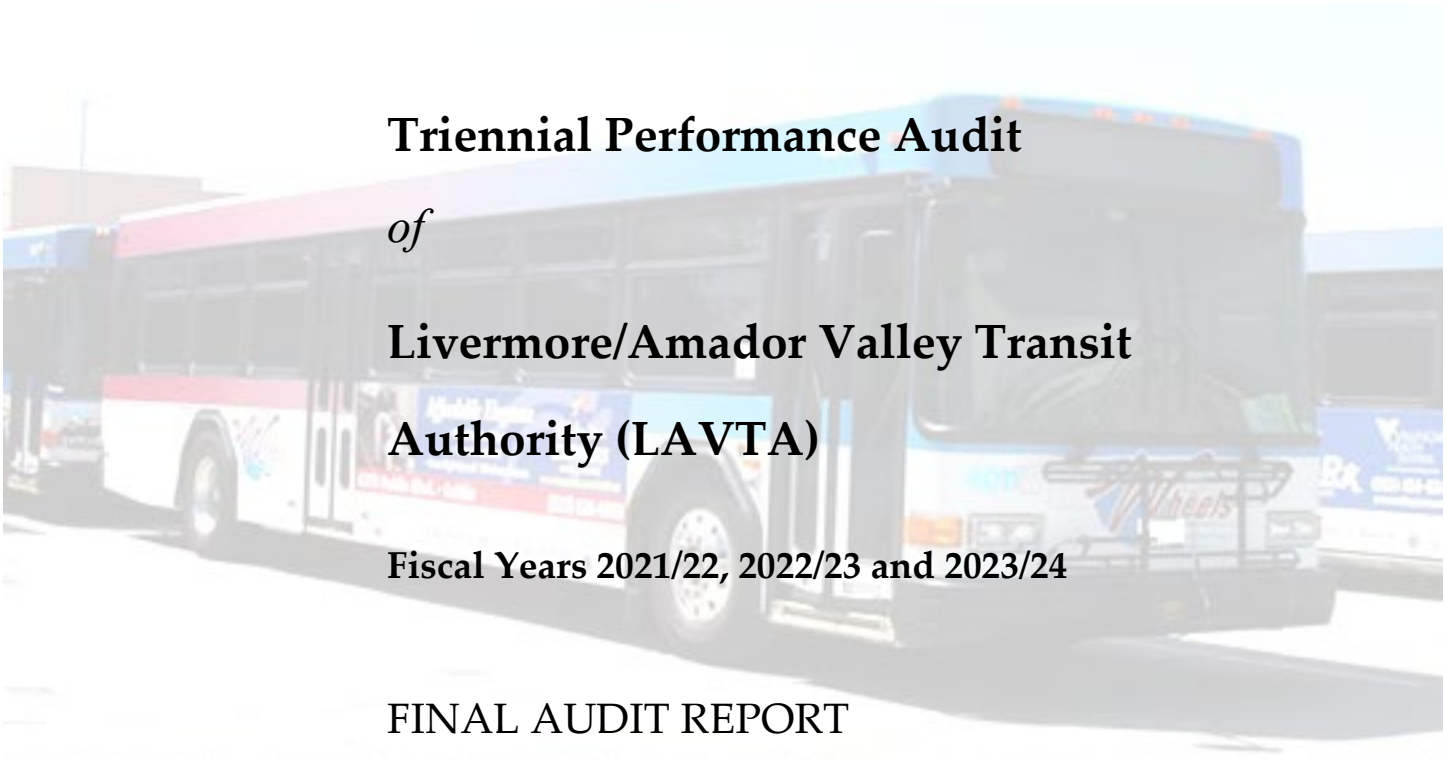

Triennial Performance Audit

of

Livermore/Amador Valley Transit Authority (LAVTA)

Fiscal Years 2021/22, 2022/23 and 2023/24

FINAL AUDIT REPORT

prepared for the

METROPOLITAN TRANSPORTATION COMMISSION

by

Pierlott & Associates, LLC
Management Consulting

June 2025

NOTE: All exhibits in this report are presented at the end of the associated discussion in each section.

EXECUTIVE SUMMARY

This executive summary highlights the findings from the performance audit of the Livermore/Amador Valley Transit Authority (LAVTA). 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. The two service modes operated by LAVTA, bus, and paratransit, are the prime focus of this performance audit. The audit period is Fiscal Years 2022 through 2024 (from July 1, 2021 through June 30, 2024).

Performance Audit and Report Organization

The performance audit was conducted for MTC in accordance with its established procedures for performance audits. The final audit report consists of these sections:

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

Comments received from LAVTA and MTC staff regarding the draft report have been incorporated into the final report. Highlights of 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 LAVTA is in compliance with the TDA requirements for data collection and reporting. The review is limited to the data items needed to calculate the TDA-mandated performance indicators.

It has been determined that LAVTA is in compliance with the data collection and reporting requirements for the TDA statistics. In addition, the statistics collected over the six-year review period appear to be consistent with the TDA definitions and indicate general consistency in terms of the direction and magnitude of the year-to-year changes across the statistics, especially when taking into account the impacts of the recent Covid-19 pandemic on service provision and ridership.

However, there were notable inconsistencies between reported paratransit operating costs, hours, and miles toward the end of the review period. In FY2023, paratransit vehicle service hours decreased by 11 percent compared with the prior year, even as operating costs and vehicle service miles both increased by 15 percent. In FY2024, paratransit operating costs increased by 23 percent over FY2023, and vehicle service hours by nearly 32 percent, while vehicle service miles increased by only five percent. It is noted that LAVTA's paratransit operating statistics covering those two years were obtained from monthly billing documentation provided by the operating contractor (County Connection), in lieu of LAVTA's NTD reports. LAVTA no longer includes that

information in its NTD reports. Rather, it is consolidated with County Connection's own NTD reporting for paratransit.

Performance Indicators and Trends – LAVTA'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.

- Bus Service TDA Performance Indicators – The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2019 through FY2024:
  - There was an average annual increase in the operating cost per hour of 6.6 percent, which amounted to a 2.9 percent increase in inflation adjusted dollars.
  - Passenger productivity showed modestly negative trends, with passengers per vehicle service hour and mile both decreasing by around one percent per year overall. These trends were also specifically influenced by the drop off in ridership in FY2021.
  - The cost per passenger increased on average by 8.6 percent per year, which amounted to an average annual increase of 4.8 percent in constant FY2019 dollars. The trend was specifically influenced by a major drop off in ridership in FY2021, the first full year of the COVID pandemic.
- Bus Service Component Costs – The following is a brief summary of the component operating costs trend highlights for the bus service between FY2019 and FY2024:
  - The most significant change was an average annual increase of 17 percent in the services area. Services costs accounted for five to ten percent of total costs, depending on the year.
  - In-house labor costs increased by 2.8 percent annually, while varying between seven and ten percent of total costs from year to year. Meanwhile, fringe benefits expenses went up by 10 percent on average per year.
  - Purchased transportation costs represented the largest portion of the total costs, with its share between 60 and 66 percent.

- The materials/supplies, casualty/liability and "other costs" categories all showed relatively moderate changes per year on average (increases of two to three percent}.

- Paratransit TDA Performance Indicators – The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2019 through FY2024:

  - For cost efficiency, there was an average annual increase in the operating cost per hour of 22.7 percent. This amounted to an annual increase of 18.4 percent in inflation adjusted dollars. The overall trend was reflective of major service adjustments to meet changing demand during the COVID pandemic.

  - Passenger productivity showed general improvement, with passengers per hour increasing by 11.2 percent annually and passengers per mile increasing by 6.4 percent.

  - In terms of cost effectiveness, the operating cost per passenger showed a significant increase of ten percent per year on average, or 6.4 percent when normalized in FY2019 dollars. The period high of $72.96 occurred in FY2021, when ridership dropped off precipitously during the first full year of the COVID pandemic.

- Paratransit Component Costs – The following is a brief summary of the component operating costs trend highlights for paratransit between FY2019 and FY2024:

  - Purchased transportation costs represented by far the largest portion of the total costs, ranging between 75 and 86 percent of total costs depending on the year. At the same time, they increased on average by 3.6 percent per year overall.

  - In-house labor costs increased slightly overall, but fringe benefits costs increased by 10.3 percent. The former accounted for seven to 13 percent of total operating costs, depending on the year, while the latter accounted for three to six percent.

  - Despite some variation from year to year, only relatively minimal expenses were reported for the other component cost categories. However, all categories posted average annual cost increases during the review period.

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

Status of Prior Audit Recommendations – There were no recommendations made in LAVTA's prior performance audit.

Functional Performance Indicator Trends - To further assess LAVTA's performance over the past three years, a detailed set of systemwide and modal functional area performance indicators was defined and reviewed.

- Systemwide (All Modes) – The following is a brief summary of the systemwide functional trend highlights between FY2022 and FY2024:
  - Administrative costs remained at just below fifty percent of total operating costs through the audit period, but showed a net increase of six percent compared to vehicle service hours.
  - Marketing costs increased noticeably in FY2024 compared to total administrative costs and passenger trips.
  - The systemwide farebox recovery ratio showed a net increase from 10.1 percent to 10.8 percent over the audit period, with slightly higher results in FY2023.
- Bus Service – The following is a brief summary of the bus service functional trend highlights between FY2022 and FY2024:
  - Service Planning results showed an overall 27 percent decrease in the cost per passenger mile, farebox recovery up from 10.4 percent to 11.1 percent, TDA recovery ratio down from 46 percent to 37 percent, on average 85 percent of vehicle miles and 90 percent of vehicle hours in service, and passengers per vehicle service mile and hour both increasing by about 30 percent during the audit period.

- Operations results showed a slight decrease in vehicle operations costs as a portion of total operating costs, little change in vehicle operations costs per hour, on-time performance declining steadily from 90 percent to 85 percent, and very few missed trips. At the same time, the rate of valid complaints remained at about 11 per 100,000 passenger trips, and commendations went down somewhat overall.

- Maintenance results showed total maintenance costs steady at about 14 percent of total operating costs, with vehicle maintenance costs per service mile also relatively constant. At the same time, the vehicle spare ratio decreased from 27 percent in FY2022 to 18 percent subsequently (with full service being restored post-pandemic), while the mean distance between major mechanical failures declined by ten percent in the last year, and the mean distance between all failures went down by nearly 50 percent to 16,600 miles by FY2024.

- Safety results showed the rate of preventable accidents nearly doubling over the audit period.

- Paratransit – The following is a brief summary of the paratransit functional trend highlights between FY2022 and FY2024:

  - Service Planning results showed an overall eight percent decrease in the cost per passenger mile, farebox recovery and TDA recovery both in a range of 7.0 to 8.5 percent, an increase from 83 to 95 percent of vehicle miles in service in FY2024, 90 percent of vehicle hours in service in the first and last years (85 percent in between), and passengers per vehicle service mile increasing by 14 percent while passengers per hour increased by nearly 20 percent.

  - Operations results showed vehicle operations costs accounting for 27 percent of total operating costs in both FY2022 and FY2024 (32 percent in between), and a significant net increase of nearly 25 percent in vehicle operations cost per hour. By FY2024, schedule adherence improved to 98 percent, the rate of valid complaints was reduced while commendations increased, and the very low incidence of missed trips was even lower. There were no ADA trip denials during the audit period. The rate of trip cancellations rose in each year, by one-third overall, but this reflects increased usage of a new smartphone trip booking/cancellation app that LAVTA has not found to be disruptive to service. Late trip cancellations and passenger no-shows were both reduced.

- Maintenance results showed total maintenance costs compared to total operating costs increasing in each year, to 23 percent by FY2024. At the same time vehicle maintenance costs per service mile increased by 31 percent. The spare ratio was reduced from 14.3 percent in the first year to 7.7 percent in the last year, as service demand has been recovering. The mean distance between major mechanical failures more than doubled over the period, but the mean distance between all failures declined significantly.

- Safety results reflected a single preventable accident in FY2022 and none in the next two years.

Recommendations

1. DEVELOP AND IMPLEMENT FURTHER STRATEGIES TO IMPROVE SCHEDULE ADHERENCE ON THE BUS SERVICE.
[Reference Section: VI. Functional Performance Indicator Trends]

   On-time performance results reported for LAVTA's bus service during the audit period showed a steady decline from 90 percent in FY2022 down to 85 percent by FY2024. It is recognized that the latter level of performance is still relatively positive, and LAVTA continued to meet its established 85 percent target. Further, LAVTA reported that maintaining and improving schedule reliability remains a top priority, as it directly impacts the rider experience, and LAVTA has several ongoing programs and activities in place to support this goal.

   Nonetheless, in order to reverse the audit period trend and provide more reliable service overall, LAVTA and its contractor should continue to look at opportunities to improve on-time performance as part of the regular bus service planning process. These efforts could include additional monitoring activities to identify the causes of service delays, and plans for addressing the circumstances found that are hindering on-time operations.

2. CONTINUE EXAMINING MAINTENANCE ACTIVITIES AND DEVELOPING TARGETED STRATEGIES TO ADDRESS INCREASING MECHANICAL FAILURE RATES.

[Reference Section: VI. Functional Performance Indicator Trends]

Maintenance results for LAVTA's bus and paratransit services showed service reliability generally declining over the audit period, though these trends were mostly not associated with major failures. For the bus service, the mean distance between all failures went down in each year, by nearly 50 percent from 32,000 miles in FY2022 to 16,600 miles by FY2024. At the same time the mean distance between all paratransit failures declined by 41 percent between FY2022 and FY2023, though there was some rebounding in the last year.

LAVTA is aware of these downward trends and noted specifically that it has recently begun working with its contractor to address the issue. LAVTA has undertaken a thorough review of preventive maintenance records to ensure full compliance with contractual maintenance standards, and conducted detailed analyses to determine if certain vehicle types are disproportionately contributing to the trends. In addition, LAVTA is working to replace several older buses, thereby lowering the average fleet age and presumably improving service reliability. In any event, LAVTA should continue its efforts to improve its maintenance function and collaborate with its contractor to increase overall vehicle reliability.

3. TAKE ADDITIONAL STEPS TO REDUCE PREVENTABLE ACCIDENTS ON LAVTA'S BUS SERVICE.

[Reference Section: VI. Functional Performance Indicator Trends]

The rate of preventable accidents on LAVTA's bus system nearly doubled over the audit period, from 1.2 per 100,000 vehicle miles in FY2022 to 2.2 in FY2024. LAVTA acknowledged this trend and suggested that in the post-COVID operating environment, there has been increased traffic congestion and thus a higher risk of traffic accidents, not totally within LAVTA's control. Even so, LAVTA reported that it has been working with the contractor to deploy a comprehensive, multi-faceted strategy to reduce accidents. The latter so far includes updating and enhancing the new hire operator training course, hosting various safety campaigns, and implementing advanced driver monitoring tools. LAVTA anticipates these steps will ultimately prove successful, but it may take some time.

In the meantime, the recent increases still point to a potentially burgeoning safety issue, and LAVTA and its operating contractor should include additional strategies to improve operator training, identify external environmental hazards and enhance monitoring activities, to ensure that safety issues are recognized and corrected before they have a chance to escalate further.

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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 Livermore-Amador Valley Transit Authority (LAVTA). LAVTA operates bus service under the banner of WHEELS, as well as providing ADA complementary paratransit service. The audit period is Fiscal Years 2022 through 2024 (from July 1, 2021 through June 30, 2024).

An overview of LAVTA is provided in Exhibit 1. This is followed by organization charts in Exhibits 2.1 and 2.2, which reflect the basic organizational structure during the audit period.

Performance Audit and Report Organization

This performance audit of LAVTA was conducted for MTC in accordance with its established procedures for performance audits. The audit consisted of two discrete phases:

- Compliance Audit – Activities in this phase included:
  - An overview of data collection and reporting procedures for the five TDA performance indicators;
  - Analysis of the TDA indicators; and
  - A review of compliance with selected state Public Utilities Code (PUC) requirements.
- Functional Review – Activities in this phase included:
  - A review of actions to implement the recommendations from the prior performance audit;
  - Calculation and evaluation of functional performance indicator trends; and
  - Findings, conclusions, and the formulation of recommendations.

This final report presents the findings from both phases. Comments received from LAVTA and MTC staff on the draft report have been incorporated into the final report.

Exhibit 1: System Overview

Location	1362 Rutan Court, Livermore, CA 94551
Establishment	The Cities of Dublin, Livermore and Pleasanton, and the County of Alameda created the Livermore/Amador Valley Transit Authority (LAVTA) in 1985 through a Joint Powers Agreement. LAVTA began service in 1986 under the WHEELS name. LAVTA serves the Cities of Dublin, Livermore and Pleasanton, and adjacent areas of Alameda County.
Board	LAVTA is governed by a seven-member Board of Directors consisting of two elected officials from each of the three member cities and one director from the Alameda County Board of Supervisors. The board is divided into two committees: the Finance and Administration Committee and the Projects and Services Committee. The committees meet regularly to discuss issues under their purview.
Facilities	The LAVTA Maintenance, Operations and Administration facility is the central base of operations for WHEELS. It houses both agency staff and contractor employees. The Livermore Transit Center (LTC) is a hub for LAVTA's Livermore routes and includes a parking structure for transit users and the general public. The LTC provides direct access to the adjacent Altamont Commuter Express (ACE) train station. In addition, LAVTA's Atlantis Operations and Maintenance Facility has secured parking with bus wash and fueling functions.
Service Data	LAVTA operates fixed-route bus service (WHEELS) that serves the communities of Dublin, Livermore and Pleasanton. Contracting the operation and maintenance for this service to MV Transportation, Inc., LAVTA provides 16 mainline routes, and 16 supplemental "school-tripper" routes. The mainline routes provide connections between transit hubs - such as BART stations and the LTC, and major employment and retail centers. Seven of the mainline routes operate throughout the day and on weekends, while the remainder are limited to weekday commute hours. LAVTA provides at least some service 365 days a year. LAVTA's 16 supplemental routes are designed to serve area middle schools and high schools, but also are available to the general public. The supplemental service is limited to school days, with most routes providing one inbound trip in the morning and one outbound trip in the afternoon. The fixed-route adult base fare is $2.00. The discounted fare for senior and disabled riders is $1.00. When using the Clipper Card, youth riders receive a 20 percent discount ($1.60), transfer discounts are offered with connecting transit agencies, and there is also a day pass shared with three other small operators. These allow a passenger to transfer to a local route for free. LAVTA also has transfer arrangements with connecting transit operators.

	Paratransit service for ADA-certified riders is provided through WHEELS' Dial-A-Ride service. WHEELS paratransit services were operated by an outside contractor, Medical Transportation Management (MTM) until April 2021, when LAVTA began contracting this service to County Connection (CCCTA). Dial-A-Ride provides door-to-door service throughout the entire LAVTA service area. The paratransit fare is $3.75. In addition, LAVTA offers a Para-Taxi Program that provides same day paratransit service, primarily as a more convenient alternative for ambulatory riders who are ADA certified. Riders have a choice of either using a pre-paid debit card to pay for their Para-Taxi rides or submit their taxi/TNC receipts to LAVTA and get reimbursed 85 percent of the cost. LAVTA also participates in the regional One Seat Ride Paratransit program along with CCCTA, Tri-Delta Transit (ECCTA), and WestCAT (WCCTA). The program simplifies regional travel on paratransit by eliminating the need for transfers when crossing between paratransit service areas, ensuring passengers have a seamless one-seat ride throughout their regional journey. Further, LAVTA subsidizes on-demand trips through the Go Tri-Valley discount. The program is a partnership with Transportation Network Companies (TNCs). Individuals that request a ride on Lyft or Uber within LAVTA's service area are eligible for a 50 percent discount up to $5 per trip. TDA Article 4 funding is used for this program, but it is only included in this audit by reference, as statistics are unavailable from Uber or Lyft. LAVTA's current operating fleet consists of a total of 60 standard 29 to 40-foot transit buses used for fixed-route service. County Connection uses their own and subcontracted fleets of vehicles for the Dial-A-Ride services.
Recent Changes	LAVTA completed a comprehensive operations analysis (COA) of the entire fixed route system in 2016, which apparently resulted in increased ridership. However, those ridership gains were immediately disrupted in early 2020 with the onset of the Covid-19 pandemic. During the Covid-19 pandemic, LAVTA temporarily reduced the frequency on some routes, while suspending other routes completely. All the affected services were gradually restored during the 2021-2024 timeframe. In 2023, LAVTA launched its Wheels-in-Motion planning- and public outreach effort. Based on extensive public input during this study, changes were implemented in the spring of 2024 that expanded the fixed-route service footprint to more areas of the community while maintaining high levels of service on the core trunk lines.

	LAVTA replaced twenty 40' buses in 2016 and twenty 40' buses in 2017, with a mix of 29', 35' and 40' diesel hybrid buses. In 2023 LAVTA replaced another 16 fixed route vehicles with new Gillig buses. The maximum discount/reimbursement per trip in LAVTA's Para-Taxi Program was $20 during the audit period, but was increased to $30 in July 2024.
Planned Changes	The service planning focus over the near term will be on optimizing service on the main trunk lines – including potential alignment adjustments to better match riders' destinations and improve operational reliability and on-time performance. Additionally, retiming routes to better connect to BART and the Altamont Corridor Express (ACE) Rail System will occur as needed. LAVTA's planned capital projects include facility improvements to prepare for future hydrogen fuel cell buses, including the construction of a hydrogen refueling station as well as retrofitting maintenance bays with the proper safety equipment. LAVTA will be undertaking state of good repair activities on its current facility, including renovating bathrooms, replacing the bus yard gate, and replacing the bus wash. Future plans also include adding a building for administration and operations at the Atlantis facility, along with a maintenance facility and hydrogen refueling station to the site. LAVTA will also be completing several capital projects that will improve the passenger experience, including passenger enhancements at three high-ridership stops (BART, Las Positas College, and the Lawrence Livermore National Lab); adding bus shelters and/or other amenities to up to 47 Rapid stops; improving lighting and signage at the Livermore Transit Center; and implementing a cloud-based Transit Signal Priority system which will improve on-time performance. Fixed-route fleet engine and transmission overhauls and replacements, and battery replacements on the hybrid buses and support vehicles are planned for the next ten years. As part of its approach to servicing populations with specialized transportation needs, LAVTA will be implementing a comprehensive mobility management program called "Wheels Access – Expanding Mobility Options in the Tri Valley." This program integrates enhanced ADA paratransit eligibility assessments with individual travel consultations and various forms of travel training on fixed route systems, as well as an innovative electronic payment incentive program.

Staff	During the audit period, LAVTA's contractor, MV Transportation, employed about 100-120 full- and part-time employees to operate and maintain WHEELS services. LAVTA currently has 15 full-time staff members and one part-time intern. LAVTA has one new FTE that will be filled in 2025. During the audit period LAVTA changed the position of Director of Operations and Innovation into the Director of Operations, and then changed the Director of Marketing to Director of Customer Experience. Additionally, LAVTA added a Manager of Capital Projects. The breakdown of LAVTA's in-house staff for the audit period was: Executive Director – 1 Finance /Administrative Services – 5 Planning & Marketing – 5 Operations - 5

Exhibit 2.1: Organization Chart 2022

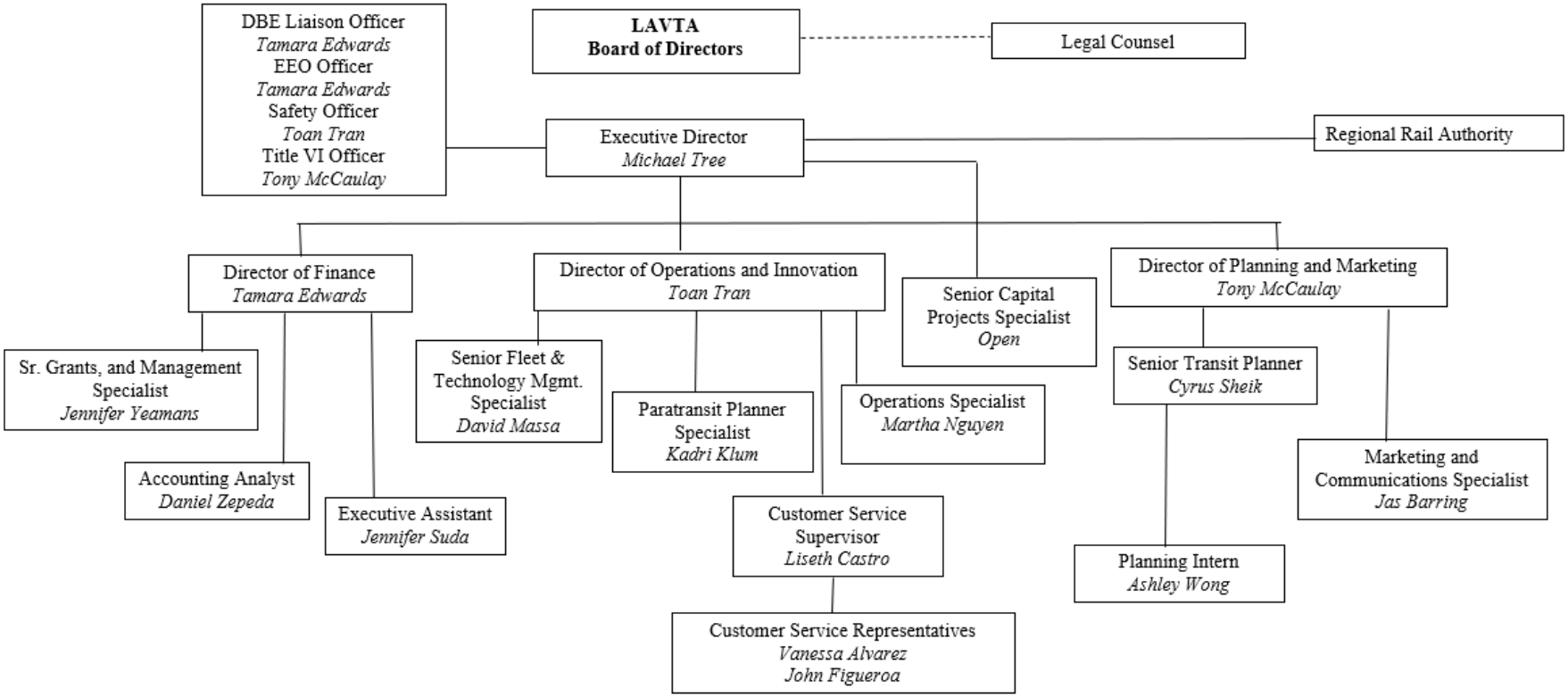
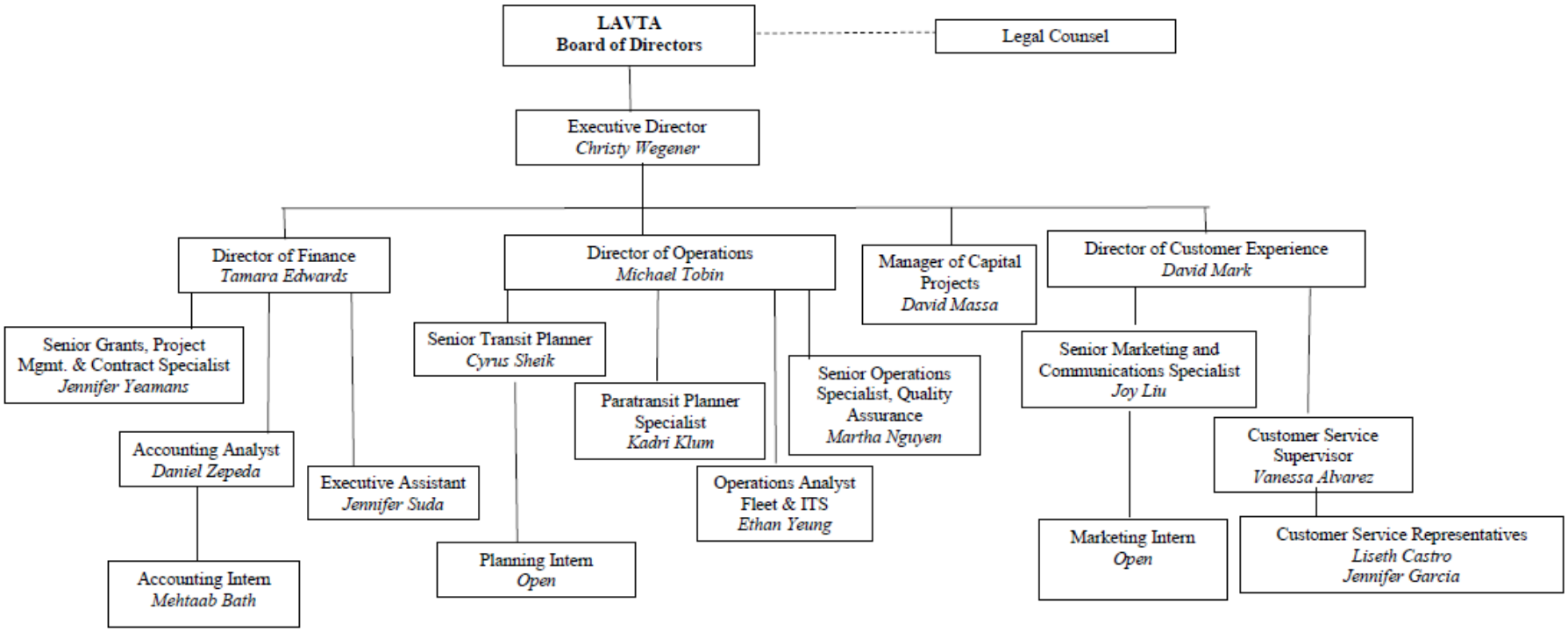


Exhibit 2.2: Organization Chart 2023-2024



II. REVIEW OF TDA DATA COLLECTION AND REPORTING METHODS

This section 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 LAVTA is in 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)

The TDA indicator analysis is based on these operating and financial statistics in the National Transit Database (NTD) reports submitted annually to the Federal Transit Administration (FTA). The information reported by LAVTA covering the audit period has been reviewed. However, LAVTA's NTD reports covering FY2023 and FY2024 only include operating and passenger statistics for its bus services; the paratransit information is reported directly to the NTD by the current operating contractor (County Connection), consolidated with its own reporting. Further, consistent with FTA reporting requirements, LAVTA does not submit employee hour information for purchased transportation service to the NTD. Responsibility for sufficient staffing and employee productivity is borne by the operations contractors and therefore, employee full-time equivalent (FTE) data is not used in this audit report.

Compliance with Requirements

To support this review, LAVTA provided information to confirm and/or update its data collection and reporting procedures as described in the prior performance audit. There were only very minor changes. 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 3.1, LAVTA is in compliance with the data collection and reporting requirements for the TDA statistics.

Consistency of the Reported Statistics

The TDA statistics for LAVTA's bus and paratransit services are presented in Exhibits 3.2 and 3.3, respectively. Included are statistics covering each fiscal year of the three-year audit period, plus the immediately preceding three fiscal years, resulting in a six-year trend. The statistics collected over the period appear to be consistent with the TDA definitions. Further, they indicate general consistency in terms of the direction and magnitude of the year-to-year changes across the statistics, especially when taking into account the impacts of the recent Covid-19 pandemic on service provision and ridership. For example, increases or decreases in annual operating costs are relatively proportional to increases or decreases in annual vehicle service hours and miles.

However, as can be seen in Exhibit 3.3, there were notable inconsistencies between reported paratransit operating costs, hours and miles toward the end of the review period. In FY2023, paratransit vehicle service hours decreased by 11 percent compared with the prior year, even as operating costs and vehicle service miles both increased by 15 percent. In FY2024, paratransit operating costs increased by 23 percent over FY2023,

and vehicle service hours by nearly 32 percent, while vehicle service miles increased by only five percent. It is noted that LAVTA's paratransit operating statistics covering those two years were obtained from monthly billing documentation provided by the operating contractor (County Connection), in lieu of LAVTA's NTD reports. LAVTA no longer includes that information in its NTD reports. Rather, it is consolidated with County Connection's own NTD reporting for paratransit.

Exhibit 3.1: Compliance with TDA Data Collection and Reporting Requirements

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Operating Cost	"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.	In Compliance	LAVTA divides operating costs into six categories: Board of Directors, Executive Director, Finance, transit planning, marketing and operations. Total operating expenses include internal costs plus the cost of purchased transportation provided by the contract operator. Operating costs reported to external agencies are based on LAVTA's audited financial statements.
Vehicle Service Hours	"Vehicle service hours" means the total number of hours that each transit vehicle is in revenue service, including layover time.	In Compliance	LAVTA calculates fixed route service hours based on 1) fixed-route service schedules and 2) any variations in service, as reported by the operations contractor and reviewed by agency oversight staff, consistent with TDA definitions. Paratransit service hours are calculated based on the actual times reported by the drivers, using the contractor's proprietary software. The actual pickup and drop-off times are recorded per trip and reported to LAVTA monthly.

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Vehicle Service Miles	"Vehicle service miles" means the total number of miles that each transit vehicle is in revenue service.	In Compliance	LAVTA calculates fixed route service miles based on the current fixed route schedule and taking into account service variations, consistent with TDA definitions. Paratransit miles are based on miles between the pickup of the first passenger and then drop off of the last passenger, subtracting break times -- using the contractor's proprietary mapping software. The contractor submits monthly reports to LAVTA.
Unlinked Passengers	"Unlinked passengers" means the number of boarding passengers, whether revenue producing or not, carried by the public transportation system.	In Compliance	Fixed-route passengers are manually counted by bus operators on electronic fareboxes; data is downloaded from fareboxes daily, and is included in weekly and monthly reports to LAVTA. Paratransit passenger counts are tracked by the contractor's proprietary software. The driver confirms the number of passengers on the trip reservation (both the passenger type and count) at the beginning of each trip. Monthly reports are submitted to LAVTA. LAVTA includes all categories of boarding/traveling passengers, regardless of fare payment or payment method - as required by TDA guidelines.
Employee Full-Time Equivalents	2,000 person-hours of work in one year constitute one employee.	In Compliance	Definition corresponds with TDA definition. Fixed Route service is contracted out to private operator; contractor reports its FTEs to LAVTA. Paratransit service is contracted out to private operator that subcontracts; no FTE reporting.

Exhibit 3.2: TDA Statistics – Bus Service

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	*Av. Ann. Chg.*
Operating Cost (Actual $)	$15,253,896	$15,439,888	$12,904,948	$14,604,107	$17,210,855	$18,820,670	- -
Annual Change	- -	*1.2%*	*-16.4%*	*13.2%*	*17.8%*	*9.4%*	*4.3%*
Operating Cost (Constant $)	$15,253,896	$15,237,187	$12,211,400	$12,843,623	$14,794,030	$15,709,016	- -
Annual Change	- -	*-0.1%*	*-19.9%*	*5.2%*	*15.2%*	*6.2%*	*0.6%*
Vehicle Service Hours	125,799	112,412	77,053	90,069	100,598	112,516	- -
Annual Change	- -	*-10.6%*	*-31.5%*	*16.9%*	*11.7%*	*11.8%*	*-2.2%*
Vehicle Service Miles	1,723,369	1,518,836	998,047	1,225,468	1,328,472	1,492,650	- -
Annual Change	- -	*-11.9%*	*-34.3%*	*22.8%*	*8.4%*	*12.4%*	*-2.8%*
Unlinked Passengers	1,660,443	1,406,245	420,226	841,343	1,145,515	1,353,810	- -
Annual Change	- -	*-15.3%*	*-70.1%*	*100.2%*	*36.2%*	*18.2%*	*-4.0%*
Employee Full-Time Equivalents	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	- -
Annual Change	- -	- -	- -	- -	- -	- -	- -
Bay Area CPI - Annual Change	- -	1.3%	4.3%	7.6%	2.3%	3.0%	- -
Cumulative Change	- -	1.3%	5.7%	13.7%	16.3%	19.8%	*3.7%*

(a) Not applicable as LAVTA service is provided by an outside contractor

Sources: *FY2019 through FY2021 - Prior Performance Audit Report*
FY2022 through FY2024 - NTD Reports
CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

Exhibit 3.3: TDA Statistics – Paratransit

TDA Statistics	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	*Avg. Annual Change*
Operating Cost (Actual $)	$1,692,058	$1,492,324	$1,091,519	$1,433,387	$1,649,749	$2,031,045	- -
Annual Change	- -	*-11.8%*	*-26.9%*	*31.3%*	*15.1%*	*23.1%*	*3.7%*
Operating Cost (Constant $)	$1,692,058	$1,472,732	$1,032,858	$1,260,596	$1,418,084	$1,695,249	- -
Annual Change	- -	*-13.0%*	*-29.9%*	*22.0%*	*12.5%*	*19.5%*	*0.0%*
Vehicle Service Hours	38,684	27,833	12,747	14,297	12,677	16,691	- -
Annual Change	- -	*-28.1%*	*-54.2%*	*12.2%*	*-11.3%*	*31.7%*	*-15.5%*
Vehicle Service Miles	417,558	329,784	150,703	184,451	213,474	224,859	- -
Annual Change	- -	*-21.0%*	*-54.3%*	*22.4%*	*15.7%*	*5.3%*	*-11.6%*
Unlinked Passengers	46,108	36,378	14,960	24,291	29,205	33,860	- -
Annual Change	- -	*-21.1%*	*-58.9%*	*62.4%*	*20.2%*	*15.9%*	*-6.0%*
Employee Full-Time Equivalents	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	- -
Annual Change	- -	- -	- -	- -	- -	- -	- -
Bay Area CPI - Annual Change	- -	1.3%	4.3%	7.6%	2.3%	3.0%	- -
Cumulative Change	- -	1.3%	5.7%	13.7%	16.3%	19.8%	*3.7%*

(a) Not applicable as LAVTA service is provided by an outside contractor

Sources: *FY2019 through FY2021 - Prior Performance Audit Report*
FY2022 through FY2024 - NTD Reports, except FY2023 and FY2024 hours, miles & passengers – monthly billing documentation from the contractor (CCCTA)
CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

III. TDA PERFORMANCE INDICATORS AND TRENDS

The performance trends for LAVTA's bus and paratransit service modes are presented in this section. Performance is discussed for four 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

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. LAVTA's NTD reports were the source of all operating and financial statistics utilized.

Performance results for the fifth TDA-mandated indicator, vehicle service hours per full-time equivalent employee (FTE), were deemed not applicable since LAVTA's services are provided by a private contractor. Further, as noted above, LAVTA's paratransit operating statistics (vehicle service hours and miles, and passengers) covering the last two years were obtained from monthly billing documentation provided by the operating contractor (County Connection), being unavailable in LAVTA's NTD reports.

In addition to presenting performance for the three years of the audit period (FY2022 through FY2024), 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 LAVTA'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 FY2022 to FY2024 trend lines have been combined with those from the prior audit period (FY2019 through FY2021) 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 LAVTA's performance trends in the four TDA performance indicators included. The discussion is organized by service mode -- bus service is discussed first, followed by paratransit. The analysis is also expanded to include a breakdown of the various component costs that contributed to the total and hourly operating costs during the last six years.

Bus Service Performance Trends

This section provides an overview of the performance of LAVTA'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 4.3.

- Operating Cost per Vehicle Service Hour (Exhibit 4.1)

  - Operating cost per vehicle service hour, a key indicator of cost efficiency, increased an average of 6.6 percent annually, as operating costs increased on average by 4.3 percent annually, even as vehicle service hours decreased by 2.2 percent.

  - The cost per hour increased in most years, especially during the first half of the period. The most significant increase was 22 percent in FY2021, the first full year of the COVID pandemic.

  - Modest annual decreases were posted in FY2022 and FY2024.

  - In FY2019 constant dollars, there was an average annual increase in this indicator of 2.9 percent.

- Passengers per Vehicle Service Hour (Exhibit 4.2)

  - An indicator of passenger productivity, passengers per hour decreased an average of 1.8 percent annually during the six-year period.

  - The largest decrease by far was 56.4 percent in FY2021, the first full year of the COVID pandemic. This reflects a 70 percent reduction in passengers combined with just a 31 percent reduction in service hours.

  - There was a complete turnaround subsequently, with significant annual increases in both FY2022 and FY2023, followed by even further improvement in the last year.

  - Passengers per hour decreased overall from about 13 in the first two years to 12 in FY2024, despite reaching a low of only 5.5 passengers in FY2021.

- Passengers per Vehicle Service Mile (Exhibit 4.2)

  - Another passenger productivity indicator, the six-year trend in this indicator was similar to the above, decreasing by 1.2 percent annually on average,

  - The largest decrease by far was 54.5 percent in FY2021, the first full year of the COVID pandemic. This reflects a 70 percent reduction in passengers combined with just a 34 percent reduction in service miles.

- There were about 0.9 passengers per mile in the first two years and again in the last two years, with notably lower results in FY2021 and FY2022.

- Operating Cost per Passenger (Exhibit 4.3)

  - A measure of cost effectiveness, LAVTA's bus cost per passenger increased on average by 8.6 percent annually during the six-year period.

  - The cost per passenger was near $10.00 in the first two years, though increasing already in FY2020, and then was greatly impacted by the loss of riders accompanying the COVID pandemic (beginning in March 2020).

  - The cost per passenger increased to $30.71 in FY2021, but decreased significantly in each of the next three years, to $13.90 by FY2024.

  - With the impact of inflation removed from the cost side (normalization), the six-year result was an average annual increase of 4.8 percent in the cost per passenger.

* * * * *

The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2019 through FY2024:

- There was an average annual increase in the operating cost per hour of 6.6 percent, which amounted to a 2.9 percent increase in inflation adjusted dollars.

- Passenger productivity showed modestly negative trends, with passengers per vehicle service hour and mile both decreasing by around one percent per year overall. These trends were also specifically influenced by the drop off in ridership in FY2021.

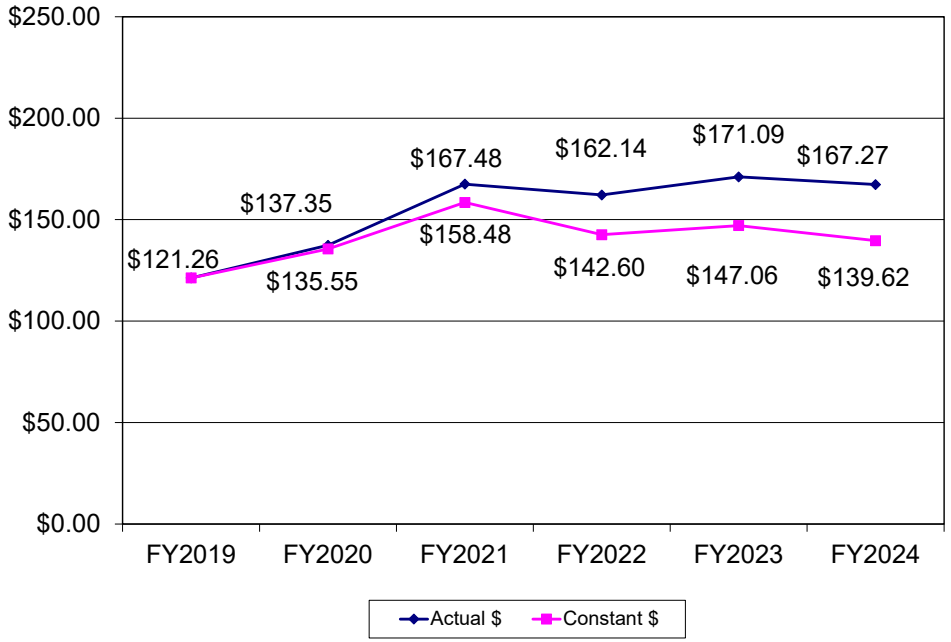
- The cost per passenger increased on average by 8.6 percent per year, which amounted to an average annual increase of 4.8 percent in constant FY2019 dollars. The trend was specifically influenced by a major drop off in ridership in FY2021, the first full year of the COVID pandemic.

Exhibit 4: TDA Indicator Performance – Bus Service

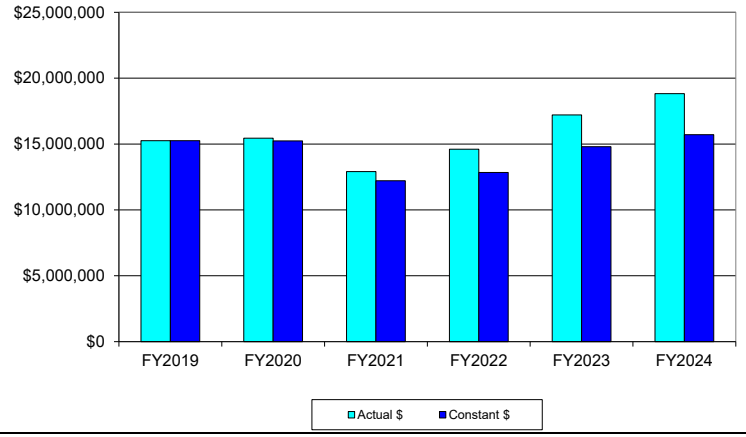
TDA Performance Indicator	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	*Avg. Annual Change*
Op. Cost per Vehicle Svc. Hour (Actual $)	$121.26	$137.35	$167.48	$162.14	$171.09	$167.27	- -
Annual Change	- -	*13.3%*	*21.9%*	*-3.2%*	*5.5%*	*-2.2%*	*6.6%*
Op. Cost per Vehicle Svc. Hour (Constant $)	$121.26	$135.55	$158.48	$142.60	$147.06	$139.62	- -
Annual Change	- -	*11.8%*	*16.9%*	*-10.0%*	*3.1%*	*-5.1%*	*2.9%*
Passengers per Vehicle Service Hour	13.2	12.5	5.5	9.3	11.4	12.0	- -
Annual Change	- -	*-5.2%*	*-56.4%*	*71.3%*	*21.9%*	*5.7%*	*-1.8%*
Passengers per Vehicle Service Mile	0.96	0.93	0.42	0.69	0.86	0.91	- -
Annual Change	- -	*-3.9%*	*-54.5%*	*63.1%*	*25.6%*	*5.2%*	*-1.2%*
Op. Cost per Passenger (Actual $)	$9.19	$10.98	$30.71	$17.36	$15.02	$13.90	- -
Annual Change	- -	*19.5%*	*179.7%*	*-43.5%*	*-13.4%*	*-7.5%*	*8.6%*
Op. Cost per Passenger (Constant $)	$9.19	$10.84	$29.06	$15.27	$12.91	$11.60	- -
Annual Change	- -	*17.9%*	*168.2%*	*-47.5%*	*-15.4%*	*-10.2%*	*4.8%*
Vehicle Service Hours per FTE	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	- -
Annual Change	- -	- -	- -	- -	- -	- -	- -
Bay Area CPI - Annual Change	- -	1.3%	4.3%	7.6%	2.3%	3.0%	- -
Cumulative Change	- -	1.3%	5.7%	13.7%	16.3%	19.8%	*3.7%*

(a) Not applicable as LAVTA service is provided by an outside contractor

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



Operating Cost



Vehicle Service Hours

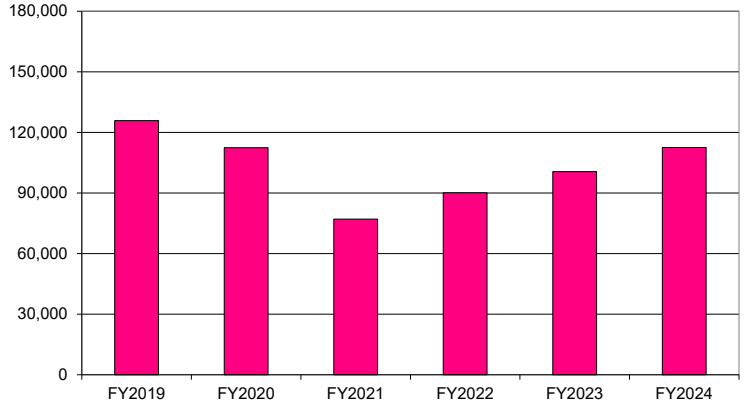
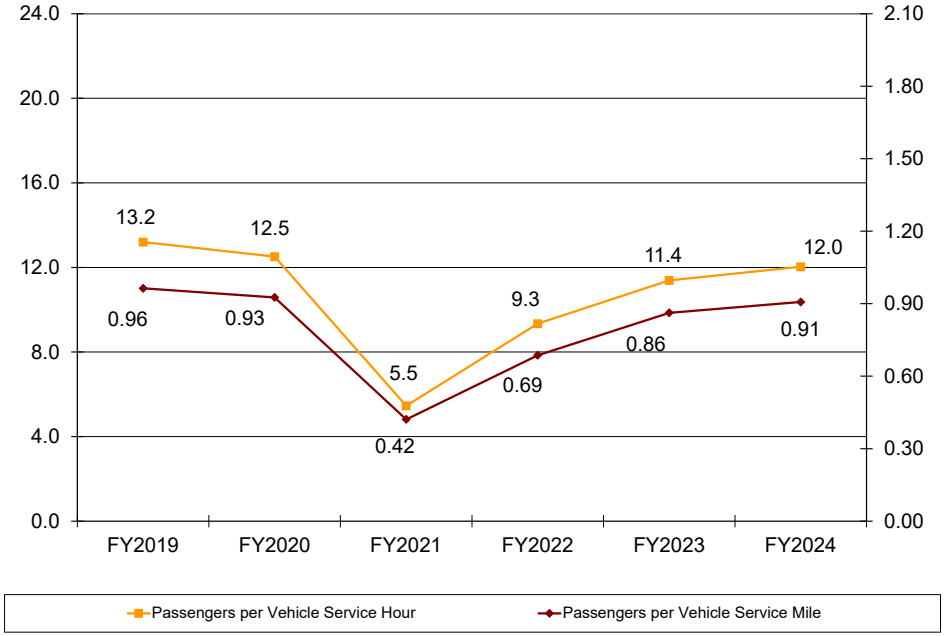
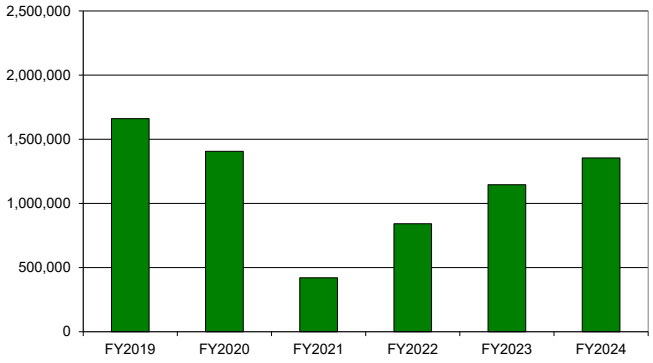


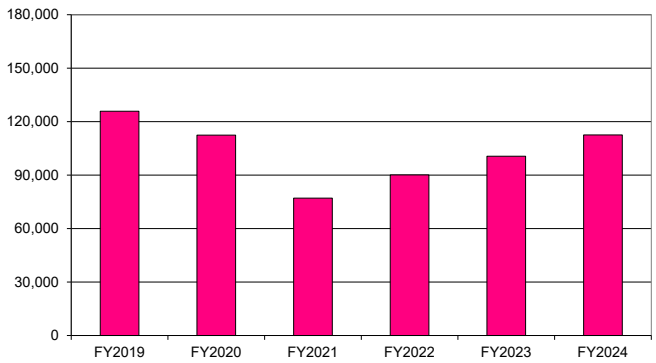
Exhibit 4.2: Passengers per Hour and per Mile – Bus Service



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

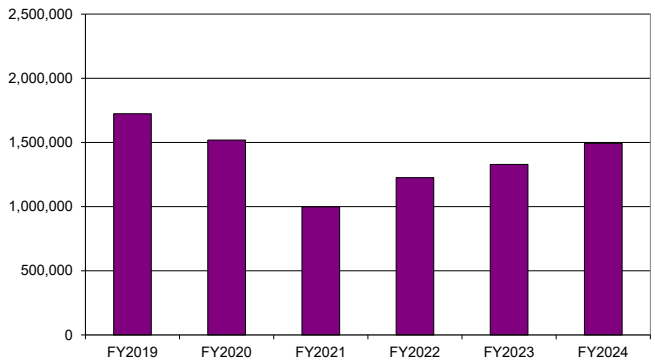
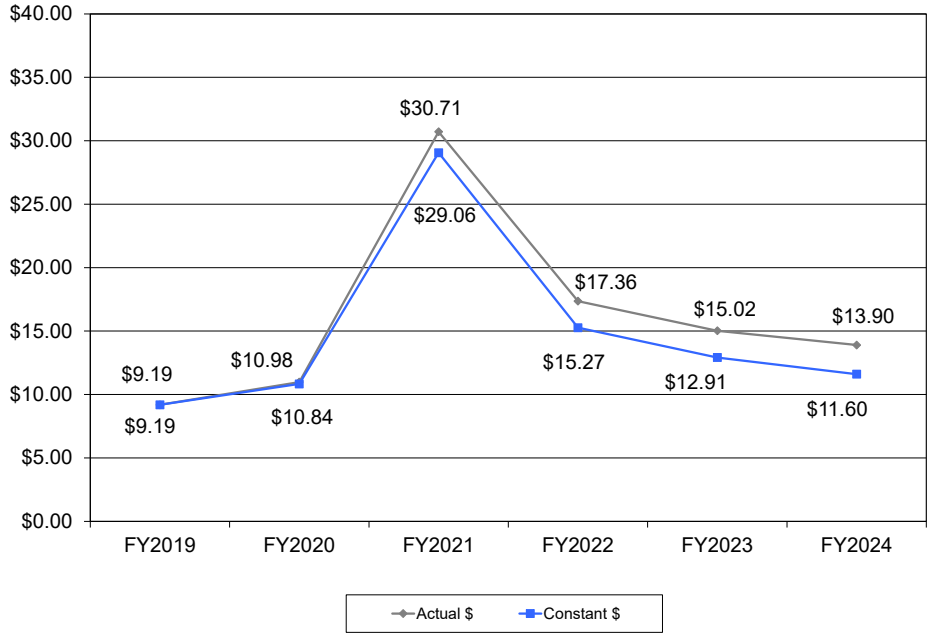
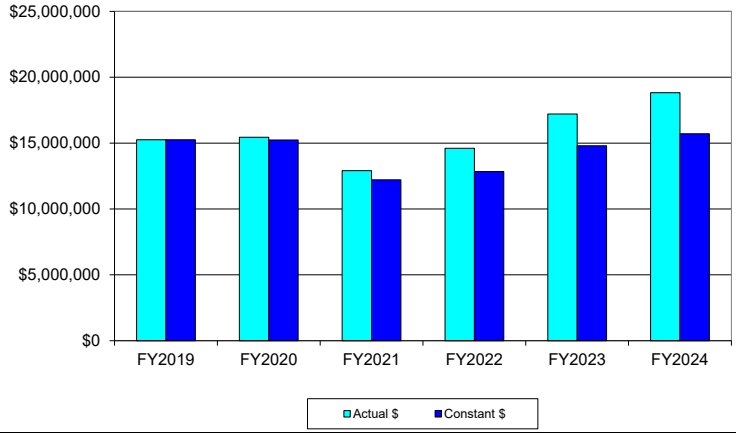


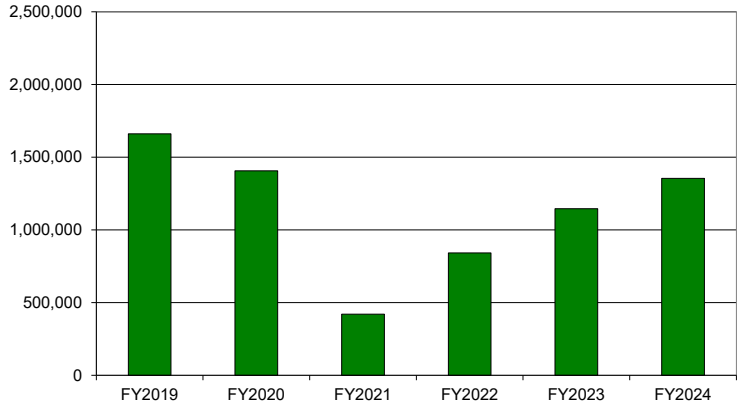
Exhibit 4.3: Operating Cost per Passenger – Bus Service



Operating Cost



Unlinked Passengers



Bus Service Component Costs

Year-to-year changes in selected operating cost categories over the past six years are presented in Exhibit 4.4. 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 4.4 also shows the concurrent changes in vehicle service hours and Exhibit 4.5 illustrates the portion of the cost per bus service hour that can be attributed to each included cost component.

- The most significant change in the six-year period was an average annual increase of 17 percent in the services area. In particular, services costs went up by more than 40 percent compared with the prior year in both FY2020 and FY2023. The latter specifically reflected unusual recruitment and legal fees, along with hired professional services to help with administrative tasks and to facilitate recovery from a major cyber security situation. Services costs accounted for five to ten percent of total costs, depending on the year.

- Materials/supplies costs fluctuated noticeably from year to year, and were up by 3.4 percent on average annually. However, materials/supplies costs (primarily for fuels and lubricants) accounted for just six or seven percent of total costs throughout the period.

- In-house labor costs increased by 2.8 percent annually, while varying between seven and ten percent of total costs from year to year.

- At the same time, fringe benefits expenses went up by 10 percent on average per year. Further, the portion of total costs attributed to fringe benefits increased in every year except FY2022, from 5.9 percent in FY2019 to 7.8 percent by FY2024.

- Not surprisingly with a contracted service, purchased transportation costs represented the largest portion of the total costs, with its share between 60 and 66 percent in all six years. Purchased transportation costs experienced an average annual increase of 2.8 percent over the period.

- The casualty/liability and "other costs" categories showed increases of 2.0 and 3.3 percent per year on average, and together comprised about eight percent of total operating costs in each year.

* * * * *

The following is a brief summary of the component operating costs trend highlights between FY2019 and FY2024:

- The most significant change was an average annual increase of 17 percent in the services area. Services costs accounted for five to ten percent of total costs, depending on the year.
- In-house labor costs increased by 2.8 percent annually, while varying between seven and ten percent of total costs from year to year. Meanwhile, fringe benefits expenses went up by 10 percent on average per year.
- Purchased transportation costs represented the largest portion of the total costs, with its share between 60 and 66 percent.
- The materials/supplies, casualty/liability and "other costs" categories all showed relatively moderate changes per year on average (increases of two to three percent).

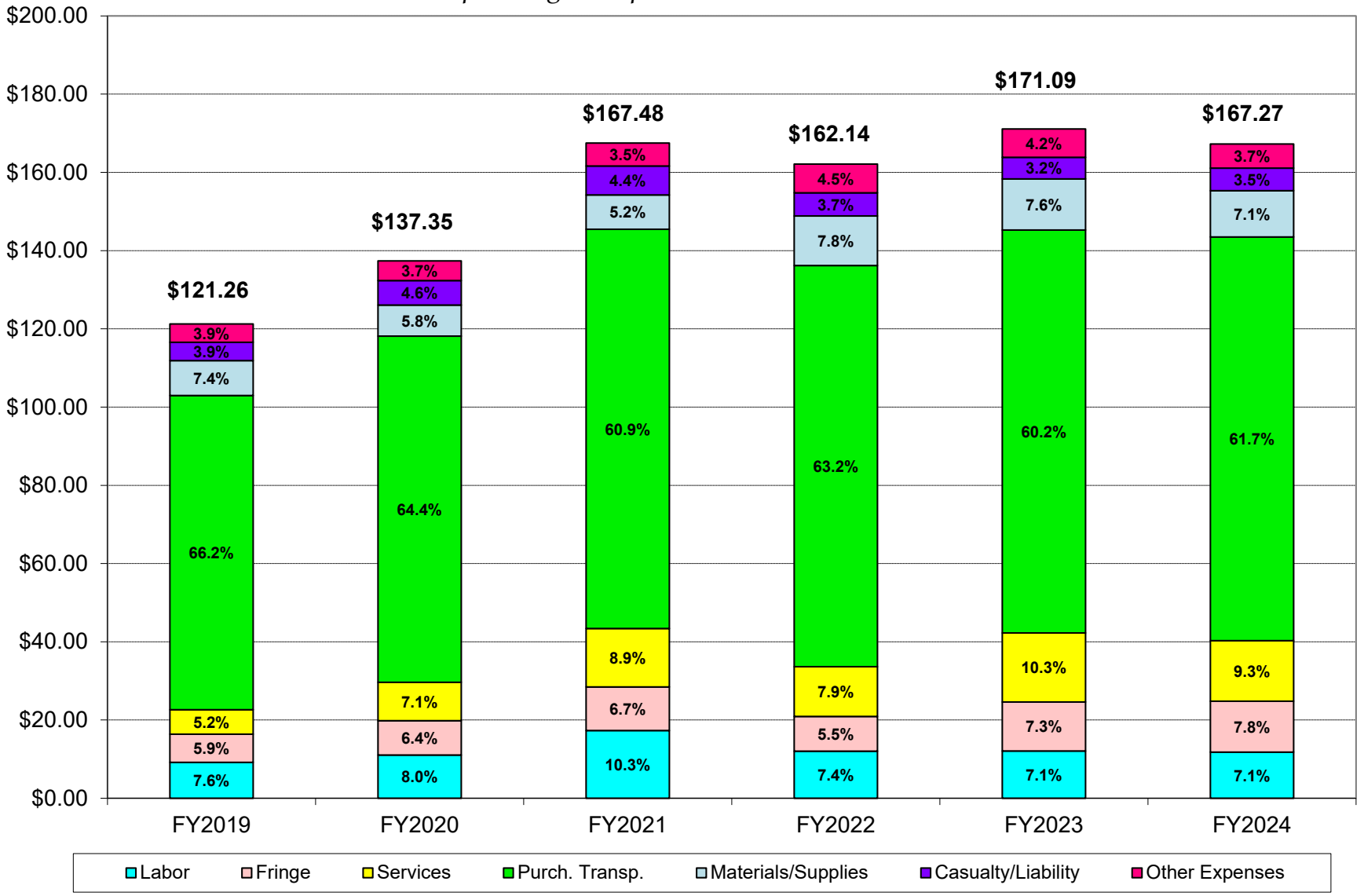
Exhibit 4.4: Component Cost Trends – Bus Service

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	*Av. Ann. Chg.*
COST CATEGORIES							
Labor (Salaries/Wages)	$1,154,300	$1,241,991	$1,332,098	$1,084,482	$1,215,836	$1,327,033	- -
Annual Change	- -	*7.6%*	*7.3%*	*-18.6%*	*12.1%*	*9.1%*	*2.8%*
Fringe Benefits *(a)*	$905,948	$986,323	$861,266	$797,149	$1,260,411	$1,461,813	- -
Annual Change	- -	*8.9%*	*-12.7%*	*-7.4%*	*58.1%*	*16.0%*	*10.0%*
Services	$788,162	$1,101,612	$1,150,440	$1,148,831	$1,775,213	$1,744,779	- -
Annual Change	- -	*39.8%*	*4.4%*	*-0.1%*	*54.5%*	*-1.7%*	*17.2%*
Purchased Transportation	$10,101,677	$9,947,927	$7,864,560	$9,233,947	$10,363,080	$11,610,838	- -
Annual Change	- -	*-1.5%*	*-20.9%*	*17.4%*	*12.2%*	*12.0%*	*2.8%*
Materials/Supplies	$1,123,511	$894,274	$675,594	$1,140,833	$1,311,446	$1,328,989	- -
Annual Change	- -	*-20.4%*	*-24.5%*	*68.9%*	*15.0%*	*1.3%*	*3.4%*
Casualty/Liability	$587,907	$703,337	$568,157	$536,018	$557,601	$649,334	- -
Annual Change	- -	*19.6%*	*-19.2%*	*-5.7%*	*4.0%*	*16.5%*	*2.0%*
Other Expenses *(b)*	$592,391	$564,424	$452,833	$662,847	$727,268	$697,884	- -
Annual Change	- -	*-4.7%*	*-19.8%*	*46.4%*	*9.7%*	*-4.0%*	*3.3%*
Total	$15,253,896	$15,439,888	$12,904,948	$14,604,107	$17,210,855	$18,820,670	- -
Annual Change	- -	*1.2%*	*-16.4%*	*13.2%*	*17.8%*	*9.4%*	*4.3%*
OPERATING STATISTICS							
Vehicle Service Hours	125,799	112,412	77,053	90,069	100,598	112,516	- -
	- -	*-10.6%*	*-31.5%*	*16.9%*	*11.7%*	*11.8%*	*-2.2%*

(a) Also includes paid absences
(b) Includes tires/tubes, utilities, taxes, and miscellaneous expenses

Exhibit 4.5: Distribution of Component Costs – Bus Service

Operating Cost per Vehicle Service Hour



Paratransit Performance Trends

This section provides an overview of the performance of LAVTA's paratransit service over the six-year analysis period. The trends in the TDA indicators and input data are presented in Exhibit 5. The six-year trends are illustrated in Exhibits 5.1 through 5.3.

- Operating Cost per Vehicle Service Hour (Exhibit 5.1)
  - LAVTA's paratransit cost per hour increased in every year except FY2024. The magnitude of the annual increases ranged from 17.1 percent in FY2022 to 59.7 percent in FY2021.
  - The cost per hour in FY2019 was $43.74. However, it was above $120 in the last two years, though FY2024 results were somewhat lower than FY2023.
  - The overall trend was reflective of major service adjustments to meet changing demand during the COVID pandemic.
  - Overall, the cost per hour increased an average of 22.7 percent per year over the six years. With the effects of inflation removed, the cost per hour still exhibited an average annual increase of 18.4 percent.
- Passengers per Vehicle Service Hour (Exhibit 5.2)
  - Passengers per vehicle service hour increased in most years of the review period – the exceptions being FY2021 and FY2024.
  - Despite the annual fluctuations, there was a general increase from 1.2 to 2.0 passengers per hour over the period.
  - The trend amounted to an average annual increase of 11.2 percent, as overall annual passenger levels declined by six percent while corresponding service hours dropped by 15.5 percent.
- Passengers per Vehicle Service Mile (Exhibit 5.2)
  - Performance in passengers per vehicle service mile was positive as well, generally climbing from 0.11 passengers in the first two years to 0.15 by the last year.

- The largest annual change was a 33 percent improvement in FY2022, as the service began recovering from the COVID pandemic.

- Passengers per mile posted an average annual increase of 6.4 percent over the six years.

- Operating Cost per Passenger (Exhibit 5.3)

  - Cost effectiveness worsened, with the cost per passenger increasing by ten percent per year on average through the review period.

  - The cost per paratransit passenger was $36.70 in the first year, and subsequently increased to the period high of $72.96 in FY2021, at which time ridership dropped off precipitously during the first full year of the COVID pandemic.

  - With the impact of inflation removed from the cost side, the six-year result was an average annual increase of 6.4 percent in the cost per passenger.

* * * * *

The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2019 through FY2024:

- For cost efficiency, there was an average annual increase in the operating cost per hour of 22.7 percent. This amounted to an annual increase of 18.4 percent in inflation adjusted dollars. The overall trend was reflective of major service adjustments to meet changing demand during the COVID pandemic.

- Passenger productivity showed general improvement, with passengers per hour increasing by 11.2 percent annually and passengers per mile increasing by 6.4 percent.

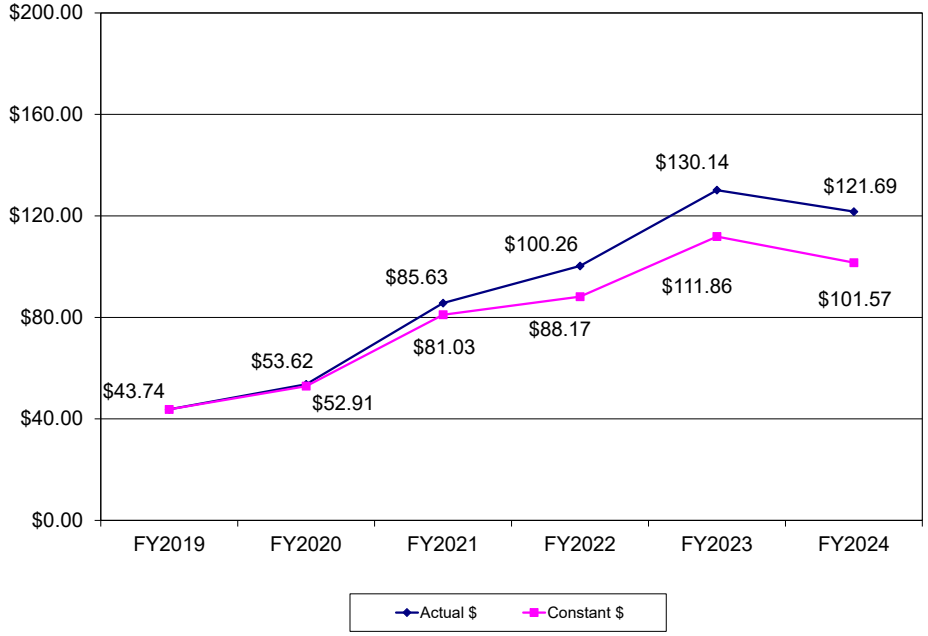
- In terms of cost effectiveness, the operating cost per passenger showed a significant increase of ten percent per year on average, or 6.4 percent when normalized in FY2019 dollars. The period high of $72.96 occurred in FY2021, when ridership dropped off precipitously during the first full year of the COVID pandemic.

Exhibit 5: TDA Indicator Performance – Paratransit

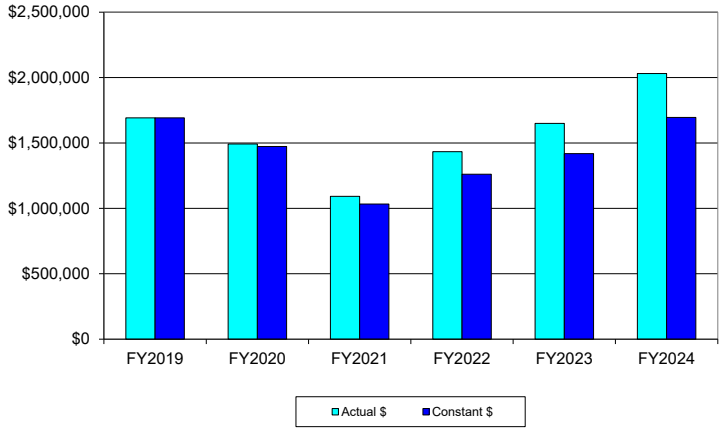
TDA Performance Indicator	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	*Av. Ann. Chg.*
Op. Cost per Vehicle Svc. Hour (Actual $)	$43.74	$53.62	$85.63	$100.26	$130.14	$121.69	- -
Annual Change	- -	*22.6%*	*59.7%*	*17.1%*	*29.8%*	*-6.5%*	*22.7%*
Op. Cost per Vehicle Svc. Hour (Constant $)	$43.74	$52.91	$81.03	$88.17	$111.86	$101.57	- -
Annual Change	- -	*21.0%*	*53.1%*	*8.8%*	*26.9%*	*-9.2%*	*18.4%*
Passengers per Vehicle Service Hour	1.2	1.3	1.2	1.7	2.3	2.0	- -
Annual Change	- -	*9.7%*	*-10.2%*	*44.8%*	*35.6%*	*-11.9%*	*11.2%*
Passengers per Vehicle Service Mile	0.11	0.11	0.10	0.13	0.14	0.15	- -
Annual Change	- -	*-0.1%*	*-10.0%*	*32.7%*	*3.9%*	*10.1%*	*6.4%*
Op. Cost per Passenger (Actual $)	$36.70	$41.02	$72.96	$59.01	$56.49	$59.98	- -
Annual Change	- -	*11.8%*	*77.9%*	*-19.1%*	*-4.3%*	*6.2%*	*10.3%*
Op. Cost per Passenger (Constant $)	$36.70	$40.48	$69.04	$51.90	$48.56	$50.07	- -
Annual Change	- -	*10.3%*	*70.5%*	*-24.8%*	*-6.4%*	*3.1%*	*6.4%*
Vehicle Service Hours per FTE	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	- -
Annual Change	- -	- -	- -	- -	- -	- -	- -
Bay Area CPI - Annual Change	- -	1.3%	4.3%	7.6%	2.3%	3.0%	- -
Cumulative Change	- -	1.3%	5.7%	13.7%	16.3%	19.8%	*3.7%*

(a) Not applicable as LAVTA service is provided by an outside contractor

Exhibit 5.1: Operating Cost per Vehicle Service Hour – Paratransit



Operating Cost



Vehicle Service Hours

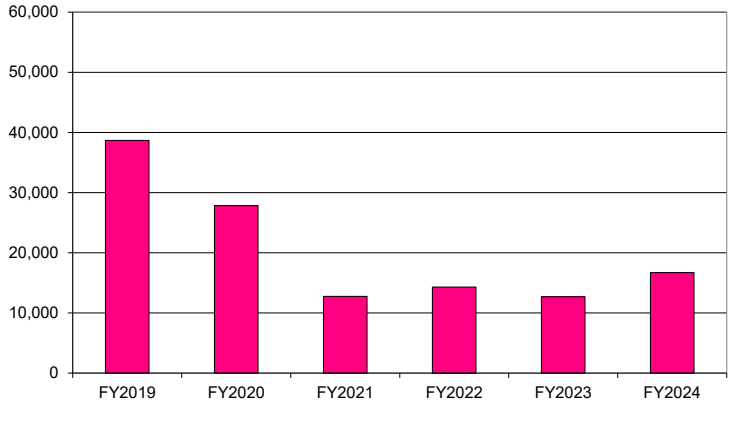
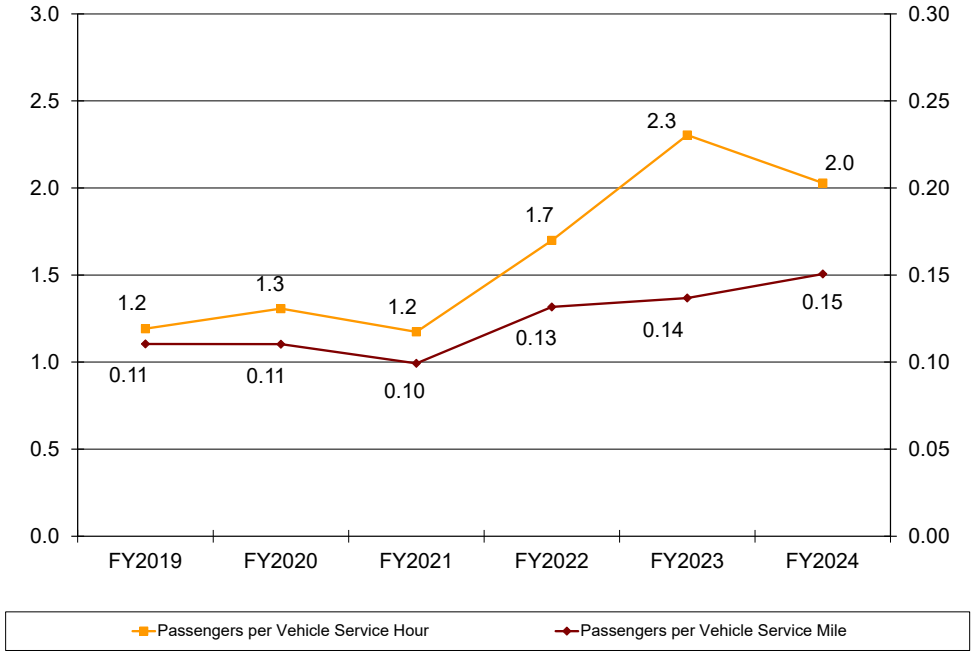
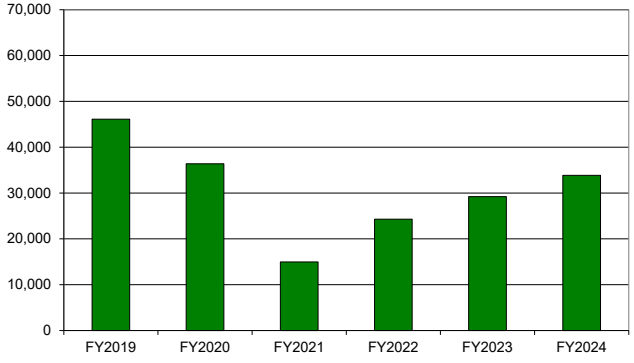


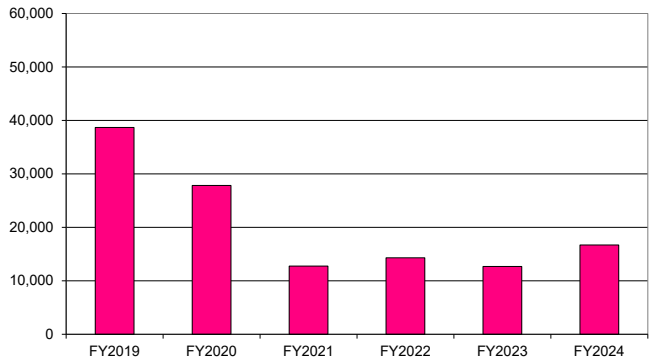
Exhibit 5.2: Passengers per Hour and per Mile – Paratransit



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

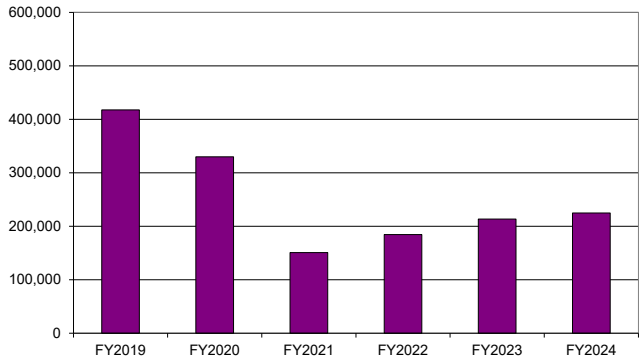
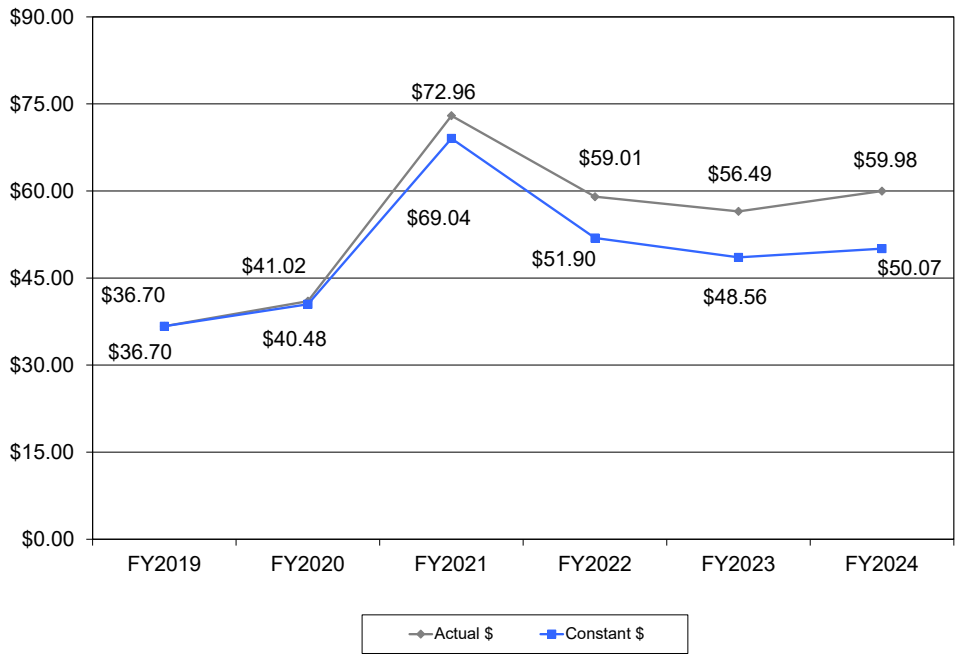
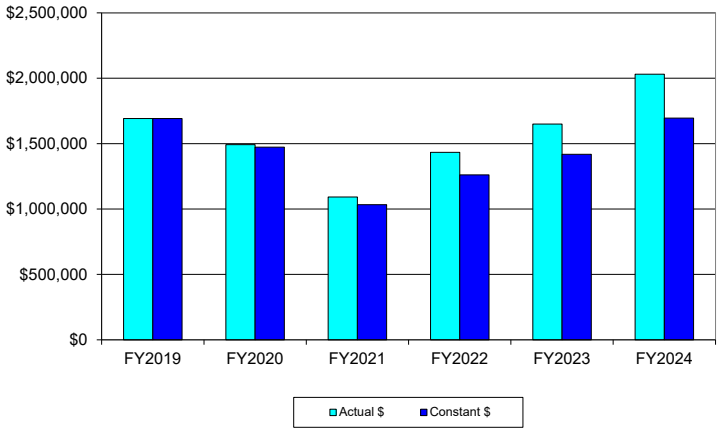


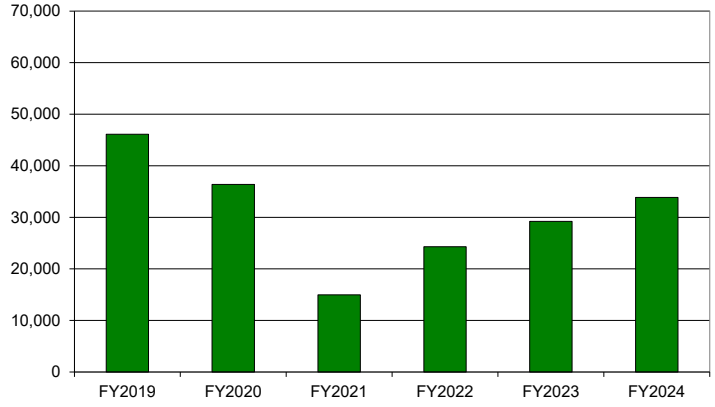
Exhibit 5.3: Operating Cost per Passenger – Paratransit



Operating Cost



Unlinked Passengers



Paratransit Component Costs

The year-to-year changes in selected operating cost categories are presented in Exhibit 5.4, along with the concurrent changes in vehicle service hours. The portions of the cost per vehicle service hour that can be attributed to each included cost component are shown in Exhibit 5.5.

- In-house labor costs increased slightly overall, by 1.7 percent on average per year, even as they varied from year to year between seven and 13 percent of total operating costs.
- At the same time, fringe benefits costs increased by 10.3 percent, and varied from year to year between three and six percent of total operating costs.
- Not surprisingly for a contracted service, purchased transportation accounted for the largest category of costs -- ranging between 75 and 86 percent of total costs depending on the year.
- Purchased transportation costs increased on average by 3.6 percent per year overall. They were reduced annually in the first half of the period, followed by significant annual increases in the last three years.
- Despite some variation from year to year, services, materials/supplies and "other expenses" all posted net increases, ranging between 0.5 and 10.7 percent on average per year. They also remained relatively low in terms of dollar amounts.
- Casualty/Liability costs showed the largest annual change, with a 47 percent increase overall, but constituted less than one percent of total expenses throughout the period.

* * * * *

The following is a brief summary of the component operating costs trend highlights between FY2019 and FY2024:

- Purchased transportation costs represented by far the largest portion of the total costs, ranging between 75 and 86 percent of total costs depending on the year. At the same time, they increased on average by 3.6 percent per year overall.

- In-house labor costs increased slightly overall, but fringe benefits costs increased by 10.3 percent. The former accounted for seven to 13 percent of total operating costs, depending on the year, while the latter accounted for three to six percent.

- Despite some variation from year to year, only relatively minimal expenses were reported for the other component cost categories. However, all categories posted average annual cost increases during the review period.

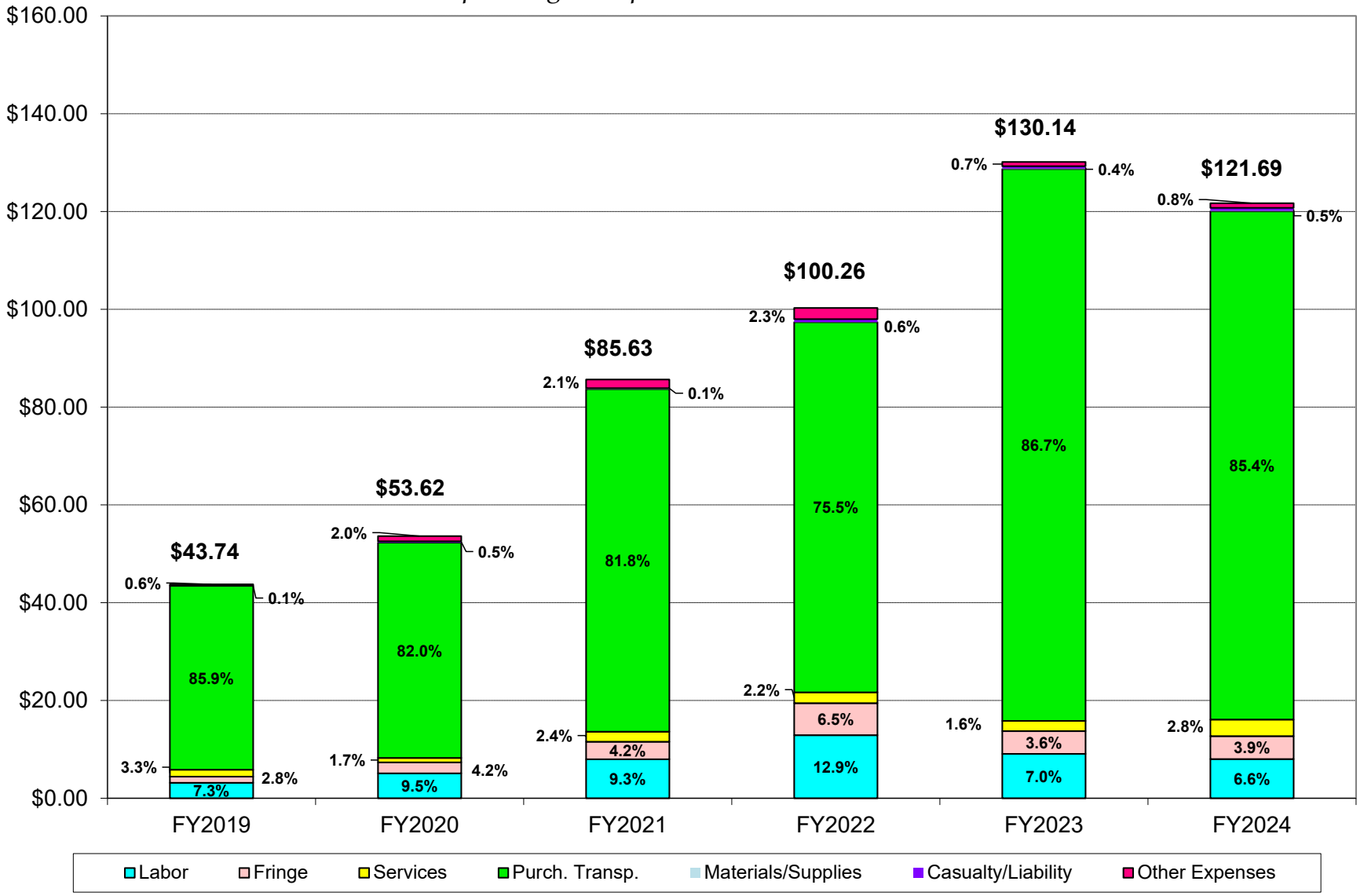
Exhibit 5.4: Component Costs Trends – Paratransit

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	*Av. Ann. Chg.*
COST CATEGORIES							
Labor (Salaries/Wages)	$122,696	$141,754	$101,669	$184,647	$115,161	$133,445	- -
Annual Change	- -	*15.5%*	*-28.3%*	*81.6%*	*-37.6%*	*15.9%*	*1.7%*
Fringe Benefits *(a)*	$48,080	$62,835	$45,591	$93,565	$59,105	$78,518	- -
Annual Change	- -	*30.7%*	*-27.4%*	*105.2%*	*-36.8%*	*32.8%*	*10.3%*
Services	$55,452	$25,216	$26,438	$31,502	$26,473	$56,807	- -
Annual Change	- -	*-54.5%*	*4.8%*	*19.2%*	*-16.0%*	*114.6%*	*0.5%*
Purchased Transportation	$1,453,276	$1,224,381	$892,566	$1,081,879	$1,430,186	$1,734,717	- -
Annual Change	- -	*-15.8%*	*-27.1%*	*21.2%*	*32.2%*	*21.3%*	*3.6%*
Materials/Supplies	$1,762	$1,169	$1,276	$838	$1,906	$2,001	- -
Annual Change	- -	*-33.7%*	*9.2%*	*-34.3%*	*127.4%*	*5.0%*	*2.6%*
Casualty/Liability	$1,464	$7,122	$1,553	$8,222	$6,019	$10,022	- -
Annual Change	- -	*386.5%*	*-78.2%*	*429.4%*	*-26.8%*	*66.5%*	*46.9%*
Other Expenses *(b)*	$9,328	$29,847	$22,426	$32,734	$10,899	$15,535	- -
Annual Change	- -	*220.0%*	*-24.9%*	*46.0%*	*-66.7%*	*42.5%*	*10.7%*
Total	$1,692,058	$1,492,324	$1,091,519	$1,433,387	$1,649,749	$2,031,045	- -
Annual Change	- -	*-11.8%*	*-26.9%*	*31.3%*	*15.1%*	*23.1%*	*3.7%*
OPERATING STATISTICS							
Vehicle Service Hours	38,684	27,833	12,747	14,297	12,677	16,691	- -
	- -	*-28.1%*	*-54.2%*	*12.2%*	*-11.3%*	*31.7%*	*-15.5%*

(a) Also includes paid absences
(b) Includes utilities and miscellaneous expenses

Exhibit 5.5: Distribution of Component Costs – Paratransit

Operating Cost per Vehicle Service Hour



IV. COMPLIANCE WITH PUC REQUIREMENTS

An assessment of LAVTA'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 LAVTA's TDA-STA claim application.

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

Exhibit 6: Compliance with State PUC Requirements

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99251	CHP Certification - The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808 following a CHP inspection of the operator's terminal	In Compliance	Satisfactory Inspections: FY2022: 07/29/2021 FY2023: 07/13/2022 FY2024: 08/18/2023
PUC99264	Operator-to-Vehicle Staffing - The operator does not routinely staff with two or more persons public transportation vehicles designed to be operated by one person	In Compliance	No provision for excess fixed-route service staffing in Agreement with MV Transportation, Inc. 5/3/2018, and in subsequent contract modifications/ extensions. No provision for excess paratransit service staffing in Agreement with Medical Transportation Management, Inc., 5/1/2014, and subsequent contract modifications. No provision for excess paratransit service staffing in Agreement with CCCTA, 7/1/2022
PUC99314.5(e)(1)(2)	Part-Time Drivers and Contracting - If the operator receives STA funds, the operator is not precluded by contract from employing part-time drivers or from contracting with common carriers.	In Compliance	All applicable LAVTA services are contractor operated

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99155	Reduced Fare Eligibility - 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: LAVTA web site (www.wheelsbus.com/fares)
PUC99155.1(a) (1)(2)	Welfare-to-Work - The operator coordinates with county welfare departments in order to ensure that transportation moneys available for purposes of assisting recipients of aid are expended efficiently for the benefit of that population; if a recipient of CalWORKs program funds by the county, the operator shall give priority to the enhancement of public transportation services for welfare-to-work purposes and to the enhancement of transportation alternatives, such as, but not limited to, subsidies or vouchers, van pools, and contract paratransit operations, in order to promote welfare-to-work purposes.	In Compliance	LAVTA sells bus passes to Alameda County for distribution to qualified recipients by County agencies. LAVTA is a stakeholder in the MTC Coordinated Public Transit-Human Services Transportation Plan, directed by MTC as the RTAP and MPO for the Bay Area..

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99314.7, Govt Code 66516, MTC Res. Nos. 3837, 4073	Joint Revenue Sharing Agreement - The operator has current 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	Clipper Agreement (with AC Transit, BART, CCCTA, GGBHTD, SFMTA, SamTrans, Caltrain, FAST, Petaluma, ECCTA, MCTD, NVTA, SolTrans, SCT, SMART, Vacaville, VTA, WCCTA, WETA, Santa Rosa, Union City). Clipper Bay Pass Pilot Program Participation Agreement – 11/1/2023. Regional Transit Discount Card Agreement - 8/28/2013 (with MTC, AC Transit, BART, CCCTA, ECCTA, Golden Gate Transit, SFMTA, Rio Vista, SamTrans, Santa Rosa Transit, Sonoma Transit and VTA); and RTC Amendment 1 – 12/2/2020.
PUC99246(d)	Process for Evaluation of Passenger Needs - The operator has an established process in place for evaluating the needs and types of passengers being served	In Compliance	LAVTA Public Hearing Policies and Procedures Summary LAVTA Short Range Transit Plans Recent fixed-route and dial-a-ride Passenger Satisfaction Surveys Numerous customer outreach efforts and events

V. STATUS OF PRIOR AUDIT RECOMMENDATIONS

LAVTA's prior performance audit was completed in June 2024. 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.

This review would address LAVTA's responses to the recommendations made in the prior performance audit, and whether LAVTA made reasonable progress toward their implementation. However, there were no recommendations made in LAVTA's prior audit.

VI. FUNCTIONAL PERFORMANCE INDICATOR TRENDS

To further assess LAVTA's performance over the past three years, a detailed set of functional area performance indicators was defined. This assessment consists of a three-year trend analysis of the functions in each of the following areas:

- Management, Administration and Marketing
- Service Planning
- Operations
- Maintenance
- Safety

The indicators selected for this analysis were primarily those that were tracked regularly by LAVTA or for which input data were maintained by LAVTA on an on-going basis, such as performance reports, contractor reports, annual financial reports, and NTD reports. As such, there may be some overlap with the TDA indicators examined earlier in the audit process, but most indicators will be different. Some indicators were selected from the California Department of Transportation's Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities as being appropriate for this evaluation. The input statistics for the indicators, along with their sources, are contained in Appendix A at the end of this report.

The trends in performance are presented over the three-year audit period to give an indication of which direction performance is moving for these indicators. The remainder of this section presents the findings from this review. The discussion presents the highlights of performance by mode (Systemwide, Bus Service and Paratransit), each followed by an exhibit illustrating the indicators by function as applicable.

Systemwide (All Modes)

For the purposes of this review, LAVTA's functional indicators relating to Management, Administration and Marketing have been included on a systemwide basis. Systemwide audit period performance is discussed below and presented in Exhibit 7.

- Administrative costs remained at just below fifty percent of total operating costs through the audit period.
- Administrative costs increased from $75.11 per vehicle service hour in the first year to $81.48 in the second year, an increase of 8.5 percent. There was a subsequent decrease to $79.62 in the last year, for a net increase of six percent over the three years.
- The portion of administrative costs attributed to marketing activities increased from about five percent in FY2022 and FY2023 to nearly nine percent by FY2024.
- In terms of passenger trips, marketing costs also were highest in the last year, at 65 cents per trip compared with 50 cents or less earlier in the period.
- The systemwide farebox recovery ratio increased from 10.1 percent in the first year to 11.3 percent the next year, but decreased to 10.8 percent in the last year of the audit.

* * * * *

The following is a brief summary of the systemwide functional trend highlights between FY2022 and FY2024:

- Administrative costs remained at just below fifty percent of total operating costs through the audit period, but showed a net increase of six percent compared to vehicle service hours.
- Marketing costs increased noticeably in FY2024 compared to total administrative costs and passenger trips.

- The systemwide farebox recovery ratio showed a net increase from 10.1 percent to 10.8 percent over the audit period, with slightly higher results in FY2023.

Exhibit 7: Functional Performance Trends – Systemwide (All Modes)

FUNCTION/Indicator	Actual Performance		
	FY2022	FY2023	FY2024
MANAGEMENT, ADMINISTRATION & MARKETING			
Administrative Cost/Total Operating Cost	48.9%	48.9%	49.3%
Annual Percent Change	- -	*0.1%*	*0.8%*
Three Year Percent Change	- -	- -	*0.9%*
Administrative Cost/Vehicle Service Hour	$75.11	$81.48	$79.62
Annual Percent Change	- -	*8.5%*	*-2.3%*
Three Year Percent Change	- -	- -	*6.0%*
Marketing Cost/Total Administrative Cost	5.5%	4.3%	8.8%
Annual Percent Change	- -	*-20.9%*	*103.9%*
Three Year Percent Change	- -	- -	*61.3%*
Marketing Cost/Unlinked Passenger Trip	$0.50	$0.34	$0.65
Annual Percent Change	- -	*-31.4%*	*92.4%*
Three Year Percent Change	- -	- -	*32.1%*
Farebox Recovery Ratio (Farebox Rev./Oper. Cost)	10.1%	11.3%	10.8%
Annual Percent Change	- -	*11.9%*	*-5.3%*
Three Year Percent Change	- -	- -	*6.0%*

Bus Service

LAVTA's bus service functional area trends represent areas of cost efficiency, safety, productivity, and service reliability. Audit period performance is discussed below and presented in Exhibit 8.

- Service Planning
  - The total operating cost per passenger mile decreased steadily from $4.07 in FY2022 to $2.98 in FY2024 (27 percent overall), driven by notable increases in passenger miles in the post-pandemic operating environment.
  - Relatively similar to the systemwide results discussed previously, LAVTA's bus service farebox recovery ratio showed a net increase from 10.4 percent to 11.1 percent over the audit period, with slightly higher results in FY2023.
  - At the same time, the TDA recovery ratio, reflecting farebox revenue plus local support less operating cost exclusions, decreased from 46 percent in FY2022 to 37 percent in FY2024, with even lower results in the interim year.
  - On average about 85 percent of vehicle miles and 90 percent of vehicle hours traveled were in service in all three years.
  - Passengers per vehicle service mile and vehicle service hour both increased steadily, by 32 and 29 percent, respectively, during the audit period.
- Operations
  - Vehicle operations costs decreased slightly from 37.2 percent of total operating costs in FY2022 to 36.1 percent by FY2024.
  - Vehicle operations costs per service hour were almost steady at about $60 in both FY2022 and FY2024, with slightly higher results in the middle year.
  - On-time performance results for the audit period showed a steady decline from 90 percent in FY2022 down to 85 percent by FY2024.
  - The rate of valid complaints regarding the bus service remained at about 11 per 100,000 passenger boardings over the three years. Meanwhile commendations went down overall from 2.3 to 1.4 per 100,000 boardings.

- The incidence of missed trips remained very low throughout the period, despite some increase in the last year to 0.01 percent.

- Maintenance

  - Total maintenance costs remained at about 14 percent of total operating costs through the audit period.

  - Vehicle maintenance costs per service mile also remained relatively constant, ranging between $1.12 and $1.20. over the audit period.

  - The vehicle spare ratio was 27 percent in the first year, but was subsequently reduced to 18 percent, as full service was restored in the post-pandemic operating environment.

  - The mean distance between major failures increased moderately in the second year but declined by ten percent in the last year. At the same time the mean distance between all failures went down in each year, by nearly 50 percent from 32,000 miles in FY2022 to 16,600 miles by FY2024.

- Safety

  - The rate of preventable accidents nearly doubled over the audit period, from 1.2 per 100,000 vehicle miles in FY2022 to 2.2 in FY2024.

* * * * *

The following is a brief summary of the bus service functional trend highlights between FY2022 and FY2024:

- Service Planning results showed an overall 27 percent decrease in the cost per passenger mile, farebox recovery up from 10.4 percent to 11.1 percent, TDA recovery ratio down from 46 percent to 37 percent, on average 85 percent of vehicle miles and 90 percent of vehicle hours in service, and passengers per vehicle service mile and hour both increasing by about 30 percent during the audit period.

- Operations results showed a slight decrease in vehicle operations costs as a portion of total operating costs, little change in vehicle operations costs per hour, on-time performance declining steadily from 90 percent to 85 percent,

and very few missed trips. At the same time, the rate of valid complaints remained at about 11 per 100,000 passenger trips, and commendations went down somewhat overall.

- Maintenance results showed total maintenance costs steady at about 14 percent of total operating costs, with vehicle maintenance costs per service mile also relatively constant. At the same time, the vehicle spare ratio decreased from 27 percent in FY2022 to 18 percent subsequently (with full service being restored post-pandemic), while the mean distance between major mechanical failures declined by ten percent in the last year, and the mean distance between all failures went down by nearly 50 percent to 16,600 miles by FY2024.

- Safety results showed the rate of preventable accidents nearly doubling over the audit period.

Exhibit 8: Functional Performance Trends – Bus Service

FUNCTION/Indicator	Actual Performance		
	FY2022	FY2023	FY2024
SERVICE PLANNING			
Total Operating Cost/Passenger Mile	$4.07	$3.22	$2.98
Annual Percent Change	- -	*-20.9%*	*-7.5%*
Three Year Percent Change	- -	- -	*-26.9%*
Farebox Recovery Ratio (Farebox Rev./Oper. Cost)	10.4%	11.6%	11.1%
Annual Percent Change	- -	*11.2%*	*-4.8%*
Three Year Percent Change	- -	- -	*5.9%*
TDA Recovery Ratio *(a)*	46.0%	24.5%	37.1%
Annual Percent Change	- -	*-46.8%*	*51.5%*
Three Year Percent Change	- -	- -	*-19.3%*
Vehicle Service Miles/Total Miles	85.0%	86.3%	85.5%
Annual Percent Change	- -	*1.5%*	*-0.9%*
Three Year Percent Change	- -	- -	*0.6%*
Vehicle Service Hours/Total Hours	90.4%	90.1%	90.4%
Annual Percent Change	- -	*-0.3%*	*0.3%*
Three Year Percent Change	- -	- -	*0.0%*
Passengers/Vehicle Service Mile	0.7	0.9	0.9
Annual Percent Change	- -	*25.6%*	*5.2%*
Three Year Percent Change	- -	- -	*32.1%*
Passengers/Vehicle Service Hour	9.3	11.4	12.0
Annual Percent Change	- -	*21.9%*	*5.7%*
Three Year Percent Change	- -	- -	*28.8%*
OPERATIONS			
Vehicle Operations Cost/Total Operating Cost	37.2%	36.6%	36.1%
Annual Percent Change	- -	*-1.6%*	*-1.2%*
Three Year Percent Change	- -	- -	*-2.8%*
Vehicle Operations Cost/Vehicle Service Hour	$60.27	$62.58	$60.44
Annual Percent Change	- -	*3.8%*	*-3.4%*
Three Year Percent Change	- -	- -	*0.3%*
On-Time Percentage	90.4%	88.4%	85.0%
Annual Percent Change	- -	*-2.2%*	*-3.9%*
Three Year Percent Change	- -	- -	*-6.0%*
Valid Complaints/100,000 Unlinked Passenger Trips	11.3	11.9	11.3
Annual Percent Change	- -	*5.1%*	*-4.8%*
Three Year Percent Change	- -	- -	*0.1%*
Commendations/100,000 Unlinked Passenger Trips	2.3	1.1	1.4
Annual Percent Change	- -	*-49.7%*	*23.7%*
Three Year Percent Change	- -	- -	*-37.9%*
Missed Trips/Total Trips	0.00%	0.00%	0.01%
Annual Percent Change	- -	*-16.4%*	*153.2%*
Three Year Percent Change	- -	- -	*111.7%*

FUNCTION/Indicator	Actual Performance		
	FY2022	FY2023	FY2024
MAINTENANCE			
Vehicle + Non-Veh. Maint. Cost/Total Operating Cost	14.3%	14.2%	14.6%
Annual Percent Change	- -	*-0.9%*	*2.7%*
Three Year Percent Change	- -	- -	*1.7%*
Vehicle Maintenance Cost/Vehicle Service Mile	$1.17	$1.12	$1.20
Annual Percent Change	- -	*-4.5%*	*7.4%*
Three Year Percent Change	- -	- -	*2.5%*
Spare Vehicles/Total Vehicles	27.7%	18.3%	18.3%
Annual Percent Change	- -	*-33.8%*	*0.0%*
Three Year Percent Change	- -	- -	*-33.8%*
Mean Distance between Major Failures (Miles)	32,035	34,228	30,625
Annual Percent Change	- -	*6.8%*	*-10.5%*
Three Year Percent Change	- -	- -	*-4.4%*
Mean Distance between All Failures (Miles)	32,035	26,106	16,625
Annual Percent Change	- -	*-18.5%*	*-36.3%*
Three Year Percent Change	- -	- -	*-48.1%*
SAFETY			
Preventable Accidents/100,000 Vehicle Miles	1.2	1.3	2.2
Annual Percent Change	- -	*4.0%*	*67.6%*
Three Year Percent Change	- -	- -	*74.3%*

(a) Farebox Revenue plus Local Support/Operating Cost less TDA Allowable Exclusions

Paratransit

LAVTA's paratransit functional area trends represent mostly similar areas to the bus service. Audit period performance is discussed below and presented in Exhibit 9.

- Service Planning
  - Operating costs per passenger mile decreased overall by eight percent, from $9.69 in the first year to $8.95 by FY2024.
  - The paratransit farebox recovery ratio remained in a range of 7.0 to 8.5 percent through the audit period. This was also the case for the TDA recovery ratio, as there was no reported local support or operating cost exclusions.
  - About 83 percent of all vehicle miles traveled were in service in the first two years, followed by a sharp increase to 95 percent in FY2024.
  - About 90 percent of all vehicle hours were in service in both FY2022 and FY2024, though FY2023 results were lower (85 percent).
  - Passengers per vehicle service mile increased in each audit year, by 14 percent overall, while passengers per vehicle service hour showed a net increase of nearly 20 percent.
- Operations
  - Vehicle operations costs accounted for about 27 percent of total operating costs in both FY2022 and FY2024, though they reached 32 percent in the interim year.
  - Vehicle operations costs per service hour increased significantly overall, from $26.92 in the first year to $33.18 in the last year (nearly 25 percent), with even higher results in FY2023.
  - Schedule adherence improved overall, from 96 to 98 percent over the period, despite an interim reduction to just under 90 percent in FY2023.
  - The incidence of valid complaints per 1,000 passenger trips decreased from about 1.2 in the first two years to 0.8 in FY2024. Meanwhile, commendations increased overall (from 0.04 to 0.09 per 1,000 riders).

- Missed trips as percentage of total trips remained very low through the period, with FY2024 results even better than earlier.

- There were no ADA trip denials reported.

- The rate of trip cancellations increased in each year, and was up by 33 percent overall during the period, to 34.1 percent of total ADA trips in FY2024. However, these results reflect increased usage of a smartphone app introduced by LAVTA during the audit period, which allows paratransit customers to easily book and cancel trips without having to talk to a customer service representative. LAVTA has not found the advance cancellations function in the smartphone app to be disruptive to service.

- The incidence of late trip cancellations went down in each year, by nearly 40 percent overall.

- Passenger no-shows decreased through the period, from more than two percent of total ADA trips in the first two years to 1.9 percent in FY2024.

- Maintenance

  - Total maintenance costs compared to total operating costs increased in each year, from 20.4 percent in FY2022 to 23.0 percent in FY2024.

  - Vehicle maintenance costs per service mile also increased in each year, from $1.46 to $1.91, an increase of 31 percent.

  - The paratransit vehicle spare ratio was reduced from 14.3 percent in FY2022 to 9.1 percent in FY2023 and 7.7 percent in FY2024, as service demand continued its post-pandemic recovery.

  - The mean distance between major failures improved considerably over the audit period, more than doubling. However, the mean distance between all failures declined by 41 percent between FY2022 and FY2023, though there was some rebounding in the last year.

- Safety

  - Audit period results for the rate of preventable accidents reflected a single such accident in FY2022 and none in either of the next two years.

* * * * *

The following is a brief summary of the paratransit functional trend highlights between FY2022 and FY2024:

- Service Planning results showed an overall eight percent decrease in the cost per passenger mile, farebox recovery and TDA recovery both in a range of 7.0 to 8.5 percent, an increase from 83 to 95 percent of vehicle miles in service in FY2024, 90 percent of vehicle hours in service in the first and last years (85 percent in between), and passengers per vehicle service mile increasing by 14 percent while passengers per hour increased by nearly 20 percent.

- Operations results showed vehicle operations costs accounting for 27 percent of total operating costs in both FY2022 and FY2024 (32 percent in between), and a significant net increase of nearly 25 percent in vehicle operations cost per hour. By FY2024, schedule adherence improved to 98 percent, the rate of valid complaints was reduced while commendations increased, and the very low incidence of missed trips was even lower. There were no ADA trip denials during the audit period. The rate of trip cancellations rose in each year, by one-third overall, but this reflects increased usage of a new smartphone trip booking/cancellation app that LAVTA has not found to be disruptive to service. Late trip cancellations and passenger no-shows were both reduced.

- Maintenance results showed total maintenance costs compared to total operating costs increasing in each year, to 23 percent by FY2024. At the same time vehicle maintenance costs per service mile increased by 31 percent. The spare ratio was reduced from 14.3 percent in the first year to 7.7 percent in the last year, as service demand has been recovering. The mean distance between major mechanical failures more than doubled over the period, but the mean distance between all failures declined significantly.

- Safety results reflected a single preventable accident in FY2022 and none in the next two years.

Exhibit 9: Functional Performance Trends – Paratransit

FUNCTION/Indicator	Actual Performance		
	FY2022	FY2023	FY2024
SERVICE PLANNING			
Total Operating Cost/Passenger Mile	$9.69	$7.90	$8.95
Annual Percent Change	- -	*-18.5%*	*13.4%*
Three Year Percent Change	- -	- -	*-7.6%*
Farebox Recovery Ratio (Farebox Rev./Oper. Cost)	7.0%	8.5%	7.8%
Annual Percent Change	- -	*20.9%*	*-7.9%*
Three Year Percent Change	- -	- -	*11.3%*
TDA Recovery Ratio *(a)*	7.4%	8.5%	7.8%
Annual Percent Change	- -	*15.5%*	*-7.9%*
Three Year Percent Change	- -	- -	*6.3%*
Vehicle Service Miles/Total Miles	83.9%	82.5%	95.5%
Annual Percent Change	- -	*-1.7%*	*15.7%*
Three Year Percent Change	- -	- -	*13.8%*
Vehicle Service Hours/Total Hours	90.3%	85.1%	91.2%
Annual Percent Change	- -	*-5.8%*	*7.2%*
Three Year Percent Change	- -	- -	*1.0%*
Passengers/Vehicle Service Mile	0.13	0.14	0.15
Annual Percent Change	- -	*3.9%*	*10.1%*
Three Year Percent Change	- -	- -	*14.3%*
Passengers/Vehicle Service Hour	1.70	2.30	2.03
Annual Percent Change	- -	*35.6%*	*-11.9%*
Three Year Percent Change	- -	- -	*19.4%*
OPERATIONS			
Vehicle Operations Cost/Total Operating Cost	26.8%	32.6%	27.3%
Annual Percent Change	- -	*21.5%*	*-16.4%*
Three Year Percent Change	- -	- -	*1.6%*
Vehicle Operations Cost/Vehicle Service Hour	$26.92	$42.45	$33.18
Annual Percent Change	- -	*57.7%*	*-21.8%*
Three Year Percent Change	- -	- -	*23.3%*
On-Time Percentage	96.4%	89.6%	97.9%
Annual Percent Change	- -	*-7.0%*	*9.2%*
Three Year Percent Change	- -	- -	*1.5%*
Valid Complaints/1,000 Unlinked Passenger Trips	1.11	1.27	0.80
Annual Percent Change	- -	*14.0%*	*-37.1%*
Three Year Percent Change	- -	- -	*-28.3%*
Commendations/1,000 Unlinked Passenger Trips	0.04	0.00	0.09
Annual Percent Change	- -	*-100.0%*	- -
Three Year Percent Change	- -	- -	*115.2%*
Missed Trips/Total Trips	0.071%	0.071%	0.031%
Annual Percent Change	- -	*-0.8%*	*-55.6%*
Three Year Percent Change	- -	- -	*-56.0%*

FUNCTION/Indicator	Actual Performance		
	FY2022	FY2023	FY2024
OPERATIONS, *continued*			
ADA Trip Denials/Total ADA Trips	0.0%	0.0%	0.0%
Annual Percent Change	- -	- -	- -
Three Year Percent Change	- -	- -	- -
Trip Cancellations/Total ADA Trips	25.6%	32.1%	34.1%
Annual Percent Change	- -	*25.4%*	*6.3%*
Three Year Percent Change	- -	- -	*33.3%*
Late Trip Cancellations/Total ADA Trips	6.1%	5.9%	3.7%
Annual Percent Change	- -	*-2.8%*	*-38.2%*
Three Year Percent Change	- -	- -	*-39.9%*
No-Shows/Total ADA Trips	2.6%	2.7%	1.9%
Annual Percent Change	- -	*0.6%*	*-28.7%*
Three Year Percent Change	- -	- -	*-28.3%*
MAINTENANCE			
Vehicle + Non-Veh. Maint. Cost/Total Operating Cost	20.4%	21.4%	23.0%
Annual Percent Change	- -	*5.0%*	*7.3%*
Three Year Percent Change	- -	- -	*12.7%*
Vehicle Maintenance Cost/Vehicle Service Mile	$1.46	$1.52	$1.91
Annual Percent Change	- -	*4.2%*	*25.7%*
Three Year Percent Change	- -	- -	*31.0%*
Spare Vehicles/Total Vehicles	14.3%	9.1%	7.7%
Annual Percent Change	- -	*-36.4%*	*-15.4%*
Three Year Percent Change	- -	- -	*-46.2%*
Mean Dist. betw. Major Failures (Miles)	109,879	129,376	235,499
Annual Percent Change	- -	*17.7%*	*82.0%*
Three Year Percent Change	- -	- -	*114.3%*
Mean Dist. betw. All Failures (Miles)	73,253	43,125	58,875
Annual Percent Change	- -	*-41.1%*	*36.5%*
Three Year Percent Change	- -	- -	*-19.6%*
SAFETY			
Preventable Accidents/100,000 Vehicle Miles	0.46	0.00	0.00
Annual Percent Change	- -	*-100.0%*	- -
Three Year Percent Change	- -	- -	*-100.0%*

(a) Farebox Revenue plus Local Support/Operating Cost less TDA Allowable Exclusions

VII. CONCLUSIONS AND RECOMMENDATIONS

The preceding sections presented a review of LAVTA's transit service performance during the three-year period of FY2022 through FY2024 (July 1, 2021 through June 30, 2024). They focused on TDA compliance issues including trends in TDA-mandated performance indicators and compliance with selected sections of the state Public Utilities Code (PUC). They also provided the findings from an overview of LAVTA's data collection activities to support the TDA indicators, actions taken to implement recommendations from the prior performance audit, and a review of selected key functional performance results.

Conclusions

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

Data Collection – LAVTA is in compliance with the data collection and reporting requirements for the TDA statistics. In addition, the statistics collected over the six-year review period appear to be consistent with the TDA definitions and indicate general consistency in terms of the direction and magnitude of the year-to-year changes across the statistics, especially when taking into account the impacts of the recent Covid-19 pandemic on service provision and ridership.

However, there were notable inconsistencies between reported paratransit operating costs, hours, and miles toward the end of the review period. In FY2023, paratransit vehicle service hours decreased by 11 percent compared with the prior year, even as operating costs and vehicle service miles both increased by 15 percent. In FY2024, paratransit operating costs increased by 23 percent over FY2023, and vehicle service hours by nearly 32 percent, while vehicle service miles increased by only five percent. It

is noted that LAVTA's paratransit operating statistics covering those two years were obtained from monthly billing documentation provided by the operating contractor (County Connection), in lieu of LAVTA's NTD reports. LAVTA no longer includes that information in its NTD reports. Rather, it is consolidated with County Connection's own NTD reporting for paratransit.

TDA Performance Trends – LAVTA'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.

- Bus Service TDA Performance Indicators – The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2019 through FY2024:
  - There was an average annual increase in the operating cost per hour of 6.6 percent, which amounted to a 2.9 percent increase in inflation adjusted dollars.
  - Passenger productivity showed modestly negative trends, with passengers per vehicle service hour and mile both decreasing by around one percent per year overall. These trends were also specifically influenced by the drop off in ridership in FY2021.
  - The cost per passenger increased on average by 8.6 percent per year, which amounted to an average annual increase of 4.8 percent in constant FY2019 dollars. The trend was specifically influenced by a major drop-off in ridership in FY2021, the first full year of the COVID pandemic.
- Bus Service Component Costs – The following is a brief summary of the component operating costs trend highlights for the bus service between FY2019 and FY2024:
  - The most significant change was an average annual increase of 17 percent in the services area. Services costs accounted for five to ten percent of total costs, depending on the year.

- In-house labor costs increased by 2.8 percent annually, while varying between seven and ten percent of total costs from year to year. Meanwhile, fringe benefits expenses went up by 10 percent on average per year.

- Purchased transportation costs represented the largest portion of the total costs, with its share between 60 and 66 percent.

- The materials/supplies, casualty/liability and "other costs" categories all showed relatively moderate changes per year on average (increases of two to three percent).

- Paratransit TDA Performance Indicators – The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2019 through FY2024:

  - For cost efficiency, there was an average annual increase in the operating cost per hour of 22.7 percent. This amounted to an annual increase of 18.4 percent in inflation adjusted dollars. The overall trend was reflective of major service adjustments to meet changing demand during the COVID pandemic.

  - Passenger productivity showed general improvement, with passengers per hour increasing by 11.2 percent annually and passengers per mile increasing by 6.4 percent.

  - In terms of cost effectiveness, the operating cost per passenger showed a significant increase of ten percent per year on average, or 6.4 percent when normalized in FY2019 dollars. The period high of $72.96 occurred in FY2021, when ridership dropped off precipitously during the first full year of the COVID pandemic.

- Paratransit Component Costs – The following is a brief summary of the component operating costs trend highlights for paratransit between FY2019 and FY2024:

  - Purchased transportation costs represented by far the largest portion of the total costs, ranging between 75 and 86 percent of total costs depending on the year. At the same time, they increased on average by 3.6 percent per year overall.

  - In-house labor costs increased slightly overall, but fringe benefits costs increased by 10.3 percent. The former accounted for seven to 13 percent of

total operating costs, depending on the year, while the latter accounted for three to six percent.

- Despite some variation from year to year, only relatively minimal expenses were reported for the other component cost categories. However, all categories posted average annual cost increases during the review period.

Compliance with Statutory Requirements – LAVTA is in compliance with the sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, Welfare-to-Work, revenue sharing, and evaluating passenger needs.

Status of Prior Audit Recommendations – There were no recommendations made in LAVTA's prior performance audit.

Functional Performance Indicator Trends – To further assess LAVTA's performance over the past three years, a detailed set of systemwide and modal functional area performance indicators was defined and reviewed.

- Systemwide (All Modes) – The following is a brief summary of the systemwide functional trend highlights between FY2022 and FY2024:
  - Administrative costs remained at just below fifty percent of total operating costs through the audit period, but showed a net increase of six percent compared to vehicle service hours.
  - Marketing costs increased noticeably in FY2024 compared to total administrative costs and passenger trips.
  - The systemwide farebox recovery ratio showed a net increase from 10.1 percent to 10.8 percent over the audit period, with slightly higher results in FY2023.
- Bus Service – The following is a brief summary of the bus service functional trend highlights between FY2022 and FY2024:

- Service Planning results showed an overall 27 percent decrease in the cost per passenger mile, farebox recovery up from 10.4 percent to 11.1 percent, TDA recovery ratio down from 46 percent to 37 percent, on average 85 percent of vehicle miles and 90 percent of vehicle hours in service, and passengers per vehicle service mile and hour both increasing by about 30 percent during the audit period.

- Operations results showed a slight decrease in vehicle operations costs as a portion of total operating costs, little change in vehicle operations costs per hour, on-time performance declining steadily from 90 percent to 85 percent, and very few missed trips. At the same time, the rate of valid complaints remained at about 11 per 100,000 passenger trips, and commendations went down somewhat overall.

- Maintenance results showed total maintenance costs steady at about 14 percent of total operating costs, with vehicle maintenance costs per service mile also relatively constant. At the same time, the vehicle spare ratio decreased from 27 percent in FY2022 to 18 percent subsequently (with full service being restored post-pandemic), while the mean distance between major mechanical failures declined by ten percent in the last year, and the mean distance between all failures went down by nearly 50 percent to 16,600 miles by FY2024.

- Safety results showed the rate of preventable accidents nearly doubling over the audit period.

- Paratransit – The following is a brief summary of the paratransit functional trend highlights between FY2022 and FY2024:

  - Service Planning results showed an overall eight percent decrease in the cost per passenger mile, farebox recovery and TDA recovery both in a range of 7.0 to 8.5 percent, an increase from 83 to 95 percent of vehicle miles in service in FY2024, 90 percent of vehicle hours in service in the first and last years (85 percent in between), and passengers per vehicle service mile increasing by 14 percent while passengers per hour increased by nearly 20 percent.

  - Operations results showed vehicle operations costs accounting for 27 percent of total operating costs in both FY2022 and FY2024 (32 percent in between), and a significant net increase of nearly 25 percent in vehicle operations cost per hour. By FY2024, schedule adherence improved to 98

percent, the rate of valid complaints was reduced while commendations increased, and the very low incidence of missed trips was even lower. There were no ADA trip denials during the audit period. The rate of trip cancellations rose in each year, by one-third overall, but this reflects increased usage of a new smartphone trip booking/cancellation app that LAVTA has not found to be disruptive to service. Late trip cancellations and passenger no-shows were both reduced.

- Maintenance results showed total maintenance costs compared to total operating costs increasing in each year, to 23 percent by FY2024. At the same time vehicle maintenance costs per service mile increased by 31 percent. The spare ratio was reduced from 14.3 percent in the first year to 7.7 percent in the last year, as service demand has been recovering. The mean distance between major mechanical failures more than doubled over the period, but the mean distance between all failures declined significantly.

- Safety results reflected a single preventable accident in FY2022 and none in the next two years.

Recommendations

1. DEVELOP AND IMPLEMENT FURTHER STRATEGIES TO IMPROVE SCHEDULE ADHERENCE ON THE BUS SERVICE.
[Reference Section: VI. Functional Performance Indicator Trends]

   On-time performance results reported for LAVTA's bus service during the audit period showed a steady decline from 90 percent in FY2022 down to 85 percent by FY2024. It is recognized that the latter level of performance is still relatively positive, and LAVTA continued to meet its established 85 percent target. Further, LAVTA reported that maintaining and improving schedule reliability remains a top priority, as it directly impacts the rider experience, and LAVTA has several ongoing programs and activities in place to support this goal.

Nonetheless, in order to reverse the audit period trend and provide more reliable service overall, LAVTA and its contractor should continue to look at opportunities to improve on-time performance as part of the regular bus service planning process. These efforts could include additional monitoring activities to identify the causes of service delays, and plans for addressing the circumstances found that are hindering on-time operations.

2. CONTINUE EXAMINING MAINTENANCE ACTIVITIES AND DEVELOPING TARGETED STRATEGIES TO ADDRESS INCREASING MECHANICAL FAILURE RATES.
[Reference Section: VI. Functional Performance Indicator Trends]

Maintenance results for LAVTA's bus and paratransit services showed service reliability generally declining over the audit period, though these trends were mostly not associated with major failures. For the bus service, the mean distance between all failures went down in each year, by nearly 50 percent from 32,000 miles in FY2022 to 16,600 miles by FY2024. At the same time the mean distance between all paratransit failures declined by 41 percent between FY2022 and FY2023, though there was some rebounding in the last year.

LAVTA is aware of these downward trends and noted specifically that it has recently begun working with its contractor to address the issue. LAVTA has undertaken a thorough review of preventive maintenance records to ensure full compliance with contractual maintenance standards, and conducted detailed analyses to determine if certain vehicle types are disproportionately contributing to the trends. In addition, LAVTA is working to replace several older buses, thereby lowering the average fleet

age and presumably improving service reliability. In any event, LAVTA should continue its efforts to improve its maintenance function and collaborate with its contractor to increase overall vehicle reliability.

3. TAKE ADDITIONAL STEPS TO REDUCE PREVENTABLE ACCIDENTS ON LAVTA'S BUS SERVICE.
[Reference Section: VI. Functional Performance Indicator Trends]

The rate of preventable accidents on LAVTA's bus system nearly doubled over the audit period, from 1.2 per 100,000 vehicle miles in FY2022 to 2.2 in FY2024. LAVTA acknowledged this trend and suggested that in the post-COVID operating environment, there has been increased traffic congestion and thus a higher risk of traffic accidents, not totally within LAVTA's control. Even so, LAVTA reported that it has been working with the contractor to deploy a comprehensive, multi-faceted strategy to reduce accidents. The latter so far includes updating and enhancing the new hire operator training course, hosting various safety campaigns, and implementing advanced driver monitoring tools. LAVTA anticipates these steps will ultimately prove successful, but it may take some time.

In the meantime, the recent increases still point to a potentially burgeoning safety issue, and LAVTA and its operating contractor should include additional strategies to improve operator training, identify external environmental hazards and enhance monitoring activities, to ensure that safety issues are recognized and corrected before they have a chance to escalate further.

APPENDIX A:
INPUT STATISTICS FOR
FUNCTIONAL PERFORMANCE MEASURES

Functional Performance Inputs - Systemwide (All Modes)

Data Item	FY2022	FY2023	FY2024	Source
Total Operating Costs	$16,037,494	$18,860,604	$20,851,715	NTD F-40
Administrative Costs	$7,839,077	$9,229,767	$10,287,289	NTD F-40
Vehicle Service Hours	104,365	113,275	129,207	NTD MR-20/S-10; DR contractor billing
Marketing Costs	$428,934	$399,599	$908,134	LAVTA CAFR Financial Trends
Unlinked Passenger Trips	865,634	1,174,720	1,387,670	NTD MR-20/S-10; DR contractor billing
Farebox Revenue (All Modes)	$1,626,959	$2,140,652	$2,242,287	NTD F-10

Functional Performance Inputs – Bus Service

Data Item	FY2022	FY2023	FY2024	Source
Vehicle Service Miles	1,225,468	1,328,472	1,492,650	NTD MR-20/S-10 MB
Total Vehicle Miles	1,441,595	1,540,244	1,745,604	NTD S-10 MB
Vehicle Service Hours	90,069	100,598	112,516	NTD MR-20/S-10 MB
Total Vehicle Hours	99,667	111,598	124,503	NTD S-10 MB
Unlinked Passenger Trips	841,343	1,145,515	1,353,810	NTD MR-20/S-10 MB
Farebox Revenue	$1,525,962	$2,000,118	$2,082,960	NTD F-10
Total Operating Costs	$14,604,107	$17,210,855	$18,820,670	NTD F-30 MB
Passenger Miles	3,584,092	5,341,240	6,316,183	NTD S-10 MB
Vehicle Operations Costs	$5,428,647	$6,295,918	$6,800,534	NTD F-30 MB
Local Support (TDA Article 4 services only) (a)	$5,198,802	$2,218,181	$4,907,462	ACFR
TDA Oper. Cost Exclusions - PUC 99247 (b)	$0	$0	$0	LAVTA Staff
TDA Oper. Cost Exclusions - PUC 99268.17 (c)	$0	$0	$0	LAVTA Staff
Trips On-Time	541,371	566,451	619,870	CAD/AVL
Total Trips	598,694	640,803	729,399	CAD/AVL
Total Complaints	101	137	154	Cust. Comments Database
Valid Complaints	95	136	153	Cust. Comments Database
Compliments	19	13	19	Cust. Comments Database
Missed Trips	19	17	49	Monthly Invoice
Vehicle Maintenance Costs	$1,433,368	$1,483,608	$1,790,346	NTD F-30 MB
Non-Vehicle Maintenance Costs	$659,246	$960,058	$953,141	NTD F-30 MB
Spare Vehicles (Total less Maximum Service)	18	11	11	NTD S-10 MB
Total Vehicles	65	60	60	NTD S-10 MB

Data Item	FY2022	FY2023	FY2024	Source
Revenue Vehicle Mechanical System Failures - Total	45	59	105	NTD R-20
Revenue Vehicle Mechanical System Failures - Major	45	45	57	NTD R-20
Preventable Accidents	18	20	38	Monthly Board Stats/ Accident Reports

(a) Local Support includes the following (USOA revenue class in parentheses):

- *Auxiliary transportation revenue (406)*
- *Taxes directly levied (408)*
- *Local cash grants and reimbursements (409)*
- *Local special fare assistance (410)*
- *Subsidy from other sectors of operation (440)*
- *Data for FY2017 is estimated*

(b) Operating expense object classes exclusive of the following pursuant to PUC Section 99247:

- *depreciation and amortization expenses*
- *subsidies for commuter rail services operated on railroad lines under the jurisdiction of the Federal Railroad Administration*
- *costs for providing charter services*
- *vehicle lease costs*
- *principal and interest payments on capital projects funded with certificates of participation*

(c) Operating expense object class exclusions pursuant to PUC Section 99268.17:

- *additional operating costs for federally required ADA paratransit service that exceed prior year costs (CPI adjusted)*
- *cost increases beyond the CPI change for: fuel; alternative fuel programs; power (including electricity); insurance premiums/liability claims payouts; state and federal mandates*
- *start-up costs for new services (not more than two years)*

Functional Performance Inputs – Paratransit

Data Item	FY2022	FY2023	FY2024	Source
Vehicle Service Miles	184,451	213,474	224,859	NTD S-10; DR contractor billing
Total Vehicle Miles	219,758	258,752	235,499	TDA Claim; DR contractor billing
Vehicle Service Hours	14,297	12,677	16,691	NTD S-10; DR contractor billing
Total Vehicle Hours	15,833	14,905	18,306	TDA Claim; DR contractor billing
Unlinked Passenger Trips	24,291	29,205	33,860	NTD S-10; DR contractor billing
Farebox Revenue	$100,997	$140,534	$159,327	NTD F-10
Total Operating Costs	$1,433,387	$1,649,749	$2,031,045	NTD F-30 DR
Passenger Miles	147,888	208,883	226,841	NTD FFA-10; contractor billing
Vehicle Operations Costs	$384,832	$538,080	$553,761	NTD F-30 DR
Local Support (TDA Article 4 services only) *(a)*	$4,758	$0	$0	ACFR
TDA Oper. Cost Exclusions - PUC 99247 *(b)*	$0	$0	$0	LAVTA Staff
TDA Oper. Cost Exclusions - PUC 99268.17 *(c)*	$0	$0	$0	LAVTA Staff
Trips On-Time	96.4%	89.6%	97.9%	Trapeze PASS; contractor billing
Total Trips	22,454	26,892	31,902	Trapeze PASS; contractor billing
Total Complaints	50	53	56	Customer Service Database
Valid Complaints	27	37	27	Customer Service Database
Compliments	1	0	3	Monthly Board Stats
Missed Trips	16	19	10	Trapeze PASS; contractor billing
Total ADA Trips	22,454	26,892	31,902	Trapeze PASS; contractor billing
ADA Trip Denials	0	0	0	Trapeze PASS; contractor billing
Trip Cancellations	5,749	8,633	10,884	Trapeze PASS; contractor billing
Late Trip Cancellations	1,367	1,592	1,168	Trapeze PASS; contractor billing
No Shows	592	713	603	Trapeze PASS; contractor billing

Data Item	FY2022	FY2023	FY2024	Source
Vehicle Maintenance Costs	$268,662	$324,045	$428,994	NTD F-30 DR
Non-Vehicle (Facility) Maintenance Costs	$23,662	$29,128	$37,650	NTD F-30 DR
Spare Vehicles (Total less Maximum Service)	1	1	1	Contractor reporting
Total Vehicles	7	11	13	Contractor reporting
Revenue Vehicle Mechanical System Failures - Total	3	6	4	Contractor reporting
Revenue Vehicle Mechanical System Failures - Major	2	2	1	Contractor reporting
Preventable Accidents	1	0	0	Monthly Board Stats; contractor billing

(a) Local Support includes the following (USOA revenue class in parentheses):

- *Auxiliary transportation revenue (406)*
- *Taxes directly levied (408)*
- *Local cash grants and reimbursements (409)*
- *Local special fare assistance (410)*
- *Subsidy from other sectors of operation (440)*
- *Data for FY2017 is estimated*

(b) Operating expense object classes exclusive of the following pursuant to PUC Section 99247:

- *depreciation and amortization expenses*
- *subsidies for commuter rail services operated on railroad lines under the jurisdiction of the Federal Railroad Administration*
- *costs for providing charter services*
- *vehicle lease costs*
- *principal and interest payments on capital projects funded with certificates of participation*

(c) Operating expense object class exclusions pursuant to PUC Section 99268.17:

- *additional operating costs for federally required ADA paratransit service that exceed prior year costs (CPI adjusted)*
- *cost increases beyond the CPI change for: fuel; alternative fuel programs; power (including electricity); insurance premiums/liability claims payouts; state and federal mandates*
- *start-up costs for new services (not more than two years)*