



Western Placer Consolidated Transportation Service Agency

**Triennial Performance Audit
Fiscal Years 2015-15 and 2017-18
*Final***

Prepared for the



**PLACER COUNTY
TRANSPORTATION
PLANNING AGENCY**

**Placer County Transportation
Planning Agency**



TRIENNIAL PERFORMANCE AUDIT

of the

Western Placer Consolidated
Transportation Service Agency

for

Fiscal Years 2015-16 through 2017-18

Final

Prepared for the

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The California Public Utilities Code requires that all transit operators that receive funding under the Transportation Development Act (TDA) be subject to a performance audit every three years. This document presents the findings from the performance audit of transit operations funded through Article 4.5 of the TDA in Western Placer County, Western Placer Consolidated Transportation Services Agency (WPCTSA). As the Regional Transportation Planning Agency (RTPA) responsible for TDA funding in Western Placer County, these audits were performed under the authority of the Placer County Transportation Planning Agency (PCTPA).

This audit report covers Fiscal Years (FY) 2015-16 through FY 2017-18 and was conducted by LSC Transportation Consultants, Inc. Data collection, initial review, and on-site interviews were conducted at the beginning of 2019. The audit process follows guidelines outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* developed by Caltrans (2008).

BACKGROUND

Per Public Utilities Code (P.U.C.) 99233.7 of the TDA, up to five percent of TDA funds may be made available for Consolidated Transportation Services Agencies (CTSAs) as defined by Government Section Code 15975 and community transit services as defined in Article 4.5, after allocations for administration, planning/programming, and bicycle/pedestrian facilities have been made. In western Placer County, WPCTSA is the designated CTSA and receives four percent of TDA funds as allocated through Article 4.5. WPCTSA offers a variety of transit programs primarily designed to link inter-community destinations and be transportation of a last resort for passengers unable to find another ride to medical appointments or other transit needs. WPCTSA primary transit programs include: Health Express non-emergency medical transportation, a Volunteer Driver program, and a Transportation Voucher program. WPCTSA programs are administered by PCTPA staff and the PCTPA Board Members serve as WPCTSA board members. WPCTSA partners with Seniors First, a private non-profit organization, to manage the Volunteer Driver Program and process applications for the Health Express program. Health Express is operated by a private contractor: MV Transportation. WPCTSA also partners with the City of Roseville to manage the Transit Ambassador Program and South Placer Transportation Call Center.

Those claimants receiving funding under Article 4.5 of TDA are not required by law to have a triennial performance audit conducted; however, it is recommended as a way to enable a comprehensive and objective review of those public transit services.

VERIFICATION AND USE OF PERFORMANCE INDICATORS

Table 2 and Figures 1-6 in Chapter 2 present operating data and performance indicators for WPCTSA Health Express service, as this is the single defined public transit operator under the WPCTSA umbrella. During the audit period, one-way passenger trips varied from 5,200 trips to 6,000 trips per year. Cost effectiveness (operating cost per passenger trip) for the Health Express service declined during the audit period, as this performance indicator increased from \$83.44 to \$98.26 over the three year period. Although productivity (passenger-trips per hour) decreased for Health Express slightly during the audit period, it still remains above FY 2012-13 levels. WPCTSA transit services generated a farebox ratio (the

ratio of passenger fares to operating costs) of approximately 14 to 16 percent during this audit period, as a result of private partner contributions. This is above the 10 percent minimum farebox ratio adopted by PCTPA for WPCTSA.

Operating data and performance indicators for the Health Express Service were compared to data for Roseville Transit DAR, and Placer County Transit (PCT) Lincoln DAR, PCT Rocklin/Loomis DAR and PCT Highway 49 DAR. The peer review demonstrated that the Health Express service is not as cost efficient as the other services. Any comparison made between the Health Express service and general public DARs should be analyzed only generally, as Health Express is a specialized demand response service responsible for non-emergency medical trips only.

During the audit period, WPCTSA did not collect and report full-time equivalent employees to the State Controller in accordance with definitions in Appendix B of the *Performance Audit Guidebook*. As for the overall data collection and recording process, Seniors First and MV Transportation prepare straightforward operating data reports in Microsoft Excel format on a monthly basis.

REVIEW OF COMPLIANCE REQUIREMENTS

The *Performance Audit Guidebook* recommends reviewing transit operator compliance with certain TDA regulations that relate to a performance audit. Table 4 presents WPCTSA's compliance with these requirements. WPCTSA was found to be in compliance on all issues, except for the definition of full-time equivalent employees.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by Michael Baker International. All recommendations from this audit were implemented or are in progress.

DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS

An important step in the performance audit process is to evaluate standard transit operator functions in terms of efficiency and effectiveness. This is done through interviews with transit staff. The review of transit operator functions is divided into the following categories:

- General Management and Organization
- Service Planning
- Administration
- Scheduling, Dispatch and Operations
- Marketing and Public Information
- Maintenance

In summary, organization and management of the transit operator appears to be appropriate for the size and scope of transit operations. WPCTSA has developed an effect partnership with Seniors First, MV Transportation and Roseville Transit for the operation of the various WPCTSA programs. WPCTSA conducts effective service planning and periodically reviews new and innovative transportation options for meeting the goals of the WPCTSA program. WPCTSA successfully provides a needed transit program within a defined budget. Health Express transit contractors have in place a good set of safety, operations, and training procedures. Sufficient marketing and public outreach efforts are conducted by WPCTSA and its partners. There appears to have been no significant issues during the audit period with respect to vehicle maintenance.

FINDINGS

- WPCTSA (Health Express) is meeting the 10 percent farebox ratio set by PCTPA; however, farebox ratio is lower than the prior audit period.
- WPCTSA staff continues to have a good working relationship with all of its partners including Seniors First and the public transit operators.
- All State Controller Reports and Fiscal and Compliance audits for WPCTSA services were submitted in a timely manner.
- WPCTSA did not record Full-time Employee Equivalents in accordance with the definition in Appendix B of the *Performance Audit Guidebook*.
- Although the Health Express operating cost per trip is higher than the peer average for other Western Placer County DAR services, it is difficult to compare a specialized service such as Health Express to general public DARs.
- WPCTSA recommendations from the prior performance audit have been completed or are in progress.

RECOMMENDATIONS

Recommendation 1: Further study should be conducted to determine if the benefits of shifting management of the Health Express program to Placer County is a cost effective option.

Currently, WPCTSA staff provides administrative oversight of the Health Express program, including management of the contract with the transit operator and Seniors First. WPCTSA/PCTPA is not a transit operator and therefore may not be equipped or the most qualified to oversee transit operations. One institutional alternative suggested in the WPCTSA *Short Range Transit Plan* is to contract with the regional transit operator (Placer County) to provide management of the Health Express service. Shifting the management of the Health Express contract to Placer County would have regional benefits: consistent oversight of regional transit services in the County, and the availability of trained field personnel to respond to complaints and operational challenges. Including Health Express as one of the contracts managed by Placer County would improve coordination among the many demand response services in the region.

Recommendation 2: Employee full-time equivalent hours for the Health Express Program should be recorded and reported to the State Controller in accordance with Appendix B of the *Performance Audit Guidebook*. The definition of Full-time Equivalent Employees per the Caltrans Triennial Performance Audit Guidebook is as follows:

“Transportation system-related hours worked by persons employed in connection with the public transportation system (whether or not the person is employed by the operator, for example, a city accounts payable person whose time is partly charged to transit operations). Such persons

include contractor staff. A Full-Time Equivalent employee count can be calculated by dividing the number of person-hours worked by 2,000.”

Below are guidelines for calculating full-time equivalent employees for purposes of reporting to the State Controller:

- All MV Transportation work hours spent operating or assisting with Health Express functions should be included in the employee hour count. This consists of drivers, dispatchers, mechanics and administrative staff.
- WPCTSA/PCTPA administrative staff time spent managing the MV Transportation contract for Health Express should be tallied annually.
- The total number of hours from MV Transportation and WPCTSA/PCTPA is then divided by 2,000 to determine the full-time equivalent employee count for Health Express for purposes of reporting to the state controller.

Note that the FTE count represents only Health Express services (not the Call Center or MyRides), as Health Express is the only WPCTSA public transit operator.

BACKGROUND

The TDA, also known as the “Mills-Alquist Deddeh Act,” provides two major sources of funding for public transportation providers in California: the Local Transportation Fund (LTF) and the State Transit Assistance (STA) fund. The LTF is derived from 0.25 percent of the 7.25 percent retail sales tax collected statewide and can be used for a variety of transportation purposes according to a set of priorities detailed in the Act. The State Board of Equalization returns the LTF to each county according to the amount of tax collected in that county. STA funds are derived from statewide excise tax on gasoline, and are allocated to each county based on the following formula: 50 percent according to population, and 50 percent according to operator revenues from the prior fiscal year. STA funds can only be used to pay for transit planning, capital projects, and operations.

The California PUC requires that a Triennial Performance Audit (TPA) be conducted for all transit operators and RTPAs. The objectives of the audit are to provide a means for evaluating an organization’s performance and to enhance performance by making recommendations for improvements. In addition, the audit evaluates the adequacy of an organization’s systems and their degree of compliance with established policies and procedures.

PERFORMANCE AUDIT AND REPORT ORGANIZATION

The performance audit consists of the following elements:

- ◆ Verification and use of performance indicators
- ◆ Review of compliance requirements
- ◆ Follow-up review of prior performance audit recommendations
- ◆ Detailed review of transit operator functions
- ◆ Preparation of the Draft Audit report
- ◆ Preparation of the Final Audit report

TRANSIT PROGRAM DESCRIPTION

The Western Placer Consolidated Transportation Services Agency (WPCTSA) was developed through a Joint Powers Agreement (JPA) between Placer County, City of Roseville, City of Lincoln, City of Auburn, City of Colfax and City of Rocklin specifically to provide transportation solutions for low income, elderly and disabled residents of western Placer County. Since 2009, WPCTSA has been providing alternative transportation services that the other transit operators in the region do not provide.

Per Public Utilities Code (P.U.C.) 99233.7 of the Transportation Development Act (TDA), up to five percent of TDA funds may be made available for Consolidated Transportation Services Agencies (CTSAs) as defined by Government Section Code 15975 and community transit services as defined in Article 4.5, after allocations for administration, planning/programming, and bicycle/pedestrian facilities have been made. In western Placer County, WPCTSA is the designated CTSA and receives four percent of TDA funds as allocated through Article 4.5. WPCTSA offers a variety of transit programs primarily designed to link intra-community destinations and to provide transportation of last resort for passengers unable to find

another ride to medical appointments or other transit needs. WPCTSA's primary transit programs include the following:

Health Express – The WPCTSA contracts with Seniors First to operate advanced reservation, shared ride, nonemergency medical transportation services for Placer County residents who are disabled or over the age of 60. For some rural residents, Health Express is the only form of public transportation available. Health Express serves western Placer County from three-quarter mile east of Colfax to the Sacramento County line, including Auburn, Rocklin, Roseville, Colfax, Lincoln, Sheridan, Roseville, Foresthill and other unincorporated areas. Health Express provides transportation to medical appointments outside of the county to Sacramento. Non-emergency medical trips which are located entirely within one of the Placer County transit operators Dial-A-Ride (DAR) service area are provided by the local DAR operator rather than by Health Express, unless there is a lack of capacity or the passenger has special needs which cannot be served by the DAR.

Health Express operates Monday through Friday from 7:30 AM to 4:30 PM. Service to Sacramento medical facilities occurs only on Tuesdays and Thursdays from 10:00 AM to 2:00 PM and service to Foresthill and Sheridan are provided only on Wednesdays from 7:30 AM to 4:30 PM. Sacramento medical trips are provided on a first-come, first-served basis. Beginning July 1, 2015 Health Express adopted the following passenger fare structure:

- Intercity trip within Placer County with advance reservation \$2.50/\$1.25 (discount)
- Intercity trip within Placer County with same day reservation \$5.00/\$2.50 (discount)
- Intra-city trip if DAR is unavailable – DAR fare
- Sacramento trip with advance reservation - \$5.00/\$2.50 (discount)
- Sacramento trip same day reservation - \$10.00/\$5.00 (discount)

Discount fares are available for passengers with Medicare, Medi-Cal, ADA eligibility card, Senior ID card. Reservations can be made up to two weeks in advance and at least 24 hours in advance if requested. Passengers are asked to cancel unwanted reservations by 3:30 PM the day before. Passengers who cancel within 2 hours of a scheduled pick up are considered no-shows.

Health Express is operated through a private contractor, MV Transportation. The contractor is responsible for provision of drivers, vehicles, maintenance, operations facility and insurance. Separately, Seniors First is under contract with WPCTSA to process Health Express applications. Approximate annual budget for the Health Express service is \$480,000.

My Rides Volunteer Driver and Transportation Voucher Program – The My Rides Program is a volunteer driver program for Placer County residents who are over age 60, disabled or families with children age 0 – 5 who are unable to use conventional public transit. Volunteer drivers are reimbursed to transport eligible participants to and from medical appointments, public services and essential needs destinations (grocery, banking, pharmacy, hair appointments). The My Rides Program also provides a voucher for individuals who cannot otherwise afford the costs associated with an occasional and necessary trip to medical related appointments. Seniors First administers the countywide program.

Approximate annual budget for the volunteer driver program is \$216,000. During the audit period, the amount paid in direct costs or for transportation reimbursements was around \$115,000 annually. One-way passenger trips provided ranged from 5,200 to 7,500 annually. This equates to an average transportation reimbursement cost per trip of \$17.75 during the audit period and total program cost per

trip of \$32.80. This is more cost effective than providing a Dial-A-Ride service; however, service is limited by the number of available volunteers. There are also restrictions on passengers requiring wheelchairs or large oxygen tanks.

Retired Dial-A-Ride (DAR) Vehicle Program - The goal of the program is to share resources between public transit agencies and human service agencies. WPCTSA purchases older DAR vehicles from Placer County operators and sells the vehicles to human service agencies for \$100. The recipient agency must carry a minimum number of passenger trips (50 per month) and report ridership figures to WPCTSA for two years. The agency must also demonstrate their ability to pay vehicle registration, insurance, maintenance, and operating costs. This program was created in response to an unmet transit needs finding. To date, only one vehicle has been provided to a non-profit agency through this program.

Transit Ambassador Program – In partnership with the City of Roseville, WPCTSA runs a Transit Ambassador Program for Western Placer County services. The program includes conducting a variety of outreach efforts to existing and potential passengers, such as face-to-face assistance to passengers, transit training for potential transit users and attending outreach events. The City of Roseville manages the program, recruits and trains volunteers and provides insurance for the volunteers. WPCTSA pays up front for insurance for volunteers and bills Roseville for the cost. Volunteers undergo anywhere from 6 to 30 hours of training.

The cost to the City of Roseville for administering the Transit Ambassador program was \$37,000 in FY 2016-17. In FY 2016-17, a total of seven Transit Ambassadors contributed 469 volunteer hours assisting passengers on public transportation and providing support to staff at outreach events throughout the western Placer region.

South Placer Transportation Call Center - In 2011, the South Placer Transit Information Center was initiated. The South Placer Transit Information “Call Center” provides transit riders with one phone number for information and reservations for all demand response services in the South Placer area including Roseville Transit, Placer County Transit and Health Express. The program is intended to reduce call reservation staff time and costs for the various transit agencies, and to increase overall efficiency of the public transit process. When a call for a ride comes in, “Call Center” staff determine which operator (including Health Express) should receive the trip booking. WPCTSA contracts with the City of Roseville who contracts with MV Transportation to provide this service. The “Call Center” is mostly funded through TDA Article 4.5 funds in the amount not to exceed \$300,000 annually. This does not cover indirect costs associated with the program such as administrative staff time incurred by City of Roseville staff.

Phones are staffed from 7:45 AM to 5:15 PM on weekdays with a total of five different customer service agents working different shifts throughout the day. This equates to roughly 4.3 FTEs, which are not included in the FTE count for Health Express or Roseville Transit. A maximum of four agents are required during the peak hours of 8:30 AM to 11:00 AM and 2:00 PM to 4:00 PM. On weekends, a total of two customer service agents work different shifts between 8:00 AM and 5:00 PM. South Placer Transit Information “Call Center” staff use Trapeze dispatch software to schedule trips with the appropriate transit agency. Same day ride requests are referred to the transit agency directly.

Performance standards regarding the number of completed calls and wait time for these calls have been established through the contract between the City of Roseville and WPCTSA. These standards were

“right sized” in FY 2017-18 as a result of a FTA audit. As shown in Table 1 the Call Center maintained good performance during the audit period with respect to wait time for calls.

| | Standard | Actual Performance | | |
|--|----------|--------------------|------------|------------|
| | | FY 2015-16 | FY 2016-17 | FY 2017-18 |
| Calls Abandoned per 20 Calls Completed | <1.5 | 1.45 | 1.38 | 1.64 |
| Calls Answered With 90 Seconds | 90% | 92% | 92% | 91% |
| Calls Answered With 6 Minutes | 100% | 100% | 100% | 99% |
| Source: WPCTSA | | | | |

HEALTH EXPRESS OPERATING AND FINANCIAL STATISTICS

A variety of operating statistics and TDA required performance indicators are presented in Table 2 and Figures 1 through 6 for the Health Express service only, as this is the single defined public transit operator under the WPCTSA umbrella. The performance indicators are based on data taken from internal reports and annual Fiscal and Compliance Audits.

Data Collection Methods

Part of the TPA process for transit operators is to review the data collection process and determine if the operator calculates performance measures in accordance with TDA definitions.

The **Operating Cost** data was obtained from annual Fiscal and Compliance audits and include total operating expenses for each object class consistent with the Chart of Accounts for the Uniform System of Accounts and Records, as presented in each of the three fiscal audits.

FY 2017-18 operating cost data differs from the operating costs figures used to calculate farebox ratio in the WPCTSA Fiscal and Compliance Audit for the following reason. In FY 2017-18, PCTPA commissioned updates of the Short Range Transit Plans (SRTP) for all western county transit operators, including WPCTSA. The transit plan updates were funded out of the WPCTSA budget. The FY 2017-18 Fiscal Audit included the cost of all the transit plan updates in Health Express operating expenses for farebox ratio calculations. However, these cost do not represents the actual cost of operating Health Express. Therefore, the operating costs identified in Table 2 exclude administrative costs associated with the transit plan updates. For this reason, farebox ratio in the FY 2017-18 Fiscal and Compliance Audit does not match farebox ratio in this audit report.

FY 2017-18 operating costs for Health Express were calculated as follows: The cost of the SRTP updates were subtracted out of total administrative costs for all WPCTSA services (Health Express, MyRides and Transit Ambassador Programs). This number was then allocated between the three programs based on proportions developed by the Fiscal Auditor. The estimated administrative costs for Health Express were then added to direct costs for Health Express (obtained from fiscal auditor).

TABLE 2: WPCTSA Performance Measures (Health Express)

| Performance Measures | Prior Audit Period | | | | Current Audit Period | | | |
|---|--------------------|------------|------------|------------|----------------------|------------|--|--|
| | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2017-18 | | |
| One-Way Passenger-Trips | 5,984 | 5,302 | 7,176 | 5,538 | 6,032 | 5,251 | | |
| % Change from Previous Year | 20.5% | -11.4% | 35.3% | -22.8% | 8.9% | -12.9% | | |
| Vehicle Revenue Hours | 6,720 | 3,987 | 5,387 | 4,091 | 4,600 | 4,478 | | |
| % Change from Previous Year | 27.3% | -40.7% | 35.1% | -24.1% | 12.4% | -2.6% | | |
| Vehicle Revenue Miles | 59,370 | 58,142 | 83,636 | 70,700 | 74,770 | 67,116 | | |
| % Change from Previous Year | -11.7% | -2.1% | 43.8% | -15.5% | 5.8% | -10.2% | | |
| Operating Costs ⁽¹⁾ | \$593,108 | \$587,843 | \$537,825 | \$462,107 | \$484,641 | \$515,974 | | |
| % Change from Previous Year | 18.6% | -0.9% | -8.5% | -14.1% | 4.9% | 6.5% | | |
| Number of Employees | 7 | 6 | 5 | 4 | 4 | 4 | | |
| % Change from Previous Year | 0.0% | -14.3% | -16.7% | -0.2 | 0.0% | 0.0% | | |
| Farebox Revenues | \$125,000 | \$125,000 | \$100,000 | \$74,530 | \$74,530 | \$74,530 | | |
| % Change from Previous Year | 0.0% | 0.0% | -20.0% | -0.2547 | 0.0% | 0.0% | | |
| Operating Cost per One-Way Passenger-Trip | \$99.12 | \$110.87 | \$74.95 | \$83.44 | \$80.34 | \$98.26 | | |
| % Change from Previous Year | -1.6% | 11.9% | -32.4% | 11.3% | -3.7% | 22.3% | | |
| Operating Cost per Vehicle Revenue Hour | \$88.26 | \$147.44 | \$99.84 | \$112.96 | \$105.36 | \$115.21 | | |
| % Change from Previous Year | -6.8% | 67.1% | -32.3% | 13.1% | -6.7% | 9.4% | | |
| Passengers per Vehicle Revenue Hour | 0.9 | 1.3 | 1.3 | 1.4 | 1.3 | 1.2 | | |
| % Change from Previous Year | 0.0% | 49.3% | 0.2% | 1.6% | -3.1% | -10.6% | | |
| Passengers per Vehicle Revenue Mile | 0.10 | 0.09 | 0.09 | 0.08 | 0.08 | 0.08 | | |
| % Change from Previous Year | 44.0% | -9.5% | -5.9% | -8.7% | 3.0% | -3.0% | | |
| Vehicle Revenue Hours per Employee | 960 | 664.5 | 1077.4 | 1,022.7 | 1,149.9 | 1,119.6 | | |
| % Change from Previous Year | 27.3% | -30.8% | 62.1% | -5.1% | 12.4% | -2.6% | | |
| Farebox Recovery Ratio | 21.08% | 21.26% | 18.59% | 16.13% | 15.38% | 14.44% | | |
| % Change from Previous Year | -15.7% | 0.9% | -12.6% | -13.3% | -4.6% | -6.1% | | |

Note 1: FY 2017-18 number differs from Fiscal and Compliance Audits. Exclude administrative costs associated with transit plan updates.

The **Passenger Count** data should be recorded as unlinked one-way passenger-trips (single boarding and alighting) per TDA definition. MV Transportation records one-way passenger trips in accordance with TDA definitions. As can be seen in Table 2, ridership on Health Express varies from year to year. Demand response services such as Health Express typically have regular passengers who ride with some frequency. Therefore ridership levels can be affected by one regular passenger leaving the area or no longer needing service.

The **Vehicle Revenue Hour** data was reported correctly by MV Transportation for Health Express operations. As defined by TDA, vehicle revenue hours for demand response transit services do not include time associated with travel before the first scheduled pick-up and after the last scheduled drop-off. Vehicle revenue hours also do not include time the vehicle is unavailable for service due to a lunch break.

The **Vehicle Revenue Mile** data also does not include mileage associated with “deadhead travel” (travel prior to the first scheduled pick-up or after the last scheduled drop-off) or lunch breaks. MV Transportation recorded vehicle revenue miles correctly as well.

The **Employee Hours or Full-Time Equivalent Employees** data was not compiled correctly by WPCTSA for this audit period. The Full-Time Equivalent (FTE) definition states that all employee hours associated with the operation of WPCTSA transit services should be tallied and divided by 2,000. The figures reported to the State Controller during this audit period, represent FTE’s for MV Transportation only and did not include WPCTSA/PCTPA administrative staff time managing the MV Contract. Additionally, MV’s internal definition of a full-time employee is 35 hours per week or 1,820 per year, which differs from the State Controller definition.

The **Fare Revenue** data was obtained from annual Fiscal and Compliance audit reports. It should be noted that PUC Section 99205.7 states that fare revenues are defined in revenue object classes 401, 402, and 403, as specified in Section 630.12 of Title 49 of the Code of Federal Regulations:

- ◆ Object class 401 revenues include full adult, senior, student, child, handicapped, park & ride lot revenues (must be operated by transit operator), special and reduced fares collected from passengers.
- ◆ Object class 402 revenues include guaranteed revenues collected from an organization rather than a rider for rides given along special routes.
- ◆ Object class 403 revenues include revenues collected from schools for providing service to children to and from school.

Fare revenue also includes the amount of revenue received by an entity under contract for transit services not yet transferred to the claimant. Additionally, the definition of fare revenues includes fares collected (1) for a specified group of employees, members, or clients, (2) to guarantee a minimum revenue on a line operated especially for the benefit of the paying entity (e.g. an employer, shopping center, university, hospital etc.), or (3) cash donations made by individual passengers in lieu of a prescribed fare. The farebox revenue data presented in the WPCTSA fiscal audits are consistent with this definition.

WPCTSA’s current policy is to rely on local contributions from the hospitals to meet the 10 percent farebox ratio requirement for Health Express, rather than relying on passenger fare revenues. In fact, in previous audit periods, a passenger fare was not charged. For this audit period, fare revenues represent the partnership match provided by Seniors First through the hospitals, as these funds guarantee a minimum revenue on a service for the benefit of the agencies’ clients.

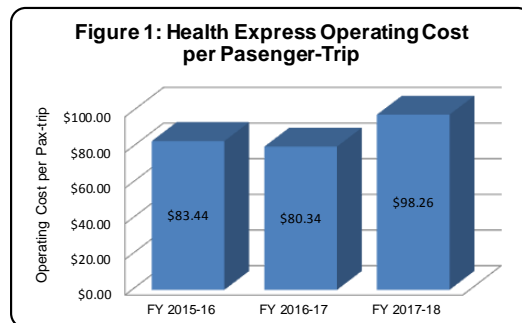
Calculation of Performance Indicators

Performance indicators are frequently used to quantify and review the efficiency and effectiveness of a transit operator’s activities. Such indicators can provide insight on current operations as well as on the operator’s performance over a period of time. Using the data described above, the following performance indicators were calculated as required in Section 99246(d) of the Public Utilities Code:

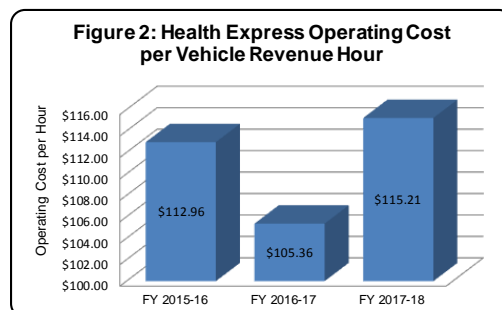
- Operating Cost per Passenger
- Operating Cost per Vehicle Revenue Hour
- Passengers per Vehicle Revenue Mile
- Vehicle Revenue Hours per Employee
- Passengers per Vehicle Revenue Hour

In addition, the Farebox Recovery Ratio is calculated and evaluated herein, per Section 99268 et seq. of the Public Utilities Code.

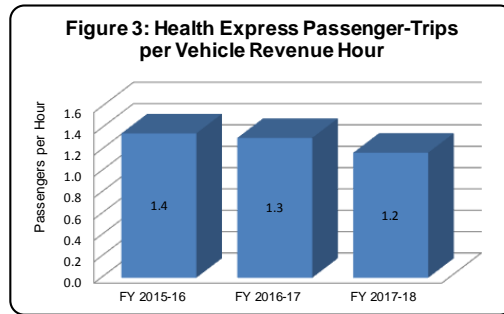
Operating Cost per Passenger-Trip (Figure 1) – Operating cost per one-way passenger trip on Health Express increased from \$88.34 to \$98.26 during the audit period as a result of decreasing ridership and increasing costs. Both direct costs associated with the Health Express operations contract as well as WPCTSA administrative costs increased.



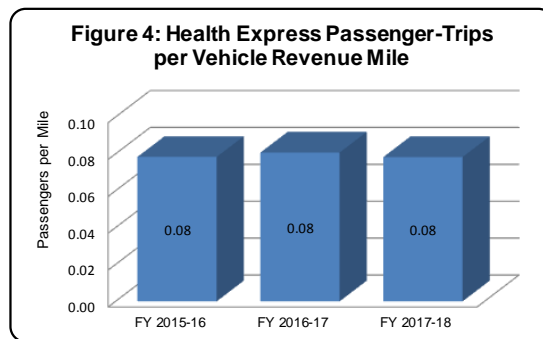
Operating Cost per Vehicle Revenue Hour (Figure 2) – Operating cost per vehicle revenue hour varied during this audit period along with service levels from a low of \$105.36 in FY 2016-17 to a high of \$115.21 in FY 2017-18.



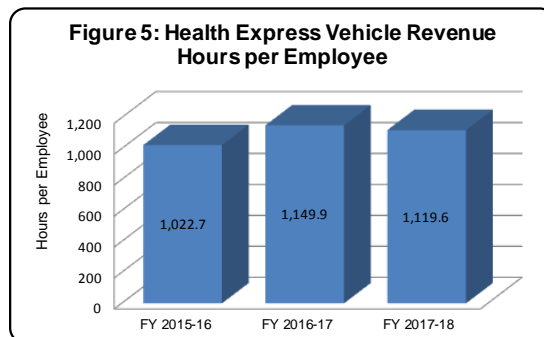
Passenger-Trips per Vehicle Revenue Hour (Figure 3) – One-way passenger-trips per vehicle revenue hour is a measure of transit “productivity”. By nature, demand response services have low productivity as it is not possible to carry that many passengers at once. Additionally, Health Express passengers are limited to seniors and disabled as well as specific trip purposes. Health Express productivity ranged from 1.4 passenger trips per hour in FY 2015-16 to 1.2 passenger-trips per hour in FY 2017-18. This represents a small decline but not a significant variance. The WPCTSA S RTP identifies a productivity standard of 1.3 passenger-trips per hour.



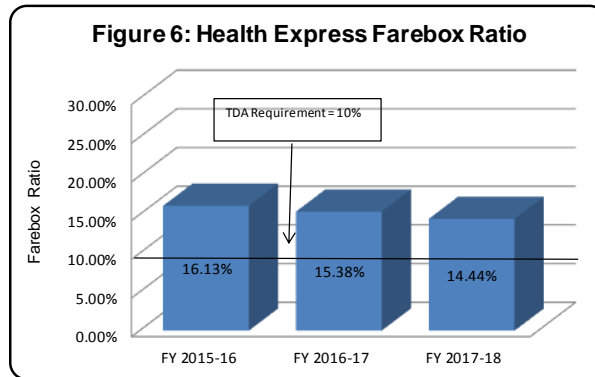
Passenger- Trips per Vehicle Revenue Mile (Figure 4) – Health Express passenger-trips per mile was a constant 0.08 throughout the audit period.



Vehicle Revenue Hours per Employee (Figure 5) – Vehicle Revenue Hours per Full-time Equivalent Employee ranged from 1,022 to 1,499 during the audit period. Fluctuations were the result of changes in vehicle service hours. Service levels for Health Express are dependent on demand from customers. If FTE’s were reported correctly, this performance metric would not differ that significantly.



Farebox Ratio (Figure 6) – Article 4.5 of the TDA allows the RTPA to adopt by resolution farebox ratios for community transit services appropriate for that type of service. PCTPA applied the 10 percent rural farebox ratio requirement to WPCTSA services. Seniors First provides a local match for Health Express service through hospitals in the region. This funding is considered fare revenue and provides WPCTSA services with a farebox ratio of 14 – 16 percent during the audit period, well above the 10 percent requirement.



Recommendations Regarding Data Collection

Overall, MV records transit operating statistics for Health Express in straightforward, easy to follow spreadsheets. Different tabs show data and performance measures at both the monthly and annual level. Operating data closely matches data reported to the State Controller. At the end of the audit period, MV drivers began using Mobile Data Terminals (MDTs) to record passenger-trips by type, mileage and time. The MDTs are linked to Trapeze software which is capable of generating a variety of reports. The auditor has no recommendations regarding data collection for WPCTSA.

Assessment of Internal Controls

To ensure that the information gathered as part of this audit is reliable and valid, a review of internal controls is necessary. A transit operator’s internal controls are intended to do the following:

- Provide reasonable assurance that program goals and objectives are met
- Ensure that resources are adequately safeguarded and efficiently used
- Ensure that reliable data are obtained, maintained, and fairly disclosed in reports
- Ensure that the transit operator complies with laws and regulations

WPCTSA appears to have a reasonably well-developed system of internal controls appropriate to the size of the transit program. This statement is echoed in each of the three annual Fiscal and Compliance Auditor’s Reports.

Health Express Performance Peer Comparison

In addition to reviewing performance on Health Express services, PCTPA requested that the auditor conduct a peer review of Health Express services and demand response services of other western Placer County transit operators. Table 3 reviews TDA performance indicators and farebox ratio for Health Express, Roseville Transit Dial-A-Ride, Placer County Transit’s (PCT) Rocklin/ Loomis Dial-A-Ride, PCT

Lincoln Dial-A-Ride and the PCT Highway 49 Dial-A-Ride. FY 2017-18 operating and financial data is presented in the table. All data for Roseville Transit and PCT was provided by the transit operators. Operating costs for each PCT DAR service were estimated based on the FY 2016-17 cost model developed for the PCT Short Range Transit Plan and increased to reflect the change in total PCT DAR services operating costs from FY 2016-17 to FY 2017-18.

**TABLE 3: Western Placer Demand Response Services Performance Comparison
FY 2017-18**

| Performance Measures | Health Express | Lincoln ⁽¹⁾ | Roseville | Rocklin/ Loomis | Hwy 49 | Peer Average ⁽²⁾ |
|---|----------------|------------------------|-------------|--------------------|-----------|-----------------------------|
| One-Way Passenger-Trips | 5,251 | 9,786 | 28,615 | 12,008 | 9,287 | 16,803 |
| Vehicle Service Hours | 4,478 | 4,130 | 11,855 | 4,816 | 5,971 | 6,934 |
| Vehicle Service Miles | 67,116 | 35,687 | 140,367 | 49,446 | 50,898 | 75,167 |
| Operating Costs | \$515,974 | \$299,832 | \$1,425,831 | \$436,541 | \$500,599 | \$720,735 |
| Farebox Revenues | \$74,530 | \$8,621 | \$116,783 | \$10,280 | \$8,091 | \$45,228 |
| Operating Cost per One-Way Passenger-Trip | \$98.26 | \$30.64 | \$49.83 | \$36.35 | \$53.90 | \$42.89 |
| Operating Cost per Vehicle Service Hour | \$115.21 | \$72.59 | \$120.27 | \$90.65 | \$83.84 | \$103.95 |
| Passengers per Vehicle Service Hour | 1.17 | 2.37 | 2.41 | 2.49 | 1.56 | 2.42 |
| Passengers per Vehicle Service Mile | 0.08 | 0.27 | 0.20 | 0.24 | 0.18 | 0.22 |
| Farebox Recovery Ratio | 14.44% | 2.88% | 8.19% | 2.35% | 1.62% | 6.28% |

Note 1: Operating cost estimated based on FY 2016-17 SRTP cost model and adjusted to reflect increase of total PCT DAR operating costs between FY 2016-17 to FY 2017-18

Note 2: Not including Health Express.

Overall, it is difficult to directly compare Health Express services with the other western Placer County DAR services, particularly Roseville, as they serve a larger and more concentrated population. Health Express is a specialized demand response service which is designed to transport only seniors and disabled to important medical appointments. The other DAR services are open to the general public and for any trip purpose. Health Express trips are also generally “inter-jurisdiction”. Because of these limiting factors, Health Express may only carry a single passenger at one time and for long distances. Therefore, the comparison in Table 3 should be reviewed with these factors in mind:

- **Ridership and Service Levels** - Roseville Transit carries the greatest number of passengers (28,615) and is also the most urbanized of the services reviewed. Peer average ridership is 16,803 annual passenger-trips. Health Express has the lowest ridership, 5,251 annual passenger-trips. Health Express vehicle service hours are similar to Lincoln DAR and Rocklin/Loomis DAR (4,500). Vehicle Service Miles on Health Express are greater than the smaller PCT DAR services (67,000 vs 35,000 – 50,000) as Health Express travels as far as Sacramento.
- **Operating Cost per Passenger-Trip** for Health Express (\$98.26) is significantly higher than the peer average (not including Health Express) of \$42.89. The PCT Highway 49 DAR has the second highest operating cost per trip of \$53.90.
- **Operating Cost per Hour** – Of the DAR services reviewed, Lincoln DAR has the lowest operating cost per hour (\$72.59) and Roseville Transit has the highest (\$120.27). Health Express operating cost per hour is \$115.21.

- **Passengers per Vehicle Service Hour** on Health Express (1.17) is below the peer average of (2.42) but not that much less than Hwy 49 DAR (1.56).
- The highest **Farebox Ratio** is experienced on the Health Express service due to the contributions from partner agencies. Farebox ratios on the other DAR services range from 1.62 percent on Highway 49 to 8.19 percent on Roseville Transit.

Table 3 demonstrates that the Health Express service performs at a lower level in terms of cost efficiency when compared to other DAR services in Placer County. In terms of productivity, Health Express is not that much lower than Highway 49 DAR. Table 3 also shows that DAR systems in western Placer County do not make a 10 percent farebox ratio on their own. The private contributions to the Health Express service are an important source of revenue for the service. Considering the differences in type of demand response service between Health Express and the other western Placer County DARs, it appears that the Health Express is making effective use of funds and a good use of Article 4.5 TDA funds as part of the region's comprehensive mobility program.

REVIEW OF COMPLIANCE REQUIREMENTS

As an entity receiving TDA funds for transit purposes, WPCTSA is required to comply with laws and statutes set forth in the Act. Below is a discussion of WPCTSA's compliance with sections of the Public Utilities Code which relate to transit performance, as recommended in the *Performance Audit Guidebook*. Table 4 displays the results of the compliance analysis:

1. In accordance with PUC Section 99243, WPCTSA has submitted annual reports to the PCTPA based on the Uniform System of Accounts and Records established by the State Controller within the stipulated timeline for each year of the audit period.
2. In accordance with PUC Section 99245, WPCTSA submit annual fiscal and compliance audits to the PCTPA and to the State Controller within 180 days following the end of the fiscal year or 270 days following the end of the fiscal year if an extension was granted by PCTPA. An independent auditor completed these Fiscal and Compliance audits, as required.
3. Health Express does not operate vehicles with a passenger capacity greater than 11 people and therefore not subject to CHP terminal inspections. However, the contractor, MV Transportation, does participate in the driver pull notice program per the Vehicle Code Section 1808.01.
4. In accordance with PUC Section 99261, WPCTSA's claims for TDA funds are submitted in compliance with rules and regulations adopted by the PCTPA for such claims.
5. RTPAs are allowed to adopt local performance criteria and farebox ratios for transit operators claiming funds under Article 4.5 of TDA. PCTPA adopted a 10 percent farebox ratio requirement for CTSA services. This requirement was met each year of the audit period.

TABLE 4: Transit Operator Compliance Requirements - WPCTSA

| Requirement | PUC Reference | In Compliance? | | |
|--|--|----------------|----|---|
| | | Yes | No | Comments |
| (1) The transit operator submitted annual reports to the RTPE based upon the Uniform System of Accounts and Records established by the State Controller within the specified time period. | 99243 | X | | FY 2015-16 on 10/06/2016 FY 2016-17 on 1/17/2018 FY 2017-18 on 01/28/2019 |
| (2) The operator has submitted annual fiscal and compliance audits to its RTPE and to the State Controller within 180 days following the end of the fiscal year, or has received the 90-day extension allowed by law. | 99245 | X | | FY 2015-16 on 11/15/2016 FY 2016-17 on 11/17/2017 FY 2017-18 on 11/9/2018 |
| (3) 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 CHP inspection of the operator's terminal. | 99251 b | X | | |
| (4) The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims. | 99261 | X | | |
| (5) 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. | 99270.1 | NA | | |
| (6) The operator's operating budget has not increased by more than 15 percent 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. | 99266 | X | | |
| (7) The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247. | 99247 | | X | Full-time equivalent employee counts were not recorded correctly |
| (8) If the operator serves an urbanized area, it has maintained a ratio of fare revenue to operating cost 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 at least three-twentieths (15 percent). | 99268.2, 99268.3, and 99268.1 | NA | | |
| (9) If the operator serves a rural area, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent). | 99268.2, 99268.4, and 99268.5 | NA | | |
| (10) The current cost of 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 RTPE, which will fully fund the retirement system for 40 years. | 99271 | X | | |
| (11) If the operator receives state transit assistance funds, the operator makes full use of funds if available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted. | California Code of Regulations, Section 6754 (a) (3) | X | | |

6. PUC Section 99266 requires that WPCTSA's operating budgets do not increase by more than 15 percent over the preceding year. It also states that no substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities be realized unless the operator has reasonably supported and substantiated the change(s). The data in Table 2 represents Health Express, as this is the only real transit operator among WPCTSA services. In FY 2017-18, the Short Range Transit Plans for all western Placer County transit operators were updated and paid for through the WPCTSA budget. Therefore, the Fiscal and Compliance Audit for FY 2017-18 shows that operating expenses increased by 37 percent from the previous year. However, the costs associated with the updates of the other transit operators do not represent actual operation of Health Express. The operating cost data in Table 2 therefore excludes costs associated with the update of the Short Range Transit Plans. As a result, operating costs did not increase by more than 8.6 percent during this audit period.

7. WPCTSA partners records vehicle revenue hours and miles in accordance with TDA definitions. However, the calculation of full-time equivalent employees for Health Express only included MV

Transportation staff and not any administrative hours associated with the management of the MV contract.

8. As noted above, WPCTSA is subject to farebox ratio requirements as specified by PCTPA.
9. With regards to retirement benefits, WPCTSA partners, Seniors First, and MV Transportation are offered 401K plans instead of a pension plan.
10. In accordance with California Code of Regulations Section 6754(a)(3), Placer County makes full use of funds, if available to it, under the Urban Mass Transportation Act of 1964 before TDA claims are granted. Although WPCTSA services are not directly funded by FTA funds, Placer County's share of funds is used by other regional operators. WPCTSA also collects revenue from private sources. In the past, WPCTSA has received FTA 5317 New Freedom grants.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by Michael Baker International., and the recommendations from that effort are enumerated below.

Recommendation 1: Include performance indicators in the Health Express monthly management reports.

Implementation Complete: MV Transportation tracks operating data and performance metrics such as on-time performance and denied trips in monthly spreadsheets. Quarterly reports include additional performance metrics.

Recommendation 2: Retain sufficient number of volunteer drivers for My Rides.

Implementation In Progress: Seniors First is working on this issue. It is a challenge to recruit and retain volunteer drivers, particularly as the population ages and the volunteers may start to need drivers themselves. Seniors First has increased their level of outreach in all areas they serve (including the Tahoe Basin). Specific volunteer recruitment efforts include:

- Ads in local paper
- Provide all volunteer drivers a "Volunteers Needed" brochure during orientation
- Promote the need for volunteer recruitment at annual MyRides Drivers training meetings.
- Recruit through local community social media sites
- Advertise the need for volunteers on Seniors First website and Facebook page
- Promote the MyRides and Health Express programs at all presentations to local communities

DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS

This section presents a review of the various functions of WPCTSA and mainly pertains to the Health Express service. MV Transportation is the transit contractor for the Health Express and was contacted as part of the audit process. In general, transit operator functions can be divided into the following areas:

- General Management and Organization

- Service Planning
- Scheduling, Dispatch, and Operations
- Personnel Management and Training
- Administration
- Marketing and Public Information
- Maintenance

General Management and Organization

The WPCTSA was formed by a Joint Powers Agreement between Placer County and the local incorporated cities. The PCTPA Board serves as the governing board for WPCTSA. PCTPA staff serves as WPCTSA staff through a Memorandum of Understanding between WPCTSA and PCTPA. PCTPA staff provides administration and management services and acts as treasurer for WPCTSA. Regular meetings are held and separate minutes are kept. Although PCTPA staff administers WPCTSA programs, the non-profit organization Seniors First and WPCTSA have a partnership agreement which stipulates that Seniors First manages the My Rides volunteer driver program and processes the Health Express applications. In addition to management and accounting staff, Seniors First dedicates two full-time schedulers and a three-quarter time coordinator to transportation. MV Transportation operates and provides any other administrative services pertaining to Health Express. The PCTPA Senior Planner has primary oversight of partnership agreements with Seniors First. WPCTSA has implemented an effective program of overseeing the various transit services funded with Article 4.5 TDA funds.

Operating data for Health Express and My Rides is tracked monthly and reported to the WPCTSA Board quarterly. Health Express reports include several performance indicators. WPCTSA staff reviews operating statistics monthly along with the invoice. There appears to be a good line of communication between Seniors First, MV and PCTPA.

Service Planning

New WPCTSA programs undergo a two year pilot and evaluation period before becoming permanent. New services are also reviewed with the Placer County Transit Operators Working Group (TOWG). WPCTSA periodically reviews the success of programs as evidenced by the request to conduct a comparison of Health Express and other DAR operator performance statistics as part of this performance audit.

The PCTPA commissioned the Placer County *WPCTSA Short Range Transit Plan*, which was completed by LSC Transportation Consultants in 2018. This document reviewed performance of existing and proposed programs, prepared a financial outlook, and recommended direction for community transit services including. The plan recommended various strategies with significant cost impacts and minimal cost impacts ranging from: expanding the Health Express service to procuring software to assist with trip planning for Meals on Wheels programs.

In terms of strategic planning, WPCTSA staff has set reasonable goals and expectations in the partnership agreements, performance criteria, and associated staff reports. The SRTTP sets forth clear goals and objectives for community transit services which are in line with the TDA's designed purpose for these funds. WPCTSA's first goal is to promote the use of conventional transit services with a secondary goal of promoting mobility for those who are unable to use conventional transit. WPCTSA's

program policy of referring clients to other western Placer County transit operators first before providing them a ride on last resort WPCTSA services is in line with this goal.

All WPCTSA Board meetings are open to the public and are conducted in an accessible facility per the requirements of the Americans with Disabilities Act (ADA). Contact information for both the PCTPA and Seniors First are available through links on their respective websites. The PCTPA Social Services Transportation Advisory Council also acts as an important conduit for soliciting public input during the unmet transit needs process.

Scheduling, Dispatch, and Operations

This functional area concerns the short-term scheduling of routes, drivers, and vehicles, the daily coordination and assurance that each customer is served, and the specific function of providing transportation service. For the operation of the Health Express Service, Seniors First has a good eligibility application process in place that requires a disabled certification form. After Seniors First has approved the application, passenger data is entered into an eligibility spreadsheet and emailed to Call Center staff.

The South Placer Transportation Call Center is in charge of Health Express scheduling. Passengers must call 24 hours in advance but may make reservations up to two weeks in advance. Per WPCTSA policy, trip requests are screened to ensure that trips could not be made on other public transit services such as the local DAR's. MV Transportation has an established "no-show" policy but has never had to suspend any passengers.

For the My Rides volunteer driver program, Seniors First has a database of roughly 60 volunteers. Passengers must call at least three business days in advance. During the audit period, Seniors First streamlined the volunteer matching and reimbursement process by using Ride Scheduler software. With the software, volunteers are able to manage their availability and receive emails for ride requests entered by Seniors First staff. Seniors First staff is responsible for confirming the rides with the driver and passenger. After a trip is completed, the volunteer enters mileage driven into ride scheduler and that information is generated into reports. Drivers are set up on bill pay, so mailing a check is no longer necessary.

In the event of an accident, the volunteer driver's insurance is primary while Seniors First provides secondary coverage. Volunteers are required to provide a copy of their driver's license and insurance and a minimum of two references from persons they have known for at least five years. The Health Express program has a subscription component for trips to Recreation and Respite programs. Trips are capped at a 25 percent level. As demand appears to be increasing for this service, WPCTSA may expand Health Express service hours in the future.

Vehicles and Fare Collection

Six vehicles owned by MV Transportation are available for use on Health Express. Three of these vans were recently replaced with Type II cutaways that are more spacious for non-ambulatory passengers. MV also has to back up vans. Health Express vehicles have manual fareboxes. At the end of the day, the locking vault fareboxes are collected by a staff member and the mechanic. Fares are counted by both the operations manager and dispatcher and held in a safe until deposited into the bank.

Personnel Management and Training

Health Express contractor, MV Transportation, has a robust driver training program. The first three days are spent in the classroom covering topics such as: Hazard Communication, Drug and Alcohol, Fatigue Management, Sensitivity, ADA Lifts/ Securement etc. After passing a 100 question test, recruits undergo hands on training followed by behind the wheel training with a certified trainer. MV has an established Drug and Alcohol Policy.

Seniors First requires that MyRides volunteer drivers undergo driver training and an orientation program which includes hand-on practice with RideScheduler software.

Administration

WPCTSA has a well-developed budget and reporting system that is appropriate to the size and scope of the transit program. The WPCTSA Board must approve substantial changes in the budget and/or spending, while the PCTPA must approve revenue allocations. WPCTSA operated within the projected budget during the audit period. The PCTPA senior planner performs all grant management duties. Day-to-day operations and maintenance management of the Health Express service continues to be provided by the contractor's local managers. WPCTSA programs compose a small portion of all services available under the Seniors First umbrella.

An appropriate amount of liability insurance is provided for each service through the service partner as mandated in the partnership agreements. MV Transportation has established procedures for processing and investigating accident/injury claims.

WPCTSA, Seniors First and MV Transportation appear to maintain good lines of communication. Seniors First and MV did not cite any issues with respect to the Health Express application process and communication of eligibility information between the two entities. WPCTSA and MV staff talk periodically and on an as needed basis when issues arise.

The WPCTSA procurement policy mirrors that of PCTPA. WPCTSA competitively bids for contracts and is planning on doing a joint procurement with PCT for Health Express and DAR services, when the current contract expires.

Currently, WPCTSA has a partnership agreement with Seniors First for the administration and management of the My Rides program as well as a contract with MV Transportation for the operations of Health Express. WPCTSA/PCTPA staff spends roughly 220 hours annually managing the MV Contract.

Marketing and Public Information

The majority of marketing for WPCTSA services is performed by Seniors First. The non-profit organization maintains an excellent website with an easy-to-find link to the Health Express website and detailed information about the MyRides program. PCTPA also maintains an informative WPCTSA page with links to the Seniors First website. Hard copies of Health Express marketing materials are also available at the PCTPA offices and other public locations.

MV Transportation's policy is to handle complaints a case by case basis. If it is a serious offense, the driver can be removed from service until a resolution is come to. There have been few issues with Health Express drivers or complaints about service.

Maintenance

Health Express vehicles are stored and maintained at MV's facility in Sacramento and vehicles are parked in a fenced lot. The facility has three bus bays, dispatch office, training room and a break room. MV Transportation has a good preventative maintenance plans in place. MV requires drivers to conduct pre-trip vehicle inspections and any staff member can red-tag a vehicle which is deemed unsafe for service. Overall, maintenance does not appear to have conflicted with regular vehicle use or become an issue for the Health Express service.

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The Auditor's analysis of WPCTSA and its partners indicates that, in terms of operations, the system is efficiently run and well managed. WPCTSA appears to be meeting program goals and objectives by filling transportation needs that cannot be served by other forms of public transit. Additionally, WPCTSA is continually reviewing new potential opportunities where Article 4.5 TDA funds could be effectively used to fill in these gaps.

FINDINGS

- WPCTSA (Health Express) is meeting the 10 percent farebox ratio set by PCTPA; however, farebox ratio is lower than in the prior audit period.
- WPCTSA staff continues to have a good working relationship with all of its partners including Seniors First and the public transit operators.
- All State Controller Reports and Fiscal and Compliance audits for WPCTSA services were submitted in a timely manner.
- WPCTSA did not record Full-time Employee Equivalents in accordance with the definition in Appendix B of the *Performance Audit Guidebook*.
- Although the Health Express operating cost per trip is higher than the peer average for other Western Placer County DAR services, it is difficult to compare a specialized service such as Health Express to general public DARs.
- WPCTSA recommendations from the prior performance audit have been completed or are in progress.

RECOMMENDATIONS

Recommendation 1: Further study should be conducted to determine if the benefits of shifting management of the Health Express program to Placer County is a cost effective option.

Currently, WPCTSA staff provides administrative oversight of the Health Express program, including management of the contract with the transit operator and Seniors First. WPCTSA/PCTPA is not a transit operator and therefore may not be equipped or the most qualified to oversee transit operations. One institutional alternative suggested in the WPCTSA Short Range Transit Plan is to contract with the regional transit operator (Placer County) to provide management of the Health Express service. Shifting the management of the Health Express contract to Placer County would have regional benefits: consistent oversight of regional transit services in the County, and the availability of trained field personnel to respond to complaints and operational challenges. Including Health Express as one of the contracts managed by Placer County would improve coordination among the many demand response services in the region.

Recommendation 2: Employee full-time equivalent hours for the Health Express Program should be recorded and reported to the State Controller in accordance with Appendix B of the *Performance Audit Guidebook*. The definition of Full-time Equivalent Employees per the Caltrans Triennial Performance Audit Guidebook is as follows:

“Transportation system-related hours worked by persons employed in connection with the public transportation system (whether or not the person is employed by the operator, for example, a city accounts payable person whose time is partly charged to transit operations). Such persons include contractor staff. A Full-Time Equivalent employee count can be calculated by dividing the number of person-hours worked by 2,000.”

Below are guidelines for calculating full-time equivalent employees for purposes of reporting to the State Controller:

- All MV Transportation work hours spent operating or assisting with Health Express functions should be included in the employee hour count. This consists of drivers, dispatchers, mechanics and administrative staff.
- WPCTSA/PCTPA administrative staff time spent managing the MV Transportation contract for Health Express should be tallied annually.
- The total number of hours from MV Transportation and WPCTSA/PCTPA is then divided by 2,000 to determine the full-time equivalent employee count for Health Express for purposes of reporting to the state controller.

Note that the FTE count represents only Health Express services (not the Call Center or MyRides), as Health Express is the single defined WPCTSA public transit operator.