



FY 2011—2013 TRIENNIAL PERFORMANCE AUDIT OF MED-EXPRESS



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 Med-Express covering the most recent triennial period, fiscal years 2010–11 through 2012–13.

The purpose of the performance audit is to evaluate Med-Express' 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 Med-Express' compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether Med-Express 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

Med-Express is a specialized paratransit service providing non-emergency medical trips between communities in Imperial County and medical facilities, clinics, and doctors' offices in San Diego County. Med-Express has been operating since November 1994 and is used by a number of social service agencies to get their clients to medical appointments in San Diego. The service is administered by ICTC and is operated under contract by ARC Imperial Valley (ARC), a social services nonprofit 501(c)(3) organization.

Imperial County is geographically located in the southeastern corner of California, stretching from the United States-Mexico border on the south, Riverside County on the north, San Diego County on the west, and the state of Arizona on the east. The terrain varies from 235 feet below sea level at the Salton Sea to 4,548 feet at Blue Angel Peak. The county's geographical land area

encompasses 4,175 square miles and is traversed by 2,555 miles of roadways. Major highways include Interstate 8 and State Routes (SR) 7, 78, 86, 98, 111, and 115. Interstate 8 is the principal route connecting the Imperial Valley with San Diego County.

Population growth has seen a marked increase in recent years. According to the 2010 US Census Data, the county's population is 174,528. The California Department of Finance 2014 estimate reports a countywide population of 180,672. The county seat and largest city is El Centro with an estimated population of 42,598 based on the 2010 US Census. The population of El Centro is followed in descending order by those of Calexico, Brawley, Imperial, Calipatria, Holtville, and Westmorland.

System Characteristics

Med-Express provides non-emergency transportation access to medical facilities, clinics, and doctors' offices in the greater San Diego area four days a week (Tuesday, Wednesday, and Thursday, plus alternating Mondays and Fridays every other week). The hours of operation are from 5:30 a.m. to 6:30 p.m. Preference is given to those transit-dependent persons requiring essential or lifeline medical services. The service was originally created to transport minor patients to Rady Children's Hospital in San Diego, but expanded to transport seniors as well as adults with disabilities. Service to clinics and facilities in the South Bay area (Chula Vista, National City, Otay Mesa, and San Ysidro) is available on every third Wednesday of the month. Med-Express departs from three pickup and return points in Imperial County. The times and locations are listed in Table I-1.

Table I-1
Med-Express Imperial Valley Departure and Return Points

City	Pickup/Return Points	Pickup Time
Brawley	8 th and Main – Parking Lot	5:00 a.m.
Calexico	4 th and Heber – Parking Lot	5:45 a.m.
El Centro	5 th and Olive – Parking Lot	6:30 a.m.

Source: ARC Imperial Valley

The Med-Express bus departs from San Diego promptly at 3:00 p.m. The service does not operate on the weekends 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. Reservations are required at least two business days in advance, although reservations can be made 30 days in advance. ARC confirms the reservation with the passenger the night before.

Fares

Med-Express operates on a tiered fare system based on two passenger designations defined as Category A and Category B.

Passengers who fall under Category A are given priority and must meet one of the following criteria:

- Infants/toddlers and children up to age 21 with severe disabilities and/or medical conditions.
- Individuals who utilize wheelchairs or other mobility equipment and who do not have an adaptive personal vehicle.
- Low-income individuals without access to a personal vehicle.
- Persons with chronic conditions who are no longer permitted to drive.
- Veterans with disabilities and chronic medical conditions.
- Adults with life-threatening, chronic, and debilitating diseases.
- Persons with a mental/cognitive impairment that affects their ability to drive a vehicle.
- Transit dependency.

Individuals who do not meet one of the above minimum criteria are designated as Category B passengers, which include the general public. Service to Category B passengers is provided on a space-available basis to medical facilities only. It is the policy that Category A passengers not be displaced by Category B passengers. The fare schedule for both passenger categories is shown in Table I-2.

Table I-2
Med-Express Fare Schedule

Passenger Category	One Way	Round Trip
Category A	\$7.50	\$15.00
Category A – Attendant	\$3.50	\$7.00
Category B	N/A	\$30.00

Source: ARC Imperial Valley

Fleet

Med-Express operates two 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 2007) is designated as a spare. Table I-3 shows the Med-Express fleet below:

Table I-3
Med-Express Fleet

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

Source: ARC Imperial Valley

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of Med-Express' 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: September 28, 2011 FY 2012: September 27, 2012 FY 2013: September 30, 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: June 22, 2012 FY 2012: January 13, 2013 FY 2013: January 15, 2014 The FY 2011 Fiscal and Compliance Audit was completed and received after the 90-day extension period. Conclusion: Partial Compliance.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.	Public Utilities Code, Section 99251 B	<p>Med-Express, through its contract operator, participates in the California 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 and 25, 2010; May 10 and 19, 2011; June 13 and 15, 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 County'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	Public Utilities Code, Section 99270.1	This requirement is not applicable, as Med-Express is not a general public service.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.		Conclusion: Not Applicable.
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 Med-Express' operating budget:</p> <p>FY 2011: +22.7%</p> <p>FY 2012: +4.7%</p> <p>FY 2013: +7.4%</p> <p>The increase in the FY 2011 operating budget is attributed to the rise in salaries, fuel, and insurance.</p> <p>Source: FY 2010–2013 Statistical Summary Reports – Operating costs less depreciation.</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 service hours per employee.	Public Utilities Code, Section 99247	<p>Med-Express' definition of performance measures as tracked and recorded by the contract operator is consistent with PUC Section 99247. However, greater consistency between data in internal and external reports is needed.</p> <p>Conclusion: Complied</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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 Med-Express is not an urbanized general public service.</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 and CCR Section 6633.5, the farebox ratio requirement for exclusive services for the elderly and disabled persons is 10 percent. Although the service is available to the general public on a space-available basis, the policy is to not place a priority on that passenger category. During the audit period, there were no general public trips. In addition, the service is limited to medical facilities in the San Diego area, further limiting the type of ridership to the elderly and disabled persons. Med-Express operating ratios using internal financial data were as follows:</p> <p>FY 2011: 17.85% FY 2012: 17.00% FY 2013: 16.72%</p> <p>Source: Annual Operating</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		Statistics Reports Conclusion: Complied.
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 the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	ICTC contracts with a private provider for operations, while ICTC contributes to its staff's retirement under the 1937 Act County Employees' Retirement Law. 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 Med-Express does not receive STAF revenues. Conclusion: Not Applicable

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to Med-Express, the operation fully complied with seven out of the eight requirements. The operator was found in partial compliance with the timely submittal of its annual fiscal and compliance audits. Three additional compliance requirements did not apply to Med-Express (e.g., rural/urban farebox recovery ratios and federal grant funds).
2. Med-Express' farebox recovery ratio remained above the statutory 10 percent standard in accordance with TDA. The farebox recovery ratio was 17.85 percent in FY 2011; 17 percent in FY 2012; and 16.72 percent in FY 2013. The average systemwide farebox recovery ratio was 17.19 percent during the triennial review period.
3. Through its contract operators, ICTC participates in the CHP Transit Operator Compliance Program and received vehicle inspections 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 notable fluctuations during the period, exceeding 15 percent in FY 2011. The budget increased 22.7 percent in FY 2011, 4.7 percent in FY 2012 and 7.4 percent in FY 2013. The increase in the FY 2011 operating budget is attributed to the rise in salaries, fuel, and insurance.

Section III

Prior Triennial Performance Recommendations

Med-Express' 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 Med-Express' 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

Record trip denials on the annual passenger service report.

Actions taken by Med-Express

The prior audit noted that the contract operator had developed a thorough process for recording and classifying trip denials on Med-Express. 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 Med-Express. The trip denial log includes nine categories for denials to be recorded.

Conclusion

This recommendation has been implemented.

Section IV

TDA Performance Indicators

This section reviews Med-Express' 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.

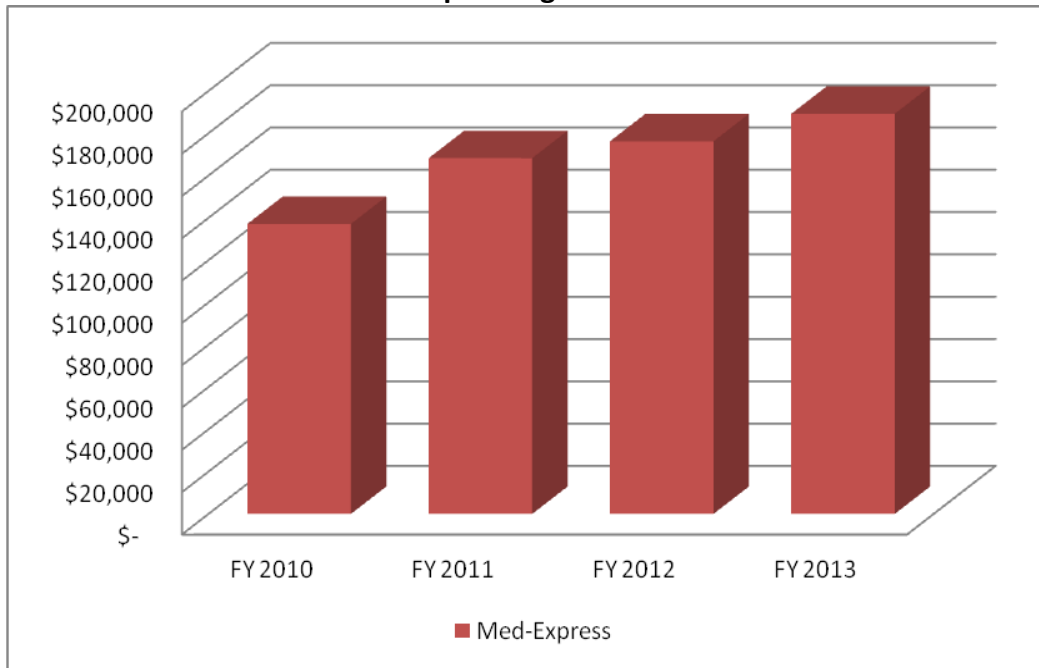
Table IV-1 provides the performance indicators for Med-Express. Charts are also provided to depict the trends in the indicators. It is noted that the operating costs and fare revenues are based on audited figures.

Table IV-1
Med-Express TDA Performance Indicators

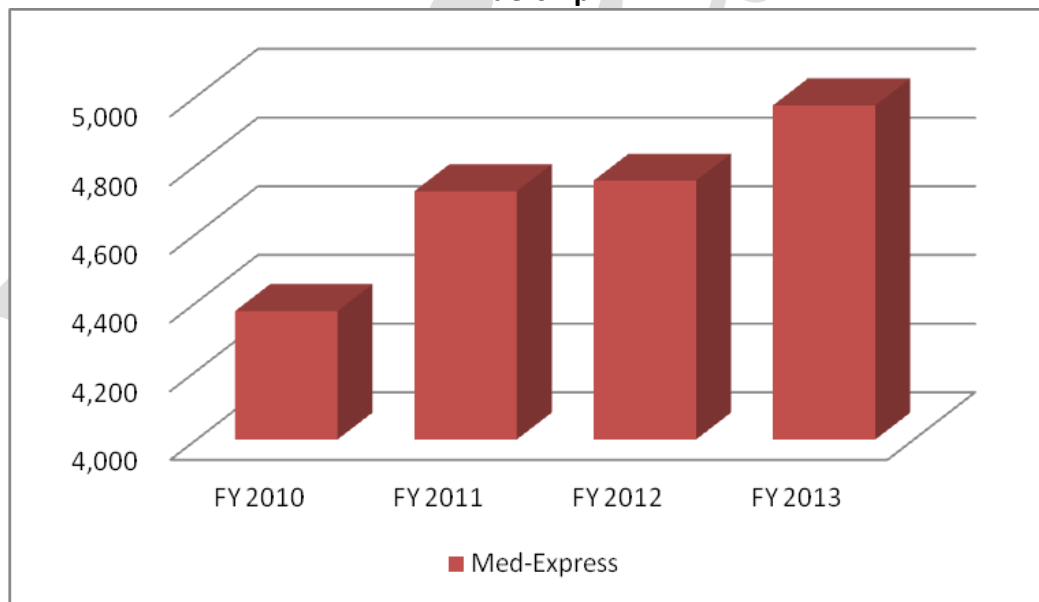
Performance Data and Indicators	FY 2010	FY 2011	Audit Period		% Change FY 2010–2013
			FY 2012	FY 2013	
Operating Cost	\$137,127	\$168,202	\$176,174	\$189,179	38.0%
Total Passengers	4,374	4,723	4,754	4,973	13.7%
Vehicle Service Hours	1,566	1,444	1,507	1,545	-1.3%
Vehicle Service Miles	55,485	55,481	57,439	57,498	3.6%
Employee FTEs	3	3	3	3	0%
Passenger Fares	\$27,780	\$30,018	\$29,949	\$31,638	13.9%
Operating Cost per Passenger	\$31.35	\$35.61	\$37.06	\$38.04	21.3%
Operating Cost per Vehicle Service Hour	\$87.57	\$116.48	\$116.90	\$122.45	39.8%
Operating Cost per Vehicle Service Mile	\$2.47	\$3.03	\$3.07	\$3.29	33.1%
Passengers per Vehicle Service Hour	2.8	3.3	3.2	3.2	15.2%
Passengers per Vehicle Service Mile	0.08	0.09	0.08	0.09	9.7%
Vehicle Service Hours per Employee	522.0	555.4	519.7	498.4	-4.5%
Average Fare per Passenger	\$6.35	\$6.36	\$6.30	\$6.36	0.2%
Fare Recovery Ratio	20.26%	17.85%	17.00%	16.72%	-17.4%

Source: ARC Imperial Valley Annual Operating Statistics Report

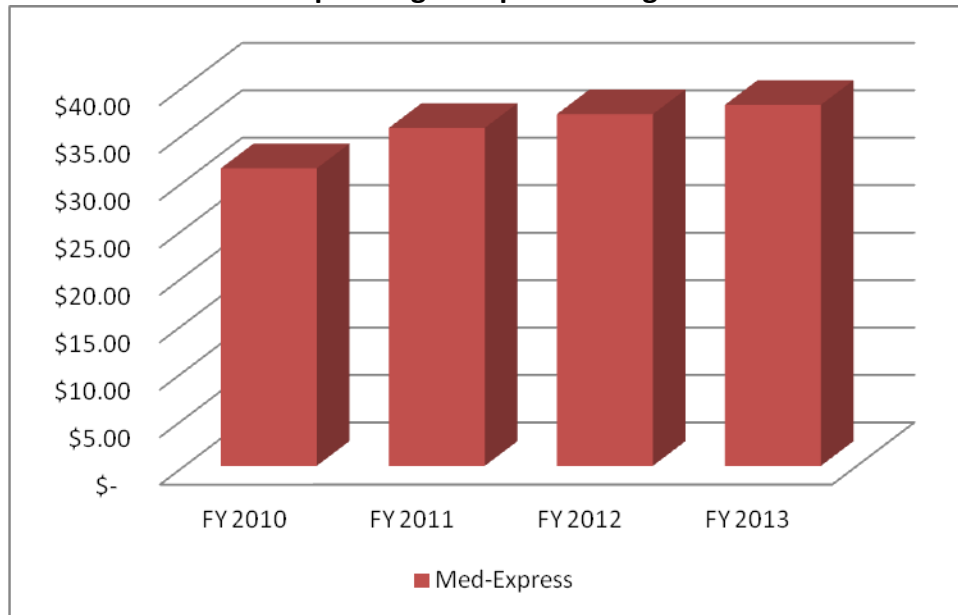
**Graph IV-1
Operating Costs**



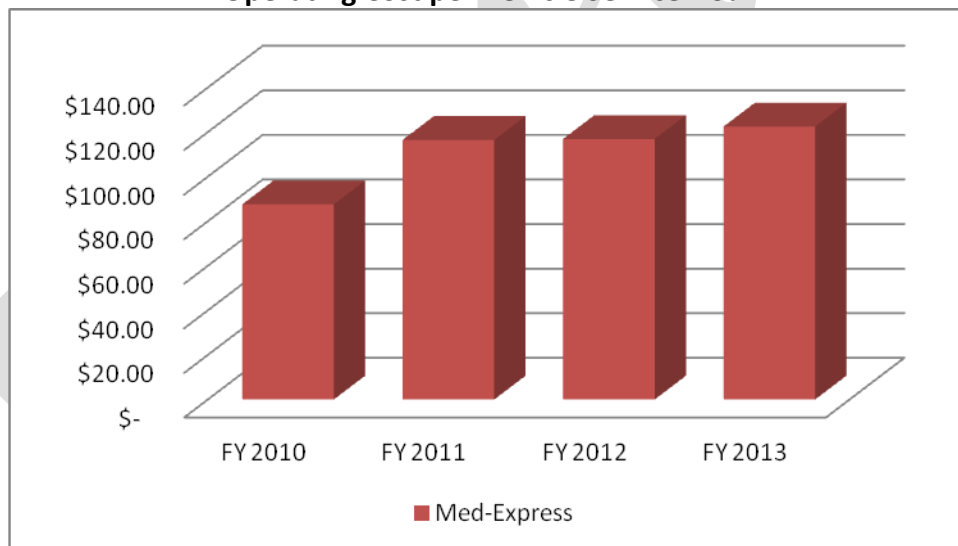
**Graph IV-2
Ridership**



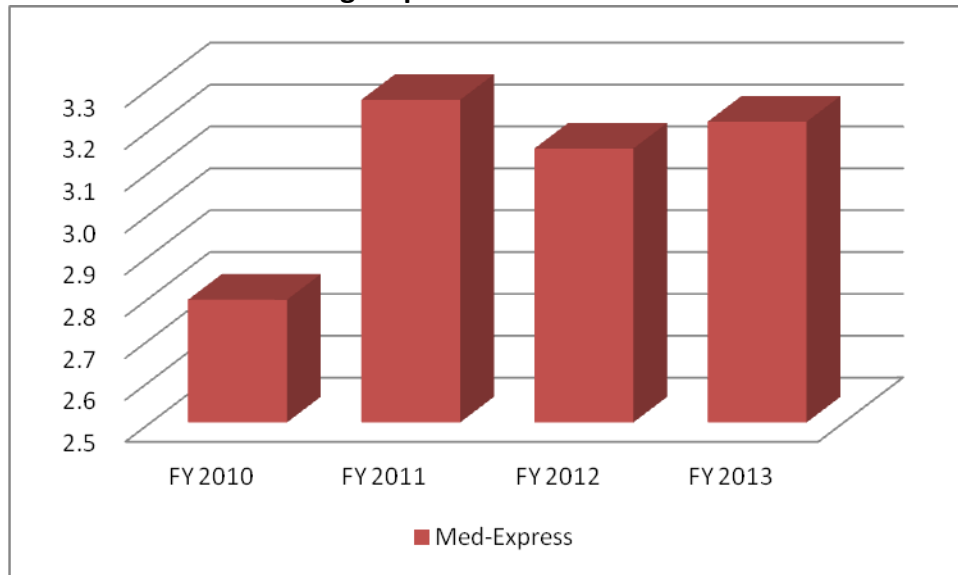
Graph IV-3
Operating Cost per Passenger



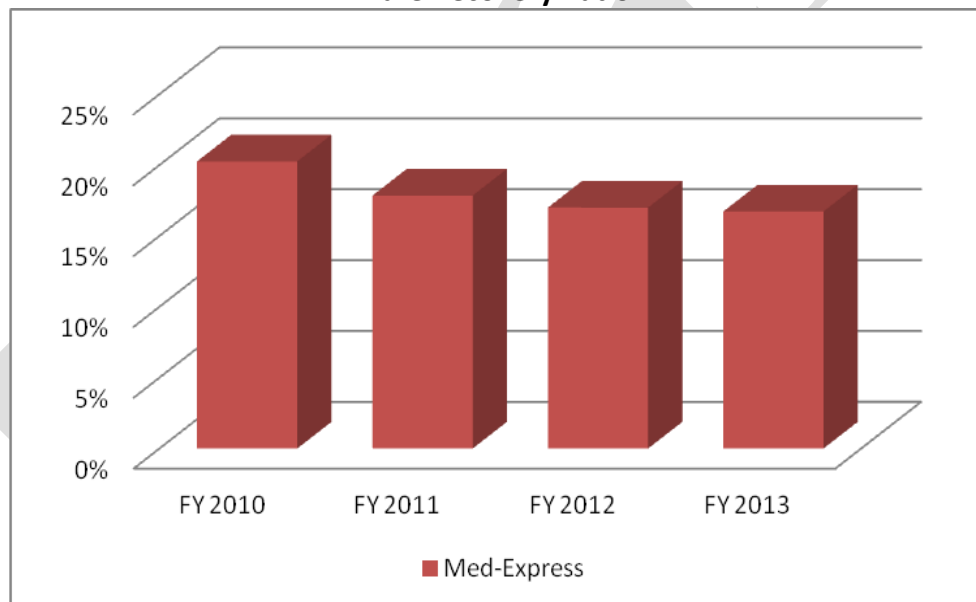
Graph IV-4
Operating Cost per Vehicle Service Hour



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 39.8 percent systemwide from \$87.57 in FY 2010 to \$122.45 in FY 2013. This trend is consistent with the increase of Med-Express' operating costs of 38 percent during the period, and a slight decrease in vehicle service hours of 1.3 percent between FY 2010 and FY 2013.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 21.3 percent systemwide from \$31.35 in FY 2010 to \$38.04 in FY 2013. As noted above, Med-Express' operating costs increased 38 percent during the period; however, ridership systemwide increased at a lower rate of 13.7 percent during the period from 4,374 passengers in FY 2010 to 4,973 passengers in FY 2013.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, increased 15.2 percent between FY 2010 and FY 2013 systemwide from 2.8 passengers per hour to 3.2 passengers per hour. The trend in this indicator reflects a steady demand in ridership on Med-Express while vehicle service hours decreased slightly.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, increased 9.7 percent between FY 2010 and FY 2013 from 0.08 in FY 2010 to 0.09 in FY 2013. From the FY 2010 base year to FY 2013, total vehicle service miles increased 3.6 percent from 55,485 vehicle service miles to 57,498 vehicle service miles.
5. **Vehicle service hours per employee** declined slightly by 4.5 percent systemwide between FY 2010 and FY 2013. This decline was associated with the 1.3 percent decrease in vehicle service hours while the number of full-time equivalent employees (FTE) remained unchanged. 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 17.4 percent between FY 2010 and FY 2013 systemwide. Farebox recovery declined by 11.9 percent between FY 2010 and FY 2011 as annual operating costs increased 22.7 percent and passenger fare revenues increased 8.1 percent. From FY 2011 through FY 2013, operating costs increased at a slower rate while passenger fare revenues also increased. From FY 2010 through FY 2013, passenger fare revenues increased 13.9 percent.

Conclusion from the Verification of TDA Performance Indicators

Med-Express' performance indicators reflect sustained growth in the number of passenger trips and revenues while contending with higher operating costs and a declining farebox recovery. The number of passenger trips increased 13.7 percent while vehicle service hours decreased slightly with minimal variation. Vehicle service miles exhibited a modest increase of 3.6 percent. The increase in passenger revenues mirrored the increase in trips. Operating costs increased 38 percent due to higher fuel costs and the long travel distances between the Imperial Valley and San Diego. This has had an impact on farebox recovery, which decreased 17.4 percent during the period. A review of the fare structure in light of increased operations cost may help to sustain farebox recovery.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within Med-Express. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at ARC and ICTC in El Centro:

- 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

Med-Express is a lifeline service comprising non-emergency medical transportation from the Imperial Valley to San Diego area hospitals, clinics, and doctor appointments. The service picks up passengers from public parking facilities in the cities of Brawley, El Centro, and Calexico. Since Med-Express does not operate as a regular demand-response service, such as IVT Access, passengers must provide their own transportation to reach the pickup locations.

The service is operated four days a week with one dedicated vehicle plus one spare vehicle. Popular destinations include the University of California, San Diego Medical Center, Rady Children's Hospital, and other medical facilities in the San Diego area. Trips to medical offices in Chula Vista and other South Bay communities are provided every third Wednesday of the month.

The service must traverse the mountain passes along Interstate 8 between Imperial County and San Diego, and the highway is subject to closure during snowy weather. In the event of such a closure that would impede a return trip to Imperial County, the driver is provided with \$500 in contingency funds and an American Express card to accommodate passengers with overnight lodging and meals.

Fares on Med-Express have not been raised since the inception of the service. Cash payments on the service were eliminated, which had the effect of reducing the number of no-shows. A reservation is not considered confirmed unless payment is received.

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.

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	0	0	0	0	0
On-Time Performance	100%	98%	98%	99%	99%

Source: ARC Imperial Valley

The service has operated without any reported accidents during the audit period. On-time performance has averaged 99 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	538	478	168	156	1,340
Trip Denials	110	2	10	6	128
No-Shows	375	368	365	195	1,303

Source: ARC Imperial Valley

The number of cancellations, no-shows, and trip denials declined significantly during the audit period. This trend reflects the effort to implement and enforce the no-show policy through the elimination of cash payments. The number of cancellations declined 71 percent between the FY 2010 base year and 2013. The number of trip denials declined 95 percent from 110 in FY 2010 to 6 in FY 2013. No-shows decreased 48 percent from 375 in FY 2010 to 195 in FY 2013. ARC charges for no-shows after a total of three no-shows.

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	1	1	2	1	5
Compliments	0	0	0	0	0

Source: ARC Imperial Valley

There were a total of five complaints received from the FY 2010 base year through FY 2013. No recorded 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/ cardiopulmonary resuscitation (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. The driver assigned to Med-Express is selected based on skill level and personality traits. In addition, the driver must have a high logistic aptitude and geographic knowledge of the route. The current Med-Express driver has been recognized by CalACT for his high commitment to customer care and safety.

Drivers undergo a minimum of 80 hours of training consisting of 40 hours of classroom and 40 hours of behind-the-wheel instruction. Classroom instruction encompasses first aid, 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 401(k) 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 Med-Express. 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 Med-Express. 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 Med-Express during the audit period.

Table V-4
Roadcalls and Wheelchair Lift Failures

	FY 2010	FY 2011	FY 2012	FY 2013	Total
Roadcalls	0	0	1	0	1
Wheelchair Lift Failures	0	0	0	0	0

Source: ARC Imperial Valley

ARC reported only roadcall on Med-Express during the audit period. The contract operator for Med-Express received satisfactory ratings for all vehicle inspections conducted during the audit period as part of the CHP Transit Operator Compliance Program.

Planning

Med-Express service planning and analysis has been coordinated through ICTC. 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 Med-Express. Table V-5 summarizes Med-Express performance and service quality standards presented in the S RTP:

Table V-5
Med-Express
Performance Standards

Performance Indicator	Performance Standard for Med-Express
Operating Cost per Passenger	\$32.18
Operating Cost per Revenue Hour	\$79.82
Passengers per Revenue Hour	3.0
Farebox Recovery Ratio	20 percent

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

The operating cost per passenger did not meet the standard of \$32.18 (increasing from \$35.61 in FY 2011 to \$38.04 in FY 2013). The operating cost per revenue hour also did not meet standard (increasing from \$116.48 in FY 2011 to \$122.45 in FY 2013). The number of passengers per revenue hour exceeded the standard of 3.0 passengers per hour, stabilizing at about 3.3

passengers during the audit period. Farebox recovery slipped below the 20 percent SRTP standard by averaging 17.19 percent although it exceeded the TDA standard of 10 percent.

Marketing

Med-Express is marketed through various types of media. ARC is responsible for marketing the service on behalf of ICTC and coordinates the placement, scheduling, and distribution of all advertising and promotional materials to promote ridership. As per the service contract with ICTC, 3 percent of the transit budget is allocated toward marketing. The contract operator's marketing subsidy request was reduced from \$3,000 in FY 2011 to \$1,000 in FY 2013.

A glossy color tri-fold brochure has been developed for Med-Express. The brochure, which is printed in English and Spanish, provides a calendar schedule, fare summary, and general information on how the service operates. The brochure contains a Title VI of the Civil Rights Act of 1964 disclosure ensuring that no person is excluded from participation in, or denied the benefits of its services on the basis of race, color, or national origin.

The ARC website (<http://arciv.org/transportation.php>) provides online exposure for Med-Express, which contains basic information about the service. The ICTC website's Transit Services page (<http://www.imperialctc.org/transit-services/>) also mentions Med-Express 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 a Med-Express 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

ICTC was established under Senate Bill 607 as an independent successor agency to the Imperial Valley Association of Governments. ICTC provides direct administration, management, and oversight for Med-Express. The ICTC governing Board is composed of 10 voting members and one ex officio member appointed by the Governor of California. The membership of the ICTC Board is as follows:

- Two members from the Imperial County Board of Supervisors.
- One elected official (mayor or councilmember) from each of the seven incorporated cities in Imperial County.
- One member from the Imperial Irrigation District Board of Directors.
- One non-voting ex officio member appointed by the Governor of California (Caltrans, District 11 Director or representative).

Meetings of the ICTC Board are convened on the 4th Wednesday of the month at 6:00 p.m. in the Imperial County Board of Supervisors Chambers located at 940 Main Street in El Centro. Transit oversight and administration are under the direction of the transit program manager/senior transit planner and transportation planner. Based on the ICTC job classification description, the transit program manager/senior transit planner plans, coordinates, organizes, and directs the operations of Med-Express, and develops regional transit policy and service programs including system performance measures development and evaluation and planning and budgeting activities. Assisting the transit program manager is the transportation planner, who monitors the Med-Express contract and oversees ADA certifications.

Grants Management

Med-Express relies on some grant funding but primarily on TDA and fare revenues. Med-Express receives Local Transportation Fund (LTF) proceeds under Article 8(c) for operating expenses. LTF revenues received during the audit period were \$160,767 in FY 2011; \$184,589 in FY 2012; and \$174,589 in FY 2013. No local Measure D support funding has been allocated toward Med-Express services.

As a nonprofit social services agency, ARC has successfully applied for and received Federal Transit Administration 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 Med-Express 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.

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 compliance requirements pertaining to Med-Express, the operation fully complied with seven out of the eight requirements. The operator was found in partial compliance with the timely submittal of its annual fiscal and compliance audits. Three additional compliance requirements did not apply to Med-Express (e.g., rural/urban farebox recovery ratios and federal grant funds).
2. Med-Express' farebox recovery ratio remained above the statutory 10 percent standard in accordance with TDA. The farebox recovery ratio was 17.85 percent in FY 2011; 17 percent in FY 2012; and 16.72 percent in FY 2013. The average systemwide farebox recovery ratio was 17.19 percent during the triennial review period.
3. Through its contract operators, ICTC participates in the CHP Transit Operator Compliance Program and received vehicle inspections 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 notable fluctuations during the period, exceeding 15 percent in FY 2011. The budget increased 22.7 percent in FY 2011, 4.7 percent in FY 2012 and 7.4 percent in FY 2013. The increase in the FY 2011 operating budget is attributed to the rise in salaries, fuel, and insurance.
5. Med-Express implemented the prior audit recommendation, which pertained to recording trip denials on the contractor's annual passenger service report.
6. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 39.8 percent systemwide from \$87.57 in FY 2010 to \$122.45 in FY 2013. This trend is consistent with the increase of Med-Express' operating costs of 38 percent during the period, and a slight decrease in vehicle service hours of 1.3 percent between FY 2010 and FY 2013.
7. Operating cost per passenger, an indicator of cost effectiveness, increased 21.3 percent systemwide from \$31.35 in FY 2010 to \$38.04 in FY 2013. As noted above, Med-Express' operating costs increased 38 percent during the period; however, ridership systemwide increased at a lower rate of 13.7 percent during the period from 4,374 passengers in FY 2010 to 4,973 passengers in FY 2013.

8. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, increased 15.2 percent between FY 2010 and FY 2013 systemwide from 2.8 passengers per hour to 3.2 passengers per hour. The trend in this indicator reflects a steady demand in ridership on Med-Express while vehicle service hours decreased slightly.
9. Farebox recovery exhibited an overall decrease of 17.4 percent between FY 2010 and FY 2013 systemwide. Farebox recovery declined by 11.9 percent between FY 2010 and FY 2011 as annual operating costs increased 22.7 percent and passenger fare revenues increased 8.1 percent. From FY 2011 through FY 2013, operating costs increased at a slower rate while passenger fare revenues also increased. From FY 2010 through FY 2013, passenger fare revenues increased 13.9 percent.
10. Fares on Med-Express have not been raised since the inception of the service. Cash payments on the service were eliminated, which had the effect of reducing the number of no-shows. A reservation is not considered confirmed unless payment is received.
11. The service has operated without any reported accidents during the audit period. On-time performance has averaged 99 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.
12. The number of cancellations, no-shows, and trip denials declined significantly during the audit period. This trend reflects the effort to implement and enforce the no-show policy through the elimination of cash payments. The number of cancellations declined 71 percent between the FY 2010 base year and 2013.
13. The number of trip denials declined 95 percent from 110 in FY 2010 to 6 in FY 2013. No-shows decreased 48 percent from 375 in FY 2010 to 195 in FY 2013. ARC charges for no-shows after a total of three no-shows.
14. Med-Express is marketed through various types of media. ARC is responsible for marketing the service on behalf of ICTC and coordinates the placement, scheduling, and distribution of all advertising and promotional materials to promote ridership. A glossy color tri-fold brochure has been developed for Med-Express. The brochure, which is printed in English and Spanish, provides a calendar schedule, fare summary, and general information on how the service operates.

Recommendations

1. Consider a fare increase to sustain farebox recovery.

The fare structure on Med-Express has remained virtually unchanged since inception of the service in the 1990s. The service has proven to be an invaluable lifeline for Imperial Valley residents needing to access medical services in the San Diego area. Med-Express' performance indicators reflect sustained growth in the number of passenger trips and revenues while contending with higher operating costs and declining farebox recovery. Operating costs increased 38 percent due to higher fuel costs and the long travel distances between the Imperial Valley and San Diego. This has had an impact on farebox recovery, which decreased 17.4 percent during the period. It is suggested that an increase in passenger fares be considered in order to cover higher costs associated with the service and to sustain farebox recovery.