

To: Operations & Scheduling Committee

Date: January 27, 2014

From: Laramie Bowron, Manager of Planning

Reviewed by:

Subject: Draft TDA Performance Audit Report

Summary of Issues:

Every three years transit operators receiving Transportation Development Act (TDA) funds are required to undergo a performance audit by an independent audit firm. The attached report represents the draft audit report for FY2011, FY2012, and FY2013.

The TDA Performance Audit consists of the following 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.

The draft report found County Connection to be in compliance with regulations and did not include any recommendations.

A follow-up meeting has been set for February 4 and the final report should be released shortly after.

The final report is required to be reviewed and accepted by the Board.

Action:

Information Only

Attachment:

County Connection Draft Triennial Audit Report

Triennial Performance Audit

of the

Central Contra Costa Transit Authority (CCCTA)

Fiscal Years 2010/11, 2011/12 and 2012/13

DRAFT AUDIT REPORT

prepared for the

Metropolitan Transportation Commission

by



Pierlott & Associates, LLC
Management Consulting

December 2013

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's bus and paratransit modes are the focus of the performance audit. The audit covers the period of fiscal years 2011 through 2013 (from July 1, 2010 through June 30, 2013).

Performance Audit and Report Organization

The performance audit is being conducted for MTC in accordance with its established procedures for performance audits. The draft 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 report will be incorporated into the final report. 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.

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. Results are detailed below:

- Bus Service - CCCTA’s bus service performance over the six-year period exhibited variable year-to-year changes. CCCTA’s overall performance continues to reflect the effects of the fixed-route service restructuring implemented in FY2009. The following presents a brief summary of the performance trend highlights for CCCTA’s bus service:
 - Cost efficiency declined overall, with an average annual increase in operating cost per service hour of 3.9 percent, and 1.9 percent in inflation adjusted dollars. Cost per hour increased from \$99.48 in FY2008 to \$120.20 in FY2013.
 - During the last three years, CCCTA’s operating costs increased an average of 3.2 percent per year. Direct labor increased an average of 1.2 percent and fringe benefit costs increasing by 3.9 percent per year. Those two categories combined comprised about three-quarters of the total operating costs each year. Services comprised between seven and eight percent of total costs and increased an average of 14.2 percent annually. Cost decreases were observed in the materials/supplies (-2.7 percent) and casualty/liability (-0.5 percent) categories.
 - Cost effectiveness also declined, with cost per passenger increasing from \$6.35 in FY208 to \$7.79 in FY2013. The overall average annual increase in cost per passenger was 4.2 percent, with a normalized average annual increase of 2.2 percent. This reflects decreasing ridership outperforming the decrease in operating costs.

- Passenger productivity was steady, with passengers per hour decreasing an average of 0.3 percent annually, and passengers per mile increasing an average of 0.9 percent. There were decreases in ridership, vehicle service hours and vehicle service miles, however, the overall average annual decrease in ridership was greater than service hours but less than service miles, resulting in the opposing performance of the indicators.
- Employee productivity was steady, showing a modest 1.0 percent decrease per year in vehicle service hours per FTE.
- Paratransit Service – CCCTA’s paratransit service also demonstrated varied results in performance. The following presents a brief summary of the performance trend highlights for CCCTA’s paratransit service:
 - Cost efficiency worsened slightly, with an average annual increase in the operating cost per hour of 3.2 percent (1.3 percent in inflation adjusted dollars), from \$59.02 in FY2008 to \$69.18 in FY2013. The trend was driven by small average annual increases in operating costs (0.8 percent) and a decrease in service hours (-2.4 percent) over the audit period.
 - During the last three years, CCCTA’s in-house costs were steady, declining an average of 0.5 percent annually. Purchased transportation comprised 96.5 percent of CCCTA’s total costs and also decreased 0.5 percent per year. Fringe benefit and service costs increased over the last three years, but comprised less than two percent of total costs.
 - Cost per passenger increased an annual average of 2.3 percent, with a normalized average annual increase of 0.4 percent, from \$29.51 in FY2008 to \$33.08 in FY2013. Cost effectiveness was slightly negative, but performed better than cost efficiency, due to the overall decrease in ridership (-1.5 percent annual average) being less than the decrease in service hours (-2.4 percent annual average).
 - Passenger productivity was mostly steady, with passengers per hour ranging between 2.0 and 2.1 each year and passengers per mile from 0.12 to 0.13 per year. There was a net increase of 0.9 percent annually in both passengers per hour and per mile during the review period. This was due to the average annual decrease in service hours and service miles (-2.4 percent each) being slightly higher than the average annual decrease in unlinked passengers (-1.5 percent).
 - Employee productivity also was steady, with a decrease of 0.1 percent per year in vehicle service hours per FTE, due to the decrease in FTEs and vehicle service hours being nearly identical over the period..

Compliance with Statutory Requirements – CCCTA is in compliance with four of the five sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning labor contracts, reduced fares, revenue sharing, and evaluating passenger needs. Compliance with the requirements for CHP terminal safety inspections is to be determined, as the 2013 CHP inspection report for CCCTA’s LINK system was not available as of the issuance of the draft audit report.

Status of Prior Audit Recommendations – There were no recommendations made in CCCTA’s prior Triennial Performance Audit.

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. 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). The two modes operated by CCCTA, bus, and paratransit, are the focus of this performance audit. The audit period is Fiscal Years 2011 through 2013 (from July 1, 2010 through June 30, 2013).

An overview of CCCTA is provided in Exhibit 1. This is followed by an organization chart in Exhibit 2. The chart reflects the organization structure during the current audit period.

PERFORMANCE AUDIT AND REPORT ORGANIZATION

This is the draft 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 report will be incorporated into the final report.

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	CCCTA is governed by an eleven-member Board of Directors consisting 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 and implementing the Disadvantaged Business Enterprise (DBE) program.
Facilities	CCCTA's administration, operations and maintenance functions all are housed at the Concord facility located at 2477 Arnold Industrial Way.
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 local weekday routes, express routes, 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 5:30 a.m. until 11:00 p.m. On weekends, most service operates between 7:00 a.m. and 9:00 p.m. There is 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 and express services. Seniors (age 65 and older) and riders with disabilities</p>

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.

CCCTA's ADA paratransit service, known as County Connection LINK, is an advance reservation dial-a-ride service. LINK service is provided under contract by First Transit, Inc. Hours of operation and service area 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, restricted to the $\frac{3}{4}$ mile boundary around the fixed-route operations as defined in the Americans with Disabilities Act (ADA). In addition, LINK service operates on behalf of BART weekdays from 4:00 to 6:00 a.m. and 10:00 p.m. to midnight; Saturdays from 6:00 to 8:30 a.m. and 7:30 p.m. to midnight, and Sundays 6:30 a.m. to midnight. Phone reservations can be made up to two days in advance. Same day requests are accepted on a space-available basis, and standing reservations can be accommodated on a limited basis. The one-way fare is \$4.00.

Recent Changes

CCCTA last raised its fares in 2009. While the Board of Directors passed a resolution to raise fare every three years beginning in 2013, the fare increase plan is still being reviewed. CCCTA is currently in the process of upgrading its information technology (ITS) systems, updating the maintenance asset software system and replacing the CAD/AVL system on board its vehicles. CCCTA has implemented some minor fixed-route service changes, but nothing major since the service restructuring of 2009. Paratransit service changes follow the changes in the fixed-route system.

Planned Changes

CCCTA's short term operating plans include:

- review community development plans;
- evaluate bus stop improvements;
- address specific route on-time performance;
- plan for demand increases at Bishop Ranch;
- evaluate service to the Pacheco park and ride;
- evaluate impact of fare increase and/or fare media changes; and
- implement updated paratransit scheduling technology.

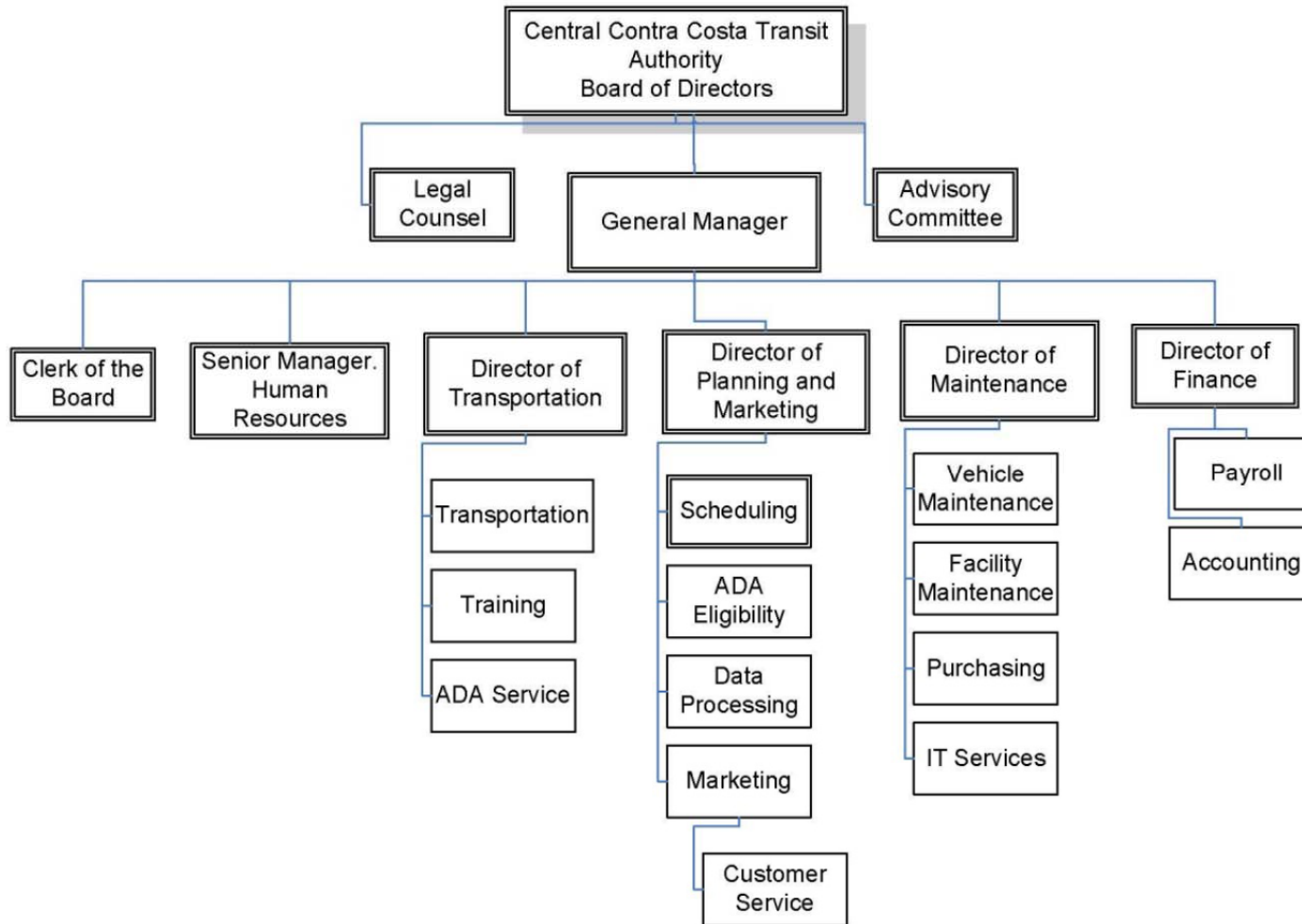
CCCTA's planned capital projects include replacement of 64 fixed-route buses over the next two years. CCCTA also is planning for the installation of solar panels at the Arnold Way facility and implementing the recommendations from the Access Improvement Project, which includes several projects that will increase access to transit services for both facilities and vehicles.

Staff

CCCTA staff is organized into four divisions, each headed by a Director, along with certain separate departments. The FY2013 Budget document lists a total of 258 employees. The breakdown by functional area was as follows:

Transportation	187
Maintenance	39
General Administration	29
Paratransit (Non-Contractor)	3
TOTAL	<u>258</u>

Exhibit 2: Audit Period 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 bus and paratransit services. However, consistent with FTA reporting requirements, CCCTA does not submit employee hour information for purchased transportation service to the NTD.

The CCCTA Director of Finance has the primary responsibility for collecting and reporting this information, assisted by the CCCTA Lead Data Analyst. Data collection and reporting for CCCTA's paratransit service is coordinated between CCCTA and its operations contractor, First Transit, Inc. The contractor is responsible for collecting and compiling data from its operations into a monthly report to CCCTA.

To support this review, CCCTA provided information to confirm and/or update its data collection and reporting procedures, using the descriptions in the prior performance audit as a reference. The staff indicated that the definitions and procedures used to derive the TDA indicator statistics 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>	<ul style="list-style-type: none"> • Fixed-route - Service related costs, calculated according to several broad expense categories. Majority composed of wages and fringe benefits; remainder includes various “service expenses” (e.g., marketing and security) and materials/supplies. Reporting follows NTD categories and requirements. • Paratransit - 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.
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>	<ul style="list-style-type: none"> • Fixed Route - <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. • Paratransit - Includes hours from the time a vehicle leaves the yard until it returns, minus lunch and breaks. Data gleaned from drivers’ manifests and input daily into computer.
Vehicle Service Miles	<p>“Vehicle service miles” means the total number of miles that each transit vehicle is in revenue service.</p>	<p>In Compliance</p>	<ul style="list-style-type: none"> • Fixed-route – <i>Ridecheck</i> software gathers data collected by on-board <i>Clever Devices</i> computers and produces reports. Vehicle service miles are now generated by <i>Ridecheck</i> and uploaded each night to the server for processing. • Paratransit - Includes miles accumulated by a vehicle for provision of service. Data gleaned from drivers’ manifests and input daily into computer.

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Unlinked Passengers	“Unlinked passengers” means the number of boarding passengers, whether revenue producing or not, carried by the public transportation system.	In Compliance	<ul style="list-style-type: none"> • Fixed-route - Ridecheck software gathers data collected by on-board Clever Devices 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. • Paratransit - 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.
Employee Full-Time Equivalents	2,000 person-hours of work in one year constitute one employee.	In Compliance	<ul style="list-style-type: none"> • Fixed-route - Consistent with TDA definition; counted based on employee pay records. • Paratransit - Based on employee hours, as reported by the contractor.

III. TDA PERFORMANCE INDICATORS AND TRENDS

The performance trends for the CCCTA's bus and paratransit service modes 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 contractor FTEs. Contractor employee FTE data was provided by CCCTA staff from data reported by the contractor.

In addition to presenting performance for the three years of the audit period (FY2011 through FY2013), 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 clearly present the direction and magnitude of the performance trends. In this analysis, the FY2011 to FY2013 trend lines have been combined with those from the prior audit period (FY2008 through FY2010) to define a six-year period of performance.
- Normalized Cost Indicators for Inflation – Two financial performance indicators (cost per hour and cost per passenger) are presented in both constant and current dollars to illustrate the impact of inflation in the Bay Area. 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 is organized to present an overview of CCCTA's performance trends in each of the five TDA performance indicators. The discussion is organized by service mode. CCCTA's bus service is discussed first, followed by paratransit. 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, although it is recognized that for contracted services, the cost breakdowns generally are internal contractor issues.

Bus Service Performance Trends

This section provides an overview of the performance of CCCTA's 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 bus service increased an average of 3.9 percent annually. Operating cost per vehicle service hour increased from \$99.48 in FY2008 to \$120.20 in FY2013. This was the result of vehicle service hours decreasing at a higher rate (-5.3 percent) than operating costs (-1.7 percent) over the period. These decreases were mostly due to the service restructuring instituted in FY2009, the effects of which carried over into FY2010 and FY2011. In constant FY2008 dollars, the operating cost experienced an average annual increase of 1.9 percent.

As shown in Exhibit 4.5, during the current audit period, total operating costs increased on average by 3.2 percent annually. Direct labor and fringe benefit costs were up slightly, with labor increasing an average of 1.2 percent and fringes increasing by 3.9 percent per year. Those two categories combined comprised about three-quarters of the total operating costs each year. Services had the

highest average increase of 14.2 percent annually during the audit period, but only comprised between seven and eight percent of total costs. There also were average annual increases in the fuel and lubricant (5.7 percent) and miscellaneous other cost (eight percent) categories, but average annual decreased costs in materials/supplies (-2.7 percent) and casualty/liability (-0.5 percent) over the three-year period.

- Passengers per Vehicle Service Hour (Exhibit 4.2) - One indicator of passenger productivity is passengers per vehicle service hour. Passengers per hour fluctuated over the six-year period, but was steady overall with an average annual decrease of 0.3 percent. Passengers per hour ranged from 15.7 in FY2008 to 15.4 in FY2013. This resulted from similar average annual decreases in ridership (-5.6 percent) and in vehicle service hours (-5.3 percent) over the six-year period, again largely due to the service restructuring of FY2009.
- 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 was similar to the above indicator. Passengers per mile increased 0.9 percent annually during the period, rising from 1.32 passengers per mile in FY2008 to 1.38 passengers per mile in FY2013. This reflects a slightly higher reduction in service miles (-6.4 percent) than in ridership (-5.6 percent) during the audit period.
- Operating Cost per Passenger (Exhibit 4.3) - Operating cost per passenger is a measure of cost effectiveness. CCCTA's cost per bus passenger trend worsened, increasing an average of 4.2 percent annually. With the impact of inflation removed (normalization), the result was cost per passenger decreasing an average of 2.2 percent annually over the six years. Cost per passenger increased from \$6.35 in FY2008 to \$7.09 per passenger in FY2013. This reflects the overall decrease in ridership outpacing the decrease in operating costs.
- Vehicle Service Hours per Employee (FTE) (Exhibit 4.4) - Employee productivity is measured as vehicle service hours per full-time employee. This indicator was mostly unchanged over the six year period. CCCTA operated 995 hours per FTE in FY2008, but ended the period at 948 hours per FTE in FY2013. Overall, vehicle service hours per full-time employee decreased by 1.0 percent per year on average. This reflects the reduction of full time equivalent employees being slightly less than the reduction in vehicle service hours during this period.

CCCTA's bus service performance over the six-year period exhibited variable year-to-year changes. CCCTA's overall performance continues to reflect the effects of the fixed-route service restructuring implemented in FY2009. The following presents a brief summary of the performance trend highlights for CCCTA's bus service:

- Cost efficiency declined overall, with an average annual increase in operating cost per service hour of 3.9 percent, and 1.9 percent in inflation adjusted dollars. Cost per hour increased from \$99.48 in FY2008 to \$120.20 in FY2013.
- During the last three years, CCCTA's operating costs increased an average of 3.2 percent per year. Direct labor increased an average of 1.2 percent and fringe benefit costs increasing by 3.9 percent per year. Those two categories combined comprised about three-quarters of the total operating costs each year. Services comprised between seven and eight percent of total costs and increased an average of 14.2 percent annually. Cost decreases were observed in the materials/supplies (-2.7 percent) and casualty/liability (-0.5 percent) categories.
- Cost effectiveness also declined, with cost per passenger increasing from \$6.35 in FY2008 to \$7.79 in FY2013. The overall average annual increase in cost per passenger was 4.2 percent, with a normalized average annual increase of 2.2 percent. This reflects decreasing ridership outperforming the decrease in operating costs.
- Passenger productivity was steady, with passengers per hour decreasing an average of 0.3 percent annually, and passengers per mile increasing an average of 0.9 percent. There were decreases in ridership, vehicle service hours and vehicle service miles, however, the overall average annual decrease in ridership was greater than service hours but less than service miles, resulting in the opposing performance of the indicators.
- Employee productivity was steady, showing a modest 1.0 percent decrease per year in vehicle service hours per FTE.

Exhibit 4: TDA Indicator Performance – Bus Service

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Av. Ann. Chg.
Performance Indicators							
Op. Cost per Vehicle Svc. Hour (Actual \$)	\$99.48	\$100.45	\$112.27	\$115.37	\$118.30	\$120.20	- -
<i>Annual Change</i>	- -	1.0%	11.8%	2.8%	2.5%	1.6%	3.9%
Op. Cost per Vehicle Svc. Hour (Constant \$)	\$99.48	\$100.66	\$110.93	\$110.82	\$110.66	\$109.47	- -
<i>Annual Change</i>	- -	1.2%	10.2%	-0.1%	-0.1%	-1.1%	1.9%
Passengers per Vehicle Service Hour	15.7	15.2	15.0	15.8	14.9	15.4	- -
<i>Annual Change</i>	- -	-2.7%	-1.6%	5.5%	-5.9%	3.6%	-0.3%
Passengers per Vehicle Service Mile	1.32	1.31	1.40	1.44	1.34	1.38	- -
<i>Annual Change</i>	- -	-1.1%	7.2%	2.3%	-6.9%	3.5%	0.9%
Op. Cost per Passenger (Actual \$)	\$6.35	\$6.59	\$7.48	\$7.29	\$7.94	\$7.79	- -
<i>Annual Change</i>	- -	3.8%	13.5%	-2.5%	8.9%	-2.0%	4.2%
Op. Cost per Passenger (Constant \$)	\$6.35	\$6.61	\$7.40	\$7.01	\$7.43	\$7.09	- -
<i>Annual Change</i>	- -	4.0%	12.0%	-5.3%	6.1%	-4.6%	2.2%
Vehicle Service Hours per FTE	995	1,014	966	1,014	958	948	- -
<i>Annual Change</i>	- -	1.9%	-4.7%	4.9%	-5.5%	-1.0%	-1.0%
Input Data							
Operating Cost (Actual \$)	\$27,938,064	\$26,837,924	\$24,216,345	\$24,100,651	\$24,690,727	\$25,676,872	- -
<i>Annual Change</i>	- -	-3.9%	-9.8%	-0.5%	2.4%	4.0%	-1.7%
Operating Cost (Constant \$)	\$27,938,064	\$26,891,707	\$23,929,195	\$23,151,442	\$23,097,032	\$23,385,129	- -
<i>Annual Change</i>	- -	-3.7%	-11.0%	-3.3%	-0.2%	1.2%	-3.5%
Vehicle Service Hours	280,828	267,165	215,706	208,901	208,719	213,624	- -
<i>Annual Change</i>	- -	-4.9%	-19.3%	-3.2%	-0.1%	2.4%	-5.3%
Vehicle Service Miles	3,323,964	3,109,876	2,305,646	2,302,257	2,325,896	2,384,645	- -
<i>Annual Change</i>	- -	-6.4%	-25.9%	-0.1%	1.0%	2.5%	-6.4%
Unlinked Passengers	4,397,978	4,071,296	3,235,722	3,304,456	3,107,879	3,296,763	- -
<i>Annual Change</i>	- -	-7.4%	-20.5%	2.1%	-5.9%	6.1%	-5.6%
Employee Full-Time Equivalents	282.2	263.4	223.2	206.0	217.9	225.3	- -
<i>Annual Change</i>	- -	-6.7%	-15.3%	-7.7%	5.8%	3.4%	-4.4%
Bay Area CPI - Annual Change	- -	-0.2%	1.4%	2.9%	2.7%	2.6%	- -
- Cumulative Change	- -	-0.2%	1.2%	4.1%	6.9%	9.8%	1.9%

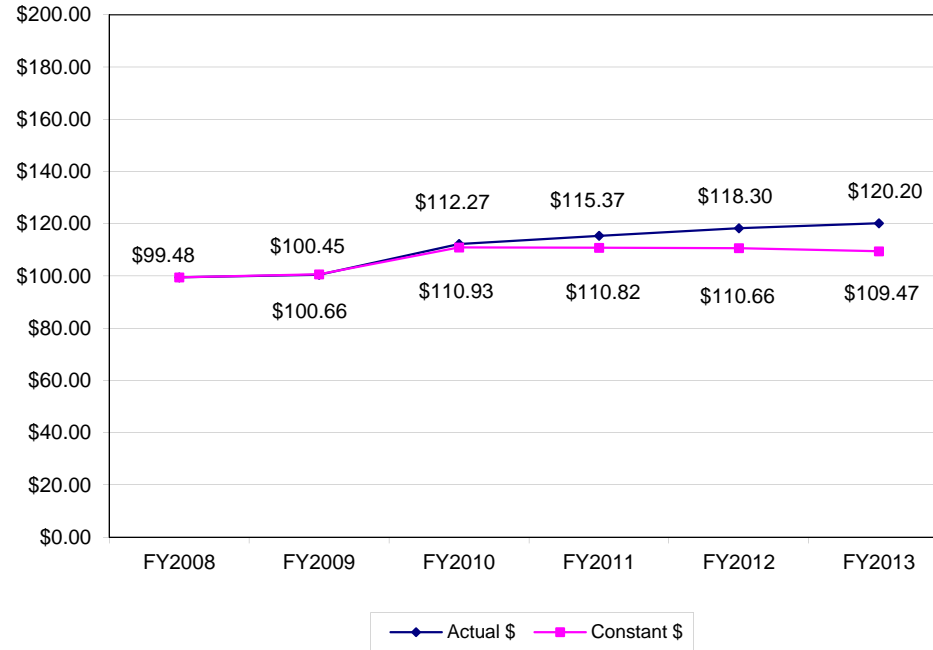
Sources:

FY2008 through FY2010 - Prior Performance Audit Report

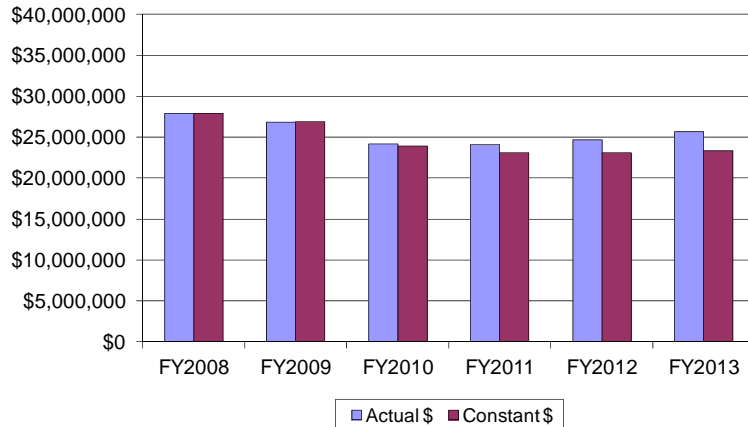
FY2011 through FY2013 - NTD Reports (FTEs calculated from reported employee work hours)

CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

Exhibit 4.1: Operating Cost per Vehicle Service Hour – Bus Service



Operating Cost



Vehicle Service Hours

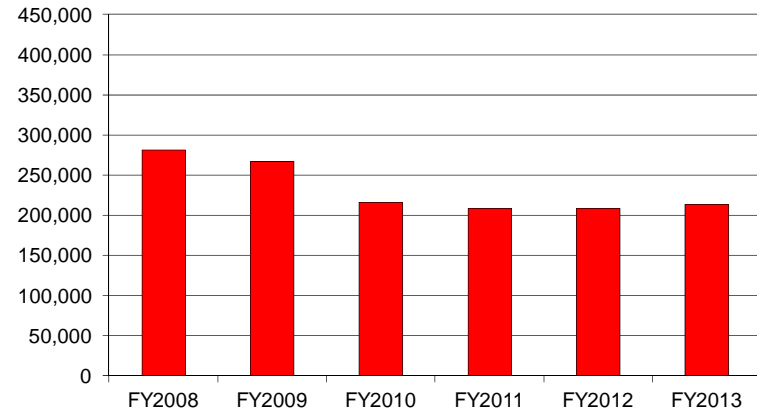
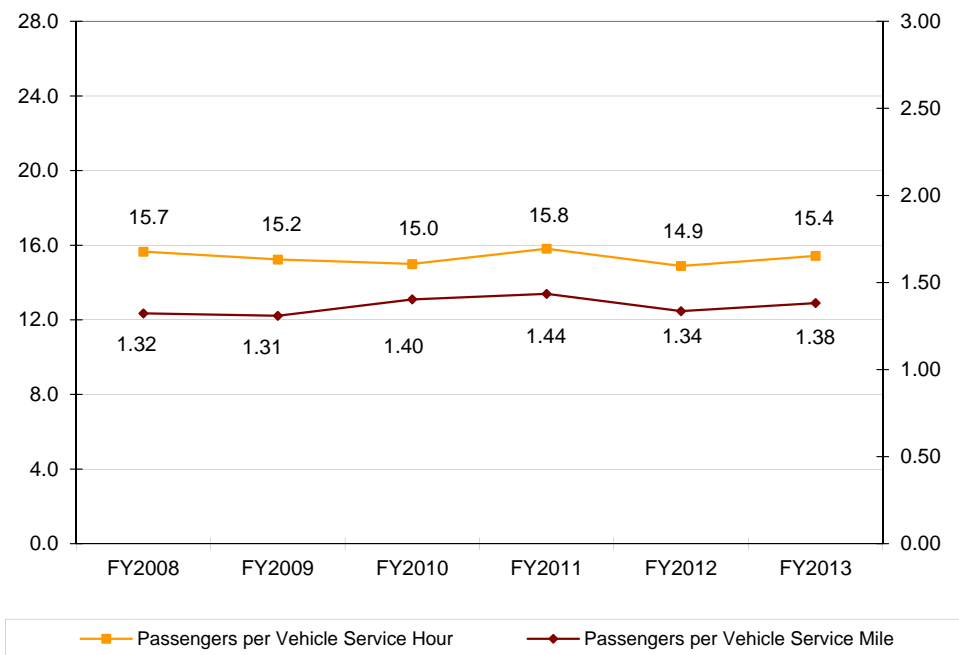
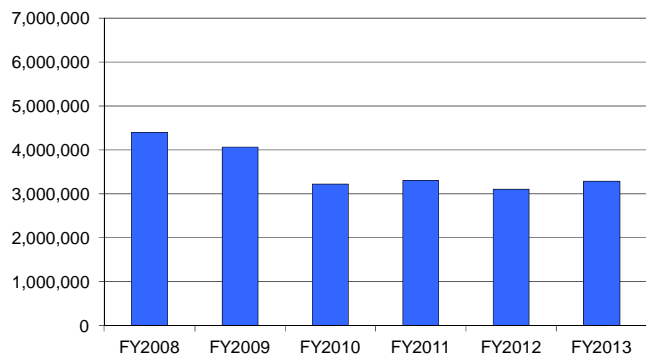


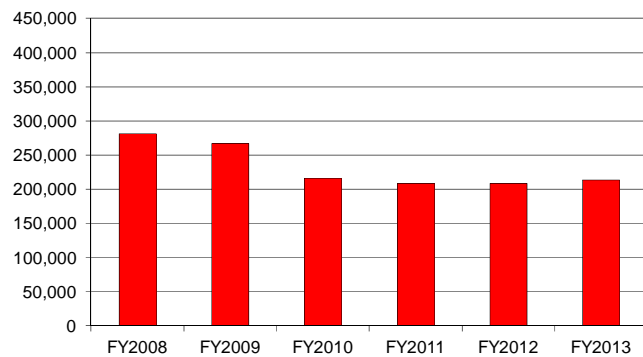
Exhibit 4.2: Passengers per Hour and per Mile – Bus Service



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

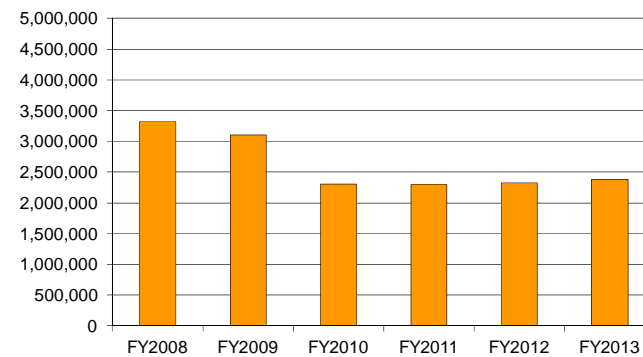
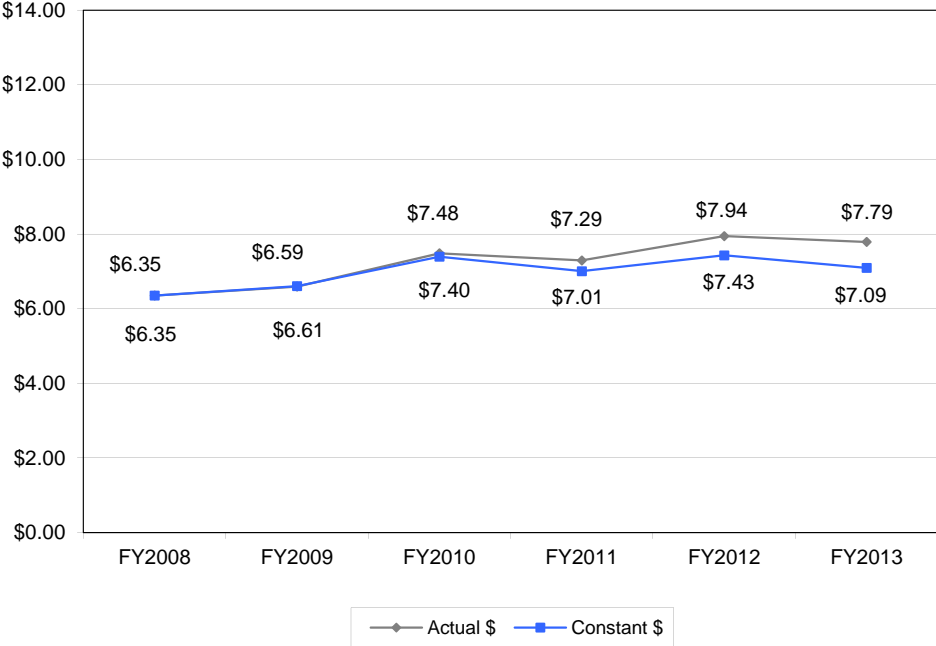
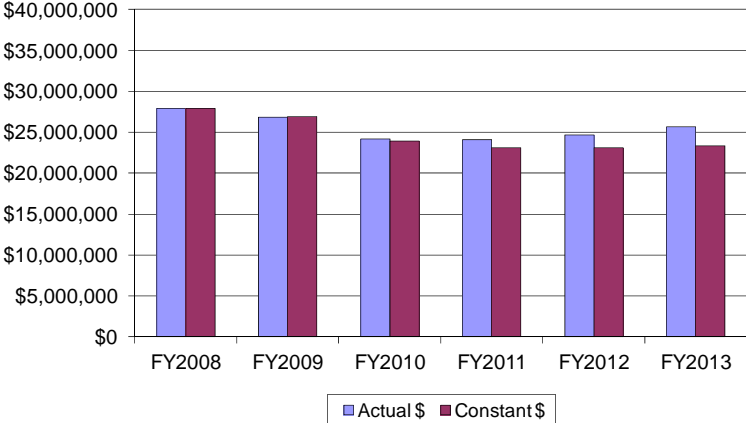


Exhibit 4.3: Operating Cost per Passenger – Bus Service



Operating Cost



Unlinked Passengers

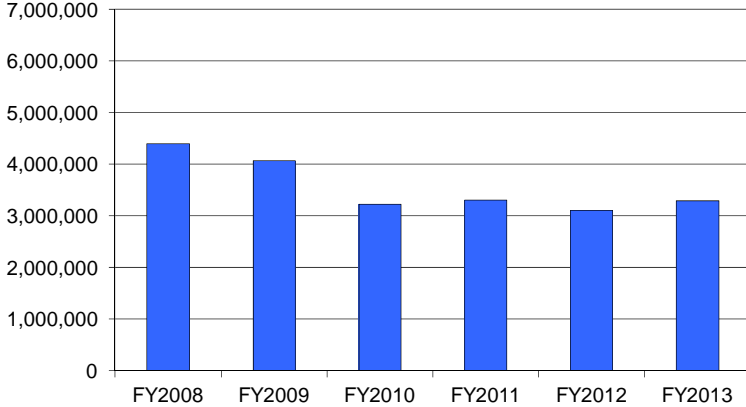
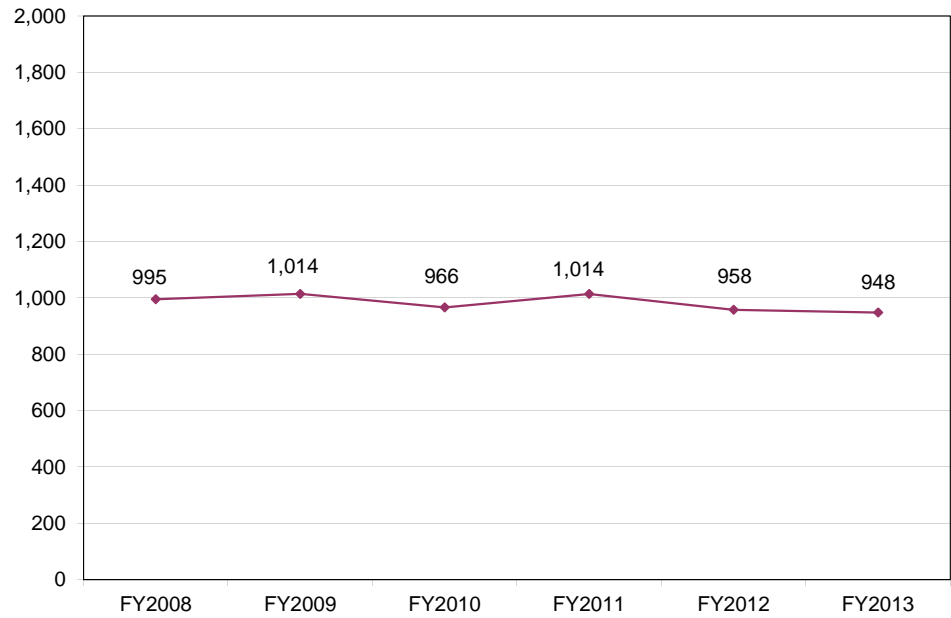
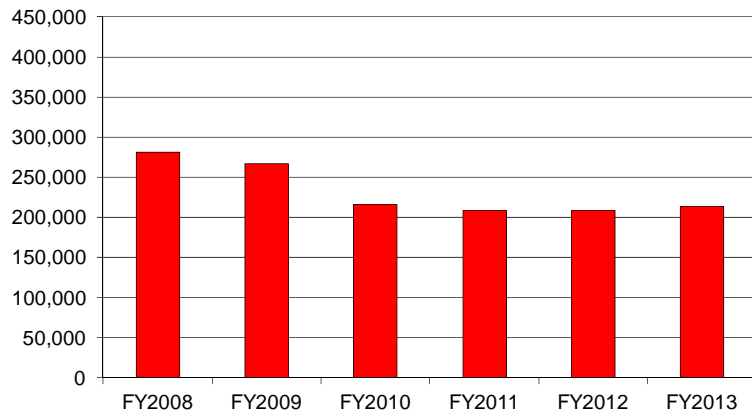


Exhibit 4.4: Vehicle Service Hours per FTE – Bus Service



Vehicle Service Hours



Full-time Equivalent

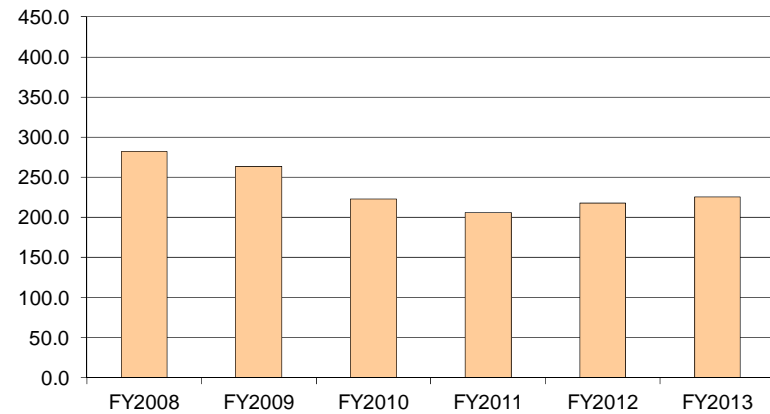
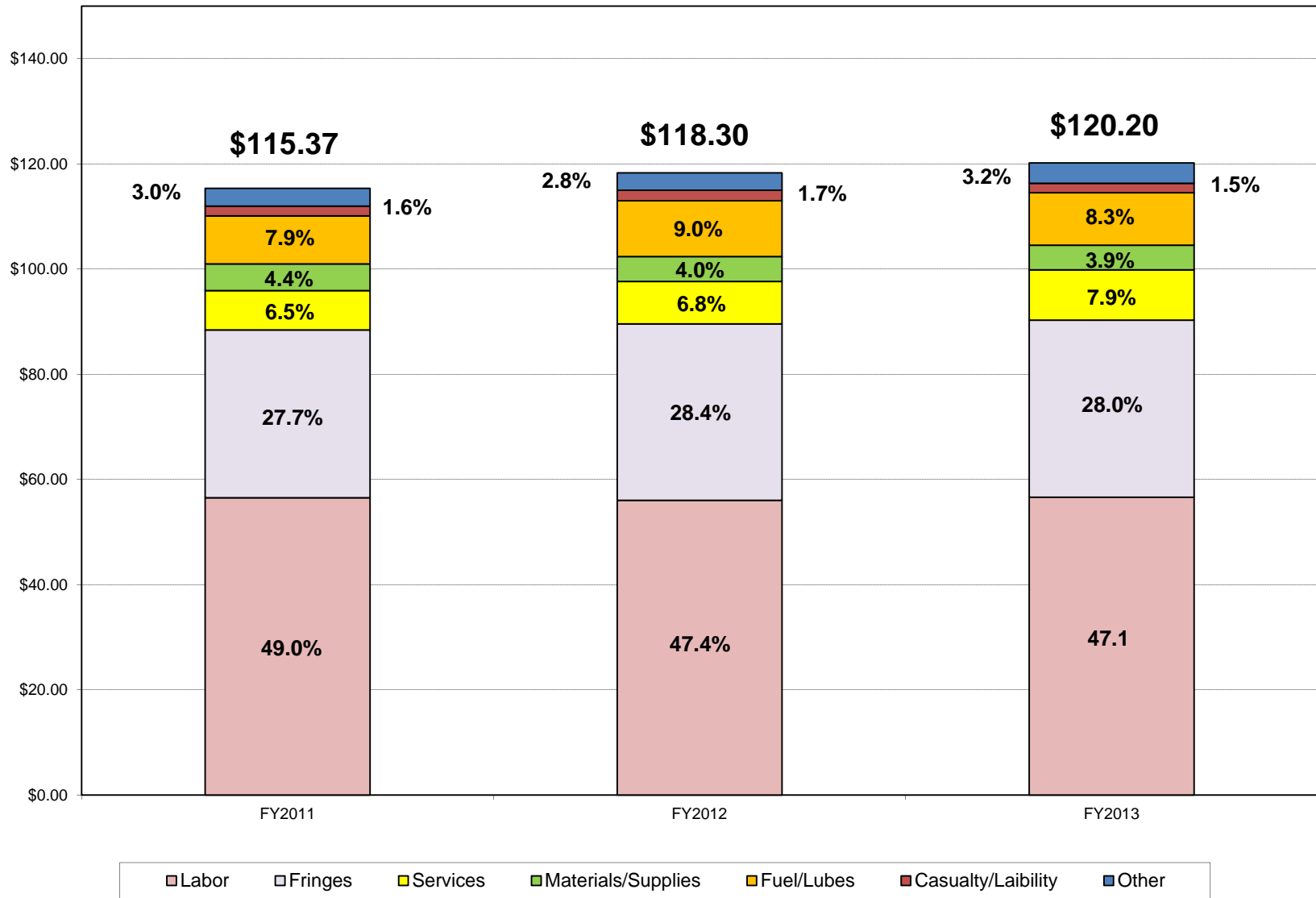


Exhibit 4.5: TDA Component Costs Trends – Bus Service

	FY2011	FY2012	FY2013	Av. Ann. Chg.
COST CATEGORIES				
Labor - (Salaries, Wages)	\$11,806,241	\$11,693,347	\$12,093,546	--
<i>Annual Change</i>	--	-1.0%	3.4%	1.2%
Fringe Benefits	\$6,666,017	\$7,002,819	\$7,196,515	--
<i>Annual Change</i>	--	5.1%	2.8%	3.9%
Services	\$1,563,554	\$1,685,170	\$2,040,602	--
<i>Annual Change</i>	--	7.8%	21.1%	14.2%
Materials/Supplies	\$1,057,806	\$987,749	\$1,001,836	--
<i>Annual Change</i>	--	-6.6%	1.4%	-2.7%
Fuel/Lubricants	\$1,909,869	\$2,215,715	\$2,132,441	--
<i>Annual Change</i>	--	16.0%	-3.8%	5.7%
Casualty/Liability	\$385,277	\$415,417	\$381,485	--
<i>Annual Change</i>	--	7.8%	-8.2%	-0.5%
Other Costs	\$711,887	\$690,510	\$830,447	--
<i>Annual Change</i>	--	-3.0%	20.3%	8.0%
Total	\$24,100,651	\$24,690,727	\$25,676,872	--
<i>Annual Change</i>	--	2.4%	4.0%	3.2%
OPERATING STATISTICS				
Vehicle Service Hours	208,901	208,719	213,624	--
<i>Annual Change</i>	--	-0.1%	2.4%	1.1%

Source: 2011 – 2013 NTD reports

Exhibit 4.5: TDA Component Costs Trends – Bus Service, *continued*
Operating Cost per Vehicle Service Hour



Paratransit Performance Trends

This section provides an overview of the performance of CCCTA's paratransit service over the six year analysis period. The trends in the five TDA indicators and input data are presented in Exhibit 5. The six-year trends are illustrated in Exhibits 5.1 through 5.4. In addition, year-to-year changes in selected operating cost categories over the current audit period are presented in Exhibit 5.5, along with the concurrent changes in vehicle service hours and the portion of the cost per vehicle service hour that can be attributed to each included cost component.

- Operating Cost per Vehicle Service Hour (Exhibit 5.1) – Paratransit cost per hour trends were similar to the fixed route service. Cost per vehicle service hour increased an average of 3.2 percent per year over the six years, 1.3 percent in constant FY2008 dollars. The cost per hour increased from \$59.02 in FY2008 to \$69.18 in FY2013. This was the result of average annual decreases in vehicle service hours (-2.4 percent) combined with a slight annual increase in operating expenses (0.8 percent) during the six-year period.

As shown in Exhibit 5.5, during the current audit period, CCCTA's total operating expenses decreased an average of 0.5 percent per year. This exactly mirrors the average annual decrease in purchased transportation costs during the period. Purchased transportation comprised 96.5 percent of total costs. Cost decreases were also observed in the labor, materials/supplies and casualty/liability categories. Fringe benefit and service costs both increased over the last three years, but comprised less than two percent of total costs.

- Passengers per Vehicle Service Hour (Exhibit 5.2) – Passengers per vehicle service hour was steady, increasing from 2.0 in FY2008 to 2.1 in FY2013. This was due to the average annual decrease in service hours (-2.4 percent) being slightly higher than the average annual decrease in unlinked passengers (-1.5 percent). Overall passenger productivity increased 0.9 percent on average annually.
- Passengers per Vehicle Service Mile (Exhibit 5.2) – Performance in passengers per vehicle service mile exactly matched performance in passengers per vehicle service hour, the result of vehicle service miles decreasing at the same overall rate as vehicle service hours. Passengers per mile increased from 0.12 in FY2008 to 0.13 per mile in FY2013. Overall, performance improved an average annual increase of 0.9 percent.

- Operating Cost per Passenger (Exhibit 5.3) – Cost effectiveness was down slightly by 2.3 percent per year on average, with cost per passenger rising from \$29.51 in FY2008 to \$30.13 in FY2013. Cost effectiveness decreased less than cost efficiency, due to the overall decrease in ridership (-1.5 percent annual average) being less than the decrease in service hours (-2.4 percent annual average). If the impact of inflation is removed (normalization), the cost per passenger was mostly stable, increasing by an average of 0.4 percent annually.
- Vehicle Service Hours per FTE (Exhibit 5.4) – Paratransit employee productivity was also steady over the six years, decreasing from 1,032 hours per FTE in FY2008 to 1,028 hours in FY2013. This was due to the decrease in FTEs and vehicle service hours being nearly identical over the period. Overall, employee productivity decreased an average of 0.1 percent annually.

CCCTA's paratransit service also demonstrated varied results in performance. The following presents a brief summary of the performance trend highlights for CCCTA's paratransit service:

- Cost efficiency worsened slightly, with an average annual increase in the operating cost per hour of 3.2 percent (1.3 percent in inflation adjusted dollars), from \$59.02 in FY2008 to \$69.18 in FY2013. The trend was driven by small average annual increases in operating costs (0.8 percent) and a decrease in service hours (-2.4 percent) over the audit period.
- During the last three years, CCCTA's in-house costs were steady, declining an average of 0.5 percent annually. Purchased transportation comprised 96.5 percent of CCCTA's total costs and also decreased 0.5 percent per year. Fringe benefit and service costs increased over the last three years, but comprised less than two percent of total costs.
- Cost per passenger increased an annual average of 2.3 percent, with a normalized average annual increase of 0.4 percent, from \$29.51 in FY2008 to \$33.08 in FY2013. Cost effectiveness was slightly negative, but performed better than cost efficiency, due to the overall decrease in ridership (-1.5 percent annual average) being less than the decrease in service hours (-2.4 percent annual average).
- Passenger productivity was mostly steady, with passengers per hour ranging between 2.0 and 2.1 each year and passengers per mile from 0.12 to 0.13 per year. There was a net increase of 0.9 percent annually in both passengers per hour and per mile during the review period. This was due to the average annual decrease in service hours and service miles (-2.4 percent each) being slightly higher than the average annual decrease in unlinked passengers (-1.5 percent).

- Employee productivity also was steady, with a decrease of 0.1 percent per year in vehicle service hours per FTE, due to the decrease in FTEs and vehicle service hours being nearly identical over the period.

Exhibit 5: TDA Indicator Performance – Paratransit

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Av. Ann. Chg.
Performance Indicators							
Op. Cost per Vehicle Svc. Hour (Actual \$)	\$59.02	\$56.87	\$61.22	\$63.91	\$66.52	\$69.18	- -
<i>Annual Change</i>	- -	-3.6%	7.6%	4.4%	4.1%	4.0%	3.2%
Op. Cost per Vehicle Svc. Hour (Constant \$)	\$59.02	\$56.99	\$60.50	\$61.39	\$62.22	\$63.01	- -
<i>Annual Change</i>	- -	-3.4%	6.2%	1.5%	1.4%	1.3%	1.3%
Passengers per Vehicle Service Hour	2.0	2.0	2.0	2.1	2.0	2.1	- -
<i>Annual Change</i>	- -	2.5%	0.0%	0.1%	-4.2%	6.4%	0.9%
Passengers per Vehicle Service Mile	0.12	0.13	0.13	0.13	0.12	0.13	- -
<i>Annual Change</i>	- -	3.9%	-0.4%	1.3%	-4.5%	4.7%	0.9%
Op. Cost per Passenger (Actual \$)	\$29.51	\$27.75	\$29.88	\$31.17	\$33.85	\$33.08	- -
<i>Annual Change</i>	- -	-6.0%	7.7%	4.3%	8.6%	-2.3%	2.3%
Op. Cost per Passenger (Constant \$)	\$29.51	\$27.81	\$29.53	\$29.94	\$31.67	\$30.13	- -
<i>Annual Change</i>	- -	-5.8%	6.2%	1.4%	5.8%	-4.9%	0.4%
Vehicle Service Hours per FTE	1,032	1,037	1,035	1,254	1,176	1,028	- -
<i>Annual Change</i>	- -	0.6%	-0.3%	21.2%	-6.2%	-12.6%	-0.1%
Input Data							
Operating Cost (Actual \$)	\$4,924,832	\$4,926,065	\$5,149,277	\$5,177,014	\$5,170,150	\$5,125,995	- -
<i>Annual Change</i>	- -	0.0%	4.5%	0.5%	-0.1%	-0.9%	0.8%
Operating Cost (Constant \$)	\$4,924,832	\$4,935,937	\$5,088,218	\$4,973,116	\$4,836,436	\$4,668,484	- -
<i>Annual Change</i>	- -	0.2%	3.1%	-2.3%	-2.7%	-3.5%	-1.1%
Vehicle Service Hours	83,450	86,614	84,106	81,006	77,729	74,093	- -
<i>Annual Change</i>	- -	3.8%	-2.9%	-3.7%	-4.0%	-4.7%	-2.4%
Vehicle Service Miles	1,361,878	1,394,496	1,359,674	1,294,421	1,246,821	1,208,228	- -
<i>Annual Change</i>	- -	2.4%	-2.5%	-4.8%	-3.7%	-3.1%	-2.4%
Unlinked Passengers	166,887	177,518	172,317	166,102	152,720	154,945	- -
<i>Annual Change</i>	- -	6.4%	-2.9%	-3.6%	-8.1%	1.5%	-1.5%
Employee Full-Time Equivalents	80.9	83.5	81.3	64.6	66.1	72.1	- -
<i>Annual Change</i>	- -	3.2%	-2.6%	-20.5%	2.3%	9.1%	-2.3%
Bay Area CPI - Annual Change	- -	-0.2%	1.4%	2.9%	2.7%	2.6%	- -
- Cumulative Change	- -	-0.2%	1.2%	4.1%	6.9%	9.8%	1.9%

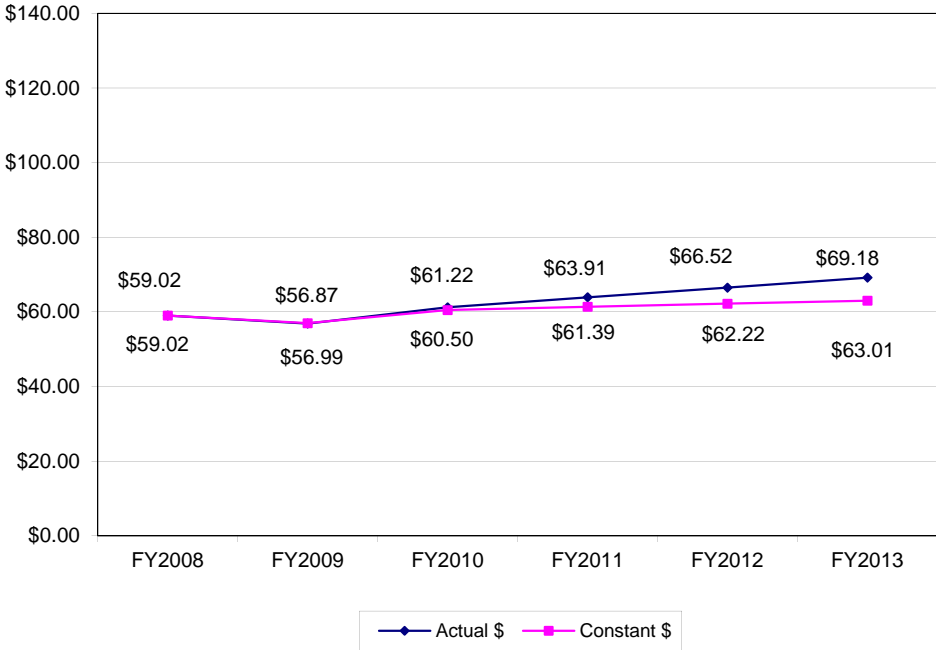
Sources:

FY2008 through FY2010 - Prior Performance Audit Report

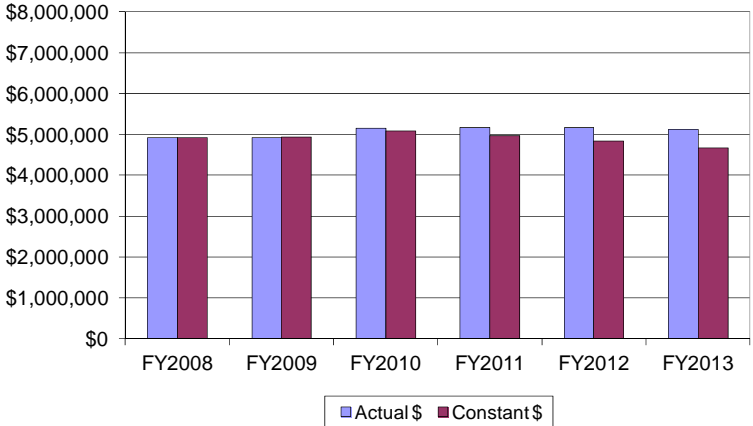
FY2011 through FY2013 - NTD Reports, except FTEs provided by CCCTA staff

CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

Exhibit 5.1: Operating Cost per Vehicle Service Hour – Paratransit



Operating Cost



Vehicle Service Hours

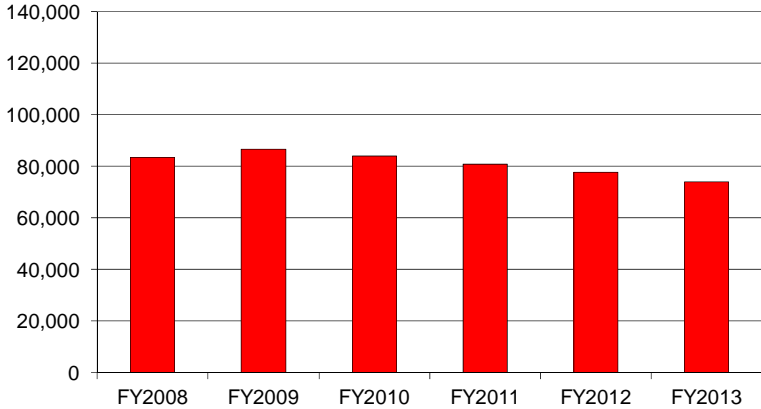
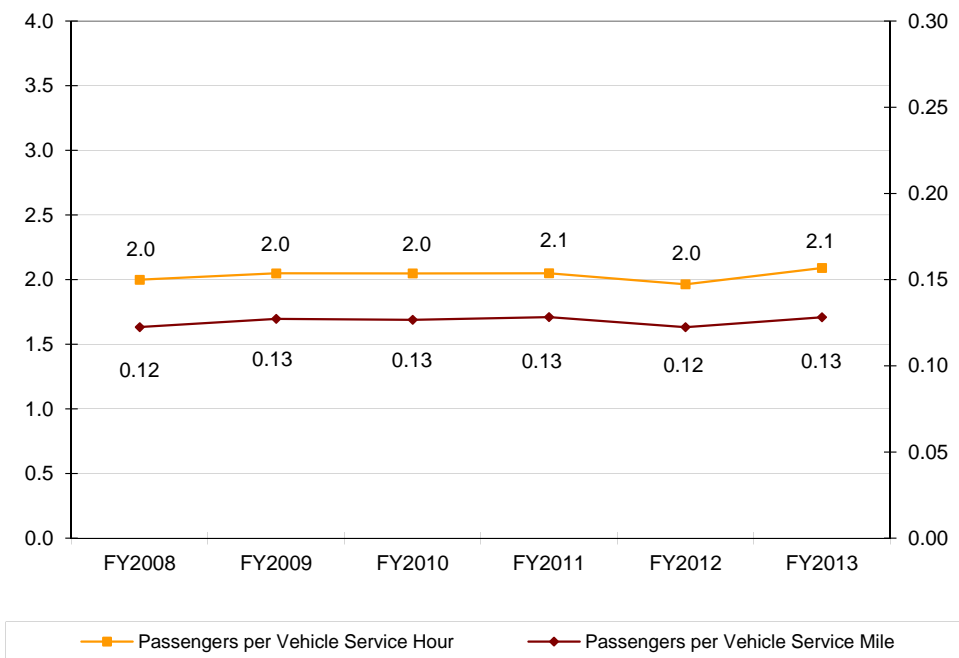
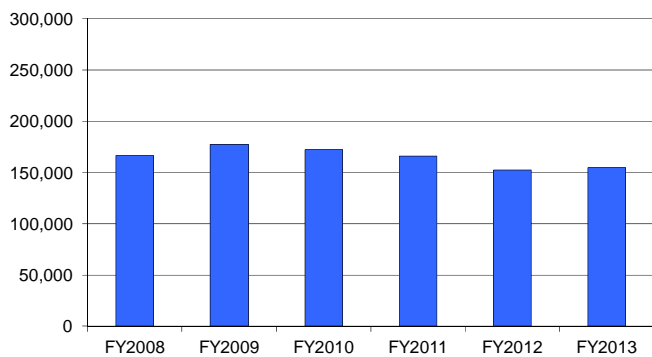


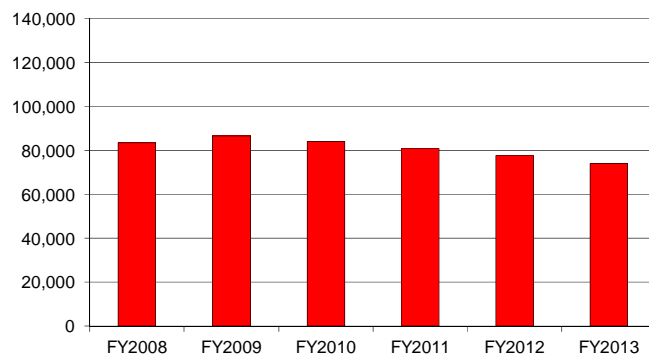
Exhibit 5.2: Passengers per Hour and per Mile – Paratransit



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

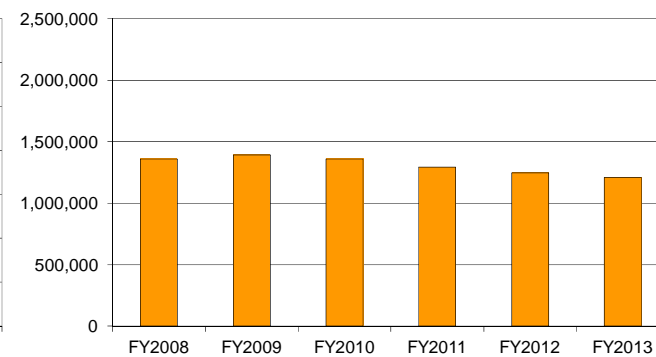
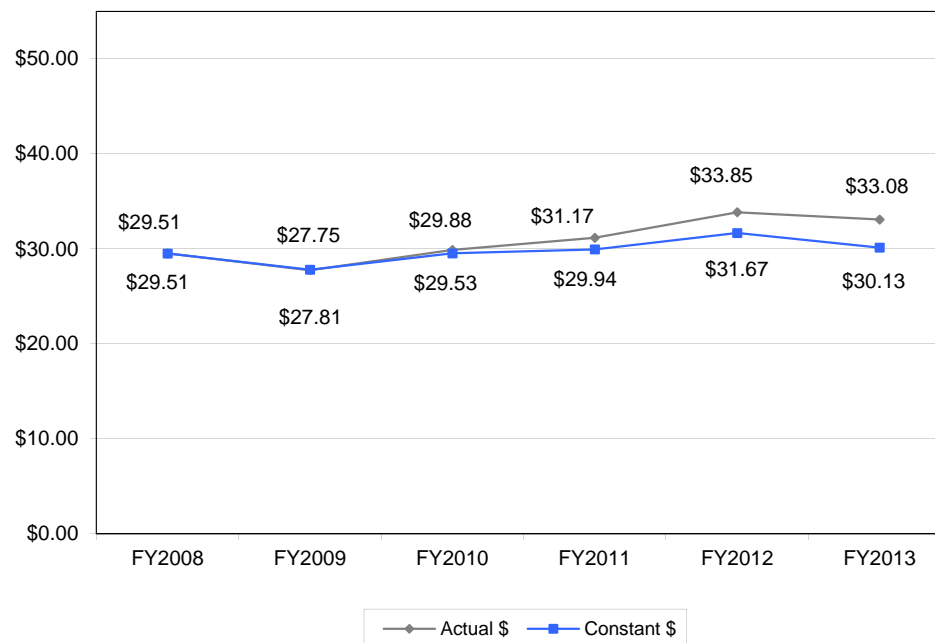
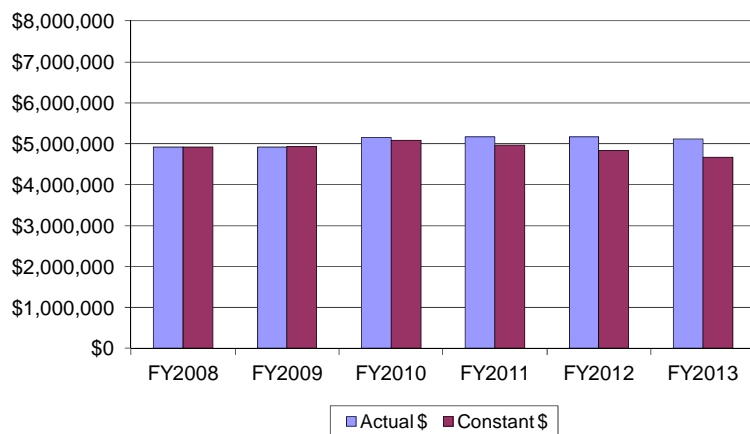


Exhibit 5.3: Operating Cost per Passenger – Paratransit



Operating Cost



Unlinked Passengers

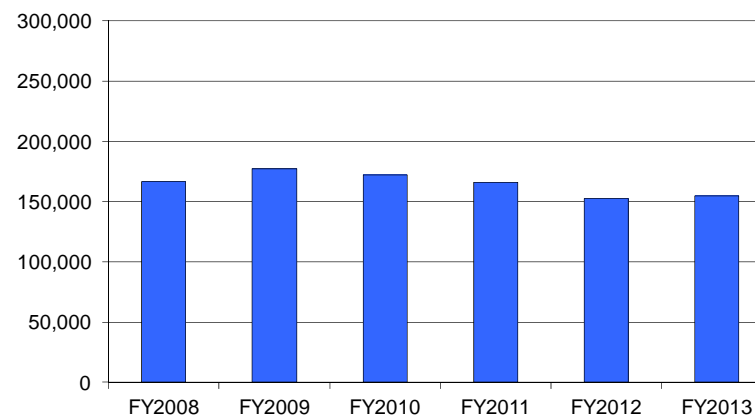
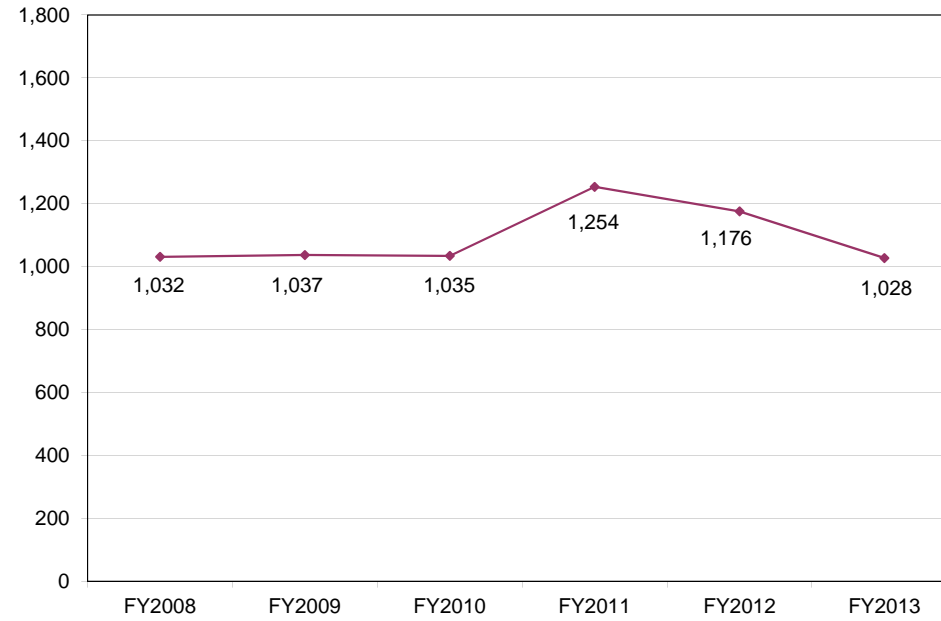
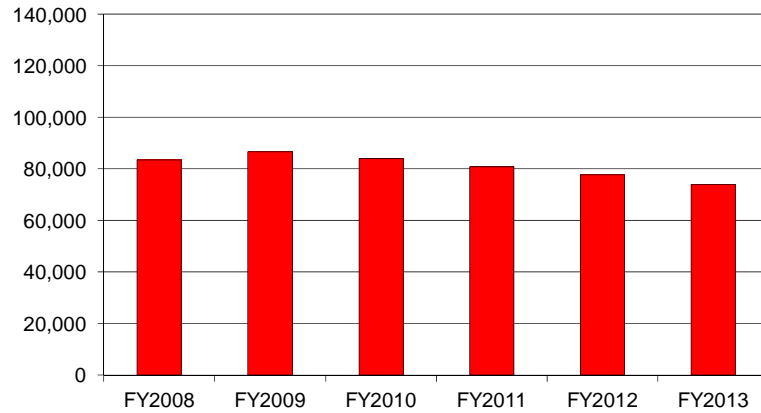


Exhibit 5.4: Vehicle Service Hours per FTE – Paratransit



Vehicle Service Hours



Full-time Equivalents

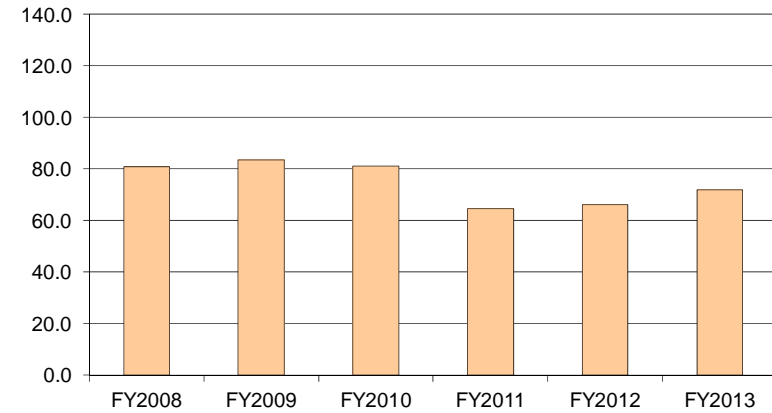
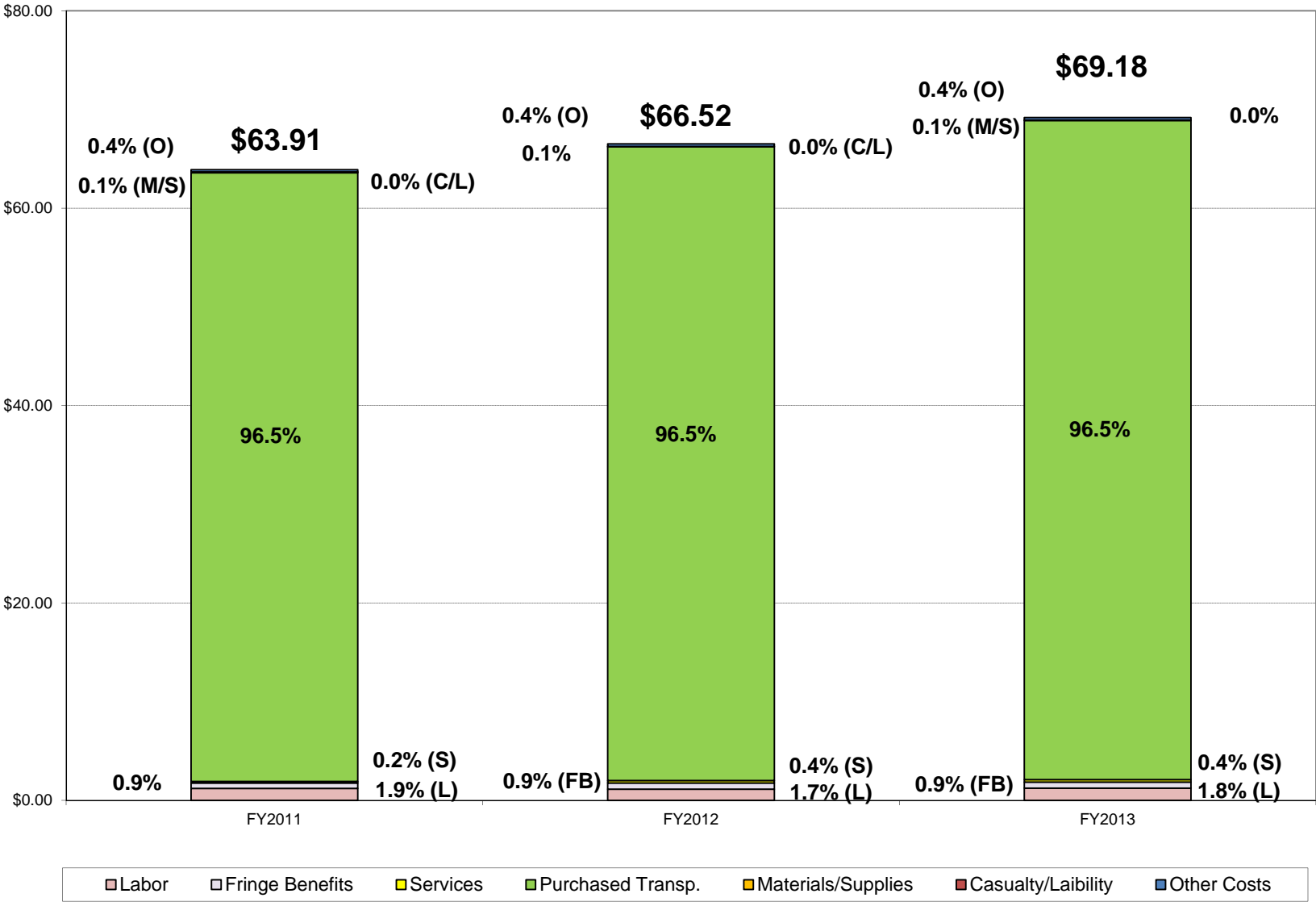


Exhibit 5.5: TDA Component Costs Trends – Paratransit

	FY2011	FY2012	FY2013	Av. Ann. Chg.
COST CATEGORIES				
Labor - (Salaries, Wages)	\$97,913	\$88,411	\$91,579	--
<i>Annual Change</i>	--	-9.7%	3.6%	-3.3%
Fringe Benefits	\$44,880	\$48,258	\$45,552	--
<i>Annual Change</i>	--	7.5%	-5.6%	0.7%
Services	\$12,192	\$19,503	\$18,813	--
<i>Annual Change</i>	--	60.0%	-3.5%	24.2%
Purchased Transportation	\$4,996,419	\$4,991,166	\$4,947,725	--
<i>Annual Change</i>	--	-0.1%	-0.9%	-0.5%
Materials/Supplies	\$6,304	\$3,066	\$3,500	--
<i>Annual Change</i>	--	-51.4%	14.2%	-25.5%
Casualty/Liability	\$591	\$0	\$0	--
<i>Annual Change</i>	--	-100.0%	#DIV/0!	-100.0%
Other Costs	\$18,715	\$19,746	\$18,826	--
<i>Annual Change</i>	--	5.5%	-4.7%	0.3%
Total	\$5,177,014	\$5,170,150	\$5,125,995	--
<i>Annual Change</i>	--	-0.1%	-0.9%	-0.5%
OPERATING STATISTICS				
Vehicle Service Hours	81,006	77,729	74,093	--
<i>Annual Change</i>	--	-4.0%	-4.7%	-4.4%

Source: 2010 – 2013 NTD reports

Exhibit 5.5: TDA Component Costs Trends – Paratransit, *continued*
Operating Cost per Vehicle Service Hour



IV. COMPLIANCE WITH PUC REQUIREMENTS

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 four of the five sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning labor contracts, reduced fares, revenue sharing, and evaluating passenger needs. Compliance with the requirements for CHP terminal safety inspections is to be determined, as the 2013 CHP inspection report for CCCTA's LINK system was not available as of the issuance of the draft audit report.

Exhibit 6: Compliance with State PUC Requirements

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99251	<u>CHP Certification</u> - 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	To be Determined	Satisfactory Inspections: <ul style="list-style-type: none"> • FY2011: 05/12/11 (MB); 07/27/11 (LINK) • FY2012: 05/29/2012 (MB); 07/31/12 (LINK) • FY2013: 07/31/2013 (MB); LINK – Not available
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	<ul style="list-style-type: none"> • No provision for excess staffing in Agreement for Professional Services with First Transit, Inc. (05/21/2009, extended 4/21/11, 6/21/12 and 6/20/13).
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	Fare information in public information material: <ul style="list-style-type: none"> • CCCTA website – www.cccta.org/fares
PUC99314.7, Govt Code 66516, MTC Res. Nos. 2310, 2927	<u>Joint Revenue Sharing Agreement</u> - The operator has current Govt. Code 66516 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 transfer/revenue sharing agreements with: <ul style="list-style-type: none"> • AC Transit, BART Plus (agreement with AC Transit, Benicia, Capitol Corridor, ECCTA, LAVTA, Rio Vista, SFMTA, SamTrans, VTA, Vallejo, and WestCAT), Rio Vista, San Joaquin Reg. Rail Comm.

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99246(d)	<p><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</p>	<p>In Compliance</p>	<p>SRTP discussions:</p> <ul style="list-style-type: none"> • SRTP FY2012-2021 includes evaluations of existing service conditions, passenger demographics, service needs, operating and capital budgets and recommendations. <p>Outreach programs:</p> <ul style="list-style-type: none"> • County Connection 2012 Passenger Study – Conducted 2012 (draft report included in SRTP).

V. STATUS OF PRIOR AUDIT RECOMMENDATIONS

CCCTA's prior performance audit was completed in May 2011. 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 TDA-STA recipients toward implementing 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.

There were no recommendations made in CCCTA's prior Triennial Performance Audit. (Other recommendations were suggested in the accompanying Technical Memorandum that addressed issues not included in the Compliance Audit. These recommendations will be addressed separately in an accompanying Technical Memorandum that will be prepared for this audit cycle).

VI. CONCLUSIONS AND RECOMMENDATIONS

The preceding sections presented a discussion of CCCTA's performance during the three-year period of FY2011 through FY2013 (July 1, 2010 through June 30, 2013). They included discussions of CCCTA's compliance with reporting requirements and trends in TDA-mandated performance indicators, actions taken to implement the recommendations from the prior performance audit, and a review of selected other key performance results.

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

Bus Service - CCCTA's bus service performance over the six-year period exhibited variable year-to-year changes. CCCTA's overall performance continues to reflect the effects of the fixed-route service restructuring implemented in FY2009. The following presents a brief summary of the performance trend highlights for CCCTA's bus service:

- Cost efficiency declined overall, with an average annual increase in operating cost per service hour of 3.9 percent, and 1.9 percent in inflation adjusted dollars. Cost per hour increased from \$99.48 in FY2008 to \$120.20 in FY2013.
- During the last three years, CCCTA's operating costs increased an average of 3.2 percent per year. Direct labor increased an average of 1.2 percent and fringe benefit costs increasing by 3.9 percent per year. Those two categories combined comprised about three-quarters of the total operating costs each year. Services comprised between seven and eight percent of total costs and increased an average of 14.2 percent annually. Cost decreases were observed in the materials/supplies (-2.7 percent) and casualty/liability (-0.5 percent) categories.
- Cost effectiveness also declined, with cost per passenger increasing from \$6.35 in FY2008 to \$7.79 in FY2013. The overall

average annual increase in cost per passenger was 4.2 percent, with a normalized average annual increase of 2.2 percent. This reflects decreasing ridership outperforming the decrease in operating costs.

- Passenger productivity was steady, with passengers per hour decreasing an average of 0.3 percent annually, and passengers per mile increasing an average of 0.9 percent. There were decreases in ridership, vehicle service hours and vehicle service miles, however, the overall average annual decrease in ridership was greater than service hours but less than service miles, resulting in the opposing performance of the indicators.
- Employee productivity was steady, showing a modest 1.0 percent decrease per year in vehicle service hours per FTE.

Paratransit Service – CCCTA’s paratransit service also demonstrated varied results in performance. The following presents a brief summary of the performance trend highlights for CCCTA’s paratransit service:

- Cost efficiency worsened slightly, with an average annual increase in the operating cost per hour of 3.2 percent (1.3 percent in inflation adjusted dollars), from \$59.02 in FY2008 to \$69.18 in FY2013. The trend was driven by small average annual increases in operating costs (0.8 percent) and a decrease in service hours (-2.4 percent) over the audit period.
- During the last three years, CCCTA’s in-house costs were steady, declining an average of 0.5 percent annually. Purchased transportation comprised 96.5 percent of CCCTA’s total costs and also decreased 0.5 percent per year. Fringe benefit and service costs increased over the last three years, but comprised less than two percent of total costs.
- Cost per passenger increased an annual average of 2.3 percent, with a normalized average annual increase of 0.4 percent, from \$29.51 in FY2008 to \$33.08 in FY2013. Cost effectiveness was slightly negative, but performed better than cost efficiency, due to the overall decrease in ridership (-1.5 percent annual average) being less than the decrease in service hours (-2.4 percent annual average).
- Passenger productivity was mostly steady, with passengers per hour ranging between 2.0 and 2.1 each year and passengers per mile from 0.12 to 0.13 per year. There was a net increase of 0.9 percent annually in both passengers per hour and per mile during the review period. This was due to the average annual decrease in service hours and service miles (-2.4 percent each) being slightly

higher than the average annual decrease in unlinked passengers (-1.5 percent).

- Employee productivity also was steady, with a decrease of 0.1 percent per year in vehicle service hours per FTE, due to the decrease in FTEs and vehicle service hours being nearly identical over the period.
- PUC Compliance – CCCTA is in compliance with four of the five sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning labor contracts, reduced fares, revenue sharing, and evaluating passenger needs. Compliance with the requirements for CHP terminal safety inspections is to be determined, as the 2013 CHP inspection report for CCCTA’s LINK system was not available as of the issuance of the draft audit report.
- Status of Prior Audit Recommendations – There were no recommendations made in CCCTA’s prior Triennial Performance Audit.

RECOMMENDATIONS

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

Agenda Item 7.a

TO: O&S Committee

DATE: January 27, 2014

FROM: Anne Muzzini
Director of Planning & Marketing

SUBJ: Fixed Route Reports

Fixed Route Operating Reports for December 2013

1. Monthly Boarding's Data

The following represent the numbers that are most important to staff in evaluating the performance of the fixed route system.

<u>Title</u>	FY 2014		
	<u>Current Month</u>	<u>YTD Avg</u>	<u>Annual Goal</u>
Total Passengers	259,214		
Average Weekday	11,212	11,787	
Pass/Rev Hour	14.3	15.1	Standard Goal > 17.0
Missed Trips	0.11%	0.11%	Standard Goal < 0.25%
Miles between Road Calls	33,834	27,705	Standard Goal > 18,000

* Based on current standards from updated SRTP

Analysis

Average weekday ridership was lower in December (11,212 passengers) than November (12,189 passengers) and slightly lower than December 2012 (11,229 passengers). Passengers per hour in December was 14.3, a decrease from 15.5 in November and slight decrease from December 2012 when passengers per hour was 14.6.

The percentage of missed trips in December was 0.11%. An increase from the prior month (0.10%). The YTD average is 0.11% missed trips.

The number of miles between roadcalls was 32,834 miles in December, lower than the prior month in which there were 36,658 miles between roadcalls. The 12 month average is 27,705 miles between roadcalls.