

Metropolitan Transportation Commission Programming and Allocations Committee

October 14, 2009

Item Number 4a

Report on TDA Triennial Performance Audits

Subject: Presentation on the results of the TDA triennial performance audits of Golden Gate Bridge, Highway & Transportation District, San Mateo County Transit District (SamTrans), City of Dixon (Readi-Ride), City of Rio Vista (Delta Breeze), City of Vacaville Transit Services, City of Vallejo Transit Services, Eastern Contra Costa Transit Authority (Tri Delta Transit), Napa County Transportation Planning Agency and Western Contra Costa Transit Authority (WestCAT).

Background: The Transportation Development Act (TDA) requires that MTC administer triennial performance audits of the region’s transit operators. Because of the number of operators subject to the performance audit requirement, they are divided into three groups, with one group audited each year on a three-year cycle. The audits are conducted under contract by an independent auditing firm, adhering to TDA requirements and an audit approach subscribed to by MTC. Mundle & Associates, Inc. is under a contract with MTC for performing the audits over the current three-year cycle.

In addition to complying with TDA requirements, the audits follow a “goals and objectives” approach, in which an operator’s performance is evaluated against its own adopted standards. MTC’s Short Range Transit Plan guidelines require that each operator maintain and publish goals and objectives, and related performance measures and standards, pertaining to key aspects of service delivery.

In accordance with TDA requirements, the performance audit recommendations serve as the basis for the operator’s development of projects that are included in MTC’s Productivity Improvement Program (PIP). Staff expects to return with the FY 2009-10 PIP recommendations in November.

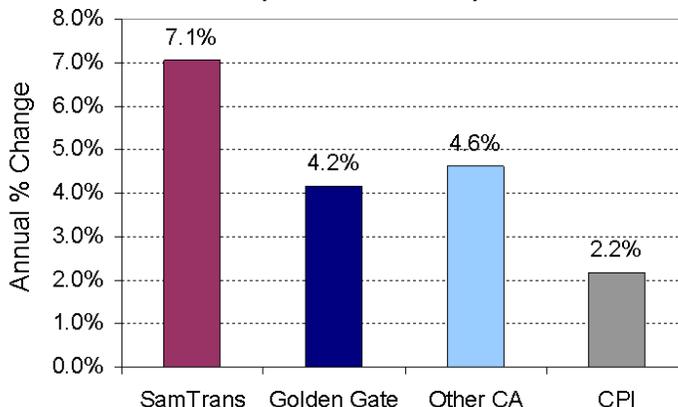
In summary, service effectiveness and cost efficiency trends were mixed throughout the audit period between FY 2002-03 and FY 2007-08. In terms of service effectiveness, the two larger operators increased or maintained productivity, or passengers per hour, by adjusting service levels to reflect lower ridership during the audit period. Smaller operators generally experienced increases in ridership, but rate lower in productivity due to the demand for off-peak service (see below).

Passengers per Vehicle Service Hour Trends
Fixed Route Service

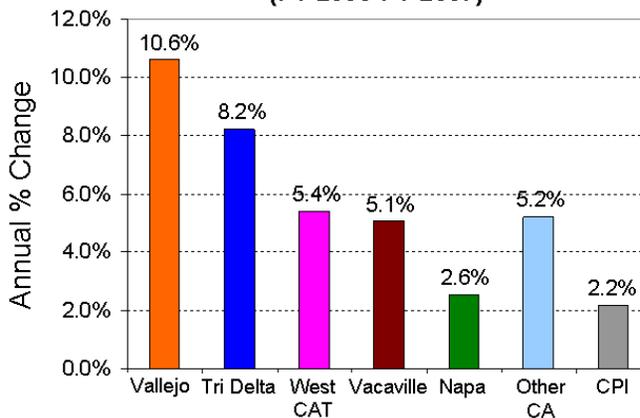
Agency	Productivity	Ridership	Notes
Golden Gate	↑	↓	Service levels adjusted to meet demand
SamTrans	↔	↓	Service levels adjusted to meet demand
Vacaville	↑	↑	Reduced pass price, more riders
Vallejo	↓	↓	Declining service levels
WestCAT	↓	↑	Service increase outpaced ridership
Tri Delta	↔	↑	Increases in service and ridership
Napa	↓	↓	Declining ridership, service increase

Cost efficiency trend charts illustrate that both large and small operators have seen increases beyond the Consumer Price Index for the Bay Area (see charts below).

Comparison of Average Annual Change in Cost per Vehicle Service Hour for Larger Bus Operators (FY 2003-FY 2007)



Comparison of Average Annual Change in Cost per Vehicle Service Hour for Smaller Bus Operators (FY 2003-FY 2007)



The attached presentation summarizes findings for the recently completed audits, focusing on each operator's six year trends for certain performance indicators, including cost per hour, cost per passenger and passengers per hour.

Issues: None.

Attachments: Presentation Handout



Metropolitan Transportation Commission Programming & Allocations Committee October 2009

FY2009 TDA Triennial Operator Performance Audits

Golden Gate

SamTrans

WestCAT

Tri Delta Transit

City of Vallejo

Napa County

City of Vacaville

City of Dixon

City of Rio Vista

Mundt & Associates, Inc.

MTC FY2009 TDA Triennial Performance Audits

Audit Approach

Audit Period

FYs 2005-06, 2006-07 and 2007-08

Two Phases

Compliance Audit

- Review of data collection, management and reporting methods.
- Five TDA performance indicators (six year trend analysis).
- Compliance with statutory and regulatory requirements.

Audit Survey

- Review of actions taken to implement prior audit recommendations.
- Review of goals, objectives and performance standards.
- Assessment of functional area performance indicator trends, and performance compared to standards.
- Conclusions, commentary and recommendations.

FY2008 Ridership by Mode

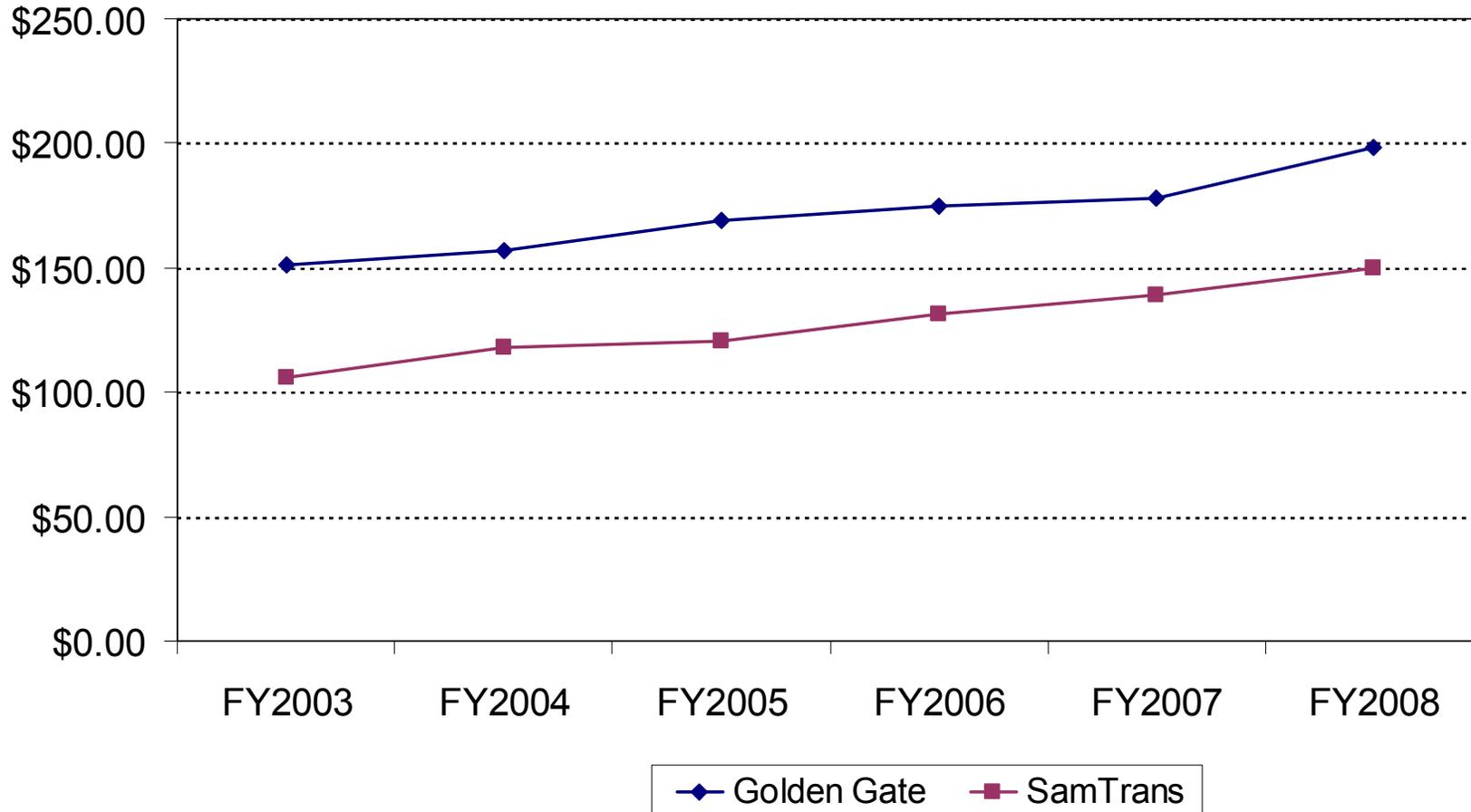
Agency	Fixed-Route Bus	Ferry Transit	ADA Paratransit	Total Systemwide
Golden Gate	7,373,400	1,979,800	13,000	9,366,300
SamTrans	15,214,800	(a)	324,000	15,538,800
WestCAT	1,404,600	(a)	43,100	1,447,600
Tri Delta	2,617,500	(a)	112,600	2,730,100
Vallejo	1,680,300	734,700	33,600	2,448,500
Napa	766,800	(a)	40,000	806,800
Vacaville	265,900	(a)	15,000	280,800
Dixon (b)	(a)	(a)	(a)	71,700
Rio Vista (c)	(a)	(a)	(a)	5,400

(a) Mode not operated

(b) General Public Dial-A-Ride system

(c) Fixed-Route Deviation/Demand Response system

Fixed-Route Bus – Larger Operators Cost per Vehicle Service Hour



Average Annual Change (CPI = 2.5%)	
Golden Gate 5.6%	SamTrans 7.1%

Large Operators

Reasons for Annual Cost Per Hour Increases

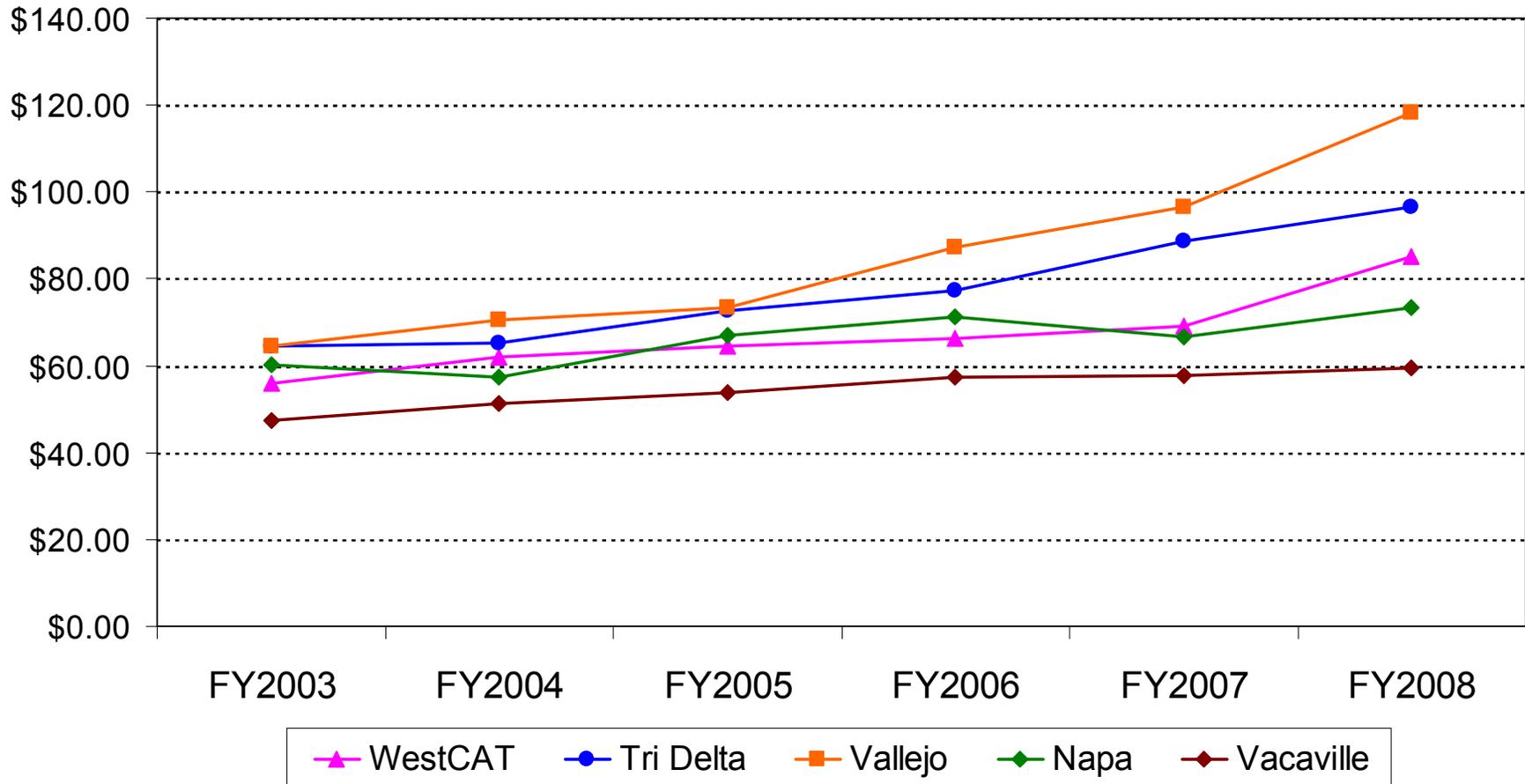
Golden Gate

- Fuel cost increased an average of more than 17 percent between FY2006 and FY2008; fuel was 10 percent of the total budget for ferry and fixed route bus.
- Fringe benefits cost increased an average of 12 percent between FY2006 and FY2008.
- Average decline of 4.1 percent annually in vehicle service hours over the six-year period.

SamTrans

- Increases in fuel (17 percent annual average) and casualty/liability costs (13 percent annual average) during the audit period.
- Labor cost (wages and salaries) increase of 8.2 percent between FY2007 and FY2008.
- Annual average increase of 7.5 percent in purchased transportation costs during the audit period.

Fixed-Route Bus – Small Operators Cost per Vehicle Service Hour



<u>Average Annual Change</u> (CPI = 2.5%)				
Vacaville	Vallejo	WestCAT	Tri Delta	Napa
4.8%	13.0%	8.8%	8.4%	2.0%

Small Operators

Reasons for Annual Cost Per Hour Increases

Most Operators Had Increases Well Above the CPI

- Exceptions were Dixon and Napa, with average annual decreases when inflation factored out

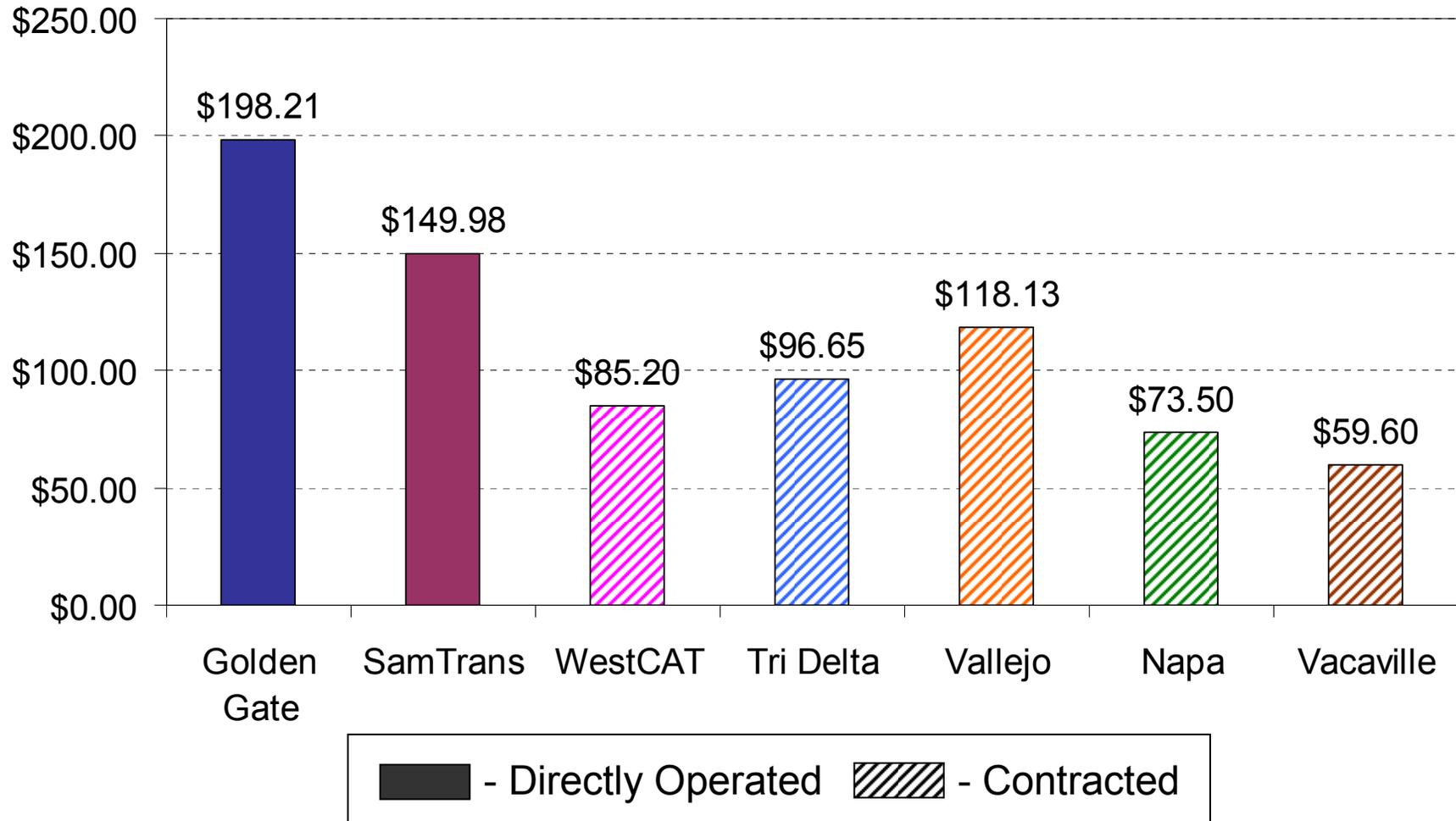
Similar Reasons Identified by Various Operators

- Increases in fuel and casualty/liability costs
- Employee salary and benefit increases reflecting labor agreements or city-wide policies
- Increased purchased transportation costs based on market rates (contracted)

Other Reasons for Specific Operators

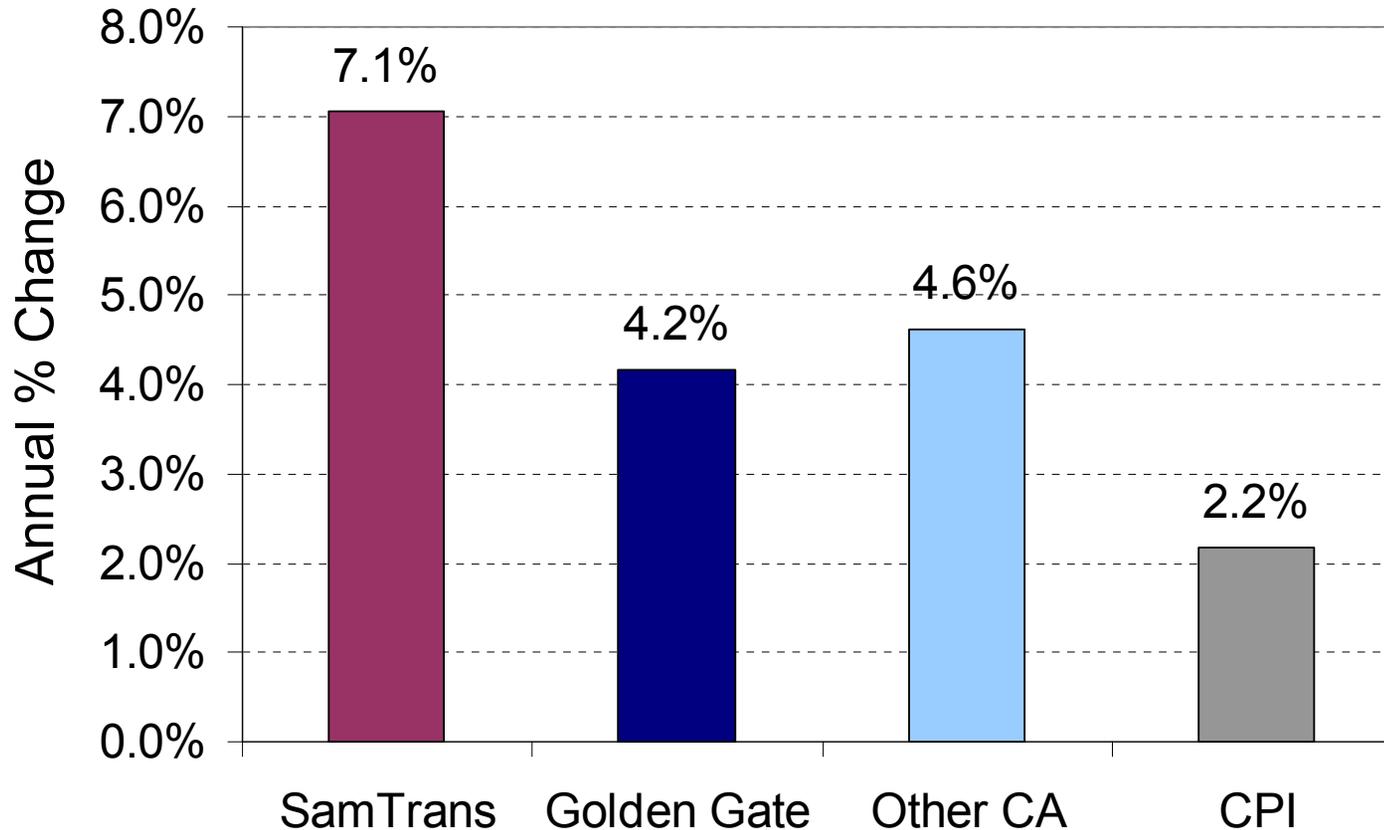
- Introduction of deviated fixed-route service led to significant increase in purchased transportation costs (Rio Vista)
- Employees joined CalPERS retirement system, requiring accelerated benefit payments in short term (WestCAT)
- New services provided, with additional contract operator costs (Napa and WestCAT)

Comparison of Cost per Vehicle Service Hour – Fixed-Route Bus (FY2008)



Note: SamTrans contracts portions of its service (e.g., CUB service)

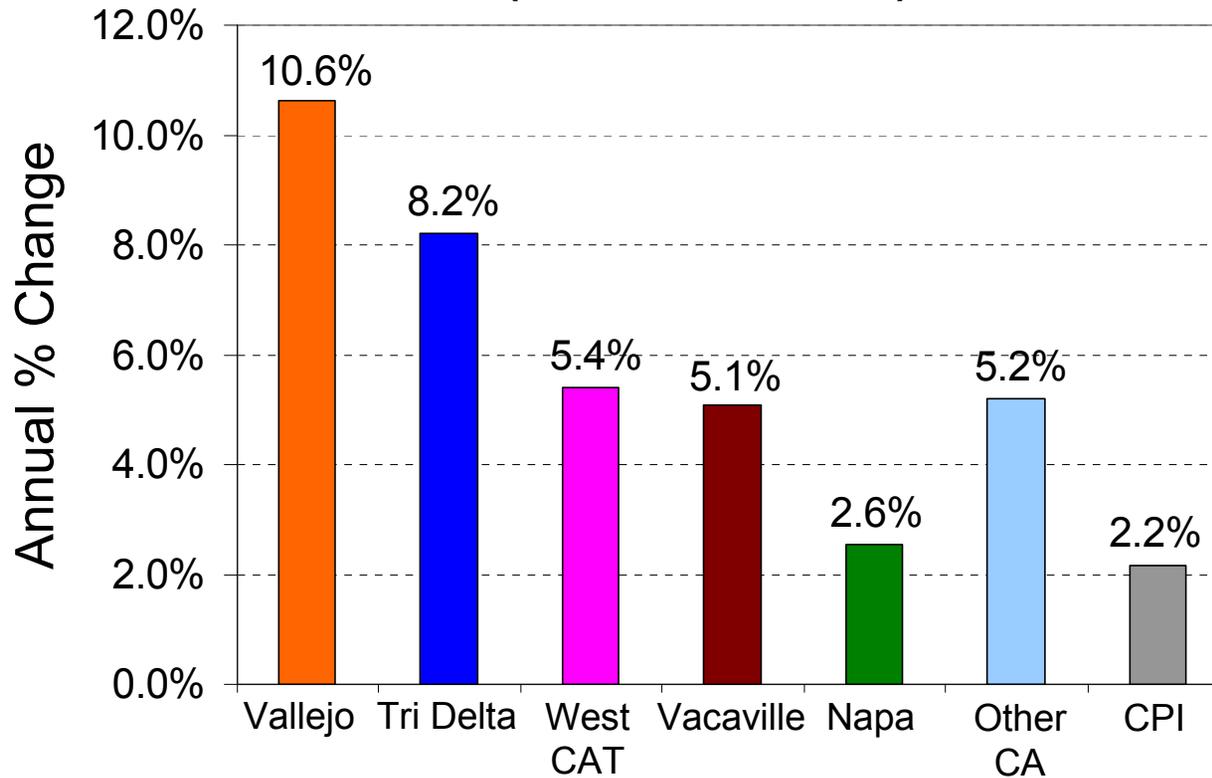
Comparison of Average Annual Change in Cost per Vehicle Service Hour for Larger Bus Operators (FY 2003-FY 2007)



- SamTrans had higher cost per hour growth than other California systems and CPI; Golden Gate had slightly lower than other California systems

Peers: Foothill Transit, LA DOT, LACMTA, Long Beach Transit, MTS (San Diego), OCTA, Sacramento RT, Santa Monica Big Blue Bus

Comparison of Average Annual Change in Cost per Vehicle Service Hour for Smaller Bus Operators (FY 2003-FY 2007)

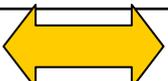


- Vallejo and Tri Delta had higher cost per hour growth than other California operators
- WestCAT, Vacaville and Napa are in line with the other California systems
- All operators' cost per hour growth was greater than the CPI

Peers: Antelope Valley, Culver City, City of Gardena, Modesto, City of Norwalk, Gold Coast Transit, Sunline, Unitrans, Victor Valley, and Yuba-Sutter.

Passengers per Vehicle Service Hour Trends

Fixed Route Service

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Summary Trends

Cost Efficiency

- In the past, larger operators tended to have higher cost per hour than small operators due to different cost pressures (e.g., labor, facilities and fringe benefits)
- Small operators now face similar cost pressures as the larger operators, as indicated in the cost per hour trends
- Operators have been impacted by factors beyond their daily control (e.g., cost increases for fuel and casualty/liability)

Service Effectiveness

- Large operators have higher productivity due to more densely populated service areas
- Small operators face challenges of lower densities and the need for non-commute (low productivity) services
- From FY2003 to FY2008, overall fixed-route productivity varied up and down by five percent or less for all operators

Summary of Performance Recommendations

Overall

- Recommendations generally focus on improving agencies' goals, objectives and performance standards, as well as performance monitoring
- Attempt to focus on areas under management control (e.g., on-time performance, employee absenteeism and service reliability)

Summary of Performance Recommendations, *continued*

Specific Highlights – Larger Operators

- Golden Gate: address increasing complaint rates; address recent general downturn in ferry performance
- SamTrans: reconfigure long term targets; develop a plan to reduce bus operator and maintenance worker absences

Specific Highlights – Smaller Operators

- Tri Delta: continue efforts to improve paratransit on-time performance; take steps to reduce the lost call rate
- Napa: continue efforts to meet system promotion targets and reevaluate those targets; take steps to control paratransit passenger cancellations; improve administrative oversight of data collection, reporting and recordkeeping