



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 5

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Memorandum

TO: Policy Advisory Council DATE: January 4, 2019

FR: Theresa Romell, Assistant Director W.I. 1514

RE: Transportation Development Act (TDA) Triennial Audit Report for FY 2017-18

The TDA requires that MTC administer triennial performance audits of the region's transit operators. Operators 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, currently Pierlott and Associates, LLC. At the request of a Councilmember, staff is providing an update on the most recent TDA audits.

The attached presentation summarizes findings for the recently completed audits, focusing on each operator's three-year trends for certain performance indicators, including cost per hour, cost per passenger and passengers per hour. In summary, service effectiveness and cost efficiency trends were mixed but generally declining, between FY2014-15 and FY2016-17 as shown below:

Agency	Productivity	Ridership	Notes
SamTrans	↓	↓	Service increase and decrease in ridership
GGBHTD	↓	↓	Service decrease and decrease in ridership
WestCAT	↓	↓	Small increase in hours and decrease in ridership
Tri Delta	↓	↓	Service decrease and decrease in ridership
NVTA	↑	↑	Service increase and increase in ridership
Soltrans	↓	↓	Service increase and decrease in ridership
Vacaville	↓	↓	Steady service levels and decrease in ridership
Dixon	↔	↑	Service increase and increase in ridership
Rio Vista	↓	↓	Steady service levels and decrease in ridership

MTC staff is working with researchers from UCLA to conduct a study of the factors affecting changes in transit system ridership in the Bay Area. We expect the study to be completed in the summer of 2019.

Attachment

- Attachment A: Transportation Development Act (TDA) Triennial Audit Presentation

Presentation

FY2017 TDA Operator Performance Audits



**Metropolitan Transportation Commission
Policy Advisory Council
January 9, 2019**

Presentation Overview

TDA Performance Audits

- Triennial compliance audits are focused on multi-year trends and performance measures
- Current audit round: SamTrans, Golden Gate, WestCAT, Tri Delta Transit, NVRTA, Soltrans, Vacaville, Dixon, and Rio Vista.

TDA Performance Metrics

- Cost Per Vehicle Service Hour
- Cost Per Passenger
- Passengers Per Vehicle Service Hour
- Passengers Per Vehicle Service Mile
- Vehicle Service Hours Per Employee

FY2017 TDA Performance Audits – Audit Plan

Audit Period

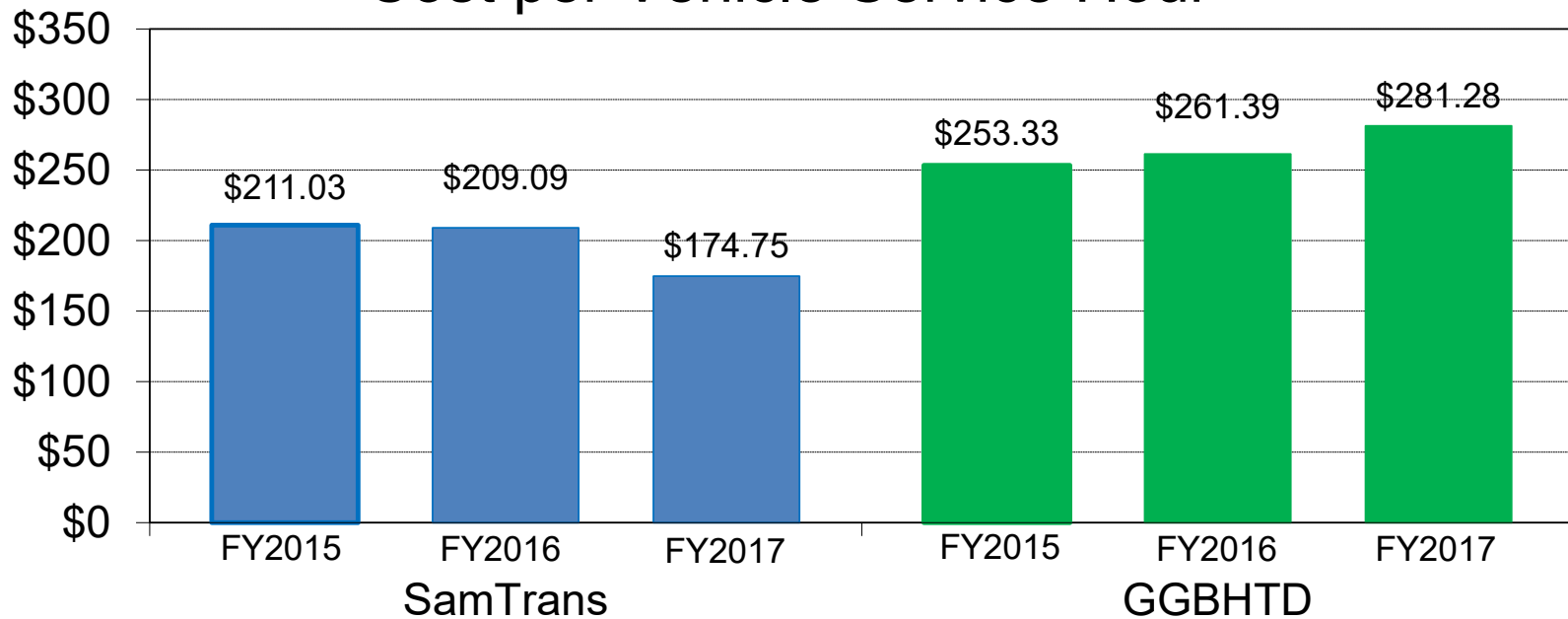
- FYs 2014-15, 2015-16 and 2016-17

Audit Activities

- Review data collection, management and reporting methods.
- TDA performance indicator trend analysis.
- Compliance with statutory and regulatory requirements.
- Review actions to implement prior audit recommendations.
- Functional area performance review.
- Conclusions, commentary and recommendations.

Fixed-Route Bus – Larger Operators

Cost per Vehicle Service Hour



FY2015-FY2017 Average Annual Change (CPI = 2.9%)

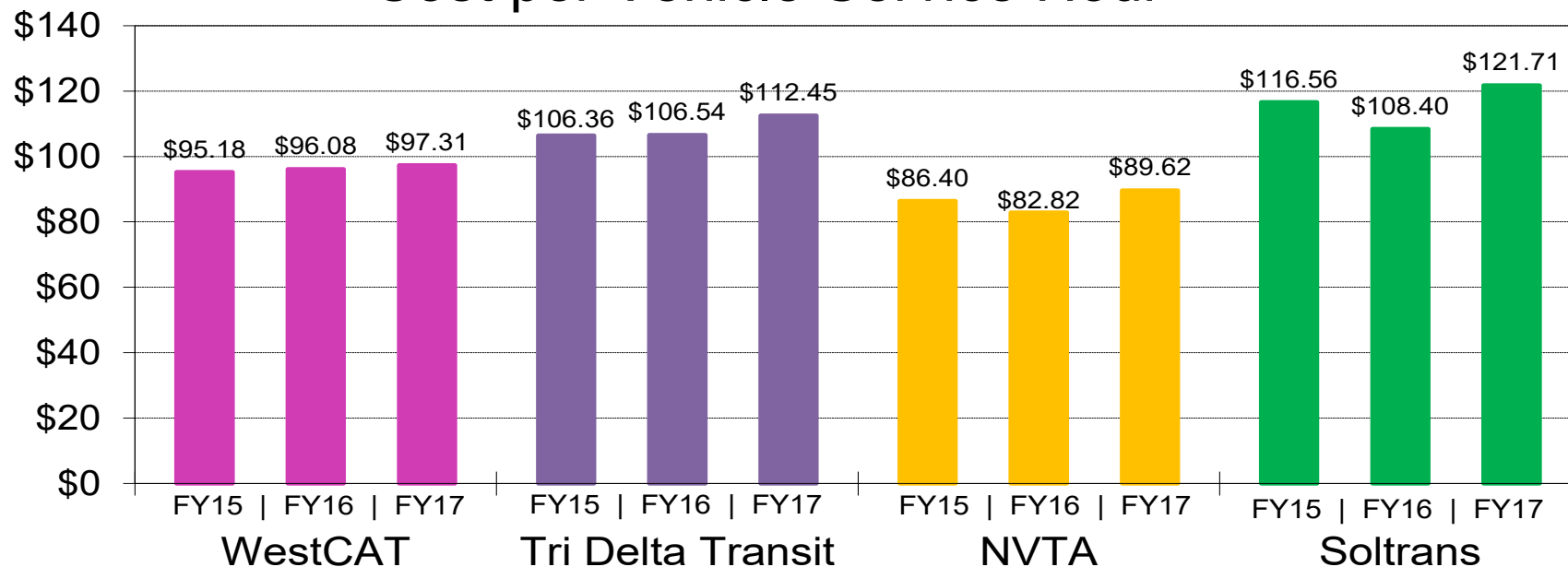
■ SamTrans -9.0%

■ GGBHTD 5.4%

- SamTrans cost per hour decreased by 17 percent during the audit period with a 20% service hour increase in 2017, operating costs increased at approximately the same rate as the CPI.
- GGBHTD's cost per hour increases in each year of the audit period due to steady service levels and rising costs.

Fixed-Route Bus – Smaller Operators

Cost per Vehicle Service Hour



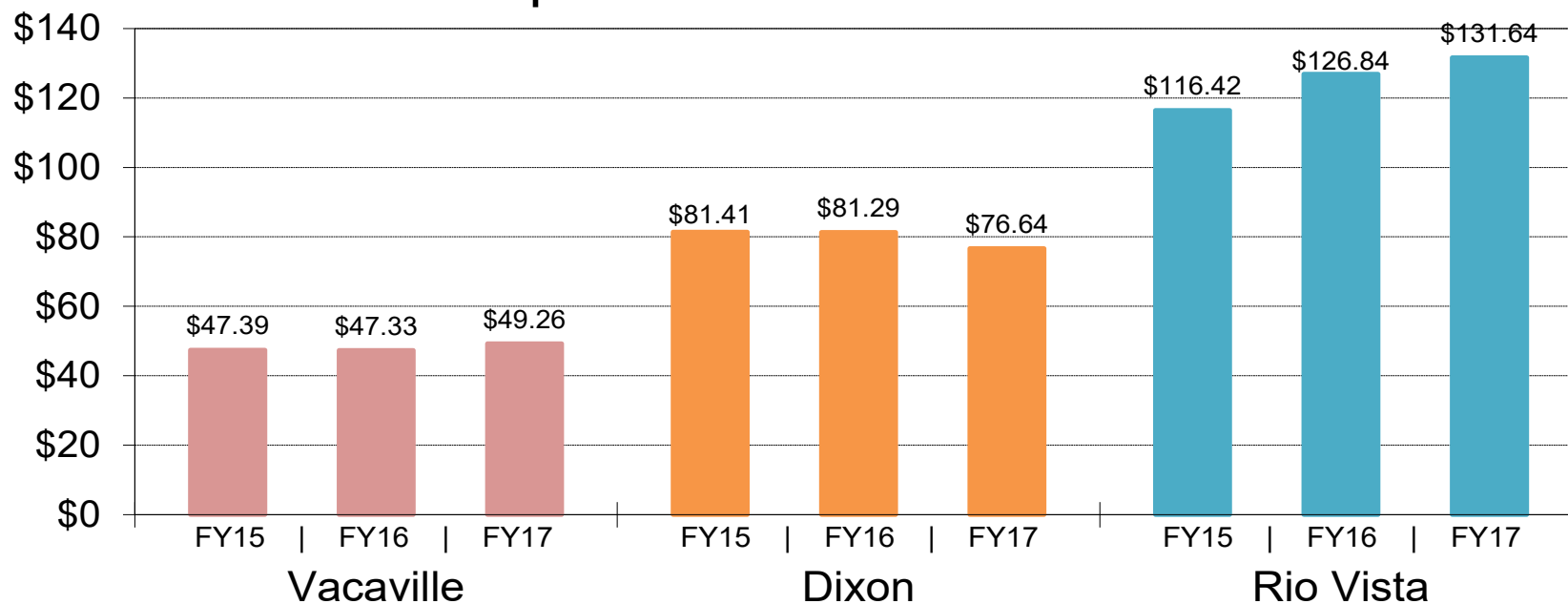
FY2015-FY2017 Average Annual Change (CPI = 2.9%)

■ West CAT 1.1%	■ Tri Delta 2.8%	■ NVTa 1.9%	■ SolTrans 2.2%
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- WestCAT's cost per hour remained fairly steady through the audit period.
- Despite steady performance in the prior two years, Tri Delta's operating costs increased six percent in FY2017.
- NVTa's cost per hour rose 8.2 percent in FY2017, due to a six percent cost increase combined with a two percent reduction in service levels.
- Soltrans' costs increased nearly 17 percent over the audit period while service levels rose 12 percent.

Fixed-Route Bus – Smaller Operators

Cost per Vehicle Service Hour



FY2015-FY2017 Average Annual Change (CPI = 2.9%)

Vacaville 2.0%

Dixon -3.0%

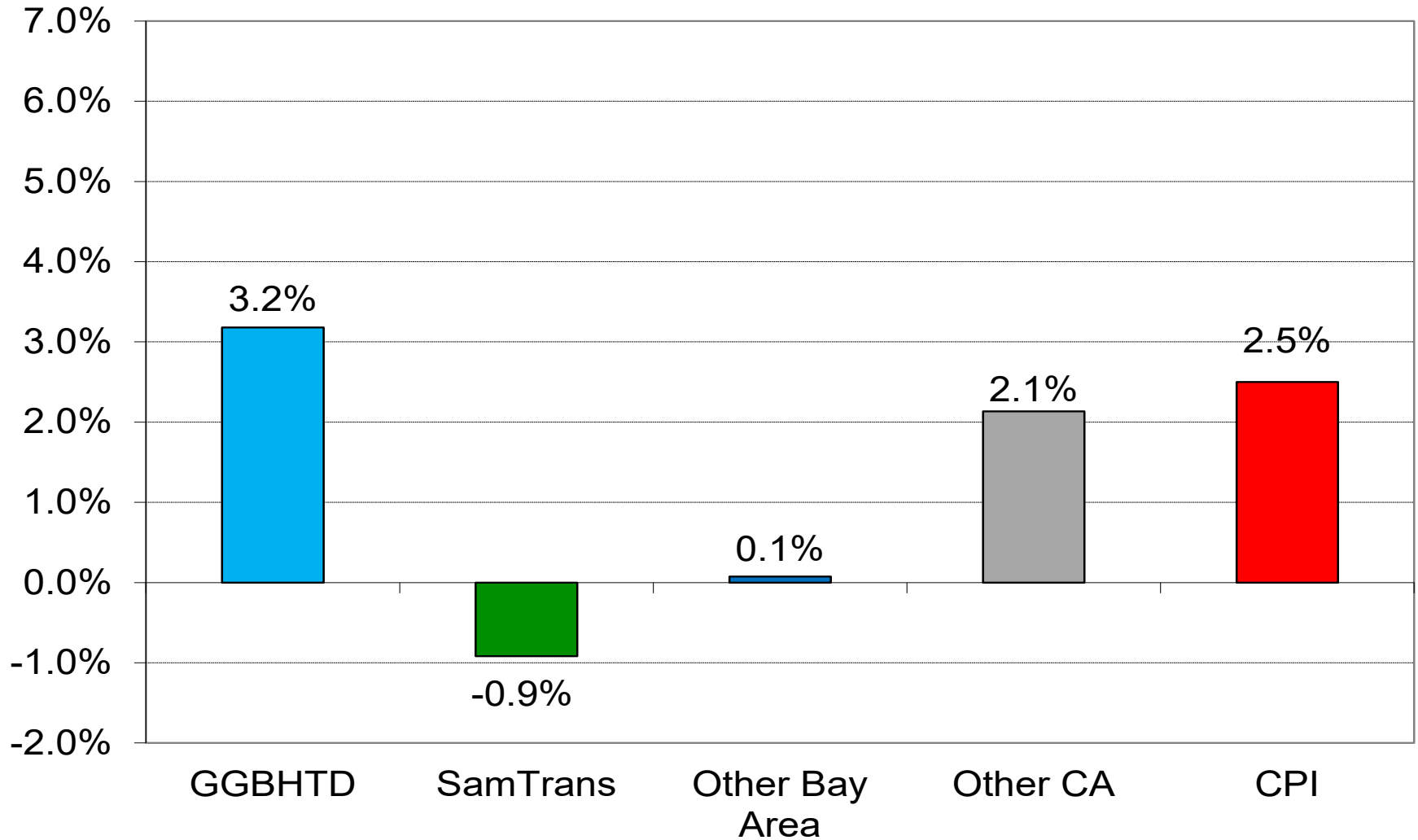
Rio Vista 6.3%

- Vacaville's cost per hour remained steady throughout the audit period.
- Dixon's cost per hour decreased due to lower labor and fringe benefit costs in FY2016 and FY2017.
- Rio Vista's cost per hour increased substantially during the audit period due to increases in purchased transportation and management services.

Passengers per Vehicle Service Hour Trends

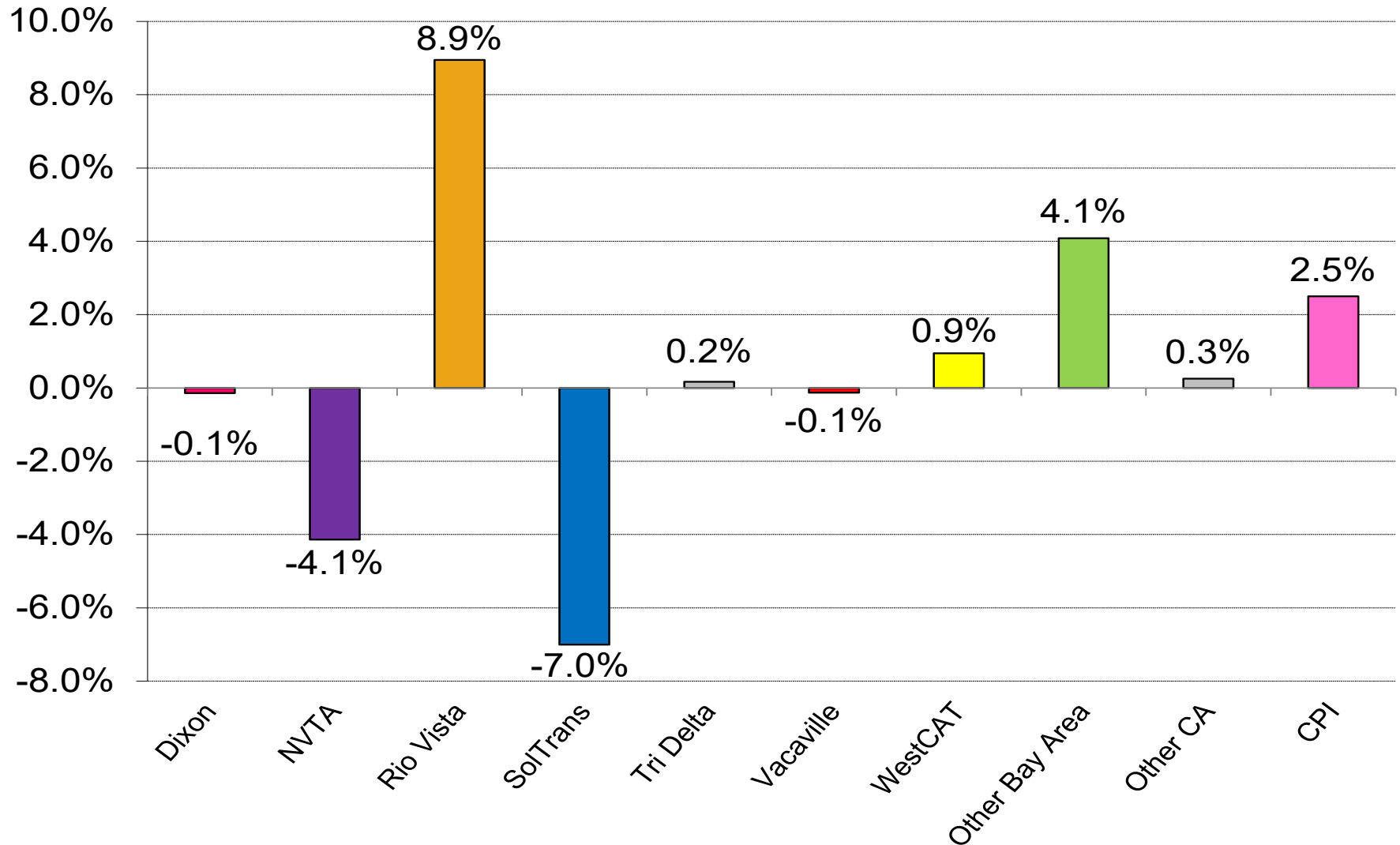
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Comparison of Average Annual Change in Cost per Vehicle Service Hour for Larger Operators Fixed-Route Bus - FY2015-FY2016



“Other Bay Area”: AC Transit, CCCTA, SFMTA, and VTA.

Comparison of Average Annual Change in Cost per Vehicle Service Hour for Smaller Operators Fixed-Route Bus - FY2015-FY2016



“Other Bay Area”: Petaluma, FAST, LAVTA, SCT, Union City, and Santa Rosa.

Audit Recommendations

Basis for recommendations may include one or more of the following:

- Results of the TDA performance indicator trend analysis.
- Results of the review of compliance with statutory and regulatory requirements.
- Progress towards implementing prior audit recommendations.
- Results of the functional performance review.

The following summarizes the recommendations by operator.

Audit Recommendations, *continued*

- GGBHTD – recommendation to improve data collection and reporting of service delays due to congestion.
- Vacaville – recommendations to reduce preventable accident rate, and ADA trip denials.
- Dixon – recommendation to improve data collection and reporting for quality of service measures.
- Rio Vista – recommendations to improve declining service efficiency and farebox recovery.
- WestCAT – recommendation to improve schedule adherence.
- NVTA – recommendations to improve schedule adherence and reduce preventable accident rate.
- Soltrans – recommendation to improve data collection and reporting for quality of service measures.