



FY 2011—2013 TRIENNIAL PERFORMANCE AUDIT OF WEST SHORES DIAL-A-RIDE



Draft

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Imperial County Transportation Commission

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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 West Shores 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 West Shores Dial-A-Ride'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 West Shores Dial-A-Ride's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether West Shores Dial-A-Ride 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

West Shores Dial-A-Ride is a general public demand-response transit service that serves communities along the western shore of the Salton Sea in northwestern Imperial County. The service is administered and subsidized by ICTC and operated by ARC Imperial Valley (ARC), a social services nonprofit 501(c)(3) organization. The service has been operated by ARC since September 2006. Prior to ARC, West Shores Dial-A-Ride had been operated by the West Shores Health and Education Association since 1994 on a largely volunteer basis from the West Shores Community Clinic in Salton City.

The service area comprises a 15-mile stretch of the State Route (SR) 86 corridor between the unincorporated towns of Desert Shores, Salton Sea Beach, and Salton City. In addition, there is

one weekly round-trip connection to and from the Imperial Valley Transit (IVT) fixed-route bus stop in the city of Westmorland. The service area has approximately 3,500 residents. The communities served are within the boundaries of the Salton Community Services District, which provides sewage collection and treatment, solid waste disposal, fire protection, recreational activities and facilities, street lighting and maintenance, and emergency medical services.

System Characteristics

West Shores Dial-A-Ride operates curb-to-curb demand-response service from 7:00 a.m. to 4:00 p.m., Tuesdays and Thursdays, with lifeline service provided to Westmorland on Tuesdays. The service operates as late as 6:30 p.m. on Thursdays. Current service days and hours have been effective since March 2010. The service does not operate on weekends, the remaining weekdays, 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 for service are accepted up to seven days in advance. The fare for a one-way trip is \$2.00.

Fleet

West Shores Dial-A-Ride 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 2009, 12 passenger) is designated as a spare. Table I-1 shows the Dial-A-Ride fleet:

Table I-1
West Shores Dial-A-Ride Fleet

Year	Make & Model	Quantity	Fuel Type	Seating Capacity
2009	Ford E350	1	Unleaded Gas	12 (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 West Shores Dial-A-Ride'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: 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>West Shores Dial-A-Ride, 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 25, 2010; May 10, 2011; June 13, 2012; and June 24, 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 annual claims for Local Transportation Funds are submitted in compliance with the rules and regulations adopted by ICTC. ICTC staff provides assistance as needed 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	Public Utilities Code, Section 99270.1	This requirement is not applicable, as West Shores Dial-A-Ride operates in a rural area.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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 West Shores Dial-A-Ride's operating budget:</p> <p>FY 2011: -26.5%</p> <p>FY 2012: -7.3%</p> <p>FY 2013: +6.4%</p> <p>The FY 2011 decrease is attributed to the cutback in service hours.</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>The West Shore Dial-A-Ride's definition of performance measures as tracked and recorded by the contract operator is consistent with PUC Section 99247. However, more consistency between data in internal and external reports is required.</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 West Shores Dial-A-Ride operates in a rural 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>The system's farebox recovery ratios are as follows:</p> <p>FY 2011: 5.41%</p> <p>FY 2012: 6.44%</p> <p>FY 2013: 6.94%</p> <p>West Shores Dial-A-Ride is no longer subject to the 10 percent rural farebox recovery standard of TDA, as the service no longer receives TDA funding support. Instead, local Measure D revenues are used to fund the service. ICTC selected a more attainable 5 percent farebox recovery performance goal.</p> <p>Source: Annual Operating Statistic Reports</p> <p>Conclusion: Complied.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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 nonprofit 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 West Shores Dial-A-Ride does not receive State Transit Assistance Fund (STAF) revenues. Conclusion: Not Applicable

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the eight compliance requirements pertaining to West Shores Dial-A-Ride, the operator fully complied with seven requirements. The operator was partially compliant with regard to the timely submittal of the annual fiscal and compliance audit for FY 2011. Three additional compliance requirements did not apply to the operator (e.g., urban/blended farebox recovery ratios and federal formula grants).
2. West Shores Dial-A-Ride is no longer subject to the 10 percent farebox recovery standard of TDA, as TDA funds are not used to support the service. With the support of local Measure D revenues in place of TDA, ICTC selected a 5 percent farebox recovery performance standard. The farebox recovery ratio was 5.41 percent in FY 2011; 6.44 percent in FY 2012; and 6.94 percent in FY 2013. The average systemwide farebox recovery ratio was 6.26 percent during the triennial review period which meets the adjusted performance goal.
3. Through its contract operator, ICTC participates in the CHP Transit Operator Compliance Program and received inspections of West Shores 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 notable fluctuations during the period, which were attributed to service hour cutbacks and adjustments. The budget decreased 26.5 percent in FY 2011 and 7.3 percent in FY 2012. For FY 2013, West Shores' operating budget increased 6.4 percent.

Section III

Prior Triennial Performance Recommendations

West Shores Dial-A-Ride'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 operator'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

Record trip denials on the annual passenger service report.

Actions taken by West Shores Dial-A-Ride

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

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Consider mobility management alternatives in the service area.

Actions taken by West Shores Dial-A-Ride

The County and ICTC have made several service modifications to West Shores Dial-A-Ride in an effort to maintain it as a viable and cost-effective transit service with the implementation of a fare increase and reduction of service to just two days a week. However, the service continues to be challenged with low farebox recovery attainment. In spite of this issue, the service continues to be politically popular with residents and local public officials.

The prior audit suggested a possible approach would be to implement a mobility management strategy to serve the communities along the west shore of the Salton Sea. Volunteer driver

reimbursement and community vanpool programs have been proven successful cost-effective options in such remote communities. In addition, for demand response, the practice of coordinating the pickup of passengers at one major location such as a shopping area at specific times and then transporting them to their individual drop-off locations (e.g., home) could improve service efficiencies and effectiveness. This action would require educating the riders about meeting at a designated location at certain times to receive a return ride.

In response, ICTC has used local Measure D support funds in-lieu of TDA toward the operations of West Shores Dial-A-Ride. The service is now held to a 5 percent farebox recovery ratio and continues to operate on Tuesdays and Thursdays. A few of the key traffic generators include Clinicas de Salud del Pueblo mobile clinic and the senior nutrition program held on Thursdays. The service provision has shown signs of sustainability and has allowed for the farebox recovery ratio to rise above 6 percent.

Conclusion

This recommendation is no longer applicable.

Section IV

TDA Performance Indicators

This section reviews West Shores 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.

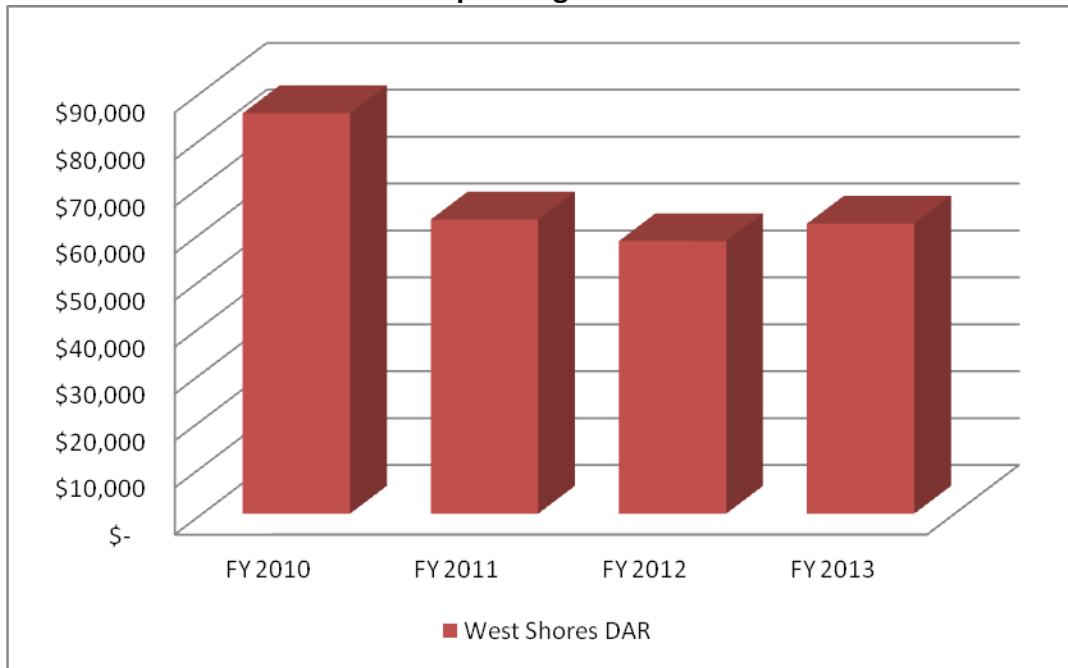
Table IV-1 provides the performance indicators for West Shores Dial-A-Ride. Charts are also provided to depict the trends in the indicators.

Table IV-1
West Shores Dial-A-Ride TDA Performance Indicators

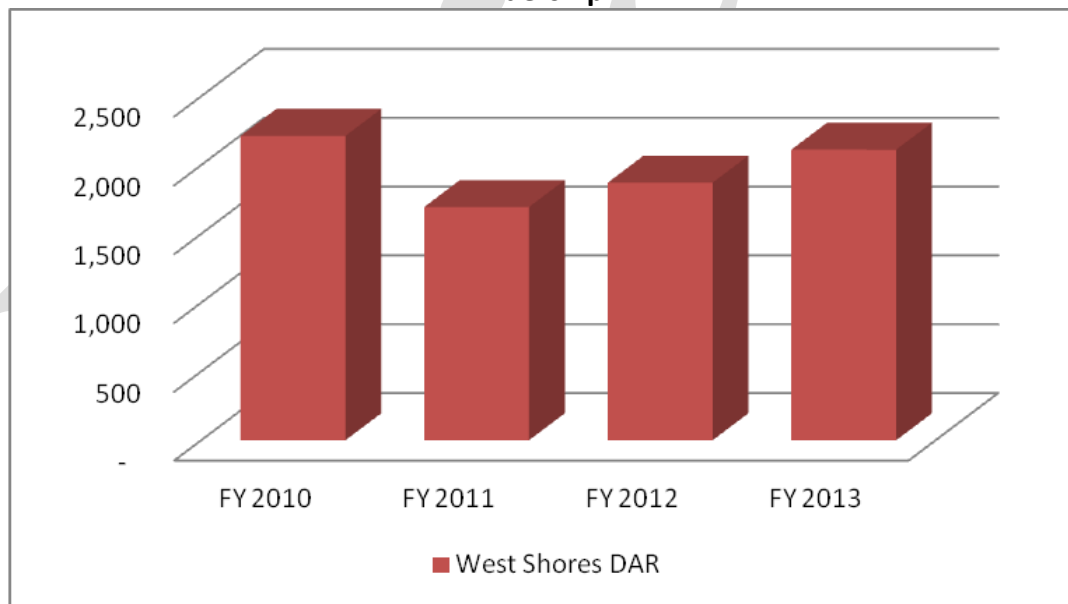
Performance Data and Indicators	FY 2010	FY 2011	Audit Period		% Change FY 2010–2013
			FY 2012	FY 2013	
Operating Cost	\$85,368	\$62,714	\$58,109	\$61,816	-27.6%
Total Passengers	2,212	1,695	1,872	2,112	-4.5%
Vehicle Service Hours	806	583	545	582	-27.7%
Vehicle Service Miles	17,522	12,030	12,223	14,174	-19.1%
Employee FTEs	1.4	0.4	0.4	0.9	-34.3%
Passenger Fares	\$4,424	\$3,392	\$3,744	\$4,290	-3.0%
Operating Cost per Passenger	\$38.59	\$37.00	\$31.04	\$29.27	-24.2%
Operating Cost per Vehicle Service Hour	\$105.92	\$107.57	\$106.66	\$106.13	0.2%
Operating Cost per Vehicle Service Mile	\$4.87	\$5.21	\$4.75	\$4.36	-10.5%
Passengers per Vehicle Service Hour	2.7	2.9	3.4	3.6	32.1%
Passengers per Vehicle Service Mile	0.13	0.14	0.15	0.15	18.0%
Vehicle Service Hours per Employee	575.7	1,457.5	1,362.0	633.1	10.0%
Average Fare per Passenger	\$2.00	\$2.00	\$2.00	\$2.03	1.6%
Fare Recovery Ratio	5.18%	5.41%	6.44%	6.94%	33.9%

Source: ARC Imperial Valley Annual Operating Statistics Report

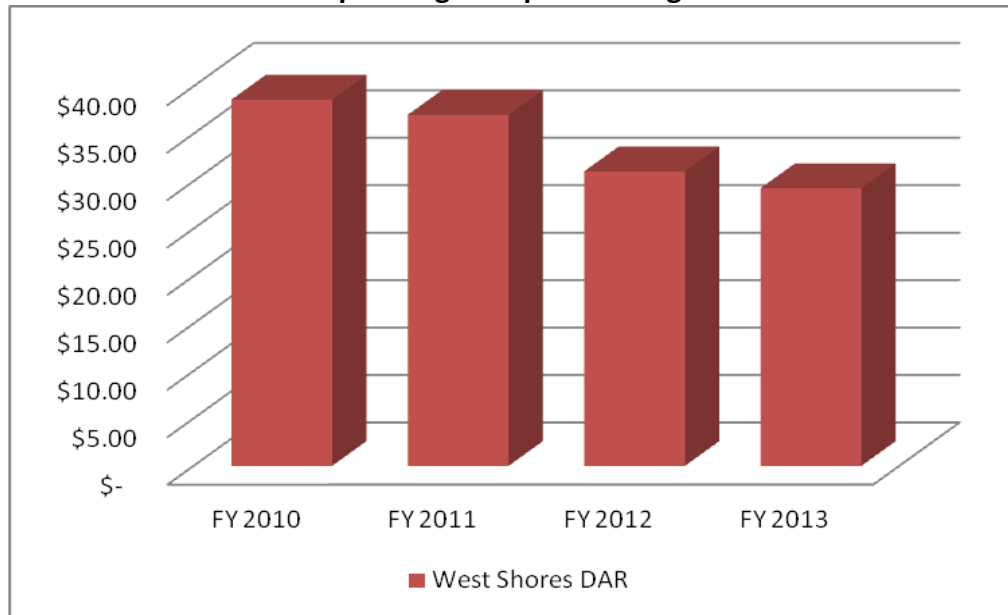
**Graph IV-1
Operating Costs**



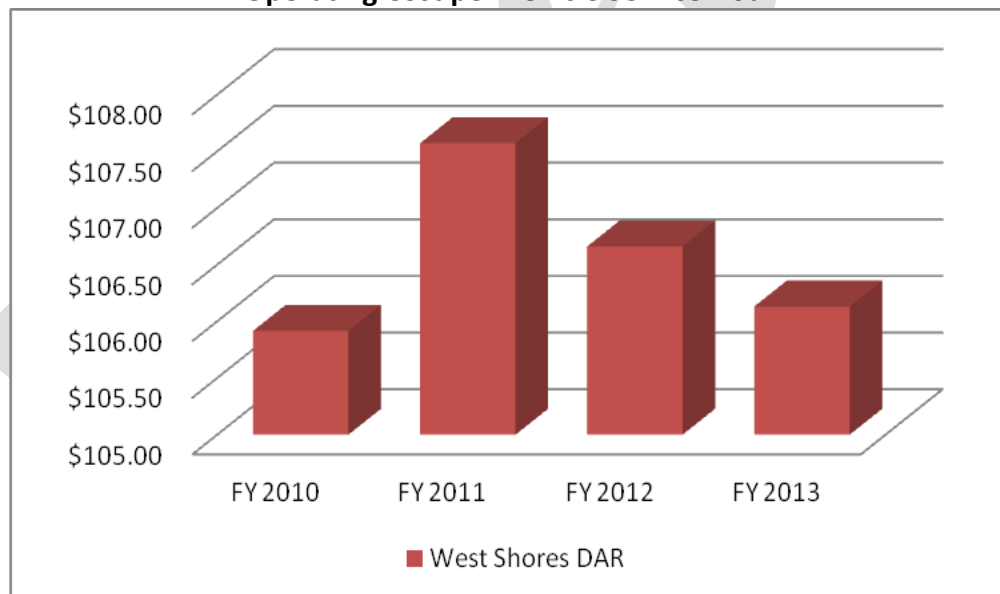
**Graph IV-2
Ridership**



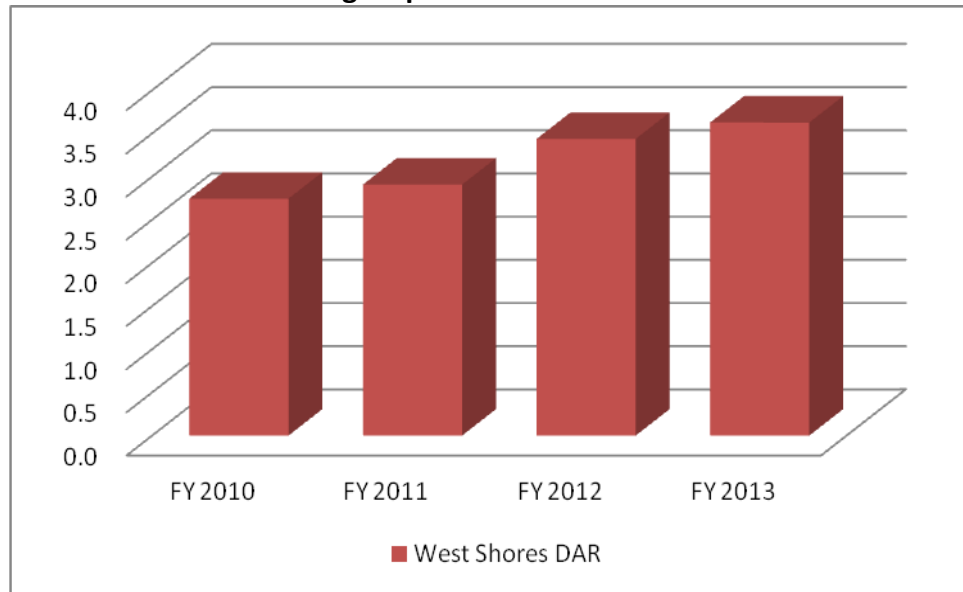
Graph IV-3
Operating Cost per Passenger



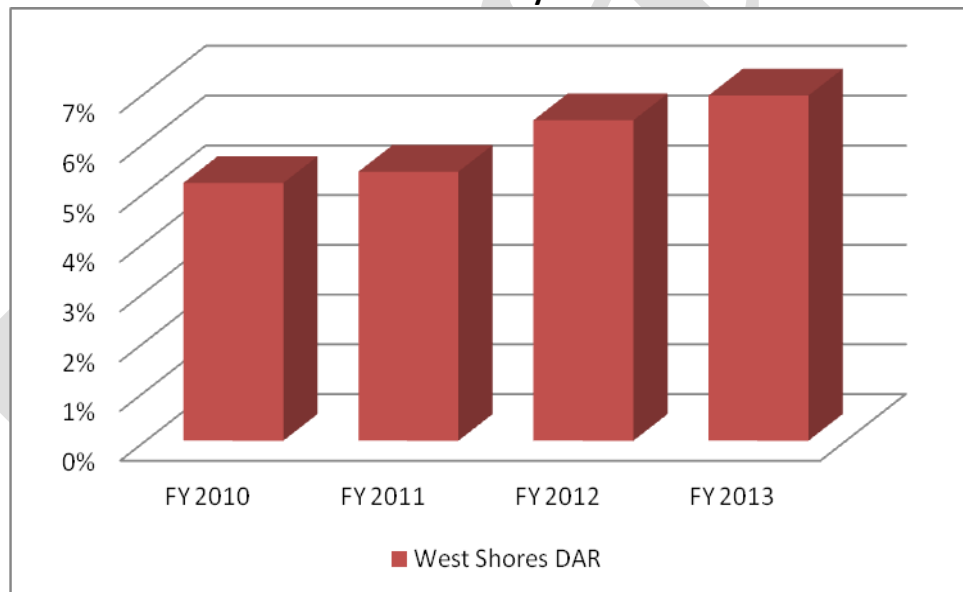
Graph IV-4
Operating Cost per Vehicle Service Hour



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 slightly by 0.2 percent systemwide from \$105.92 in FY 2010 to \$106.13 in FY 2013. This trend is consistent with the 27.6 percent decrease in operating costs and the comparable decrease in vehicle service hours of 27.7 percent between FY 2010 and FY 2013.
2. **Operating cost per passenger**, an indicator of cost effectiveness, decreased 24.2 percent systemwide from \$38.59 in FY 2010 to \$29.27 in FY 2013. As noted above, West Shores Dial-A-Ride operating costs decreased 27.6 percent during the period; however, Dial-A-Ride ridership systemwide decreased by a lower rate of 4.5 percent during the period from 2,212 passengers in FY 2010 to 2,112 passengers in FY 2013.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, increased 32.1 percent between FY 2010 and FY 2013 systemwide from 2.7 passengers per hour to 3.6 passengers per hour. The trend in this indicator reflects the slight decrease in ridership while vehicle service hours exhibited a more pronounced decrease.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, increased 18.0 percent between FY 2010 and FY 2013 from 0.13 in FY 2010 to 0.15 in FY 2013. From the FY 2010 base year to FY 2013, total vehicle service miles decreased 19.1 percent from 17,522 vehicle service miles to 14,174 vehicle service miles.
5. **Vehicle service hours per employee** increased 10 percent systemwide between FY 2010 and FY 2013. This increase was associated with the 27.7 percent decrease in Dial-A-Ride vehicle service hours while the number of full-time employee equivalents (FTE) declined from 1.4 to just under one employees during the period. 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 increase of 33.9 percent between FY 2010 and FY 2013 systemwide. Farebox recovery increased by 19.1 percent between FY 2011 and FY 2012 as annual operating costs decreased 7.3 percent and passenger fare revenue increased 10.4 percent. From FY 2012 through FY 2013, trends in annual changes in operating costs and passenger fares were fairly consistent.

Conclusion from the Verification of TDA Performance Indicators

West Shores Dial-A-Ride's performance indicators reflect decreases in operating costs, vehicle service mileage, and hours while the number of passenger trips decreased slightly. Operating costs decreased 27.6 percent over the period due to earlier service modifications that reduced service to just two weekdays. The decline in passenger trips mirrored the service reductions, but showed signs of recovery in FY 2013 within 100 trips of FY 2010 levels. The decrease in vehicle service hours was comparable to the decrease in operating costs. Vehicle service miles decreased 19.1 percent overall yet showed signs of increasing during FY 2013. The farebox recovery standard was adjusted from 10 percent to 5 percent by ICTC. This allowed for West Shores Dial-A-Ride to meet and exceed the new standard. Performance may see further improvement as the biweekly service frequencies stabilize and ridership increases.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within West Shores Dial-A-Ride. 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

West Shores Dial-A-Ride has continued to be sustained through service and farebox recovery adjustments. The transition in use of local Measure D funds instead of TDA has been instrumental in maintaining this lifeline service to the communities located on SR 86 corridor adjacent to the Salton Sea. Administration of the West Shores Dial-A-Ride service contract was formally transferred from the County of Imperial to ICTC in November 2010. ARC, a social service nonprofit 501(c)(3) organization, has operated the service under contract since September 2006.

The service provided on Thursdays transports participants of the Catholic Charities Nutrition Group program. Another major trip generator is the Westshores Medical Clinic in Salton City operated by Clinicas de Salud del Pueblo, a private, nonprofit corporation providing an array of comprehensive primary care services to residents.

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 to ICTC 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 further 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	99%	99%	100%	100%	100%

Source: ARC Imperial Valley

The service has operated without any reported accidents during the audit period. 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 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	9	6	7	9	31
Trip Denials	32	16	3	3	54
No-Shows	76	54	29	30	189

Source: ARC Imperial Valley

The number of no-shows and trip denials declined significantly during the audit period. The number of trip denials declined 91 percent from 32 in FY 2010 to 3 in FY 2013. No-shows

decreased 61 percent from 76 in FY 2010 to 30 in FY 2013. 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 remained steady with slight decreases in FY 2011 and FY 2012.

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	0	0	0
Compliments	0	0	0	0	0

Source: ARC Imperial Valley

There were no complaints received during the audit period indicating general passenger satisfaction. 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/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. Drivers are assigned to contracted services based on their aptitude and customer service skills. The driver assigned to West Shores Dial-A-Ride resides in Westmorland but works out of El Centro three days a week.

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 West Shores 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 West Shores 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 West Shores 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 issues during the audit period. The West Shores Dial-A-Ride vehicles received satisfactory ratings for all vehicle inspections conducted during the audit period as part of the CHP Transit Operator Compliance Program.

Planning

West Shores Dial-A-Ride service planning and analysis has been coordinated through ICTC. ICTC commissioned the ICTC FY 2010–11 Short-Range Transit Plan (SRTP) in 2010, which was released in January 2012. The SRTP contains performance standards that provided a measurement tool to gauge the effectiveness and success of West Shores Dial-A-Ride. Table V-5 summarizes West Shores Dial-A-Ride performance and service quality standards presented in the SRTP:

Table V-5
West Shores Dial-A-Ride
Performance Standards

Performance Indicator	Performance Standard for West Shores Dial-A-Ride
Operating Cost per Passenger	\$5.70
Operating Cost per Revenue Hour	\$25.01
Passengers per Revenue Hour	5.0
Farebox Recovery Ratio	10 percent TDA; 5 percent adjusted

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

The operating cost per passenger has consistently not met the standard of \$5.70 (rising from \$38.59 in FY 2010 to \$29.27 in FY 2013). Likewise, the operating cost per revenue hour has also not met the standard of \$25.01 (rising from \$105.92 in FY 2010 to \$106.13 in FY 2013). The number of passengers per revenue hour remained below the standard of 5.0 passengers per hour, fluctuating between 2.7 passengers in FY 2010 and 3.6 passengers in FY 2013. With regard to farebox recovery, the standard was adjusted from 10 percent to 5 percent. The adjustment has allowed West Shores Dial-A-Ride to meet and exceed its farebox recovery ratio.

West Shores is one of several Imperial Valley demand-response transit services that have been considered for 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 jurisdictions 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 ICTC Board voted for West Shores Dial-A-Ride to be consolidated under the IVT RIDES brand. Since the City of El Centro opted not to be part of the Dial-A-Ride consolidation, a second RFP was released and bid submittals reviewed. First Transit, which currently operates IVT and IVT Access, was selected to operate the consolidated service effective the fall of 2014.

Marketing

West Shores Dial-A-Ride 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 \$2,937.41 in FY 2011 to \$1,000 in FY 2013.

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

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 West Shores Dial-A-Ride. 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 West Shores Dial-A-Ride, 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 West Shores Dial-A-Ride contract and oversees ADA certifications.

In addition to the oversight of West Shores Dial-A-Ride provided by ICTC staff through contract management and monitoring, discussions about service are held through committees including the Social Services Transportation Advisory Council, which advises ICTC on transit matters pertaining to the needs of transit-dependent and transit-disadvantaged persons.

Grants Management

West Shores Dial-A-Ride relies on a few funding mechanisms derived primarily from local sources and measures to support its transit services. During the audit period, West Shores Dial-A-Ride received Local Transportation Fund (LTF) proceeds under Article 8(c) for operating expenses. LTF revenues were \$52,675 in FY 2011 and \$55,027 in FY 2012. West Shores Dial-A-Ride did not receive an allocation of LTF revenues in FY 2013. With the inability of the service to meet the TDA farebox standard for rural transit operations, ICTC moved to utilize Measure D funds rather than TDA to keep the lifeline service viable.

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.

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 West Shores 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.

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 West Shores Dial-A-Ride, the operator fully complied with seven requirements. The operator was partially compliant with regard to the timely submittal of the annual fiscal and compliance audit for FY 2011. Three additional compliance requirements did not apply to the operator (e.g., urban/blended farebox recovery ratios and federal formula grants).
2. West Shores Dial-A-Ride is no longer subject to the 10 percent farebox recovery standard of TDA for rural transit systems. Using local Measure D revenues, ICTC selected a lower 5 percent farebox recovery performance goal. The farebox recovery ratio was 5.41 percent in FY 2011; 6.44 percent in FY 2012; and 6.94 percent in FY 2013. The average systemwide farebox recovery ratio was 6.26 percent during the triennial review period. This meets the adjusted standard.
3. Through its contract operator, ICTC participates in the CHP Transit Operator Compliance Program and received inspections of West Shores 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 notable fluctuations during the period, which were attributed to service hour cutbacks and adjustments. The budget decreased 26.5 percent in FY 2011 and 7.3 percent in FY 2012. For FY 2013, West Shores' operating budget increased 6.4 percent.
5. West Shores Dial-A-Ride fully implemented one of the two prior audit recommendations, which pertained to recording trip denials on the contractor's annual passenger service report. The remaining recommendation that pertained to mobility management alternatives was no longer deemed applicable to West Shores Dial-A-Ride.
6. Operating cost per vehicle service hour, an indicator of cost efficiency, increased slightly by 0.2 percent systemwide from \$105.92 in FY 2010 to \$106.13 in FY 2013. This trend is consistent with the 27.6 percent decrease in operating costs and the comparable decrease in vehicle service hours of 27.7 percent between FY 2010 and FY 2013.

7. Operating cost per passenger, an indicator of cost effectiveness, decreased 24.2 percent systemwide from \$38.59 in FY 2010 to \$29.27 in FY 2013. As noted above, West Shores Dial-A-Ride operating costs decreased 27.6 percent during the period; however, Dial-A-Ride ridership systemwide decreased by a lower rate of 4.5 percent during the period from 2,212 passengers in FY 2010 to 2,112 passengers in FY 2013.
8. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, increased 32.1 percent between FY 2010 and FY 2013 systemwide from 2.7 passengers per hour to 3.6 passengers per hour. The trend in this indicator reflects the slight decrease in ridership while vehicle service hours exhibited a more pronounced decrease.
9. Farebox recovery exhibited an overall increase of 33.9 percent between FY 2010 and FY 2013 systemwide. Farebox recovery increased by 19.1 percent between FY 2011 and FY 2012 as annual operating costs decreased 7.3 percent and passenger fare revenue increased 10.4 percent. From FY 2012 through FY 2013, trends in annual changes in operating costs and passenger fares were fairly consistent.
10. West Shores Dial-A-Ride has continued to be sustained through service and farebox recovery adjustments. Local Measure D funds has been instrumental in maintaining this lifeline service to the communities located on SR 86 corridor adjacent to the Salton Sea.
11. Administration of the West Shores Dial-A-Ride service contract was formally transferred from the County of Imperial to ICTC in November 2010. ARC Imperial Valley, a social service nonprofit 501(c)(3) organization, has operated the service under contract since September 2006.
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 remained steady with slight decreases in FY 2011 and FY 2012.
13. The number of trip denials declined 91 percent from 32 in FY 2010 to 3 in FY 2013. ARC charges for no-shows after a total of three no-shows. No-shows decreased 61 percent from 76 in FY 2010 to 30 in FY 2013.
14. In January 2014, ICTC released an RFP for the continuation of services for five demand-response services in the Imperial Valley. The ICTC Board voted for West Shores Dial-A-Ride to be consolidated under the IVT RIDES brand. First Transit, which currently operates IVT and IVT Access, was selected to operate the consolidated service effective the fall of 2014.

Recommendations

- 1. Ensure monthly transit operating reports submitted to ICTC by the contract operator include qualitative operating data.**

With the change in Dial-A-Ride contract operators under a consolidated service contract, ICTC will be receiving quantitative performance data that would provide the necessary information for transit planning staff to evaluate service productivity, efficiency, and effectiveness. Such data would include revenue mileage, hours, passenger trips, and fares as well as key performance indicators such as operating costs per hour, operating costs per passenger, and passengers per hour. Under the new consolidated service contract with First Transit, ICTC will continue to receive quantitative performance data. For qualitative monitoring purposes, it is recommended that the contract operator provide additional performance data such as no-shows, cancellations, trip denials, complaints, and roadcalls in its monthly statement to ICTC along with a year-to-date total.