

CITY COUNCIL MEETING
SEPTEMBER 17, 1986

14

COG PERFORMANCE
AUDIT FOR
DIAL-A-RIDE
ACCEPTED

Council accepted the Performance Audit of the City of
Lodi's Transit System (Dial-A-Ride) Final Audit.

CC-50 (b)

COUNCIL COMMUNICATION

TO: THE CITY COUNCIL

DATE

NO.

FROM: THE CITY MANAGER'S OFFICE

September 17, 1986

SUBJECT:

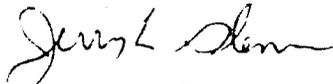
ACCEPT SAN JOAQUIN COUNTY COUNCIL OF GOVERNMENTS (COG) PERFORMANCE AUDIT FOR DIAL-A-RIDE

PREPARED BY: Assistant City Manager

RECOMMENDED ACTION: That the City Council accept the Performance Audit of the City of Lodi's Transit System (Dial-A-Ride) Final Audit.

BACKGROUND INFORMATION: This triennial audit of the City's Dial-A-Ride service is quite complementary of our efforts to meet the needs of the citizens of Lodi and there are no problems areas identified in the report.

Respectfully submitted,



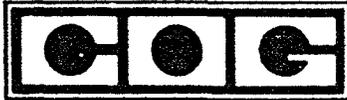
Jerry L. Glenn
Assistant City Manager

JLG/br

attachment

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**DeRitte
Haskins + Sells**



**SAN JOAQUIN COUNTY
COUNCIL OF
GOVERNMENTS**

**Performance Audit of
the City of Lodi
Transit System**

Final Report

June 1986

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San Joaquin County Council of Governments
1860 East Hazelton Avenue
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June 19, 1986

Dear Council Members:

The purpose of this Triennial Performance Audit of the Lodi Dial-A-Ride is to meet the requirements of California Public Utilities Code Section 99246. This audit is for the Fiscal Years 1982-83, 1983-84, and 1984-85.

The audit provides an independent, high-level evaluation of the transit system's overall performance during the audit period. Evaluation is based on the State of California Transit Performance Audit Guide, which involves:

- . Reviewing the process of establishing systemwide goals and objectives;
- . Evaluating performance relative to those goals and objectives; and
- . Evaluating systemwide performance measures and indicators.

Performance was evaluated based on interviews with City management. Data were collected and indicators calculated for the three-year audit period.

INTRODUCTION

The City of Lodi became a municipal transit operator in December 1982, beginning service with six Chevrolet station wagons. The operation is a demand-response system that is City-subsidized, and is operated by the City Cab Company. The vehicles are maintained by the City.

The hours of operation are from 7:00 a.m. to 7:00 p.m., Monday through Saturday, excluding holidays. The fare for senior citizens and handicapped persons within Lodi is 50 cents, while all other patrons pay \$1.00. The fare system operates on a scrip basis, with the City selling tickets and the cab company collecting and logging them as they are used.

The basic service originally served only Lodi, but now the City offers service to Woodbridge and the Acampo Trailer Park through a contract with San Joaquin County. The City pays City Cab Company \$3.00 for each fare inside Lodi, and \$3.50 for rides to Woodbridge and Acampo.

ESTABLISHING SYSTEMWIDE GOALS AND OBJECTIVES

This is the second SB759 Triennial Performance Audit of the City of Lodi Dial-A-Ride. The first audit covered only the first six months of operation for the period ending June 30, 1982. Hence, very few performance indicators had been developed when the last audit was performed, nor had any systemwide goals or objectives been established.

Since the last audit, the City has adopted a Five-Year Transit Plan which contains seven service objectives and 14 actions to be taken. These objectives, actions, and the City's progress toward implementing them during the audit period are summarized below:

Objective 1: Meet the reasonable transit needs of all City residents

- . Continue the existing Dial-A-Ride service - The City has carried out this primary action during the audit period.
- . Hold and advertise annual Unmet Transit Needs public hearings - Based on the objectives set out in the Five-Year Transit Plan, Lodi holds an annual meeting of the Productivity Improvement Committee in November. Objectives, present service and future improvements are reviewed by the Committee, which consists of a City official, the contract operator, a driver, and a COG staff member.

After the Committee has met, the City holds a special hearing on "Unmet Transportation Needs." This hearing reports findings of the Productivity Improvement Committee meeting, and allows citizens to voice their opinions. These meetings have resulted in such service and policy changes as the implementation of Saturday service, the reduction of the general public fare from \$2.00 to \$1.00, and the expansion of service to Woodbridge and Acampo.

- . Explore weekend and subscription service - The City began providing Saturday service during the audit period.

Objective 2: Minimize System Operating Costs

- . Request proposals for contract service - To minimize operating costs, the City continues to use a contractor to operate the service. The contractor bears all labor and insurance costs for the service. The City feels if it directly operated the service, these costs would be substantially higher. In an effort to minimize contractor costs, the City released request for proposals for providing transit service to begin July 1, 1986. Though City Cab Company won the bid, this was the first time the City has pursued other contractors to provide the service, and the bid process confirms that Lodi is contracting with the most efficient service provider.
- . Work with COG to determine reasonable unmet needs - Several transit service and policy changes have resulted from the annual Unmet Needs public hearing. COG and the City have agreed to work together to be sure that future unmet needs are fully analyzed before changes are made.
- . Hold annual Productivity Improvement Committee meeting - This meeting is held in November each year.

In the area of vehicle operations and maintenance, the City has begun replacing its diesel-powered fleet with gas-powered models. The diesel engines have proved to be very costly to maintain.

Objective 3: Meet the Required 10% Farebox Recovery Ratio

- Monitor the performance on a monthly basis - Since the beginning of service, Lodi Dial-A-Ride has maintained a farebox recovery rate of about 17%, which is above the required 10%. Each month, the contractor submits operating data which the City summarizes and loads into a spreadsheet program for easy analysis and reporting. The City also monitors Dial-A-Ride response time on a daily basis using a spreadsheet program.

Objective 4: Foster Community Support and Improve Ridership

- Consider reducing the general public fare - In order to improve ridership among the general public, the fare was reduced from \$2.00 to \$1.00 in July of 1985. Ridership figures for the next audit should reflect this fare decrease.
- Advertise the service - The City is currently initiating a formal advertising program for its transit service, using available City staff.
- Support the annual Rotary Club promotion - Lodi has also coordinated its community support/ridership promotions with local service organizations. For example, during this audit period, the Rotary Club has supplied fare tickets to the needy during the Christmas season.

Objective 5: Assure the Provision of a Quality Transit Service

- Maintain the standard for response time - The City has established a service standard of 90% response time within 45 minutes. To monitor the Cab Company's performance, the City developed a spreadsheet model which calculates response time percentages and measures those against the response time standard. The City is meeting its goal of responding to 90% of its service requests within 0-45 minutes when an entire week of data is analyzed. Due to particularly heavy travel on certain days of the week and month, the standard is not always met on a daily basis.
- Maintain a record of complaints - The City receives all complaints regarding the transit service and if necessary, brings these complaints to the contractor's attention for corrective action.

Objective 6: Ensure That the Contractor Carries Necessary Liability Insurance to Protect the City from Accident Liability to Riders and Third Parties

- Protect the City from Accident Liability to Riders and Third Parties- The City is named in the Cab Company's insurance policy as co-insured, so that if the policy is ever reduced or cancelled, the City will be notified.

Objective 7: Ensure That the Conditions for Providing County Service are Fully Met

- Evaluate County service impacts annually - The City analyzes the costs of providing County service when negotiating a new contract with the County each year, weighing these costs against the needs of City residents.

PERFORMANCE INDICATOR ANALYSIS

This section of our report presents the results of our verification and analysis of Lodi Dial-A-Ride performance as represented by the five Transit Development Act (TDA) and other service and cost performance indicators. As specified in California Public Utilities Code Section 99246 (C), the triennial performance audit of each transit operator must include verification of the TDA indicators. The following performance measures were verified for fiscal years 1982-83, 1983-84, and 1984-85:

- . Operating cost per passenger
- . Operating cost per vehicle service hour
- . Passengers per vehicle service hour
- . Passengers per vehicle service mile
- . Vehicle service hours per employee

In addition, Lodi also monitors fleetwide fuel economy (miles per gallon) and farebox recovery ratio.

Performance measures for the above indicators are shown in Table I.

TABLE I

DIAL-A-RIDE PERFORMANCE INDICATORS

<u>Financial Data</u>	FISCAL YEARS		
	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>
Farebox Revenue - Lodi	\$30,518.00	\$33,393.00	\$30,539.00
Farebox Revenue - Woodbridge	\$511.00	\$3,689.00	\$4,284.00
Total Farebox Revenues	\$31,029.00	\$37,082.00	\$34,823.00
TDA/STA/Misc. Revenue	\$143,427.00	\$133,767.00	\$143,073.00
Total Revenues	\$174,456.00	\$170,849.00	\$177,896.00
Operating Cost	\$189,063.00	\$213,450.00	\$201,202.00
 <u>Operating Data</u>			
Passengers	56,389	62,812	60,238
Employees	6	6	7
Vehicle Service Hours	-	9,448	9,342
Vehicle Service Miles	97,529	106,140	107,069
Gallons of Fuel Used	6,853	8,105	8,194
Total Trips	56,386	62,812	60,238
 <u>Performance Indicators</u>			
Total Operating Cost Per Passenger	3.35	3.40	3.34
Total Operating Cost Per Vehicle			
Service Hour	-	22.59	21.54
Total Operating Cost Per Vehicle			
Service Mile	1.94	2.01	1.88
Passengers Per Vehicle Service Mile	0.58	0.59	0.56
Passengers Per Vehicle Service Hour	-	6.65	6.45
Vehicle Service Hours Per Employee	-	1,574.67	1,334.57
Miles, Per Gallon	14.2	13.1	13.0
Farebox Recovery Ratio	16.41%	17.37%	17.31%

VALIDATION OF PERFORMANCE INDICATORS

The performance statistics and indicators reported in Table I were obtained from:

- . Dial-A-Ride Taxi Service Fund Financial Audit Reports
- . Lodi Dial-A-Ride Monthly Performance Reports

The City did not have readily available financial data that could be reviewed for consistency with the Taxi Service Fund Report. Therefore, all financial data used in measuring and calculating performance came solely from the Taxi Service Fund Reports.

The City does calculate performance indicators from operating data. These data were combined with STA financial figures to complete the indicators presented in Table 1. We wish to note that in fiscal year 1982-83, vehicle service hours data was not kept; therefore, three performance indicators could not be calculated or verified for that year. They are:

- . Operating cost per vehicle service hour
- . Passengers per vehicle service hour
- . Vehicle service hours per employee

CONCLUSIONS AND RECOMMENDATIONS

Our performance audit of Lodi Dial-A-Ride has resulted in the following conclusions and recommendations:

- . In general, we conclude that Lodi Dial-A-Ride is a service which meets the needs of the community, and that its vehicles are maintained and operated in an efficient manner.
- . Our review of Lodi Dial-A-Ride indicates that the City is now maintaining adequate records to generate the required five TDA performance indicators and to calculate the farebox recovery ratio.
- . Ridership, operating cost and the farebox recovery ratio have remained stable during the audit period. The farebox recovery ratio remains above the required 10%.
- . The previous performance audit recommended that a formal Transportation Development Plan stating goals, policies and objectives be developed. The City and COG have now developed a Five-Year Transit Plan, which is implemented. We feel that this plan, together with the City's annual cycle of revising goals and objectives through the operating meetings, provides Lodi with an effective means to review existing service and evaluate potential service changes. We recommend that the City and COG develop formal procedures for evaluating results of the Unmet Needs hearing prior to implementing service or policy changes. This evaluation should include estimating the:
 - .. extent of public support for the proposed change
 - .. ridership impact of the proposed change
 - .. cost impact of the proposed change

We commend the City for developing tools to measure operating performance such as the response time spreadsheet model. A spreadsheet program has also been developed to record and calculate operating statistics. We recommend that the City expand the spreadsheet to integrate the financial data necessary to compute all TDA-required indicators and further measure performance.

We have enjoyed the opportunity to conduct this performance audit of the City of Lodi Transit System, and we appreciate the cooperation extended to us by City staff. If we can be of further assistance, please contact Phil Oberhausen at (415) 393-4474.

Very truly yours,


Thomas A. Rubin
Partner