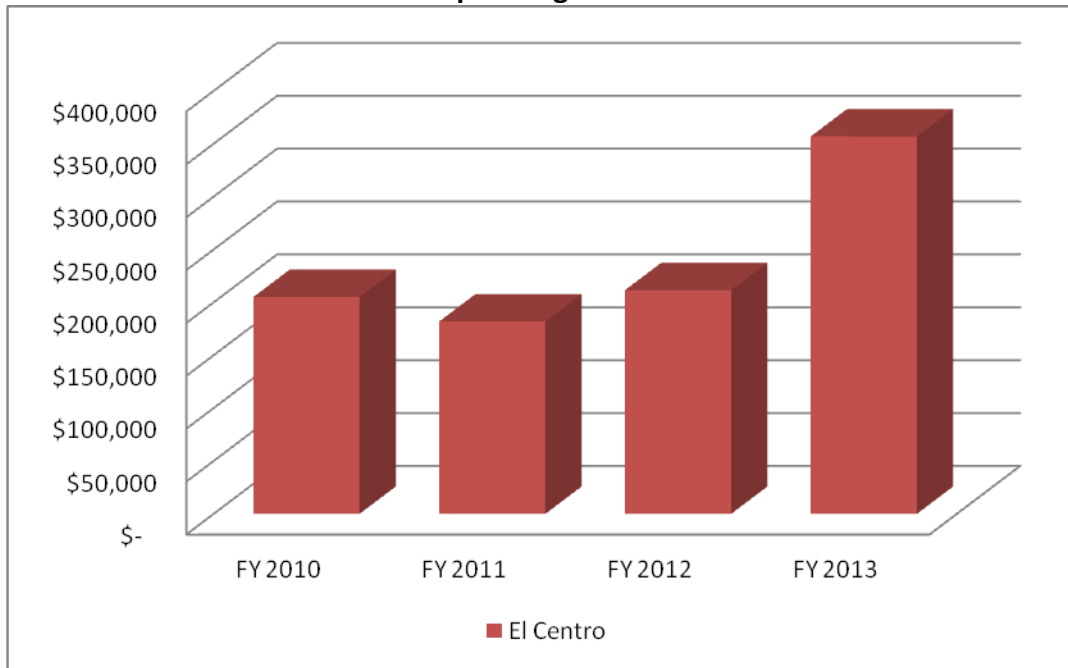
Table IV-1 provides the performance indicators for El Centro Dial-A-Ride. Charts are also provided to depict the trends in the indicators. It is noted that the operating costs and fare revenues are based on audited figures.

Table IV-1
El Centro Dial-A-Ride TDA Performance Indicators

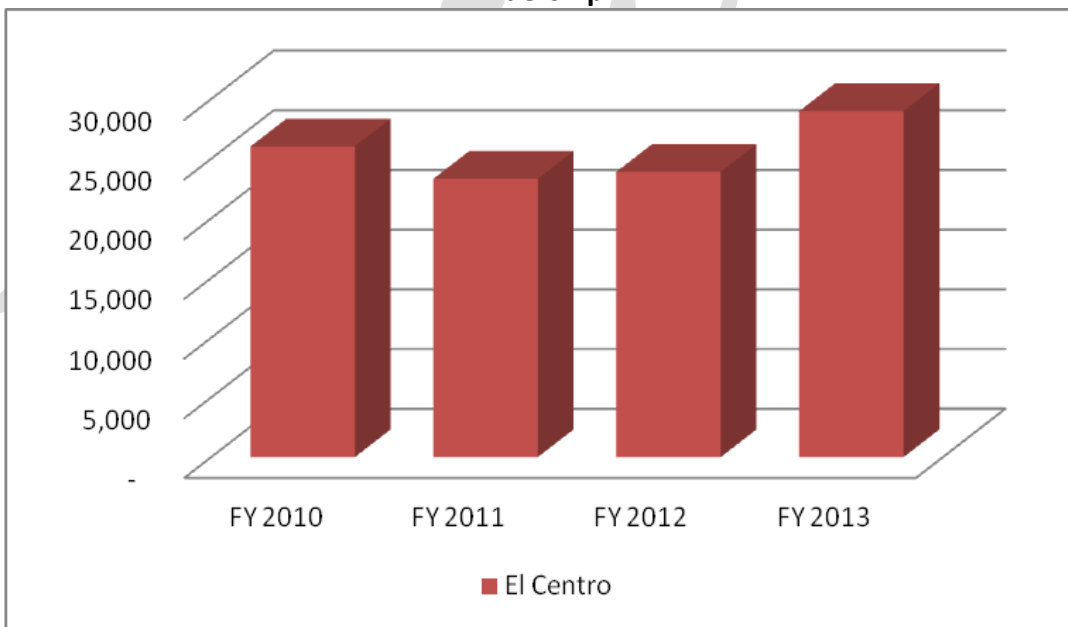
Performance Data and Indicators	FY 2010	FY 2011	Audit Period		% Change FY 2010-2013
			FY 2012	FY 2013	
Operating Cost	\$205,103	\$181,972	\$211,598	\$356,982	74.1%
Total Passengers	26,022	23,316	23,897	28,987	11.4%
Vehicle Service Hours	4,189	3,513	3,540	5,550	32.5%
Vehicle Service Miles	45,487	39,334	40,479	62,706	37.9%
Employee FTEs	4	3	4	6	55.0%
Passenger Fares	\$32,145	\$28,953	\$29,259	\$35,731	11.2%
Operating Cost per Passenger	\$7.88	\$7.80	\$8.85	\$12.32	56.2%
Operating Cost per Vehicle Service Hour	\$48.96	\$51.80	\$59.77	\$64.32	31.4%
Operating Cost per Vehicle Service Mile	\$4.51	\$4.63	\$5.23	\$5.69	26.3%
Passengers per Vehicle Service Hour	6.2	6.6	6.8	5.2	-15.9%
Passengers per Vehicle Service Mile	0.57	0.59	0.59	0.46	-19.2%
Vehicle Service Hours per Employee	1,047.3	1,171.0	891.7	895.1	-14.5%
Average Fare per Passenger	\$1.24	\$1.24	\$1.22	\$1.23	-0.2%
Fare Recovery Ratio	15.67%	15.91%	13.83%	10.01%	-36.1%

Source: Annual Fiscal and Compliance Audits; ARC Imperial Valley Annual Operating Statistics Report

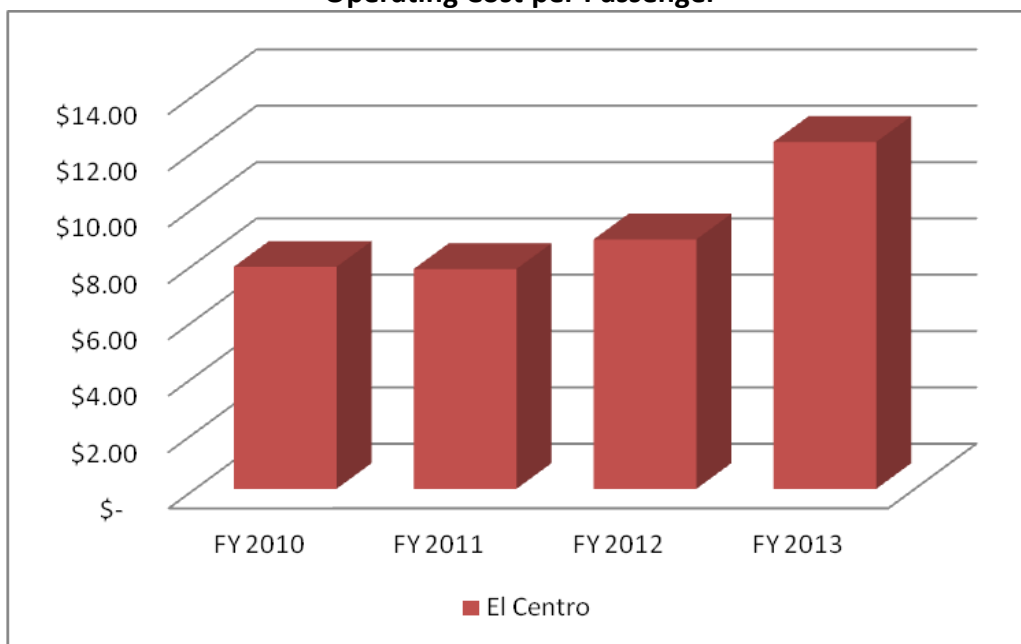
**Graph IV-1
Operating Costs**



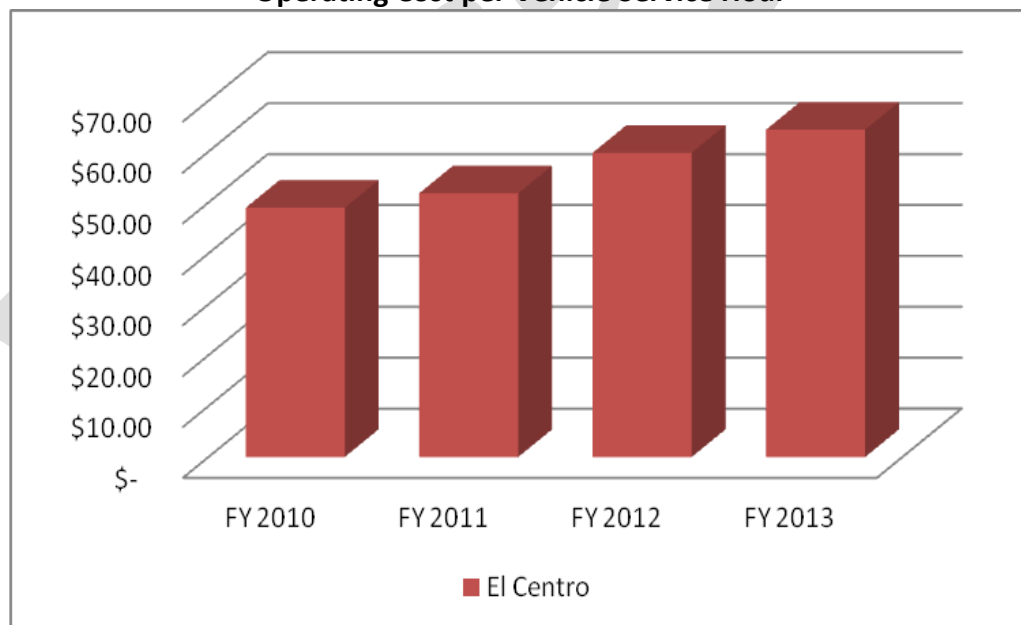
**Graph IV-2
Ridership**



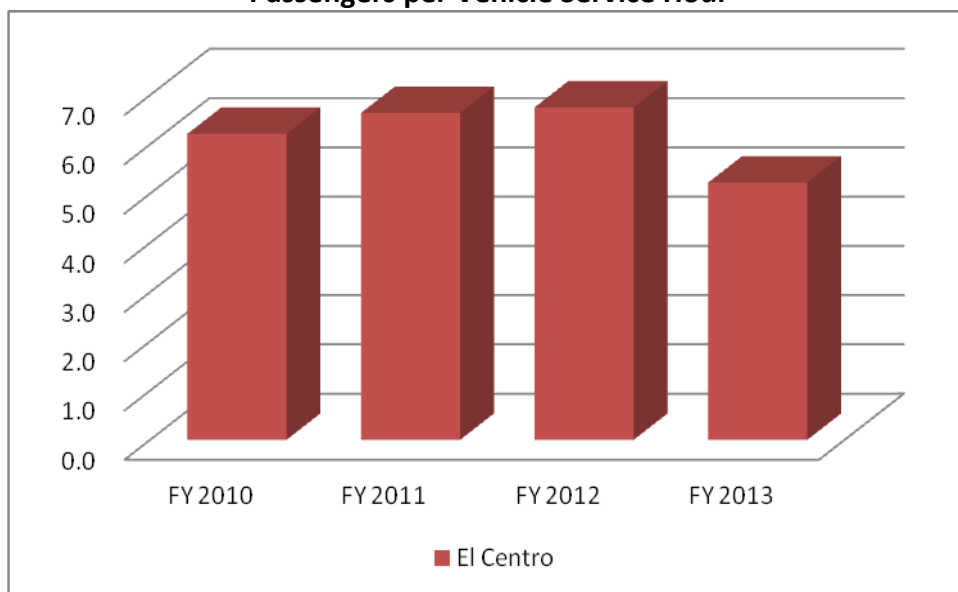
Graph IV-3
Operating Cost per Passenger



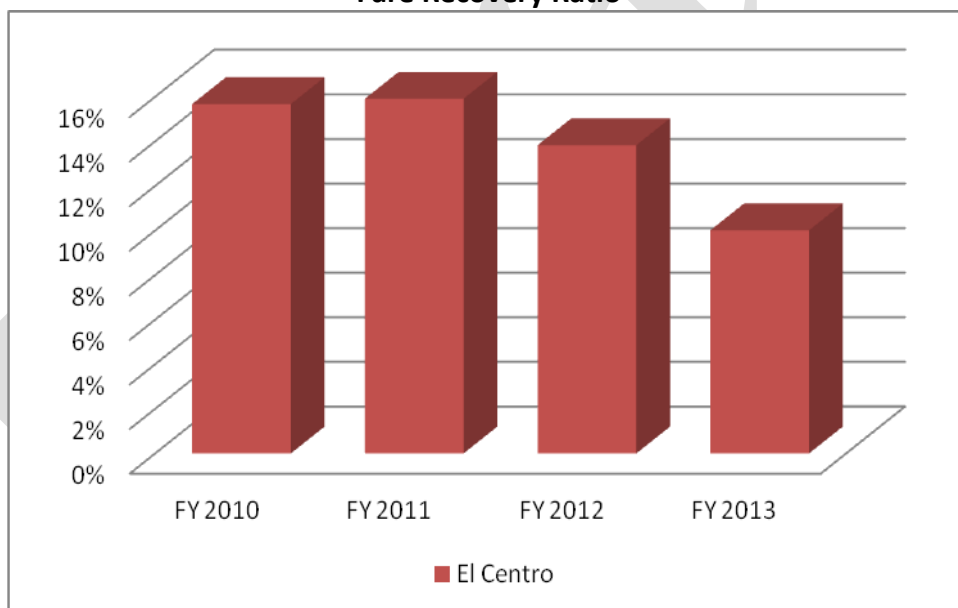
Graph IV-4
Operating Cost per Vehicle Service Hour



Graph IV-5
Passengers per Vehicle Service Hour



Graph IV-6
Fare Recovery Ratio



Findings from Verification of TDA Performance Indicators

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, increased 31.4 percent systemwide from \$48.96 in FY 2010 to \$64.32 in FY 2013. This trend is consistent with the increase of Dial-A-Ride operating costs of 74.1 percent during the period, and the lower increase in vehicle service hours of 32.5 percent between FY 2010 and FY 2013.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 56.2 percent systemwide from \$7.88 in FY 2010 to \$12.32 in FY 2013. As noted above, Dial-A-Ride operating costs increased 74.1 percent during the period; however, Dial-A-Ride ridership systemwide increased at a lower rate of 11.4 percent during the period from 26,022 passengers in FY 2010 to 28,987 passengers in FY 2013.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased 15.9 percent between FY 2010 and FY 2013 systemwide from 6.2 passengers per hour to 5.2 passengers per hour. The trend in this indicator reflects the lower 11.4 percent increase in passenger trips despite the 32.5 percent increase in vehicle service hours.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, decreased 19.2 percent between FY 2010 and FY 2013 from 0.57 in FY 2010 to 0.46 in FY 2013. From the FY 2010 base year to FY 2013, total vehicle service miles increased 37.9 percent from 45,487 vehicle service miles to 62,706 vehicle service miles.
5. **Vehicle service hours per employee** decreased 14.5 percent systemwide between FY 2010 and FY 2013. This decrease is attributed to the 32.5 percent increase in Dial-A-Ride vehicle service hours while the number of full-time employee equivalents (FTE) increased from 4 to 6 as reported in the City's Transit Operators Financial Transactions Report submitted to the State Controller. This measure is based on the number of employee FTEs using employee pay hours from the State Controller Report and dividing by 2,000 hours per employee.
6. **Farebox recovery** exhibited an overall decrease of 36.1 percent between FY 2010 and FY 2013 systemwide. Farebox recovery declined by 27.6 percent between FY 2012 and FY 2013 as annual operating costs increased 68.7 percent and passenger fare revenue increased 22.1 percent. From FY 2010 through FY 2013, farebox recovery declined from 15.67 percent to 10.01 percent.

Conclusion from the Verification of TDA Performance Indicators

El Centro Dial-A-Ride's performance indicators reflect a system transitioning from a general public to a specialized paratransit service while service days and hours were reinstated. Operating costs exhibited the highest growth, increasing 74.1 percent during the period. In contrast, ridership and fare revenues saw modest growth of just over 11 percent, respectively. Weekday service hours were reduced and Saturday service eliminated effective March 2010. Saturday service was eventually reinstated and weekday service hours increased in July 2012. Vehicle service hours and miles increased 32.5 percent and 37.9 percent, respectively. With the restoration of service hours and the fare increase, passenger fare revenues had their highest increase in FY 2013. Farebox recovery was able to be sustained above 10 percent despite a declining trend.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within El Centro Dial-A-Ride. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the City of El Centro Public Works Department and ARC:

- Operations
- Maintenance
- Planning
- Marketing
- General Administration and Management

Within some departments are subfunctions that require review as well, such as Grants Administration that falls under General Administration.

Operations

During the audit period, El Centro Dial-A-Ride has sought to reinstate service hours that were cut during FY 2010 and FY 2011 while focusing on its role as a specialized paratransit service. The service is administered by the City of El Centro and has been operated by ARC within the city limits of El Centro since 2000. The five-year contract executed and approved by the City in September 2006 was extended during the audit period.

Since the implementation of the IVT Blue and Green line circulators in El Centro, Dial-A-Ride has operated as a specialized paratransit service restricted to seniors and persons with disabilities. In September 2008, the El Centro City Council passed Resolution 08-92 to limit Dial-A-Ride services to disabled persons and senior citizens aged 60 and older for the purposes of adhering to the 10 percent minimum farebox ratio in accordance with the TDA statute. A third vehicle was added in FY 2012 and Saturday service was reinstated and weekday service hours increased in FY 2013.

The City's role has focused on providing transit infrastructure and amenities. The El Centro Transfer Terminal, which was developed during the audit period, opened in December 2013 at the corner of 7th and State Streets in downtown El Centro. The \$4 million solar-lighted facility has eight bus bays, a police substation, close-circuit security cameras, and plans for Wi-Fi accessibility. In addition to the Transfer Terminal, the City provides for bus shelters and other bus stop amenities such as benches and shelters.

Dial-A-Ride dispatching is performed on a manual basis. The contract operator utilizes a database formatted onto a spreadsheet to batch service requests. The operator contends that dispatchers and schedulers are able to schedule rides more efficiently with this method. ARC had utilized SchedulePro software previously.

The driver's trip sheet is configured into two sections. The top third of the sheet provides a summary of the run where the driver records the date, bus number, total number of passengers, cancellations, no-shows, ADA passengers, starting mileage and times, ending mileage and time, deadhead, and total amount of fares collected. The bottom portion of the trip sheet provides more detailed information such as passenger names, pickup and drop-off addresses, pickup time and odometer readings, drop-off time and odometer readings, and trip mileage.

Farebox handling and reconciliation procedures involve several parties. At the end of the run, the driver completes and signs a fare slip detailing the amount of fares and the type of fare payment received (cash, check/money order, or voucher). After the fare receipts are counted by the driver, they are dropped off at ARC where they are counted a second time and verified against the trip sheet. A computerized reconciliation sheet is generated once the count is verified and completed. Subscription services are billed directly to the agency requesting transportation on behalf of their clients.

ARC provides an annual management summary report that records operational data such as wheelchair life failures, accidents, vandalism, and roadcalls. A monthly management summary report is also maintained and includes the number of service days, farebox revenues, mileage (revenue/deadhead), hours (revenue/deadhead), passenger count, passenger miles, passenger category, and trip purpose. The report also includes trip denials and comments received. Two of the operational measures reported on the management summary report are accidents and on-time performance. These measures are summarized in Table V-1 for the audit period.

Table V-1
Accidents and On-Time Performance

	FY 2010	FY 2011	FY 2012	FY 2013	Total/Average
Accidents	1	0	0	0	1
On Time Performance	99%	99%	100%	100%	100%

Source: ARC Imperial Valley

The service has operated without any reported accidents during the audit period with the exception of one accident in FY 2010. On-time performance has averaged 100 percent with only slight variations from year to year. Customer service trends are monitored on the passenger service report, which are presented on the same spreadsheet as the management summary report. This report includes a tally of cancellations, no-shows, comments, complaints, and compliments. Table V-2 below summarizes the number of cancellations, trip denials, and no-shows received during the audit period.

Table V-2
Cancellations, Denials, and No-Shows

	FY 2010	FY 2011	FY 2012	FY 2013	Total
Cancellations	14	12	17	93	136
Trip Denials	141	101	192	49	483
No-Shows	736	482	365	636	2,219

Source: ARC Imperial Valley

The number of trip denials and no-shows declined significantly during the audit period. The number of trip denials declined 65 percent from 141 in FY 2010 to 49 in FY 2013. No-shows decreased nearly 14 percent from 736 in FY 2010 to 636 in FY 2013, although the decline was more robust in FYs 2011 and 2012. This trend reflects the effort to implement and enforce the no-show policy (ARC charges for no-shows after a total of three no-shows) as well as overall service reductions. In contrast, the number of cancellations increased more than fivefold from 14 in FY 2010 to 93 in FY 2013.

Another measure of customer service is in the tracking of complaints and compliments on the passenger service report and tallied for the service year. Complaints and compliments are summarized in Table V-3.

Table V-3
Complaints and Compliments

	FY 2010	FY 2011	FY 2012	FY 2013	Total
Complaints	0	0	1	0	1
Compliments	0	0	0	0	0

Source: ARC Imperial Valley

There was only one validated complaint received during the audit period. No compliments were received during the period.

Personnel

ARC is a nonprofit, 501(c)(3) social services agency that provides a number of services to the disabled community such as vocational programs, residential services, first aid/CPR training, and paratransit services. ARC's transportation division is the largest paratransit provider in Imperial County. ARC is governed by a Board of Directors and an executive director. Serving under the Board and executive director is the director of transportation, who oversees the paratransit services operation. The director of transportation is assisted by an office manager and operations supervisor. The operations supervisor oversees the dispatchers, schedulers, trainers, maintenance personnel, and drivers. In addition to the management and supervisory-level staff, ARC has 27 full-time drivers and 5 dispatchers. Drivers are assigned to contracted services based on their aptitude and customer service skills.

Drivers undergo a minimum of 80 hours of training consisting of 40 hours classroom and 40 hours behind-the-wheel instruction. Classroom instruction encompasses first aid, cardiopulmonary resuscitation (CPR), sensitivity/empathy training, commercial driver's license study and testing, ADA requirements, radio usage, and dispatch procedures. The behind-the-wheel instruction consists of pre-trip and post-trip inspections, brake and transmission checks, wheelchair lift operation and securement, and the SMITH system driving skill techniques. The SMITH system encompasses five keys for safe vehicle operation: (1) aim high in steering; (2) get the big picture; (3) keep eyes moving; (4) leave an out; and (5) make sure other drivers see you.

In addition to the aforementioned training protocol, new drivers are placed on a route under the supervision of a senior-level driver or route trainer who "rides along" to reinforce skills previously learned during the initial trainings. There are also ongoing in-service trainings such as mandatory monthly safety meetings, check rides, road observations, and retraining. Drivers are subject to retraining in the event of an accident or unfavorable evaluation.

ARC provides a comprehensive benefits package to its full-time employees including retirement options through a 401K plan. However, there have been no employer contributions toward retirement for three years due to reduced operator subsidies and higher costs. The value of the benefits package is calculated to be approximately \$3.35 an hour on average.

Maintenance

ARC has developed a four-phase vehicle maintenance protocol for the vehicles utilized by El Centro Dial-A-Ride. The first phase involves the driver's Daily Vehicle Inspection Report (DVIR), which is completed prior to the first and second shifts to discover any mechanical defects that would prevent safe operation of the vehicles. The DVIR consists of a 30-point inspection checklist. ARC displays a daily mileage board indicating the current mileage of each vehicle and the mileage when each type of maintenance check is required.

The second phase involves an in-house 1,500-mile vehicle inspection along with a mid-point inspection prior to the third phase. The purpose of this inspection is to discover and correct any mechanical defect that may have occurred since the time of the last inspection either in-house or at a repair facility.

The third phase consists of a 3,000-mile/45-day inspection performed by an outside repair facility with certified technicians. This involves an inspection, oil change, and lubrication as mandated by Caltrans. In addition, the purpose of this inspection is to discover and correct mechanical defects that are denoted during the thorough inspection by a certified Automotive Service Excellence mechanic. The fourth phase involves the CHP Annual Bus and Terminal Inspection, which occurs at 13-month intervals.

El Centro Motors, located at 1520 Ford Drive in El Centro, provides service on the Ford vehicles operated by El Centro Dial-A-Ride. The shop steward at El Centro Motors is a certified master mechanic. Bodywork is handled by Escobedo Auto Body Shop in El Centro. Wheelchair lift and

air conditioning repairs are performed by vendors in the San Diego area. Fueling takes place at McNeece Brothers located at 691 East Heil in El Centro, which is a Pacific Pride commercial fueling facility that offers a 24-hour card lock system. McNeece provides fleet service discounts involving the purchase of 10,000 gallons or greater. ARC receives a detailed statement that includes vehicle and purchase details, including vehicle number; driver's identification; time of purchase and location; type of product; unit price and quantity purchased; and automated miles per gallon calculation. McNeece charges \$0.52 per mile for diesel and \$0.63 per mile for unleaded gasoline.

The contract operator tracks roadcalls on its management summary report. Table V-4 provides a summary of roadcalls incurred on El Centro Dial-A-Ride during the audit period.

Table V-4
Roadcalls and Wheelchair Lift Failures

	FY 2010	FY 2011	FY 2012	FY 2013	Total
Roadcalls	0	0	0	0	0
Wheelchair Lift Failures	0	0	0	0	0

Source: ARC Imperial Valley

ARC reported zero roadcalls and wheelchair lift failures during the audit period. The City received satisfactory ratings for all vehicle inspections conducted during the audit period as part of the CHP Transit Operator Compliance Program.

Planning

Dial-A-Ride service planning and analysis have been a coordinated effort between the City and ICTC. On behalf of the City, ICTC commissioned the ICTC FY 2010–11 Short-Range Transit Plan (S RTP) in 2010, which was released in January 2012. The S RTP contains performance standards that provided a measurement tool to gauge the effectiveness and success of the transit service. Table V-5 summarizes Dial-A-Ride's performance and service quality standards presented in the S RTP:

Table V-5
El Centro Dial-A-Ride
Performance Standards

Performance Indicator	Performance Standard for El Centro Dial-A-Ride
Operating Cost per Passenger	\$4.63
Operating Cost per Revenue Hour	\$23.62
Passengers per Revenue Hour	5.1
Farebox Recovery Ratio	20 percent; 10 percent adjusted TDA

Source: FY 2010-11 Short-Range Transit Plan; AECOM; AMMA

The operating cost per passenger has not met the standard of \$4.63 (increasing from \$7.88 in FY 2010 to \$12.32 in FY 2013). The operating cost per revenue hour also has not met the standard (increasing from \$48.96 in FY 2010 to \$64.32 in FY 2013). Passengers per revenue hour met the

standard during the audit period despite a declining trend. El Centro Dial-A-Ride was subjected to the urbanized farebox recovery ratio when it operated as a general public service. Since becoming a specialized paratransit service, the farebox recovery standard was lowered to 10 percent. With that change in service provision, El Centro has been able to attain its 10 percent farebox recovery standard during the audit period.

El Centro is one of several Imperial Valley cities that considered Dial-A-Ride consolidation under a single contract operator and brand. Such a consideration is to determine whether efficiencies and cost reductions could be achieved through the consolidation of operations under one contract contractor with one administering agency. The process left open the possibility that one or more cities may elect to retain the current system of independent contracts/operators or the consolidation of some of the services.

In January 2014, ICTC released a Request for Proposals (RFP) for the continuation of services for five demand-response services in the Imperial Valley. The El Centro City Council voted to continue its independent services contract with ARC in April 2014.

Marketing

El Centro Dial-A-Ride is marketed through various types of media. ARC is responsible for marketing the service on behalf of the City and coordinates the placement, scheduling, and distribution of all advertising and promotional materials to promote ridership. As per the service contract with the City, 3 percent of the transit budget is allocated toward marketing. The contract operator's annual marketing subsidy request has ranged between \$2,000 and \$3,700.

The ARC website (<http://arciv.org/transportation.php>) provides online exposure for El Centro Dial-A-Ride, which contains basic information about the service. On the Public Works page of the City of El Centro website (<http://www.cityofelcentro.org/pworks/index.asp>), the link for El Centro Dial-A-Ride is directed to the ARC website. The ICTC website's Transit Services page (<http://www.imperialctc.org/transit-services/>) also mentions El Centro Dial-A-Ride and provides a contact number. There is a one-quarter page color advertisement featured in the Imperial County Area Agency on Aging Senior Services Directory. The ad contains a photo of an El Centro Dial-A-Ride vehicle along with contact numbers. The service is also listed in the local Yellow Pages telephone directory.

ARC has developed and provides passenger comment cards. The Transportation Service Questionnaire contains 10 questions and is printed in English and Spanish. ARC provides a statistical summary of the frequency and patterns of comments in its passenger service report. The report gives a breakdown of comments received as well as the number of complaints (written or phoned in) and compliments.

General Administration and Management

The City of El Centro was incorporated on April 16, 1908, and is a designated charter city with a council-manager form of government. An elected five-member City Council serves as the principal legislative body. Council members serve for staggered terms of four years and select one member to serve as mayor and one to serve as mayor pro-tem for one-year terms. The Council provides policy direction to the City manager, who is responsible for administering City departments. The City Council meets on the first and third Tuesday of the month at 6:30 p.m. in the City Council Chambers at the El Centro City Hall located at 1275 Main Street.

Transit operations are administered under the Public Works Department. Dial-A-Ride administration duties have been shared between the Public Works director and City engineer, with support from Public Works and Finance Department staff. Staff delivers an annual report to the City Council on transit operations and on an as-needed basis. Both designated staff members regularly attend the ICTC Technical Advisory Committee meetings and are in regular contact with the operator. In addition, a working group composed of two City council members and staff from the city and ICTC address service issues on the IVT Blue and Green Line circulators.

In addition, the Finance Department completes the annual State Controller Report with data derived from the contractor's performance data spreadsheet. The contract is regulated according to the provisions of ADA, TDA, the Federal Transportation Administration (FTA), and other applicable federal, state, and local laws and regulations.

Grants Management

The City of El Centro relies on a variety of grants and other funding mechanisms to support its transit services. Such funding is derived primarily from local sources and measures. Pursuant to TDA, the City receives Local Transportation Fund (LTF) proceeds under Article 8(c) for operating expenses. LTF revenues received during the audit period were \$166,377 in FY 2011; \$223,406 in FY 2012; and \$392,518 in FY 2013. El Centro does not receive State Transit Assistance Funds.

Local county Measure D, the one-half cent sales tax, has been in effect since adoption in November 1989 and renewed by the voters in 2010. The proceeds of this tax are allocated by the Local Transportation Authority to the cities and the County of Imperial for local street and road purposes. In addition, a small percentage of the tax revenue is allocated for administration (1 percent), transit (2 percent), and state highway (5 percent) purposes. Measure D support received toward El Centro's demand response transit services was \$20,000 in FY 2011 and \$30,000 in FY 2012 and FY 2013, respectively.

In addition to TDA funding, the County/ICTC has received federal transit formula grant funds toward planned transit infrastructure projects, such as the El Centro Regional Bus Terminal. The County/ICTC received a \$1.22 million American Recovery and Reinvestment Act of 2009 earmark in FY 2010 toward the construction of the Bus Terminal in addition to the \$3.7 million in FTA

Section 5307 grant funds received. The City was tasked with the design, engineering, and construction of the facility, which opened in January 2014.

As a nonprofit social services agency, ARC has successfully applied for and received FTA Section 5310 grant funding toward paratransit vehicle procurement and other related equipment. Grant applications are scored and ranked by ICTC. ARC has compiled an annual bus inventory and depreciation schedule for El Centro Dial-A-Ride vehicles. Buses and associated equipment are listed along with the funding source, acquisition date, and annual and monthly depreciation amounts, as well as date of full depreciation.

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Section VI

Findings

The following summarizes the major findings obtained from this triennial audit covering fiscal years 2011 through 2013. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the eight compliance requirements pertaining to El Centro Dial-A-Ride, the operator fully complied with all eight requirements. Three additional compliance requirements did not apply to El Centro Dial-A-Ride (e.g., rural/urban farebox recovery ratios and federal formula funding).
2. El Centro Dial-A-Ride's farebox recovery ratio remained above the required 10 percent standard. The farebox recovery ratios based on audited data were 15.91 percent in FY 2011; 13.83 percent in FY 2012; and 10.01 percent in FY 2013. The average systemwide farebox recovery ratio was 13.25 percent during the triennial review period.
3. Through its contract operator, the City participates in the CHP Transit Operator Compliance Program and received inspections of El Centro Dial-A-Ride vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. The operating budget exhibited increases for two out of the three years of the audit period. The FY 2011 and FY 2012 operating budgets increased 16.3 percent and 68.7 percent, respectively. The budget increases for FYs 2012 and 2013 are attributed to the addition of a third vehicle in response to expanded service hours in FY 2012 and the reinstatement of Saturday service. The FY 2011 operating budget decreased 11.3 percent.
5. El Centro fully implemented one out of the three prior audit recommendations. The contract operator started recording trip denials at the bottom of the management summary report for the service. The recommendation pertaining to passenger eligibility verification was not implemented and has been carried forward in this audit. One recommendation was deemed no longer applicable.
6. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 31.4 percent systemwide from \$48.96 in FY 2010 to \$64.32 in FY 2013. This trend is consistent with the increase of Dial-A-Ride operating costs of 74.1 percent during the period, and the lower increase in vehicle service hours of 32.5 percent between FY 2010 and FY 2013.
7. Operating cost per passenger, an indicator of cost effectiveness, increased 56.2 percent systemwide from \$7.88 in FY 2010 to \$12.32 in FY 2013. As noted above, Dial-A-Ride

operating costs increased 74.1 percent during the period; however, Dial-A-Ride ridership systemwide increased at a lower rate of 11.4 percent during the period from 26,022 passengers in FY 2010 to 28,987 passengers in FY 2013.

8. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased 15.9 percent between FY 2010 and FY 2013 systemwide from 6.2 passengers per hour to 5.2 passengers per hour. The trend in this indicator reflects the lower 11.4 percent increase in passenger trips despite the 32.5 percent increase in vehicle service hours.
9. Farebox recovery exhibited an overall decrease of 36.1 percent between FY 2010 and FY 2013 systemwide. Farebox recovery declined by 27.6 percent between FY 2012 and FY 2013 as annual operating costs increased 68.7 percent and passenger fare revenue increased 22.1 percent. From FY 2010 through FY 2013, farebox recovery declined from 15.67 percent to 10.01 percent.
10. Since the implementation of the IVT Blue and Green line circulators in El Centro, Dial-A-Ride has operated as a specialized paratransit service restricted to seniors and persons with disabilities. A third vehicle was added in FY 2012 and Saturday service was reinstated and weekday service hours increased in FY 2013.
11. The El Centro Transfer Terminal, which was developed during the audit period, opened in December 2013 at the corner of 7th and State Streets in downtown El Centro. The \$4 million solar-lighted facility has eight bus bays, a police substation, close-circuit security cameras, and plans for Wi-Fi accessibility. In addition to the Transfer Terminal, the City provides for bus shelters and other bus stop amenities such as benches and shelters.
12. The number of no-shows and trip denials declined significantly during the audit period. This trend reflects the effort to implement and enforce the no-show policy as well as overall service reductions. In contrast, the number of cancellations increased more than fivefold from 14 in FY 2010 to 93 in FY 2013.
13. The number of trip denials declined 65 percent from 141 in FY 2010 to 49 in FY 2013. No-shows decreased nearly 14 percent from 736 in FY 2010 to 636 in FY 2013. ARC charges for no-shows after a total of three no-shows.
14. El Centro is one of several Imperial Valley cities that considered Dial-A-Ride consolidation under a single contract operator and brand. The El Centro City Council voted to continue its independent services contract with ARC in April 2014.

Recommendations

1. Enhance passenger ride eligibility and verification procedures.

This recommendation is carried over from the prior audit. As a specialized paratransit service, El Centro Dial-A-Ride is limited to seniors age 60 and older and persons with disabilities. Due to this limitation, verification of rider eligibility is required prior to boarding. It was recommended that the City clearly state the forms of identification that are acceptable to ride Dial-A-Ride. In addition, it was suggested that the City collaborate with ICTC for providing ADA certification as one form of disability verification. ICTC conducts ADA certifications for the regional IVT Access paratransit service, which could then also be valid for rides on the City Dial-A-Ride services.

2. Review alternatives for rider eligibility on Dial-A-Ride.

The current age restriction to be eligible for El Centro Dial-A-Ride is 60 years. Given that the farebox recovery ratio for the transit system experienced a declining trend, a review of rider eligibility is one method of potentially improving the farebox. As a possible way to increase ridership, and fare revenues, transit programs have reduced the age eligibility limits to 55 years of age. A potential reduction of the age restriction would be implemented in concert with the above recommendation concerning the enforcement of age verification prior to boarding. Improved efficiency in grouping of rides by the service would also be required to achieve higher farebox performance through increased ridership.