

To: MP&L Committee

Date: Oct. 25, 2011

From: Laramie Bowron, Manager of Planning

Reviewed By:

SUBJECT: TDA TRIENNIAL PERFORMANCE AUDIT FINAL REPORT

SUMMARY OF ISSUES:

The Metropolitan Transportation Commission has released its Triennial Performance Audit for the Central Contra Costa Transit Authority. It is a requirement for transit agencies receiving Transportation Development Act (TDA) and State Transit Assistance (STA) funds to undergo a performance audit every three years by an independent audit firm. The audit is based on the following criteria for which there were no negative findings or recommendations:

1. An assessment of data collection reporting procedures
2. A review of performance trends in TDA-mandated indicators
3. A review of compliance with selected PUC requirements
4. An evaluation of CCCTA's actions to implement the recommendations from the last performance audit
5. Findings, conclusions, and recommendations to further improve CCCTA's performance based on the results of the previous sections.

RECOMMENDATION:

Information Only

ATTACHMENT:

MTC's TDA Triennial Performance Audit Final Report



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TRANSPORTATION
COMMISSION

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October 12, 2011

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Dave Hudson
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Central Contra Costa Transit Authority
2477 Arnold Industrial Way
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RE: TDA Triennial Performance Audit Final Report

Dear Mr. Hudson:

As the regional transportation planning agency (RTPA) for the nine-county San Francisco Bay Area, the Metropolitan Transportation Commission (MTC) is responsible for allocating Transportation Development Act (TDA) and State Transit Assistance (STA) funds to transit operators within the region. Operators receiving TDA and STA funds are required to undergo a performance audit every three years, and in its role as the RTPA, MTC is responsible for administering the region's Triennial Performance Audit program. The audits are conducted by an independent audit firm.

The Triennial Performance Audit of Central Contra Costa Transit Authority (County Connection), covering fiscal years 2007-08, 2008-09 and 2009-10, was completed in June 2011. The audit was conducted by Mundle & Associates, Inc., in cooperation with County Connection staff. Three copies of the final audit report and the accompanying Technical Memorandum are enclosed for your review and distribution.

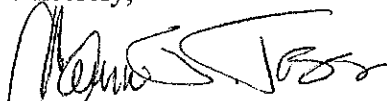
The audit report includes a description of the audit approach, and contains conclusions and recommendations based on a review of statutory compliance requirements and a trend analysis of key performance indicators. The technical memorandum provides an evaluation of County Connection's trends in meeting its own performance standards, a review of the disposition of recommendations from the prior performance audit, and recommendations for Productivity Improvement Program (PIP) projects intended to help the agency improve service effectiveness and cost efficiency.

Dave Hudson
October 12, 2011
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The transit operator's annual TDA-STA claim application to MTC must include a progress report on any projects initiated that fiscal year or that were identified in the prior fiscal year's PIP. MTC's allocation of TDA and STA funds to a transit operator relies on a finding that the operator has made a reasonable effort in implementing its Productivity Improvement Program project(s). Based on the recommendations in the enclosed audit report, MTC staff has conferred with County Connection staff regarding the development of projects for inclusion in the FY 2011-12 PIP. The PIP program resolution is scheduled to be considered for approval by the full Commission on October 26, 2011.

This concludes the triennial performance audit of Central Contra Costa Transit Authority for FYs 2007-08 through 2009-10. If you have any questions concerning the audit process or the final audit report, please contact Ann Flemer, MTC's Deputy Executive Director, Policy, at (510) 817-5820.

Sincerely,



Adrienne J. Tissier
Chair

Cc: Rick Ramacier

AT: cv
Attachments

Technical Memorandum:

**Review of
Other Performance Indicators;
Prior Audit Recommendations
and
PIP Topics**

**Central Contra Costa Transit Authority
(CCCTA)**

Fiscal Years 2007/08, 2008/09 and 2009/10

prepared for the

Metropolitan Transportation Commission

by

Mundle & Associates, Inc.

TRANSPORTATION MANAGEMENT CONSULTANTS

May 2011

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REVIEW OF OTHER PERFORMANCE INDICATORS

The current FY2011 Triennial Performance Audit of CCCTA has focused primarily on the TDA-mandated compliance areas and trends in the TDA performance indicators. The audit period covered was fiscal years 2008 through 2010 (from July 1, 2007 through June 30, 2010). In addition to these activities, a review was conducted of other key performance measures. This review was outside of the scope of the performance audit. As such, the results were not included in the draft audit report for CCCTA. This technical memorandum provides the results of the additional review, and recommendations for improvement ensuing from those results. It provides information that MTC may find useful especially toward developing future PIP projects.

APPROACH

The selected indicators are tracked regularly by CCCTA, and supplement the five TDA-mandated indicators discussed in the performance audit reports. The emphasis is on operations-related functions, since this is the "front line" in meeting responsibilities to provide public transit service. Supporting functions are evaluated primarily in terms of their overall contribution toward the mission of providing transit service.

The review for CCCTA is divided into fixed-route and paratransit performance indicators. In addition to the actual performance results for each year, this analysis presents CCCTA's performance compared to its standards. This approach permits an assessment to be made of the extent to which CCCTA met its own goals and objectives. CCCTA has established quantitative performance standards for all of the selected indicators. The standards remained unchanged from year to year except for an occasional adjustment based on relevance to current operations.

A variety of data sources were used for this analysis. The majority of the information was contained in CCCTA's most recent mini-SRTP (FY2009-10 through FY2018-19). This was

supplemented by internal performance reports, performance reports from the LINK contractor, and direct input from CCCTA staff.

RESULTS

The results of the review for CCCTA are presented in Exhibit 1 and summarized below:

- Fixed-Route – Service delivery results showed that on-time performance improved steadily from year to year, going up from 91 percent in FY2008 to nearly 93 percent in FY2010. However, CCCTA's on-time standard of 95 percent was not met during the audit period. The rate of missed trips was within the standard in all three years.

In the area of safety, the incidence of chargeable accidents increased from 0.72 to 0.86 per 100,000 miles during the audit period, but performance still consistently met the standard.

For operator labor utilization, the operator overtime rate dropped from more than eight percent in the first two years, to 6.3 percent in FY2010. The eight percent standard was not met in FY2008 and FY2009, but was exceeded in the last year. The operator pay hour to platform hour ratio remained between 1.5 and 1.6 throughout the period, meeting the standard in all three years.

Maintenance results showed the road call rate remaining almost steady at about 26,000 miles between road calls over the period. CCCTA's road call standard of 18,000 miles was exceeded in all three years. There was an increase from 0.62 to 0.81 maintenance employees per 100,000 vehicle miles during the period, but the standard of 0.82 employees was still exceeded in all three years.

In terms of marketing and customer service, customer complaints remained at about 11 per 100,000 miles of service in all three years, easily exceeding the standard of 30 maximum. The rate of telephone calls answered remained near CCCTA's 92 percent standard throughout the audit period, with the best results (93.4 percent) recorded in FY2010.

- Paratransit – in terms of service delivery, LINK wheelchair lift availability remained at 100 percent during all three years, meeting CCCTA's standard. On-time performance, defined as pick-ups within 30 minutes of scheduled time, remained in a range of 95 to 96 percent, not achieving the 98 percent standard in any year. Service denials were at zero for all three years, meeting the ADA standard of zero denials.

For safety, the accident rate varied from a low of 0.29 per 100,000 miles in FY2009 to a high of 0.66 in FY2010. The standard of 0.30 per 100,000 miles was only met in FY2009.

Maintenance results showed an increase from 1.6 road calls per 100,000 miles in the first two years to 2.2 in FY2010. However, the standard of 3.0 road calls was exceeded in all three years.

The contractor employee turnover rate was in a range of 12 to 14 percent through the entire audit period. The established standard of five percent in FY2008 and FY2009 was not met; nor was the less stringent standard of ten percent set for FY2010.

Results for the LINK customer complaint rate showed less than one complaint received per 100,000 miles in all three years. This range compared favorably with the standard of two complaints

CONCLUSIONS

Based on this review of selected key indicators, CCCTA's fixed-route performance trends were mostly positive, and almost all standards were achieved. There was generally steady performance and all audit period standards were met for missed trips, the road call and complaint rates, pay to platform ratio, and maintenance staffing. The operator overtime rate dropped to 6.3 percent in FY2010, exceeding the eight percent standard in that year. The rate of telephone calls answered remained near CCCTA's 92 percent standard through the audit period, with the best results (93.4 percent) recorded in FY2010. However, while on-time performance improved from 91 to nearly 93 percent over the audit period, the 95 percent standard was not achieved in any year. Further, the accident rate showed a steady increase, though CCCTA's standard for accidents continued to be met. On the paratransit side, there were mixed results. Wheelchair lift availability was consistently at 100 percent, there were no service denials, and the complaint rate remained very low and well within the standard. Less positively, the road call rate increased in FY2010, though it still met the standard. In addition, the accident rate varied from year to year and was only able to meet the standard in FY2009.

Finally, LINK on-time performance and the contractor employee turnover rate both remained fairly steady but were unable to meet CCCTA's standards during the audit period.

Exhibit 1: Other Performance Indicator Results – CCCTA

FUNCTION/Indicator	FY2008		FY2009		FY2010	
	Standard	Actual	Standard	Actual	Standard	Actual
FIXED-ROUTE						
Percent of Trips On-Time	95.0%	91.0%	95.0%	92.0%	95.0%	92.7%
Percent Missed Trips	0.25%	0.12%	0.25%	0.14%	0.25%	0.09%
(Chargeable) Accidents per 100,000 Miles	1.00	0.72	1.00	0.80	1.00	0.86
Operator Overtime as Percent of Total Hours	8.00%	8.76%	8.00%	8.62%	8.00%	6.26%
Operator Pay to Platform (Total) Hours	1.60	1.55	1.60	1.53	1.60	1.59
Miles Between Road Calls	18,000	25,654	18,000	26,504	18,000	25,754
Maintenance Employees per 100,000 Miles	0.82	0.62	0.82	0.65	0.82	0.81
Complaints per 100,000 Miles	30.0	11.1	30.0	10.8	30.0	11.2
Customer Service Phone Calls Answered	92.0%	92.0%	92.0%	91.0%	92.0%	93.4%
PARATRANSIT						
Wheelchair Lift Availability	100%	100%	100%	100%	100%	100%
Percent of Trips On-Time (Pick-ups)	98%	96%	98%	95%	98%	96%
Service Denials	0	0	0	0	0	0
(Chargeable) Accidents per 100,000 Miles	0.30	0.49	0.30	0.29	0.30	0.66
Road Calls per 100,000 Miles	3.0	1.6	3.0	1.6	3.0	2.2
Employee Turnover Rate	5.0%	13.9%	5.0%	12.0%	10.0%	13.0%
Complaints per 100,000 Miles	2.0	0.7	2.0	0.8	2.0	0.1

Legend: + Performance exceeds standard

= Performance meets standard

- Performance does not meet standard

Note: A standard is considered met if performance is within 1.0 percent of the standard

RECOMMENDATIONS

1. EVALUATE ON-TIME PERFORMANCE STANDARDS FOR THE FIXED-ROUTE AND PARATRANSIT SERVICES.

Audit period service delivery results showed that fixed-route on-time performance improved steadily from year to year, going up from 91 percent in FY2008 to nearly 93 percent in FY2010. However, CCCTA's on-time standard of 95 percent was not met during the audit period. Similarly, paratransit on-time performance, defined as pick-ups within 30 minutes of scheduled time, remained in a range of 95 to 96 percent, not achieving the 98 percent standard in any year.

It appears that schedule adherence trends on both service modes are positive. However, actual performance has been unable to meet the established standards, which are set at very high levels. CCCTA should review those standards and determine if they are appropriately set given the current operating environment.

2. TAKE STEPS TO CONTROL INCREASING FIXED-ROUTE AND PARATRANSIT ACCIDENT RATES.

In the area of safety, the incidence of chargeable accidents on the fixed-route system increased steadily from 0.72 to 0.86 per 100,000 miles during the audit period, though performance still met CCCTA's standard of 1.00 accidents. On the paratransit side, the accident rate varied from a low of 0.29 per 100,000 miles in FY2009 to a high of 0.66 in FY2010. The standard of 0.30 per 100,000 miles was only met in FY2009.

CCCTA should increase the focus on its accident trends and implement additional preventive measures such as operator safety training as deemed necessary.

REVIEW OF PRIOR AUDIT RECOMMENDATIONS

The Triennial Performance Audit of CCCTA also included a review of the status of the recommendations advanced in the prior performance audit, completed in June 2008. As discussed in the audit report, implementation of the single recommendation is in progress. Driver turnover continues to be a focus for the LINK contractor, and is now a line item on the LINK monthly operating report. Driver turnover has decreased since the end of the last audit period, but remains higher than CCCTA's established performance standards in this area.

A summary of the recommendation and the actions taken by CCCTA in response is presented in Exhibit 2.

Exhibit 2: Status of Prior Audit Recommendations

Recommendation	Actions Taken	Evaluation
<p>1. Continue to work with the paratransit contractor to reduce the turnover rate of LINK contractor employees.</p>	<p>Driver turnover continues to be a focus for the contractor, and is now a line item on the LINK monthly operating report. It was noted that the current poor economic situation has helped to support efforts to retain drivers.</p> <p>Results from the current audit period indicate a turnover rate in the range of 12 to 14 percent in each year, which compares favorably with the results from the last two years of the prior audit period. However, the established standard of five percent in FY2008 and FY2009 was not met; nor was the less stringent standard of ten percent set for FY2010.</p>	<p>Implementation in Progress</p>

RECOMMENDATIONS

1. CONTINUE TO WORK WITH THE LINK CONTRACTOR TO REDUCE THE TURNOVER RATE OF CONTRACTOR EMPLOYEES.

In the prior audit report, it was recommended that CCCTA continue to focus on reducing the turnover rate of LINK employees. The rate was increasing despite steps taken with the contractor to identify the factors leading to employee turnover and to eliminate employees terminated prior to completing their probation periods from the calculation.

Driver turnover continues to be a focus for the contractor, and is now a line item on the LINK monthly operating report. It was noted that the current poor economic situation has helped to support efforts to retain drivers. Results from the current audit period indicate a turnover rate in the range of 12 to 14 percent in each year, which compares favorably with the results from the last two years of the prior audit period. However, the established standard of five percent in FY2008 and FY2009 was not met; nor was the less stringent standard of ten percent set for FY2010.

CCCTA should continue its efforts with the contractor to reduce the LINK employee turnover rate to more desirable levels.

TOPICS FOR PRODUCTIVITY IMPROVEMENT PROJECTS

Pursuant to California Public Utilities Code (PUC) Section 99244, MTC is required to annually identify productivity improvements that could potentially lower transit operating costs. MTC annually develops projects for transit operators as part of its Productivity Improvement Program (PIP). Many of these projects stem from recommendations made as part of the Triennial Performance Audits. Annually, MTC adopts a PIP by resolution.

Transit operators are required to have made a reasonable effort in implementing their PIP project(s) before MTC can allocate TDA funds to them in an amount greater than the preceding year's funding for the same purpose ("incremental funding"). An operator reports its progress towards implementing its PIP projects on Document G of the annual TDA-STA claim. MTC staff develops recommendations regarding the implementation of PIP projects according to the MTC Productivity Improvement Program Administrative Procedures Manual. The determination is reported in the Staff Evaluation that accompanies the recommendations to the MTC Programming and Allocations Committee concerning the operator's allocation request.

Based on the recommendations in the Triennial Performance Audit and in this Review of Other Performance Indicators and Prior Audit Recommendations, the topics listed below have been identified for consideration as PIP projects for CCCTA.

Triennial Performance Audit

No recommendations suggested.

Review of Other Performance Indicators

1. Evaluate on-time performance standards for the fixed-route and paratransit services.
2. Take steps to control increasing fixed-route and paratransit accident rates.

Review of Prior Audit Recommendations

3. Continue to work with the LINK contractor to reduce the turnover rate of contractor employees.

prepared for the

Metropolitan Transportation Commission

by

Mundell & Associates, Inc.

TRANSPORTATION MANAGEMENT CONSULTANTS

EXECUTIVE SUMMARY

This executive summary highlights the findings from the performance audit of the Central Contra Costa Transit Authority (CCCTA). In California, a performance audit must be conducted every three years of any transit operator receiving Transportation Development Act (TDA) Article 4 funds, to determine whether the operator is in compliance with certain statutory and regulatory requirements, and to assess the efficiency and effectiveness of the operator's services. CCCTA operates bus service under the banner of County Connection. CCCTA also operates LINK, its ADA complementary paratransit service. The audit covers the period of fiscal years 2008 through 2010 (from July 1, 2007 through June 30, 2010).

Performance Audit and Report Organization

The performance audit was conducted for MTC in accordance with its established procedures for performance audits. With the current cycle of performance audits, the audit scope focuses on the TDA Compliance Audit of each operator. The final audit report consists of these sections:

- An assessment of data collection reporting procedures;
- A review of performance trends in TDA-mandated indicators;
- A review of compliance with selected PUC requirements;
- An evaluation of CCCTA's actions to implement the recommendations from the last performance audit; and
- Findings, conclusions, and recommendations to further improve CCCTA's performance based on the results of the previous sections.

Comments received from CCCTA and MTC staff regarding the draft audit report have been incorporated into the final audit report as applicable. Highlights from the key activities are presented in this executive summary.

Results and Conclusions

Review of TDA Data Collection and Reporting Methods - The purpose of this review is to determine if CCCTA is in compliance with the TDA requirements for data collection and reporting. The review is limited to the five data items needed to calculate the TDA-mandated performance indicators. This review has determined that CCCTA is in compliance with the data collection and reporting requirements for these performance indicators.

TDA Performance Indicators and Trends – CCCTA’s performance trends for the five TDA-mandated indicators were analyzed by mode. A six-year analysis period was used for all the indicators. In addition, component operating costs were analyzed for the current audit period for the directly-operated services. Results are detailed below:

- Fixed-Route - Performance over the six-year period exhibited declines in cost efficiency and effectiveness, but relative overall stability in passenger and employee productivity. A driving factor toward the end of the period was the service restructuring that resulted in 20 percent or greater reductions in service levels and passengers in FY2010 compared to the previous year, but lower rates of operating cost and employee reductions. There was an average annual increase in the operating cost per hour of 3.3 percent in inflation adjusted dollars. During the last three years, labor costs went down by about four percent per year, and most other component costs decreased as well. The share of total costs attributed to labor increased from 47 percent to 50 percent. Fringe benefits costs followed a similar pattern, increasing from 24 to 28 percent, as the shares of other costs were mostly reduced. The six-year cost effectiveness trend mirrored that of cost efficiency, with a normalized average annual increase of 5.1 percent in the cost per passenger carried. Passenger productivity trends were characterized with a modest net decrease in passengers per hour and a modest net increase per mile during the review period. Employee productivity exhibited an average decrease of less than one percent per year in vehicle service hours per FTE.
- Paratransit – The trends in performance over the six year review period showed very modest changes overall. For cost efficiency and cost effectiveness, in inflation adjusted dollars, the operating cost per hour was up by 1.4 percent per year and the operating cost per passenger was up by less than one percent per year. For passenger productivity, both passengers per hour and passengers per mile improved by one percent per year on average. Employee productivity

showed an overall decline of 4.5 percent per year, but this reflected a sharp increase in the general level of FTEs reported for the current audit period compared to those reported for the prior audit period by the contract operator. CCCTA staff was unable to determine why there was such a change due to recent contractor staff changes.

Compliance with Statutory Requirements – CCCTA is in compliance with the sections of the state PUC that were reviewed as part of this performance audit. The sections reviewed included requirements concerning CHP safety inspections, labor contracts, reduced fares, revenue sharing, and evaluation of passenger needs.

Status of Prior Audit Recommendations – This section provides an assessment of actions taken by CCCTA toward implementing all of the recommendations advanced in the prior audit. This assessment provides continuity between the current and prior audits, which allows MTC to fulfill its obligations where the recommendations were advanced as PIP projects.

Implementation of the single recommendation is in progress. Driver turnover continues to be a focus for the LINK contractor, and is now a line item on the LINK monthly operating report. Driver turnover has decreased since the end of the last audit period, but remains higher than CCCTA's established performance standards in this area.

Recommendations

No recommendations are suggested for CCCTA based on the results of this triennial performance audit.

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I. INTRODUCTION

Public Utilities Code (PUC) Section 99246 requires that a performance audit be conducted every three years of each public transit operator in California. The audit requirement pertains to recipients of Transportation Development Act (TDA) funds, and is intended to assure that the funds are being used efficiently. The substance and process of the performance audit is defined by the Regional Transportation Planning Agency (RTPA).

In the San Francisco Bay Area, the Metropolitan Transportation Commission (MTC) has been designated the RTPA and has this responsibility. By statute, the audit must be conducted in accordance with the U.S. Comptroller General's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" (the "yellow book"). The performance audit is a systematic review to determine the extent to which a transit operator has complied with pertinent laws and regulations, and conducted operations in an efficient and economical manner.

With the current cycle of performance audits, the audit scope focuses on the TDA Compliance Audit of each operator. Under MTC's current approach, the objective of the performance audit is to meet the statutory requirements, while at the same time, to provide the operator with constructive and useful recommendations for improving the efficiency, effectiveness, and administration of its transit system. Relative to system compliance testing, all findings are reported regardless of materiality.

This report has been prepared as part of the performance audit of the Central Contra Costa Transit Authority (CCCTA). CCCTA operates bus service under the banner of "The County Connection." CCCTA also operates LINK, its ADA complementary paratransit service. The audit period is Fiscal Years 2008 through 2010 (from July 1, 2007 through June 30, 2010).

~~An overview of CCCTA is provided in Exhibit 1. This is followed by two organization charts in Exhibits 2 and 2.1. The first chart is from FY2009, midway through the audit period. It reflects a few changes in CCCTA's organizational structure compared to earlier in the audit period. For example, a new Director of Planning and Technical Services position was created. The second chart shows the current organizational structure, which includes significant reorganization since the FY2009. Among other changes, the recently created Director of Planning and Technical Services position was eliminated, with its sub-functions distributed to other parts of the organization.~~

PERFORMANCE AUDIT AND REPORT ORGANIZATION

This performance audit is being conducted for MTC in accordance with its established procedures for performance audits. This is the final audit report for the performance audit of CCCTA. Following this introduction, the report consists of these sections:

- An assessment of data collection reporting procedures;
- A review of performance trends in TDA-mandated indicators;
- A review of compliance with selected PUC requirements;
- An evaluation of CCCTA's actions to implement the recommendations from the last performance audit; and
- Findings, conclusions, and recommendations to further improve CCCTA's performance based on the results of the previous sections.

Comments received from CCCTA and MTC staff regarding the draft audit report have been incorporated into this final audit report as applicable.

Exhibit 1: System Overview

Location	Headquarters: 2477 Arnold Industrial Way, Concord CA 94520
Establishment	CCCTA was established in 1980 as a joint powers agency to coordinate, integrate and expand transit service within central Contra Costa County. There are eleven jurisdictions comprising the joint powers agency: the cities of Clayton, Concord, Lafayette, Martinez, Orinda, Pleasant Hill, San Ramon and Walnut Creek; the towns of Danville and Moraga; and the unincorporated areas of central Contra Costa County.
Board	An eleven-member Board of Directors governs CCCTA. Board membership consists of one member from each of the incorporated member cities and towns, and one member representing the unincorporated areas of the County. The Board is organized into three standing committees: Administration and Finance; Marketing, Planning and Legislation; and Operations and Scheduling. The General Manager reports to the Board of Directors, and is responsible for the overall operation of the Authority, carrying out the policies of the Board.
Service Data	<p>CCCTA provides fixed-route bus service under the name "The County Connection," with an active bus fleet of 131 vehicles. The County Connection service consists of 24 weekday local routes, seven express routes, ten weekend only routes, and a number of "select service" routes oriented to area schools. Most routes provide feeder service to BART and other rail stations in the County. There are also contract services provided for several business parks and employers, a free downtown shuttle service subsidized by the city of Walnut Creek, and an ACE park and ride train shuttle. All of these services are open to the general public.</p> <p>Service is provided weekdays from approximately 6:00 a.m. until 9:00 p.m., with several bus routes providing later service. On weekends, most service operates between 9:00 a.m. and 7:00 p.m. No service on major holidays. Headways on most routes range between 30 and 60 minutes during peak commute periods, and 60 to 90 minutes at other times.</p> <p>The County Connection base fare is \$2.00 (\$2.25 for express trips). Children under age six ride free but must be accompanied by an adult. Discounted commuter cards offer 20 regular rides and BART transfers for \$40. Discounted 12-ride and monthly passes are available for local services. Seniors (age 65 and older) and riders with disabilities pay \$1.00. There are also 20-ride passes available for reduced fare riders. Transfers within CCCTA are free; transfers to BART are \$1.00 for regular fare riders and \$0.50 for reduced fare riders.</p>

CCCTA's ADA paratransit service, known as County Connection LINK, is an advance reservation dial-a-ride service. Hours of operation reflect the hours during which the County Connection fixed route services operate. These hours vary depending upon the particular area. Weekend service covers only limited areas. In addition, there is LINK service provided on behalf of BART during some of the shoulder hours. Phone reservations can be made up to two days in advance. Same day requests are accepted on a space-available basis, and standing orders can be accommodated for certain purposes. The one-way fare is \$4.00. LINK service is provided under contract by a private operator, First Transit. The contractor is provided a fleet of 63 CCCTA-owned vehicles to operate the service. They are based at CCCTA's paratransit operating facility, in the Arnold Industrial Way complex.

Recent Changes

In FY2009, the bus system was realigned with new bus schedules and a new route numbering system. Weekend service was changed so that both Saturday and Sunday service operates on the same schedule. Also, new weekend routes were developed as hybrids of their weekday counterparts to maximize coverage using fewer resources. Overall service levels were reduced by 23 percent.

As of Spring 2009, the "select service" school-oriented routes were separated from regular route schedules, to eliminate confusion regarding school day versus non-school day operation as well as confusion related to special routings for these trips.

A fare increase was implemented in March 2009. This was the first increase since February 2006. The fixed-route base fare was increased from \$1.75 to \$2.00. The LINK fare was increased as well, from \$3.50 to \$4.00.

Planned Changes

CCCTA's "Go Green" Sustainability Program will strengthen CCCTA's commitment to the environment through the conservation of natural resources, the reduction of greenhouse gases, the prevention of pollution, and the use of renewable energy and materials.

Staff

CCCTA staff is organized into four divisions, each headed by a Director, along with certain separate departments. The FY2010 Budget document lists a total of 266 employees. The breakdown by functional area was as follows:

Transportation	193
Maintenance	39
General Administration	32
Paratransit (Non-Contractor)	<u>2</u>
TOTAL	266

Exhibit 2: Audit Period Organization Chart (FY2009)

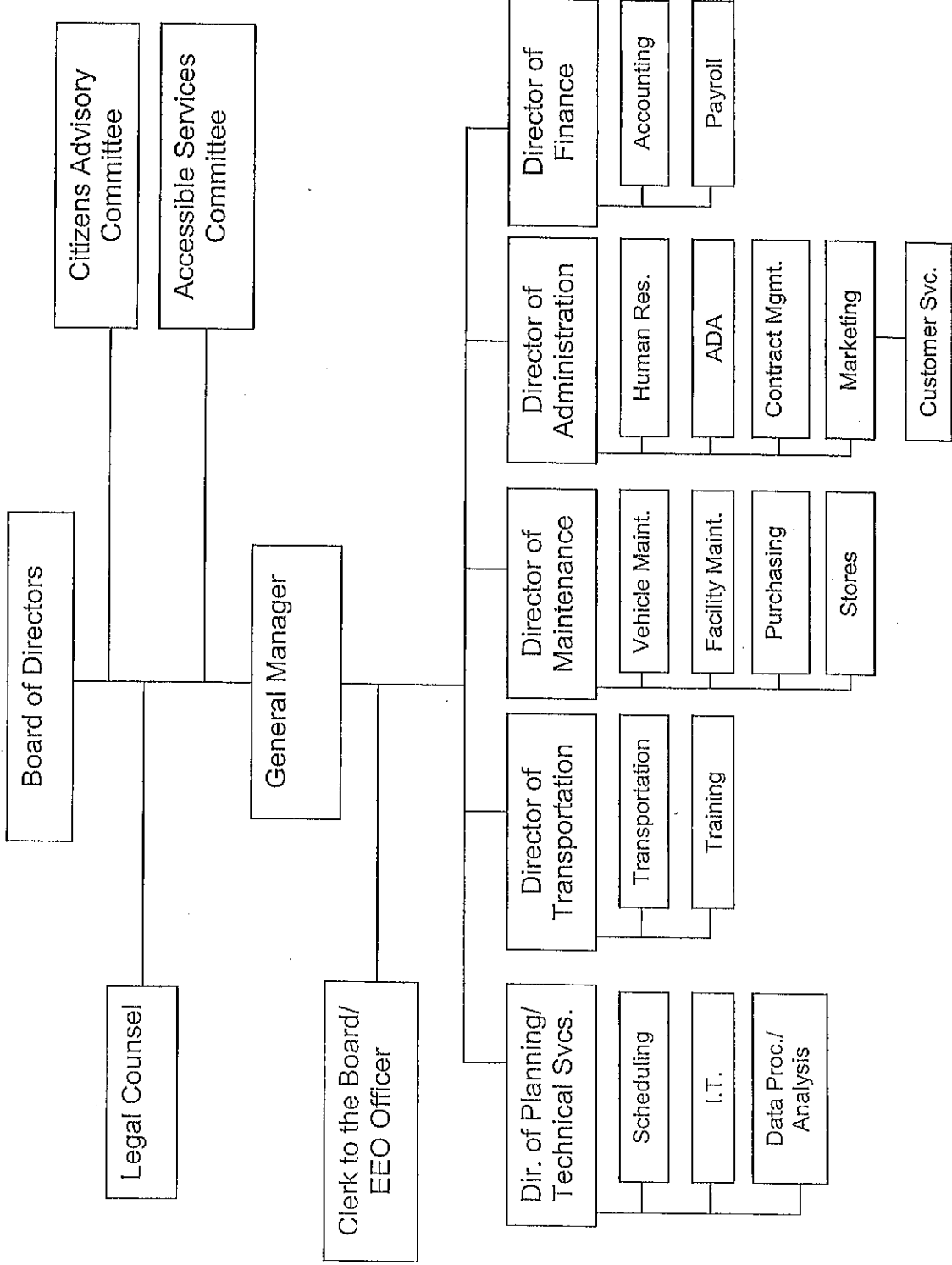
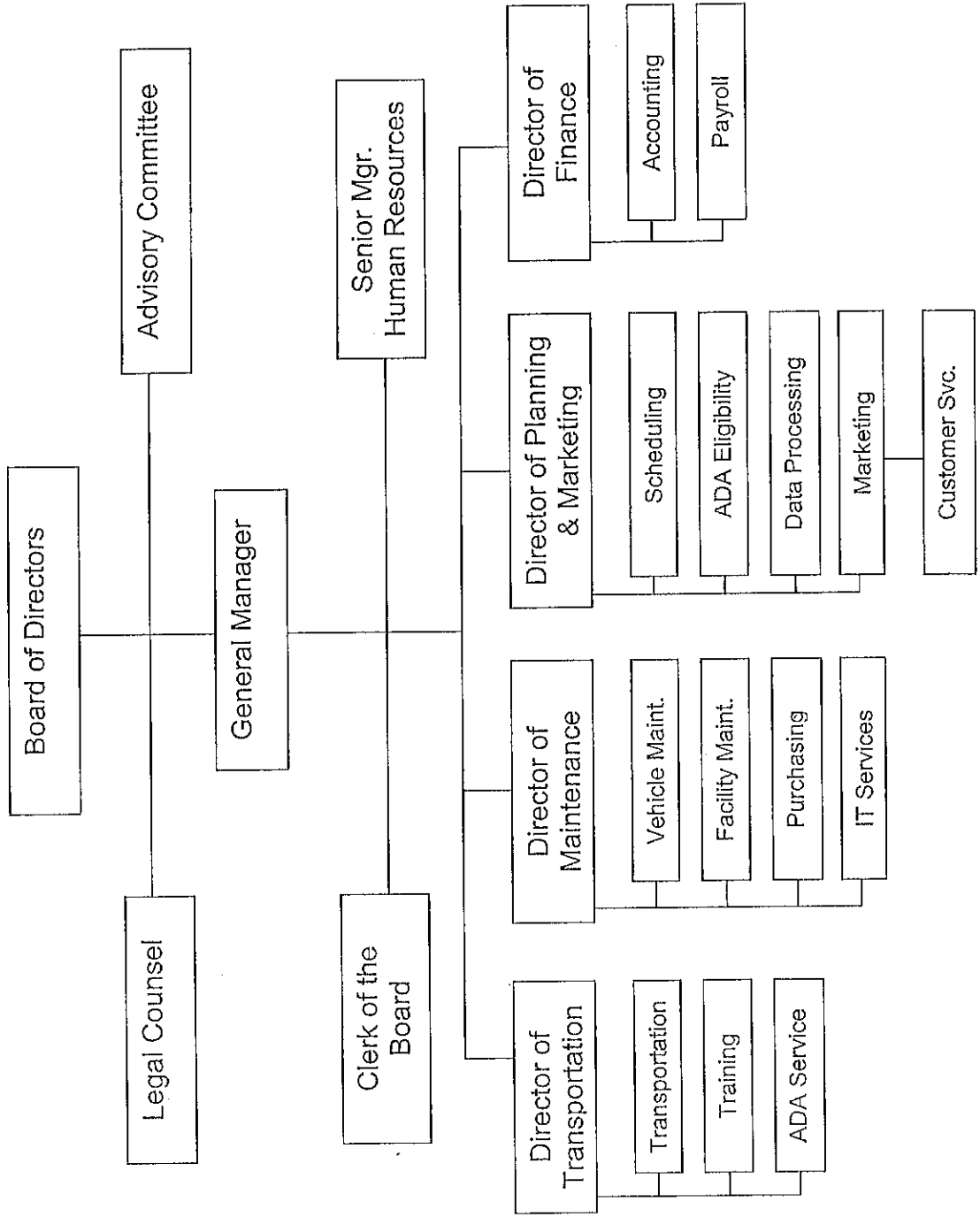


Exhibit 2.1: Current Organization Chart



II. REVIEW OF TDA DATA COLLECTION AND REPORTING METHODS

This section presents focuses on the five performance indicators required by TDA law. These indicators have been defined by the state PUC to evaluate the transit operator's efficiency, effectiveness and economy. The purpose of this review is to determine if CCCTA is compliance with the data collection and reporting requirements necessary to calculate the TDA performance indicators. The review is limited to the data items needed to calculate the indicators:

- Operating costs
- Vehicle service hours
- Vehicle service miles
- Unlinked passengers
- Employees (full-time equivalents)

Per MTC procedures, the TDA indicator analysis relies on the National Transit Database (NTD) reports submitted annually to the Federal Transit Administration (FTA). The information reported by CCCTA covering the three years of the audit period has been reviewed. CCCTA's NTD reports include its fixed-route and paratransit services. However, consistent with FTA reporting requirements, CCCTA does not submit employee hour information for purchased transportation service to the NTD.

In addition, CCCTA staff provided updated descriptions of their data collection and reporting procedures. The staff indicated that the definitions and procedures used to derive the input data for the TDA indicators generally are consistent with those used for the NTD reporting system.

Based on the information provided, as shown in Exhibit 3, CCCTA is in compliance with the data collection and reporting requirements for all five TDA statistics.

Exhibit 3: Compliance with TDA Data Collection and Reporting Requirements

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Operating Cost	<p>“Operating cost” means all costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243, and exclusive of all subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission and of all direct costs for providing charter services, and exclusive of all vehicle lease costs.</p>	<p>In Compliance</p>	<p><u>Fixed-Route:</u> Costs mostly service related, calculated according to several broad expense categories. Majority is wages and fringe benefits; remainder includes various “service expenses” (e.g., marketing and security) and materials/supplies. Reporting follows NTD categories and requirements.</p> <p><u>Paratransit:</u> Includes in-house paratransit-related costs and payments to the contractor for operating the service. By agreement, contractor’s invoices are based on a monthly fixed rate plus an hourly rate. Contractor pay includes deadhead hours.</p>
Vehicle Service Hours	<p>“Vehicle service hours” means the total number of hours that each transit vehicle is in revenue service, including layover time.</p>	<p>In Compliance</p>	<p><u>Fixed-Route:</u> Until Spring 2009, schedules were prepared and processed through the <i>Trapeze</i> system to add recovery time and other factors to determine vehicle service hours. These were prepared into line summaries for creating work assignments, and automatically reconciled monthly from trip cards filled out by bus drivers and entered into the system. Subsequently, <i>Ridecheck</i> software gathers data collected by on-board <i>Clever Devices</i> computers and produces reports. The entire fleet is equipped with this computer system. Vehicle service hours are now generated by <i>Ridecheck</i> and uploaded each night to the server for processing.</p> <p><u>Paratransit:</u> Includes hours from time a vehicle leaves yard until it returns, minus lunch and breaks. Data gleaned from drivers’ manifests and input daily into computer.</p>

Exhibit 3: Compliance with TDA Data Collection and Reporting Requirements (continued)

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Vehicle Service Miles	"Vehicle service miles" means the total number of miles that each transit vehicle is in revenue service.	In Compliance	<p><u>Fixed-Route:</u> Until Spring 2009, based on scheduling time (using <i>Trapeze</i> software), calculated in the line summary, and automatically reconciled monthly from bus driver's trip cards. Subsequently, <i>Ridecheck</i> software gathers data collected by on-board <i>Clever Devices</i> computers and produces reports. The entire fleet is equipped with this computer system. Vehicle service miles are now generated by <i>Ridecheck</i> and uploaded each night to the server for processing.</p> <p><u>Paratransit:</u> Includes miles accumulated by a vehicle for provision of service. Data gleaned from drivers' manifests and input daily into computer.</p>
Unlinked Passengers	"Unlinked passengers" means the number of boarding passengers, whether revenue producing or not, carried by the public transportation system.	In Compliance	<p><u>Fixed-Route:</u> Until Spring 2009, calculated from driver trip cards, and on some buses through the automatic passenger counting system (<i>Clever Devices</i>). Data was combined and adjusted for monthly reports. Subsequently, <i>Ridecheck</i> software gathers data collected by on-board <i>Clever Devices</i> computers, including Automatic Passenger Counting (APC) data and the passenger count by fare category entered by the driver. The entire fleet is now equipped with APC sensors and this computer system. The passenger count data is uploaded each night to the server for processing and report generation.</p> <p><u>Paratransit:</u> Includes all boardings as logged by drivers on their trip manifests. Drivers adjust pre-printed manifests for cancellations, no-shows, and additional same-day trips.</p>
Employee Full-Time Equivalents	2,000 person-hours of work in one year constitutes one employee.	In Compliance	<p><u>Fixed-Route:</u> Consistent with TDA definition; counted based on employee pay records.</p> <p><u>Paratransit:</u> Based on employee hours, including those reported by the contractor.</p>

III. PERFORMANCE INDICATORS AND TRENDS

The performance trends for CCCTA's fixed-route and paratransit services are presented in this section. Performance is discussed for each of the five TDA-mandated performance indicators:

- operating cost per vehicle service hour
- passengers per vehicle service hour
- passengers per vehicle service mile
- operating cost per passenger
- vehicle service hours per full-time equivalent employee (FTE)

The performance results in these indicators were developed from the information in the NTD reports filed with the FTA for the three years of the audit period. CCCTA's NTD reports were the source of all operating and financial statistics except for the paratransit FTEs. NTD reporting does not require transit systems to report employee work hours for contracted services, such as CCCTA's LINK service. To complete this portion of the analysis, this information was provided by CCCTA staff.

In addition to presenting performance for the three years of the audit period (FY2008 through FY2010), this analysis features two enhancements:

- Six-Year Time Period – While the performance audit focuses on the three fiscal years of the audit period, six-year trend lines have been constructed for CCCTA's service to provide a longer perspective on performance and to clarify the direction and magnitude of the performance trends. In this analysis, the FY2008 to FY2010 trend lines have been combined with those from the prior audit period (FY2005 through FY2007) to define a six-year period of performance.
- Normalized Cost Indicators for Inflation – To understand the extent to which cost increases reflect local inflationary pressures, the two financial performance indicators (cost per hour and cost per passenger) are presented in both constant and current dollars. The inflation adjustment relies on the All Urban Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the San

Francisco Metropolitan Area. The average CPI-W percent change for each fiscal year has been calculated based on the bi-monthly results reported on the U.S. Department of Labor – Bureau of Labor Statistics website. The CPI-W is used since labor is the largest component of operating cost in transit. Since labor costs are typically controlled through labor contracts, changes in normalized costs largely reflect those factors that are within the day-to-day control of the transit system.

The following discussion presents an overview of CCCTA's performance trends in each of the five TDA performance indicators. The discussion is organized by service mode. The County Connection fixed-route service is discussed first, followed by LINK paratransit service. For all the directly-operated fixed-route service, the analysis is expanded to include a breakdown of the various component costs that contributed to the total and hourly operating costs during the last three years. This expanded analysis is not included for the contracted LINK service, where the cost breakdowns are internal contractor issues.

Fixed-Route Performance Trends

This section provides an overview of the performance of the County Connection bus service over the past six years. The trends in the TDA indicators and input statistics are presented in Exhibit 4. The six-year trends are illustrated in Exhibits 4.1 through 4.4.

In addition, year-to-year changes in selected operating cost categories over the current audit period are presented in Exhibit 4.5. Examining components of operating costs (e.g., labor, fringes, fuel, and casualty/liability) may determine what particular components had the most significant impacts on the operating costs. Exhibit 4.5 also shows the concurrent changes in vehicle service hours and illustrates the portion of the cost per bus service hour that can be attributed to each included cost component.

- Operating Cost Per Vehicle Service Hour (Exhibit 4.1) - Operating cost per vehicle service hour is a key indicator of cost efficiency. During the six-year period, the cost per hour of CCCTA's bus service increased an average by 5.8 percent annually, from about \$85 in FY2005 to \$112 in FY2010. There were increases in most years, with significant increases in FY2006 and FY2010. The latter year's

results reflect a 20 percent decrease in service hours after the major service restructuring, but a concurrent decrease in operating costs of only ten percent. To determine the effects of inflation, the annual results are presented in constant as well as current dollars. In FY2005 dollars, the result was an average annual increase of 3.3 percent.

As shown in Exhibit 4.5, during the current audit period, labor costs decreased on average by four percent per year. Most other component costs decreased over the three years as well. Exceptions were fringe benefits costs, which remained almost steady, and utilities costs, which went up by 3.6 percent per year.

Labor costs represented the largest portion of the total cost per vehicle service hour, with the share of labor costs increasing from 47 percent to 50 percent over the audit period. Fringe benefits costs followed a similar pattern, increasing from 24 to 28 percent. Utilities and casualty/liability costs represented the smallest portions (one percent and two percent shares, respectively) throughout the period, while fuel and lubricant costs were reduced from ten to six percent. The share of miscellaneous other costs went down from 15 percent in FY2007 to 13 percent in the next two years.

- Passengers Per Vehicle Service Hour (Exhibit 4.2) - One indicator of passenger productivity is passengers per vehicle service hour. Passengers per hour increased from 16.3 in FY2005 to 16.9 in FY2006. The trend subsequently decreased over the rest of the period, reaching a period low of 15 passengers per hour in FY2010. Service hour and passenger levels both went down by about 20 percent in FY2010, after the service restructuring. The average annual change over the six years was a decrease of 1.7 percent.
- Passengers Per Vehicle Service Mile (Exhibit 4.2) - Another passenger productivity indicator is passengers per vehicle service mile. The six-year trend in this indicator showed moderate annual fluctuation, but remained in a range of 1.3 to 1.4 passengers. The period high occurred at the end of the period (FY2010), as vehicle service miles decreased at a greater rate than ridership following the service restructuring. Overall, passengers per vehicle service mile increased an average of 1.9 percent annually.
- Operating Cost per Passenger (Exhibit 4.3) - Operating cost per passenger is a measure of cost effectiveness. CCCTA's cost per bus passenger trend mirrored its cost per hour trend, but was more pronounced -- increasing an average of 7.6 percent annually. There were increases in every year of the review period, ranging in magnitude from 3.8 percent in FY2009 to 13.5 percent in FY2010. FY2010 passenger levels decreased at twice the rate of operating costs compared to FY2009, following the service restructuring. If the impact of

inflation is removed from the cost side (normalization); the result was the cost per passenger still increasing an average of 5.1 percent annually over the six years.

- Vehicle Service Hours Per Employee (FTE) (Exhibit 4.4) - Employee productivity is measured as vehicle service hours per full-time employee. There was a net decrease over the review period of less than one percent per year in this area. In FY2005, CCCTA's bus service operated with 1,012 hours per FTE. This level was achieved again in FY2009, after lower results in the intervening years. However, FY2010 results dropped by four percent to 967 hours per FTE, as FTEs were reduced by a lower rate than service hours.

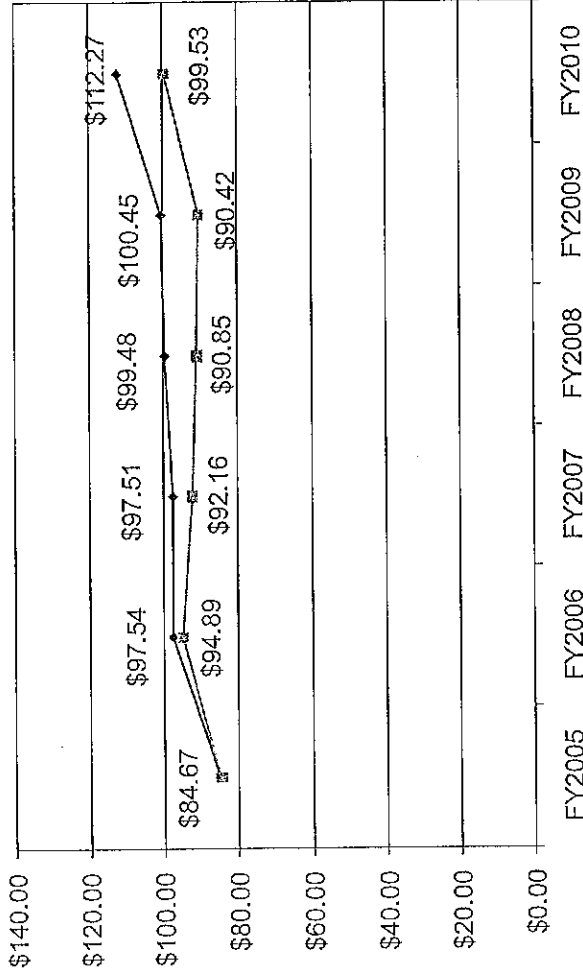
CCCTA's fixed-route performance over the six-year period exhibited declines in cost efficiency and effectiveness, but relative overall stability in passenger and employee productivity. A driving factor toward the end of the period was the service restructuring that resulted in 20 percent or greater reductions in service levels and passengers in FY2010 compared to the previous year, but lower rates of operating cost and employee reductions. There was an average annual increase in the operating cost per hour of 3.3 percent in inflation adjusted dollars. During the last three years, labor costs went down by about four percent per year, and most other component costs decreased as well. The share of total costs attributed to labor increased from 47 percent to 50 percent. Fringe benefits costs followed a similar pattern, increasing from 24 to 28 percent, as the shares of other costs were mostly reduced. The six-year cost effectiveness trend mirrored that of cost efficiency, with a normalized average annual increase of 5.1 percent in the cost per passenger carried. Passenger productivity trends were characterized with a modest net decrease in passengers per hour and a modest net increase per mile during the review period. Employee productivity exhibited an average decrease of less than one percent per year in vehicle service hours per FTE.

Exhibit 4: TDA Indicator Performance – Fixed-Route

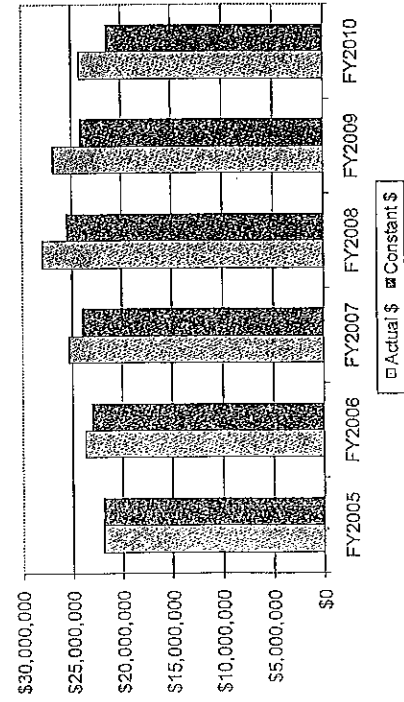
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	Av. Ann. Cfg.
Performance Indicators							
Op. Cost per Vehicle Svc. Hour (Actual \$)	\$84.67	\$97.54	\$97.51	\$99.48	\$100.45	\$112.27	--
Annual Change	--	15.2%	0.0%	2.0%	1.0%	11.8%	5.8%
Op. Cost per Vehicle Svc. Hour (Constant \$)	\$84.67	\$94.89	\$92.16	\$90.85	\$90.42	\$99.53	--
Annual Change	--	12.1%	-2.9%	-1.4%	-0.5%	10.1%	3.3%
Passengers per Vehicle Service Hour	16.3	16.9	16.2	15.7	15.2	15.0	--
Annual Change	--	3.5%	-4.0%	-3.6%	-2.7%	-1.6%	-1.7%
Passengers per Vehicle Service Mile	1.28	1.35	1.31	1.32	1.31	1.40	--
Annual Change	--	5.8%	-3.2%	1.0%	-1.1%	7.2%	1.9%
Op. Cost per Passenger (Actual \$)	\$5.18	\$5.76	\$6.00	\$6.35	\$6.59	\$7.48	--
Annual Change	--	11.3%	4.2%	5.8%	3.8%	13.5%	7.6%
Op. Cost per Passenger (Constant \$)	\$5.18	\$5.61	\$5.67	\$5.80	\$5.93	\$6.63	--
Annual Change	--	8.2%	1.2%	2.3%	2.3%	11.8%	5.1%
Vehicle Service Hours per FTE	1,012.1	920.1	954.6	995.3	1,014.3	966.6	--
Annual Change	--	-9.1%	3.7%	4.3%	1.9%	-4.7%	-0.9%
Input Data							
Operating Cost (Actual \$)	\$21,971,808	\$23,710,928	\$25,335,036	\$27,938,064	\$26,837,924	\$24,216,345	--
Annual Change	--	7.9%	6.8%	10.3%	-3.9%	-9.8%	2.0%
Operating Cost (Constant \$)	\$21,971,808	\$23,065,105	\$23,946,159	\$25,514,214	\$24,156,547	\$21,468,391	--
Annual Change	--	5.0%	3.8%	6.5%	-5.3%	-11.1%	-0.5%
Vehicle Service Hours	259,512	243,080	259,830	280,828	267,165	215,706	--
Annual Change	--	-6.3%	6.9%	8.1%	-4.9%	-19.3%	-3.6%
Vehicle Service Miles	3,318,541	3,040,860	3,222,034	3,323,964	3,109,876	2,305,646	--
Annual Change	--	-8.4%	6.0%	3.2%	-6.4%	-25.9%	-7.0%
Unlinked Passengers	4,242,249	4,114,606	4,221,206	4,397,978	4,071,296	3,235,722	--
Annual Change	--	-3.0%	2.6%	4.2%	-7.4%	-20.5%	-5.3%
Employee Full-Time Equivalents	256.4	264.2	272.2	282.2	263.4	223.2	--
Annual Change	--	3.0%	3.0%	3.7%	-6.6%	-15.3%	-2.7%
Bay Area CPI - Annual Change	--	2.8%	3.0%	3.5%	1.5%	1.6%	--
- Cumulative Change	--	2.8%	5.8%	9.5%	11.1%	12.8%	2.4%

Sources:
 FY2005 through FY2007 - Prior Performance Audit Report
 FY2008 through FY2010 - NTD Reports
 CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

**Exhibit 4.1: TDA Indicator Performance – Fixed-Route
Operating Cost per Vehicle Service Hour**



Operating Cost



Vehicle Service Hours

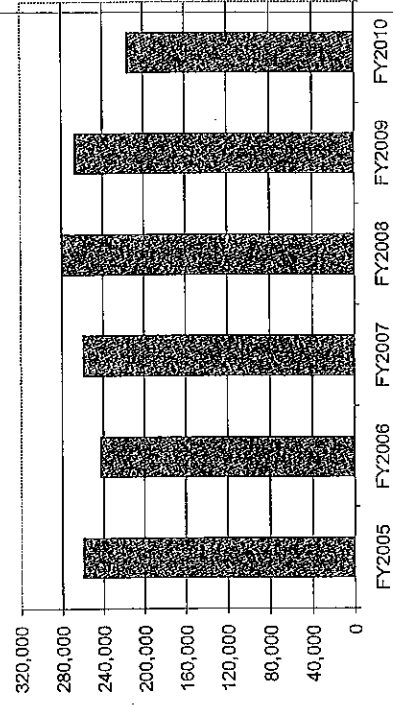
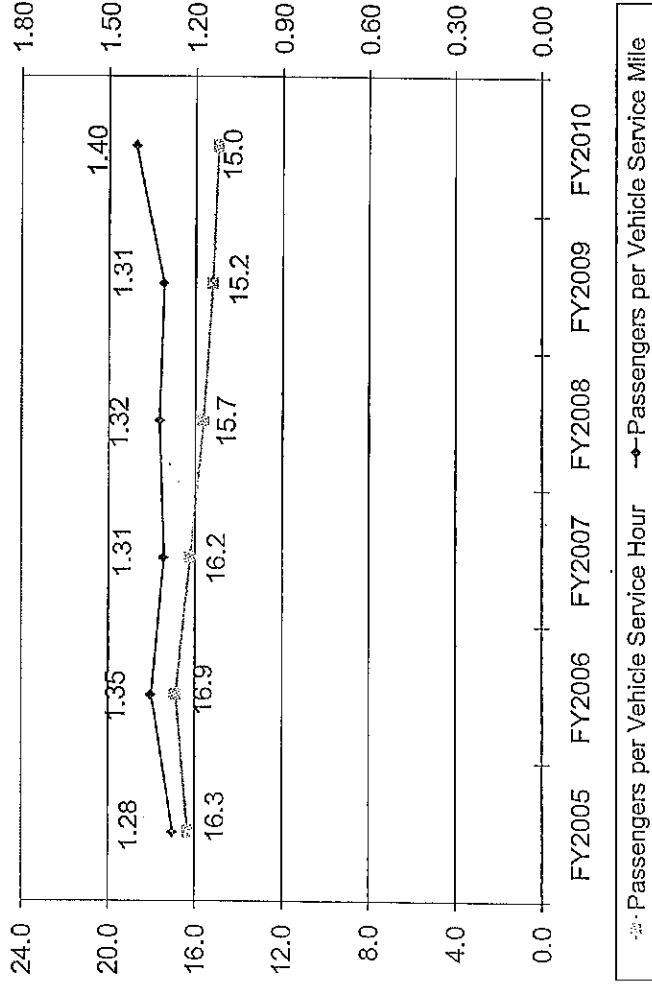
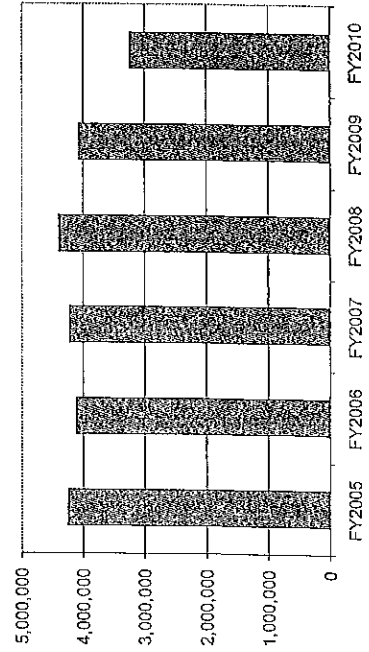


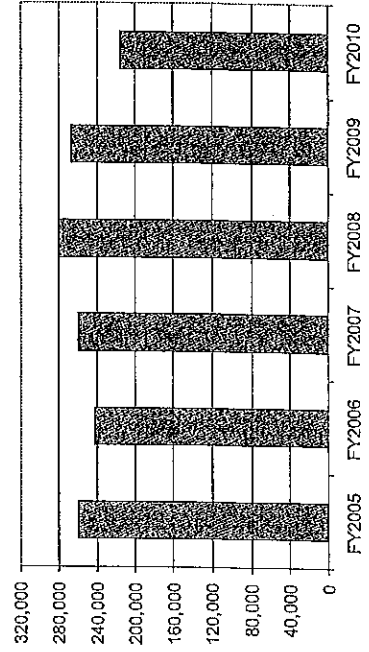
Exhibit 4.2: TDA Indicator Performance – Fixed-Route
Passengers per Hour and per Mile



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

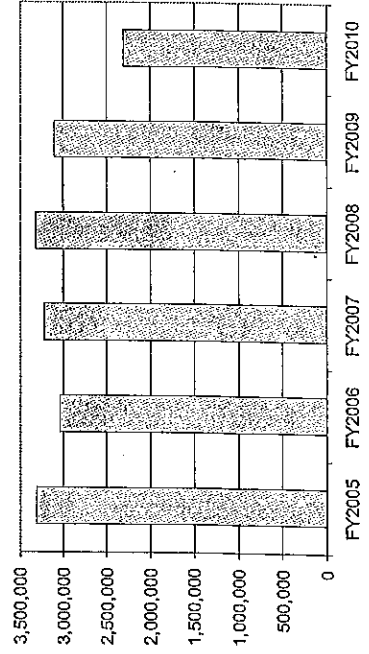
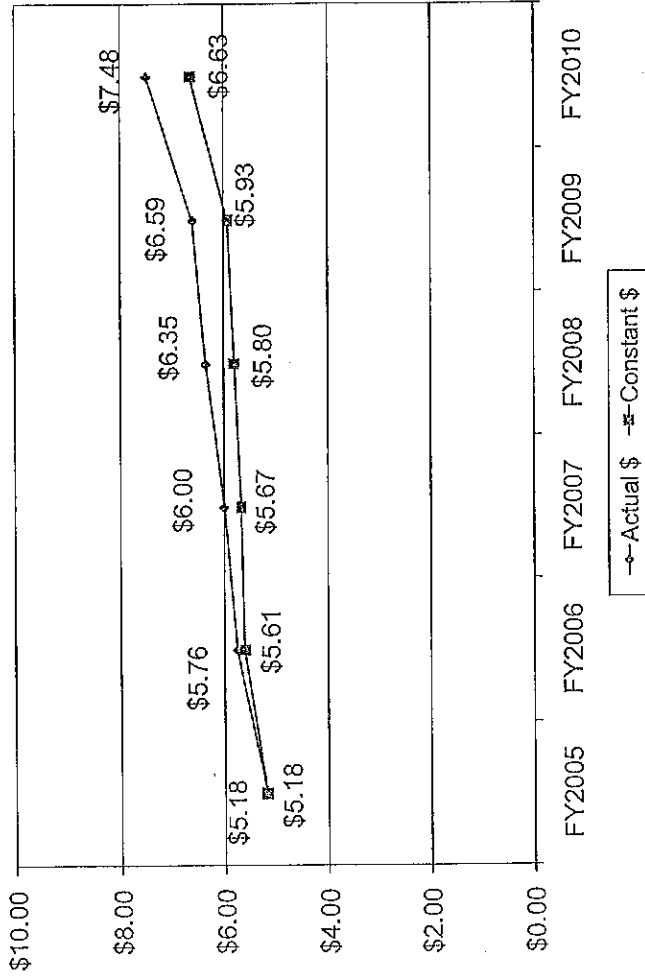
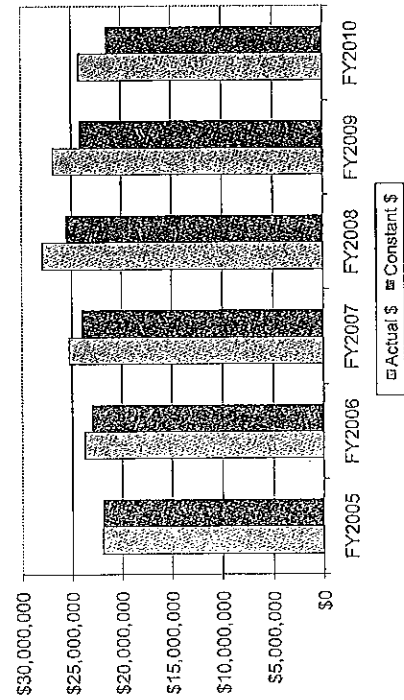


Exhibit 4.3: TDA Indicator Performance – Fixed-Route
Operating Cost per Passenger



Operating Cost



Unlinked Passengers

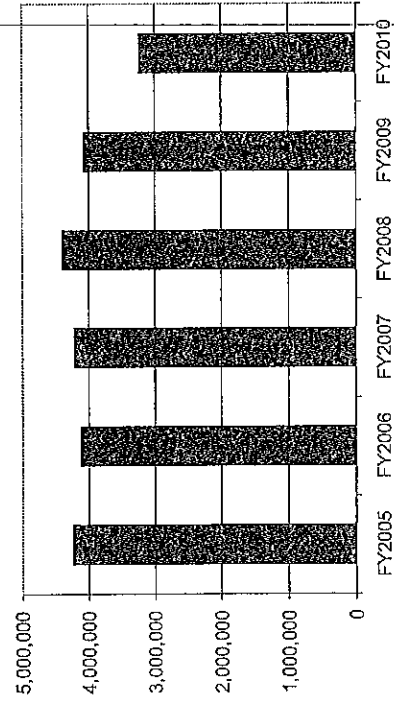
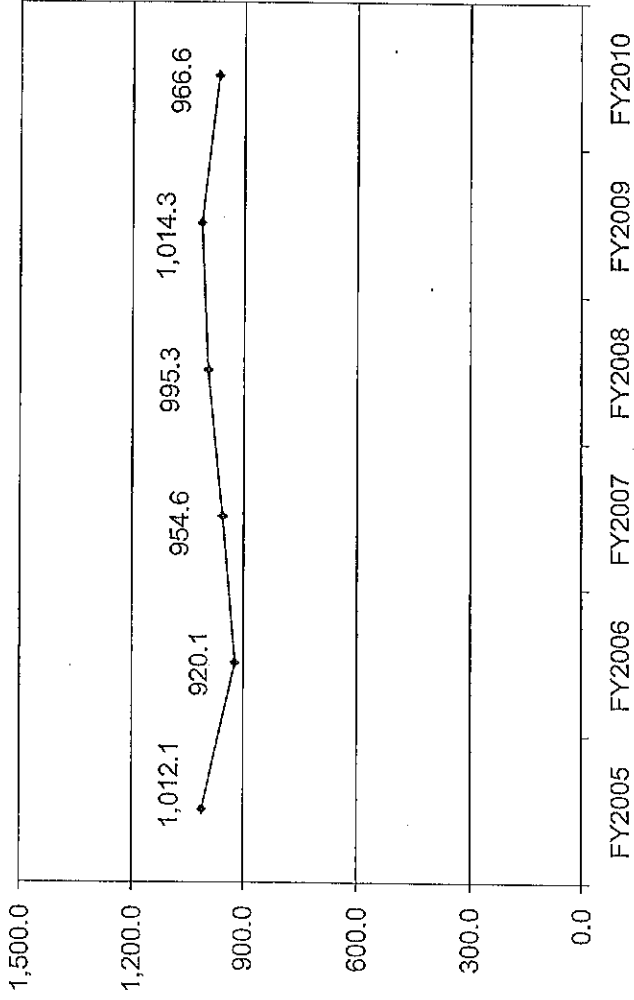
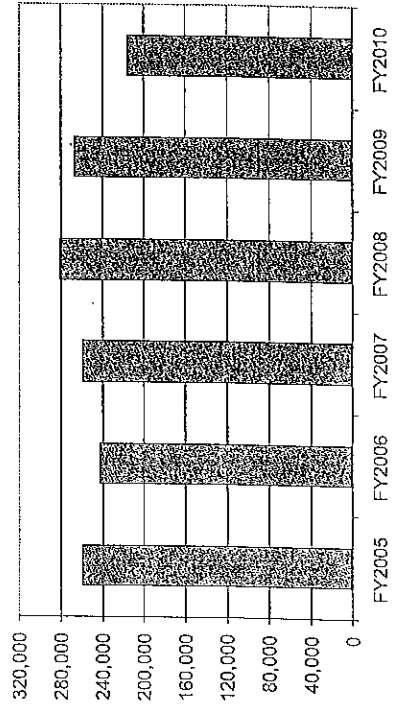


Exhibit 4.4: TDA Indicator Performance – Fixed-Route
Vehicle Service Hours per FTE



Vehicle Service Hours



Full-time Equivalents

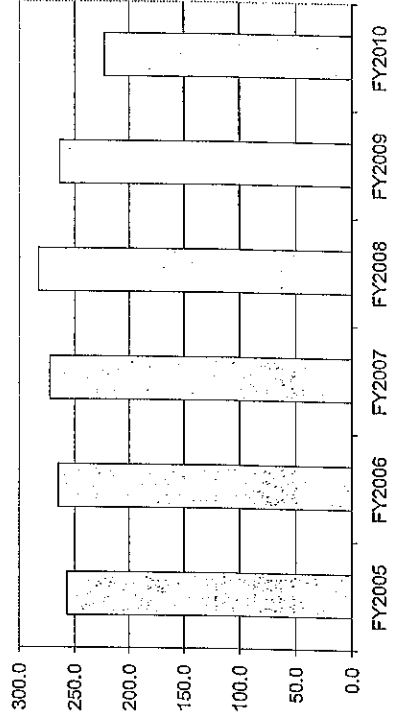
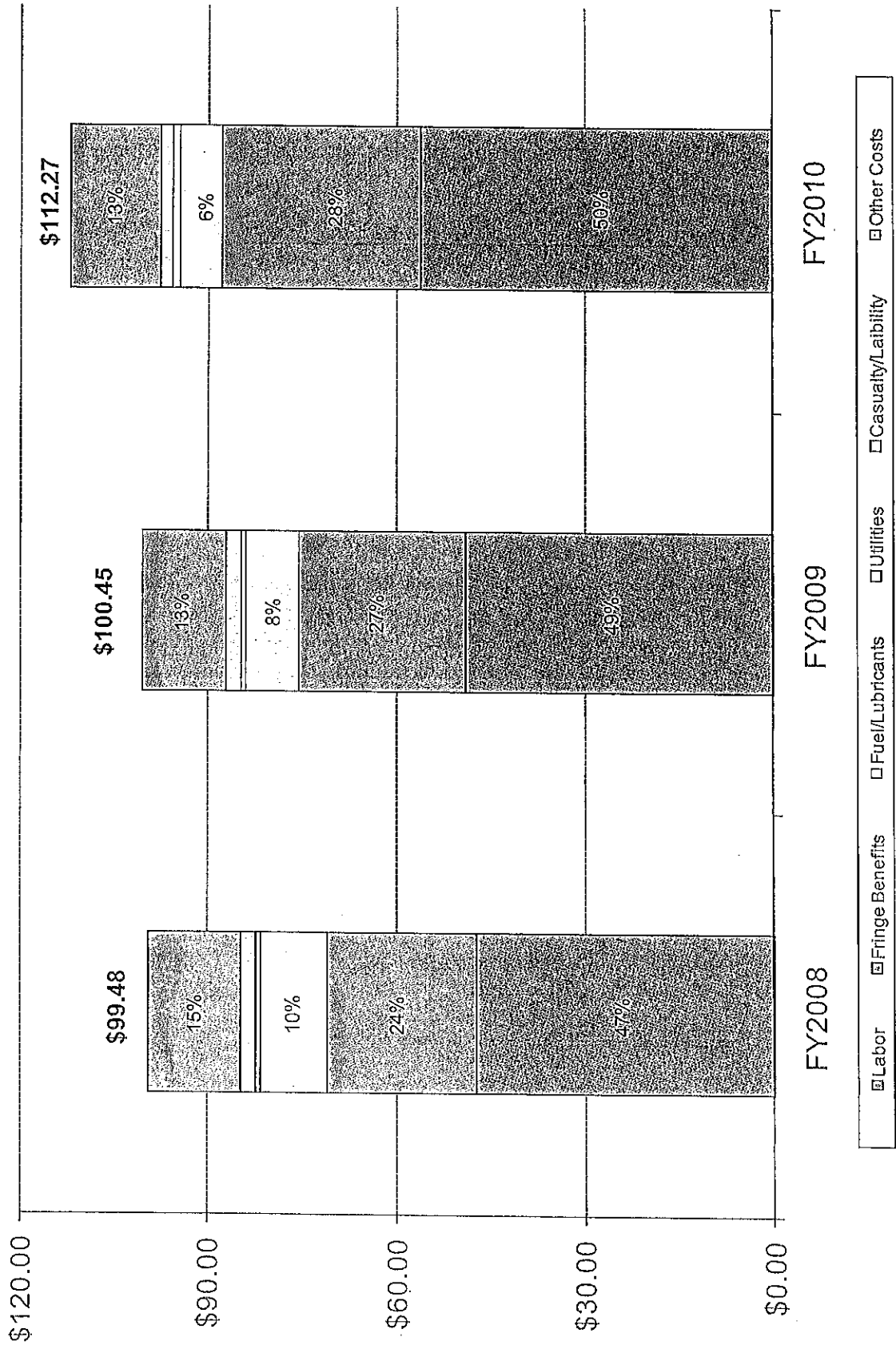


Exhibit 4.5: TDA Component Costs Trends – Fixed-Route

	FY2008	FY2009	FY2010	Av. Ann. Chg.
COST CATEGORIES				
Labor - (Salaries, Wages) Annual Change	\$13,267,213 --	\$13,121,059 -1.1%	\$12,130,676 -7.5%	-- -4.4%
Fringe Benefits Annual Change	\$6,750,638 --	\$7,129,581 5.6%	\$6,809,078 -4.5%	-- 0.4%
Fuel/Lubricants Annual Change	\$2,909,930 --	\$2,190,679 -24.7%	\$1,489,129 -32.0%	-- -28.5%
Utilities Annual Change	\$229,702 --	\$239,564 4.3%	\$246,446 2.9%	-- 3.6%
Casualty/Liability Annual Change	\$689,372 --	\$607,083 -11.9%	\$402,634 -33.7%	-- -23.6%
Other Costs Annual Change	\$4,091,209 --	\$3,549,958 -13.2%	\$3,138,382 -11.6%	-- -12.4%
Total Annual Change	\$27,938,064 --	\$26,837,924 -3.9%	\$24,216,345 -9.8%	-- -6.9%
OPERATING STATISTICS				
Vehicle Service Hours Annual Change	280,828 --	267,165 -4.9%	215,706 -19.3%	-- -12.4%

Source: FY2008 through FY2010 NTD Reports

Exhibit 4.5: TDA Component Costs Trends – Fixed-Route (continued)
Operating Cost per Vehicle Service Hour



Paratransit Performance Trends

This section provides an overview of the performance of CCCTA's LINK paratransit service over the past six years. The trends in the TDA indicators and input statistics are presented in Exhibit 5. The six-year trends are illustrated in Exhibits 5.1 through 5.4.

- Operating Cost per Vehicle Service Hour (Exhibit 5.1) – CCCTA's paratransit cost per hour increased by an average of 3.9 percent annually, from \$50.52 in FY2005 to \$61.22 in FY2010. There were increases in most years, ranging from less than one percent in FY2007 to more than ten percent in FY2008. In constant FY2005 dollars, the average annual increase was 1.4 percent.
- Passengers per Vehicle Service Hour (Exhibit 5.2) – Paratransit performance in this passenger productivity indicator showed little during the review period, remaining between 1.9 and 2.0 passengers in every year. The average annual change over the review period was an increase of one percent.
- Passengers per Vehicle Service Mile (Exhibit 5.2) - Performance remained at about 0.12 passengers per mile through the first four years of the period, and then rose slightly, to 0.13 passengers in FY2009 and FY2010. Overall, passengers per mile showed an average annual increase of one percent, similar to passengers per hour.
- Operating Cost per Passenger (Exhibit 5.3) – The LINK operating cost per passenger increased in every year of the review period except FY2009. Annual increases ranged from less than one percent in FY2006 to 7.7 percent in FY2010. Overall, the trend showed an increase from just under \$26 per passenger in FY2005 to just under \$30 in FY2010, amounting to an average increase of 2.8 percent per year. Expressed in constant FY2005 dollars, the average change in this indicator was a 0.4 percent annual increase.
- Vehicle Service Hours Per FTE (Exhibit 5.4) – Vehicle service hours per FTE decreased from 1,363 hours in FY2005 to 1,267 in FY2007, and then sharply decreased to remain at just over 1,030 hours in the last three years reviewed. Overall, vehicle service hours per FTE declined by an average of 5.4 percent over the six year period. There was a sharp increase in the general level of FTEs reported for the current audit period (80 or more) compared to those reported for the prior audit period (65 or less). This reflects internal reporting by the operating contractor, and CCCTA staff was unable to determine why there was such a change due to contractor staff changes over the past few years.

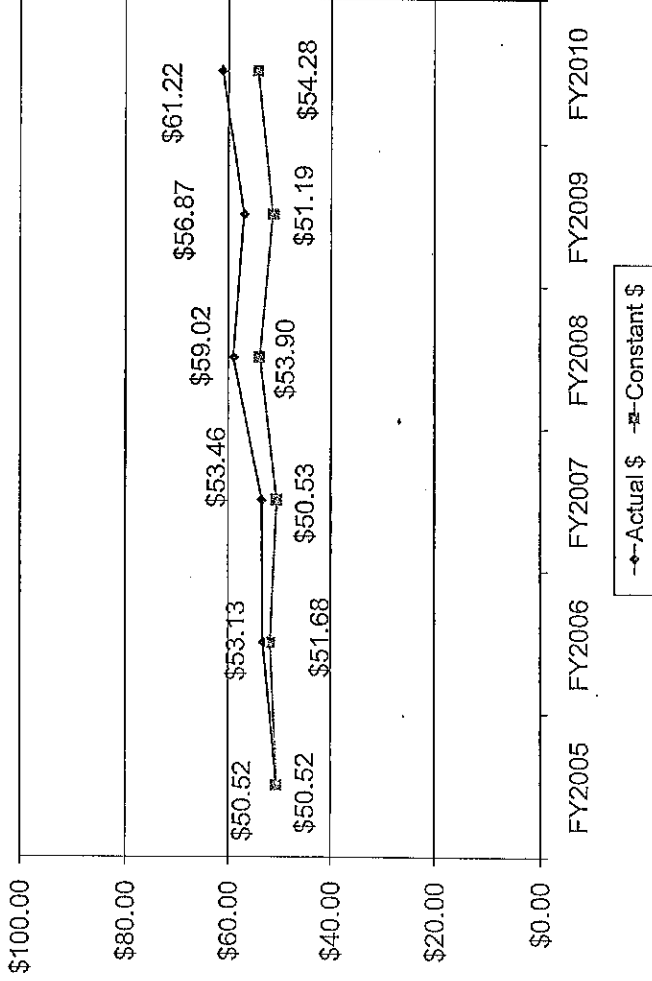
The trends in CCCTA's paratransit performance over the six year review period showed very modest changes overall. For cost efficiency and cost effectiveness, in inflation adjusted dollars, the operating cost per hour was up by 1.4 percent per year and the operating cost per passenger was up by less than one percent per year. For passenger productivity, both passengers per hour and passengers per mile improved by one percent per year on average. Employee productivity showed an overall decline of 4.5 percent per year, but this reflected a sharp increase in the general level of FTEs reported for the current audit period compared to those reported for the prior audit period by the contract operator. CCCTA staff was unable to determine why there was such a change due to recent contractor staff changes.

Exhibit 5: TDA Indicator Performance – Paratransit

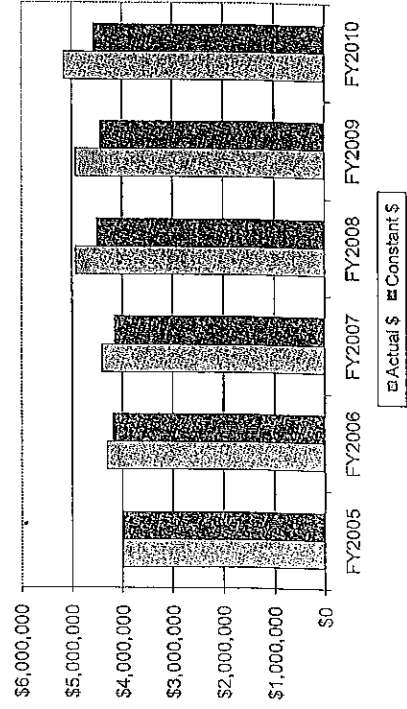
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	Av. Ann. Chg.
Performance Indicators							
Op. Cost per Vehicle Svc. Hour (Actual \$)	\$50.52	\$53.13	\$53.46	\$59.02	\$56.87	\$61.22	--
Annual Change	--	5.2%	0.6%	10.4%	-3.6%	7.6%	3.9%
Op. Cost per Vehicle Svc. Hour (Constant \$)	\$50.52	\$51.68	\$50.53	\$53.90	\$51.19	\$54.28	--
Annual Change	--	2.3%	-2.2%	6.7%	-5.0%	6.0%	1.4%
Passengers per Vehicle Service Hour	1.9	2.0	1.9	2.0	2.0	2.0	--
Annual Change	--	4.6%	-4.8%	3.2%	2.5%	0.0%	1.0%
Passengers per Vehicle Service Mile	0.120	0.123	0.121	0.123	0.127	0.127	--
Annual Change	--	2.1%	-1.6%	1.4%	3.9%	-0.4%	1.0%
Op. Cost per Passenger (Actual \$)	\$25.97	\$26.11	\$27.59	\$29.51	\$27.75	\$29.88	--
Annual Change	--	0.5%	5.7%	6.9%	-6.0%	7.7%	2.8%
Op. Cost per Passenger (Constant \$)	\$25.97	\$25.40	\$26.08	\$26.95	\$24.98	\$26.49	--
Annual Change	--	-2.2%	2.7%	3.3%	-7.3%	6.1%	0.4%
Vehicle Service Hours per FTE	1,363.2	1,321.2	1,267.0	1,031.9	1,037.0	1,034.1	--
Annual Change	--	-3.1%	-4.1%	-18.6%	0.5%	-0.3%	-5.4%
Input Data							
Operating Cost (Actual \$)	\$4,008,595	\$4,309,807	\$4,402,811	\$4,924,832	\$4,926,065	\$5,149,277	--
Annual Change	--	7.5%	2.2%	11.9%	0.0%	4.5%	5.1%
Operating Cost (Constant \$)	\$4,008,595	\$4,192,419	\$4,161,447	\$4,497,563	\$4,433,302	\$4,564,962	--
Annual Change	--	4.6%	-0.7%	8.1%	-1.4%	3.0%	2.6%
Vehicle Service Hours	79,340	81,122	82,357	83,450	86,614	84,106	--
Annual Change	--	2.2%	1.5%	1.3%	3.8%	-2.9%	1.2%
Vehicle Service Miles	1,282,444	1,343,067	1,319,698	1,361,878	1,394,496	1,359,674	--
Annual Change	--	4.7%	-1.7%	3.2%	2.4%	-2.5%	1.2%
Unlinked Passengers	154,360	165,077	159,562	166,887	177,518	172,317	--
Annual Change	--	6.9%	-3.3%	4.6%	6.4%	-2.9%	2.2%
Employee Full-Time Equivalents	58.2	61.4	65.0	80.9	83.5	81.3	--
Annual Change	--	5.5%	5.9%	24.4%	3.3%	-2.6%	6.9%
Bay Area CPI - Annual Change	--	2.8%	3.0%	3.5%	1.5%	1.6%	--
- Cumulative Change	--	2.8%	5.8%	9.5%	11.1%	12.8%	2.4%

Sources:
 FY2005 through FY2007 - Prior Performance Audit Report
 FY2008 through FY2010 - NTD Reports, except FTEs provided by staff
 CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

Exhibit 5.1: TDA Indicator Performance – Paratransit
Operating Cost per Vehicle Service Hour



Operating Cost



Vehicle Service Hours

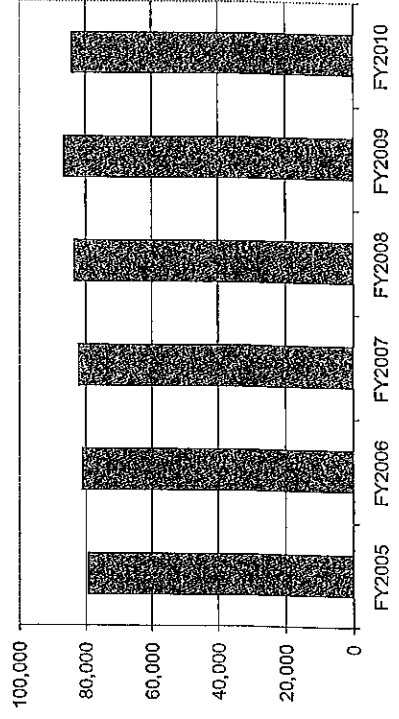
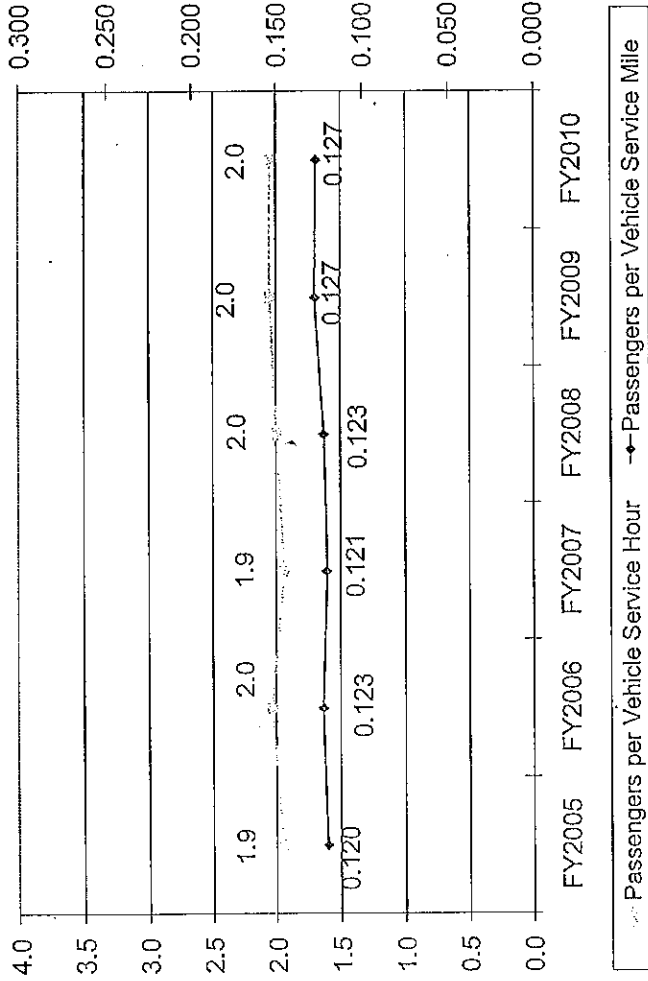
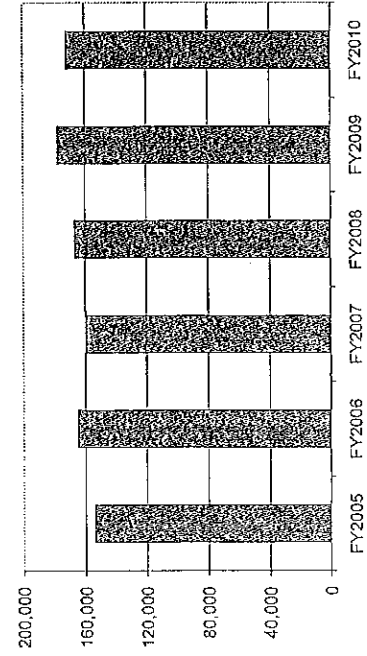


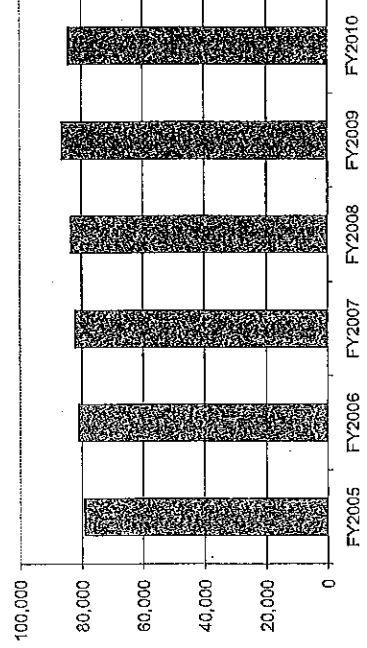
Exhibit 5.2: TDA Indicator Performance – Paratransit
Passengers per Hour and per Mile



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

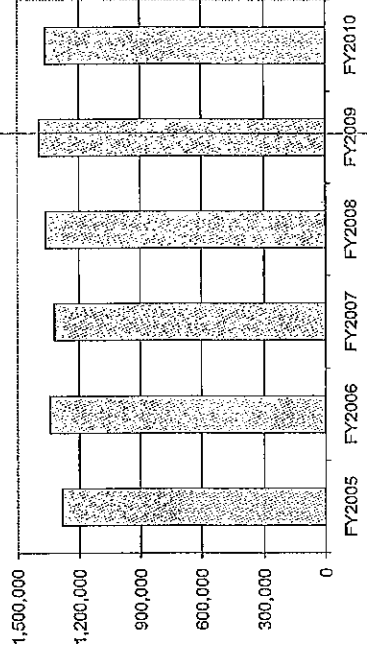
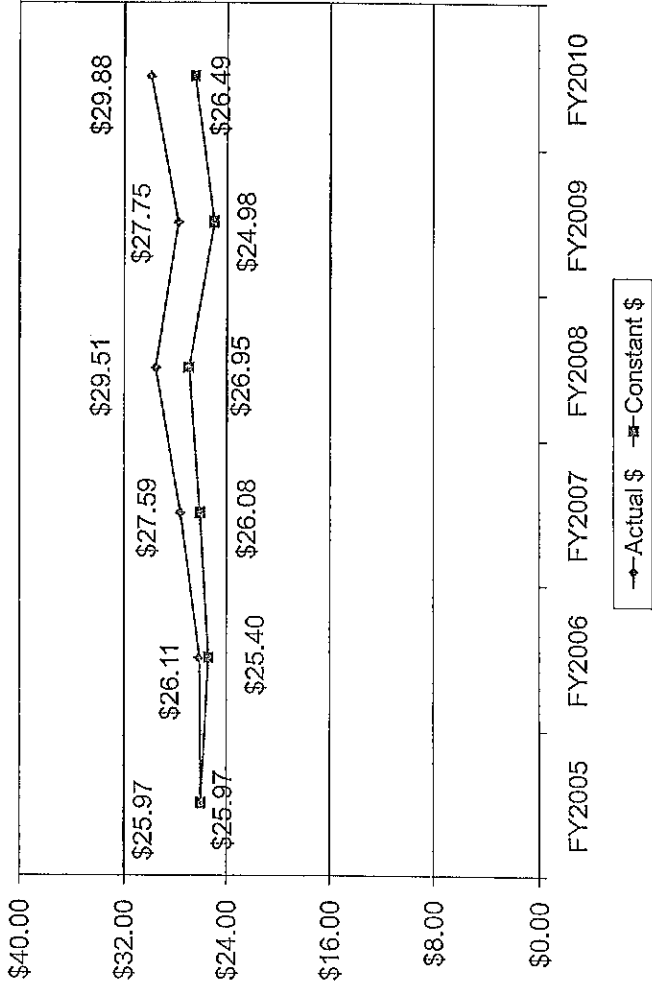
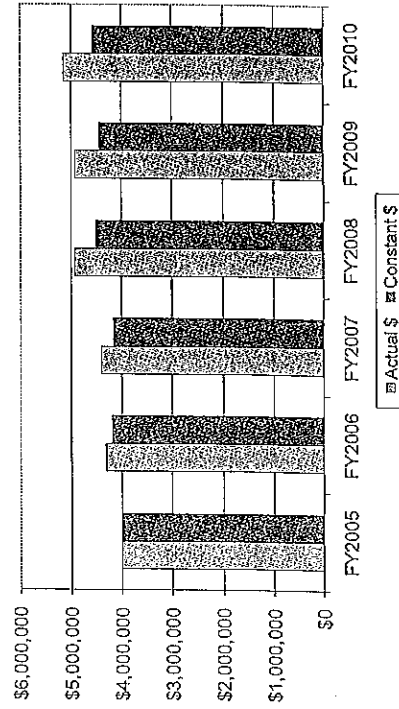


Exhibit 5.3: TDA Indicator Performance – Paratransit
Operating Cost per Passenger



Operating Cost



Unlinked Passengers

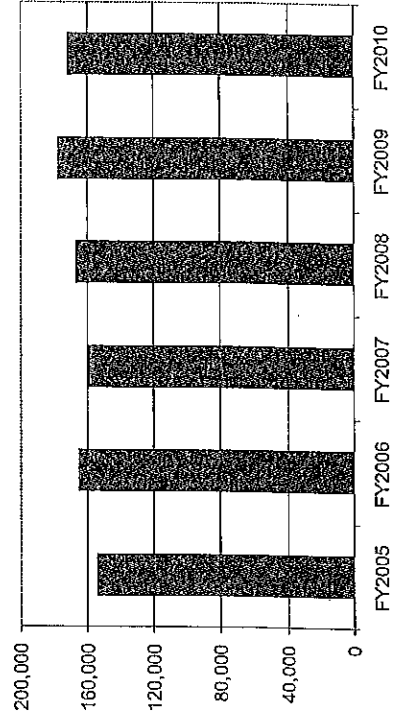
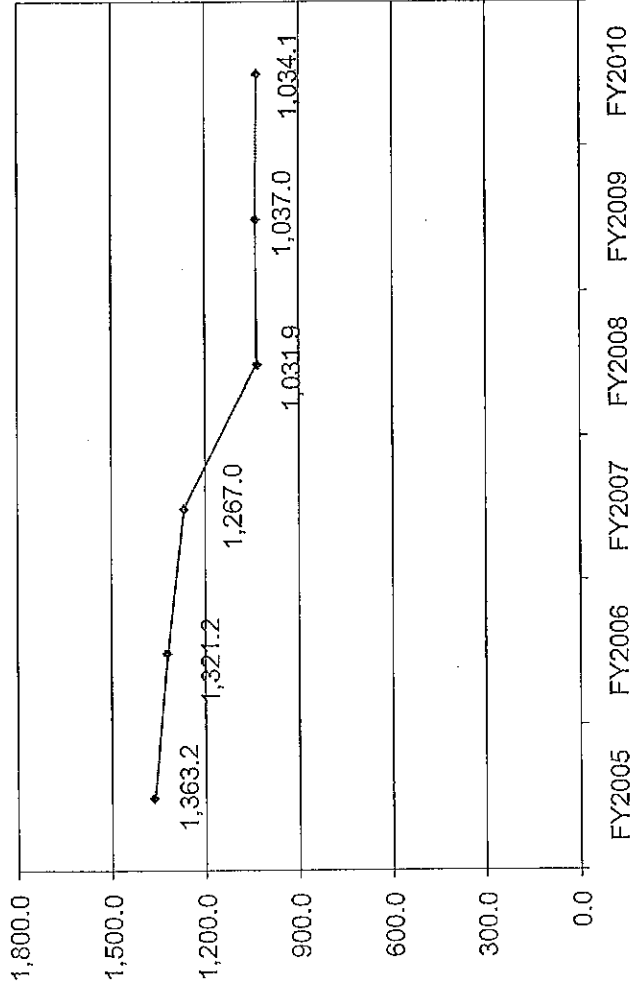
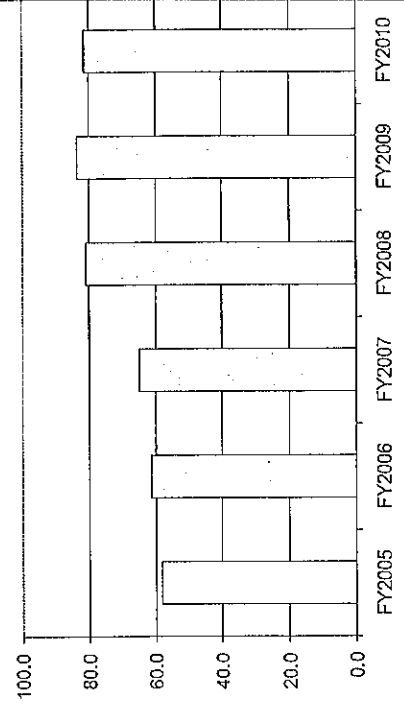


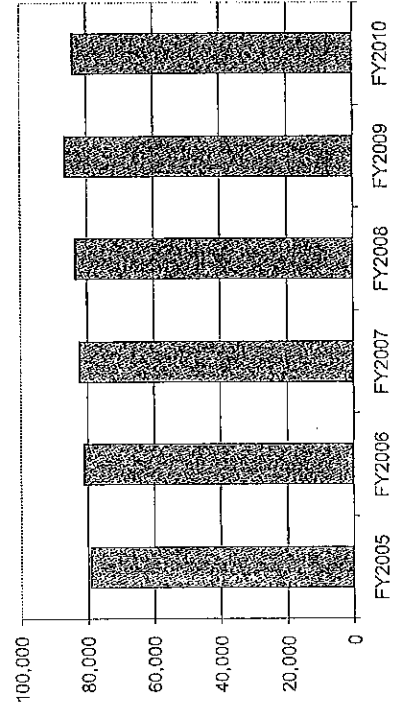
Exhibit 5.4: TDA Indicator Performance – Paratransit
Vehicle Service Hours per FTE



Full-time Equivalents



Vehicle Service Hours



IV. COMPLIANCE WITH PUC REQUIREMENTS

In conjunction with the State Performance Audit Guidelines, an assessment of CCCTA's compliance with selected sections of the state Public Utilities Code (PUC) has been performed. The compliance areas included in this review are those that MTC has identified for inclusion in the triennial performance audit. Other statutory and regulatory compliance requirements are reviewed by MTC in conjunction with its annual review of CCCTA's TDA-STA claim application.

The results from this review are detailed by individual requirement in Exhibit 6. CCCTA is in compliance with the sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, revenue sharing, and evaluating passenger needs.

Exhibit 6: Compliance with State PUC Requirements

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99251 ---	CHP Certification - 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 following a CHP inspection of the operator's terminal	In Compliance	Satisfactory Facility Inspections: <ul style="list-style-type: none"> • 01/17/08 • 02/20/09 • 02/25/10
PUC99264	<u>Operator-to-Vehicle Staffing</u> - The operator does not routinely staff with two or more persons public transportation vehicles designed to be operated by one person	In Compliance	Agreement with ATU Local 1605 in effect during audit period (2/1/07- 1/31/11)
PUC99155	<u>Reduced Fare Eligibility</u> - For any operator who received TDA Article 4 funds, if the operator offers reduced fares to senior citizens and disabled persons, applicant will honor the federal Medicare identification card, the California Department of Motor Vehicles disability ID card, the Regional Transit Connection Discount Card, or any other current identification card issued by another transit operator that is valid for the type of transportation service or discount requested; and if the operator offers reduced fares to senior citizens, it also offers the same reduced fare to disabled patrons	In Compliance	<ul style="list-style-type: none"> • The County Connection System Map (July 2010) • Fare information on transit schedules • County Connection web site
PUC99314.7, Govt Code 66516, MTC Res. Nos. 2310, 2927	<u>Joint Revenue Sharing Agreement</u> - The operator has current SB602 joint fare revenue sharing agreements in place with transit operators in the MTC region with which its service connects, and submitted copies of agreements to MTC	In Compliance	Valid agreements with connecting operators: ACE/SJRRRC, AC Transit, BART, Benicia, Capitol Corridor, ECCTA, LAVTA, Rio Vista, Vallejo, and WestCAT.
PUC99246(d)	<u>Process for Evaluation of Passenger Needs</u> - The operator has an established process in place for evaluating the needs and types of passengers being served	In Compliance	<ul style="list-style-type: none"> • Service related discussions in FY2008-2017 SRTP • On-Board Passenger Survey – Final Report (September 2007)

V. STATUS OF PRIOR AUDIT RECOMMENDATIONS

CCCTA's prior performance audit was completed in June 2008. Generally, MTC has used the audit recommendations as the basis for developing the Productivity Improvement Program (PIP) projects the operator is required to complete. MTC tracks PIP project implementation as part of its annual review of the operator's TDA-STA claim application. This section provides an assessment of actions taken by CCCTA toward implementing all of the recommendations advanced in the prior audit. This assessment provides continuity between the current and prior audits, which allows MTC to fulfill its obligations where the recommendations were advanced as PIP projects.

This review addresses CCCTA's responses to the recommendations made in the prior performance audit, and whether CCCTA made reasonable progress toward their implementation. There was a single recommendation made in CCCTA's prior audit. A summary of this recommendation and the actions taken by CCCTA in response is presented in Exhibit 7. A determination of the status of the recommendation also is provided, using one of the following four evaluation categories:

- Implemented – appropriate actions have been taken and the issue has been sufficiently addressed.
- Implementation in Progress – actions have been taken to address the issue, but further action is still warranted.
- Not Implemented – no actions have been taken to address the issue; some action is still warranted.
- Closed – no actions have been taken to address the issue, but changes in circumstances have impacted the need to implement the recommendation.

Implementation of the recommendation is in progress. Driver turnover continues to be a focus for the LINK contractor, and is now a line item on the LINK monthly operating report. Driver turnover has decreased since the end of the last audit period, but remains higher than

CCCTA's established performance standards in this area. The scope of the current audit is on compliance with the TDA requirements. As such, follow-up recommendations ensuing from the review of prior audit recommendations that are not related to compliance issues are addressed in a separate technical memorandum.

Exhibit 7: Status of Prior Audit Recommendations

Recommendation	Actions Taken	Evaluation
<p>-- 1. Continue to work with the paratransit contractor to reduce the turnover rate of LINK contractor employees.</p>	<p>Driver turnover continues to be a focus for the contractor, and is now a line item on the LINK monthly operating report. It was noted that the current poor economic situation has helped to support efforts to retain drivers.</p> <p>Results from the current audit period indicate a turnover rate in the range of 12 to 14 percent in each year, which compares favorably with the results from the last two years of the prior audit period. However, the established standard of five percent in FY2008 and FY2009 was not met; nor was the less stringent standard of ten percent set for FY2010.</p>	<p>Implementation in Progress</p>

VI. CONCLUSIONS AND RECOMMENDATIONS

The preceding sections presented a discussion of CCCTA's performance during the three-year period of FY2008 through FY2010 (July 1, 2007 through June 30, 2010). They included discussions of CCCTA's compliance with reporting requirements and trends in TDA-mandated performance indicators, and actions taken to implement the recommendations from the prior performance audit.

CONCLUSIONS

The key findings and conclusions from the individual sections of this performance audit are summarized below:

- Data Collection - CCCTA is in compliance with the data collection and reporting requirements for all five TDA statistics.

- TDA Performance Trends

Fixed-Route - Performance over the six-year period exhibited declines in cost efficiency and effectiveness, but relative overall stability in passenger and employee productivity. A driving factor toward the end of the period was the service restructuring that resulted in 20 percent or greater reductions in service levels and passengers in FY2010 compared to the previous year, but lower rates of operating cost and employee reductions. There was an average annual increase in the operating cost per hour of 3.3 percent in inflation adjusted dollars. During the last three years, labor costs went down by about four percent per year, and most other component costs decreased as well. The share of total costs attributed to labor increased from 47 percent to 50 percent. Fringe benefits costs followed a similar pattern, increasing from 24 to 28 percent, as the shares of other costs were mostly reduced. The six-year cost effectiveness trend mirrored that of cost efficiency, with a normalized average annual increase of 5.1 percent in the cost per passenger carried. Passenger productivity trends were characterized with a modest net decrease in passengers per hour and a modest net increase per mile during the review period. Employee productivity exhibited an average decrease of less than one percent per year in vehicle service hours per FTE.

Paratransit - The trends in performance over the six year review period showed very modest changes overall. For cost efficiency and cost effectiveness, in

inflation adjusted dollars, the operating cost per hour was up by 1.4 percent per year and the operating cost per passenger was up by less than one percent per year. For passenger productivity, both passengers per hour and passengers per mile improved by one percent per year on average. Employee productivity showed an overall decline of 4.5 percent per year, but this reflected a sharp increase in the general level of FTEs reported for the current audit period compared to those reported for the prior audit period by the contract operator. CCCTA staff was unable to determine why there was such a change due to recent contractor staff changes.

- PUC Compliance - CCCTA is in compliance with the sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, revenue sharing, and evaluating passenger needs.
- Status of Prior Audit Recommendations -- Implementation of the single recommendation is in progress. Driver turnover continues to be a focus for the LINK contractor, and is now a line item on the LINK monthly operating report. Driver turnover has decreased since the end of the last audit period, but remains higher than CCCTA's established performance standards in this area.

RECOMMENDATIONS

No recommendations are suggested for CCCTA based on the results of this triennial performance audit.