



FY 2014—2016 TRIENNIAL PERFORMANCE AUDIT OF IVT RIDE



SUBMITTED TO:

Imperial County Transportation Commission

September 2017

SUBMITTED BY:

Michael Baker
INTERNATIONAL

TABLE OF CONTENTS

Section I	1
Introduction.....	1
Overview of the Transit System	1
Section II	5
Operator Compliance Requirements	5
Section III	13
Prior Triennial Performance Recommendations	13
Section IV	22
TDA Performance Indicators	22
Section V	34
Review of Operator Functions.....	34
Operations	34
Maintenance	47
Planning	48
Marketing	49
General Administration and Management.....	50
Section VI	53
Findings	53
Recommendations.....	55

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 Michael Baker International to conduct the Transportation Development Act (TDA) triennial performance audit of the public transit operators under its jurisdiction in Imperial County. This performance audit is conducted for IVT RIDE covering the most recent triennial period, fiscal years 2013–14 through 2015–16.

The purpose of the performance audit is to evaluate IVT 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 IVT RIDE’s compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether IVT 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 the development and conduct of the audit.

Overview of the Transit System

IVT RIDE is a specialized demand-response service that operates in the cities of Brawley, Calexico, El Centro, and Imperial and in the communities along the west shore of the Salton Sea. Demand-response service is currently available only to seniors 60 years and older and persons with disabilities pursuant to the Americans with Disabilities Act (ADA) of 1990. The service is administered by ICTC and operated under contract by First Transit, Inc., a private for-profit transportation services company.

Prior to the formation of this consolidated paratransit system in FY 2015, individual demand-response services operated in each of the aforementioned cities and on the west shore of the Salton Sea. Each former service is briefly summarized below.

Brawley Dial-A-Ride

Brawley Dial-A-Ride was a general public demand-response service that operated in the city of Brawley. Dial-A-Ride was established in September 1985 as a private for-profit service. The system operated Monday through Friday between the hours of 7:00 a.m. and 5:00 p.m. Reservations were made the same day as travel and the fare was \$1.50 per trip for adults and \$0.75 for children 11 years of age and under. In later years, the service was administered by the City's Public Works Department and operated under contract by Sunrise Driving Service, a nonprofit 501(c)(3) entity. The system was incorporated into IVT RIDE in January 2015.

Calexico Dial-A-Ride

Calexico Dial-A-Ride was a specialized demand-response service that operated within the city of Calexico for seniors 60 years and older and persons with disabilities. The service operated seven days a week between the hours of 8:00 a.m. and 5:00 p.m. Reservations were made the same day as travel and the fare was \$1.00 per trip. The service was administered by the City's Utility Services Department and operated under contract by First Transit. The system was incorporated into IVT RIDE in October 2014.

El Centro Dial-A-Ride

El Centro Dial-A-Ride was a specialized demand-response service that operated in the city of El Centro. Demand-response service was available only to seniors 60 years and older and persons with disabilities. Dial-A-Ride was administered by the City of El Centro Public Works Department and operated under contract by ARC Imperial Valley (ARC), a social services nonprofit 501(c)(3) organization. The service operated Monday through Saturday between the hours of 7:00 a.m. and 6:00 p.m. Reservations were made 1 to 14 days in advance and the fare was \$1.25 per trip. The Dial-A-Ride service was established in January 1980 and was operated by ARC beginning in 2000. The system was incorporated into IVT RIDE in July 2016.

Imperial Dial-A-Ride

Imperial Dial-A-Ride was a specialized demand-response service that operated within the city of Imperial as well as to neighboring El Centro. The demand-response service was available only to seniors 60 years and older and persons with disabilities. The service operated Monday through Friday between the hours of 7:00 a.m. and 4:00 p.m. Reservations were made 1 to 14 days in advance and the fare was \$0.75 per trip within Imperial and \$1.75 per trip between Imperial and El Centro. The service was administered by the City of Imperial, subsidized by ICTC, and operated by ARC under contract beginning in 2000. The system was incorporated into IVT RIDE in October 2014.

West Shores Dial-A-Ride

West Shores Dial-A-Ride was a general public demand-response transit service that served communities along the western shore of the Salton Sea in northwestern Imperial County. The

service area comprised a 15-mile stretch of the State Route (SR) 86 corridor between the unincorporated towns of Desert Shores, Salton Sea Beach, and Salton City. The service operated Tuesdays and Thursdays between the hours of 7:00 a.m. and 4:00 p.m. Reservations were made 1 to 14 days in advance and the fare was \$2.00 per trip. The service was administered and subsidized by ICTC and operated by ARC beginning in September 2006. The system was incorporated into IVT RIDE in December 2014.

Imperial County is geographically located in the southeastern corner of California, stretching from the United States-Mexico border to the south, Riverside County to the north, San Diego County to the west, and the state of Arizona and the Colorado River to 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 4,176 square miles and is traversed by 2,555 miles of roadway. Major highways include Interstate 8 and State Routes 7, 78, 86, 98, 111, and 115. A demographic snapshot of key cities and the county is presented below in Table I-1.

Table I-1
Imperial County Demographics

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census %	Population 65 Years & Older %	2017 Department of Finance Estimates	Land Area (in square miles)
Brawley	24,953	+13.1%	10.05%	26,928	7.68
Calexico	38,572	+42.5%	11.43%	40,921	8.39
Calipatria	7,705	+5.7%	4.65%	7,555	3.72
El Centro	42,598	+11.4%	10.70%	45,628	11.08
Holtville	5,939	+5.8%	12.26%	6,255	1.15
Imperial	14,758	+91.8%	6.48%	18,658	5.86
Westmorland	2,225	+3.4%	11.24%	2,302	0.59
Unincorporated Area	37,778	+17.1%	11.62%	40,087	4,146.53
Total Imperial County	174,528	+22.6%	10.40%	188,334	4,176.60

Source: 2010 US Census, California Department of Finance, 2017 Population Estimates

The city of El Centro is the county seat and the largest city in Imperial County. The county and its incorporated cities saw notable growth between the 2000 and 2010 US Census, in particular the cities of Calexico and Imperial. The senior citizen population, comprising residents aged 65 and over, is 10.4 percent countywide. The 2017 population for Imperial County is estimated to be 188,334 as reported by the California Department of Finance. El Centro has the highest number of residents, followed in descending order by Calexico, Brawley, Imperial, Calipatria, Holtville, and Westmorland.

System Characteristics

IVT RIDE is composed of five service areas: Brawley, Calexico, El Centro, Imperial, and the west shore communities of the Salton Sea. The system offers curb-to-curb demand-response transportation services for seniors age 60 years and over and for persons with disabilities

pursuant to the ADA. Hours and days of operation vary based on the service area. In Brawley, El Centro, and Imperial, service operates Monday through Saturday from approximately 7:00 a.m. to 5:00 p.m. In Calexico, service operates Monday through Sunday from approximately 7:00 a.m. to 5:00 p.m. On the west shore of the Salton Sea, the service operates Tuesdays and Thursdays from approximately 7:00 a.m. to 5:00 p.m.

Reservations can be made 1 to 14 days in advance. Same-day requests for service may be honored on a space-available basis only. The system does not operate on the following holidays: New Year's Day, Martin Luther King Day (observed), Presidents' Day, Memorial Day (observed), Independence Day (observed), Labor Day, Veterans Day, Thanksgiving, and Christmas.

Fares

IVT RIDE has retained the fare structures of the individual local demand-response transit services. The current fares will remain in effect until analysis and recommendation for revision is provided by ICTC staff. The IVT RIDE-Brawley service area offers a half-price fare for passengers age 11 years and under. The IVT RIDE fare schedule for each service is summarized in Table I-2.

Table I-2
IVT RIDE Fare Schedule

Fare Category	Brawley	Calexico	El Centro	Imperial	West Shores
One-way fare	\$1.50	\$1.00	\$1.25	Local \$0.75/ Intercity \$1.75	Local \$2.00/ Westmorland \$3.00

Source: ICTC

Fleet

IVT RIDE operates 11 vehicles in revenue service with three spares in reserve. Each vehicle is wheelchair lift equipped and conforms to the requirements of the ADA. The vehicles were acquired upon the launch of the service in FY 2015 through the Caltrans statewide competitive bid process. Vehicles are low-floor, Ford E-450 cutaway buses with retractable ramps. The ramp feature minimizes boarding and alighting time. The individual local Dial-A-Ride services had their own fleets prior to consolidation. Table I-3 shows the IVT RIDE fleet.

Table I-3
IVT RIDE Fleet

Year	Make & Model	Quantity	Fuel Type	Seating Capacity
2015	Ford E-450 LF Transport Champion	9	Unleaded Gas	20 (3 W/C)
2016	Ford E-450 LF Transport Champion	5	Unleaded Gas	20 (3 W/C)
Total		14		

Source: ICTC

W/C = Wheelchair

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of IVT 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*, to assess transit operators. The guidebook contains a checklist of eleven measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each of these requirements is discussed in Table II-1, 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	<p>Completion/submittal dates:</p> <p>FY 2014: October 1, 2014 FY 2015: October 19, 2015 FY 2016: October 18, 2016</p> <p>The FY 2016 Transit Operators Financial Transactions Report was completed within the statutory time frame, but the cover page shows a signed date of January 31, 2017, by the ICTC Executive Director on behalf of the fiscal officer.</p> <p>Prior to the consolidation of the local Dial-A-Ride systems into IVT RIDE, the individual cities were still responsible for completing and submitting their own Transit Operators Financial Transactions Reports. Below is a summary of reports submitted to the State Controller during the audit period.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p><i>Brawley:</i> FY 2014: October 21, 2014 FY 2015: November 17, 2015 FY 2016: n/a</p> <p><i>Calexico:</i> FY 2014: n/a FY 2015: n/a FY 2016: n/a</p> <p><i>El Centro:</i> FY 2014: October 16, 2014 FY 2015: October 13, 2015 FY 2016: October 17, 2016</p> <p><i>Imperial:</i> FY 2014: September 30, 2014 FY 2015: n/a FY 2016: n/a</p> <p>Conclusion: Complied</p>
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	<p>Completion/submittal dates: FY 2014: January 29, 2015 FY 2015: January 8, 2016 FY 2016: March 16, 2017</p> <p>A 90-day extension was granted by the RTPA pursuant to the TDA statute.</p> <p>Prior to the consolidation of the local Dial-A-Ride systems into IVT RIDE, the individual cities were still responsible for commissioning their TDA fiscal and compliance audits. Below is a summary of fiscal audits</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>submitted during the audit period.</p> <p><i>Brawley:</i> FY 2014: April 13, 2015 FY 2015: n/a FY 2016: n/a</p> <p><i>Calexico:</i> FY 2014: December 19, 2014 FY 2015: n/a FY 2016: n/a</p> <p><i>El Centro:</i> FY 2014: December 8, 2014 FY 2015: December 15, 2015 FY 2016: March 1, 2017</p> <p><i>Imperial:</i> FY 2014: December 23, 2014 FY 2015: January 8, 2016 FY 2016: n/a</p> <p>Conclusion: Complied</p>
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>IVT RIDE, through its contract operator, participates in the CHP Transit Operator Compliance Program in which the CHP conducted inspections within the 13 months prior to each TDA claim. Inspections for IVT RIDE vehicles were conducted at First Transit located at 792 East Ross Road, El Centro.</p> <p>Transit Operator Compliance Certificates and inspections applicable to the audit period</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>were July 25 and 26, 2013; November 10 and 12, 2014; November 9 and 10, 2015; and October 27 and 31 and November 3, 2016.</p> <p>Inspections were found to be satisfactory.</p> <p>CHP inspections for El Centro Dial-A-Ride, which continued operating its own service during the audit period, were conducted at ARC-Imperial Valley located at 298 East Ross Avenue, El Centro. Transit Operator Compliance Certificates and inspections applicable to the audit period for El Centro Dial-A-Ride were June 24 and 26, 2013; July 14, 2014; and July 14, 2015.</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, annual claims for Local Transportation Funds and State Transit Assistance for IVT RIDE are submitted in compliance with the rules and regulations adopted by ICTC.</p> <p>Conclusion: Complied</p>
If an operator serves urbanized and non-	Public Utilities Code, Section 99270.1	This requirement is not applicable, as IVT RIDE provides

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.		specialized paratransit service and is subject to a different farebox ratio. 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	Percentage increase in IVT RIDE's operating budget (based on the combined systems): FY 2014: +15.3% FY 2015: +1.0% FY 2016: +10.4% The increase in the FY 2014 operating budget is attributed to service consolidation efforts, technology upgrades, increased demand from ADA-certified passengers, and enhanced marketing efforts. Source: ICTC Annual Productivity Reports and Annual TDA Claims Conclusion: Complied
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	Public Utilities Code, Section 99247	ICTC's definition of performance measures as tracked and recorded by the contract operator is consistent with Public Utilities Code, Section 99247. A review of trip sheets from the contract operator during the audit period indicates that correct performance data are being

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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.		collected. However, more consistency between data in internal and external reports is required. Conclusion: Complied
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	This requirement is not applicable, as IVT RIDE provides specialized paratransit service and is subject to a different farebox ratio. Conclusion: Not applicable
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	Under PUC Section 99268.5, the farebox recovery ratio requirement for exclusive service for the elderly and disabled persons is 10 percent. IVT RIDE systemwide operating ratios using internal and external audited financial data were as follows: FY 2014: 9.93% FY 2015: 8.45% FY 2016: 7.42% Source: ICTC Annual Productivity Reports & Annual Fiscal and Compliance audits

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		Conclusion: Not in compliance
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	<p>ICTC contracts with a private provider for operations, while ICTC employees are covered under the Imperial County Employees' Retirement System (ICERS) pursuant to the County Employees Retirement Law of 1937.</p> <p>The City of El Centro contracted with a private nonprofit provider for operations. The City contributes to its staff's retirement through the California Public Employees' Retirement System (CalPERS)</p> <p>Conclusion: Complied</p>
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)	<p>This measure is not applicable, as federal formula grant funds are not utilized and IVT RIDE does not receive State Transit Assistance Fund (STAF) revenues.</p> <p>Conclusion: Not applicable</p>

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to IVT RIDE, the operation fully complied with seven of the eight applicable requirements. The operator was not in compliance with farebox attainment. Three additional compliance requirements did not apply to IVT RIDE (e.g., rural/urban farebox recovery ratios and use of federal formula funding).
2. IVT RIDE did not meet its required farebox recovery ratio standard of 10 percent during the audit period. The farebox recovery ratio was 9.93 percent in FY 2014, 8.45 percent in FY 2015, and 7.42 percent in FY 2016. The average systemwide farebox recovery ratio was 8.6 percent during the triennial review period.
3. Through its contract operators, the transit systems participate 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 modest increases period that did not exceed 15 percent for two of the three years. The FY 2014 operating budget increased 15.3 percent due to service consolidation efforts, technology upgrades, increased demand from ADA-certified passengers, and enhanced marketing efforts. Subsequently, the budget increased 1.0 percent and 10.4 percent in FY 2015 and FY 2016, respectively.

Section III

Prior Triennial Performance Recommendations

IVT 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 each 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

Ensure local Measure D support is reported as a separate line item in the annual fiscal and compliance audit (*Brawley Dial-A-Ride – Prior Recommendation #1*).

Background description of prior recommendation: The prior audit noted that the City of Brawley received Measure D local support funds toward its Dial-A-Ride service. However, the City's annual fiscal and compliance audits did not report the Measure D allocation as a separate line item under intergovernmental revenues. Instead, the Measure D allocation was combined with the City's Local Transportation Fund (LTF) allocation. It was suggested that the City's Finance Department work closely with the TDA fiscal auditors to ensure that Measure D revenues are reported properly.

Actions taken by IVT RIDE

Brawley Dial-A-Ride was consolidated into IVT RIDE in January 2015 under the administration of ICTC, with operations transferred to First Transit. Prior to consolidation, the Dial-A-Ride service was still being administered through the City of Brawley Public Works Department. Local County Measure D, the one-half cent sales tax, has been in effect since its adoption in November 1989 and was renewed by the voters in 2010. Two percent of the proceeds of this tax are allocated by the Local Transportation Authority (LTA) to transit. The City's FY 2014 and FY 2015 annual TDA compliance audits still did not report the City's Measure D allocation as a separate line item. The fiscal and compliance audits of ICTC's Transit Planning and Programs Management Fund do report the local Measure D allocation as a separate line item in the supplementary information schedules section.

Conclusion

This recommendation is no longer applicable since Brawley Dial-A-Ride has been brought under the administration of ICTC.

Prior Recommendation 2

Include links to the Dial-A-Ride and other transit services on the City's website (*Brawley Dial-A-Ride – Prior Recommendation #2*).

Background description of prior recommendation: Prior audits have suggested that Dial-A-Ride information be included on the City of Brawley's website, which recently underwent an update. The updated content did not include information or links to the City's Dial-A-Ride service, although there was a link to IVT and the Gold Line on the Public Works page. It was acknowledged that the prior contract operator had established and maintained a separate website for Brawley Dial-A-Ride along with its own dedicated domain.

With the consolidation of Brawley Dial-A-Ride under IVT RIDE, it was suggested that a link to this new Dial-A-Ride service be made available on the City's website. Additional information could include a map or schematic of the new Brawley Transfer Terminal.

Actions taken by IVT RIDE

In response to this recommendation, the City of Brawley included a link to IVT RIDE on the Public Works page of its website (<http://www.brawley-ca.gov/section/Public-Works>). Links to IVT and IVT RIDE are found on the menu located on the left-hand side of the page. The link goes to a separate page where one can then click to the IVT RIDE website. There are no additional transit links or information about the Brawley Transfer Terminal.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Ensure monthly transit operating reports submitted to the City/ICTC by the contract operator include qualitative operating data (*Brawley Dial-A-Ride – Prior Recommendation #3; Imperial Dial-A-Ride – Prior Recommendation #4; and West Shores Dial-A-Ride – Prior Recommendation #1*).

Background description of prior recommendation: With the change in Dial-A-Ride contract operators under a consolidated service contract, the IVT RIDE contract operator would be submitting quantitative performance data that would provide the necessary information for 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. It was also recommended that the contract operator include additional performance data such as no-shows, cancellations, trip denials, complaints, and road calls in its monthly statement to the City. It was suggested that all performance measures be included on the monthly statement along with a year-to-date total from the new Dial-A-Ride contract operator.

Actions taken by IVT RIDE

During the audit period, administration and contract oversight of Brawley, Imperial, and West Shores Dial-A-Ride was transferred to ICTC in conjunction with the IVT RIDE consolidation and phased in during FY 2015. The contract operator, First Transit, includes a management summary report with its monthly invoice to ICTC for IVT RIDE services. The summary report contains year-to-date vehicle service data (e.g., road calls, wheelchair lift failures, accidents, incidents, vandalism) and qualitative passenger service data (on-time performance, denials, no-shows, compliments, complaints). However, late cancellations are not reported. Complaints are categorized into seven types. In addition to the management summary report, the contract operator includes a monthly performance data summary with year-to-date totals, farebox summary, performance indicator charts, and a trip denials report.

Conclusion

This recommendation has been implemented. However, it is suggested that the contract operator track the number of late cancellations on the management summary report.

Prior Recommendation 4

Ensure local Measure D support is reported as a separate line item in the Transit Operators Financial Transactions Report (*Calexico Dial-A-Ride – Prior Recommendation #1; Imperial Dial-A-Ride – Prior Recommendation #3*).

Background description of prior recommendation: Prior to consolidation, the cities received local Measure D support toward their transit systems, which ranged from \$20,000 to \$30,000 annually. However, for FYs 2011 and 2012, each city's Transit Operators Financial Transactions Report submitted to the State Controller did not account for Measure D allocations under operating revenues in the Income Statement. While the FY 2013 report did include the allocation under Non-Transportation Revenues, it should be recorded as Local Sales Tax. It is suggested that each city's Finance Department ensure that Measure D revenues are reported properly as Local Sales Tax in the Transit Operators Financial Transactions Report.

Actions taken by IVT RIDE

The City of Calexico did not complete a Transit Operators Financial Transactions Report for FY 2014 even though it still administered the Dial-A-Ride service through FY 2014. Calexico Dial-A-Ride became part of IVT RIDE in October 2014. The City of Imperial completed and submitted a Transit Operators Financial Transactions Report for FY 2014; however, the \$30,000 in local Measure D funds were mistakenly reported as Local Transportation Funds under TDA. Preparation and submittal of the Transit Operators Financial Transactions Report is now the responsibility of ICTC, which currently administers the consolidated service as IVT RIDE. Local Measure D funds should be reported in the State Controller's Report under the Local Sales Tax line item.

Conclusion

This recommendation has not been implemented. When local Measure D funds are used for IVT RIDE, the funds should be reported under the Local Sales Tax line item in the annual State Controller's Report.

Prior Recommendation 5

Provide operations performance data as Demand Response in the State Controller's Report (*Calexico Dial-A-Ride – Prior Recommendation #2*).

Background description of prior recommendation: The supplemental operating data section of the annual State Controller's Report requires performance data to be reported under the proper mode of transit. The City had been reporting its Dial-A-Ride data under the motor bus provision which is reserved for fixed route. A separate area for demand response data is available in that section of the report. It was suggested that the City enter the performance data under the demand response column rather than under motor bus.

Actions taken by IVT RIDE

The last Transit Operators Financial Transactions Report completed and submitted by the City of Calexico was for FY 2013. The City did not complete a State Controller's Report for FY 2014 even though it still administered the Dial-A-Ride service through FY 2014. Calexico Dial-A-Ride became part of IVT RIDE in October 2014. Preparation and submittal of the Transit Operators Financial Transactions Report is the responsibility of ICTC, which now administers the consolidated service.

Conclusion

This recommendation is no longer applicable due to transit consolidation. However, it is suggested that ICTC staff check for consistency between internal and external performance data reported in the Transit Operators Financial Transactions Report for specialized service.

Prior Recommendation 6

Replace aging demand response vehicles (*Calexico Dial-A-Ride – Prior Recommendation #3*).

Background description of prior recommendation: Calexico Dial-A-Ride operated a fleet of four vehicles. Three of the vehicles were 2003 Ford El Dorado National cutaways that were approaching the end of their useful service span. After the fleet averaged about eight road calls annually between FY 2010 and FY 2012, the number of road calls increased significantly in FY 2013 to 54 road calls. It was suggested that the City work with the contractor and ICTC to plan and provide for newer vehicles. In addition, it was recommended that the public works director/city engineer coordinate the capital replacement schedule and the procurement of

replacement vehicles with ICTC and either piggyback on another transit agency's procurement process or review the procurement program through CalACT to expedite the bus purchases.

Actions taken by IVT RIDE

During the audit period, Callexico Dial-A-Ride was consolidated into IVT RIDE effective October 2014. As part of the IVT RIDE service provision, Callexico's Dial-A-Ride fleet was replaced with low-floor, Ford E-450 cutaway buses with retractable ramps. The ramp feature minimizes boarding and alighting time. The vehicles were acquired upon the launch of the service in FY 2015 through the Caltrans statewide competitive bid process.

Conclusion

This recommendation has been implemented with the consolidation of Callexico Dial-A-Ride into IVT RIDE.

Prior Recommendation 7

Enhance passenger ride eligibility and verification procedures (*Callexico Dial-A-Ride – Prior Recommendation #4; El Centro Dial-A-Ride – Prior Recommendation #1*).

Background description of prior recommendation: As a specialized paratransit service, Callexico Dial-A-Ride was limited to seniors age 60 and older and persons with disabilities. Due to this limitation, verification of rider eligibility was required prior to boarding. It was recommended that the City clearly state the forms of identification that were acceptable to ride Dial-A-Ride. In addition, it was suggested that the City collaborate with ICTC for providing ADA certification as one form of disability verification. ICTC conducts ADA certifications for the regional IVT ACCESS paratransit service, which could then also be valid for rides on the City Dial-A-Ride services as part as of Dial-A-Ride consolidation.

Even though ridership increased during the prior audit period, farebox recovery exhibited a declining trend in FY 2013. As a means for the service to sustain ridership and meet farebox recovery, it was suggested that the City consider additional methods to attract ridership, such as lowering the age of eligibility for seniors from 60 years of age to 55 years.

Actions taken by IVT RIDE

During the audit period, administration and contract oversight of the local Dial-A-Ride systems were transferred to ICTC in conjunction with the IVT RIDE consolidation. IVT RIDE service commenced operations in Callexico in October 2014, and El Centro Dial-A-Ride became part of the IVT RIDE system effective July 2016. The age of eligibility remains 60 years of age on all of IVT RIDE's services. All persons interested in using IVT RIDE must complete an intake form and show picture identification to the IVT RIDE intake coordinator.

In addition, ICTC commissioned the ICTC ADA Certification Report, which was adopted in March 2015. The certification report analyzes the certification procedures and processes being conducted, presents case studies of other seven other transit systems, and includes a series of recommendations. The objectives of the study were to determine whether the eligibility certification process could be improved while maintaining full compliance with the ADA. ICTC filled the position of mobility coordinator, which is tasked with public outreach for paratransit services such as IVT RIDE and administration of the eligibility and certification process for senior citizens and persons with disabilities as defined under the Americans with Disabilities Act of 1990.

Conclusion

This recommendation has been implemented, while the age of eligibility remains unchanged.

Prior Recommendation 8

Request additional monthly operations data from the contract operator and maintain the data on file at the City (*Calexico Dial-A-Ride – Prior Recommendation #5*).

Background description of prior recommendation: As stipulated in the service contract, it is the contract operator's responsibility to collect data on the operation of the transit system and supply such data to the director of Utility Services for the City on a monthly basis. It was suggested that this additional operational data (i.e., on-time performance, road calls, complaints by type, accidents, cancellations, trip denials, and no-shows) be regularly compiled, tracked, and included in the monthly reports to the City. By having the additional data compiled and reported monthly, it would enable the City to better monitor the service based on the performance standards stipulated in the Dial-A-Ride contract.

Under the new consolidated service contract with First Transit, the City would continue to receive quantitative performance data that would provide the necessary information for City staff to evaluate the service productivity, efficiency, and effectiveness of the Dial-A-Ride service. For qualitative monitoring purposes, it was recommended that the contract operator provide additional performance data such as no-shows, cancellations, trip denials, complaints, and road calls in its monthly statement to the City, along with a year-to-date total.

Actions taken by IVT RIDE

During the audit period, administration and contract oversight of Calexico's Dial-A-Ride was transferred to ICTC in conjunction with the IVT RIDE consolidation. IVT RIDE service commenced operations in Calexico in October 2014. The contract operator, First Transit, includes a management summary report with its monthly invoice to ICTC for IVT RIDE services in Calexico. The summary report contains year-to-date vehicle service data (e.g., road calls, wheelchair lift failures, accidents, incidents, vandalism) and qualitative passenger service data (on-time performance, denials, no-shows, compliments, complaints). However, late cancellations are not reported. Complaints are categorized into seven types. In addition to the management summary

report, the contract operator includes a monthly performance data summary with year-to-date totals, farebox summary, performance indicator charts, and a trip denials report.

Conclusion

This recommendation has been implemented. However, it is suggested that the contract operator track the number of late cancellations on the management summary report.

Prior Recommendation 9

Review alternatives for rider eligibility on Dial-A-Ride (*El Centro Dial-A-Ride – Prior Recommendation #2*).

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

Actions taken by IVT RIDE

The age of eligibility remained unchanged for El Centro Dial-A-Ride. Even though the City of El Centro opted out of the initial Dial-A-Ride consolidation effort that took place in FY 2015, the City later requested that ICTC conduct a competitive bid process and administer the contract for the continuation of paratransit services. Once an operator was selected and contract oversight transferred to ICTC, El Centro Dial-A-Ride became part of the IVT RIDE system effective July 2016. The age of eligibility is 60 years of age on all of IVT RIDE's services. All persons interested in using IVT RIDE must complete an intake form and show picture identification to the IVT RIDE intake coordinator.

Conclusion

This recommendation is no longer applicable.

Prior Recommendation 10

Ensure the timely completion and submittal of the annual State Controller Transit Operators Financial Transactions Reports (*Imperial Dial-A-Ride – Prior Recommendation #1*).

Background description of prior recommendation: The prior audit found that the City did not submit its annual Transit Operators Financial Transactions Reports to the State Controller in a timely manner for all three years. Pursuant to PUC Section 99243(a), "the operators shall prepare

and submit annual reports of their operation to the transportation planning agencies having jurisdictions over them and to the Controller within 90 days of the end of the fiscal year.” If the report is filed in electronic format as mandated by the State Controller, the report is to be furnished within 110 days after the close of the fiscal year.

It was recommended that internal procedures be developed that provide the timeline and staff assignments to complete the annual report. The desktop procedures should be made available to all Finance Department staff and made part of a finance orientation package in the event of turnover in the department.

Actions taken by IVT RIDE

The City of Imperial completed and submitted a Transit Operators Financial Transactions Report for FY 2014. The FY 2014 report was submitted within the 110-day time frame on September 30, 2014. The City informed the State Controller that its Dial-A-Ride system had been consolidated in an email dated December 22, 2015, in response to an inquiry into the status of the FY 2015 State Controller’s Report. Preparation and submittal of the Transit Operators Financial Transactions Report is the responsibility of ICTC, which now administers the consolidated service.

Conclusion

This recommendation has been implemented. Submittal of the Transit Operators Financial Transactions Report is now the responsibility of ICTC, which administers the consolidated dial-a-ride service.

Prior Recommendation 11

Complete and check annual State Controller’s Report for Imperial Dial-A-Ride (*Imperial Dial-A-Ride – Prior Recommendation #2*).

Background description of prior recommendation: The prior audit suggested that the City of Imperial Finance Department forward the completed Transit Operators Financial Transactions Report to the City Manager to verify financial and supplemental operational data (fares, operating costs, passengers, hours, miles, etc.) prior to submittal to the State Controller. This check would help provide consistency between the performance data received from the contract operator and the Transit Operators Financial Transactions Report.

A review of the Transit Operators Financial Transactions Reports submitted to the State Controller revealed discrepancies in the Supplemental Operating Data section. For example, the same figure was recorded for total annual passengers and vehicle revenue hours in the reports submitted during audit period. In other cases, there was incomplete data entry for vehicles in operation and full-time equivalents (FTE). It was suggested that further coordinated efforts between the Finance Department and the City Manager be made to ensure the accuracy of the Transit Operators Financial Transactions Reports before submittal to the State Controller and ICTC.

Actions taken by IVT RIDE

The City of Imperial completed and submitted a Transit Operators Financial Transactions Report for FY 2014. The Supplemental Operating Data section in the FY 2014 report had discrepancies involving the same figure recorded for total annual passengers and vehicle revenue hours. In addition, FTE data were omitted. The City informed the State Controller that its Dial-A-Ride system had been consolidated in an email dated December 22, 2015, in response to an inquiry into the status of the FY 2015 State Controller's Report. Preparation and submittal of the Transit Operators Financial Transactions Report is the responsibility of ICTC, which now administers the consolidated service.

Conclusion

This recommendation is no longer applicable due to transit consolidation. However, it is suggested that ICTC staff check for consistency between internal and external performance data reported in the Transit Operators Financial Transactions Report.

Section IV

TDA Performance Indicators

This section reviews IVT 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.

Tables IV-1 through IV-6 provide the performance indicators for IVT RIDE systemwide and for each IVT RIDE service area including El Centro Dial-A-Ride. Charts are also included 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
IVT RIDE Systemwide TDA Performance Indicators

		Audit Period			
Performance Data and Indicators	FY 2013	FY 2014	FY 2015*	FY 2016	% Change FY 2013–2016
Operating Cost	\$1,168,711	\$1,183,122	\$979,617	\$1,193,262	2.1%
Total Passengers	106,204	104,074	84,248	75,633	-28.8%
Vehicle Service Hours	20,067	20,177	21,508	20,834	3.8%
Vehicle Service Miles	219,731	209,935	200,350	179,076	-18.5%
Employee FTEs	20	18	31	20	1.6%
Passenger Fares	\$122,334	\$117,493	\$82,767	\$88,593	-27.6%
Operating Cost per Passenger	\$11.00	\$11.37	\$11.63	\$15.78	43.4%
Operating Cost per Vehicle Service Hour	\$58.24	\$58.64	\$45.55	\$57.27	-1.7%
Operating Cost per Vehicle Service Mile	\$5.32	\$5.64	\$4.89	\$6.66	25.3%
Passengers per Vehicle Service Hour	5.3	5.2	3.9	3.6	-31.4%
Passengers per Vehicle Service Mile	0.48	0.50	0.42	0.42	-12.6%
Vehicle Service Hours per Employee	997.4	1,121.0	686.3	1,019.3	2.2%
Average Fare per Passenger	\$1.15	\$1.13	\$0.98	\$1.17	1.7%
Fare Recovery Ratio	10.47%	9.93%	8.45%	7.42%	-29.1%

Source: Annual Fiscal & Compliance Audit; ARC-Imperial Valley-Annual Operating Statistics Report; IVT RIDE Summary Report

*IVT RIDE commenced operations in FY 2015; El Centro Dial-A-Ride operated separately under another operator through June 2016

Table IV-2
IVT RIDE Brawley TDA Performance Indicators

Performance Data and Indicators	FY 2013	Audit Period			% Change FY 2013–2016
		FY 2014	FY 2015*	FY 2016	
Operating Cost	\$246,376	\$259,176	\$207,157	\$212,235	-13.9%
Total Passengers	22,695	17,552	14,243	10,268	-54.8%
Vehicle Service Hours	4,514	4,356	3,727	3,754	-16.8%
Vehicle Service Miles	37,254	31,260	28,969	22,421	-39.8%
Employee FTEs	4	4	7	5	17.8%
Passenger Fares	\$26,896	\$24,705	\$20,401	\$14,326	-46.7%
Operating Cost per Passenger	\$10.86	\$14.77	\$14.54	\$20.67	90.4%
Operating Cost per Vehicle Service Hour	\$54.58	\$59.50	\$55.58	\$56.54	3.6%
Operating Cost per Vehicle Service Mile	\$6.61	\$8.29	\$7.15	\$9.47	43.1%
Passengers per Vehicle Service Hour	5.0	4.0	3.8	2.7	-45.6%
Passengers per Vehicle Service Mile	0.61	0.56	0.49	0.46	-24.8%
Vehicle Service Hours per Employee	1,128.5	1,089.0	532.4	797.0	-29.4%
Average Fare per Passenger	\$1.19	\$1.41	\$1.43	\$1.40	17.7%
Fare Recovery Ratio	10.92%	9.53%	9.85%	6.75%	-38.2%

Source: FY 2013–15 Annual Fiscal & Compliance Audits; State Controller's Reports; IVT RIDE Performance Summary

*IVT RIDE Brawley commenced operations in January 2015

Table IV-3
IVT RIDE Callexico TDA Performance Indicators

Performance Data and Indicators	FY 2013	FY 2014	Audit Period		% Change FY 2013–2016
			FY 2015*	FY 2016	
Operating Cost	\$382,510	\$398,079	\$388,001	\$347,167	-9.2%
Total Passengers	46,228	40,649	30,403	26,633	-42.4%
Vehicle Service Hours	7,758	7,734	7,446	6,687	-13.8%
Vehicle Service Miles	81,917	74,233	62,205	53,951	-34.1%
Employee FTEs	7	7	9	7	-2.3%
Passenger Fares	\$45,164	\$40,134	\$31,615	\$25,310	-44.0%
Operating Cost per Passenger	\$8.27	\$9.79	\$3.17	\$13.04	57.5%
Operating Cost per Vehicle Service Hour	\$49.31	\$51.47	\$12.92	\$51.92	5.3%
Operating Cost per Vehicle Service Mile	\$4.67	\$5.36	\$1.55	\$6.43	37.8%
Passengers per Vehicle Service Hour	6.0	5.3	4.1	4.0	-33.2%
Passengers per Vehicle Service Mile	0.56	0.55	0.49	0.49	-12.5%
Vehicle Service Hours per Employee	1,108.3	1,104.9	787.9	977.6	-11.8%
Average Fare per Passenger	\$0.98	\$0.99	\$0.34	\$0.95	-2.7%
Fare Recovery Ratio	11.81%	10.08%	8.15%	7.29%	-38.3%

Source: Annual Fiscal & Compliance Audits; State Controller's Reports; IVT RIDES Performance Summary

*IVT RIDE Callexico commenced operations in October 2014

Table IV-4
El Centro Dial-A-Ride TDA Performance Indicators

	Audit Period				
Performance Data and Indicators	FY 2013	FY 2014	FY 2015	FY 2016	% Change FY 2013–2016
Operating Cost	\$356,982	\$354,406	\$428,536	\$411,838	15.4%
Total Passengers	28,987	36,834	33,235	32,866	13.4%
Vehicle Service Hours	5,550	5,741	7,362	7,159	29.0%
Vehicle Service Miles	62,706	65,251	67,253	65,607	4.6%
Employee FTEs	6	4	4	4	-35.5%
Passenger Fares	\$35,731	\$36,834	\$40,511	\$39,208	9.7%
Operating Cost per Passenger	\$12.32	\$9.62	\$12.89	\$12.53	1.8%
Operating Cost per Vehicle Service Hour	\$64.32	\$61.73	\$58.21	\$57.53	-10.6%
Operating Cost per Vehicle Service Mile	\$5.69	\$5.43	\$6.37	\$6.28	10.3%
Passengers per Vehicle Service Hour	5.2	6.4	4.5	4.6	-12.1%
Passengers per Vehicle Service Mile	0.46	0.56	0.49	0.50	8.4%
Vehicle Service Hours per Employee	895.1	1,435.3	1,840.5	1,789.8	99.9%
Average Fare per Passenger	\$1.23	\$1.00	\$1.22	\$1.19	-3.2%
Fare Recovery Ratio	10.01%	10.39%	9.45%	9.52%	-4.9%

Source: Annual Fiscal & Compliance Audits; State Controller's Report; ARC-Imperial Valley-Annual Operating Statistics Report

Table IV-5
IVT RIDE Imperial TDA Performance Indicators

Performance Data and Indicators	Audit Period				% Change FY 2013–2016
	FY 2013	FY 2014	FY 2015*	FY 2016	
Operating Cost	\$121,027	\$108,647	\$168,269	\$164,065	35.6%
Total Passengers	6,182	7,175	5,085	5,149	-16.7%
Vehicle Service Hours	1,663	1,736	2,243	2,619	57.5%
Vehicle Service Miles	23,680	25,077	24,016	22,956	-3.1%
Employee FTEs	2	2	8	4	94.5%
Passenger Fares	\$10,253	\$12,040	\$8,724	\$8,336	-18.7%
Operating Cost per Passenger	\$19.58	\$15.14	\$33.09	\$31.86	62.8%
Operating Cost per Vehicle Service Hour	\$72.78	\$62.58	\$75.02	\$62.64	-13.9%
Operating Cost per Vehicle Service Mile	\$5.11	\$4.33	\$7.01	\$7.15	39.8%
Passengers per Vehicle Service Hour	3.7	4.1	2.3	2.0	-47.1%
Passengers per Vehicle Service Mile	0.26	0.29	0.21	0.22	-14.1%
Vehicle Service Hours per Employee	831.5	868.1	267.3	673.3	-19.0%
Average Fare per Passenger	\$1.66	\$1.68	\$1.72	\$1.62	-2.4%
Fare Recovery Ratio	8.47%	11.08%	5.18%	5.08%	-40.0%

Source: FY 2013 Annual Fiscal & Compliance Audit; ARC-Imperial Valley-Annual Operating Statistics Report; IVT RIDE Summary Report

*IVT RIDE Imperial commenced operations in October 2014

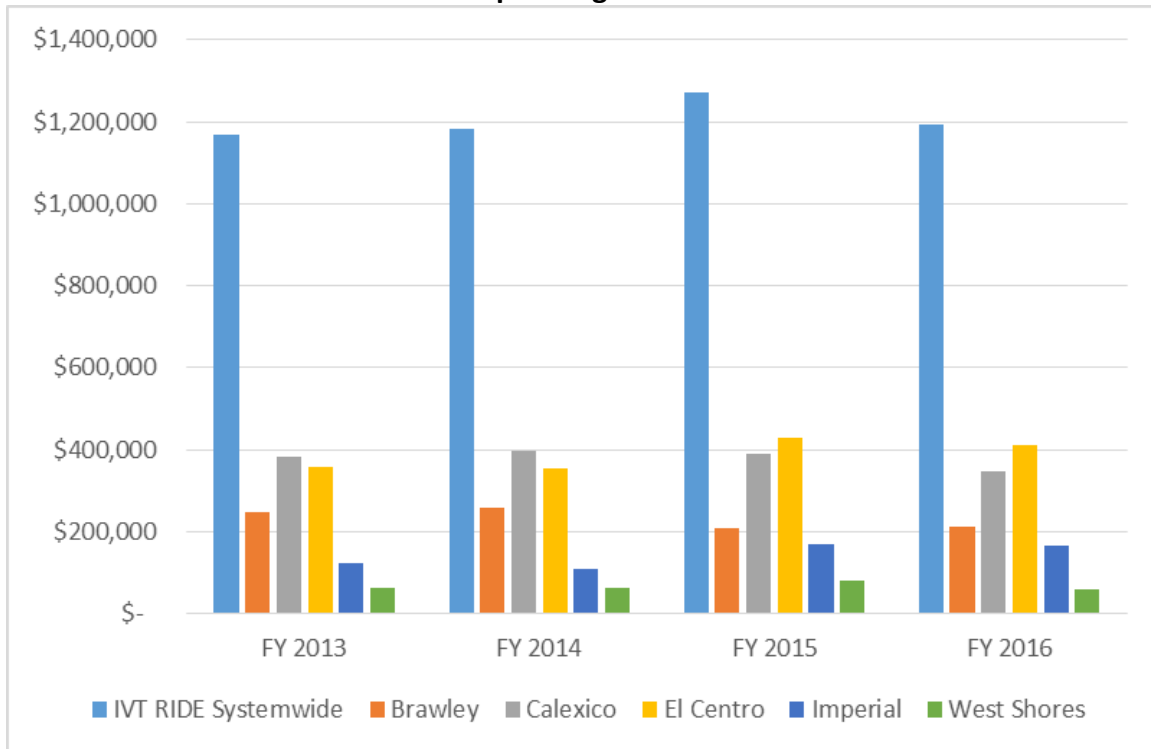
Table IV-6
IVT RIDE West Shores TDA Performance Indicators

Performance Data and Indicators	FY 2013	Audit Period			% Change FY 2013–2016
		FY 2014	FY 2015*	FY 2016	
Operating Cost	\$61,816	\$62,814	\$79,421	\$57,957	-6.2%
Total Passengers	2,112	1,864	1,282	717	-66.1%
Vehicle Service Hours	582	610	730	615	5.6%
Vehicle Service Miles	14,174	14,114	17,907	14,141	-0.2%
Employee FTEs	1	1	3	1	8.7%
Passenger Fares	\$4,290	\$3,780	\$2,824	\$1,412	-67.1%
Operating Cost per Passenger	\$29.27	\$33.70	\$61.95	\$80.83	176.2%
Operating Cost per Vehicle Service Hour	\$106.13	\$102.97	\$108.85	\$94.18	-11.3%
Operating Cost per Vehicle Service Mile	\$4.36	\$4.45	\$4.44	\$4.10	-6.0%
Passengers per Vehicle Service Hour	3.6	3.1	1.8	1.2	-67.9%
Passengers per Vehicle Service Mile	0.15	0.13	0.07	0.05	-66.0%
Vehicle Service Hours per Employee	633.1	610.0	291.8	615.4	-2.8%
Average Fare per Passenger	\$2.03	\$2.03	\$2.20	\$1.97	-3.0%
Fare Recovery Ratio	6.94%	6.02%	3.56%	2.44%	-64.9%

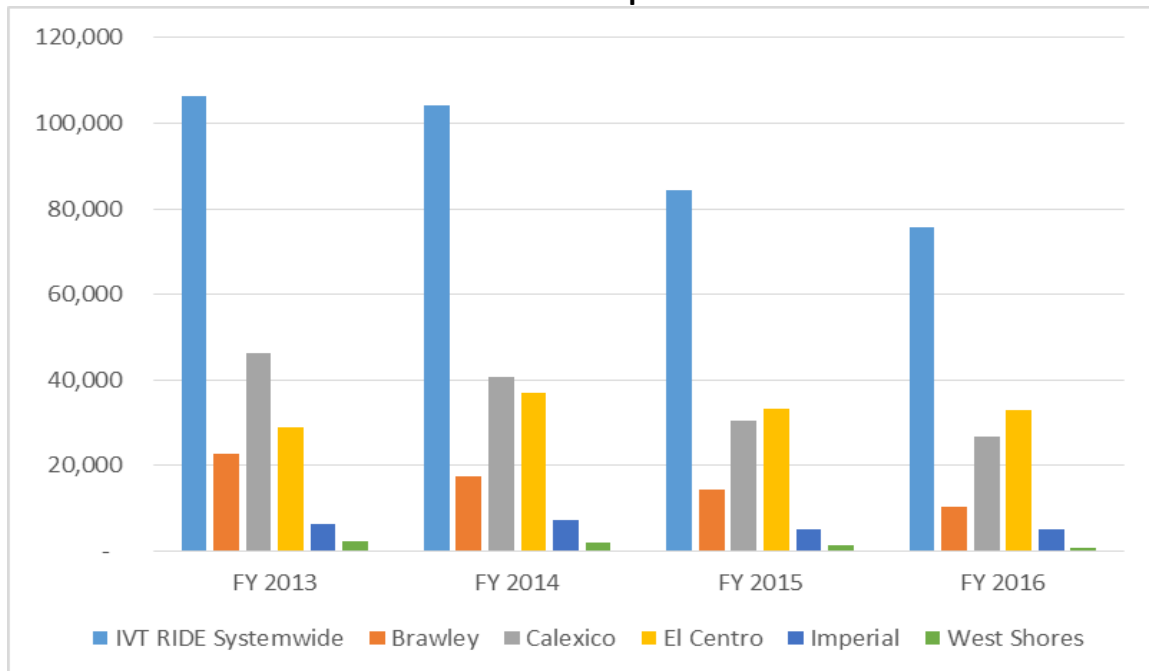
Source: Annual Fiscal & Compliance Audit; ARC-Imperial Valley-Annual Operating Statistics Report; IVT RIDE Summary Report

*IVT RIDE West Shores commenced operations in December 2014

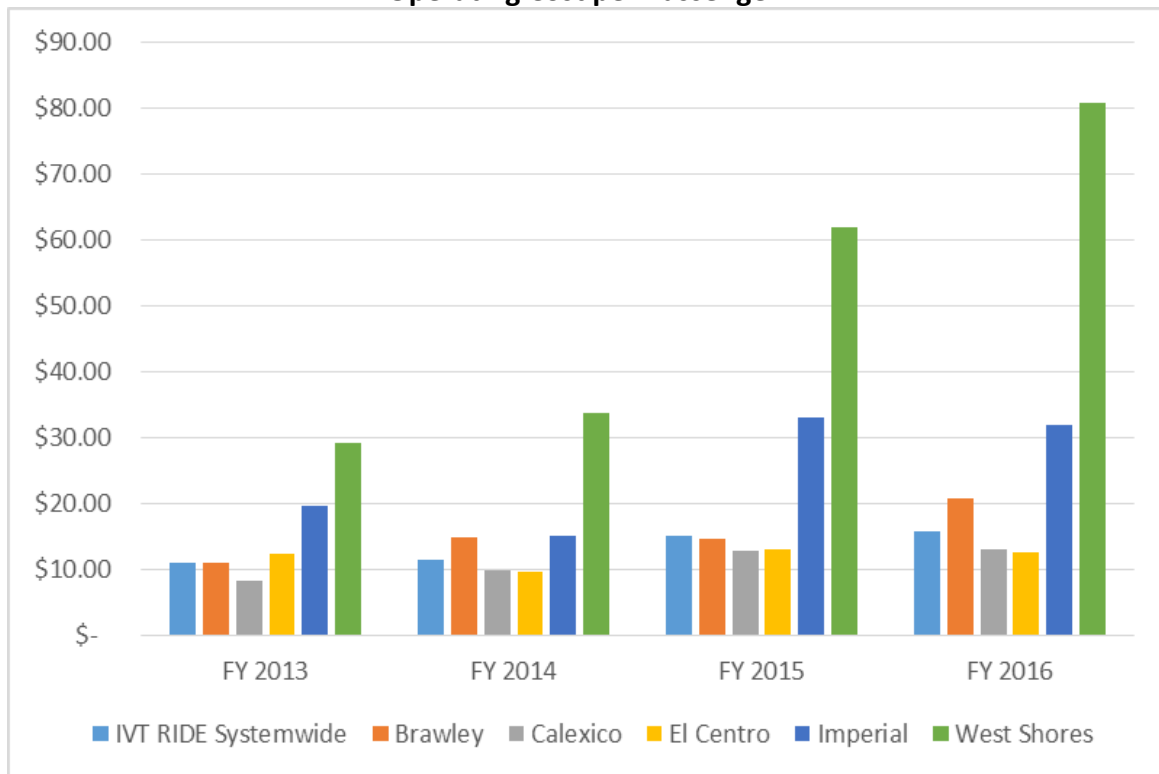
**Graph IV-1
Operating Costs**



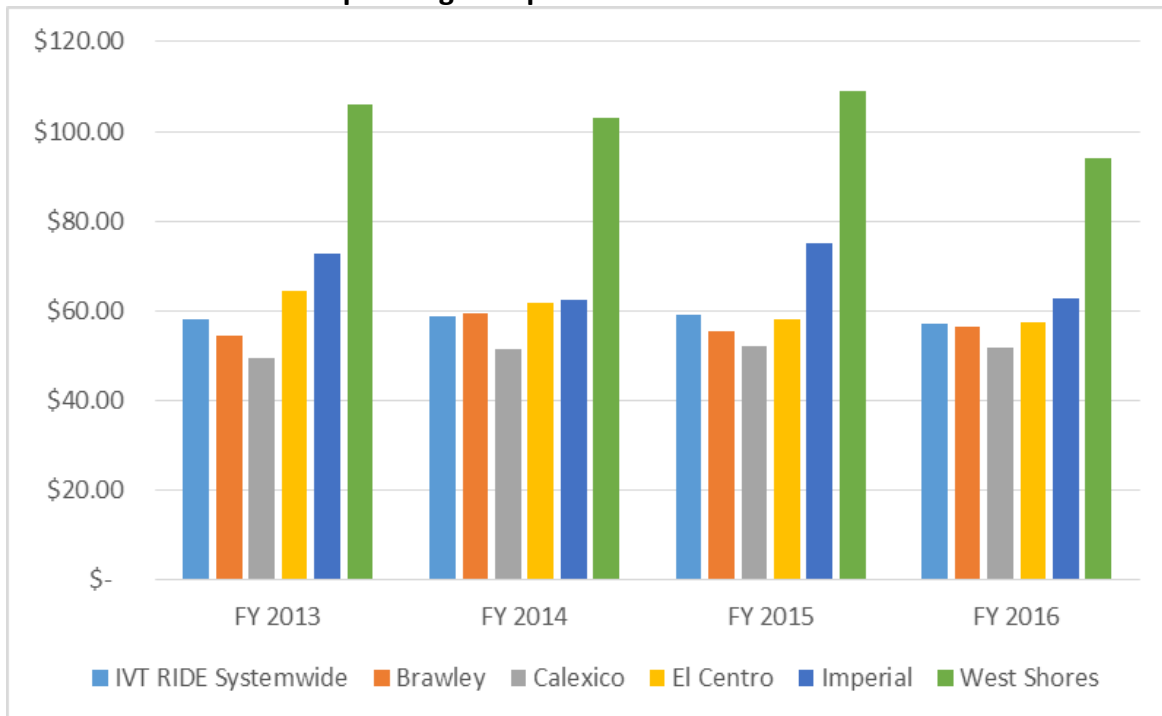
**Graph IV-2
Ridership**



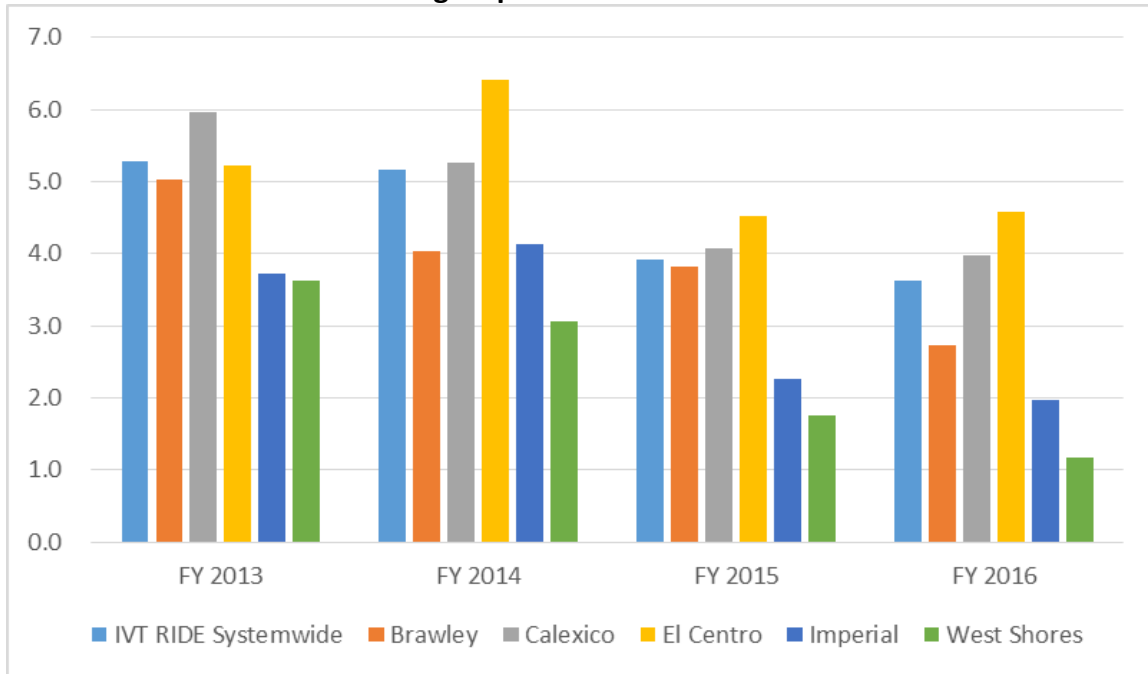
Graph IV-3
Operating Cost per Passenger



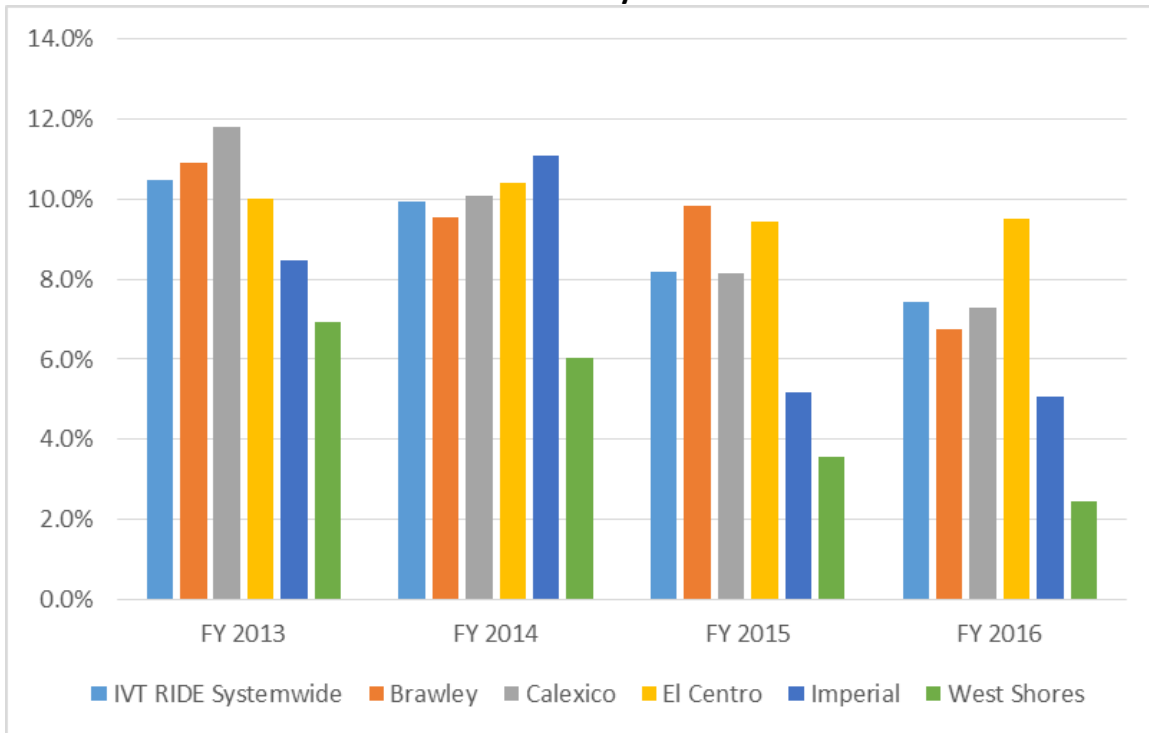
Graph IV-4
Operating Cost per Vehicle Service Hour



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, decreased 1.7 percent systemwide from \$58.24 during the FY 2013 base year to \$57.27 in FY 2016. This trend is consistent with the modest increase in operating costs of 2.1 percent during the period and the slightly higher increase in vehicle service hours of 3.8 percent. At the service area level, Brawley's cost per hour increased 3.6 percent, Calexico's increased 5.3 percent, El Centro's decreased 10.6 percent, Imperial's decreased 13.9 percent, and West Shores' decreased 11.3 percent.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 43.4 percent systemwide from \$11.00 in FY 2013 to \$15.78 in FY 2016. As noted above, operating costs increased 2.1 percent systemwide; however, ridership decreased 28.8 percent during the period from 106,204 passengers in FY 2013 to 75,633 passengers in FY 2016. At the service area level, Brawley's cost per passenger increased 90.4 percent, Calexico's increased 57.5 percent, El Centro's increased 1.8 percent, Imperial's increased 62.8 percent, and West Shores' increased 176.2 percent.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased 31.4 percent between FY 2013 and FY 2016 systemwide from 5.3 passengers per hour to 3.6 passengers per hour. The trend in this indicator reflects the 28.8 percent decrease in passenger trips coupled with the 3.8 percent increase in vehicle service hours. At the service area level, Brawley's passengers per hour decreased 45.6 percent, Calexico's decreased 33.2 percent, El Centro's decreased 12.1 percent, Imperial's decreased 47.1 percent, and West Shores' decreased 67.9 percent.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, decreased 12.6 percent between FY 2013 and FY 2016 from 0.48 passengers per mile to 0.42 passengers per mile. From the FY 2013 base year to FY 2016, total vehicle service miles decreased 18.5 percent from 219,731 vehicle service miles to 179,076 vehicle service miles. At the service area level, Brawley's passengers per mile decreased 24.8 percent, Calexico's decreased 12.5 percent, El Centro's increased 8.4 percent, Imperial's decreased 14.1 percent, and West Shores' decreased 66 percent.
5. **Vehicle service hours per employee** increased 2.2 percent systemwide between FY 2013 and FY 2016. This increase is attributed to the 3.8 percent increase in vehicle service hours while the number of employee full-time equivalents increased 1.6 percent. This measure is based on the number of employee full-time equivalents (FTE) using employee pay hours from the State Controller's Report and dividing by 2,000 hours per employee.
6. **Farebox recovery** exhibited an overall decrease of 29.1 percent between FY 2013 and FY 2016 systemwide from 10.47 percent to 7.42 percent. Passenger fare revenue decreased 29.1 percent, whereas operating costs increased 2.1 percent. At the service area level,

Brawley's farebox recovery ratio decreased 38.2 percent (from 10.92 to 6.75 percent), Calexico's decreased 38.3 percent (from 11.81 to 7.29 percent), El Centro's decreased 4.9 percent (from 10.01 to 9.52 percent), Imperial's decreased 40 percent (from 8.47 to 5.08 percent), and West Shores' decreased 64.9 percent (from 6.94 to 2.44 percent).

Conclusion from the Verification of TDA Performance Indicators

IVT RIDE's performance indicators are reflective of the unique operating characteristics of each local Dial-A-Ride with regard to costs and ridership. For the system as a whole, operating costs increased by a modest 2.1 percent with a 35.6 percent increase in costs on the Imperial service and a 15.4 percent increase on El Centro Dial-A-Ride. The other services exhibited decreases in operating costs during the audit period ranging from a 6.2 percent decrease on West Shores Dial-A-Ride to a 13.9 percent decrease in Brawley.

Ridership declined nearly 29 percent systemwide with variations among the local services. West Shores Dial-A-Ride's ridership decreased 66.1 percent, Brawley's ridership decreased 54.8 percent, and Calexico's ridership decreased 42.4 percent. The reduced ridership is attributed to factors including a new eligibility process, slow acceptance of a new reservation system by the riders, a reduced ridership pool on the west shore of the Salton Sea, availability of local IVT circulator routes, and the conversion of Brawley Dial-A-Ride from a general public service to a specialized paratransit service. In contrast, ridership on El Centro Dial-A-Ride increased 13.4 percent.

Vehicle service hours increased 3.8 percent systemwide, whereas vehicle service miles decreased 18.5 percent. Average ridership per hour declined over the time period as ridership decreased in spite of slight growth in vehicle hours. The average fare collected per passenger remained fairly stable which aligns with the current fare structure in each participating city and has not changed since consolidation. The drop in ridership, however, and subsequent fare revenue were key factors in the decline in the farebox recovery ratio. IVT RIDE is held to a systemwide farebox recovery of 10 percent, which it did not attain during the audit period. Most services are also held to a 10 percent farebox recovery ratio on an individual basis with the exception of West Shores, which is held to a 5 percent ratio. The highest farebox attainment during the three year audit period was realized in FY 2014. ICTC and First Transit, in consultation with the Paratransit Coordination Committee formed by the participating public agencies, are reviewing strategies to address the ridership and farebox issues.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within IVT RIDE. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed with staff at the ICTC, First Transit, and ARC-Imperial Valley:

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

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

Operations

Efforts to consolidate the five local Dial-A-Ride systems in the Imperial Valley came to fruition during the audit period. With direction from the Commission, ICTC staff implemented a competitive bid process in February 2014 that focused on the consolidation of the five public Dial-A-Ride services in Brawley, Calexico, El Centro, Imperial, and the western shore of the Salton Sea. The five agencies expressed interest in determining whether greater efficiencies, better regulatory compliance, and cost reductions could be realized. The process left open the possibility that one or more cities may elect to retain the current system of independent contracts and operators or the consolidation of some of the services.

For added oversight and accountability, a new Paratransit Coordination Committee (PCC) would be created by which the participating agencies would retain the ability to be responsive to their constituents, review performance trends, and make recommendations. The consolidated paratransit service would have a unified brand name—IVT RIDE—and color scheme composed of yellow, black, and white.

The City of El Centro decided not to participate in the initial competitive bid process. A revised consolidated paratransit services bid process was circulated in June 2014 for the four remaining service areas. In July 2014, ICTC staff presented the results of the competitive bid and received direction from the Commissioners to proceed with contract negotiations and award the IVT RIDE consolidated paratransit contract to First Transit, Inc.

In June 2015, El Centro requested that ICTC conduct a competitive bid process and administer the operating contract for the continuation of paratransit service in that city. In September 2015, the Commission directed staff to proceed with the competitive bid. After reviewing performance trends and considering the latent service demand, ICTC staff adjusted the scope of work to add a fourth revenue bus and extended service hours on Saturdays. A Request for Proposal was advertised and released in February 2016. One proposal was received from First Transit for a three-year term with three one-year options. IVT RIDE commenced service in El Centro effective July 2016.

IVT RIDE's contract operator, First Transit, is the United States subsidiary of First Transit PLC headquartered in the United Kingdom. US operations are headquartered in Cincinnati, Ohio, and local operations are in El Centro. First Transit's general manager and vice president meet with ICTC staff on a quarterly basis.

Dispatching for IVT RIDE is conducted from the First Transit operations facility located on Industry Way in El Centro. There are eight dispatchers (four full-time and four part-time) who are trained on all the IVT-branded services. Dispatchers work staggered 8-hour shifts between the hours of 4:45 a.m. and midnight. The contract operator uses Trapeze NOVUS dispatching and scheduling software. The Trapeze NOVUS program is integrated with the mobile display terminals used by the drivers while in revenue service. The mobile tablets were acquired and implemented in FY 2015 in conjunction with the consolidation and rebranding of the transit services administered by ICTC.

The implementation of mobile tablets has reduced the need for paper manifests and trip sheets. The driver's trip sheet is configured into two sections. The top third of the sheet summarizes the run where the driver records the date, bus number, total number of passengers, cancellations, no-shows, ADA passengers, starting mileage and time, ending mileage and time, deadhead, and total amount of fares collected. The bottom portion of the trip sheet includes 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.

Dispatchers input performance data into First Transit's proprietary software program, Info-Suite. The contract operator includes a management summary report with its monthly invoice to ICTC and the cities where each system operates. The summary report contains year-to-date vehicle service data (e.g., road calls, wheelchair lift failures, accidents, incidents, vandalism) and qualitative passenger service data (on-time performance, denials, no-shows, compliments, complaints). Complaints are categorized into seven types. In addition to the management summary report, the contract operator includes a monthly performance data summary with year-to-date totals, farebox summary, performance indicator charts, and a trip denials report. Two of the operational measures reported on the management summary report are accidents and on-time performance. On-time performance is measured from origin to destination.

Farebox handling and reconciliation procedures involve oversight by a rotation of at least two staff members. Vehicles are equipped with manual Diamond fareboxes. At the end of the run,

each full farebox is removed from the vehicle and locked inside a vault. All cash fares are counted the following weekday by two staff members in a locked camera-equipped room. Once cash is counted, it is placed in sealed deposit bags and kept securely until ready to be deposited at the bank. GardaWorld armored car picks up the farebox revenue. First Transit deducts the proceeds from its cost on the monthly invoice to ICTC.

The empty fareboxes are placed inside the transit vehicles under the custody of two staff members. Included with the monthly invoice submittal to ICTC is a breakdown of farebox revenues received for each service day. Farebox proceeds are sorted according to passenger fare category along with the cash recorded on the trip sheet, the actual cash received, and the variance.

IVT RIDE Brawley

Brawley Dial-A-Ride was consolidated into the IVT RIDE system in January 2015. Prior to consolidation, Brawley Dial-A-Ride operated as a general public demand-response transit service within the city limits. The system was administered through the Public Works Department and operated under contract by Sunrise Driving Service, a nonprofit 501(c)(3) entity. Under the administration of ICTC, IVT RIDE service in Brawley became a specialized paratransit service. General public service is provided by IVT regional routes and the IVT Gold Line circulator.

The City in partnership with ICTC broke ground on the construction of the Brawley Transfer Terminal Transit Station on Plaza Drive and 5th Street south of City Hall in February 2013. The new terminal was completed in August 2013 and has a total of six vehicle bays: three for buses (IVT/Amtrak Connection), one for Dial-A-Ride, one for taxi services, and one for the IVT Gold Line circulator.

Table V-1 summarizes the performance goals for IVT RIDE Brawley as established by ICTC for the IVT RIDE system.

Table V-1
IVT RIDE Brawley
Performance Standards

Performance Indicator	Goal
Operating Cost per Passenger	\$15.99
Operating Cost per Revenue Hour	\$53.54
Operating Cost per Mile	\$19.29
Passengers per Revenue Hour	3.3
Passengers per Weekday	59.7
Subsidy per Passenger	\$14.39
FTEs	7.7
Farebox Recovery Ratio	10%

Source: ICTC

The operating cost per passenger has increased significantly above the goal (from \$10.86 in FY 2013 to \$20.67 in FY 2016), whereas the operating cost per revenue hour remained slightly above the standard (from \$54.58 in FY 2013 to \$56.54 in FY 2016). In contrast, operating cost per mile remained well below the goals of \$19.29 (from \$6.61 in FY 2013 to \$9.47 in FY 2016). The number of passengers per revenue hour met and exceeded the standard of 3.3 passengers per hour with some fluctuation between 4 and 7 passengers per hour. Farebox recovery attainment remained problematic for the system, remaining under the 10 percent minimum standard.

ICTC's quarterly transit review memos indicated a drop in ridership on the Brawley system after 2:00 p.m. Even though operating costs have decreased, costs per passenger were higher than anticipated. These trends may reflect the change in service provision from a general public Dial-A-Ride to specialized paratransit causing a shift in ridership to the IVT Gold Line.

Qualitative performance measures have also been tracked for IVT RIDE Brawley. Some data were not available or tracked on a regular basis prior to IVT RIDE commencing operations. The data are included on the management summary report prepared by the contract operator. Passenger service measures reported on the summary report include on-time performance, denials, no-shows, compliments, and complaints. Table V-2 contains a summary of passenger service measures.

Table V-2
IVT RIDE Brawley
Passenger Service Measures

Passenger Service Measures	FY 2013	FY 2014	FY 2015	FY 2016
On-Time Performance	n/a	n/a	96.83%	97.64%
Cancellations	1,197	n/a	n/a	n/a
Denials	n/a	n/a	0	0
No-Shows	1,597	n/a	436	454
Compliments	n/a	n/a	0	0
Complaints	5	n/a	0	0

Source: Sunrise Driving Service, Management Summary Report – First Transit

On-time performance on IVT RIDE Brawley remained above 95 percent and averaged in the 97 percent range. There were no denials reported on the system, and no-shows exhibited a slight increase between FY 2015 and FY 2016. In addition, there were no reported complaints or compliments. Even though the prior contract operator tracked and reported cancellations, this measure is not tracked on the management summary report prepared by First Transit. Another set of data tracked and reported use vehicle service measures. Vehicle service measures encompass road calls, wheelchair lift failures, and accidents, all of which are summarized in Table V-3.

Table V-3
IVT RIDE Brawley
Vehicle Service Measures

Vehicle Service Measures	FY 2013	FY 2014	FY 2015	FY 2016
Road Calls	n/a	n/a	0	3
Wheelchair Lift Failure	n/a	n/a	2	2
Accidents	n/a	n/a	0	0

Source: Sunrise Driving Service, Management Summary Report – First Transit

Vehicle service measure data for FY 2013 and FY 2014 were unavailable. No road calls were reported in FY 2015, followed by three road calls in FY 2016. Wheelchair lift issues were reported in FY 2015 and FY 2016. There were no accidents reported since IVT RIDE assumed operations.

IVT RIDE Calexico

Calexico Dial-A-Ride was consolidated into the IVT RIDE system in October 2014. Prior to consolidation, the City administered its own Dial-A-Ride contract with First Transit. One characteristic that distinguishes the Calexico service from the other IVT RIDE services is that it continues to operate on Sundays and charges the lowest fare. Table V-4 summarizes the performance goals for IVT RIDE Calexico as established by ICTC for the IVT RIDE system.

Table V-4
IVT RIDE Calexico
Performance Standards

Performance Indicator	Goal
Operating Cost per Passenger	\$10.01
Operating Cost per Revenue Hour	\$54.33
Operating Cost per Mile	\$5.59
Passengers per Revenue Hour	5.4
Passengers per Day	119.6
Subsidy per Passenger	\$9.01
FTEs	8.7
Farebox Recovery Ratio	10%

Source: ICTC

The operating cost per passenger rose above the goal during the audit period (from \$8.27 in FY 2013 to \$13.04 in FY 2016), whereas the operating cost per revenue hour remained below \$54.33 (from \$49.31 in FY 2013 to \$51.92 in FY 2016). Operating cost per mile exceeded \$5.59 (from \$4.67 in FY 2013 to \$6.43 in FY 2016). The number of passengers per revenue hour remained below the goal of 5.4 passengers per hour (from 6 passengers in FY 2013 to 4 passengers in FY 2016). The decrease in ridership may be attributed to the stricter enforcement of eligibility and reservation policies as well as competition from private transportation services in Calexico. Farebox recovery remained at or above the 10 percent standard for FYs 2013 and 2014 before falling below the standard in FYs 2015 and 2016.

Since consolidation, qualitative performance measures have been tracked more consistently. Some data were not available or tracked on a regular basis prior to IVT RIDE commencing operations. Therefore, most data were not available prior to FY 2015. Passenger service measures reported on the summary report are presented in Table V-5.

Table V-5
IVT RIDE Callexico
Passenger Service Measures

Passenger Service Measures	FY 2013	FY 2014	FY 2015	FY 2016
On-Time Performance	96.15%	n/a	97.44%	96.41%
Cancellations	n/a	n/a	n/a	n/a
Denials	n/a	n/a	0	0
No-Shows	n/a	n/a	2,246	1,007
Compliments	n/a	n/a	0	0
Complaints	n/a	n/a	5	0

Source: Management Summary Report – First Transit

On-time performance ranged between 96 percent and 97 percent. Zero denials were reported since FY 2015, and the number of no-shows decreased by more than half. This trend is attributed to the implementation and enforcement of the no-show and late cancellation policy on IVT RIDE in September 2014. Five complaints were reported in FY 2015, followed by zero complaints in FY 2016.

Vehicle service data also covers the same time frame as the passenger service data. Data for FY 2014 were unavailable. Road calls, wheelchair lift failures, and accidents reported on IVT RIDE Callexico are summarized in Table V-6.

Table V-6
IVT RIDE Callexico
Vehicle Service Measures

Vehicle Service Measures	FY 2013	FY 2014	FY 2015	FY 2016
Road Calls	54	n/a	3	0
Wheelchair Lift Failure	n/a	n/a	4	0
Accidents	n/a	n/a	0	0

Source: Management Summary Report – First Transit

The number of road calls saw a significant reduction from 54 in FY 2013 to zero in FY 2016. Three road calls were reported in FY 2015 along with four wheelchair lift failures. The improvement may be attributed to the replacement of older vehicles with newer ramp-equipped paratransit vehicles. No accidents were reported during the period.

El Centro Dial-A-Ride

During the audit period, El Centro Dial-A-Ride was the only local Dial-A-Ride service that was administered and operated apart from the IVT RIDE system. The El Centro City Council voted to

continue its independent services contract with ARC-Imperial Valley in April 2014. In June 2015, the City requested that ICTC conduct a competitive bid process and administer the operating contract for the continuation of paratransit service in that city. After a competitive bid process was conducted, one proposal was received from First Transit. The operating contract was for a three-year term with three one-year options. IVT RIDE commenced service in El Centro effective July 2016.

El Centro Dial-A-Ride operated four vehicles that were wheelchair lift-equipped and conformed to ADA requirements. Three vehicles were 2009 16-passenger Ford E-450 cutaway buses and the fourth vehicle was a 2015 18-passenger Ford E-450 cutaway bus.

ARC-Imperial Valley conducted dispatching on a manual basis. The contract operator used a database formatted onto a spreadsheet to batch service requests. The operator found that dispatchers and schedulers were able to schedule rides more efficiently with this method. ARC previously used SchedulePro software.

The driver's trip sheet was configured into two sections. The top third of the sheet summarized the run where the driver recorded the date, bus number, total number of passengers, cancellations, no-shows, ADA passengers, starting mileage and time, ending mileage and time, deadhead, and total amount of fares collected. The bottom portion of the trip sheet included 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 involved several parties. At the end of the run, the driver would sign and complete 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 were counted by the driver, they were dropped off at ARC where they were subject to a second count and verified against the trip sheet. A computerized reconciliation sheet would be generated once the count was verified and completed. Subscription services were billed directly to the agency requesting transportation on behalf of their clients.

On behalf of the City, 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 the transit service. Table V-7 summarizes Dial-A-Ride's performance and service quality standards presented in the SRTP for the audit period:

Table V-7
El Centro Dial-A-Ride
Performance Standards

Performance Indicator	Goal
Operating Cost per Passenger	\$4.63
Operating Cost per Revenue Hour	\$23.62
Passengers per Revenue Hour	5.1
Farebox Recovery Ratio	20%; 10% <i>adjusted TDA</i>

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

Based on the SRTP performance standards, the El Centro system struggled to meet its performance goals while farebox recovery dropped slightly below 10 percent. Operating cost per passenger remained above \$4.63 (from \$12.32 in FY 2013 to \$12.53 in FY 2016), whereas operating cost per hour was above the \$23.62 standard despite a declining cost trend (from \$64.32 in FY 2013 to \$57.53 in FY 2016). The number of passengers per hour straddled the goal of 5.1 passengers and ranged between 4 and 6 passengers per hour. On the other hand, farebox recovery dropped below 10 percent in FY 2015 and FY 2016. ICTC established new performance goals for the IVT RIDE El Centro system based on an average of past performance indicators.

ARC prepared an annual management summary report recording operational data such as wheelchair life failures, accidents, vandalism, and road calls. A monthly management summary report was also maintained and included 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 included trip denials and comments received. The passenger service measures are summarized in Table V-8 for the audit period.

Table V-8
El Centro Dial-A-Ride
Passenger Service Measures

Passenger Service Measures	FY 2013	FY 2014	FY 2015	FY 2016
On-Time Performance	100%	100%	100%	100%
Cancellations	93	145	190	183
Denials	49	90	126	49
No-Shows	636	615	644	586
Compliments	0	0	0	0
Complaints	0	2	1	0

Source: ARC-Imperial Valley

On-time performance has averaged 100 percent with only slight variations from year to year. The number of cancellations nearly doubled from 93 in FY 2013 to 183 in FY 2016. Trip denials saw a comparable trend by increasing from 49 in FY 2013 to a high of 126 in FY 2015 before declining to 49 in FY 2016. No-shows fluctuated between 586 in FY 2016 and 644 in FY 2015. As a policy, ARC would charge for no-shows after a total of three no-shows. The number of complaints received was negligible.

Vehicle service measures tracked on the annual management summary report included road calls, wheelchair lift failures, and accidents, as summarized in Table V-9.

Table V-9
IVT RIDE El Centro
Vehicle Service Measures

Vehicle Service Measures	FY 2013	FY 2014	FY 2015	FY 2016
Road Calls	0	0	0	0

Vehicle Service Measures	FY 2013	FY 2014	FY 2015	FY 2016
Wheelchair Lift Failure	0	0	0	0
Accidents	0	0	0	0

Source: ARC-Imperial Valley

Based on the management summary report data, the service has operated without any reported road calls, lift issues, and accidents during the audit period.

IVT RIDE Imperial

Imperial Dial-A-Ride was consolidated into IVT RIDE in October 2014. Prior to consolidation, the City administered the Dial-A-Ride service contract with ARC Imperial Valley, which had operated the service since 2000. IVT RIDE Imperial operates within the city of Imperial as well as to the neighboring city of El Centro. Because the service operates beyond the Imperial city limits into El Centro, it could be considered somewhat of an intercity paratransit system. A fair amount of Dial-A-Ride riders reside along the Aten Road corridor where there is an 80-unit senior housing complex as well as a 40-unit apartment complex. Table V-10 summarizes the performance goals for IVT RIDE Imperial as established by ICTC for the IVT RIDE system.

Table V-10
IVT RIDE Imperial
Performance Standards

Performance Indicator	Goal
Operating Cost per Passenger	\$27.58
Operating Cost per Revenue Hour	\$61.16
Operating Cost per Mile	\$8.07
Passengers per Revenue Hour	2.2
Passengers per Day	24.6
Subsidy per Passenger	\$24.82
FTEs	3.7
Farebox Recovery Ratio	10%

Source: ICTC

Operating cost per passenger increased above the \$27.58 goal (from \$19.58 in FY 2013 to \$31.86 in FY 2016), whereas operating cost per hour remained slightly above the goal of \$61.16 (from \$72.78 in FY 2013 to \$62.64 in FY 2016). Operating cost per mile remained under \$8.07 in spite of an increase (from \$5.11 in FY 2013 to \$7.15 in FY 2016). The system struggled to maintain 2.2 passengers an hour (from 3.7 passengers in FY 2013 to 2 passengers in FY 2016). In addition, farebox recovery met the standard in FY 2014 yet fell below attainment in FY 2015 and FY 2016. The decrease in ridership may be attributed to the smaller population of transit-dependent individuals residing in Imperial as well as the revised ADA eligibility certification process implemented by ICTC.

Qualitative performance measures have been tracked on the management summary report for IVT RIDE Imperial by the contract operators. Passenger service measures reported on the

summary report include on-time performance, denials, no-shows, compliments, and complaints. Table V-11 summarizes passenger service measures.

Table V-11
IVT RIDE Imperial
Passenger Service Measures

Passenger Service Measures	FY 2013	FY 2014	FY 2015	FY 2016
On-Time Performance	100%	100%	98.67%	97.75%
Cancellations	85	83	19	n/a
Denials	12	54	3	0
No Shows	183	313	116	71
Compliments	0	0	1	0
Complaints	0	0	0	0

Source: ARC-Imperial Valley, Management Summary Report – First Transit

Based on the passenger service measure trends, on-time performance has remained above 97 percent. Cancellations were reported by the prior contract operator through September 2014; however, no data for this measure were available once IVT RIDE commenced service in Imperial. Trip denials and no-shows showed significant improvement after peaking in FY 2014. Trip denials fell from 54 in FY 2014 to zero in FY 2016, whereas reported no-shows decreased from 313 in FY 2014 to 71 in FY 2016. No complaints were reported, and one compliment was received in FY 2015.

Vehicle service measures reported by both contract operators encompassed road calls, wheelchair lift failures, and accidents. These measures for IVT RIDE Imperial are summarized in Table V-12.

Table V-12
IVT RIDE Imperial
Vehicle Service Measures

Vehicle Service Measures	FY 2013	FY 2014	FY 2015	FY 2016
Road Calls	0	0	0	0
Wheelchair Lift Failure	0	0	1	0
Accidents	0	0	0	0

Source: ARC-Imperial Valley, Management Summary Report – First Transit

Vehicle service measure data reported during the audit period show zero accidents and road calls. Only one wheelchair lift failure was reported, in FY 2015.

IVT RIDE West Shores

IVT RIDE West Shores operates as a twice weekly lifeline service on Tuesdays and Thursdays to the communities located on the 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. Prior to being incorporated into the IVT RIDE system in December 2014, the service had been operated by ARC-Imperial Valley 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. The Tuesday service would travel to Westmorland where passengers could connect to the IVT regional service.

Riders have requested that the Tuesday service be routed to Brawley and Indio where shopping and services are more readily available in lieu of Westmorland. ICTC's quarterly transit review memos indicated that the Tuesday service would be routed to Brawley in October 2016. Table V-13 summarizes the performance goals for IVT RIDE West Shores as established by ICTC for the IVT RIDE system.

Table V-13
IVT RIDE West Shores
Performance Standards

Performance Indicator	Goal
Operating Cost per Passenger	\$43.95
Operating Cost per Revenue Hour	\$71.65
Operating Cost per Mile	\$5.20
Passengers per Revenue Hour	1.6
Passengers per Day	16.3
Subsidy per Passenger	\$41.75
FTEs	2.4
Farebox Recovery Ratio	5%

Source: ICTC

Operating cost per passenger on the system exceeded the \$43.95 goal (from \$29.27 in FY 2013 to \$80.83 in FY 2016). Despite the downward trend, operating cost per hour remained above its standard of \$71.65 (from \$106.13 in FY 2013 to \$94.18 in FY 2016). In contrast, operating cost per mile remained below \$5.20 (from \$4.36 in FY 2013 to \$4.10 in FY 2016). However, passengers per hour failed to sustain its goal of 1.6 passengers (from 3.6 passengers in FY 2013 to 1.2 passengers in FY 2016). The decline in ridership in the service area was attributed in part to passengers who had passed away, a reflection of the significant impact from few but regular riders. According the quarterly transit review memos, it was suggested that mailers be distributed for outreach in the West Shores corridor. In addition, it was suggested that ICTC run an ad in the local newspaper as a means to promote ridership. Farebox recovery attainment fell to half of the 5 percent standard in FY 2016.

Qualitative performance measures have been tracked on the management summary report for IVT RIDE West Shores by the contract operators. Passenger service measures reported on the summary report include on-time performance, denials, no-shows, compliments, and complaints. Table V-14 contains a summary of passenger service measures.

Table V-14
IVT RIDE West Shores
Passenger Service Measures

Passenger Service Measures	FY 2013	FY 2014	FY 2015	FY 2016
On-Time Performance	100%	100%	98.03%	98.42%
Cancellations	9	11	1	n/a
Denials	3	2	1	0
No-Shows	30	48	40	22
Compliments	0	0	0	0
Complaints	0	0	3	0

Source: ARC-Imperial Valley, Management Summary Report – First Transit

Based on the passenger service measure trends, on-time performance has remained above 98 percent. Cancellations were reported by the prior contract operator through November 2014; however, no data for this measure were available once IVT RIDE commenced service in West Shores. Trip denials and no-shows showed significant improvement after peaking in FY 2014. Trip denials fell from 3 in FY 2013 to zero in FY 2016, whereas reported no-shows decreased from 48 in FY 2014 to 22 in FY 2016. Three complaints were reported in FY 2015, and zero compliments were received.

Vehicle service measure reported by both contract operators encompassed road calls, wheelchair lift failures, and accidents. These measures for IVT RIDE West Shores are summarized in Table V-15.

Table V-15
IVT RIDE West Shores
Vehicle Service Measures

Vehicle Service Measures	FY 2013	FY 2014	FY 2015	FY 2016
Road Calls	0	0	0	0
Wheelchair Lift Failure	0	0	0	0
Accidents	0	0	0	0

Source: ARC-Imperial Valley, Management Summary Report – First Transit

Based on the vehicle service measure data, there were zero road calls, wheelchair lift failures, and accidents during the audit period on the West Shores system.

Personnel

First Transit

First Transit's total contract operations personnel comprises five management-level staff, four road supervisors, 18 dispatchers, 61 drivers, 6 mechanics, and 4 utility workers. Two of the dispatchers and 10 of the drivers are part-time. Fifteen drivers are assigned to IVT RIDE services plus one road supervisor. Between 80 to 85 percent of drivers have been cross-trained on all the

IVT services. Nonexempt employees, which include the drivers, mechanics, and utility workers, are represented by Teamsters Local 542, which has a branch office in El Centro. The Memorandum of Understanding (MOU) is for a five-year term. The current MOU was renewed in January 2016. Management meets with the union local representative monthly.

Driver candidates are required to have a Class B license with Verification of Transit Training (VTT) certification along with air brake and passenger endorsements and a Department of Transportation medical card. Driver training involves 20 hours classroom and 20 hours behind-the-wheel instruction. In addition, drivers are required to be bilingual in English and Spanish because of the service area demographics. First Transit plans to add a certified trainer to its El Centro operations due to the excessive wait time at the California Department of Motor Vehicles, which can be as long as three months. Background checks can range between three and four weeks. Management reports minimal turnover of about six to seven employees over the audit period.

There is a 90-day probationary period for new employees. After probation, full-time employees are eligible for benefits, which include medical, dental, and vision plans. In addition, employees receive \$10,000 in employer-paid life insurance and the option of long-term disability insurance. There are several types of employee incentives such as employee appreciation barbecues, food and raffles during monthly safety trainings, and points earned toward free lunches and television sets for zero accidents. Drivers can place suggestions in a comment box.

Employees are required to attend monthly safety meetings, which are generally held on Tuesday and Wednesday evenings at 6:30 p.m. Safety meetings are also held on Saturdays and other evenings during the week to accommodate all employees. Corporate-provided topics are discussed as well as issues encountered in the field. First Transit uses “touchpoints” to provide feedback and promote safe practices by employees. All vehicles are equipped with DriveCam, a digital event-based surveillance camera system that monitors driver behavior and fuel efficiency. Operations managers and road supervisors also go on ride-alongs to gauge safe driving practices once or twice a month.

First Transit has a zero-tolerance policy for drug and alcohol abuse. A drug and alcohol handbook stipulates the company’s policies and protocols. Random drug testing is performed through Cal-Test Drug Testing Services in Imperial. There is no second testing on negative dilutes.

ARC-Imperial Valley

ARC, providing service for Imperial, El Centro, and West Shores Dial-A-Rides during the audit period, is a nonprofit, 501(c)(3) social services agency that provides a number of services to the disabled community such as vocational programs, residential services, first aid/CPR training, and paratransit services. ARC is governed by a Board of Directors and an Executive Director. Serving under the Board and the Executive Director is the Director of Transportation, who oversees the paratransit services operation. The Director of Transportation is assisted by an Office Manager and an Operations Supervisor. The Operations Supervisor oversees the dispatchers, schedulers,

trainers, maintenance personnel, and drivers. In addition to the management and supervisory-level staff, ARC had 27 full-time drivers and 5 dispatchers. Drivers were assigned to contracted services based on their aptitude and customer service skills.

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

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

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

Maintenance

First Transit

IVT RIDE vehicles are stored and maintained at First Transit's facility located at 792 Ross Road in El Centro. The facility is located on leased property where the owner has made available another acre for potential expansion. There are three service bays with portable floor jacks to raise the vehicles for routine inspections of the vehicle undercarriage. The Preventative Maintenance Inspection (PMI) is structured on an A-B-C schedule. Smaller cutaway vehicles are serviced every 3,000 miles and larger vehicles are serviced every 6,000 miles. Drivers complete a pre-trip inspection form prior to each run, which is composed of three sheets. One sheet goes to dispatch, one goes to maintenance, and the third remains with the vehicle. IVT RIDE vehicles are fueled at local service stations with assigned fuel cards.

First Transit uses the Infor II maintenance software program, which, among other capabilities, tracks mileage, parts inventory, and PMIs. Mileage and fuel data are manually uploaded to the system daily. The software was updated during the audit period and allows for paperless work orders that are accessed on mobile tablets. The system advises when the PMIs are due and maintains separate records for 3,000-mile and 6,000-mile inspections. Parts inventory is monitored at each phase of a purchase order execution: upon request, activation, and

completion. Cycle counts are conducted weekly. The contract operator reports an increased parts inventory due to recent fleet expansion.

On-site maintenance is performed by six mechanics and four utility workers tasked with fueling and washing the vehicles. The mechanic work shifts are staggered between the hours of 5:00 a.m. and 2:00 a.m. to ensure constant coverage throughout all hours of operation. Mechanics supply their own tools and are Automotive Service Excellence (ASE) certified. ASE certification has now become a requirement due to the diverse vehicle fleet.

ARC-Imperial Valley

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

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

The third phase consists of a 3,000-mile/45-day inspection performed by an outside repair facility with certified technicians. It involves an inspection, oil change, and lubrication as mandated by the California Department of Transportation. 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 (ASE) mechanic. The fourth phase involves the California Highway Patrol (CHP) Annual Bus and Terminal Inspection, which occurs at 13-month intervals.

El Centro Motors, located at 1520 Ford Drive in El Centro, provided service on the Ford vehicles operated by Med-Express. The shop steward at El Centro Motors is a certified master mechanic. Bodywork was handled by Escobedo Auto Body Shop in El Centro. Wheelchair lift and air conditioning repairs were performed by vendors in the San Diego area. Fueling took 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 more. ARC received 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.

Planning

Dial-A-Ride service planning and analysis have been a coordinated effort between the local jurisdictions and ICTC. ICTC commissioned the ICTC FY 2010–11 SRTP in 2010, which was released in January 2012. The SRTP presented several recommendations that pertained to Dial-A-Ride coordination and consolidation approaches. The recommendations were presented for implementation to be phased in over the time frame of the SRTP and included:

- Convening a Paratransit Technical Advisory Group to consider coordinated demand-response service issues.
- Continuing to pursue a more coordinated program for the provision of demand-responsive service.
- Exploring interest in a coordinated/consolidated Dial-A-Ride service for the cities of Imperial and El Centro.
- Examining the costs and benefits of consolidated trip dispatching and a common trip scheduling platform to determine whether there are realizable savings in the vehicle service hours and vehicle deployment schedules that could offset the costs of the installation and training.

During the audit period, ICTC commissioned the 2014 Public Transit–Human Services Transportation Coordination Plan Update, which was adopted in November 2014. The update includes a reassessment of all available public and private transportation services in Imperial County, a reassessment of public and social services transportation needs, development of strategies and/or activities to address gaps in service, identification of coordination measures to eliminate or minimize duplication in services where they exist, and an implementation plan.

In an effort to sustain the enhanced public and human services transportation network, the Coordination Plan recommended updating ICTC’s financial plan every two years to ensure that service levels on IVT RIDE match available funding streams and regularly coordinating with major human service agencies that directly provide or subsidize transportation.

Marketing

Countywide demand-response transit services are marketed through various types of media. The contract operator 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, 5 percent of the transit budget is allocated toward marketing. ICTC also contracts with Spectrum Creative Solutions or the Conveyor Group for printed collateral and marketing accessories such as brochures and pens.

A glossy color multi-fold brochure has been developed for IVT RIDE. The brochure, which is printed in English and Spanish, includes a map of the service areas, reservation instructions and hours, ridership etiquette, and general information on eligibility. The brochure also has a quick response or QR code for access by mobile devices.

IVT RIDE has its own dedicated website (<http://www.ivtride.com/>), which was developed during the audit period. The website contains general information about the service including eligibility requirements, hours of operations, reservation protocol, and video presentations featuring interviews with seniors. The website also includes a Spanish translation widget in the form of a Mexican flag on the right-hand side of the page. The ICTC website's Transit Services page (<http://www.imperialctc.org/transit-services/>) also mentions IVT RIDE and provides a contact number. Websites of the participating cities also have links to IVT services including IVT RIDES.

The mobility training program is featured on the website. Prospective riders are brought to the IVT RIDE operations yard and shown how to use the bus. Mobility training is offered for all IVT service modes.

Pursuant to the federal Civil Rights Act of 1964, IVT RIDE has an adopted Title VI Program. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Program compliance includes Title VI notices and complaint procedures available in English and Spanish posted on the website (<http://www.ivtride.com/ada-requests-for-reasonable-modification>), and a statement is printed on the IVT RIDE brochure.

El Centro Dial-A-Ride, as a separate service during the audit period, was marketed through various types of media. ARC was responsible for marketing the service on behalf of the City and coordinated the placement, scheduling, and distribution of all advertising and promotional materials to promote ridership. As per the service contract with the City, 5 percent of the transit budget was allocated toward marketing.

The ARC website (<http://arciv.org/transportation.php>) provided online exposure for El Centro Dial-A-Ride, which contained basic information about the service. On the Public Works page of the City of El Centro website (<http://www.cityofelcentro.org/pworks/index.asp?m=1&page=67>), the link for El Centro Dial-A-Ride was directed to the ARC website. There was also a one-quarter-page color advertisement featured in the Imperial County Area Agency on Aging (AAA) Senior Services Directory. The ad contained a photo of an El Centro Dial-A-Ride vehicle along with contact numbers. The service was also listed in the local Yellow Pages telephone directory.

In addition, ICTC budgeted \$7,000 for seven pages of glossy advertisement in the AAA Senior Services Directory of all the transit services it administers including for IVT RIDE. The advertisement features a branded vehicle with bilingual information, website address and phone numbers for reservations.

General Administration and Management

The Imperial County Transportation Commission was established under Senate Bill (SB) 607 as an independent successor agency to the Imperial Valley Association of Governments. ICTC provides

direct administration, management, and oversight for IVT-RIDE. The ICTC Governing Board comprises 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 fourth 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. During the audit period, the ICTC Overall Work Plan and Budget reflect staffing of eight full-time positions to manage the agency's programs and services. The full-time positions include one Office Technician, one Executive Assistant/Secretary to the Commission, one Administrative Analyst, three Transportation/Transit Planner positions from entry level to senior level in classifications (responsible for regional transportation planning, regional transit planning, and transit service administration), and the Executive Director. Toward the end of the audit period, ICTC filled the position of mobility coordinator, which is tasked with public outreach for paratransit services such as IVT RIDE and administration of the eligibility and certification process for senior citizens and persons with disabilities as defined under the Americans with Disabilities Act of 1990.

In addition to the oversight of IVT provided by ICTC staff through contract management and monitoring, discussions about service are held through committees including the Social Services Transportation Advisory Council (SSTAC) that advises ICTC on transit matters pertaining to the needs of transit-dependent and transit-disadvantaged persons.

Prior to consolidation in July 2016, transit operations at the City of El Centro were administered under the Public Works Department. Dial-A-Ride administration duties were shared between the Public Works Director and the City Engineer, with support from Public Works and Finance Department staff. Staff delivered an annual report to the City Council on transit operations and on an as-needed basis. Both designated staff members regularly attend the ICTC Technical Advisory Committee (TAC) meetings and are in regular contact with the operator. A working group comprising two city council members and staff from the city and ICTC address service issues on the IVT Blue and Green Line Circulators.

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

Grants Management

IVT RIDE relies on a variety of grants and other funding mechanisms to support its transit services. Such funding is derived primarily from local sources and measures. IVT RIDE does not receive any federal formula transit grant funds.

Pursuant to the Transportation Development Act, IVT RIDE receives Local Transportation Fund (LTF) proceeds under Article 8(c). TDA funding is claimed by ICTC and used for operating expenses. LTF revenues received during the audit period were \$615,983 in FY 2015 and \$684,947 in FY 2016. There were no LTF revenues claimed for IVT RIDE in FY 2014 as the service commenced during the year, but received contributions by the participating agencies for their share of the new service. Prior to consolidation, each Dial-A-Ride jurisdiction submitted its own TDA claim.

Revenues from local Measure D, the one-half cent sales tax in effect since its adoption in November 1989 and renewed by the voters in 2010, are allocated by the Local Transportation Authority to the cities and the County of Imperial primarily 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. Each service area would receive \$30,000 in Measure D support funding prior to consolidation. As a consolidated service, IVT RIDE receives about \$300,000 in Measure D funds annually, as reflected in the ICTC Transit Programs Finance Plan.

Section VI

Findings

The following summarizes the major findings obtained from this triennial audit covering fiscal years 2014 through 2016. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to IVT RIDE, the operation fully complied with seven of the eight applicable requirements. The operator was not in compliance with farebox attainment. Three additional compliance requirements did not apply to IVT RIDE (e.g., rural/urban farebox recovery ratios and use of federal formula funding).
2. IVT RIDE did not meet its required farebox recovery ratio standard of 10 percent during the audit period. The farebox recovery ratio was 9.93 percent in FY 2014, 8.45 percent in FY 2015, and 7.42 percent in FY 2016. The average systemwide farebox recovery ratio was 8.6 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 modest increases period that did not exceed 15 percent for two of the three years. The FY 2014 operating budget increased 15.3 percent due to service consolidation efforts, technology upgrades, increased demand from seniors and ADA-certified passengers, and enhanced marketing efforts. Subsequently, the budget increased 1.0 percent and 10.4 percent in FY 2015 and FY 2016, respectively.
5. The prior audit recommendations were derived from the five local Dial-A-Ride system audits composed of three recommendations for Brawley, five recommendations for Calexico, two recommendations for El Centro, four recommendations for Imperial, and one recommendation for West Shores. While most recommendations were implemented, five recommendations intended for the local jurisdiction Dial-A-Ride systems were found to be no longer applicable due to service consolidation. Another prior recommendation concerning the proper reporting of Measure D local transit revenue to the State was not implemented and carried forward in this audit for implementation.
6. Operating cost per vehicle service hour, an indicator of cost efficiency, decreased 1.7 percent systemwide from \$58.24 during the FY 2013 base year to \$57.27 in FY 2016. This trend is consistent with the modest increase in operating costs of 2.1 percent during the period and the slightly higher increase in vehicle service hours of 3.8 percent. At the service area level, Brawley's cost per hour increased 3.6 percent, Calexico's increased 5.3 percent, El Centro's

decreased 10.6 percent, Imperial's decreased 13.9 percent, and West Shores' decreased 11.3 percent.

7. Operating cost per passenger, an indicator of cost effectiveness, increased 43.4 percent systemwide from \$11.00 in FY 2013 to \$15.78 in FY 2016. As noted above, operating costs increased 2.1 percent systemwide; however, ridership decreased 28.8 percent during the period from 106,204 passengers in FY 2013 to 75,633 passengers in FY 2016. At the service area level, Brawley's cost per passenger increased 90.4 percent, Calexico's increased 57.5 percent, El Centro's increased 1.8 percent, Imperial's increased 62.8 percent, and West Shores' increased 176.2 percent.
8. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased 31.4 percent between FY 2013 and FY 2016 systemwide from 5.3 passengers per hour to 3.6 passengers per hour. The trend in this indicator reflects the 28.8 percent decrease in passenger trips coupled with the 3.8 percent increase in vehicle service hours. At the service area level, Brawley's passengers per hour decreased 45.6 percent, Calexico's decreased 33.2 percent, El Centro's decreased 12.1 percent, Imperial's decreased 47.1 percent, and West Shores' decreased 67.9 percent.
9. With direction from the Commission, ICTC initiated a competitive bid process in February 2014 that focused on the consolidation of the five public Dial-A-Ride services, with El Centro later opting out. The consolidated paratransit service would have a unified brand name—IVT RIDE—and color scheme composed of yellow, black, and white. In June 2015, El Centro opted in with IVT RIDE commencing service in El Centro effective July 2016.
10. The contract operator uses Trapeze NOVUS dispatching and scheduling software. The Trapeze NOVUS program is integrated with the mobile display terminals used by the drivers while in revenue service. The mobile tablets were acquired and implemented in FY 2015 in conjunction with the consolidation and rebranding of the transit services administered by ICTC.
11. During the audit period, ICTC commissioned the 2014 Public Transit–Human Services Transportation Coordination Plan Update, which was adopted in November 2014. The Coordination Plan recommended updating ICTC's financial plan every two years to ensure that service levels on IVT RIDE match available funding streams and regularly coordinating with major human service agencies that directly provide or subsidize transportation.

Recommendations

1. Review opportunities for increasing local revenue to boost farebox recovery.

State Senate Bill (SB) 508, passed in October 2015, makes changes to how farebox recovery is calculated. Consistent with current practice, transit systems are able to boost their farebox recovery through inclusion of local revenues generated by the transit service. IVT RIDE has been challenged with low farebox recovery attainment relative to its standard. IVT RIDE is held to a systemwide farebox recovery of 10 percent, which it did not attain during the audit period. Individual service areas are also held to a 10 percent farebox recovery ratio, with the exception of West Shores, which is held to a 5 percent farebox recovery ratio.

Under the new law, other local revenues are allowed to prop up the farebox. In addition to local transportation sales tax revenue, examples of local fund revenues include advertisement on buses and bus shelters, gains on the sale of capital assets, lease revenues generated by transit-owned property, and fare revenue agreements in lieu of individual fare payment with entities that have regular riders. Both revenues and operating costs are modified in deriving the farebox ratio for TDA eligibility purposes, and ICTC should work with the fiscal auditor to accurately reflect the farebox ratio allowed under new state law.

2. Coordinate fares among the individual IVT RIDE systems.

IVT RIDE has retained the existing fare structures of the individual local Dial-A-Ride services. The fares range from \$1.00 per ride in Calxico to \$2.00 in West Shores. The current fares will remain in effect until analysis and recommendation for revision is provided by ICTC staff. While it would be feasible to maintain a higher or distance-based fare on certain systems, such as West Shores, it is suggested that the other IVT RIDE services have comparable fare structures given their local service orientation. One suggestion would be to set the fare at no more than double the local zone fare for the IVT fixed route. Consistent fare structuring across the IVT RIDE services could bring more predictability to the farebox and better planning of service.

3. Track and include late cancellations on the monthly management summary report.

The contract operator includes a management summary report with its monthly invoice to ICTC and the cities where IVT RIDE operates. The summary report contains year-to-date vehicle service data (e.g., road calls, wheelchair lift failures, accidents, incidents, vandalism) and qualitative passenger service data (on-time performance, denials, no-shows, compliments, complaints). However, late cancellations are not reported. It is suggested that the contract operator include reporting of late cancellations on the management summary report as another key industry performance indicator. Reporting of this statistic reinforces the relatively new ride policy regarding no-shows and late cancellations.

4. Provide more information to the public on No-show and late cancellation policy.

The No-show and late cancellation policy was implemented on IVT RIDE in September 2014 and updated in December 2016. First Transit has been very pro-active in reducing the number of No-shows by having dispatchers and reservationists follow up with riders. ICTC hired a mobility management coordinator to conduct ADA-certification assessments and community outreach to transit-dependent populations. The mobility management coordinator hands out a copy of the No-show and late cancellation policy as a separate document during the eligibility interview process. With the policy being critical to the performance efficiency of the service, it is recommended that ICTC pursue an enhanced outreach and educational effort to further publicize the policy including during presentations and additional handout of the policy, and reminders by dispatchers, reservationists, and drivers. A standardized and consistent application of the policies will result in better understanding of the rules.

5. Ensure local Measure D revenue is properly reported in the Transit Operators Financial Transactions Report.

Carried over from prior performance audits, local Measure D funds used to support transit should be reported in the State Controller's Transit Operators Financial Transactions Report under the Local Sales Tax line item. This accounting was not completed correctly for several of the city dial-a-rides in the past, and does not show in the more recent reports for specialized services which includes IVT RIDES. According to State Controller instructions, the Local Sales Tax line item requires the reporting of revenues from the proceeds of locally levied sales tax which are contributed by another local agency, in the case for Imperial by the Local Transportation Authority.