



## FY 2008-2010 TRIENNIAL PERFORMANCE AUDIT OF WEST SHORES DIAL-A-RIDE



SUBMITTED TO:

**Imperial County Transportation Commission**

September 2011

SUBMITTED BY:



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## Section I

### Introduction

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

The Imperial County Transportation Commission (ICTC) engaged PMC to conduct a performance audit of West Shores Dial-A-Ride covering the most recent triennial period, fiscal years 2007–2008 through 2009–2010. The purpose of the performance audit is to evaluate West Shores Dial-A-Ride's effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates West Shores Dial-A-Ride's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether West Shores Dial-A-Ride is meeting the PUC's reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of West Shores Dial-A-Ride administrative functions. From the analysis that has been undertaken, a set of recommendations has been made for the agency which is intended to improve the performance of specialized 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 West Shores Dial-A-Ride administrative and operations management, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide in the development and conduct of the audit.

### **Overview of the Transit System**

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

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

weekly round-trip connection to and from the Imperial Valley Transit (IVT) fixed-route bus stop in the city of Westmorland. The service area has approximately 3,500 residents.

The communities are governed by the Salton Community Services District (SCSD), which provides sewage collection and treatment, solid waste disposal, fire protection, recreational activities and facilities, street lighting and maintenance, and emergency medical services. During the 1960s and 1970s, the west shore of the Salton Sea was a popular recreation and tourist area. During the 1980s, the area experienced economic decline and population stagnation due to increases in salinity and water levels in the Salton Sea resulting in fish kills and other environmental damage.

System Characteristics

West Shores Dial-A-Ride operates from 7:00 a.m. to 4:00 p.m., Tuesdays and Thursdays, with lifeline service provided to Westmorland on Tuesdays. The service operates as late as 6:30 p.m. on Thursdays. The service does not operate weekends, the remaining weekdays, and the following holidays: New Year’s Day, Martin Luther King Jr. Day (observed), Presidents’ Day, Memorial Day (observed), Independence Day (observed), Labor Day, Veterans Day, Thanksgiving, and Christmas. Reservations for service are accepted up to seven days in advance. The fare for a one-way trip is \$2.00.

Current service days and hours have been effective since March 2010. Initially, West Shores Dial-A-Ride operated five days a week, Monday through Friday, from 7:00 a.m. to 6:00 p.m. from September 2006 through February 2007. From March 2007 through July 2009, the service continued to operate five days a week from 7:00 a.m. to 4:00 p.m., a two hour per day reduction. The third service modification reduced operations to three days a week: Tuesday, Wednesday, and Thursday, from 7:00 a.m. to 4:00 p.m. effective July 2009 through March 2010.

The service utilizes one vehicle plus one back-up vehicle as described in Table I-1.

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

<b>Year</b>	<b>Manufacturer</b>	<b>Quantity</b>	<b>Fuel Type</b>	<b>Seat/Wheelchair Capacity</b>
2009	Ford E350	1	Gasoline	8/2
<b>Back-Up Vehicle</b>				
2007	Ford E350	1	Gasoline	8/2

Source: ARC-Imperial Valley

The fleet conforms to the requirements of the Americans with Disabilities Act (ADA) of 1990 in regard to wheelchair accessibility.

## Section II

### Operator Compliance Requirements

This section of the audit report contains the analysis of West Shores Dial-A-Ride’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies, September 2008 (third edition)*, which was developed by the California Department of Transportation (Caltrans) to assess transit operators. The updated 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 the table below, including a description of the system’s efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28/29), or 110 days (Oct. 19/20) if filed electronically (Internet).	Public Utilities Code, Section 99243	Completion/submittal dates: FY 2008: September 29, 2008 FY 2009: September 21, 2009 FY 2010: September 23, 2010  <b>Conclusion: Complied</b>
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates: FY 2008: June 5, 2009 FY 2009: December 15, 2009 FY 2010: January 12, 2011  <b>Conclusion: Partial Compliance. FY 2008 Fiscal &amp; Compliance Audit was completed and received after the 90-day extension period.</b>
The CHP has, within the 13 months prior to each TDA claim submitted by an	Public Utilities Code, Section 99251 B	ICTC through its contract operator participates in the CHP Transit Operator

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.		<p>Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Inspection dates applicable to the audit period were December 12, 2006; March 5, 2008; March 18, 2008; April 7, 2009; April 13, 2009; May 24, 2010; and May 25, 2010.</p> <p>ICTC's contract operator received a satisfactory rating for all inspections conducted on West Shores Dial-A-Ride vehicles during the audit period. Only minor violations were found during the December 2006 inspection.</p> <p><b>Conclusion: Complied</b></p>
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, the annual claims for Local Transportation Funds are submitted in compliance with rules and regulations adopted by ICTC. ICTC staff provides assistance as needed in completing the claims.</p> <p>The claims for West Shores Dial-A-Ride are submitted generally during the fall of the claim year as required by ICTC. During the audit period, the claims were submitted on October 10, 2008, and</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		November 6, 2009.  <b>Conclusion: Complied</b>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	This requirement is not applicable, as West Shores Dial-A-Ride serves only a rural area.  <b>Conclusion: Not Applicable</b>
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 West Shores Dial-A-Ride's operating budget:  FY 2008: +55.39% FY 2009: -10.08% FY 2010: -31.71%  The FY 2008 increase in the operating budget can be attributed to the new service contract in FY 2007 that reflected the vehicle fuel clause as well as expanded service hours. The budget decreases reflect the cutback in service hours. The FY 2008 increase was substantiated.  Source: Statistical Summary Reports – Operating costs less depreciation  <b>Conclusion: Complied</b>
The operator's definitions of performance measures are	Public Utilities Code, Section 99247	The County's definition of performance measures as

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.		tracked and recorded by the contract operator is consistent with Public Utilities Code Section 99247. However, more consistency between data in internal and external reports is required.  <b>Conclusion: Complied</b>
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 West Shores Dial-A-Ride serves only a rural area.  <b>Conclusion: Not Applicable</b>
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	West Shore Dial-A-Ride's operating ratios using internal financial data were as follows:  FY 2008: 4.09% FY 2009: 5.73% FY 2010: 5.18%  Source: Statistical Summary Reports

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
		<b>Conclusion: Not in Compliance</b>
The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	ICTC contracts with a private nonprofit provider for operations, while the cost of ICTC staff’s retirement is fully funded under the 1937 Act County Employees’ Retirement Law.  <b>Conclusion: Complied</b>
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	This measure is not applicable, as federal formula grant funds are not utilized and West Shores Dial-A-Ride does not receive State Transit Assistance Fund (STAF) revenues.  <b>Conclusion: Not Applicable</b>

### **Findings and Observations from Operator Compliance Requirements Matrix**

1. Of the compliance requirements pertaining to West Shores Dial-A-Ride, the operation fully complied with seven out of the nine requirements. The operator was found not in compliance with maintaining its minimum farebox ratio and was found in partial compliance with the timely submittal of its annual fiscal audits. Two additional compliance requirements did not apply to West Shores Dial-A-Ride (e.g., rural/urban farebox recovery ratios and federal formula grants).
2. West Shores Dial-A-Ride’s farebox recovery ratio remained below the required 10 percent standard. Service cutbacks and fare increases were implemented in attempts to sustain the farebox. The average farebox recovery ratio was 5 percent during the triennial review period.
3. Through its contract operator, ICTC participates in the CHP Transit Operator Compliance Program and received inspections of West Shores Dial-A-Ride vehicles within the 13

months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.

4. The operating budget exhibited a wide variation of increases and decreases. The budget increased by 55.39 percent in FY 2008 due to the new service contract in FY 2007 that reflected the vehicle fuel clause as well as expanded service hours. The budget decreases in FY 2009 and FY 2010 reflect the cutback in service hours from five to three to eventually two days a week.

## Section III

### Prior Triennial Performance Recommendations

West Shores Dial-A-Ride's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the agency'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

Review fares in light of cost increases and decreasing farebox returns.

#### Actions taken by West Shores Dial-A-Ride

The service underwent a fare increase from \$1.00 per trip to a high of \$2.50 per trip effective November 2008. The fare was later adjusted to \$2.00 per trip during the audit period. Furthermore, service days and hours were reduced in an effort to control operating costs. In spite of these measures, there has only been modest improvement in farebox returns (from 4 to 5 percent), but not sufficient to attain the required 10 percent farebox ratio.

#### Conclusion

This recommendation has been implemented.

#### Prior Recommendation 2

Continue reviewing service delivery alternatives.

#### Actions taken by West Shores Dial-A-Ride

West Shores Dial-A-Ride continues to operate as a lifeline service to the small communities located along SR 86 corridor near the Salton Sea. At the beginning of the audit period, the service operated five days a week, 11 hours a day. Increasing costs and minimal farebox returns prompted two service modifications during the period. Operations were reduced to three days a week, Tuesday, Wednesday, and Thursday, from 7:00 a.m. to 4:00 p.m., commencing in July 2009. The second modification became effective in March 2010, which reduced the service to two days a week with the same service hours. The reductions have resulted in a notable decline in passenger trips with only a slight improvement in farebox returns. In light of the system's shortfalls to maintain productive measures despite significant adjustments, ICTC should consider a review of additional options in-lieu of standard dial-a-ride to provide lifeline service. One such option could

be a volunteer driver reimbursement program, while another option could include restructuring passenger pickups to occur at a central location at established times to increase passenger loads. Upon pickup at the central location, the vehicle would then drop off passengers at their individual destinations.

### Conclusion

This recommendation has been implemented.

### *Prior Recommendation 3*

Conduct regular on-time performance checks.

### Actions taken by West Shores Dial-A-Ride

The operator conducts on-time performance checks in two ways. The first way is to check the driver's route manifest with the dispatch logs. This is conducted by operations staff routinely on an eight day rotation. The second method involves an FTA/TSI-certified Driver Trainer, who tracks and reports on-time performance. On-time performance is one of the metrics reported in the management summary report.

### Conclusion

This recommendation has been implemented.

### *Prior Recommendation 4*

Implement the incentives and penalties provisions in the service contract.

### Actions taken by West Shores Dial-A-Ride

The service contract for West Shores Dial-A-Ride contains standards and evaluation criteria to allow for the measurement of the performance and efficiency of services provided. The performance standards measured are Passengers per Hour, Passengers per Day, Cost per Passenger, Subsidy per Passenger, Cost per Mile, Cost per Hour, and Farebox. These performance standards are recorded and tracked by the statistical summary report developed by the contractor, and monitored by ICTC staff. Other service criteria not stipulated in the service contract such as on-time performance, accidents, roadcalls, and no-shows are tracked on the management summary and passenger service reports that are also reviewed by ICTC.

### Conclusion

This recommendation has been implemented .

### Prior Recommendation 5

Develop annual marketing plan.

### Actions taken by West Shores Dial-A-Ride

The West Shores Dial-A-Ride contract stipulates that the contract operator is responsible for the development of a marketing plan with a corresponding budget of 3 percent of the total cost of the service for the fiscal year. Such a plan would include the development and preparation of all marketing materials for West Shores Dial-A-Ride subject to the approval of ICTC. The contractor arranged a quarter-page advertisement appearing in the Imperial County Area Agency on Aging Senior Services Directory. Other focused marketing efforts have included attractive flyers and advertising listings in the local Yellow Pages. West Shores Dial-A-Ride's efforts at marketing have been stymied by the reduction of its marketing budget in March 2010.

### Conclusion

This recommendation has been partially implemented.

### Prior Recommendation 6

Add checkbox for West Shores Dial-A-Ride on Customer Contact Report form.

### Actions taken by West Shores Dial-A-Ride

The contractor has developed a Customer Contact Report card, which allows for customer feedback on all the dial-a-ride services it operates. A checkbox for West Shores Dial-A-Ride had been omitted at the time this recommendation was made. The contractor has since included a checkbox for West Shores Dial-A-Ride on its latest forms. The comment cards are primarily submitted directly to the contractor for processing which is part of industry practice and typically contained in the service contract. An alternative is for the comment cards to be addressed to and postage paid by the oversight agency for tracking purposes. Another option is for the public phone number to report a comment be changed to reflect the number for the oversight agency.

### Conclusion

This recommendation has been implemented.

### Prior Recommendation 7

Add information about West Shores Dial-A-Ride on ARC's website.

### Actions taken by West Shores Dial-A-Ride

ARC-Imperial Valley is the contract operator for West Shores Dial-A-Ride. The service is referenced on ARC's website's transportation services page as one of five paratransit services it operates in Imperial County. The contractor indicated that it is the responsibility of ICTC to provide more detailed information about West Shores Dial-A-Ride online. The ICTC website does have a public transportation link that leads to the Imperial Valley Transit (IVT) website.

### Conclusion

This recommendation has been partially implemented.

## Section IV

### TDA Performance Indicators

This section reviews West Shores Dial-A-Ride's performance in providing service in an efficient and effective manner. TDA requires that at least five specific performance indicators be reported, which are contained in the following table. Farebox is not one of the five specific indicators, but is shown as a compliance measure. Findings from the analysis are contained in the section following the table, followed by the analysis.

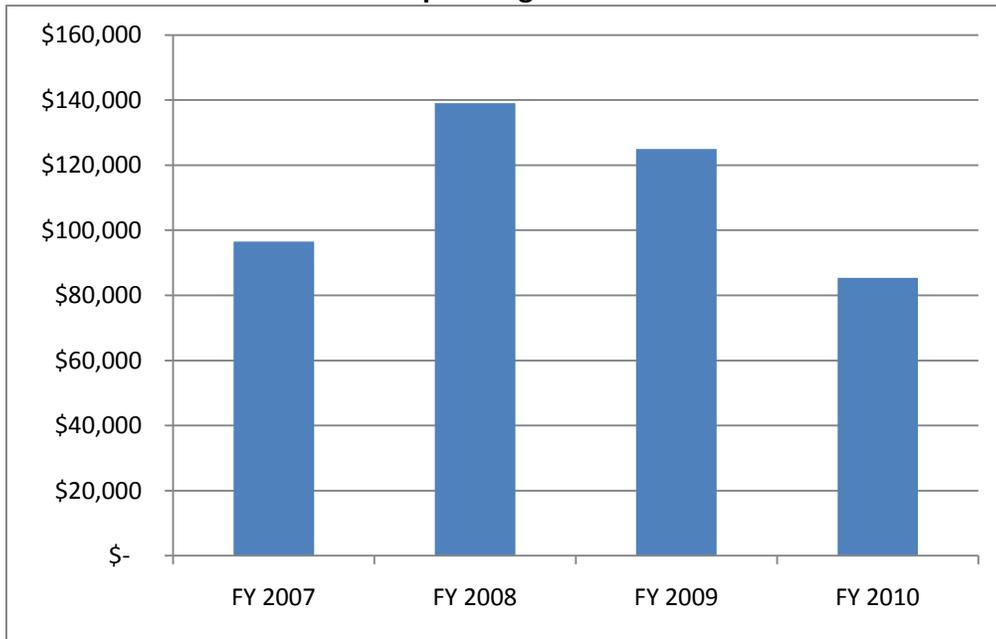
**Table IV-1**  
**West Shores Dial-A-Ride Performance Indicators**

Performance Data and Indicators	FY 2007	Audit Period			% Change FY 2007– 2010
		FY 2008	FY 2009	FY 2010	
Operating Cost	\$96,510	\$139,006	\$124,999	\$85,368	<b>-11.5%</b>
Total Passengers	4,512	5,680	4,084	2,212	<b>-51.0%</b>
Vehicle Service Hours	1,494	1,842	1,544	806	<b>-46.0%</b>
Vehicle Service Miles	33,339	44,175	32,520	17,522	<b>-47.4%</b>
Employee FTEs	2	2	2	2	<b>0.0%</b>
Operating Revenue	\$4,512	\$5,680	\$7,167	\$4,424	<b>-2.0%</b>
Operating Cost per Passenger	\$21.39	\$24.47	\$30.61	\$38.59	<b>80.4%</b>
Operating Cost per Vehicle Service Hour	\$64.60	\$75.46	\$80.98	\$105.88	<b>63.9%</b>
Operating Cost per Vehicle Service Mile	\$2.89	\$3.15	\$3.84	\$4.87	<b>68.3%</b>
Passengers per Vehicle Service Hour	3.0	3.1	2.6	2.7	<b>-9.2%</b>
Passengers per Vehicle Service Mile	0.14	0.13	0.13	0.13	<b>-6.7%</b>
Vehicle Service Hours per Employee	747.0	921.0	771.8	403.2	<b>-46.0%</b>
Average Fare per Passenger	\$1.00	\$1.00	\$1.75	\$2.00	<b>100.0%</b>
Fare Recovery Ratio	4.68%	4.09%	5.73%	5.18%	<b>10.8%</b>

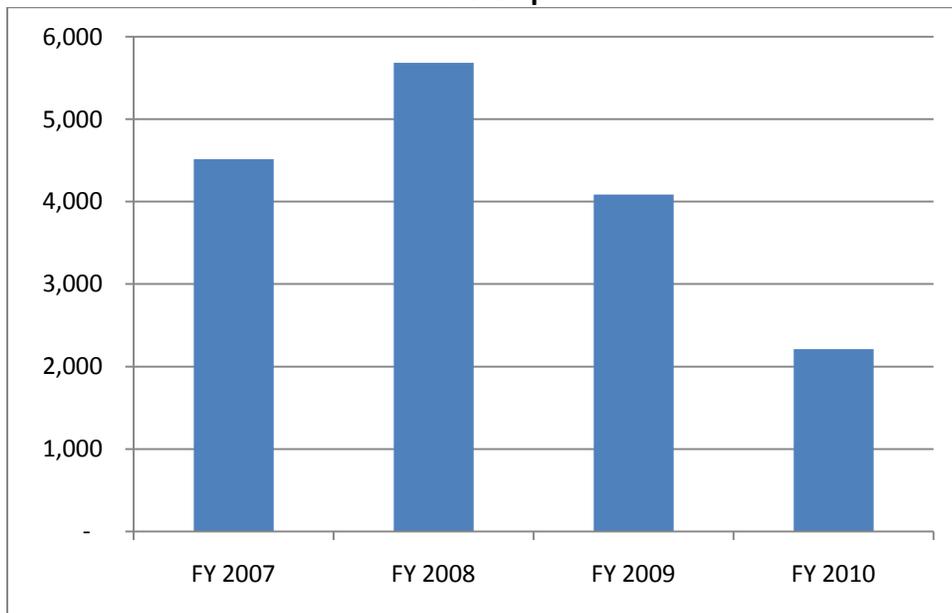
Source: ARC-Imperial Valley

Column graphs on the following pages are used to depict the trends for select performance indicators (Graphs IV-1 through IV-6).

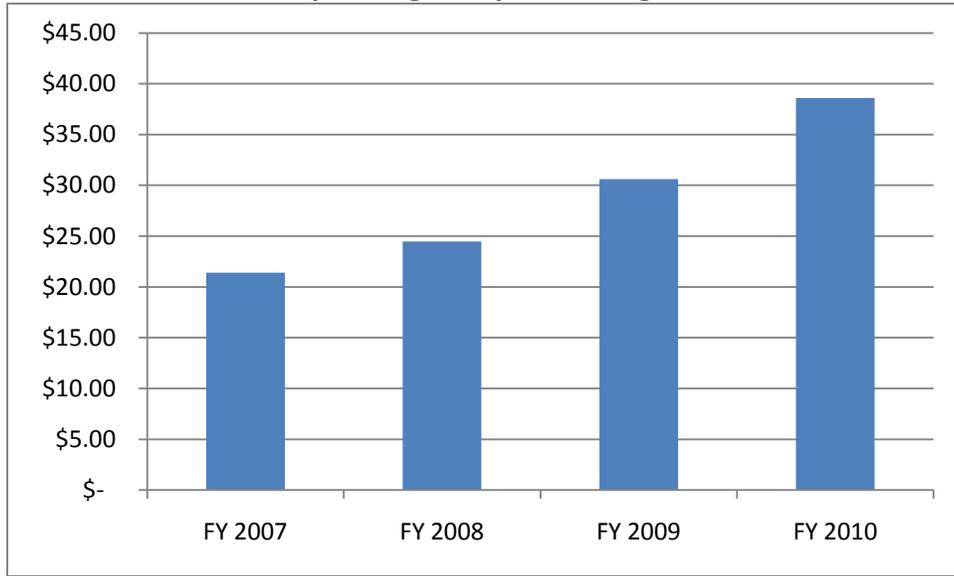
**Graph IV-1  
Operating Costs**



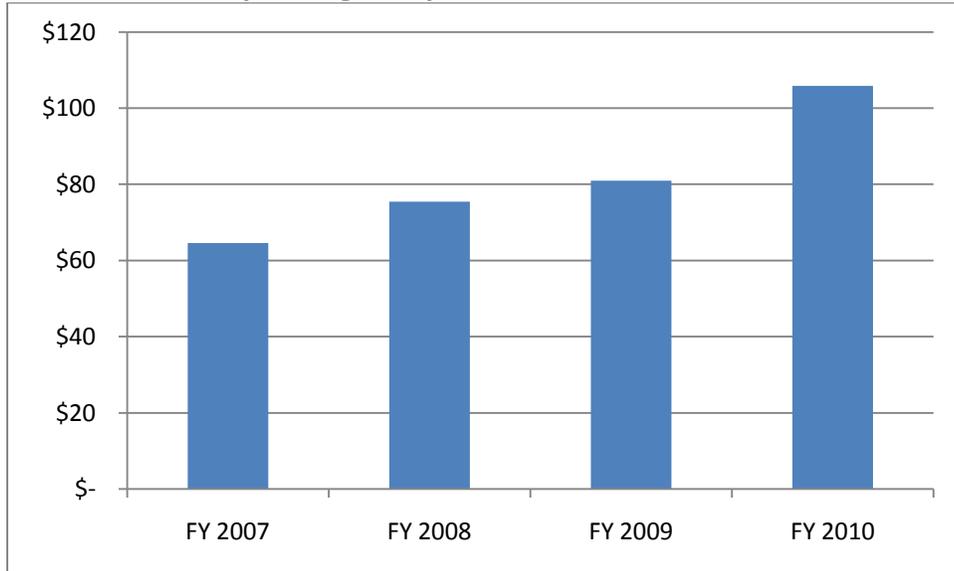
**Graph IV-2  
Ridership**



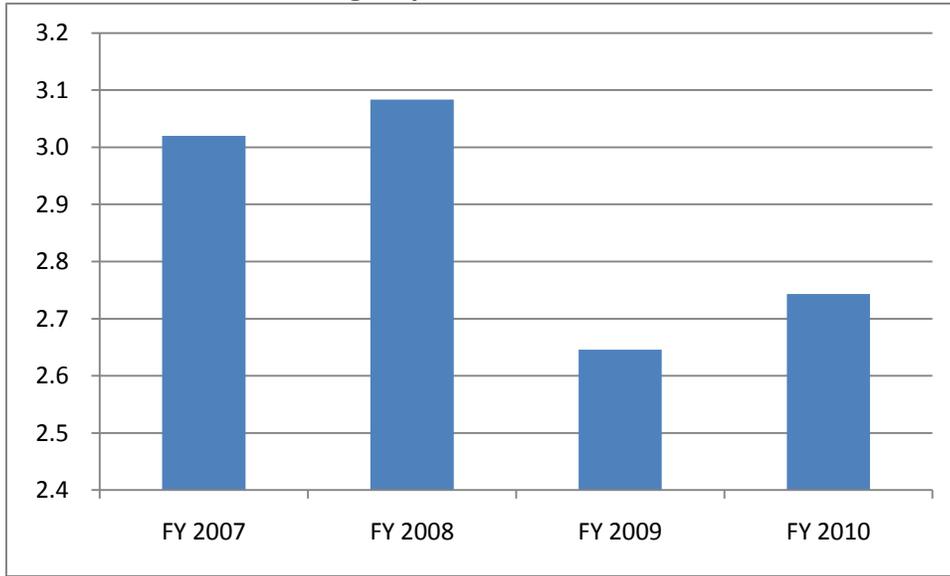
**Graph IV-3  
Operating Cost per Passenger**



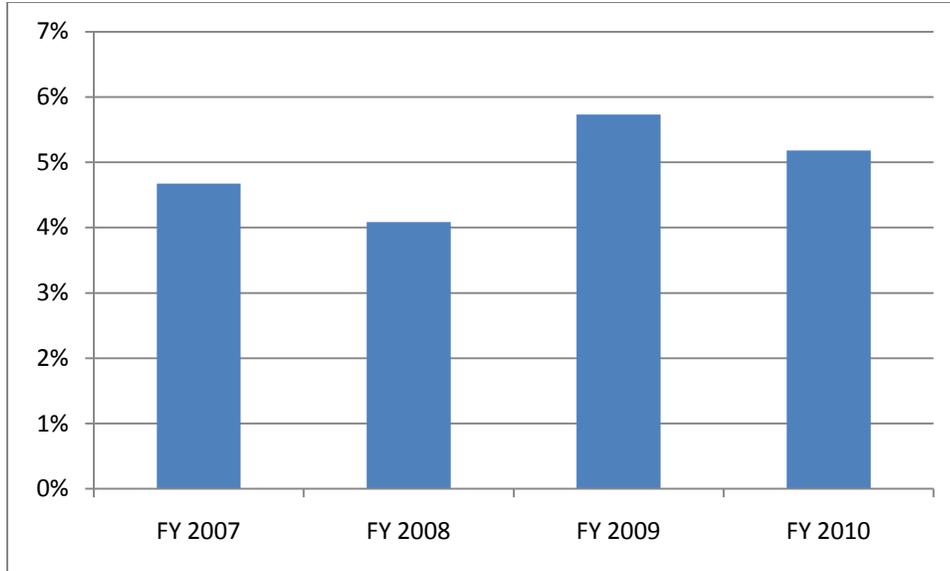
**Graph IV-4  
Operating Cost per Vehicle Service Hour**



**Graph IV-5  
Passengers per Vehicle Service Hour**



**Graph IV-6  
Fare Recovery Ratio**



## Findings from Verification of TDA Performance Indicators

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, increased 63.9 percent from \$64.60 in FY 2007 to \$105.88 in FY 2010. Overall vehicle service hours decreased 46.0 percent, while operating costs decreased 11.5 percent during the three-year period. Operating costs increased by a 0.8 percent annualized rate, with an increase of 44 percent in FY 2008 due to a rise in fuel costs. On the other hand, vehicle service hours exhibited an annualized decline of 13.6 percent due to subsequent cutbacks in service hours and days.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 80.4 percent from \$21.39 in FY 2007 to \$38.59 in FY 2010. Overall ridership fell 51.0 percent during the period from 4,512 passengers in FY 2007 to 2,212 passengers in FY 2010, amounting to a 16 percent annualized rate of decline. This trend is indicative of the fare increases and service cutbacks that were implemented during the period.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased 9.2 percent between FY 2007 and FY 2010 from 3.0 passengers per hour to 2.7 passengers per hour. The average number of passengers per hour peaked at a 3.1 passengers in FY 2008. Vehicle service hours decreased from 1,494 hours in FY 2007 to 806 hours in FY 2010, reflecting the cut in service hours.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, decreased by 6.7 percent from 0.14 in FY 2007 to 0.13 in FY 2010. Service miles decreased by 47.4 percent from 33,339 miles in FY 2007 to 17,522 in FY 2010, while ridership declined by a slightly higher percentage. On an annualized basis, service miles decreased at a rate of 13.3 percent except for FY 2008 when service miles increased 32.5 percent.
5. **Vehicle service hours per employee** decreased 46.0 percent between FY 2007 and FY 2010 from 747 to 403 hours. This correlates with the 46.0 percent decline in service hours even though full-time equivalents (FTEs) remained constant at 2 FTEs. FTEs are derived by the contract operator through the formula of dividing total annual employee hours and then dividing by 2000.
6. **Farebox recovery** for West Shores Dial-A-Ride remained below the minimum TDA requirement of 10 percent during the audit period in spite of some modest improvement. Farebox recovery increased 10.8 percent from 4.68 percent in FY 2007 to 5.18 percent in FY 2010, peaking at 5.73 percent in FY 2009. A fare increase implemented in FY 2009 was intended to offset the increase the increase in costs while helping to maintain adequate farebox returns.

## **Conclusion from the Verification of TDA Performance Indicators**

West Shores Dial-A-Ride is a general public, demand-responsive service operating along the SR 86 corridor along the Salton Sea in northwestern Imperial County. Due to the remote location and small population of the service area as well as rising fuel costs, West Shores continued to struggle with farebox attainment. Several measures were taken to bolster farebox recovery. Service hours and days were reduced from five days to two days a week. Fares were increased from \$1.00 to as high as \$2.50 per trip and later reduced to \$2.00 per trip.

While the service was operating five days a week, passenger trips, service hours and miles peaked in FY 2008 as fuel prices rose. However, the increases in these measures were not sufficient to offset the increase in operating costs, which caused the farebox to lag at just over 4 percent. All three operating cost indicators rose significantly during the audit period. The fare increase implemented in November 2008 helped revenues and farebox recovery to rise at a rate of 26.2 percent and 40.3 percent, respectively. Service cutbacks commencing in July 2009 resulted in a decline in passenger trips and revenues, with a farebox recovery of 5.18 percent in FY 2010.

## Data Consistency

In a review of data consistency among external reports, fiscal year-end operations data was compared between the annual State Controller Report and two internal reports prepared by the contract operator and ICTC. Data for West Shores Dial-A-Ride detailed on the State Controller Report appear to be inclusive of other demand-responsive services, such as AIM Transit, operating in Imperial County. Table IV-2 shows the side-by-side comparison during the audit period (FYs 2008, 2009, and 2010) and including the base year of FY 2007.

Overall, there are some discrepancies and consistencies among the three data sets. Fiscal year 2007 data appear to show the most consistency. There were several variances between the internal data sets. For FY 2008, there is a 198-hour difference in the vehicle service hour data as well as a 3,542-mile difference in the vehicle service mile data. For FY 2010, there is a 168-passenger difference in passenger trips, a 52-hour difference in vehicle service hours, and a 1,175-mile difference in vehicle service miles. It is important to note that the FY 2010 data derived from the ICTC Performance Summary only cover the period through May 2010.

As was mentioned earlier, the data in the State Controller Report is inclusive of other County-supported demand-response services such as AIM Transit and Med-Express. It is suggested that County personnel tasked with the preparation of the State Controller Report make a note in the report indicating that data from more than one demand-response carrier is being reported, along with a breakdown of the performance data for each individual carrier.

**Table IV-2  
Data Consistency Review**

TDA Statistic	Source	Base Year FY 2007	Audit Review Period		
			FY 2008	FY 2009	FY 2010
Unlinked Passengers	ARC Statistical Summary Report	4,512	5,680	4,084	2,212
	ICTC Performance Summary*	4,512	5,680	4,084	2,044
	State Controller Report**	31,625	38,451	36,450	28,613
Vehicle Service Hours	ARC Statistical Summary Report	1,492	1,842	1,544	806
	ICTC Performance Summary*	1,494	2,040	1,543	754
	State Controller Report**	13,143	12,926	12,364	9,741
Vehicle Service Miles	ARC Statistical Summary Report	33,339	44,175	32,520	17,522
	ICTC Performance Summary*	33,339	47,717	32,220	16,347
	State Controller Report**	164,405	232,924	213,050	173,394

\*FY 2010 data are from June 2009 to May 2010 only

\*\*Operational data inclusive of other county dial-a-ride services (AIM Transit)

## Section V

### Review of Operator Functions

This section provides an in-depth review of various functions within the West Shores Dial-A-Ride operation. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following departments and functions were reviewed at ICTC and with the contract operator:

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

#### **Operations & Planning**

During the audit period, West Shores Dial-A-Ride experienced a number of operational challenges and changes. Prior to September 2006, the service was operated by the West Shores Health and Education Association, a local volunteer organization under the DBA West Shores Roadrunner Transportation Service. According to the California Public Utilities Commission (CPUC) website, under Transportation Carrier Information, the operator's carrier status (CA ID 0120380) was cancelled as of February 1, 2006. On September 4, 2006, ARC assumed the contractual operation of the service. Administration of the West Shores Dial-A-Ride service contract was formally transferred from the County of Imperial to ICTC in November 2010.

Operations of West Shores Dial-A-Ride underwent a number of service modifications in an effort to control costs and meet its farebox recovery standard. From September 2006 through the end of February 2007, West Shores operated Monday through Friday between the hours of 7:00 a.m. and 6:00 p.m. Since March 2007, the hours of operation were scaled back by two hours to save on costs from lack of rider demand. West Shores Dial-A-Ride operated five days a week, Monday through Friday, from 7:00 a.m. to 4:00 p.m. from March 2007 through July 2009. A third service modification reduced operations to three days a week, Tuesday, Wednesday, and Thursday, from 7:00 a.m. to 4:00 p.m. effective July 2009 through March 2010. Due to the state budget situation, the service was reduced to two days a week, with the elimination of Wednesday service. The service provided on Tuesdays includes a lifeline service to Westmorland that connects with the IVT fixed route and AIM Transit demand-response services. The service provided on Thursdays transports participants of the Catholic Charities Nutrition Group program.

Senior citizens comprise approximately 53 percent of the ridership. Their share of the West Shores Dial-A-Ride ridership has ranged from 45.81 percent in FY 2009 to 61.30 percent in FY 2010. General public passengers comprise the second largest share of riders, averaging 45 percent. Their

share of the overall ridership has ranged from 36.35 percent in FY 2010 to 52.82 percent in FY 2009. Disabled and wheelchair lift access riders comprise approximately 0.36 percent and 1.05 percent, respectively. Approximately 14.5 percent of revenues are subscription-based, derived from the Catholic Charities Nutrition Group program. Among the challenges has been the increase in fuel costs coupled with low ridership and the long distances along the service corridor.

The service underwent a fare increase in November 2008 from \$1.00 to \$2.50 per trip in order to achieve the TDA-mandated farebox recovery of 10 percent. Prior to this increase being implemented, a data analysis of the system was released in September 2008 with six option scenarios and a recommendation. The analysis methodology included a scoping session at the April 2008 Salton Communities Services District Board meeting. Among the comments received was an acceptance of a proposed fare increase. Further scoping was conducted at a senior luncheon in May 2008. Comments received indicated that an increase in fares would be acceptable as long as there was no reduction in service hours.

Based on ARC’s data, the day with the highest ridership was Thursday with an average of 28 passengers. The majority of passengers utilize the service in the morning between 7:00 a.m. and 10:00 a.m. and in the afternoon between 1:00 p.m. and 3:00 p.m. About 76 percent of the passengers are located in Salton City and the remaining 24 percent are located in Desert Shores, Salton Sea Beach, and Vista Del Mar. Based on these findings, the following suggestions were provided by the operator:

- Increase the fare from \$1.00 to \$2.50 per one-way trip;
- Decrease the daily service hours;
- Decrease the number of service days per week;
- Combination of Options #1, #2, and #3

The data analysis contained a mix of fare increases and service modifications. Table V-1 provides a summary of the six analysis scenarios that would enable West Shores Dial-A-Ride to achieve a 10 percent farebox.

**Table V-1  
West Shores Dial-A-Ride Analysis Options**

Option Number	Measure	Farebox
<b>1</b>	If increase fares to \$2.00	8.00%
<b>2</b>	If increase fares to \$2.25 with no reduction in service	9.12%
<b>3</b>	If increase fares to \$2.50 with no reduction in service	10.14%
<b>4</b>	If decrease in hours (Hours: 7:00 a.m. to 12:00 p.m. & 1:00 p.m. to 4:00 p.m.)	4.70%
<b>5</b>	If increase in fares to \$2.00 and a decrease in service to 6 hours	9.50%
<b>6</b>	If increase fares to \$2.25 and a decrease in service to 6 hours	10.64%

*Source: West Shores Dial-A-Ride Analysis, County of Imperial*

The analysis identified two service scenarios for recommendation based on calculations with average data, which would result in meeting the TDA-mandated 10 percent farebox recovery ratio needed to sustain the service. Those options were #3 (fare increase to \$2.50 with no reduction in service) and #6 (fare increase to \$2.25 and decrease service hours to six hours). In accordance with staff's recommendation, the County Board of Supervisors adopted Option #3 to increase the fare to \$2.50 per trip with no reduction in service. Eventually, the system was subject to subsequent service and fare adjustments. Service was eventually reduced to Tuesdays and Thursdays from 7:00 a.m. to 4:00 p.m. in March 2010 and the fare adjusted to \$2.00 per trip. There has been interest to maintain the service at current levels of two days a week, eight hours a day.

Drivers are assigned to routes and contract based upon skill level and personality traits. Drivers must also have a high logistic aptitude and geographic knowledge of the service area. Approximately 70 percent of drivers are cross-trained. In addition, two of the five dispatchers on staff are trained as drivers. The driver assigned to West Shores resides in the neighboring city of Westmorland and maintains the vehicle overnight at his home instead of deadheading to the ARC facility in El Centro. Much of the relative sustainability of the service relies on this driver and the close proximity of the driver's residence to the service area. In addition, there is one dedicated dispatcher attending to West Shores Dial-A-Ride during the morning hours, who is relieved in the afternoon.

The service contract for West Shores Dial-A-Ride contains standards and evaluation criteria to allow for the measurement of the performance and efficiency of services provided. The performance standards measured are Passengers per Hour, Passengers per Day, Cost per Passenger, Subsidy per Passenger, Cost per Mile, Cost per Hour, and Farebox. A summary of the performance standards and the actual operation performance for each measure is presented in Table V-2.

**Table V-2  
West Shores Dial-A-Ride Performance Standard Criteria**

<b>Indicator/Measure</b>	<b>Standard</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Passengers Per Hour</b>	<b>5</b>	3.0	3.1	2.6	2.7
<b>Passengers Per Day</b>	<b>30</b>	22.2	22.5	18.5	18.4
<b>Cost Per Passenger</b>	<b>\$19.63</b>	\$21.39	\$24.47	\$30.61	\$38.59
<b>Subsidy Per Passenger</b>	<b>\$18.63</b>	\$20.39	\$24.47	\$29.89	\$38.38
<b>Cost Per Mile</b>	<b>\$2.48</b>	\$2.89	\$3.15	\$3.84	\$4.87
<b>Cost Per Hour</b>	<b>\$53.62</b>	\$64.60	\$75.46	\$80.98	\$105.88
<b>Farebox</b>	<b>10%</b>	4.68%	4.09%	5.73%	5.18%

*Source: ARC-Imperial Valley*

West Shore Dial-A-Ride operations have struggled to meet performance standards for all the aforementioned indicators. Passengers per hour and per day have averaged 2.85 and 20.4 passengers, respectively. All the cost indicators have not met the standard by being almost twice as high. Although the farebox has shown some modest improvement, the average farebox

recovery has averaged 4.92 percent, slightly less than half the required 10 percent standard. ICTC continues to monitor the performance of this service and make adjustments as feasible. .

ARC-Imperial Valley utilizes a manual dispatching system for West Shores Dial-A-Ride. According to ARC’s Director of Transportation, federal grants would only cover up to 80 percent of the cost for an automated dispatching system, with the remaining cost to be covered by other local sources.

ARC provides an annual management summary report that records operational data such as wheelchair life failures, accidents, vandalism, and roadcalls. A monthly management summary report is also maintained and includes the number of service days, farebox revenues, mileage (revenue/deadhead), hours (revenue/deadhead), passenger count, passenger miles, passenger category, and trip purpose. The report also includes trip denials and comments received. Two of the operational measures reported on the management summary report are accidents and on-time performance. These measures are summarized in Table V-3.

**Table V-3  
Accidents & On-Time Performance**

	FY 2007	FY 2008	FY 2009	FY 2010	Total/Average
<b>Accidents</b>	0	0	0	0	0
<b>On Time Performance</b>	100%	100%	98%	99%	99%

*Source: ARC-Imperial Valley*

The service has operated without any reported accidents during the audit period. On-time performance has averaged 99 percent with only slight variations from year to year. Customer service trends are monitored on the passenger service report, which are presented on the same spreadsheet as the management summary report. This report includes a tally of cancellations, no-shows, comments, complaints, and compliments. Table V-4 below summarizes the number of cancellations, trip denials, and no-shows received during the audit period.

**Table V-4  
Cancellations, Denials & No-Shows**

	FY 2007	FY 2008	FY 2009	FY 2010	Total
<b>Cancellations</b>	82	138	121	9	350
<b>Trip Denials</b>	NR	40	50	32	122
<b>No Shows</b>	213	352	236	76	877

*NR=Not Reported*

*Source: ARC-Imperial Valley*

The number of cancellations, no-shows, and trip denials has declined significantly during the audit period. This trend reflects the effort to implement and enforce the no-show policy as well as overall service reductions. ARC now charges for no-shows after a total of three no-shows. The annual number of cancellations decreased 89 percent from 82 in FY 2007 to 9 in FY 2010, peaking at 138 in FY 2008. Similarly, no-shows decreased 64 percent from 213 in FY 2007 to 76 in FY 2010, peaking at 352 in FY 2008.

Unlike cancellations and no-shows, trip denials are not reported on the passenger service report. ARC maintains a monthly denial log that contains the date and time of the request, pick-up and destination addresses, and reason for the denial. There are nine alphabetical codes utilized for the reason given for each denial. The most common reasons for a denial include not being able to renegotiate dates and times, same-day trip requests, and requests for pick-ups on non-service days and hours. The denial log is attached to the monthly management summary information sheet.

Another measure of customer service is in the tracking of complaints and compliments on the passenger service report and tallied for the service year. Complaints and compliments are summarized in Table V-5 below.

**Table V-5  
Complaints & Compliments**

	FY 2007	FY 2008	FY 2009	FY 2010	Total
<b>Complaints</b>	1	1	0	0	2
<b>Compliments</b>	0	0	0	0	0

*Source: ARC-Imperial Valley*

The number of complaints reported has averaged 0.5 annually, with one complaint reported in FY 2007 and FY 2008, respectively. There were no compliments received during the period.

### **Planning**

Service planning for West Shores Dial-A-Ride relies on several approaches consisting of public forums, plans, and studies. Pursuant to the TDA claims process, ICTC conducts annual Unmet Transit Needs hearings. Unmet Transit Needs are, at a minimum, those public transportation or specialized transportation services that are identified in the Regional Short-Range Transit Plan (SRTP), Regional Transportation Plan, or similar Mobility Plan which have not been implemented or funded. Unmet Transit Needs identified during the process must also be found “reasonable to meet” based upon a set of five criteria in order to be implemented. There was no testimony received during the Unmet Needs process that pertained to the West Shores Dial-A-Ride service area. The Unmet Transit Needs resolutions during the audit period affirmed the continuation and funding of the various demand response services including West Shores Dial-A-Ride.

ICTC commissioned a fare study of the transit agencies under its jurisdiction in 2008. For several of the operators, the farebox recovery ratios had been declining over the past few years given the growth in operating costs primarily from fuel and insurance. The *Public Transit Services Fare Analysis* (Nelson/Nygaard 2008) analyzed and proposed new fare structures for the fixed-route and demand-responsive transit services in Imperial County. There was no analysis of the West Shores Dial-A-Ride fare structure nor were any proposed adjustments recommended. Based on the findings of the West Shores Dial-A-Ride analysis, fares were raised from \$1.00 per trip to a

high of \$2.50 per trip in November 2008. The fare was later adjusted to \$2.00 per trip. In spite of these measures, farebox recovery remains below the 10 percent minimum farebox standard.

An updated SRTP was commissioned by ICTC in January 2011 and is currently being developed. The primary objectives of the SRTP will be to review existing performance and prioritize operating and capital expenditures to maintain and recommend improvements to the regional transit system. The prior SRTP was adopted in FY 2004, and the new SRTP will review and evaluate the related goals, policies, objectives, and standards developed for that plan. In addition, it will provide a five-year plan for operations including, but not limited to, specifics on fares, service levels, route changes, service policy changes, inter-operator agreements, spare ratios, and other characteristics.

## **Maintenance**

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

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

The third phase consists of a 3,000-mile/45-day inspection performed by an outside repair facility with certified technicians. This involves an inspection, oil change, and lubrication as mandated by the 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.

Vehicle maintenance is performed by several dedicated vendors locally. El Centro Motors, located at 1520 Ford Drive in El Centro, provides service on Ford vehicles. Radiator and glass repairs are performed by MJ Radiators & Glass Service located at 363 West State Street in El Centro. Escobedo Auto Body Shop, located at 361 East Main Street in El Centro, performs body work on the vehicles. Vehicles are taken to Desert Auto Plaza in El Centro or to a dealership in San Diego for warranty repairs. The parts inventory is very low at ARC given most vehicle maintenance and repair is performed at the vendor's location. The annual cost for vehicle repair and maintenance decreased by nearly a third (32.7 percent) from \$12,631.73 in FY 2007 to \$8,500.00 in FY 2010.

Vehicle fueling is handled through McNeece Brothers Oil of El Centro located at 691 East Heil Avenue only a few blocks away from ARC's offices. A special fleet discount is applied on fuel

purchases exceeding 10,000 gallons monthly. According to ARC financial reports, annual fuel costs decreased 14.5 percent from \$17,121.78 in FY 2007 to \$14,635.00 in FY 2010. Although retail fuel costs increased during the period, the decline in annual fuel costs for West Shores Dial-A-Ride corresponds to the reductions in service.

The contract operator, as per a prior audit recommendation, began tracking roadcalls on its management summary report in FY 2009. Table V-6 below provides a summary of roadcalls incurred on West Shores Dial-A-Ride for FYs 2009 and 2010.

**Table V-6  
Roadcalls**

	FY 2007	FY 2008	FY 2009	FY 2010	Total
<b>Roadcalls</b>	NR	NR	0	0	0

*NR=Not Reported*

*Source: ARC-Imperial Valley*

A review of the management summary report showed that no roadcalls were reported during the period. The service contract stipulates that thorough air conditioning inspections and repairs be executed and completed on all vehicles no later than April 1 of each contractual year.

## **Marketing**

ARC is responsible for marketing the service on behalf of ICTC and coordinates the placement, scheduling, and distribution of all advertising and promotional materials to promote ridership. The contract with ICTC stipulates that the marketing budget is 3 percent of the West Shores Dial-A-Ride budget. The contract also requires ARC to develop an annual marketing plan at least 30 days prior to the end of the fiscal year for approval by ICTC. ARC has made efforts to develop and implement a marketing plan in spite of budgetary constraints.

There is a one-quarter page color advertisement featured in the Imperial County Area Agency on Aging Senior Services Directory. The ad contains a photo of a West Shores Dial-A-Ride vehicle along with contact numbers. Flyers are also employed to announce service or fare changes. ARC has created a paratransit data sheet that provides a listing of all the dial-a-ride services operated in Imperial County. Basic information about the service is featured on the transportation services page of the ARC website and can be accessed at <http://arciv.org/transportation.php>. The service is also listed in the local Yellow Pages telephone directory.

ARC has developed and provides passenger comment cards. The Transportation Service Questionnaire contains 10 questions and is printed in English and Spanish. ARC provides a statistical summary of the frequency and patterns of comments in its passenger service report. Report gives a breakdown of comments received as well as the number of complaints (written or phoned in) and compliments. The comment cards are primarily submitted directly to the contractor for processing which is part of industry practice and typically contained in the service contract. An alternative is for the comment cards to be addressed to and postage paid by the

oversight agency for tracking purposes. Another option is for the public phone number to report a comment be changed to reflect the number for the oversight agency.

## **General Administration & Management**

During the audit period, West Shores Dial-A-Ride was administered by County staff serving under the umbrella agency IVAG. The newly created ICTC, through adopting resolution, assumed the transfer of duties and obligations as the successor agency to IVAG. Among the duties transferred included the continued management of West Shores Dial-A-Ride. In addition to the oversight of West Shores Dial-A-Ride provided by ICTC staff through contract management and monitoring, discussions about service are held through committees including the Social Services Transportation Advisory Council (SSTAC) that advises ICTC on transit matters pertaining to the needs of transit-dependent and transit-disadvantaged persons.

ARC is a nonprofit, 501(c)(3) social services agency that provides a number of services to the disabled community such as vocational programs, residential services, first aid/CPR training, and paratransit services. ARC's transportation division is the largest paratransit provider in Imperial County. ARC is governed by a Board of Directors and an Executive Director. Serving under the Board and Executive Director is the Director of Transportation, who oversees the paratransit services operation. The Director of Transportation is assisted by an Office Manager and Operations Supervisor. The Operations Supervisor oversees the dispatchers, schedulers, trainers, maintenance personnel, and drivers. In addition to the management and supervisory-level staff, ARC has 27 full-time drivers and 5 dispatchers. Drivers are assigned to contracted services based on their aptitude and customer service skills. The driver assigned to West Shores Dial-A-Ride resides in Westmorland, where the vehicle is secured overnight in lieu of transporting it to ARC's facility in El Centro. The Director of Transportation reported higher than average employee turnover in FY 2010 due to wage increase deferrals and benefit cuts.

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 due to reduced operator subsidies and higher costs. The value of the benefits package is calculated to be approximately \$3.35 an hour on average.

**Grant Administration & Funding**

The primary source of intergovernmental grant funding for West Shores Dial-A-Ride is derived from the County’s TDA apportionment. The County annually receives substantial TDA funds, much of which is transferred among the various transit services. West Shores Dial-A-Ride receives Local Transportation Fund (LTF) support. Table V-7 provides a summary of TDA funding allocations toward West Shores Dial-A-Ride.

**Table V-7  
West Shores Dial-A-Ride TDA Funding Allocations**

TDA Funding	FY 2007	FY 2008	FY 2009	FY 2010
<b>LTF – (SB325)</b>	\$120,564	\$160,462	\$164,421	\$88,122

*Source: Transit Finance Plan, ICTC*

TDA funding support for operations has fluctuated during the audit period, reflecting the service modifications. From the FY 2007 base year to FY 2009, the LTF allocation increased by about 36 percent. By FY 2010, the allocation declined by nearly half (46 percent) to \$88,122, which corresponded to the service cutbacks.

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

## Section VI

### Findings and Recommendations

The following material summarizes the major findings obtained from this triennial audit covering FYs 2008 through 2010. A set of recommendations is then provided.

#### Triennial Audit Findings

1. Of the compliance requirements pertaining to West Shores Dial-A-Ride, the operation fully complied with seven out of the nine requirements. The operator was found not in compliance with maintaining its minimum farebox ratio and was found in partial compliance with the timely submittal of its annual fiscal audits. Two additional compliance requirements did not apply to West Shores Dial-A-Ride (e.g., rural/urban farebox recovery ratios and federal formula grants).
2. West Shores Dial-A-Ride's farebox recovery ratio remained below the required 10 percent standard. Service cutbacks and fare increases were implemented to help sustain the farebox. The average farebox recovery ratio was 5 percent during the triennial review period.
3. Through its contract operator, ICTC participates in the CHP Transit Operator Compliance Program and received inspections of West Shores Dial-A-Ride vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. The operating budget exhibited a wide variation of increases and decreases. The budget increased by 55.39 percent in FY 2008 due to the new service contract in FY 2007 that reflected the vehicle fuel clause as well as expanded service hours. The budget decreases in FY 2009 and FY 2010 reflect the cutback in service hours from five to three to eventually two days a week.
5. Out of the seven prior audit recommendations, West Shores Dial-A-Ride fully implemented five recommendations and partially implemented two recommendations. The recommendations partially implemented pertained to the development of an annual marketing plan and placement of information about the service on the contractor's website.
6. While the service was operating five days a week, passenger trips, service hours and miles peaked in FY 2008 as fuel prices rose. The fare increase implemented in November 2008 helped revenues and farebox recovery to rise at a rate of 26.2 percent and 40.3 percent, respectively. Service cutbacks commencing in July 2009 resulted in a decline in passenger trips and revenues with a farebox recovery of 5.18 percent in FY 2010.
7. The service underwent a fare increase in November 2008 from \$1.00 to \$2.50 per trip in order to achieve the TDA-mandated farebox recovery of 10 percent. Prior to this increase being

implemented, a data analysis of the system was released in September 2008 with six option scenarios and a recommendation. Option #3 was adopted to increase the fare to \$2.50 per trip with no reduction in service. Service was eventually reduced to Tuesdays and Thursdays from 7:00 a.m. to 4:00 p.m. in March 2010 and the fare adjusted to \$2.00 per trip.

8. West Shore Dial-A-Ride operations have struggled to meet performance standards for all the aforementioned indicators. Passengers per hour and per day have averaged 2.85 and 20.4 passengers, respectively. All the cost indicators have exceeded the standard by approximately double. Although the farebox has shown some modest improvement, the average farebox recovery has averaged 4.92 percent, slightly less than half the required 10 percent standard.
9. The driver assigned to West Shores resides in the neighboring city of Westmorland and maintains the vehicle overnight at his home instead of deadheading to the ARC facility in El Centro. Much of the relative sustainability of the service relies on this driver and the close proximity of the driver's residence to the service area. In addition, there is one dedicated dispatcher attending to West Shores Dial-A-Ride during the morning hours, who is relieved in the afternoon.
10. The number of cancellations, no-shows, and trip denials has declined significantly during the audit period. This trend reflects the effort to implement and enforce the no-show policy as well as overall service reductions. The annual number of cancellations decreased 89 percent from 82 in FY 2007 to 9 in FY 2010, peaking at 138 in FY 2008. Similarly, no-shows decreased 64 percent from 213 in FY 2007 to 76 in FY 2010, peaking at 352 in FY 2008.
11. ARC is responsible for marketing the service on behalf of ICTC and coordinates the placement, scheduling, and distribution of all advertising and promotional materials to promote ridership. The contract with ICTC stipulates that the marketing budget is 3 percent of the West Shores Dial-A-Ride budget.
12. The County administered the contract for West Shores Dial-A-Ride until November 2010 when oversight was transferred to ICTC. In addition to contract management and monitoring by ICTC, oversight is also provided through the various committees of ICTC.

## **Triennial Audit Recommendations**

### **1. Record trip denials on the annual passenger service report.**

The contract operator, ARC-Imperial Valley, has developed a thorough process for recording and classifying trip denials on West Shores Dial-A-Ride. ARC maintains a monthly denial log that contains the date and time of the request, pick-up and destination addresses, and reason for the denial. There are nine alphabetical codes utilized for the reason given for each denial. The monthly denial log is attached to a monthly management summary report and the number of denials is noted on the report. Unlike cancellations and no-shows, trip denials are not reported on the passenger service report. It is suggested that trip denial data be summarized into a monthly total and included concurrently with cancellation and no-show data on the passenger service report.

### **2. Consider mobility management alternatives in the service area.**

The County and ICTC have made several service modifications to West Shores Dial-A-Ride in an effort to maintain it as a viable and cost-effective transit service. The West Shores Dial-A-Ride analysis presented several operational scenarios to boost farebox recovery with a combination of service reductions and fare increases. Since the implementation of a fare increase and reduction of service to just two days a week, the service continues to maintain a low farebox recovery. While it has been suggested that West Shores Dial-A-Ride be incorporated into the ADA Paratransit Program, the service continues to be politically popular with residents and public officials.

A possible approach would be to consider addressing the unique mobility management needs of the communities along the west shore of the Salton Sea. Volunteer driver reimbursement and community vanpool programs have been proven successful cost-effective options in such remote communities. In addition, for demand response, the practice of coordinating the pick up of passengers at one major location such as a shopping area at specific times and then transporting them to their individual drop off locations (e.g. home) could improve service efficiencies and effectiveness. This action would require educating the riders about meeting at a designated location at certain times to receive a return ride.